



**DEPARTMENT OF NATURAL RESOURCES
STATE OF MICHIGAN**

TIMBER SALE PROSPECTUS #5023

SCHEDULED SALE DATE AND TIME: 3:00 p.m. (local time) on January 23, 2014.

LOCATION: NEWBERRY MGMT UNIT, PO BOX 428, 5666 STATE HWY M-123, NEWBERRY, MI 49868.

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, NEWBERRY MANAGEMENT UNIT, for certain timber on the following described lands:

TALL TIMBER RED PINE (42-021-13-01) / T49N, R09W, SEC. 13, NE1/4, N1/2 SE1/4.
Luce County, Advertised Price \$136,226.75, 88.0 Acres

SALE NOTE: Sale includes specifications regarding landing locations, road building, etc. to minimize visual impact of harvesting.

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 state forest land.

YEAR END ASPEN (42-029-13-01) / T48N, R08W, SEC. 05, SENW, SWNE, NWSE, NESW.
T48N, R08W, SEC. 08, NESE, E1/2NE.
T48N, R08W, SEC. 09, S1/2 OF SECTION, SWNW.
Luce County, Advertised Price \$138,213.40, 211.0 Acres

SALE NOTE: Winter Sale - located along State Highway M-123, east of County Road 500. No harvesting operations, including hauling, will be allowed on the groomed snowmobile trail. See spec's for decking restrictions near State Highway M-123.

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. 06/06/2013):

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

Bids must be received by the Unit Manager, NEWBERRY OFFICE, PO BOX 428 5666 STATE HWY M-123, NEWBERRY, MI 49868, no later than 3:00 p.m. (local time) on January 23, 2014. For further information concerning this sale, contact Keith Magnusson at 906-293-3293 extension 4740.

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 (6/13)

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

If a bidder, present at a bid opening, has submitted bids on more than one sale, that bidder may withdraw their unopened bid envelopes after being declared the successful bidder on one sale.

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 (10/12)

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/timber. 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 (3/13)

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 100% 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

TALL TIMBER RED PINE (42-021-13-01)

T49N, R09W, SEC. 13.

Luce County (Advertised Price \$136,226.75)

SALE NOTE: Sale includes specifications regarding landing locations, road building, etc. to minimize visual impact of harvesting.

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 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:

| <u>PRODUCTS & SPECIES</u> | <u>ESTIMATED UNITS*</u> | <u>ADVERTISED PRICE</u> |
|-------------------------------|-------------------------|-------------------------|
| Sawlogs | | |
| Red Pine | 348.70 MBF | \$ 199.00 / MBF |
| Pulpwood | | |
| Red Pine | 1,053.00 Cords | \$ 60.10 / Cord |

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$3,550.15:

| <u>PRODUCTS & SPECIES</u> | <u>ESTIMATED UNITS*</u> | <u>ADVERTISED PRICE</u> |
|-------------------------------|-------------------------|-------------------------|
| Sawlogs | | |
| White Pine | 13.70 MBF | \$ 79.00 / MBF |
| Pulpwood | | |
| Jack Pine | 18.00 Cords | \$ 51.45 / Cord |
| Mixed Aspen | 4.00 Cords | \$ 26.30 / Cord |
| White Pine | 61.00 Cords | \$ 23.55 / Cord |

* The total volume is statistically estimated within plus (+) or minus (-) 8.87 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 **\$6,900.00** 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:

| <u>PAYMENT UNIT NUMBER</u> | <u>PERCENT OF TOTAL SALE VALUE</u> |
|----------------------------|------------------------------------|
| 01 | 15% |
| 02 | 32% |
| 03 | 53% |
4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on 12/31/2016.

Sale Specific Conditions & Requirements

Sale Name: Tall Timber Red Pine Sale Number: 42-021-13-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (10/12)

The sale boundary and Payment Unit boundaries are marked and identified by red, blue and green paint. Exterior sale boundary lines against state are marked with red blue paint. Exterior sale boundary lines against private are marked with blue paint. Interior Payment Unit boundaries are marked with green paint. Painted boundary line trees are not included timber and are only to be cut if they are marked with orange paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1-3, all red and white pine trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. In addition, cut all jack pine and aspen trees which meet minimum piece specifications in 2.2 Utilization.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment Unit(s) 1, 2 and 3 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. Note that Payment Unit 1 can be divided into 2 separate units; Payment Unit 2 can be divided into 3 separate units; Payment Unit 3 can be divided into 4 separate units.

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. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth. Stumps and brush must be placed along the road course, rendering it impassable to cars, trucks and ORV's. Stumps from road building and landing construction can be reserved to meet the above road closure specifications. Contact the sale administrator for specific details of design and placement.

4.1.12 - No new roads (1/12)

No new roads will be permitted in Payment Unit 3. All operations are limited to existing roads, as shown on the sale map. In Payment Units 1, 2 & 3 the locations of allowable new roads/turnarounds are designated on the sale map. No other new roads will be permitted within these Payment Units.

4.2 - Maintenance

4.2.1 - Hauling restriction (12/08)

Hauling may be restricted on any roads by the Unit Manager or his/her representative. The restriction may occur during spring breakup, wet weather conditions, or at any time when road conditions deteriorate to an unacceptable condition.

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.

4.3 - Public Right-of-Way

4.3.2 - County R-O-W (12/06)

The county must be contacted prior to harvesting operations along the county road R-O-W.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

A pre-sale conference between the Purchaser and sale administrator is required prior to beginning any sale operations. The Unit Manager or his/her representative must be contacted at least 5 days in advance to schedule the conference.

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

5.2.1.1 - Slash within sale area (2/04)

No trees are to be felled outside the sale area and all slash is to be kept at least 10 feet back from the blue paint line. All slash is to be kept at least 10 feet back from any forest road.

5.2.1.8 - Slash height (12/08)

No slash or tree tops may exceed 24 inches in height. This may require tops and slash to be spread out throughout the sale area and/or piles of slash to be run over by equipment.

5.2.1.11 - Slash for reforestation (5/07)

To facilitate reforestation, the sale area shall be left with slash evenly distributed. Bunched tops within the cutting area shall be broken up and scattered. Stumps shall be cut low to the ground. Processing sites shall not be left with a compacted layer of slash; tops from these sites shall be hauled back into the cut area and scattered.

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (2/04)

Obvious hollow and/or den trees shall be protected and left standing unless they are a safety hazard.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 1-3, unless changed by written agreement, cutting and skidding are not permitted during the period of April 1 to July 1. This restriction is because of spring break up conditions and bark slip season.

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.

5.2.31 - Landing locations (9/13)

In Payment Unit 1, the recommended landing area and access road are designated by ribbons and shown on the sale map. Landing areas are marked on the Timber Sale Map with the letter "L". Landings must be confined to these designated sites unless otherwise authorized by the Unit Manager or his/her representative.

5.2.32 - Decking/landing restoration (9/13)

All decking and landing areas must have the surface area restored to a condition equal to or better than before. This is to ensure the proper regeneration of the stand. Wood debris, chips and "cookies" from trimmings must be removed or scattered away from landing and loading areas and may not be windrowed on the edge.

5.2.37 - No decking areas (12/08)

No decking is allowed within 50 feet of County Roads 414 or 500 without permission of the Luce County Road Commission.

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

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

5.2.40 - Pathway protection (10/10)

The North Country Pathway is a hiking trail and is shown on the Timber Sale Map. Do not cut trees or damage posts with blue pathway markers. Maintain a 20-foot wide slash, debris, and rut free zone daily, using the pathway as the centerline. Do not run equipment down the pathway. Skidding across the trail may only occur in locations approved by the sale administrator.

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/or 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.

5.4.2 - Skid trails (2/04)

Skid trails up and down slopes should be avoided. If however this is unavoidable, these trails will be left in a non-erodible condition using water bars, logs, and slash. Placing of slash on these skid trails while logging is ongoing may alleviate need for any further action. At the direction of the sale administrator, seed, fertilizer, and mulch may also be required.

5.8 - Protection of Endangered Species

5.8.5 - Protection of raptor nests (3/13)

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 County Roads 414 and 500 prior to beginning operations. The road must be posted at appropriate distances from the sale area (recommended minimum of 1/4 mile either direction 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.

6.2.3 - Recreational trail posting (2/10)

The Purchaser is responsible for posting and maintaining caution signs on the North Country Pathway prior to beginning operations. The trail must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic at both ends of the trail. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.



TIMBER SALE MAP

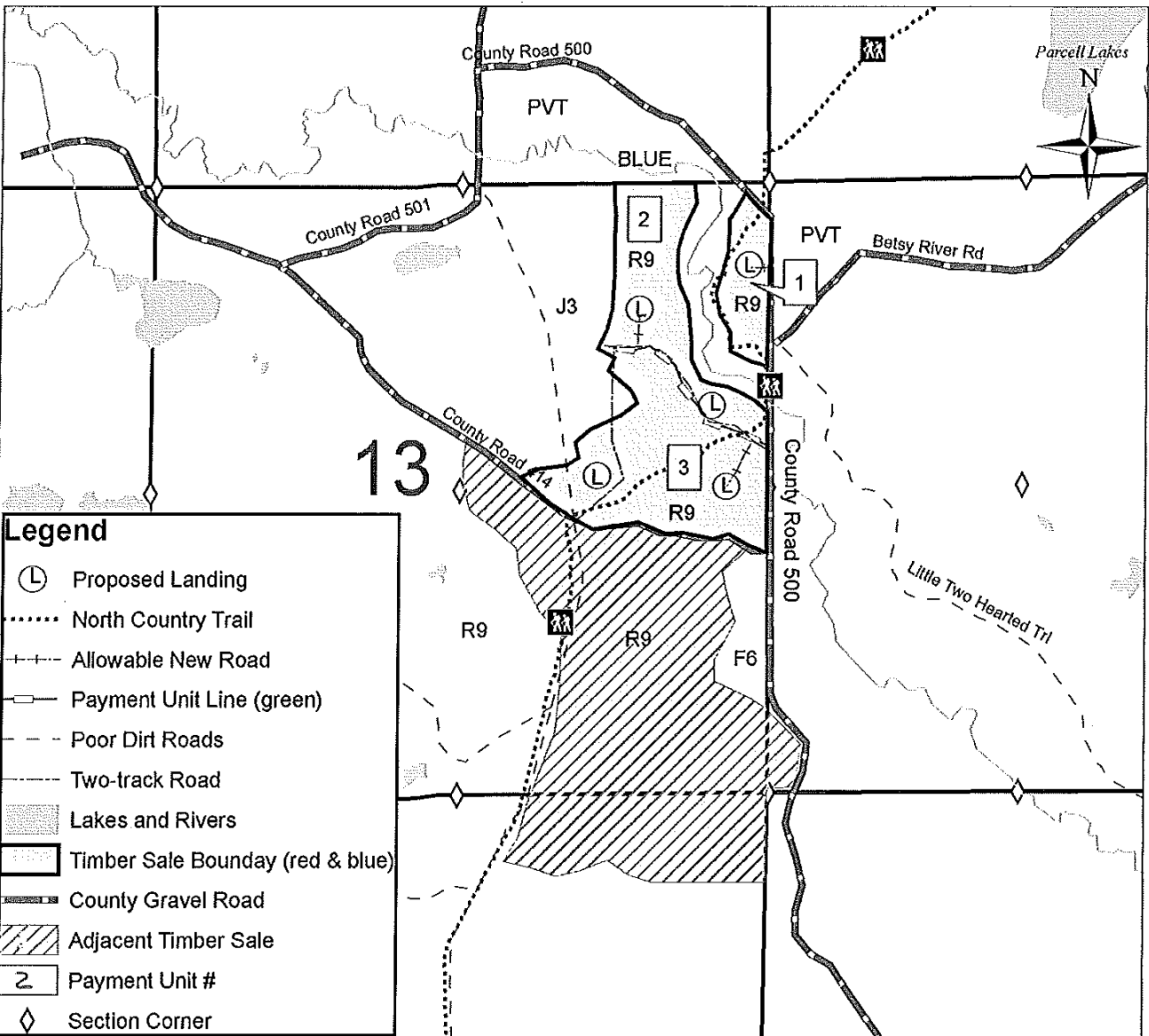
This information provided by authority of Part 525, 1994 PA 451, as amended.

| | | | | | |
|---|-----------------------|--|-------------------------------|------------------|----------------|
| Forest Management Unit Newberry | County Luce | Mapped By Kentner | Date 09/30/2013 | Page 1 | of 1 |
| Township T49 N | Range 9W | Section(s) and Subdivision(s) Sec. 13: NE 1/4, N1/2 SE | Total Area 1:15,840 | | |

| Cover Type | | | | Density | |
|-------------------|--------------------|----------------------|------------------|----------------------------|------------------------|
| A = Aspen | G = Grass | O = Oak | U = Upland Brush | 0 = Non Stocked | 5 = Pole Timber Medium |
| B = Paper Birch | H = Hemlock | P = Lowland Poplar | V = Bog or Marsh | 1 = Seeding Sapling Poor | 6 = Pole Timber Well |
| C = Cedar | J = Jack Pine | Q = Mixed Swamp Cnfr | W = White Pine | 2 = Seeding Sapling Medium | 7 = Saw Timber Poor |
| D = Tread Bog | L = Lowland Brush | R = Red Pine | X = Non Stocked | 3 = Seeding Sapling Well | 8 = Saw Timber Medium |
| E = Swamp Hdwoods | M = Mpl, Bch, Brch | S = Black Spruce | Z = Water | 4 = Pole Timber Poor | 9 = Saw Timber Well |
| F = Spruce Fir | N = Marsh | T = Tamarack | | | |

Tall Timber Red Pine
88 Acres

| Unit | Acres |
|------|-------|
| 1 | 13 |
| 2 | 28 |
| 3 | 47 |



TIMBER SALE INFORMATION

YEAR END ASPEN (42-029-13-01)

T48N, R08W, SEC. 05; T48N, R08W, SEC. 08; T48N, R08W, SEC. 09.

Luce County (Advertised Price \$138,213.40)

SALE NOTE: Winter Sale - located along State Highway M-123, east of County Road 500. No harvesting operations, including hauling, will be allowed on the groomed snowmobile trail. See spec's for decking restrictions near State Highway M-123.

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:

| <u>PRODUCTS & SPECIES</u> | <u>ESTIMATED UNITS*</u> | <u>ADVERTISED PRICE</u> |
|-------------------------------|-------------------------|-------------------------|
| Pulpwood | | |
| Balsam Fir | 728.00 Cords | \$ 19.35 / Cord |
| Black Spruce | 1,061.00 Cords | \$ 29.65 / Cord |
| Mixed Aspen | 1,633.00 Cords | \$ 27.55 / Cord |
| Mixed Hardwood | 1,170.00 Cords | \$ 28.55 / Cord |
| Mixed Softwood | 467.00 Cords | \$ 22.30 / Cord |

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$3,861.20:

| <u>PRODUCTS & SPECIES</u> | <u>ESTIMATED UNITS*</u> | <u>ADVERTISED PRICE</u> |
|-------------------------------|-------------------------|-------------------------|
| Sawlogs | | |
| Red Maple | 8.40 MBF | \$ 144.00 / MBF |
| White Pine | 20.00 MBF | \$ 64.00 / MBF |
| Pulpwood | | |
| Paper Birch | 72.00 Cords | \$ 19.05 / Cord |

* The total volume is statistically estimated within plus (+) or minus (-) 7.23 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 **\$7,000.00** 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:

| <u>PAYMENT UNIT NUMBER</u> | <u>PERCENT OF TOTAL SALE VALUE</u> |
|----------------------------|------------------------------------|
| 01 | 29% |
| 02 | 12% |
| 03 | 12% |
| 04 | 9% |
| 05 | 13% |
| 06 | 5% |
| 07 | 7% |
| 08 | 13% |

4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on 06/30/2017.

Sale Specific Conditions & Requirements

Sale Name: Year End Aspen Sale Number: 42-029-13-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (10/12)

The sale boundary and Payment Unit boundaries are marked and identified by blue, red and green paint. The painted boundary line trees are not Included Timber and are to be protected. 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 green paint. Green 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

2.1.2 - Clearcut unit(s) w/o unmerchantable trees (8/11)

Within Payment Unit(s) 1-8, cut all aspen, spruce, balsam, maple, beech, white birch, cherry, cedar, white pine, tamarack, hemlock and ash trees which meet minimum piece specifications in 2.2 Utilization. DO NOT cut any yellow birch or red pine. In addition, in Payment Unit 1, DO NOT cut any white birch or cedar.

Leave trees have been marked with Red paint throughout the sale area. DO NOT CUT any trees marked with RED paint. In payment Unit 1, DO NOT CUT within the "retention pockets" designated and bounded by RED paint (see Timber Sale Map).

2.1.11 - Description of timber note (2/04)

Note that mixed hardwood pulp consists of mainly red maple with some hard maple, beech, black ash and black cherry. Mixed softwood pulp consists of white pine, cedar and hemlock with minor component of jack pine and tamarack.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within Payment Units 5 & 8 shall not exceed 12 inches. This is due to visual management concerns along Highway M-123.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment Unit(s) 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.

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 within 30 days of completion of hauling. Overgrown and/or abandoned roads that are reopened shall be considered new roads. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth at the beginning of any new road course. Stumps and brush must be placed along the road course for a minimum of 200 ft, effectively obliterating it. These roads must be rendered completely impassable to cars, trucks and ORV's. Stumps from road building and landing construction can be reserved to meet the above road closure specifications. Temporary berms may be required if no sale activity occurs for 30 or more consecutive days.

Contact the sale administrator for specific details of design and placement.

4.1.8 - Road work (1) (8/07)

The following road work is required: A temporary driveway with permit from MDOT. This will be the access into Payment Units 6-8. The location of the old roadbed and approach to M-123 is shown on the sale map. The purchaser is required to contact MDOT and follow any requirements for improving the approach and rehabilitation of the Right-of-way following sale operations. This driveway will be considered a new road as outlined in spec. 4.1.7.

4.1.11 - Permits (2/12)

The Purchaser will secure any necessary highway permits that may be required.

4.2 - Maintenance

4.2.1 - Hauling restriction (12/08)

Hauling may be restricted on forest roads by the Unit Manager or his/her representative. The restriction may occur at any time that the weather is not conducive to hauling without excessive damage to the roads or sale area (ie. wet weather conditions).

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 all 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.

4.3 - Public Right-of-Way

4.3.1 - MDOT R-O-W (2/04)

The Michigan Department of Transportation (MDOT) must be contacted prior to harvesting timber within the MDOT right-of-way.

4.4 - Access

4.4.4 - Restricted access (10/05)

Access to the sale area will not be allowed via the groomed snowmobile trail (as shown on attached sale map). This restriction is to avoid conflicts between harvesting operations and the snowmobile season. Access to Payment Unit 1 will be via an abandoned road from County Road 500 (see sale map). Access to Payment Units 2-8 will be via forest roads from Highway M-123.

5 - Operations

5.1 - Notification

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

5.2.1.1 - Slash within sale area (2/04)

No trees are to be felled outside the sale area and all slash is to be kept at least 10 feet back from the blue paint line.

5.2.1.2 - Slash Removal

5.2.1.2.6 - Slash removal, general (7/05)

All slash must be removed from the cleared/maintained M-123 Right-of-way.

5.2.1.8 - Slash height (12/08)

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

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (2/04)

Obvious hollow and/or den trees shall be protected and left standing unless they are a safety hazard.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 1 - 8, unless changed by written agreement, cutting and skidding and hauling are limited to the period of December 15 to March 1. This restriction is because of the heavy soils found throughout the sale area.

5.2.3.11 - Coppice regeneration protection (4/10)

To promote better aspen regeneration, each Payment Unit must be completed within twelve months of beginning operations on the respective Unit in order to minimize damage to the new regeneration.

5.2.37 - No decking areas (12/08)

No decking is allowed within 100 feet of M-123 ROW without permission of the Unit manager or their representative.

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.

5.4.2 - Skid trails (2/04)

Skid trails up and down slopes should be avoided. If however this is unavoidable, these trails will be left in a non-erodible condition using water bars, logs, and slash. Placing of slash on these skid trails while logging is ongoing may alleviate need for any further action. At the direction of the sale administrator, seed, fertilizer, and mulch may also be required.

5.8 - Protection of Endangered Species

5.8.5 - Protection of raptor nests (3/13)

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 State Highway M-123, and/or County Road 500 prior to beginning operations. The road must be posted a minimum of 1/4 mile East and West of the entrance onto M-123 and/or County Road 500 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.

7 - Other Conditions

7.3 - Contract Modifications

7.3.1 - Emerald Ash Borer

7.3.1.2 - Emerald ash borer, ash or firewood on sale (2/05)

There is ash and/or "firewood" in this sale and it is located within an emerald ash borer quarantined area. The Director of the Michigan Department of Agriculture (MDA) by the authority of Act No. 72 of the Public Acts of 1945, as amended, and Quarantine Regulation No. 620, has promulgated this quarantine to prevent the further spread of this pest and sets forth: definitions, regulated articles, regulated areas, conditions of movement, violations and penalties, and special exemptions. The Purchaser must comply with this quarantine. Contact the MDA for further information.



TIMBER SALE MAP

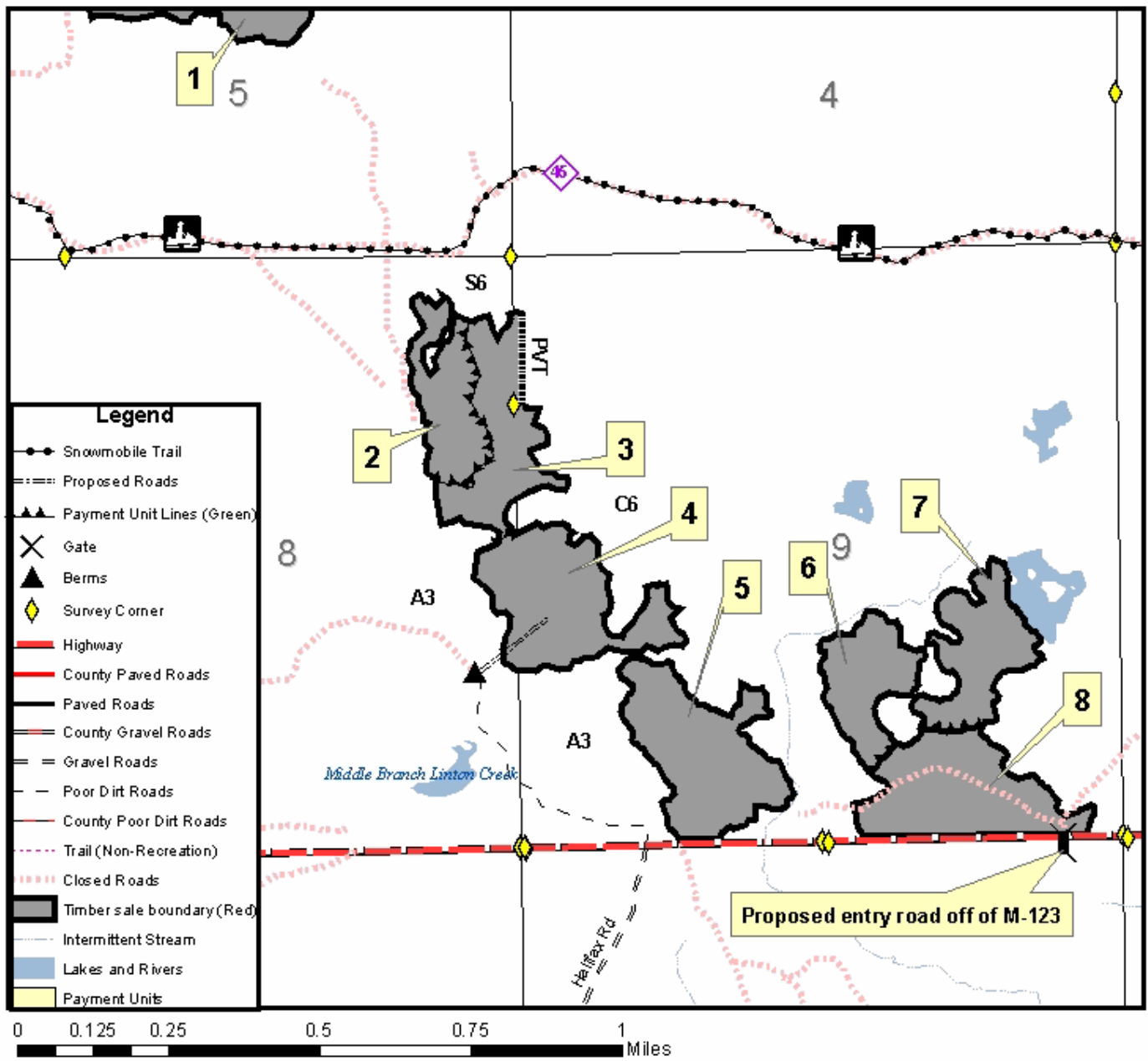
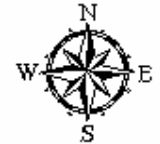
This information provided by authority of Part 525, 1984 PA 451, as amended.

| | | | | |
|------------------------|--------|--|------------|---------|
| Sale Number | 42-029 | | Year | 2013 |
| Forest Management Unit | County | Mapped By | Date | Page of |
| Newberry | Luce | Payment | 10/31/2013 | 1 2 |
| Township | Range | Section(s) and Subdivision(s) | Scale | |
| 48N | 8W | Sec. 8: E 1/2 NE, NESE. Sec. 9: S 1/2 section, SWNW. | 1:15,840 | |

| Cover Type | | | | Density | | | |
|-------------------|----------------------|-------------------------|-------------------|----------------------------|------------------------|--|--|
| A = Aspen | H = Hemlock | N = Marsh | U = Upland Brush | 0 = Non Stocked | 5 = Pole Timber Medium | | |
| B = Paper Birch | J = Jack Pine | O = Oak | UM = Upland Mixed | 1 = Seeding Sapling Poor | 6 = Pole Timber Well | | |
| C = Cedar | L = Lowland Brush | P = Lowland Poplar | V = Bog or Marsh | 2 = Seeding Sapling Medium | 7 = Saw Timber Poor | | |
| D = Tread Bog | LM = Lowland Mixed | Q = Mixed Swamp Conifer | W = White Pine | 3 = Seeding Sapling Well | 8 = Saw Timber Medium | | |
| E = Swamp Hdwoods | M = Mpl. Bch. Birch | R = Red Pine | X = Non Stocked | 4 = Pole Timber Poor | 9 = Saw Timber Well | | |
| F = Spruce Fir | MC = Mixed Conifer | S = Black Spruce | Z = Water | | | | |
| G = Grass | MD = Mixed Deciduous | T = Tamarack | | | | | |

| PU | Acres | | |
|----|-------|---|----|
| 1 | 43 | 5 | 31 |
| 2 | 16 | 6 | 16 |
| 3 | 22 | 7 | 20 |
| 4 | 31 | 8 | 29 |

Year End Aspen
 Compartment 47
 211 Total Sale Acres
 208.5 Cruised Acres





TIMBER SALE MAP

This information provided by authority of Part 525, 1994 PA 451, as amended.

| | |
|-------------|---------|
| Sale Number | Year |
| 42-029 | 2013 |
| Date | Page of |
| 10/31/2013 | 2 2 |
| Scale | |
| 1:15,840 | |

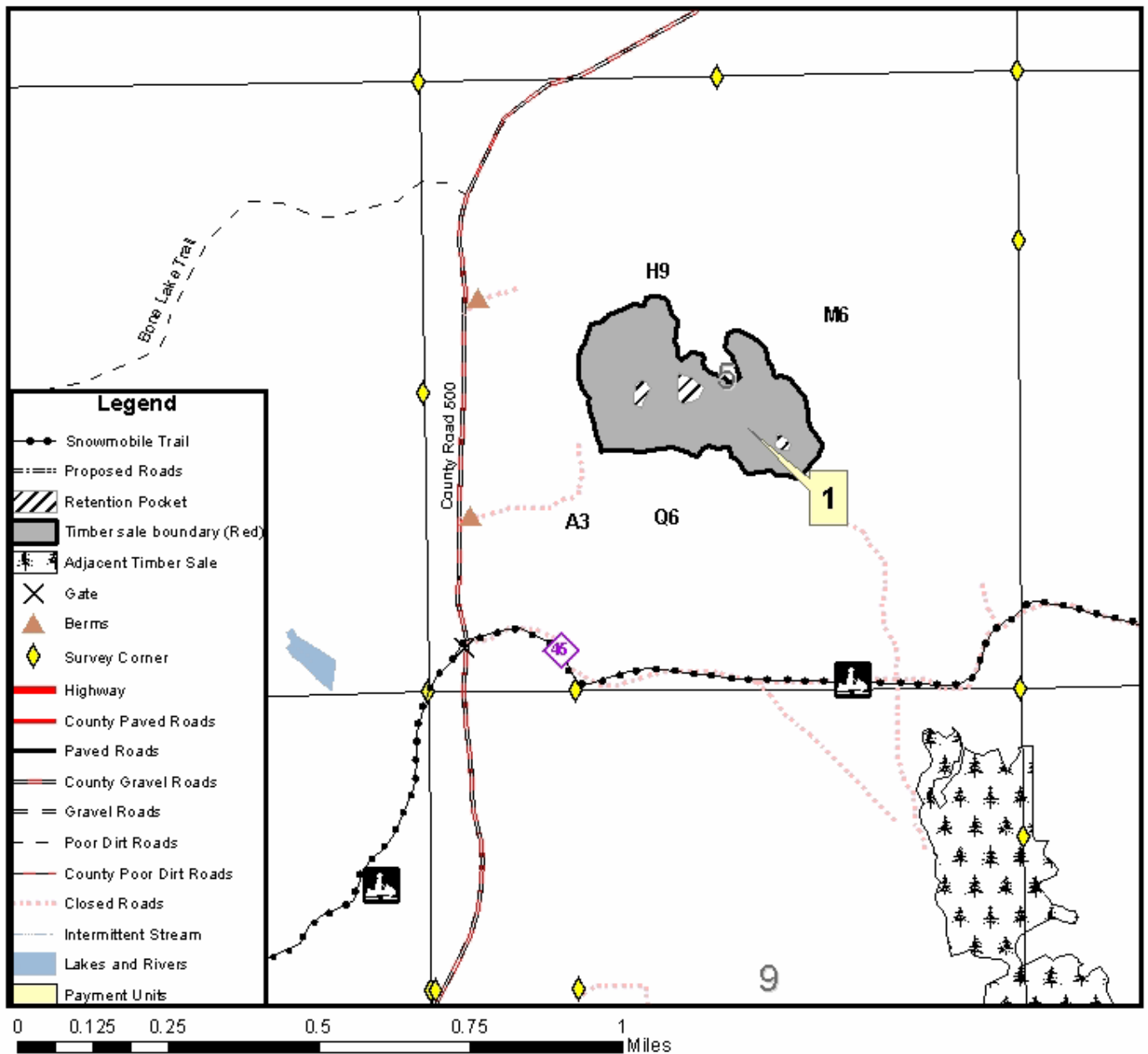
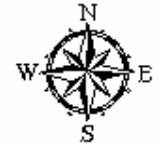
| | | |
|---|----------------|---|
| Forest Management Unit Newberry | County Luce | Mapped By Payment |
| Township 48N | Range 8W | Section(s) and Subdivision(s) Sec. 5: NESW, SEMW, SWNE, NWSE |
| Cruised By Payment / Tokar / Mattila | | |

| Cover Type | | | | Density | | | |
|---------------------|----------------------|-------------------------|-------------------|----------------------------|------------------------|--|--|
| A = Aspen | H = Hemlock | N = Marsh | U = Upland Brush | 0 = Non Stocked | 5 = Pole Timber Medium | | |
| B = Paper Birch | J = Jack Pine | O = Oak | UM = Upland Mixed | 1 = Seeding Sapling Poor | 6 = Pole Timber Well | | |
| C = Cedar | L = Lowland Brush | P = Lowland Poplar | V = Bog or Marsh | 2 = Seeding Sapling Medium | 7 = Saw Timber Poor | | |
| D = Tread Bog | LM = Lowland Mixed | Q = Mixed Swamp Conifer | W = White Pine | 3 = Seeding Sapling Well | 8 = Saw Timber Medium | | |
| E = Swamp Hardwoods | M = Mpl. Bch. Birch | R = Red Pine | X = Non Stocked | 4 = Pole Timber Poor | 9 = Saw Timber Well | | |
| F = Spruce Fir | MC = Mixed Conifer | S = Black Spruce | Z = Water | | | | |
| G = Grass | MD = Mixed Deciduous | T = Tamarack | | | | | |

PU Acres
1 43

Year End Aspen

Compartment 47
211 Acres
208.5 Cruised Acres



TALL TIMBER RED PINE (42-021-13-01)
T49N, R09W, SEC. 13, Luce County

In response to the notice of sale to be held 3:00 p.m. (local time) on January 23, 2014, 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.

| <u>PRODUCTS & SPECIES</u> | <u>ESTIMATED UNITS*</u> | <u>ADVERTISED PRICE</u> | <u>BID PRICE</u> |
|-------------------------------|-------------------------|-------------------------|------------------|
| Sawlogs | | | |
| Red Pine | 348.70 MBF | \$ 199.00 / MBF | \$ _____ / MBF |
| Pulpwood | | | |
| Red Pine | 1,053.00 Cords | \$ 60.10 / Cord | \$ _____ / Cord |

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$3,550.15 :

| <u>PRODUCTS & SPECIES</u> | <u>ESTIMATED UNITS*</u> | <u>ADVERTISED PRICE</u> |
|-------------------------------|-------------------------|-------------------------|
| Sawlogs | | |
| White Pine | 13.70 MBF | \$ 79.00 / MBF |
| Pulpwood | | |
| Jack Pine | 18.00 Cords | \$ 51.45 / Cord |
| Mixed Aspen | 4.00 Cords | \$ 26.30 / Cord |
| White Pine | 61.00 Cords | \$ 23.55 / Cord |

* The total volume is statistically estimated within plus (+) or minus (-) 8.87 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: _____ - _____ - _____

Company or individual bidding: _____

Company representative's name: _____

Address: _____

City: _____ State: _____ Zip: _____

IF AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.

Individual or company representative's signature: _____ Date: _____

Phone number : _____ Email (optional): _____



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 except for written signatures.

Please Check Appropriate Categories:

1. My business is organized as (you **must** check one of the boxes below):
 - A. Sole Proprietorship (individual)
 - B. Partnership
 - C. Corporation
2. You **must** check one of the boxes below:
 - 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.
 - 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).
 - 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.
3. If you have checked item 2(A) or 2(B), you **must** indicate the number of **both** full-time and part-time employees, other than yourself, including family members and active partners (if none, you must enter "0").

_____ Full-time Employees

_____ Part-time Employees

| | | |
|------------------|-------|-------------------------------------|
| Name of Business | | Federal ID (or) Social Security No. |
| Address | | Telephone () |
| City | State | ZIP |

I 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

Title

Date

YEAR END ASPEN (42-029-13-01)

T48N, R08W, SEC. 05; T48N, R08W, SEC. 08; T48N, R08W, SEC. 09, Luce County

In response to the notice of sale to be held 3:00 p.m. (local time) on January 23, 2014, 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.

| <u>PRODUCTS & SPECIES</u> | <u>ESTIMATED UNITS*</u> | <u>ADVERTISED PRICE</u> | <u>BID PRICE</u> |
|-------------------------------|-------------------------|-------------------------|------------------|
| Pulpwood | | | |
| Balsam Fir | 728.00 Cords | \$ 19.35 / Cord | \$ _____ / Cord |
| Black Spruce | 1,061.00 Cords | \$ 29.65 / Cord | \$ _____ / Cord |
| Mixed Aspen | 1,633.00 Cords | \$ 27.55 / Cord | \$ _____ / Cord |
| Mixed Hardwood | 1,170.00 Cords | \$ 28.55 / Cord | \$ _____ / Cord |
| Mixed Softwood | 467.00 Cords | \$ 22.30 / Cord | \$ _____ / Cord |

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$3,861.20 :

| <u>PRODUCTS & SPECIES</u> | <u>ESTIMATED UNITS*</u> | <u>ADVERTISED PRICE</u> |
|-------------------------------|-------------------------|-------------------------|
| Sawlogs | | |
| Red Maple | 8.40 MBF | \$ 144.00 / MBF |
| White Pine | 20.00 MBF | \$ 64.00 / MBF |
| Pulpwood | | |
| Paper Birch | 72.00 Cords | \$ 19.05 / Cord |

* The total volume is statistically estimated within plus (+) or minus (-) 7.23 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: _____ - _____ - _____

Company or individual bidding: _____

Company representative's name: _____

Address: _____

City: _____ State: _____ Zip: _____

IF AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.

Individual or company representative's signature: _____ Date: _____

Phone number : _____ Email (optional): _____



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 except for written signatures.

Please Check Appropriate Categories:

1. My business is organized as (you **must** check one of the boxes below):
 - A. Sole Proprietorship (individual)
 - B. Partnership
 - C. Corporation
2. You **must** check one of the boxes below:
 - 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.
 - 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).
 - 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.
3. If you have checked item 2(A) or 2(B), you **must** indicate the number of **both** full-time and part-time employees, other than yourself, including family members and active partners (if none, you must enter "0").

_____ Full-time Employees

_____ Part-time Employees

| | | |
|------------------|-------|-------------------------------------|
| Name of Business | | Federal ID (or) Social Security No. |
| Address | | Telephone () |
| City | State | ZIP |

I 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

Title

Date