Metcalfe Forestry Co. 402 Chestnut St. Grayling, MI 49738 www.metcalfeforestry.com

Timber Sale Invitation to Bid

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SILVER LAKE SALVAGE

This is an invitation to place a lump sum bid for a **232 acre** timber sale located on an 1156 acre property located at the E ½ of Section 12 and NE ¼ of Section 13, T35N, R2W, Koehler (W) Twp, and all of section 7 and N1/2 of section 18, T35N, R1W,Koehler (E) Twp, Cheboygan County, Michigan. The land is owned by Silver Lake Mineral & Timber LLC. The timber sale is administered by Metcalfe Forestry. All bids must be turned in to Metcalfe Forestry before **5 pm Wednesday, July 18th.**

Metcalfe Forestry reserves the right to refuse any and all bids. Bid results will be available for all interested bidders. Please mail / fax / email all inquiries and bids to the address listed at the top of this page.

This is a selective harvest of a northern hardwood forest. There is a large component of beech which is rapidly dying from Beech Bark Disease. In addition the aspen is over mature and dying from old age. The ash trees have already died from Emerald Ash Borer. Although this harvest is being advertised with a two year cutting contract, the bidder needs to understand that the timber is rapidly declining in health and quality and bid accordingly. The total harvest volume is estimated to be 5788 cords with 75.1 MBF of sawtimber and is 25.7 cords per acre. 40% of this volume is estimated to be logs or bolts and 60% of this volume is pulp or firewood.

Certification

The standing timber, as described herein, is FSC Certified under the Sustainable Resources Institute, Inc.'s FSC FM/COC Group Certificate**.

Certificate Code: RA-FM/COC-005783

FSC Claim for material described herein: FSC 100%

**NOTE: For the claim to be passed forward, the sale *must* be harvested by a Master Logger.

The timber harvest is located about 8 miles east of Indian River. It can be accessed from South Carter Rd and Silver Rd as shown on the attached map. There is an old logging road off of Carter Rd which connects to an opening within the harvest area. This opening can be turned into a landing. A second landing is located farther to the west. The trail between the two landings will have to be widened to allow for log truck access. A third landing can be located along Silver Rd on the west edge of the harvest. Silver Rd is owned by Silver Lake LLC where it is located on their property. The Cheboygan County road commission leases and maintains this seasonal road. A log truck turn around can be built on the south end the property and wood can be stacked along Silver Rd. Trees can be harvested along edges of Silver Rd to facilitate log truck traffic. Log truck traffic will not be allowed along the private drives that are located north and south of Silver Lake.

The terrain of the harvest area is mostly flat, however there are some areas with steep slopes at the south central part of the harvest. The soils are well drained and generally dry.

The south half of the timber harvest is common ground that is jointly owned by all members of Silver Lake. The north half of the timber harvest is composed of individual lots that are privately owned by member of Silver Lake. The north and south halves of the timber harvest are separated by a yellow payment unit line.

<u>Payment</u>: The harvest has been split into four payment units and each unit must be paid in full before beginning harvest operations. All payments will be made to Metcalfe Forestry Co. If harvest operations are not on going, the following payment schedule will be used.

Payment Unit One; 29.4% of timber value to be paid in full by 1/1/2019. Payment Unit Two; 26.1% of timber value to be paid in full by 6/1/2019. Payment Unit Three; 20.6% of timber value to be paid in full by 1/1/2020. Payment Unit Four; 29.9% of timber value to be paid in full by 6/1/2020.

<u>Performance Guarantee</u>: The buyer will be required to provide a performance guarantee in cash, check, or an irrevocable letter of credit from a bank for \$10,000 to be paid up front when the contract is signed.

<u>Insurance</u>: Prior to the start of any logging or road building, the buyer shall provide proof of Worker's Compensation Insurance as required by law, and Liability Insurance coverage in the amounts of \$250,000 per person and \$500,000 per incident. The buyer shall maintain this required insurance until completion of all logging activities on the property.

<u>Special Provisions</u>: The north boundary of the timber harvest is located along South Silver Lake Rd. Individual lot owners may ask for additional trees to be harvested on their property outside of the harvest boundary. There are power boxes and

structures and other obstacles in this area. The timber purchaser is not obligated to harvest trees outside of the boundary. Any arrangements between individual lot owners and the purchaser will not involve or be enforced by Metcalfe Forestry Company or Silver Lake Mineral & Timber LLC.

Volume Estimates; Sawlog volumes for sugar maple and red oak were determined by measuring 100% of the log trees being harvested. Volumes for all other species and products were determined by cruising 90 sample points with a 20 basal area factor prism. All pulpwood was measured to a 4" top, boltwood to a 7" top and sawlogs to an 11" top outside the bark. All products were measured 100 inches long. The tops of sawlog trees are included in the estimated pulpwood volume. The cruised volume estimate is calculated to have a statistical margin of error of plus or minus 12%. A more detailed breakdown of species and products can be provided upon request. The volume of oversized aspen pulpwood (24"+) has been listed separately.

Silver Lake Salvage 232 acres

Harvest Boundaries; are marked with Red paint. Payment unit lines are marked with yellow paint.

Gate Combination: North and South Silver Rd access the private residences and are blocked with mechanical gates. The gate combination is 1472*. These roads can be used to view the timber but they will not be used by log trucks. **The gate on Carter Road is unlocked. Please close this gate when you leave.**

Timber to be harvested:

Harvest all beech, ash, aspen, ironwood that is greater than 5" DBH and all trees marked with orange paint. Leave all trees marked with aqua-green paint for wildlife.

Special Considerations:

- Purchaser will drive equipment on tree tops as much as possible in order to crush the tops down for aesthetics and to reduce likelihood of rutting.
- There are patches where all of the trees, including sub merchantable saplings have been marked with orange paint to create a regeneration gap for new trees. Please harvest or cut down all orange marked trees within a regeneration gap.
- Whole tree skidding is permitted with the following restrictions. Trees are cut and carried with a feller buncher to
 a designated skid trail system. Trees with large crowns are delimbed or cut in half prior to skidding to minimize
 damage. Residual damage standards will be strictly enforced.
- Excessive residual damage is defined as more than 5% of the residual trees suffering damage that will negatively affect the health or value of the tree.
- Purchaser shall take reasonable precautions to minimize unnecessary or excessive rutting. Excessive rutting is defined being more than 12 inches deep and continue for more than 50 feet. Purchaser will temporarily cease timber harvesting operations during excessively wet weather conditions that may cause rutting.
- The hiking trail system shown on the map will be cleared of all tops and logging debris at the end of the timber harvest. Some sections of the trail have been marked with a pink letter T or flagging for identification. Metcalfe Forestry will thoroughly mark all trails prior to harvest operations.
- All saplings that are severely damaged or bent over during the harvest must cut down.

Harvest Timeframe: Timber harvesting operations must be completed by 9/1/2020. No harvest operations can occur in Payment Units 2,3 & 4 between April 15th and July 15th due to slippage and oak wilt season. Harvesting timber during hunting season is allowed. Payment Unit 1 can be harvested at any time of the year provided that residual damage standards are complied with. Cleanup operations must be done within two months of the end of harvest operations, or as soon as weather conditions allow.

Please note: Beech Bark Disease (BBD) has been found within the stand. Beech mortality is expected within one to two years. Aspen trees are dying from old age. The ash trees are already dead from Emerald Ash Borer.

100% Log Tree Tally

		# trees	# trees	DBH in	# 8'	# trees	# trees Sugar
DBH in Inches	# 8' logs	Red Oak	Sugar Maple	Inches	logs	Red Oak	Maple
12	1	65	75	24	1	3	0
12	2	31	23	24	2	6	0
14	1	15	30	24	3	5	0
14	2	46	37	24	4	10	0
14	3	26	11	24	5	1	0
14	4	3	2	24	6	1	0
16	1	10	15	26	1	2	0
16	2	23	20	26	2	0	0
16	3	17	10	26	3	0	0
16	4	13	2	26	4	0	0
16	5	4	0	26	5	0	0
18	1	7	5	26	6	0	0
18	2	13	10	26	7	0	0
18	3	8	6	26	1	0	0
18	4	11	0	26	3	7	0
18	5	4	0	26	4	4	0
20	1	3	2	26	6	1	0
20	2	11	0	28	2	1	0
20	3	4	1	28	3	3	0
20	4	4	1	28	4	1	0
20	5	1	0	28	5	2	0
20	6	1	0	30	1	1	0
22	1	5	0	30	4	1	0
22	2	11	1	30	6	1	0
22	3	3	0	32	2	2	0
22	4	1	0	36	2	1	0
						393	251

393 251 Total Trees **644**

SILVER LAKE SALVAGE 232 ACRES

Please use the following format to place your bid. The following volumes are not guaranteed by the Seller or Metcalfe Forestry Co.

Company Name:

The following is my lump sum bid for the Silver Lake Salvage Harvest. I have read and agree to the specific work requirements as written in the timber sale invitation to bid.

		International 1/4 "										
Red Oak	Logs	57.3 MBF	\$		_							
Sugar Maple	Logs	17.8 MBF	\$		_							
Beech	Logs	613 cords	\$		_							
Red Maple	Logs	303 cords	\$		_							
Aspen	Logs	129 cords	\$		_							
Mix Hardwood	Bolts	519 cords	\$		_							
Sugar Maple	Bolts	99 cords	\$		_							
Beech	Bolts	569 cords	\$		_							
Mix Species	Firewood	197 cords	\$		_							
Mix Maple	Pulp	1184 cords	\$		_							
Beech	Pulp	1690 cords	\$		_							
Aspen	Pulp	397 cords	\$		_							
24"+ Aspen	Pulp	88 cords	\$		_							
Total Volume		5788 cords, 75.1 mbf										
TOTAL LUMP	SUM BID		\$									
These bid prices are final and not subject to adjustment. Prospective bidders are urged to examine the timber sale before bidding. I understand that the estimated volume and grade of timber designated for cutting and removal is in no way guaranteed by the Seller or Metcalfe Forestry Co. I understand that any and all bids may be rejected.												
Bidder's name & signature:												
Telephone # / fax #:												
Bidder's mailing	address:											
Bidder's email:												





