

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN <u>TIMBER SALE PROSPECTUS #7456</u>

SCHEDULED SALE DATE AND TIME: 10:00 a.m. (local time) on June 10, 2024. LOCATION: SAULT DNR CUSTOMER SERVICE CENTER, 4131 S. M-129, SAULT STE MARIE, MI 49783.

CONTACT NAME: Amy Livermore PHONE NUMBER: (906) 287-5376

<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, SAULT STE MARIE MANAGEMENT UNIT, for certain timber on the following described lands:

<u>GNA2 McIntosh</u> (45-803-24) / T44N, R04W, SEC. 29, NW. T44N, R04W, SEC. 30, NENW,N1/2NE,SENE,SESW,SWSE. T44N, R04W, SEC. 31, NW,W1/2NE. Chippewa County, Advertised Price \$185,874.50, 171.2 Acres, Aspen, Red Pine. SALE NOTE: GNA Sale. Class A access for Payment Units 1-6.

Access may be through other public land.

TIMBER SALE INFORMATION

<u>GNA2 McIntosh (45-803-24)</u> T44N, R04W, SEC. 29; T44N, R04W, SEC. 30; T44N, R04W, SEC. 31. Chippewa County (Advertised Price \$185,874.50)

SALE NOTE: GNA Sale. Class A access for Payment Units 1-6.

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:

| ESTIMATE | D UNITS* | ADVE | RTISED PRICE |
|----------|------------------------------|---|---|
| | | | |
| 3 | Cords | \$ | 10.90 / Cord |
| 20 | Cords | \$ | 36.60 / Cord |
| 17 | Cords | \$ | 13.60 / Cord |
| 69 | Cords | \$ | 12.20 / Cord |
| 3,042 | Cords | \$ | 60.40 / Cord |
| 25 | Cords | \$ | 12.00 / Cord |
| | 3 20 17 69 3,042 | 20 Cords 17 Cords 69 Cords 3,042 Cords | 3 Cords \$ 20 Cords \$ 17 Cords \$ 69 Cords \$ 3,042 Cords \$ |

* The total volume is statistically estimated within plus (+) or minus (-) 23.18 percent. There are an estimated 3,175 cords on this timber sale, plus or minus 736 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 \$9,293.73 to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment must be paid in advance or according to the following schedule :
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The 10% down payment will be credited towards the first unit cut.
 - (c) Payment for each of the following units must be made before cutting begins in that unit:

| PAYMENT UNIT NUMBER | PERCENT OF TOTAL SALE VALUE |
|---------------------|-----------------------------|
| 01 | 6.3% |
| 02 | 6.3% |
| 03 | 6.0% |
| 04 | 17.7% |
| 05 | 18.6% |
| 06 | 8.3% |
| 07 | 21.5% |
| 08 | 8.9% |
| 09 | 6.4% |

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

5. Operations on the contract issued will terminate on 12/31/2027.

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.

| VOLUME | | | STATISTICAL RANGE IN CORDS | | |
|------------------|-------------|---------------|----------------------------|---------|--|
| TOTAL CUBIC FEET | TOTAL CORDS | PERCENT ERROR | MINIMUM | MAXIMUM | |
| 250,854 | 3,175 | 23.18% | 2,439 | 3,912 | |

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 |
| 21 | 20,726 | 262 | 22.77% | 203 | 322 |
| 22 | 14,329 | 181 | 23.35% | 139 | 224 |
| 23 | 16,256 | 206 | 34.50% | 135 | 277 |
| 25 | 15,247 | 193 | 35.11% | 125 | 261 |
| 27 | 89,848 | 1,137 | 16.46% | 950 | 1,324 |
| 53 | 74,761 | 946 | 16.40% | 791 | 1,102 |
| 65 | 16,752 | 212 | 26.41% | 156 | 268 |
| 229 | 2,935 | 37 | 69.76% | 11 | 63 |
| TOTAL: | 250,854 | 3,175 | | 2,510 | 3,840 |

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 |
|--------|-----------|----|----------|
| 21 | 16.6 | 6 | 16.6 |
| 22 | 7.1 | 2 | 7.1 |
| 23 | 22.8 | 1 | 22.8 |
| 25 | 13.3 | 3 | 13.3 |
| 27 | 56.3 | 4 | 27.5 |
| | | 5 | 28.8 |
| 53 | 41.9 | 7 | 29.5 |
| | | 8 | 12.4 |
| 65 | 8.4 | 9 | 8.4 |
| 229 | 4.8 | 2 | 4.8 |
| TOTAL: | 171.2 | | 171.2 |

DESCRIPTION OF TIMBER BY PU (PU)

| PU | MARKET GROUP | PRODUCT | QUANTITY | UNIT | ACRES | ADVERTISE PRICE |
|-----------|----------------|----------|----------|-------|-------|-----------------|
| 1 | Mixed Hardwood | Pulpwood | 3 | Cords | 22.8 | \$11,771.80 |
| Red Maple | | 3 | Cords | | | |
| | Quaking Aspen | | 11 | Cords | | |
| | Red Pine | | 192 | Cords | | |
| 2 | Jack Pine | Pulpwood | 3 | Cords | 11.9 | \$11,789.40 |
| | Quaking Aspen | | 2 | Cords | | |
| | Red Pine | | 188 | Cords | | |
| | Scotch Pine | | 25 | Cords | | |
| 3 | Quaking Aspen | Pulpwood | 9 | Cords | 13.3 | \$11,223.40 |
| | Red Pine | | 184 | Cords | | |
| 4 | Mixed Hardwood | Pulpwood | 1 | Cords | 27.5 | \$32,945.00 |
| | Red Maple | | 1 | Cords | | |
| | Quaking Aspen | | 11 | Cords | | |
| | Red Pine | | 543 | Cords | | |
| 5 | Mixed Hardwood | Pulpwood | 2 | Cords | 28.8 | \$34,529.00 |
| | Red Maple | | 2 | Cords | | |
| | Quaking Aspen | | 11 | Cords | | |
| | Red Pine | | 569 | Cords | | |
| 6 | Quaking Aspen | Pulpwood | 8 | Cords | 16.6 | \$15,439.20 |
| | Red Pine | | 254 | Cords | | |
| 7 | Balsam Fir | Pulpwood | 2 | Cords | 29.5 | \$39,635.80 |
| | Jack Pine | | 10 | Cords | | |
| | Mixed Hardwood | | 8 | Cords | | |
| | Beech | | 1 | Cords | | |
| | Red Maple | | 7 | Cords | | |
| | Red Pine | | 648 | Cords | | |
| 8 | Balsam Fir | Pulpwood | 1 | Cords | 12.4 | \$16,626.9 |
| | Jack Pine | | 4 | Cords | | |
| | Mixed Hardwood | | 3 | Cords | | |
| | Red Maple | | 3 | Cords | | |
| | Red Pine | | 272 | Cords | | |
| 9 | Jack Pine | Pulpwood | 3 | Cords | 8.4 | \$11,914.0 |
| | Quaking Aspen | | 17 | Cords | | |
| | Red Pine | | 192 | Cords | | |
| | - | TOTAL: | 3,176 | Cords | | |

Sale Specific Conditions & Requirements

Sale Name: GNA2 McIntosh

Sale Number: 45-803-24 Seq#: 1

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. Exterior sale boundary lines against USFS are marked with orange paint. Interior Payment Unit boundaries are marked with orange painted dots. Retention patches are marked with orange paint and blue and white striped ribbon; no harvesting activities may occur within these areas. The painted boundary line trees are not Included Timber and are to be protected unless marked with blue paint. Orange painted trees designating an interior Payment Unit boundary, that are marked in blue, are only to be cut when all surrounding Payment Units have been paid.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1-9, all trees are designated for cutting when marked with blue paint above and below stump height, regardless of merchantability. In addition, all scotch pine are designated for cutting, regardless of merchantability.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 6 inches for all trees. This is in order to facilitate planting operations.

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) 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.

3.4 - Damaged Timber

3.4.3 - Special Protection Areas (8/11)

The Purchaser shall protect special protection areas from damage by the Purchaser's operations. Special protection areas are marked with orange boundary line and blue and white striped ribbon. The Purchaser shall not cut live or dead trees within special protection areas. If the Purchaser's operations have cut or damaged special protection areas through carelessness, the Purchaser shall pay \$5000 as fixed, agreed and liquidated damages for each acre or part thereof cut or damaged. Such payment does not constitute ownership of the undesignated timber.

4 - Transportation

4.1 - Construction

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

No new roads will be permitted in any Payment Unit. Skid trails only will be allowed.

4.2 - Maintenance

4.2.1 - Hauling restriction (12/08)

Hauling is restricted on the Quarry Road (FR 3123). The restriction will occur during spring breakup when road restrictions

are on for Chippewa County.

4.2.5 - Two wheel drive condition (2/04)

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

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/16)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations. The Unit Manager or his/her representative must be contacted at least 3 days in advance to schedule the conference.

5.1.4 - Post-sale conference (10/16)

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.

5.1.6 - Utility R.O.W. (4/19)

It is the responsibility of the Purchaser to obtain permission from the utility company to utilize the power line R.O.W. for operations. Contact Paul Warner with Cloverland Electric at (906) 440-4022.

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.

5.2.32 - 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 70 feet of Quarry Road (FR3123); without permission of the Unit Manager or his/her representative. Skidding is not permitted on this road.

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

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

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.

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 H-40 (Trout Lake Road) prior to beginning operations. The road must be posted at appropriate distances from the Sale Area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

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

7.3.3 - Modification for reforestation (8/05)

When contractual work of Purchaser has been accepted for any Payment Unit identified on Sale Area Map, Payment Unit will be eliminated from the Sale Area on written notice so that reforestation operations can begin.

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.

