

### DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

#### **TIMBER SALE PROSPECTUS #4763**

SCHEDULED SALE DATE AND TIME: 3:00 p.m. (local time) on October 31, 2012. LOCATION: GAYLORD FIELD OFFICE, 1732 WEST M-32, GAYLORD, MI 49735.

PROSPECTUS NOTE: The bidder is advised to inspect the sale area and review the location, estimated volumes, operating costs and contract terms of proposed sales. Please be aware that some landowners may request 60 days or more notice for access across their land.

Notice is hereby given that bids will be received by the Unit Manager, GAYLORD MANAGEMENT UNIT, for certain timber on the following described lands:

OAKY SMOKEY HARDWOODS (52-002-12-01) / T29N, R04W, SEC. 25, SESE.

T29N, R04W, SEC. 36, NE 1/4 AND SWSE, SESW.

Otsego County, Advertised Price \$30,795.50, 91.0 Acres

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through other public land.

GRIZ DOG ASPEN (52-004-12-01) / T29N, R04W, SEC. 23, S1/2NW,N1/2SW,SESW.

T29N, R04W, SEC. 25, SENW, NESW, SWNE, NWSE, SENE.

T29N, R04W, SEC. 26, NW1/4, W1/2SW, SWNE.

Otsego County, Advertised Price \$39,241.75, 147.0 Acres

SALE NOTE: Snowmobile trail runs through the sale.

A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions. Access may be through private or state forest land.

<u>HUMDINGER RED PINE</u> (52-005-12-01) / T31N, R04W, SEC. 05, N1/2NW, SW/NW, SW, W1/2SE. Otsego County, Advertised Price \$99,077.25, 64.0 Acres

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through state forest land.

#### BID INSTRUCTIONS (VER. 02/13/2012):

#### 1. Scheduled Bid Location, Date, and Time (2/11)

Bids must be received by the Unit Manager, GAYLORD OFFICE, 1732 WEST M-32, GAYLORD, MI 49735, no later than 3:00 p.m. (local time) on October 31, 2012. For further information concerning this sale, contact Joyce Angel at 989-732-3541 extension 5440.

#### 2. Bidder's Qualifications (2/12)

Purchaser shall obtain workers compensation insurance to cover claims under Michigan's Worker's Disability Compensation Act of 1969 or similar employee benefit act of any other state applicable to an employee. If all or part of a timber sale was prepared by a private contractor, that contractor and that contractor's company are not permitted to bid on the timber sale contract. Bids will not be accepted from individuals or companies appearing on the DNR/FRD No-Bid List. This list contains the names of purchasers who previously failed to execute a contract within 21-days or who have a history of poor performance.

#### 3. Preparation of Sealed Bids (1/11)

Bids shall be manually signed in ink; bid prices must be entered for each species and product in the Bid Price column for all material subject to bidding; and all fill-in blanks must be completed. If erasures or other changes appear on the forms, each erasure or change must be initialed by the person signing the bid.

#### 4. Submission of Sealed Bids (6/11)

Bid forms may be obtained from the Unit Manager. All bids must be submitted on the bid form and in an envelope clearly identified as described in this section. NOTE: Only one bid form per bid envelope. Sealed bids must be submitted to the Unit office designated in the prospectus and must be submitted at or prior to the time established in the prospectus. The envelope should show on the outside (a) the sale name or number and (b) the date and time of bid opening as shown in the prospectus. Bids received after the time specified in the sale prospectus are late bids and will be rejected.

#### 5. Public Opening of Sealed Bids (1/11)

If conditions permit, the sealed bids will be publicly opened and posted at the time and place set in the prospectus.

#### 6. Award of Contract (1/11)

Award of the contract will be made to the Bidder whose bid, conforming to the prospectus, is most advantageous to the State of Michigan on the basis of total value at rates bid for the estimated quantities. The State reserves the right to reject any bid or waive any minor irregularity in bids received. A written award mailed (or otherwise furnished) to the successful Bidder shall be deemed to result in a binding contract without further action by either party.

#### 7. Down Payment (1/11)

The Bidder to whom award is made must make a down payment within 21 days of the sale award. The amount of the down payment will be calculated as shown in the Bond and Payment Schedule of this prospectus. Only cash may be used to meet this requirement.

#### 8. Performance Security (1/11)

As guarantee of faithful performance, a cash bond, certificate of deposit, surety bond or irrevocable letter of credit (LOC) is required within 21 days of the sale award. The amount of the performance security is shown in the Bond and Payment Schedule of this prospectus. If an LOC or surety is used, the coverage must extend for at least 6 months beyond the contract expiration.

#### 9. Timber Sale Contract (1/11)

Additional conditions and requirements common to all timber sales are listed on the timber sale contract (R4031) and are available on line at www.michigan.gov/dnr. Contact the Unit Manager for additional information or a sample contract. Within 21 days of the date of the award letter, the bidder must sign the contract and provide the required down payment, performance security, and verification of worker's disability compensation. The down payment and performance security shall be in accordance with the provisions of the timber sale contract, in the sums stated in this prospectus. If these actions are not taken, then the Bidder, the Bidder's corporation, and the corporation's principals may not be permitted to bid on State timber sales for a period of 1 year. In addition, the Bidder certifies that if awarded this contract, the Bidder will complete the timber sale contract in accordance with its terms and any modifications thereof including requirements to purchase, cut, and remove

the included timber by the termination date.

#### 10. Disclaimer of Estimates and Bidder's Warranty of Inspection (1/11)

Before submitting this bid, the Bidder is advised and cautioned to inspect the sale area, review the requirements of the sale contract, and take other steps as may be reasonably necessary to ascertain the location, estimated volumes, construction estimates, and operating costs of the proposed sale. Failure to do so will not relieve the Bidder from responsibility for completing the contract.

The Bidder warrants that this bid is submitted solely on the basis of the Bidder's examination and inspection of the quality and quantity of the timber offered for sale and the Bidder's opinion of the value thereof and the costs of recovery. No reliance should be placed on the State of Michigan's estimates of timber quality, quantity or costs of recovery. Bidder further acknowledges that the State of Michigan: (i) expressly disclaims any warranty of fitness of timber for any purpose; (ii) offers this timber as is without any warranty of quality (merchantability) or quantity and (iii) expressly disclaims any warranty as to the quantity or quality of timber sold.

#### 11. Certification and Chain-of-Custody (10/11)

Unless otherwise indicated in the contract under section 7 – Other Conditions of the Sale Specific Conditions & Requirements, the area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) - Certificate #SCS-FM/COC-00090N and the Sustainable Forestry Initiative (SFI) - Certificate # NSF-SFIS-5Y031-S1. Forest products from this sale may be delivered to the mill as "FSC Pure and / or SFI certified" as long as the contractor hauling the forest products is chain-of-custody (COC) certified or covered under a COC certificate from the destination mill. The purchaser is responsible for maintaining COC after leaving the sale area.

KEITH CREAGH Director

#### TIMBER SALE INFORMATION

#### OAKY SMOKEY HARDWOODS (52-002-12-01)

T29N, R04W, SEC. 25; T29N, R04W, SEC. 36.

Otsego County (Advertised Price \$30,795.50)

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through other public land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

PRODUCTS & SPECIES	<b>ESTIMATED UNITS*</b>	ADVERTISED PRI	
Sawlogs			
Beech	20.00 MBF	\$	149.00 / MBF
Red Maple	31.00 MBF	\$	144.00 / MBF
Red Oak	65.00 MBF	\$	211.00 / MBF
Sugar Maple	3.00 MBF	\$	470.00 / MBF
Pulpwood			
Mixed Aspen	73.00 Cords	\$	20.00 / Cord
Mixed Hardwood	345.00 Cords	\$	18.00 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$556.50:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>ADV</u>	ADVERTISED PRICE	
Pulpwood				
Red Oak	42.00 Cords	\$	13.25 / Cord	

<sup>\*</sup> The total volume is statistically estimated within plus (+) or minus (-) 21.89 percent. The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

#### **BOND AND PAYMENT SCHEDULE:**

- 1. A bond in the amount of \$1,600.00 to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment must be paid in advance or according to the following schedule:
  - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
  - (b) The 10% down payment will be credited towards the first unit cut.
  - (c) Payment for each of the following units must be made before cutting begins in that unit:

PAYMENT UNIT NUMBER PERCENT OF TOTAL SALE VALUE 01 50% 02 50%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 09/30/2015.

#### Sale Specific Conditions & Requirements

Sale Name: Oaky Smokey Hardwoods Sale Number: 52-002-12-01

#### 1 - Sale Area

#### 1.2 - Boundaries

#### 1.2.1 - Painted boundaries (12/08)

The sale boundary and Payment Unit boundaries are marked and identified by red and yellow paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint.

#### 2 - Timber Specifications

#### 2.1 - Included Timber

#### 2.1.3 - Cut tree marked unit(s) (12/08)

Within Payment Unit(s) I and II, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability.

#### 2.2 - Utilization

#### 2.2.4 - Skidding length (2/11)

Skidding of unlimbed tops or lengths over 17 feet is not permissible.

#### 3 - Payments

#### 3.3 - Pre-measured Sales

#### 3.3.4 - Dividing payment units (12/08)

Payment unit(s) I and II may be divided at the request of the purchaser and upon approval of the Unit Manager. Dividing payment units is a contract modification which requires a Timber Sale Contract Supplement.

#### 3.4 - Damaged Timber

#### 3.4.1 - Damaged timber (6/05)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

No damage is acceptable to merchantable trees. Within the sale area, if more than 5% of trees (> 4.5" DBH) within a specified area of the sale are damaged, liquidated damages will be assessed for all trees damaged. Rates will be in accordance with General Condition and Requirement 3.4 Damaged Timber.

#### 4 - Transportation

#### 4.1 - Construction

#### 4.1.6 - Road construction (1/09)

Construction of new roads or improvements of existing roads shall be done in such a way as to minimize the environmental and visual impacts. Merchantable trees shall be cut and utilized unless otherwise directed. Non-merchantable trees shall be severed and laid flat on the ground. Slash shall be scattered, and not left in windrows and kept a minimum of 10 feet back from the road edge. Stumps shall be set upright, not left on edge, and be moved at least 10 feet away from the road edge. Disturbed soil shall be feathered into the woods and not left in berms or windrows.

#### 4.1.7 - Road closure (10/11)

All new roads built into the sale must be blocked to vehicle traffic upon completion of the sale. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth.

#### 4.2 - Maintenance

#### 4.2.5 - Two wheel drive condition (2/04)

All existing trail roads on and adjacent to the sale area must be passable by two-wheel drive traffic for the duration of the sale.

#### 5 - Operations

#### 5.1 - Notification

#### 5.1.1 - Pre-sale conference (10/11)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations.

#### 5.1.3 - Well heads and natural gas pipelines (7/07)

The Purchaser is responsible for contacting the gas or pipeline company prior to operating equipment in the vicinity of well heads or natural gas pipelines.

#### 5.1.4 - Post-sale conference (6/11)

A post-sale conference on site between the Purchaser and sale administrator is required 5 days prior to the completion of active logging operations to determine clean-up and repair of landings, road edges, and the fulfillment of other contract specifications.

#### 5.2 - Conduct of Operations

#### 5.2.1 - Slash

#### 5.2.1.8 - Slash height (12/08)

No slash or tree tops may exceed 36 inches in height.

#### 5.2.1.9 - No Slash:pipe/powerline, oil/gas sites (2/04)

All pipelines, power lines, oil or gas storage sites and related access roads are to remain free of slash at all times.

#### 5.2.2 - Hazard Trees/Snags

#### 5.2.2.2 - Snag tree creation (1) (2/04)

Trees marked with 2 horizontal lines must be girdled by making two saw cuts, 2 inches deep completely around the tree. The tree must be left standing.

#### 5.2.3 - Operating Restrictions

#### 5.2.3.3 - Bark slippage restriction (3/09)

Within Payment Unit(s) I and II, unless changed by written agreement, cutting and skidding are not permitted during the period of April 15 to July 15. This restriction is because of bark slippage.

#### 5.2.38 - No decking against live trees (2/04)

Cut products may not be decked against unmarked or designated leave trees.

#### 5.4 - Soil Protection

#### 5.4.1 - Rutting restriction, general (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and skid trails which is 12 inches or greater in depth and 50 feet in length. The Unit Manager or his/her representative may restrict hauling and/or skidding if ruts exceed the specified depth. With the Unit Manager or his/her representative's approval, the Purchaser may return to the area when the risk of rutting has decreased.

#### 5.8 - Protection of Endangered Species

#### 5.8.3 - Red shoulder hawk (1) (3/07)

In the event that an active red shoulder hawk nest is found, the contract may be amended to protect the nest site. The harvesting time may be altered or reduced. Harvest operations may be limited to September 1 to March 1. This limitation may be selectively imposed on a specific portion of the sale, or it could apply to the entire sale. In addition, an area surrounding the nest tree could be designated as a "no-cut" zone with appropriate adjustments made to the timber sale value.

#### 5.8.5 - Protection of raptor nests (4/09)

All trees with raptor nests will be protected if found during harvesting operations. Notification will be made to the Unit Manager or his/her representative who will notify the Wildlife Biologist so an on-site evaluation and recommendation can be made, if necessary.

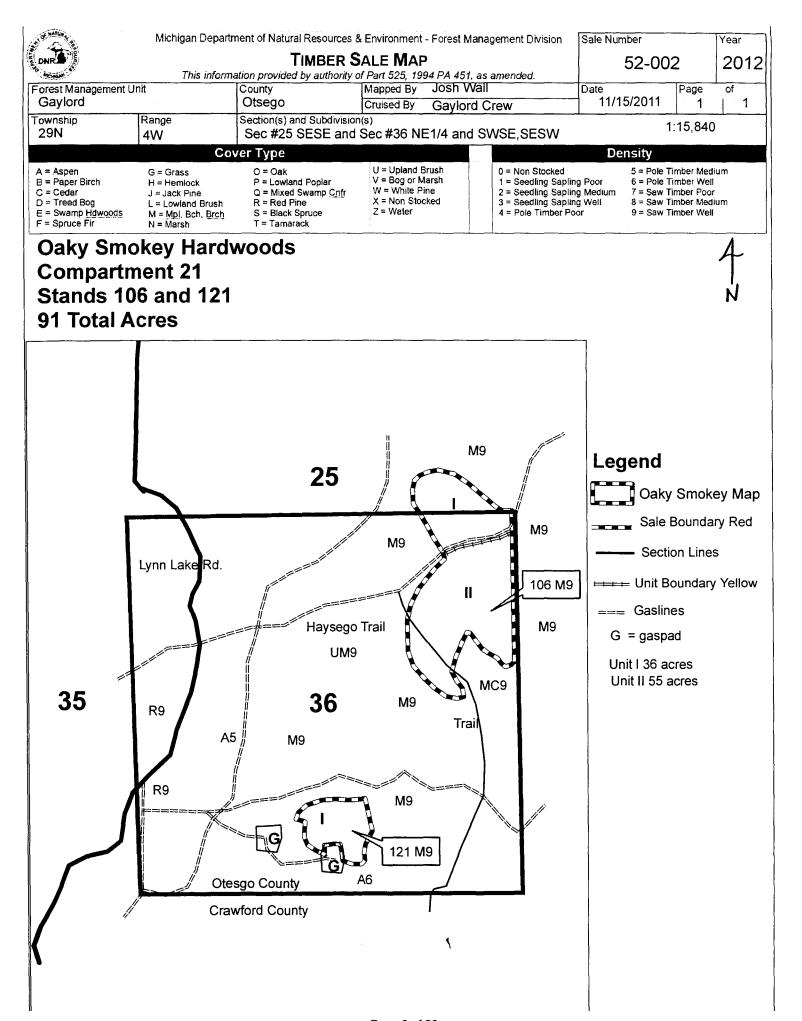
#### 6 - Safety and Fire Prevention

#### 6.2 - Signing

#### 6.2.1 - Road posting (9/09)

The purchaser is responsible for posting and maintaining caution signs on Haysego Trail prior to beginning operations. The

road must be posted at appropriate distances from the sale area to warn of lo removed when harvest operations are suspended or completed. The Purcha		
tion Name: Sale Specific	Current as of 6/19/2012 4:15:11PM	



#### TIMBER SALE INFORMATION

#### GRIZ DOG ASPEN (52-004-12-01)

T29N, R04W, SEC. 23; T29N, R04W, SEC. 25; T29N, R04W, SEC. 26.

Otsego County (Advertised Price \$39,241.75)

SALE NOTE: Snowmobile trail runs through the sale.

A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions. Access may be through private or state forest land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

PRODUCTS & SPECIES	<b>ESTIMATED UNITS*</b>	ADVERTISED PRICE	
Sawlogs			
Mixed Aspen	49.00 MBF	\$	75.00 / MBF
Mixed Hardwood	36.00 MBF	\$	79.00 / MBF
Pulpwood			
Mixed Aspen	1,721.00 Cords	\$	14.60 / Cord
Mixed Hardwood	483.00 Cords	\$	13.05 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$1,293.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*	ADVERTISED PRICE		
Sawlogs				
Basswood	3.00 MBF	\$	95.00 / MBF	
Pulpwood				
Basswood	126.00 Cords	\$	8.00 / Cord	

<sup>\*</sup> The total volume is statistically estimated within plus (+) or minus (-) 9.29 percent. The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

#### **BOND AND PAYMENT SCHEDULE:**

- 1. A bond in the amount of **\$2,000.00** to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment must be paid in advance or according to the following schedule:
  - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
  - (b) The 10% down payment will be credited towards the first unit cut.
  - (c) Payment for each of the following units must be made before cutting begins in that unit:

PAYMENT UNIT NUMBER	PERCENT OF TOTAL SALE VALUE
01	10%
02	25%
03	10%
04	25%
05	15%
06	15%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 09/30/2015.

#### **Sale Specific Conditions & Requirements**

Sale Name: Griz Dog Aspen Sale Number: 52-004-12-01

#### 1 - Sale Area

#### 1.2 - Boundaries

#### 1.2.1 - Painted boundaries (12/08)

The sale boundary is marked and identified by blue, red and yellow paint. Exterior sale boundary lines against private property are marked with blue paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint.

#### 2 - Timber Specifications

#### 2.1 - Included Timber

#### 2.1.1 - Clearcut unit(s) with unmerchantable trees (8/11)

Within Payment Unit(s) 1 to 6, cut all trees that are two (2) inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability, except white pine.

#### 3 - Payments

#### 3.4 - Damaged Timber

#### 3.4.1 - Damaged timber (6/05)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

No damage is acceptable to merchantable trees. Within the sale area, if more than 5% of trees (> 4.5" DBH) within a specified area of the sale are damaged, liquidated damages will be assessed for all trees damaged. Rates will be in accordance with General Condition and Requirement 3.4 Damaged Timber.

#### 4 - Transportation

#### 4.1 - Construction

#### 4.1.6 - Road construction (1/09)

Construction of new roads or improvements of existing roads shall be done in such a way as to minimize the environmental and visual impacts. Merchantable trees shall be cut and utilized unless otherwise directed. Non-merchantable trees shall be severed and laid flat on the ground. Slash shall be scattered, and not left in windrows and kept a minimum of 10 feet back from the road edge. Stumps shall be set upright, not left on edge, and be moved at least 10 feet away from the road edge. Disturbed soil shall be feathered into the woods and not left in berms or windrows.

#### 4.1.7 - Road closure (10/11)

All new roads built into the sale must be blocked to vehicle traffic upon completion of the sale. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth.

#### 4.2 - Maintenance

#### 4.2.5 - Two wheel drive condition (2/04)

All existing trail roads on and adjacent to the sale area must be passable by two-wheel drive traffic for the duration of the sale.

#### 4.4 - Access

#### 4.4.2 - Alternate route on private property (2/04)

It is the purchaser's responsibility to obtain access across private land for any routes other than the route shown on the sale map.

#### 5 - Operations

#### 5.1 - Notification

#### 5.1.1 - Pre-sale conference (10/11)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations.

#### 5.1.3 - Well heads and natural gas pipelines (7/07)

The Purchaser is responsible for contacting the gas or pipeline company prior to operating equipment in the vicinity of well heads or natural gas pipelines.

#### 5.1.4 - Post-sale conference (6/11)

A post-sale conference on site between the Purchaser and sale administrator is required 5 days prior to the completion of active logging operations to determine clean-up and repair of landings, road edges, and the fulfillment of other contract specifications.

#### 5.2 - Conduct of Operations

#### 5.2.1 - Slash

#### 5.2.1.8 - Slash height (12/08)

No slash may exceed 24 inches in height.

#### 5.2.1.9 - No Slash:pipe/powerline, oil/gas sites (2/04)

All pipelines, power lines, oil or gas storage sites and related access roads are to remain free of slash at all times.

#### 5.2.38 - No decking against live trees (2/04)

Cut products may not be decked against unmarked or designated leave trees.

#### 5.2.41 - Snowmobile trail protection (9/11)

The snowmobile trail is shown on the Timber Sale Map. Do not cut or damage posts with orange trail markers or traffic control signs. If the trail is used for hauling, it must be graded to the satisfaction of the Unit Manager or his/her representative prior to December 1st. For payment units V & VI: The snowmobile trail may not be used for any timber sale operations from December 1 to March 31. No decking of forest products will be permitted along the snowmobile trail.

#### 5.4 - Soil Protection

#### 5.4.1 - Rutting restriction, general (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and skid trails which is 12 inches or greater in depth and 50 feet in length. The Unit Manager or his/her representative may restrict hauling and/or skidding if ruts exceed the specified depth. With the Unit Manager or his/her representative's approval, the Purchaser may return to the area when the risk of rutting has decreased.

#### 5.8 - Protection of Endangered Species

#### 5.8.3 - Red shoulder hawk (1) (3/07)

In the event that an active red shoulder hawk nest is found, the contract may be amended to protect the nest site. The harvesting time may be altered or reduced. Harvest operations may be limited to September 1 to March 1. This limitation may be selectively imposed on a specific portion of the sale, or it could apply to the entire sale. In addition, an area surrounding the nest tree could be designated as a "no-cut" zone with appropriate adjustments made to the timber sale value.

#### 5.8.5 - Protection of raptor nests (4/09)

All trees with raptor nests will be protected if found during harvesting operations. Notification will be made to the Unit Manager or his/her representative who will notify the Wildlife Biologist so an on-site evaluation and recommendation can be made, if necessary.

#### 6 - Safety and Fire Prevention

#### 6.2 - Signing

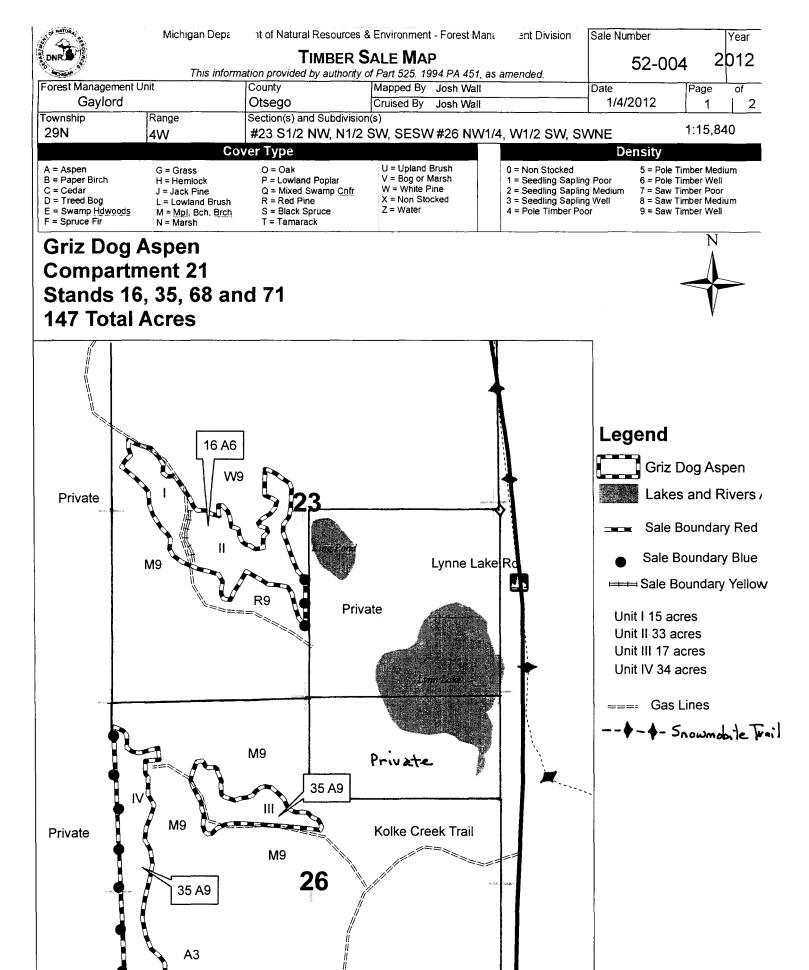
#### 6.2.1 - Road posting (9/09)

The purchaser is responsible for posting and maintaining caution signs on Kolke Creek Trail and Ausable Trail prior to beginning operations. The road must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

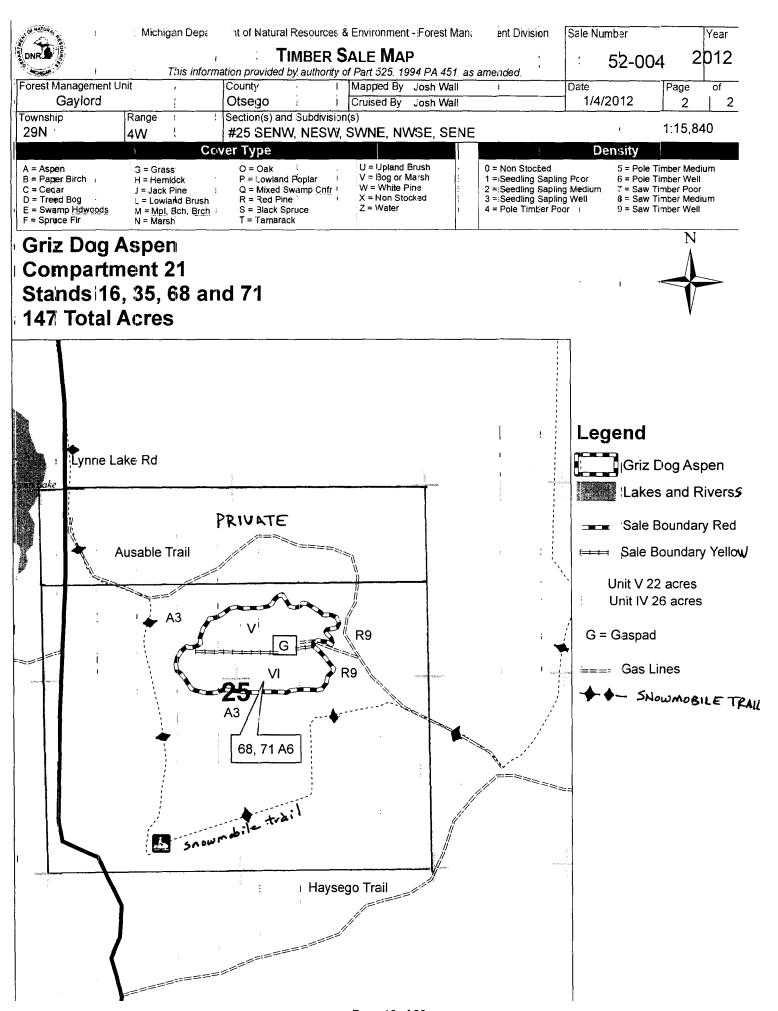
#### 6.2.2 - Snowmobile trail posting (8/09)

The Purchaser is responsible for posting and maintaining caution signs on snowmobile trail prior to beginning operations during the snowmobile season (approximately December 1 to March 31). The trail must be posted at appropriate distances from the

	sale area to warn of logging activity and truck traffic. completed. The Purchaser will provide these signs.	Signs must be removed when harve	st operations are suspended or	
t	ion Name: Sale Specific	Current as	of 9/17/2012 3:11:06PM	



Page 15 of 28



Page 16 of 28

#### TIMBER SALE INFORMATION

#### **HUMDINGER RED PINE (52-005-12-01)**

T31N, R04W, SEC. 05.

Otsego County (Advertised Price \$99,077.25)

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through state forest land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

PRODUCTS & SPECIES	<b>ESTIMATED UNITS*</b>	S* ADVERTISED PRIC	
Sawlogs			
Red Pine	220.00 MBF	\$	148.00 / MBF
Pulpwood			
Red Pine	1,167.00 Cords	\$	55.75 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$1,457.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>ADV</u>	ADVERTISED PRICE		
Sawlogs					
Mixed Hardwood	7.00 MBF	\$	77.00 / MBF		
Pulpwood					
Mixed Hardwood	60.00 Cords	\$	15.30 / Cord		

<sup>\*</sup> The total volume is statistically estimated within plus (+) or minus (-) 14.22 percent. The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

#### **BOND AND PAYMENT SCHEDULE:**

- 1. A bond in the amount of **\$5,000.00** to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment must be paid in advance or according to the following schedule:
  - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
  - (b) The 10% down payment will be credited towards the first unit cut.
  - (c) Payment for each of the following units must be made before cutting begins in that unit:

PAYMENT UNIT NUMBER	PERCENT OF TOTAL SALE VALUE
01	15%
02	15%
03	15%
04	15%
05	20%
06	20%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 09/30/2015.

#### **Sale Specific Conditions & Requirements**

Sale Name: Humdinger Red Pine Sale Number: 52-005-12-01

#### 1 - Sale Area

#### 1.2 - Boundaries

#### 1.2.1 - Painted boundaries (12/08)

The sale boundary and Payment Unit boundaries are marked and identified by red and yellow paint. Exterior sale boundary lines against private property are defined by County Line Road on the north side of UNIT 1. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint. Yellow painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid.

#### 2 - Timber Specifications

#### 2.1 - Included Timber

#### 2.1.1 - Clearcut unit(s) with unmerchantable trees (8/11)

Within Payment Unit(s) 1 - 6, cut all trees that are two (2) inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability.

#### 2.1.11 - Description of timber note (2/04)

Note that mixed hardwood sawlogs include a mix of mainly sugar maple and basswood species.

#### 2.2 - Utilization

#### 2.2.2 - Chipping required (1/11)

Payment Units 3-6, must be chip harvested to facilitate subsequent planting operations. The purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled.

#### 2.2.3 - Stump heights (4/07)

Stump heights within Payment Unit(s) 3-6 shall not exceed 4 inches for all trees. This is in order to facilitate planting operations. A written waiver of this requirement may be obtained if wet summer weather makes winter logging necessary.

#### 3 - Payments

#### 3.3 - Pre-measured Sales

#### 3.3.4 - Dividing payment units (12/08)

Payment unit(s) 1-6 may be divided at the request of the purchaser and upon approval of the Unit Manager. Dividing payment units is a contract modification which requires a Timber Sale Contract Supplement.

#### 3.6 - Payment Unit Cutting Schedule

#### 3.6.2 - One active unit (12/08)

Each Payment Unit must be completed to the satisfaction of the Unit Manager or his/her representative before the next unit may be opened. The Purchaser must give a one week notice before finishing a unit to allow for inspection.

#### 4 - Transportation

#### 4.1 - Construction

#### 4.1.3 - Slash and earthen piles (8/04)

Piles or windrows of earth along roads and landings that have been widened or constructed shall be leveled. Slash from road maintenance or construction, including stumps, shall be dispersed throughout the sale.

#### 4.1.12 - No new roads (1/12)

No new roads will be permitted in any Payment Unit. All operations are limited to existing roads. Skid trails only will be allowed.

#### 4.2 - Maintenance

#### 4.2.4 - Grading (12/08)

Roads must be graded after the sale is completed. In general, this will require a road grader or bull dozer to shape up the roads after forest products have been hauled off site. The grading equipment to be used must be approved by the Unit Manager or his/her representative.

#### 4.2.5 - Two wheel drive condition (2/04)

All existing trail roads on and adjacent to the sale area must be passable by two-wheel drive traffic for the duration of the sale.

#### 5 - Operations

#### 5.1 - Notification

#### 5.1.1 - Pre-sale conference (10/11)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations. The Unit Manager or his/her representative must be contacted at least 10 days in advance to schedule the conference.

#### 5.1.3 - Well heads and natural gas pipelines (7/07)

The Purchaser is responsible for contacting the gas or pipeline company prior to operating equipment in the vicinity of well heads or natural gas pipelines. Written permission is required before harvest operations begin and must be submitted to the Unit Manager.

#### 5.1.4 - Post-sale conference (6/11)

A post-sale conference on site between the Purchaser and sale administrator is required 5 days prior to the completion of active logging operations to determine clean-up and repair of landings, road edges, and the fulfillment of other contract specifications.

#### 5.2 - Conduct of Operations

#### 5.2.1 - Slash

#### 5.2.1.9 - No Slash:pipe/powerline, oil/gas sites (2/04)

All pipelines, power lines, oil or gas storage sites and related access roads are to remain free of slash at all times.

#### 5.2.3 - Operating Restrictions

#### 5.2.3.6 - Bark beetle restriction (12/08)

In the event drought creates a high risk of pine bark beetle infestation, pine is not to be cut during the period March 1 through July 1, unless all portions of trees greater than two inches in diameter are removed from the sale area, reduced to chips, or treated to the satisfaction of the Unit Manager or his/her representative, within fifteen days of being severed from the stump. Pine log decks, pulpwood piles and treetops that are piled for chipping in the fall or winter within a 1/4 mile of susceptible sites must be removed before March 15. Residual slash must not be placed in piles or rows and must be spread over the site for quick drying. The Department of Natural Resources will exercise this specification if the risk of damage warrants.

#### 5.2.29 - Shrub protection (9/07)

Do not cut or damage hawthorn, witch-hazel, dogwood or juneberry. These woody-shrub plants are highly beneficial to various wildlife species.

#### 5.2.33 - Gas well re-vegetation (12/08)

In the event that the gas well is utilized for a landing, the site must be re-vegetated with a seeding mixture specified by the Unit Manager or his/her representative.

#### 5.2.37 - No decking areas (12/08)

No decking is allowed within 50 feet of County Line Road.

#### 5.4 - Soil Protection

#### 5.4.1 - Rutting restriction, general (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and skid trails which is 12 inches or greater in depth and 50 feet in length. The Unit Manager or his/her representative may restrict hauling and/or skidding if ruts exceed the specified depth. With the Unit Manager or his/her representative's approval, the Purchaser may return to the area when the risk of rutting has decreased.

#### 6 - Safety and Fire Prevention

#### 6.2 - Signing

6.2.1 - Road posting (9/09)

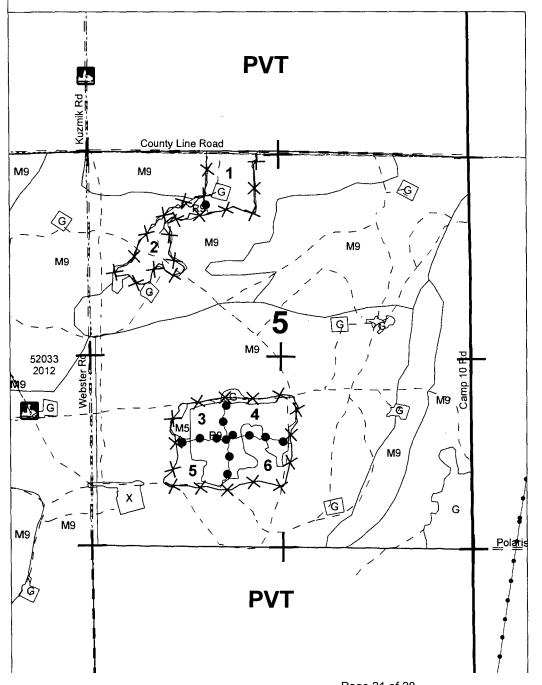
The purchaser is responsible for posting and maintaining caution signs on County Line Road and Webster Road prior to beginning operations. The road must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

Section Name: Sale Specific Current as of 9/21/2012 8:53:39AM

#### Michigan Departman, of Natural Resources & Environment - Forest Management Division Sale Number Year TIMBER SALE MAP 2012 52-005 This information provided by authority of Part 525, 1994 PA 451, as amended. Forest Management Unit County Mapped By Zach Crew Date Page of Gaylord 01/27/2012 Cruised By Zach Crew 1 Township Range Section(s) and Subdivision(s) 1:15,840 31N 5 - N1/2NW, SW/NW, SW, W1/2SE 04W Density Cover Type U = Upland Brush 0 = Oak 0 = Non Stocked 5 = Pole Timber Medium A = Aspen G = Grass B = Paper Birch P = Lowland Poplar V = Bog or Marsh 1 = Seedling Sapling Poor 6 = Pole Timber Well H = Hemlock W = White Pine C = Cedar Q = Mixed Swamp Cnfr 2 = Seedling Sapling Medium 7 = Saw Timber Poor J = Jack Pine D = Treed Bog X = Non Stocked R = Red Pine 3 = Seedling Sapling Well 8 = Saw Timber Medium L = Lowland Brush Z = Water E = Swamp Hdwoods F = Spruce Fir S = Black Spruce 4 = Pole Timber Poor 9 = Saw Timber Well M = Mpl, Bch, Brch T = Tamarack

Humdinger Red Pine Compartment 33 Stands 20, 29, 32, 33 64 acres Unit 1: 10 acres Unit 2: 11 acres Unit 3: 9 acres Unit 4: 12 acres Unit 5: 11 acres Unit 6: 11 acres





#### Legend

● ● Unit Line (Yellow)

X Sale Boundary (Red)

----- FMFM Trails

Forest Stands

County Paved Roads

= = County Gravel Roads

- - - Poor Dirt Roads

Quarter Section Corners

. Sn

Snowmobile Trail

1, 2, 3 - Payment Units

#### **BID FORM**

### OAKY SMOKEY HARDWOODS (52-002-12-01) T29N, R04W, SEC. 25; T29N, R04W, SEC. 36, Otsego County

In response to the notice of sale to be held 3:00 p.m. (local time) on October 31, 2012, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

PRODUCTS & SPECIES	<b>ESTIMATE</b>	D UNITS*	AD\	VERTISED PRICE	BID PRIC	<u>E</u>
Sawlogs						
Beech	20.00	MBF	\$	149.00 / MBF	\$	/ MBF
Red Maple	31.00	MBF	\$	144.00 / MBF	\$	/ MBF
Red Oak	65.00	MBF	\$	211.00 / MBF	\$	/ MBF
Sugar Maple	3.00	MBF	\$	470.00 / MBF	\$	/ MBF
Pulpwood						
Mixed Aspen	73.00	Cords	\$	20.00 / Cord	\$	/ Cord
Mixed Hardwood	345.00	Cords	\$	18.00 / Cord	\$	/ Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$556.50:

PRODUCTS & SPECIES	ESTIMATED UNITS*	ADVERTISED PRICE		
Pulpwood				
Red Oak	42.00 Cords	\$	13.25 / Cord	

I understand that any or all bids may be rejected. All bids must be signed and all bid items must be bid or the bid form may be rejected. I also understand that consideration and awarding a contract will be based upon my past performance and ability to complete the contract based upon equipment and staffing subject to my control.

	FEDERAL ID: or SOCIAL SECURITY NUMBER:							
	Company or individual bidding:							
	Company representative's name:							
	Address:							
	City:	State:	Zip:					
F AVAIL	F AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.							
ndividual	dividual or company representative's signature: Date:							
Phone nu	mber :	Email (	(optional):					

<sup>\*</sup> The total volume is statistically estimated within plus (+) or minus (-) 21.89 percent. The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.



Title

Michigan Department of Natural Resources & Environment Forest Management Division

## TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 525 of Act 451 of 1994, as amended.

# FOR DEPARTMENT USE ONLY Sale Number (XX – XXX – XX – XX) Forest Management Unit:

	VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE							
•	This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.							
•	In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.							
•	All Information must be typed or printed e	except for written s	ignatures.					
Ple	Please Check Appropriate Categories:							
1.	<ul> <li>My business is organized as (you must check one of the boxes below):</li> <li>A. Sole Proprietorship (individual)</li> <li>B. Partnership</li> <li>C. Corporation</li> </ul>							
2.	<ul> <li>You must check one of the boxes below:</li> <li>A.</li></ul>							
3.	If you have checked item 2(A) or 2(B), y than yourself, including family members			<b>both</b> full-time and part-time employees, other u must enter "0").				
	Full-time Er	mployees		Part-time Employees				
Nam	ne of Business		Federal ID (or) So	ocial Security No.				
Add	ress		Telephone ( )					
City		State	ZIP					
occ	hereby certify that the above information is true and correct. I agree to notify the Michigan DNRE of any changes that ccur in factors affecting my coverage during any of my present and future operations.  Signature of Owner or Authorized Representative							

Date

#### **BID FORM**

#### GRIZ DOG ASPEN (52-004-12-01)

T29N, R04W, SEC. 23; T29N, R04W, SEC. 25; T29N, R04W, SEC. 26, Otsego County

In response to the notice of sale to be held 3:00 p.m. (local time) on October 31, 2012, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

PRODUCTS & SPECIES	<u>ESTIMATE</u>	ESTIMATED UNITS*		'ERTISED PRICE	BID PRICE	
Sawlogs						
Mixed Aspen	49.00	MBF	\$	75.00 / MBF	\$	_ / MBF
Mixed Hardwood	36.00	MBF	\$	79.00 / MBF	\$	_ / MBF
Pulpwood						
Mixed Aspen	1,721.00	Cords	\$	14.60 / Cord	\$	_ / Cord
Mixed Hardwood	483.00	Cords	\$	13.05 / Cord	\$	_ / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$1,293.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*	ADVERTISED PRICE		
Sawlogs Basswood	3.00 MBF	\$	95.00 / MBF	
Pulpwood	400.00		0.00 / 0	
Basswood	126.00 Cords	\$	8.00 / Cord	

<sup>\*</sup> The total volume is statistically estimated within plus (+) or minus (-) 9.29 percent. The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

I understand that any or all bids may be rejected. All bids must be signed and all bid items must be bid or the bid form may be rejected. I also understand that consideration and awarding a contract will be based upon my past performance and ability to complete the contract based upon equipment and staffing subject to my control.

	FEDERAL ID:	or SOCIAL	SECURITY NUMBER	ER:				
	Company or individual bio	dding:						
	Company representative's	s name:						
	Address:							
	City:	State:	Zip:	<u> </u>				
F AVAIL	F AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.							
ndividual	dividual or company representative's signature: Date:							
hone nu	ımber :	E	Email (optional):					



Title

Michigan Department of Natural Resources & Environment Forest Management Division

## TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 525 of Act 451 of 1994, as amended.

FOR DEPARTMENT USE ONLY	
Sale Number (XX – XXX – XX – XX)	
Forest Management Unit:	

	VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE						
•	This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.						
•	In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.						
•	All Information must be typed or printed e	xcept for written si	gnatures	•			
Ple	ease Check Appropriate Categories:						
1.	<ul> <li>My business is organized as (you <b>must</b> check <u>one</u> of the boxes below):</li> <li>A. Sole Proprietorship (individual)</li> <li>B. Partnership</li> <li>C. Corporation</li> </ul>						
2.	<ul> <li>A.  \[ \] I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to the Worker's Compensation Laws.</li> <li>B.  \[ \] I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an approved Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the contract award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195).</li> <li>C.  \[ \] I certify that my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within 21 days of the contract award.</li> </ul>						
	than yourself, including family members and active partners (if none, you must enter "0"). Full-time Employees						
Nam	ne of Business		Federal ID	(or) Social	l Security No.		
Address			Telephone (	)			
City		State	ZIP				
occ	hereby certify that the above information is true and correct. I agree to notify the Michigan DNRE of any changes that occur in factors affecting my coverage during any of my present and future operations.  Signature of Owner or Authorized Representative						

Date

**BID PRICE** 

\$ / MBF

TIMBER SALE / SEALED BID STATE OF MICHIGAN / DNR

PRODUCTS & SPECIES

**PRODUCTS & SPECIES** 

Red Pine

Sawlogs

Pulpwood Red Pine

Sawlogs

#### **BID FORM**

#### **HUMDINGER RED PINE (52-005-12-01)** T31N, R04W, SEC. 05, Otsego County

\$

ADVERTISED PRICE

ADVERTISED PRICE

148.00 / MBF

55.75 / Cord

In response to the notice of sale to be held 3:00 p.m. (local time) on October 31, 2012, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$1,457.00:

ESTIMATED UNITS\*

220.00 MBF

1,167.00 Cords

ESTIMATED UNITS\*

Phone number: Email (optional):

Mixed Hardwood	7.00	MBF	\$	77.00 / MBF		
Pulpwood Mixed Hardwood	60.00	Cords	\$	15.30 / Cord		
* The total volume is statistically Prospective bidders are urged to	•			ercent. The estimated units are final and not subject to adjustme stimates of quantity and quality.	ent.	
	d awarding a contrac		-	all bid items must be bid or the bid form may be rejected. I also past performance and ability to complete the contract based up		
	EDERAL ID: or SOCIAL SECURITY NUMBER:					
Company representati	ve's name:					
Address:						
City:	State		Zip:			
IF AVAILABLE, PLEASE PLACE	THE PERSONALIZE	ED LABEL F	ROM YOUR P	PROSPECTUS IN THE ABOVE BOX.		
Individual or company representa	ative's signature:			Date:		



Title

Michigan Department of Natural Resources & Environment Forest Management Division

### TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 525 of Act 451 of 1994, as amended.

# FOR DEPARTMENT USE ONLY Sale Number (XX – XXX – XX – XX) Forest Management Unit:

	VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE						
•	This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.						
•	In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.						
٠	All Information must be typed or printed except for written signatures.						
Ple	ease Check Appropriate Categories:						
1.	My business is organized as (you <b>must</b> check  A.   Sole Proprietorship (individual)  B.   Partnership  C.   Corporation	ck <u>one</u> of the b	ooxes below):				
2.	<ul> <li>A.  \[ \] I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to the Worker's Compensation Laws.</li> <li>B.  \[ \] I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an approved Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the contract award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195).</li> <li>C.  \[ \] I certify that my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within 21 days of the contract award.</li> </ul>						
	Full-time Employ	/ees		Part-time Employees			
Nam	e of Business		Federal ID (or) Social Security No.				
Addı	ress		Telephone ( )				
City	State		ZIP				
000	ereby certify that the above information is true our in factors affecting my coverage during any Signature of Owner or Authorized Representative						

Date