



**DEPARTMENT OF NATURAL RESOURCES
STATE OF MICHIGAN
TIMBER SALE PROSPECTUS #7137**

SCHEDULED SALE DATE AND TIME: 9:00 a.m. (local time) on September 29, 2022.

LOCATION: GRAYLING MGMT UNIT, 1955 HARTWICK PINES ROAD, GRAYLING, MI 49738.

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

GNA2 Au Sable KW South (72-808-22) / T24N, R06E, SEC. 10, NWNW,S1/2NW,SWNE,SW,SE.

T24N, R06E, SEC. 14, NWNW.

T24N, R06E, SEC. 15, NW,NE,N1/2SE.

T24N, R06E, SEC. 9 , E1/2NE,E1/2SE.

Iosco County, Advertised Price \$258,010.05, 525.8 Acres, Jack Pine, Red Pine.

SALE NOTE: This is a Good Neighbor Authority (GNA) timber sale on National Forest Land. This timber sale was set-up and is being advertised by the Michigan DNR for the US Forest Service. The contract will be awarded and administered by the Michigan DNR. Note the additional Sale Specific Conditions & Requirements contain the acronym 'GNA'.

This sale was prepared through a timber marking contract. It has been marked and cruised by Northeast Michigan Forestry, LLC. The timber sale follows USFS paint scheme.

Oak Wilt Restrictions are in place for all payment units per USFS request.

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 other public land.

BID INSTRUCTIONS (VER. 07/02/2018):

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

Bids must be received by the Unit Manager, GRAYLING OFFICE, 1955 HARTWICK PINES ROAD, GRAYLING, MI 49738, no later than 9:00 a.m. (local time) on September 29, 2022. For further information concerning this sale, contact Thomas Barnes at 989-348-6371 extension 7440.

2. Bidder's Qualifications (5/16)

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, the 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 (5/16)

Bid Forms may be completed online thru Michigan DNR Timber Sale Online Bidding (OLB) at www.michigan.gov/timberbidding or by completing the hardcopy Bid Form found in the Timber Sale Prospectus. Hardcopy Bid Forms shall be manually signed in ink. Registration in OLB is considered your 'signature' for all bids submitted thru that system. 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 hardcopy Bid Form, each erasure or change must be initialed by the person signing the bid.

4. Submission of Sealed Bids (5/16)

Bid forms may be obtained from the Unit Manager or thru OLB. Bids may be submitted hardcopy or thru OLB. All hardcopy 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.

It is possible for a bidder to submit multiple bids on a single sale. For example, a bid may be submitted hardcopy and a bid may be submitted thru OLB. Or, two bidders from the same company could both submit bids on the same sale. If this were to happen, the State would accept all bids received and award the contract accordingly. All bidding and contractual requirements would apply to all bids received.

5. Public Opening of Sealed Bids (7/16)

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 or announce the withdrawal of their online bid 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 (7/18)

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 3 months after the first offense, 6 months after the second offense, and 1 year after the third offense. An offense will only be counted against the Bidder for 5 years. 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 expiration date.

Payment Unit values in the State Forest Timber Sale Contract are calculated based on the advertised value of the Payment Unit as a percentage of the total advertised value of the contract. The advertised value of each Payment Unit is given in the Description of Timber by Payment Unit table on the Timber Sale Information page. For example, if the value of Payment Unit 1 is advertised as \$1,500 and the total Timber Sale value is advertised as \$10,000, the contract price for Payment Unit 1 will be 15% of the total bid price ($\$1,500/\$10,000 * 100$).

10. Disclaimer of Estimates and Bidder's Warranty of Inspection (7/16)

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

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

11. Certification and Chain-of-Custody (10/14)

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-SF5. 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.

12. Good Neighbor Authority (GNA) Requirements (7/16)

If the name of this timber sales contains the acronym GNA, it is authorized by the Good Neighbor Authority (GNA) and covered by various agreements between the U.S. Forest Service and the State. The timber sale occurs on federal land and the following conditions apply:

GNA contracts on US Forest Service land will not be awarded to purchasers on the Federal list of excluded parties. The System for Award Management (SAM) will be checked for active excluded parties prior to award of contract. In addition, the Bidder to whom award is made must complete an Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants (AD-3031).

13. Good Neighbor Authority (GNA) Requirements, con't (9/16)

Bidder certifies, by signing this bid form, that to the best of Bidder's knowledge that the following representations are accurate and complete.

- a. That the Bidder and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntary excluded from timber sales (covered transactions) by any Federal department or agency.
- b. That the Bidder and its principals have not within a 3-year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining , attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- c. That the Bidder and its principals are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph b of this certification.
- d. That the Bidder and its principals have not within a 3-year period preceding this bid had one or more public transactions (Federal, State, or local) terminated for breach or default of a timber or forest product contract.

Bidders that cannot certify this requirement, in whole or in part, shall submit an explanation with their bid.

DAN EICHINGER
Director

TIMBER SALE INFORMATION

GNA2 Au Sable KW South (72-808-22)

T24N, R06E, SEC. 10; T24N, R06E, SEC. 14; T24N, R06E, SEC. 15; T24N, R06E, SEC. 9.
Iosco County (Advertised Price \$258,010.05)

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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 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:

| <u>PRODUCTS & SPECIES</u> | <u>ESTIMATED UNITS*</u> | <u>ADVERTISED PRICE</u> |
|-------------------------------|-------------------------|-------------------------|
| Sawtimber | | |
| B. T. Aspen | 100.3 MBF | \$ 54.00 / MBF |
| Northern Pin Oak | 43.3 MBF | \$ 105.00 / MBF |
| Red Pine | 959.5 MBF | \$ 90.00 / MBF |
| White Oak | 23.9 MBF | \$ 64.00 / MBF |
| White Pine | 381.3 MBF | \$ 61.00 / MBF |
| Pulpwood | | |
| B. T. Aspen | 175 Cords | \$ 26.80 / Cord |
| Black Cherry | 8 Cords | \$ 23.55 / Cord |
| Jack Pine | 2,895 Cords | \$ 15.70 / Cord |
| Mixed Oak | 260 Cords | \$ 22.50 / Cord |
| Red Pine | 1,848 Cords | \$ 32.20 / Cord |
| White Pine | 1,053 Cords | \$ 20.15 / Cord |

* The total volume is statistically estimated within plus (+) or minus (-) 10.51 percent. There are an estimated 10,042 cords on this timber sale, plus or minus 1,056 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 \$12,901.00 to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
3. Total payment must be paid in advance or according to the following schedule :
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The 10% down payment will be credited towards the first unit cut.
 - (c) Payment for each of the following units must be made before cutting begins in that unit:

| PAYMENT UNIT NUMBER | PERCENT OF TOTAL SALE VALUE |
|---------------------|-----------------------------|
| 01 | 8.4% |
| 02 | 8.5% |
| 03 | 15.4% |
| 04 | 17.8% |
| 05 | 44.4% |
| 06 | 5.5% |
4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on 09/30/2026.

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 |
| 793,305 | 10,042 | 10.51% | 8,986 | 11,098 |

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.

| VDU | VOLUME | | PERCENT ERROR | RANGE IN CORDS | |
|---------------|------------------|---------------|---------------|----------------|---------------|
| | TOTAL CUBIC FEET | TOTAL CORDS | | MINIMUM | MAXIMUM |
| 1 | 59,618 | 755 | 17.43% | 623 | 886 |
| 11 | 201,317 | 2,548 | 7.25% | 2,363 | 2,733 |
| 12 | 50,027 | 633 | 23.32% | 486 | 781 |
| 111 | 435,761 | 5,516 | 9.88% | 4,971 | 6,061 |
| 112 | 46,583 | 590 | 26.25% | 435 | 744 |
| TOTAL: | 793,305 | 10,042 | | 8,878 | 11,206 |

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 |
|---------------|--------------|----|--------------|
| 1 | 37.4 | 1 | 37.4 |
| 11 | 307.4 | 3 | 307.4 |
| 12 | 29.7 | 2 | 29.7 |
| 111 | 125.4 | 4 | 35.9 |
| | | 5 | 89.5 |
| 112 | 25.9 | 6 | 25.9 |
| TOTAL: | 525.8 | | 525.8 |

DESCRIPTION OF TIMBER BY PAYMENT UNIT (PU)

| PU | MARKET GROUP | PRODUCT | QUANTITY | UNIT | ACRES | ADVERTISE PRICE |
|-------------------------|-------------------------|------------------|-----------|--------------|-------|-----------------|
| 1 | Northern Pin Oak | Sawtimber | 3.2 | MBF | 37.4 | \$21,739.95 |
| | Red Pine | | 9.8 | MBF | | |
| | White Oak | | 20.7 | MBF | | |
| | White Pine | | 2.1 | MBF | | |
| | Black Cherry | Pulpwood | 4 | Cords | | |
| | Jack Pine | | 25 | Cords | | |
| | <i>Jack Pine</i> | | 25 | <i>Cords</i> | | |
| | Mixed Oak | | 69 | Cords | | |
| | <i>Northern Pin Oak</i> | | 47 | <i>Cords</i> | | |
| | <i>White Oak</i> | | 22 | <i>Cords</i> | | |
| | Red Pine | | 527 | Cords | | |
| | White Pine | | 3 | Cords | | |
| | 2 | Northern Pin Oak | Sawtimber | 40.1 | | |
| Red Pine | | | 84.4 | MBF | | |
| White Oak | | | 3.2 | MBF | | |
| Jack Pine | | Pulpwood | 7 | Cords | | |
| <i>Jack Pine</i> | | | 7 | <i>Cords</i> | | |
| Mixed Oak | | | 61 | Cords | | |
| <i>Northern Pin Oak</i> | | | 42 | <i>Cords</i> | | |
| <i>White Oak</i> | | | 19 | <i>Cords</i> | | |
| Red Pine | | | 239 | Cords | | |
| White Pine | | | 39 | Cords | | |
| 3 | White Pine | Sawtimber | 2.3 | MBF | 307.4 | \$39,819.75 |
| | B. T. Aspen | Pulpwood | 6 | Cords | | |
| | Black Cherry | | 4 | Cords | | |
| | Jack Pine | | 2,288 | Cords | | |
| | <i>Jack Pine</i> | | 2,288 | <i>Cords</i> | | |
| | Mixed Oak | | 80 | Cords | | |
| | <i>Red Oak</i> | <i>Sawtimber</i> | 2.9 | <i>MBF</i> | | |
| | <i>Northern Pin Oak</i> | <i>Pulpwood</i> | 73 | <i>Cords</i> | | |
| | <i>Red Oak</i> | | 1 | <i>Cords</i> | | |
| | Red Pine | | 46 | Cords | | |
| White Pine | | 11 | Cords | | | |
| 4 | B. T. Aspen | Sawtimber | 28.7 | MBF | 35.9 | \$45,830.10 |
| | Red Pine | | 230.5 | MBF | | |
| | White Pine | | 102.0 | MBF | | |
| | B. T. Aspen | Pulpwood | 48 | Cords | | |
| | Jack Pine | | 101 | Cords | | |
| | <i>Jack Pine</i> | <i>Sawtimber</i> | 18.8 | <i>MBF</i> | | |
| | <i>Jack Pine</i> | <i>Pulpwood</i> | 63 | <i>Cords</i> | | |
| | Mixed Oak | | 14 | Cords | | |
| | <i>Northern Pin Oak</i> | | 11 | <i>Cords</i> | | |
| | <i>White Oak</i> | | 3 | <i>Cords</i> | | |
| | Red Pine | | 276 | Cords | | |
| | White Pine | | 260 | Cords | | |
| | 5 | B. T. Aspen | Sawtimber | 71.6 | | |
| Red Pine | | | 574.7 | MBF | | |
| White Pine | | | 254.2 | MBF | | |
| B. T. Aspen | | Pulpwood | 121 | Cords | | |
| Jack Pine | | | 251 | Cords | | |
| <i>Jack Pine</i> | | <i>Sawtimber</i> | 47.0 | <i>MBF</i> | | |
| <i>Jack Pine</i> | | <i>Pulpwood</i> | 157 | <i>Cords</i> | | |
| Mixed Oak | | | 36 | Cords | | |
| <i>Northern Pin Oak</i> | | | 28 | <i>Cords</i> | | |
| <i>White Oak</i> | | | 8 | <i>Cords</i> | | |
| Red Pine | | | 689 | Cords | | |

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

| PU | MARKET GROUP | PRODUCT | QUANTITY | UNIT | ACRES | ADVERTISE PRICE |
|---------|------------------|-----------|----------|--------------|-------|-----------------|
| 5 con't | White Pine | Pulpwood | 648 | Cords | | |
| 6 | Red Pine | Sawtimber | 60.1 | MBF | 25.9 | \$14,312.80 |
| | White Pine | | 20.7 | MBF | | |
| | Jack Pine | Pulpwood | 223 | Cords | | |
| | <i>Jack Pine</i> | | 223 | <i>Cords</i> | | |
| | Red Pine | | 71 | Cords | | |
| | White Pine | | 92 | Cords | | |
| TOTAL: | | | 1,508.3 | MBF | | |
| TOTAL: | | | 6,239 | Cords | | |

Sale Specific Conditions & Requirements

Sale Name: GNA2 Au Sable KW South

Sale Number: 72-808-22 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, along with unpainted boundaries along roads (see Timber Sale Map). Exterior sale boundary lines are marked with orange paint. Interior Payment Unit boundaries are marked with orange chevrons. Retention patches are marked with orange paint; no harvesting activities may occur within these areas. The painted boundary line trees are not Included Timber and are to be protected. Orange painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid.

2 - Timber Specifications

2.1 - Included Timber

2.1.1 - Clearcut unit(s) with unmerchantable trees (6/14)

Within Payment Unit(s) 1, 2 & 3, cut all trees that are two (2) inches or more at DBH, except do not cut any red or white pine larger than 14" at DBH.

Within Payment Unit(s) 4, 5 & 6, cut all trees that are two (2) inches or more at DBH, except do not cut oak larger than 10" at DBH.

2.2 - Utilization

2.2.2 - Chipping required (2/18)

All Payment Units must be chip harvested to facilitate subsequent planting operations. The Purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled. Products may be produced as roundwood and forwarded to decking areas in final product length, but the tops must be left intact and skidded to the landing for chipping in order to minimize the amount of residual slash. A chipping exemption can be obtained if proposed operations are determined to be suitable for planting by reforestation staff. This exemption must be granted in writing. The requirement to retain approximately 1/6 to 1/3 of tree tops and limbs less than four inches in diameter does not apply (G. C. & R. 2.2) due to this being a GNA sale.

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. 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.

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 chipped, utilized or otherwise removed from the sale. 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 double earthen berms at strategic locations. 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.

4.1.11 - Permits (2/12)

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

5 - Operations

5.1 - Notification

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.

5.2 - Conduct of Operations

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

5.2.3.4 - Oak wilt restriction, no exceptions (1/18)

Within the sale area, 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.

5.2.32 - 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 Old State House Trail is an ORV trail and is shown on the Timber Sale Map. Trees with yellow ORV markers shall be cut off above the markers and at least 5 feet above ground. All stumps within 5 feet of the trail must be cut flush with the ground. Maintain a 20 foot wide slash, debris, and rut free zone daily using the ORV trail or route as the centerline. Do not run equipment down the ORV trail or route. Skidding across the trail or route may only occur in locations approved by the sale administrator.

5.2.41 - Snowmobile trail protection (9/11)

LP_665 is a snowmobile trail and is shown on the Timber Sale Map. Do not cut or damage posts with orange trail markers or traffic control signs. If the trail is used, it must be maintained and restored to a condition equal to or better than before the sale. The road maintenance/restoration must be done prior to December 1. If the trail is used for hauling, it must be graded to the satisfaction of the Unit Manager or his/her representative prior to December 1st. The snowmobile trail may not be used for any timber sale operations from December 1 to March 31. The snowmobile trail may only be crossed at right angles. Maintain a 20 foot wide slash, debris, and rut free zone daily using the snowmobile trail as the centerline. No decking of forest products will be permitted along the snowmobile trail. All stumps within 5 feet of the snowmobile trail must be cut at ground level.

5.4 - Soil Protection

5.4.1 - Rutting restriction, general (7/16)

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.

5.6 - Debris and Waste Material

5.6.2 - GNA, equipment cleaning (1/16)

(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 Bissonette Rd 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 ORV Trail and Snowmobile trail LP_665 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. This will only be applicable when harvesting operations are occurring in Payment Unit 5.

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.



TIMBER SALE MAP

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

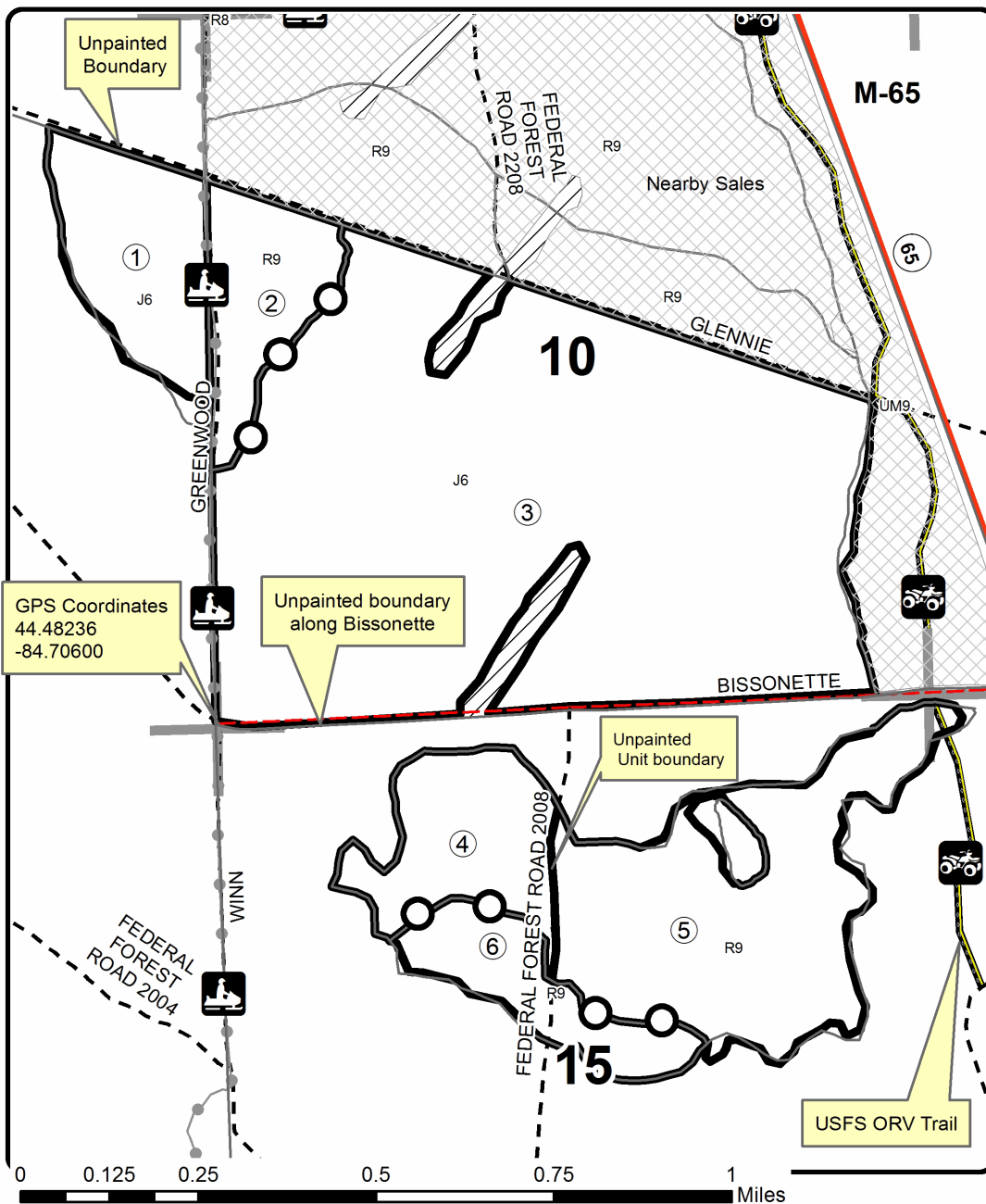
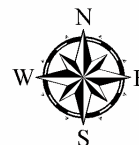
| | | | | | |
|--|-----------------|---|-------------------|-----------|---------|
| Forest Management Unit Grayling FMU & USFS Huron Shores Ranger District | County Iosco | Mapped By Kubitskey | Date 7/27/2022 | Page 1 | of 1 |
| Township 24N | Range 06E | Section(s) and Subdivision(s) Sec. 9 E1/2NE, E1/2SE, Sec 15 N1/2, N1/2SE, Sec 10 NWNW, S1/2NW, SWNE, S1/2, Sec 14 NWNW, | Scale 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 = Seedling Sapling Poor | 6 = Pole Timber Well | | |
| C = Cedar | L = Lowland Brush | P = Lowland Poplar | V = Bog or Marsh | 2 = Seedling Sapling Medium | 7 = Saw Timber Poor | | |
| D = Treed Bog | LM = Lowland Mixed | Q = Mixed Swamp Conifer | W = White Pine | 3 = Seedling Sapling Well | 8 = Saw Timber Medium | | |
| E = Swamp Hdwoods | M = Mpl, Bch, Brch | 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 | PU | Acres |
|----|-------|----|-------|
| 1 | 37.4 | 4 | 35.9 |
| 2 | 29.7 | 5 | 89.5 |
| 3 | 307.4 | 6 | 25.9 |

GNA2 Au Sable KW South

Compartment 7926-307, 328, 329
525.8 Acres



Legend

- Against Forest Service (Orange)
- Payment Unit (Orange Chevrons)
- ▨ Retention Area (Orange)
- ▧ Nearby Timber Sales
- ▭ Stand Boundaries
- Recreational Trail
- Highway
- - Gravel Road
- - County Road - Seasonal
- ② Payment Unit
- Section Corners

Avenza Map



GNA2 Au Sable KW South (72-808-22)
T24N, R06E, SEC. 10; T24N, R06E, SEC. 14; T24N, R06E, SEC. 15; T24N, R06E,

In response to the notice of sale to be held 9:00 a.m. (local time) on September 29, 2022, 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 VOLUME*</u> | <u>ADVERTISED PRICE</u> | <u>BID PRICE/UNIT</u> |
|-------------------------------|--------------------------|-------------------------|-----------------------|
| Sawtimber | | | |
| B. T. Aspen | 100.3 MBF | \$ 54.00/MBF | \$ _____ |
| Northern Pin Oak | 43.3 MBF | \$ 105.00/MBF | \$ _____ |
| Red Pine | 959.5 MBF | \$ 90.00/MBF | \$ _____ |
| White Oak | 23.9 MBF | \$ 64.00/MBF | \$ _____ |
| White Pine | 381.3 MBF | \$ 61.00/MBF | \$ _____ |
| Pulpwood | | | |
| B. T. Aspen | 175 Cords | \$ 26.80/Cord | \$ _____ |
| Black Cherry | 8 Cords | \$ 23.55/Cord | \$ _____ |
| Jack Pine | 2,895 Cords | \$ 15.70/Cord | \$ _____ |
| Mixed Oak | 260 Cords | \$ 22.50/Cord | \$ _____ |
| Red Pine | 1,848 Cords | \$ 32.20/Cord | \$ _____ |
| White Pine | 1,053 Cords | \$ 20.15/Cord | \$ _____ |

*The volumes are statistically estimated within plus (+) or minus (-) 10.51 percent at 95% confidence level. These estimated volumes 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): _____

THE WINNING BIDDER MUST COMPLETE THE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE (ON REVERSE SIDE IF DOUBLE SIDED) WITHIN 21 DAYS OF SALE AWARD DATE



TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

As required by Act 317, P.A. 1969 (Worker's Compensation) and
Part 5 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 twenty-one (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 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 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 my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within twenty-one (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 DNR 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

Please complete the "SEALED BID" information on the next page