

To: Interested tree seedling nurseries

Re: 2017 Tree seedling production request for service – Big Pic and Pic River Forests

December 7, 2015

The Nawiinginiima Forest Management Corporation is accepting proposals for the production of some or all of 4 million conifer seedlings for the Big Pic and Pic River Forests and to be delivered in the spring of 2017. Seedling stock production required is as follows:

| Option # | License Area | Species | Stock Type | Seed Zone | Requested Volume |
|----------|--------------|---------|-------------------------|-----------|------------------|
| 1 | Big Pic | Pj | 310B or Jiffy 30 (60ml) | 16/17 | 500,000 |
| | Big Pic | Sb | 310B or Jiffy 30 (60ml) | 16/17 | 500,000 |
| | Big Pic | Sw | 310B or Jiffy 30 (60ml) | 16/17 | 250,000 |
| 2 | Big Pic | Pj | 310B or Jiffy 30 (60ml) | 21 | 450,000 |
| | Big Pic | Sb | 310B or Jiffy 30 (60ml) | 21 | 400,000 |
| | Big Pic | Sw | 310B or Jiffy 30 (60ml) | 21 | 250,000 |
| | Big Pic | Sb | Mini's | 21 | 500,000 |
| 3 | Pic River | Pj | 310B or Jiffy 30 (60ml) | 20/21 | 600,000 |
| | Pic River | Sb | 310B or Jiffy 30 (60ml) | 20/21 | 550,000 |

The options presented may be allotted to nurseries individually or combined depending on pricing proposals. Please include information regarding applicable volume discounts if applicable. The attached agreement Schedules will form part of the contractual agreement entered into with the successful supplier(s).

Please submit bids in Canadian dollars (\$)/1,000 trees grown using the summary sheet provided. All bid proposals should include information on container type, packaging, shipping, achievable specifications, as well as any other relevant information. All costs associated with this contract (including costs of delivering seedlings to the Manitouwadge, Caramat, and Marathon areas) must be included in your bid price. **Your bid price per 1,000 trees will be considered final.**

Proposals must be emailed to sylvain.montpellier@nfmcforestry.ca and are to be received no later than **December 22th, 2015 at 5:00 pm**. If you have any questions, contact the phone numbers below.

Thank you for your interest in the opportunity,

Sylvain Montpellier
Silviculturalist
Nawiinginiima Forest Management Corporation
Office: (807) 229-8118 ext.15
Cell: (807) 228-3868

Enclosures

SCHEDULE A

to the Agreement for Non-Consulting Services between Nawiinginokiima Forest Management Corporation (“Company”) and ----- (“Supplier”) dated as of the Effective Date

1.0 BACKGROUND INFORMATION RELATING TO THE NON-CONSULTING SERVICES

In May 2012, Nawiinginokiima Forest Management Corporation (NFMC) became the first Local Forest Management Corporation (LFMC) to be established through regulation under the Ontario Forest Tenure Modernization Act (OFTMA). The NFMC maintains licensee obligations, including forest management activities on the Big Pic and Pic River Forests. The NFMC is responsible for all silvicultural programs and activities compliant with the approved Forest Management Plan.

2.0 DESCRIPTION OF THE NON-CONSULTING SERVICES

In accordance with the terms and provisions of this agreement, the Supplier agrees to produce and deliver to the company the quantity of acceptable forest tree seedlings (detailed in section 6.0), by species, stock type and seed zone as described below:

| Licence Area | Species | Stock Type | Seed Zone \Seedlot | Requested Volume | Price (\$/1000) |
|--------------|---------|------------|-----------------------|------------------|-----------------|
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3.0 RATES

3.1 Total Amount Payable

Notwithstanding anything else in the agreement to the contrary, the total amount payable by the Company to the supplier, including all disbursements such as travel and accommodation and/or delivery expenses and applicable taxes, under the agreement shall not exceed ----- Cdn. funds.

3.2 Fixed Rates

The following rates shall remain fixed during the term of this agreement:

- \$----/1000 acceptable -- seedlings
- \$----/1000 acceptable -- seedlings
- \$-----/1000 acceptable -- seedlings

No other charge shall be payable by the Company under the agreement to the supplier other than the fixed rates established under the agreement.

4.0 Equipment, Staffing and Reporting

The Supplier acknowledges its continuing obligation to provide all equipment and staffing as may be required to conduct the services.

5.0 Payment Schedule

The Nawiinginokiima Forest Management Corporation (Company) agrees to follow the Ministry of Natural Resources and Forestry (MNRF)'s suggested process of having Suppliers submit invoice packages to the Company. The Company will verify and place a Registered Professional Foresters (RPF) seal on the package, then forward the package to MNRF for review and approval. Once approved, MNRF will direct RBC-Dexia Investor Services (Forest Renewal Trust) to pay the Supplier for the approved amount.

Upon completion of the Seeding of the crop, the Supplier shall give the Company notice in writing that the seeding has been completed together with the Supplier's Certificate identifying the number of seedlings as to species, seed zone, seed lot and seeding date together with the Supplier's invoice for an amount equal to fifty (50) percent of the price per thousand agreed to in Schedule "A", above, multiplied by the Required Volume, or the actual quantity of each species seeded, whichever shall be the less. Following inspection and acceptance of the seeded crop the Company will, within one (1) week, either advise the Supplier that the request for interim payment was accepted and forwarded to the MNRF, after which, if approved by the MNRF will direct RBC-Dexia Investor Services (Forest Renewal Trust) to issue a cheque payable to the Supplier for the approved amount; or if the invoice package is not complete, the Company will notify the Supplier of the missing components and the Supplier will resubmit a completed invoice package.

Upon completion of packaging and moving the crop into cold storage, the Supplier shall give the Company notice in writing that packaging and storage has been completed together with the Supplier's Certificate identifying the number of seedlings as to species, seed zone, seed lot and seeding date.

Following the final delivery to the Company of the tree seedlings produced under this Agreement, the Supplier will invoice the Company for an amount equal to the price per thousand agreed to in Schedule "A" above, multiplied by the Actual Volume accepted by the Company at the planting site(s) or the Required Volume, whichever shall be the less, less any amounts previously paid to the Supplier for trees covered by this contract. The Company will, within one (1) week, either advise the Supplier that the request for interim payment was accepted and forwarded to the MNRF, after which, if approved by the MNRF will direct RBC-Dexia Investor Services (Forest Renewal Trust) to issue a cheque payable to the Supplier for the approved amount; or if the invoice package is not complete, the Company will notify the Supplier of the missing components and the Supplier will resubmit a completed invoice package.

If the MNRF rejects the invoice package submitted by the Company, the MNRF will document the reasons that the invoice package was rejected, and the Company will correct the documentation either directly or through support of the Supplier and resubmit the package to the MNRF for approval.

All requests for payment received under this Agreement must include the following information (invoice package) in order for any such payment to be issued:

- (a) Total number of trees delivered, by stock type
- (b) Forest Licence delivered to
- (c) Tree stock type (e.g. Sb - OW -#310)
- (d) Seed sources (zone 17, 20, etc.)
- (e) Seed lot number (e.g. 1029)
- (f) Production phase (e.g. Sowing or Final delivery)
- (g) Period within which the trees were delivered
- (h) Growth progression analysis

6.0 Tree Seedling Specifications

The following are the specifications for tree seedlings produced under the terms of this Agreement. In this Agreement, "Minimum" means the morphological parameters below which the tree seedlings are not acceptable. "Target" means the morphological parameters that the Supplier's Cultural Methods will be designed to produce. "Maximum" means the morphological parameters above which tree seedlings are not acceptable.

For tree seedlings to be considered acceptable under the terms of this Agreement, an average value for each of the parameters listed in the table below will be computed from a random sample of tree seedlings. If anyone of the measured average values exceeds the Maximum or is less than the Minimum, the population represented by that sample will be considered unacceptable and may be rejected by the Company. The sampling procedure used to determine the average values will be jointly agreed to by both parties.

If any individual tree seedling is less than the Minimum height or is greater than the Maximum height, it will be considered an unacceptable seedling. If a root plug contains more than one seedling, it will be considered an unacceptable seedling. If the root development in a root plug is not sufficient, in the opinion of the Company, to ensure that the rooting medium will hold together in the course of normal field handling, it will be considered an unacceptable seedling.

If the number of unacceptable seedlings should exceed five (5) percent for a population, then the Supplier shall undertake the necessary grading, sorting and replacement required to ensure that the number of unacceptable seedlings in the entire population does not exceed five (5) percent.

| Species / Parameter | Container Size | Minimum | Target | Maximum |
|--|----------------|------------------------|-------------------------|----------------------|
| Jack Pine O.W. 310B or Jiffy 30 containers 1. Stem Height 2. Root to collar diameter 3. Height to RCD ratio | 60 ml | 10 cm 1.6 mm n/a | 16 cm 2.4 mm 70:1 | 22 cm n/a 75:1 |
| Black Spruce O.W. 310B or Jiffy 30 containers 1. Stem Height 2. Root to collar diameter 3. Height to RCD ratio | 60 ml | 12 cm 1.5 mm n/a | 18 cm 2.6 mm 70:1 | 22 cm n/a 80:1 |
| White Spruce O.W. 310B or Jiffy 30 containers 1. Stem Height 2. Root to collar diameter 3. Height to RCD ratio | 60 ml | 12 cm 1.7 mm n/a | 16 cm 2.5 mm 65:1 | 22 cm n/a 75:1 |
| Black Spruce 1. Stem Height | Mini | 5 cm | 6.5 cm | 8 cm |

In addition to the above morphological specifications, a seedling is unacceptable if it exhibits any signs of physiological stress such as, but not limited to, the following:

- severe chlorosis of the foliage
- damage of any sort to the terminal bud
- wilted or wilting foliage

- disease or insect infestation
- dead or dying foliage
- dead or dying root systems; and
- mechanical damage to the terminal shoot.

The Supplier agrees to meet all specifications as outlined in their respective contract proposals.

7.0 Special Conditions

7.1 Procurement of Seed

Both parties understand that the Company is responsible for supplying the seed required by the Supplier, at no cost to the Supplier, to fulfill his obligations under this Agreement.

The Supplier will advise the Company of the amount of seed required to produce the tree seedlings specified in the Agreement. The Company shall prepare the Seed Requisition for this supply of seed and submit it to the Company seed plant / storage facility. Once received, the Supplier shall make all further arrangements for the seed delivery directly with the Company seed plant / storage facility.

The Supplier agrees that the seed will, for all purposes, be deemed to be the property of the Company. In the event of the loss or destruction of the seed while in the possession of the Supplier, the Supplier agrees to compensate the Company for any damages, levies or charges that the Company might incur by reason of such loss or destruction. The Company may deduct the amount of such damages, levies or charges from any amount then otherwise payable by the Company to the Supplier pursuant to the provisions hereof.

The Supplier will ensure that the seed, upon delivery to the Supplier, is stored in conditions that will maintain the viability of the seed. The Supplier agrees that only seed received from the Company seed plant / storage facility will be used in the production of tree seedlings under this Agreement unless otherwise agreed to in writing by the Company. The Supplier further agrees that the said seed may not be used for the production of tree seedlings for any other Agreement that the Supplier might enter into without the prior written consent of the Company.

Should the Supplier decide to further procure or upgrade the seed at any time, beyond the condition, as it exists in the Company's seed inventory, the Supplier agrees to do so at no additional cost to the Company. The Company agrees, at the time of requisitioning the seed, to request the seed to be sent to the facility of the Supplier's choice. Once the seed has been requisitioned, the Supplier shall make all further arrangements for procurement or upgrading and delivery directly with the facility.

7.2 Cultural Methods

Upon commencement of this Agreement, the Supplier agrees to provide the Company with a written description of the Cultural Methods to be used for the production, storage (if any), packaging and delivery of all tree seedlings produced under this Agreement. There shall be no revisions to the Cultural Methods without the prior mutual agreement in writing of the parties thereto.

7.3 Records

The Supplier agrees to establish and keep accurate records, by species and Seed Lot, containing all information applicable to the culture, production and hardening-off of the tree seedlings produced under this Agreement. These records will be made available to the Company at their request.

7.4 Growth Progression

The Supplier agrees to undertake and record the results of a detailed growth progression analysis, by seed zone, species, and stock type and seed lot that tracks, throughout the production period, the development of tree seedlings produced under this Agreement. The minimum parameters to be tracked

are average stem height, average root collar diameter and the average height/diameter ratio. The range of each parameter will also be provided in the analysis. Prior to the commencement of this contract, the Supplier will submit a description of the growth progression analysis to the Company for its approval.

7.5 Reports

The Supplier agrees to provide the Company with a report on the status of tree seedlings (growth progression) produced under this Agreement. The reports will be prepared and sent to the Company on a schedule to be mutually agreed to by both parties.

The Supplier, at his expense, will submit an adequate sample of trees to a seedling quality assessment laboratory of the Company's choice for physiological testing (frost hardiness prior to packaging and flushing trials prior to shipping). The stock will be tested for growth potential, relative conductivity and chlorophyll fluorescence in addition to a visual examination. The Supplier agrees that a copy of the laboratory report be sent to the Company upon receipt by the Supplier.

Invoices will not be processed until the Company has received copies of all documents required under this section, "7.5 Reports", have been received.

7.6 Packaging

The Supplier agrees to package all seedlings in containers of a design acceptable to the Company. Such packaging will be done so as to minimize any potential damage to seedlings from transportation and handling. The number of seedlings packaged into each tote shall be agreed upon by both the Supplier and Company prior to packaging. Each container shall hold the number of tree seedlings, indicated on the label affixed to the outside of the container and as listed on the delivery sheet. At the time of packaging, the growing medium for each seedling must have a moisture content suitable to provide sufficient moisture to the tree seedling during shipment to the planting site.

7.7 Identification

The Supplier agrees that he shall maintain records at all times during seedling production that will permit the Company to determine the exact physical location within the production facility of the tree seedlings produced under this Agreement. Upon packaging, the Supplier agrees that there will be a suitable identification of the Company's seedlings, and that there will be further information on the seed zone, species, stock type and seed lot, the packaging date and the exact number of seedlings contained in each of the packages and that this information will be securely affixed in a prominent place in the cold storage facility for easy identification.

7.8 Title

The parties hereto hereby agree that title to all tree seedlings produced pursuant to the provisions of this Agreement including, without limitation, all tree seedlings produced from seed received from the Company seed plant / storage facility under the Seed Requisition hereinbefore referred to, together with any unplanted seed also received, shall remain with the Company.

7.9 Delivery

The Supplier shall deliver the tree seedlings, at no additional cost to the Company, to locations designated by the Company that are reasonably accessible by road. The containers must be securely packed in the delivery vehicle so that the tree seedlings, including the Root Plug, are not damaged during shipment.

As soon as is reasonably possible after the shipment leaves the production facility, the Supplier will advise the Company of the departure time of each shipment and the expected time of arrival at the delivery point.

In the event that the Supplier shall fail to make deliveries of tree seedlings as provided herein, the Supplier agrees to pay the Company as and by way of liquidated damages the sum of FIVE THOUSAND (\$5,000.00) for each such failure to deliver. The Company may deduct the said sum or sums from any amount then otherwise payable by the Company to the Supplier pursuant to the provisions hereof.

The Company will inspect each shipment as soon after arrival at the delivery point as is reasonably possible. If, in the sole opinion of the Company, a part, or all, of the shipment, upon inspection by the Company's designated representative, does not meet the seedling specifications set out in Section 6.0, the Company will give the Supplier notice of the deficiency within twelve (12) hours of the inspection. The Supplier agrees, at no additional cost to the Company, to replace any seedlings considered by the Company to be deficient and to do so within twenty-four (24) hours of receiving the notice, failing which the Supplier will be deemed to have failed to deliver and will accordingly be subject to the liquidated damages provided above.

7.10 Free Access

The Supplier agrees that the designated representatives of the Company shall have free access at all reasonable times to the Supplier's production facilities and production records relevant to the Company's tree seedlings and seed.

7.11 Container Return

The Company acknowledges its responsibility to ensure the Tree Plant Supplier returns the total number of containers or boxes used for the shipment of the seedlings to the Supplier, or to dispose of said containers/boxes as directed by the Supplier and approved by the Company.

**Nawiinginiima Forest Management Corporation
2017 Stock Production**

BID SUMMARY

Bids are required to be in a \$/1000 trees format. Please sign and return this sheet with bid package submissions.

Big Pic Forest

| Option # | License Area | Species | Seed Zone | Requested Volume | Proposed to Supply Volume | Bid Price (\$/1000) |
|----------|--------------|---------|-----------|------------------|---------------------------|---------------------|
| 1 | Big Pic | Pj | 16/17 | 500,000 | | |
| | Big Pic | Sb | 16/17 | 500,000 | | |
| | Big Pic | Sw | 16/17 | 250,000 | | |

Big Pic Forest

| Option # | License Area | Species | Seed Zone | Requested Volume | Proposed to Supply Volume | Bid Price (\$/1000) |
|----------|--------------|---------|-----------|------------------|---------------------------|---------------------|
| 2 | Big Pic | Pj | 21 | 450,000 | | |
| | Big Pic | Sb | 21 | 400,000 | | |
| | Big Pic | Sw | 21 | 250,000 | | |
| | Big Pic | Sb | 21 | 500,000 | | |

Pic River Forest

| Option # | License Area | Species | Seed Zone | Requested Volume | Proposed to Supply Volume | Bid Price (\$/1000) |
|----------|--------------|---------|-----------|------------------|---------------------------|---------------------|
| 3 | Pic River | Pj | 20/21 | 600,000 | | |
| | Pic River | Sb | 20/21 | 550,000 | | |

| |
|---|
| <p>Contractor: _____ Please Print</p> <p>Contractor Signature: _____ Date: _____</p> |
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