

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN <u>TIMBER SALE PROSPECTUS #7489</u>

<u>SCHEDULED SALE DATE AND TIME:</u> 9:00 a.m. (local time) on September 9, 2024. <u>LOCATION:</u> GRAYLING MGMT UNIT, 1955 HARTWICK PINES ROAD, GRAYLING, MI 49738.

<u>CONTACT NAME:</u> Scott McClarren <u>PHONE NUMBER:</u> (989) 348-6371

<u>PROSPECTUS NOTE</u>: 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, GRAYLING MANAGEMENT UNIT, for certain timber on the following described lands:

<u>GNA2 Sid Town RP</u> (72-803-23) / T24N, R07E, SEC. 28, NW,SW. T24N, R07E, SEC. 29, S1/2NE,NESW,S1/2SW,SE. T24N, R07E, SEC. 32, N1/2NW,N1/2NE. T24N, R07E, SEC. 33, NWNW. Iosco County, Advertised Price \$545,542.10, 511.2 Acres, Hardwood, Red Pine. SALE NOTE: The area encompassed by this timber sale is not certified to the standards of the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI). Forest products from this sale may not be delivered to the mill as "FSC and / or SFI certified". The lands within this sale belong to the National Forest system and are being managed by the State as part of a Good Neighbor Authority

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Access may be through other public land.

TIMBER SALE INFORMATION

GNA2 Sid Town RP (72-803-23)

T24N, R07E, SEC. 28; T24N, R07E, SEC. 29; T24N, R07E, SEC. 32; T24N, R07E, SEC. 33. Iosco County (Advertised Price \$545,542.10)

SALE NOTE: The area encompassed by this timber sale is not certified to the standards of the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI). Forest products from this sale may not be delivered to the mill as "FSC and / or SFI certified". The lands within this sale belong to the National Forest system and are being managed by the State as part of a Good Neighbor Authority (GNA) agreement. Sale includes timing restrictions for oak wilt (April 15th to July 15th), no exceptions will be granted.

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. All units of volume listed below were estimated using the Inventory Manager computer program and the new Michigan taper model. Bids must be at or above the following advertised price for each product and species:

PRODUCTS & SPECIES	ESTIMATED UNITS*		<u>ADVI</u>	ADVERTISED PRICE		
Sawtimber						
Black/Red (Hybrid) Oak	62.9	MBF	\$	132.00 / MBF		
Red Pine	1,221.0	MBF	\$	123.00 / MBF		
Pulpwood						
Jack Pine	65	Cords	\$	23.65 / Cord		
Mixed Hardwood	497	Cords	\$	31.95 / Cord		
Quaking Aspen	42	Cords	\$	26.55 / Cord		
Red Pine	6,398	Cords	\$	57.60 / Cord		

* The total volume is statistically estimated within plus (+) or minus (-) 10.96 percent. There are an estimated 10,015 cords on this timber sale, plus or minus 1,098 cords at the 95% confidence level. 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 \$27,277.11 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

INUMBER	PERCENT OF TOTAL SALE
01	4.2%
02	22.3%
03	7.5%
04	24.1%
05	4.5%
06	11.7%
07	25.7%

4. If no cutting takes place, the 10% down payment will not be refunded.

5. Operations on the contract issued will terminate on 06/30/2029.

SALE STATISTICS

Volumes were calculated in cubic feet using the Michigan taper model. Cubic foot volume includes all wood inside bark for the product indicated. For display purposes, cubic feet were converted to cords and MBF using a simple conversion factor, e.g. 79 cubic feet per cord and 185 cubic feet per MBF. The cubic foot volumes are precise; the cords and MBF volumes are not. Cubic foot volume cannot be directly converted to cords or boards with precision.

SALE VOLUMES

The total estimated sale volume may not equal the sum of the species/products due to the nature of statistical calculations associated with double sampling methodology.

VOL	UME		STATISTICAL RANGE IN CORDS	
TOTAL CUBIC FEET	TOTAL CORDS	PERCENT ERROR	MINIMUM	MAXIMUM
791,151	10,015	10.96%	8,916	11,113

VDU VOLUMES

A VDU is a Volume Determination Unit. Volumes and their associated statistics are calculated at the VDU level and summarized to the sale level. There is often a one to one relationship between a VDU and a Payment Unit, but not always, depending on the cruise design. Refer to the VDU TO PAYMENT UNIT table.

	VOLUME			RANGE IN CORDS	
VDU	TOTAL CUBIC FEET	TOTAL CORDS	PERCENT ERROR	MINIMUM	MAXIMUM
6	58,636	742	25.61%	552	932
8	37,878	479	33.33%	320	639
28	32,155	407	35.80%	261	553
36	662,482	8,386	10.46%	7,508	9,263
TOTAL:	791,151	10,015		8,642	11,388

VDU TO PAYMENT UNIT

When a VDU is associated with more than one Payment Unit (PU), the VDU volumes are assigned to the PU based on acres of the VDU within the PU.

VDU	VDU ACRES	PU	PU ACRES
6	33.8	3	33.8
8	22.9	5	22.9
28	22.9	1	22.9
36	431.6	2	114.9
		4	124.3
		6	60.2
		7	132.2
TOTAL:	511.2		511.2

DESCRIPTION OF TIMBER BY PU (PU)

PU	MARKET GROUP	PRODUCT	QUANTITY	UNIT	ACRES	ADVERTISE PRICE
1	Red Pine	Sawtimber	24.1	MBF	22.9	\$23,073.00
	Mixed Hardwood	Pulpwood	2	Cords		
	White Oak		2	Cords		
	Red Pine		348	Cords		
2	Black/Red (Hybrid	Sawtimber	16.7	MBF	114.9	\$121,674.60
	Red Pine		260.1	MBF		
	Jack Pine	Pulpwood	15	Cords		
	Jack Pine	Sawtimber	0.5	MBF		
	Jack Pine	Pulpwood	14	Cords		
	Mixed Hardwood		129	Cords		
	/Red (Hybrid) Oak		112	Cords		
	White Oak		17	Cords		
	Red Pine		1,441	Cords		
3	Red Pine	Sawtimber	90.3	MBF	33.8	\$40,817.80
	Jack Pine	Pulpwood	4	Cords		
	Jack Pine	Sawtimber	1.7	MBF		
	Jack Pine	Pulpwood	1	Cords		
	Mixed Hardwood		11	Cords		
	/Red (Hybrid) Oak		11	Cords		
	Quaking Aspen		11	Cords		
	Quaking Aspen	Sawtimber	4.4	MBF		
	Quaking Aspen	Pulpwood	2	Cords		
	Red Pine		503	Cords		
4	Black/Red (Hybrid	Sawtimber	18.1	MBF	124.3	\$131,549.35
	Red Pine		281.3	MBF		
	Jack Pine	Pulpwood	16	Cords		
	Jack Pine	Sawtimber	0.5	MBF		
	Jack Pine	Pulpwood	15	Cords		
	Mixed Hardwood		139 <i>121</i>	Cords		
	/Red (Hybrid) Oak White Oak		121	Cords Cords		
	Red Pine		1,558	Cords		
5	Red Pine	Sawtimber		MBF	22.9	¢04 751 65
5	Jack Pine	Pulpwood	129.7 6	Cords	22.9	\$24,751.65
	Jack Pine	Sawtimber	2.3	MBF		
	Jack Pine	Pulpwood	2.5	Cords		
	Quaking Aspen	1 010000	31	Cords		
	Quaking Aspen	Sawtimber	4.7	MBF		
	Quaking Aspen	Pulpwood	22	Cords		
	Red Pine	i alpwood	136	Cords		
6	Black/Red (Hybrid	Sawtimber	8.8	MBF	60.2	\$63,776.30
0	Red Pine	Gawaniber	136.3	MBF	00.2	φ00,770.00
	Jack Pine	Pulpwood	8	Cords		
	Jack Pine	Sawtimber	0.3	MBF		
	Jack Pine	Pulpwood	7	Cords		
	Mixed Hardwood	, apricea	68	Cords		
	/Red (Hybrid) Oak		59	Cords		
	White Oak		9	Cords		
	Red Pine		755	Cords		
7	Black/Red (Hybrid	Sawtimber	19.3	MBF	132.2	\$139,899.40
	Red Pine		299.2	MBF	102.2	\$100,000.40
	Jack Pine	Pulpwood	16	Cords		
	Jack Pine	Sawtimber	0.6	MBF		
		54	0.0		1	
	Jack Pine	Pulpwood	15	Cords		

DESCRIPTION OF TIMBER BY PU (PU), CON'T

PU	MARKET GROUP	PRODUCT	QUANTITY	UNIT	ACRES	ADVERTISE PRICE
7 con't	/Red (Hybrid) Oak	Pulpwood	128	Cords		
	White Oak		20	Cords		
	Red Pine		1,657	Cords		
		TOTAL:	1,283.9	MBF		
		TOTAL:	7,002	Cords		

Sale Specific Conditions & Requirements

Sale Name: GNA2 Sid Town RP

Sale Number: 72-803-23 Seq#: 2

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (9/19)

The sale boundary and Payment Unit boundaries are marked and identified by orange paint and roads. Exterior sale boundaries against United States Forest Service are marked with orange paint, except the boundaries along Cooke Dam Road and River Road, which are unpainted and designated by the roads and as shown on the Timber Sale Map. Interior Payment Unit boundaries are marked with orange paint, except between Payment Units 2 & 3, where the interior Payment Unit boundary is unpainted and designated by Forest Road 2086. The painted boundary line trees are not Included Timber and are to be protected.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1-4 and 6-7, all trees are designated for cutting when marked with blue paint above and below stump height, regardless of merchantability.

2.1.7 - Leave tree marked unit(s) (6/14)

Within Payment Unit(s) 5, all trees, which meet minimum piece specifications in 2.2 Utilization, are designated for cutting, except trees marked with orange paint above and below stump height.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 6 inches for trees.

2.2.10 - No chipping tops and limbs (8/16)

Within Payment Unit(s) 1-7, chipping of portions of the tree less than 4-inches in diameter is not permitted. Limbs and the remaining top must be left on site and scattered. Tops and slash may not be piled next to residual trees.

2.2.12 - GNA, cut and remove Included Timber (3/18)

Unless provided otherwise herein, the DNR agrees to sell and permit Purchaser to cut and remove Included Timber and Purchaser agrees to purchase, cut, and remove Included Timber.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (7/14)

Payment Unit(s) 2, 4, and 7 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 Amendment. There will be only one division per Payment Unit.

3.4 - Damaged Timber

3.4.1 - Damaged timber (7/16)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured.

No damage is acceptable to undesignated live 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, or at a rate of \$50.00 per sawtimber tree and \$25.00 per pole sized tree, whichever is greater.

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, or utilized in landing and access road closure.

4.1.6 - Road construction (4/24)

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. Overgrown 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. Stumps and brush must be placed along the remainder of the trail. These roads must be rendered impassable to cars and trucks. All stumps from road building and landing construction must be reserved to block any newly constructed roads upon completion of the sale. These stumps must be scattered along the road system to prohibit vehicular movement. Contact the Sale Administrator for specific details of design and placement.

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 during spring breakup or wet weather conditions.

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

4.4.5 - Federal property access (3/11) Permission for access across federal land has been obtained by the DNR.

5 - Operations

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.8 - Slash height (12/08)No slash or tree tops may exceed 24 inches in height.

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (10/16)Obvious hollow and/or den trees shall be protected and left standing unless they are a safety hazard.

5.2.3 - Operating Restrictions

5.2.3.3 - Bark slippage restriction (3/09)

Within Payment Unit(s) 1-7, 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.

5.2.3.4 - Oak wilt restriction, no exceptions (1/18)Within Payment Unit(s) 1-7, cutting, skidding, hauling within the sale and brushing of access roads to the sale are not

permitted during the period of April 15 to July 15. No exceptions will be granted. This is necessary to reduce the spread of oak wilt.

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.

5.2.32 - 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.

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

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

5.2.39 - ORV trail/route protection (4/18)

The Highbanks River Trail is a hiking trail and is shown on the Timber Sale Map. Do not cut trees or damage posts with yellow ORV markers. All stumps within 5 feet of the trail must be cut flush with the ground. Maintain a 20-foot-wide slash and debris zone daily using the ORV trail or route as the center line. Skidding across the trail is permitted. Skidding down the trail is not permitted.

5.6 - Debris and Waste Material

5.6.2 - GNA, equipment cleaning (4/24)

(a) Areas, known by the DNR prior to timber sale advertisement, that are infested with invasive species of concern are shown on the Timber Sale Map. A current list of invasive species of concern and a map showing the extent of known infestations is available from the DNR. For purposes of this provision, "Off-Road Equipment" includes all logging and construction machinery, except for log trucks, chip vans, service vehicles, water trucks, pickup trucks, cars, and similar vehicles.

(b) Purchaser shall adhere to the following requirements with regard to cleaning "Off-Road Equipment":

(i) Prior to moving Off-Road Equipment onto the Sale Area, Purchaser shall identify the location of the equipment's most recent operation. Purchaser shall not move any Off-Road Equipment that last operated in an area infested with one or more invasive species of concern onto Sale Area without having cleaned such equipment of seeds, soil, vegetative matter, and other debris that could contain or hold seeds, and having notified the DNR, as provided in (iii). If the location of prior operation cannot be identified, then Purchaser shall assume that the location is infested with invasive species of concern.

(ii) Prior to moving Off-Road Equipment from a cutting unit that is shown on the Timber Sale Map to be infested with invasive species of concern to, or through any other area that is shown as being free of invasive species of concern, or infested with a different invasive species, Purchaser shall clean such equipment of seeds, soil, vegetative matter, and other debris that could contain or hold seeds, and shall notify the DNR, as provided in (iii).

(iii) Prior to moving any Off-Road Equipment subject to the cleaning requirements set forth above, Purchaser shall advise DNR of its cleaning measures and make the equipment available for inspection. DNR shall have 2 days, excluding weekends and State holidays, to inspect equipment after it has been made available. After satisfactory inspection or after such 2 day period, Purchaser may move the equipment as planned. Equipment shall be considered clean when a visual inspection does not disclose seeds, soil, vegetative matter, and other debris that could contain or hold seeds. Purchaser shall not be required to disassemble equipment unless so directed by the DNR after inspection.

(iv) If Purchaser desires to clean Off-Road Equipment on National Forest land, such as at the end of a project or prior to moving to, or through an area that is free of invasive species of concern, Purchaser shall obtain prior approval from the Unit

Manager or his/her representative as to the location for such cleaning and measures, if any, for controlling impacts.

(v) Unit Manager or his/her representative may order delay, interruption, or modification of this Contract pursuant to Condition & Requirement 7.3 or 7.3.4.

(c) Nothing contained in this Condition & Requirement shall be interpreted as creating any warranty on the part of the DNR that all locations of invasive species of concern have been described herein, elsewhere in this Contract, or designated on the ground. Following sale advertisement, additional locations may be described or designated, and other species may be added to the list of invasive species of concern. In such event, the Unit Manager or his/her representative may order delay, interruption, or modification of this Contract pursuant to Condition & Requirement 7.3 or 7.3.4.

(d) The parties shall promptly communicate with one another with respect to description or designation of additional locations; discovery of locations of new species or new infestation; and, addition of species to the list of invasive species of concern.

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 (10/20)

The Purchaser is responsible for posting and maintaining caution signs on Cooke Dam Road, River Road, and Forest Road 2086, 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.

6.2.3 - Recreational trail posting (10/20)

The Purchaser is responsible for posting and maintaining caution signs on the Highbank River Trail 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.

7 - Other Conditions

SKIP

7.1.1 - GNA, title (7/16)

General Condition & Requirement 7.1 is inapplicable. The following applies to this contract.

All right, title, and interest in and to any Included Timber shall remain in USDA Forest Service with the State of Michigan acting on behalf of the USDA Forest Service under this GNA contract, until it has been Measured, removed from Sale Area or other authorized cutting area, and paid for, at which time title shall vest in Purchaser. Title to any Included Timber that has been Measured and paid for, but not removed from Sale Area or other authorized cutting area by Purchaser on or prior to Termination Date, shall remain in USDA Forest Service.

7.3 - Contract Modifications

7.3.4 - GNA, contract suspension and modification (5/16)

(a) The Unit Manager may, by written order, delay or interrupt authorized operations under this contract or, notwithstanding Condition & Requirement 7.3, modify this contract, in whole or in part:

(i) To prevent environmental degradation or resource damage, including, but not limited to, harm to habitat, plants, animals, cultural resources, or cave resources;

(ii) To ensure consistency with land and resource management plans or other documents prepared pursuant to the National Environmental Policy Act of 1969, 42 USC 4321-4347;

(iii) To conduct environmental analysis, including, but not limited to, engaging in consultation pursuant to the Endangered Species Act of 1973, 16 USC 1531, et seq.; or

(iv) Upon agreement of the Forest Service, due to administrative appeal or litigation, regardless of whether the Unit Manager's order is required by a court order or this contract is named in such a proceeding.

(b) In the event of an order delaying or interrupting Purchaser's Operations under this Condition & Requirement, Purchaser's remedy shall be:

(i) a no cost contract extension,

(ii) reimbursement for Out-of-Pocket Expenses,

however, the foregoing remedies shall be available only to the extent that the Unit Manager's order was the sole and exclusive cause of the delay or interruption of Purchaser's operations.

(c) Remedies awarded to the Purchaser shall not be duplicative, and the Unit Manager shall have the right to structure remedies provided herein to avoid duplicative compensation.

(d) Purchaser agrees that this Condition & Requirement, and the remedies provided herein shall apply regardless of any finding by any court that the DNR failed to comply with any statute, regulation and/or policy in connection with awarding, advertising, or authorizing this sale, or a similar sale.

7.5 - Loss

7.5.2 - GNA, liability for loss (7/16)

If Included Timber is destroyed or damaged by an unexpected event that changes the nature of Included Timber, such as wind, flood, insects, disease, or similar cause, the Purchaser shall bear the timber value loss resulting from such destruction or damage.

Deterioration or loss of timber value due to delay or interruption under 7.3.4 - GNA, contract suspension and modification, shall be borne by the party holding title. In this event, Included Timber to which USDA Forest Service holds title, Purchaser of the State GNA contract will not be obligated to remove and pay for such timber. This Subsection shall not be construed to relieve either party of liability for negligence.

7.10 - Certified Timber

7.10.1 - Non-certified timber (2/16)

The area encompassed by this timber sale is not certified to the standards of the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI). Forest products from this sale may not be delivered to the mill as "FSC and / or SFI certified". The lands within this sale belong to the National Forest system and are being managed by the State as part of a Good Neighbor Authority (GNA) agreement.

