



THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Natural Resources**

DIVISION OF FORESTRY

SOUTHEAST AREA OFFICE  
2417 Tongass Avenue, Suite 213  
Ketchikan, AK 99901  
Main: 907.225-3070

A large, light gray map of the state of Alaska serves as a background for the central text.

**Prospectus  
For  
Shelter Cove Road Salvage Sale**

**SSE-1375-K**

**October 2020**

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## **TIMBER SALE PROSPECTUS**

Timber Sale: Shelter Cove Road Salvage  
SSE-1375-K

### **INTRODUCTION:**

This Prospectus is intended to furnish sufficient information to enable prospective bidders to decide whether further investigation of the sale is warranted. Descriptions, estimates and other information within this Prospectus are not a part of the contract unless otherwise stated. Should the Prospectus be in error or contradict the sample contract, the sample contract governs. Prospective bidders are urged to examine the timber sale and to make their own estimates. Quantities and quality of timber in the contract are not guaranteed. The sale area and sample contract should be reviewed prior to submission of a bid.

The timber being offered for sale by the Department of Natural Resources, Division of Forestry (DOF) is on public right of way managed by the Alaska Department of Transportation (ADOT). ADOT constructed the road in phases between 2015 and 2019. The sale is composed of log decks located adjacent to the Shelter Cove Road. The timber being offered is wood cleared during construction and was cut at various times in those years. Both young growth and old growth timber decks are present and are generally segregated. The timber estimated in this sale is the old growth timber located in Sections 17, 20, and a small amount on the north edge of Section 29 on the right of way.

### **LOCATION AND AREA:**

The timber sale area is legally defined as being in Section 17, 20, 29, and 30 in Township 73 South, Range 92 East, Copper River Meridian. This timber sale is located approximately 21 miles northeast of the community of Ketchikan, Alaska. (see Exhibit A- Sale Area Map).

In this area, the Division of Forestry is offering timber in twelve discrete decks and various loose logs or down trees along the roadside. The decks are shown on the attached Sale Area Map and are designated on the ground. Most of the decks of old growth north of Section 29 appear to have merchantable saw log volume. The old growth timber decks are composed of Sitka spruce, western red cedar, and western hemlock. No standing timber is part of this RFP. Down timber is only authorized for removal where designated by the DOF with orange tags. All decks described in this Prospectus are marked with 4" orange tags with deck numbers and the larger decks have orange "Timber Sale" signs. The young growth and other old growth wood in other decks and loose logs along the road are not detailed in the Prospectus and are considered utility wood and available for removal at the purchaser's discretion. Logs located on USFS land are not part of this prospectus and are not authorized for removal in this contract.

**VOLUME AND DESCRIPTION OF TIMBER:**

Note: The volume referenced is for “#3 saw logs and better” recoverable from the decks. “Merchantable saw log,” is a No. 3 or better saw log as defined by the Pacific Log Scaling Grading Bureaus. Logs exhibiting obvious significant decay (such as fungus bodies on the ends, etc.) were not recorded or described by DOF in this Prospectus. Sawlogs and the utility logs on the right of way may be removed at the purchaser’s discretion. Deduction for decreased utilization of the logs due to sap wood degradation has been made on most of the logs.

The estimated net merchantable “timber” volume is:

Red Cedar (MBF)	Sitka Spruce (MBF)	Western Hemlock (MBF)	Total (MBF)
34	38	23	95

MBF= Thousand Board Feet

Attachment “B” contains the State’s estimate of timber quantity and quality and the sort and grade parameters that were applied during the measurement of the logs. Several short logs were recorded that appeared to offer shingle wood or other niche market potential.

\*Some of the timber may have been used for temporary log stringer bridges, dunnage, or other uses during road construction. The purchaser is advised to use caution merchandising the timber due to the potential of there being embedded rocks, staples, nails, pins, or other steel in the logs. The State does not warrant the usability or suitability of the timber.

**ACCESS:**

The State does not maintain the Shelter Cove Road, and hereby disclaims all liability that may arise from any use of the road. The Shelter Cove Road is represented on an as-is where-is basis, without warranties of any kind as to condition or suitability. The purchaser shall leave the road in as good a condition as they found it.

The road has poor surface conditions. Portions of the road have restricted visibility and steep grades.

\*The bridges located on the road system are at the end of their useful life span and may not support legal highway loads. It is advisable to reduce all loads to less than 75% of legal highway loading and travel on the bridge structures at less than 3 MPH.

The use of facilities on Revilla Island other than in the sale area of the Shelter Cove Road may require a signed use agreement, or permit, or lease as is appropriate by the managing authority. The Purchaser shall adhere to all stipulations contained within all authorizations for the facility(s) and roads, provide the DOF with copies of all pertinent information related to required reporting, and cover the cost of all fees and expenses.

## BIDDING:

This is a SEALED BID SALE. To qualify for bidding, all bidders must submit a copy of their current Alaska Business License with their sealed bid. Sealed Bids must be submitted on forms provided by the Division of Forestry, marked on the outside with the timber sale name and number, and addressed to the Southern Southeast Area Office, Alaska Division of Forestry, 2417 Tongass Avenue, Suite 213, Ketchikan, AK 99901. Sealed Bids will be accepted until the bid opening, at 2:00 P.M. prevailing time, November 30, 2020. Sealed bids may also be presented in person to the Southeast Area Forester before the bid opening. All bids must be in the physical possession of the Southeast Area Forester before the bid opening. Bidders are responsible for assuring that their complete bid package is delivered on time.

The State reserves the right to reject any or all bids. Unless all bids are rejected, the State will award the sale to the responsible qualified bidder offering the highest total bid for the timber as determined by the State using the State's bid sheet. The minimum acceptable total bid price for the timber is \$11,000.00

BIDS MUST BE SUBMITTED ON FORMS PROVIDED BY THE STATE AND CAN BE OBTAINED AT THE SOUTHEAST AREA OFFICE IN KETCHIKAN. Forms are also included in this prospectus packet and online (See Attachment D).

If a tie in the high sealed bid occurs, the successful bidder will be determined by lot at the time of bid opening.

If bidding as an agent for an individual, partnership, or corporation, the agent must submit with the bid a notarized power-of-attorney authorizing such agency. No agent may represent more than one principal or bid in competition with the agent's principal.

## BID GUARANTEE:

A deposit in the amount of 10% of the total bid will be required at the time bids are submitted. The successful bidder's deposit will be credited as the Advanced Stumpage Payment due to the State. Deposits from unsuccessful bidders will be returned at the time the sale is awarded. The deposit furnished by the high bidder whose bid was declared acceptable will be retained as liquidated damages per AS 38.05.860 if the bidder does not sign the contract, and furnish a satisfactory performance bond within 30 days of receipt of the contract. The bid deposit shall be in the form of certified check, cashier's check, money order, or any combination of these.

## PERIOD OF CONTRACT:

All contract obligations shall be completed prior to June 30, 2021. To protect water, soil, or environmental quality, the State reserves the right to temporarily suspend operations.

## BONDS:

A Performance Bond will be deposited with the State upon execution of this contract. The amount of the Performance Bond will be \$5,000.

The PURCHASER shall deposit the bond with the State either in the form of a cashier's check or money order made payable to the STATE. The STATE shall place the Performance Bond in a separate State account and all interest on the Performance Deposit shall accrue to the benefit of STATE.

## PAYMENT:

Stumpage payment of 50% will be due upon execution of the contract. The stumpage balance is due prior to the start of operations.

## OTHER CONTRACT REQUIREMENTS AND STIPULATIONS:

The Purchaser will have 30 days from the receipt of the contract to sign and return it to the Southeast Area Forester.

The operating plan shall accommodate the public use of the road. Access to the sale area is adjacent to numerous private properties. All operations associated with the timber sale shall respect the public use in the area and accommodate incidental traffic when the public is not at direct risk due to the handling and hauling of the timber.

Warning signs and traffic control planning and management shall be used during log handling, loading, and hauling operations to give users adequate notice and minimize risk. Equipment stored on site shall be delineated and parked to minimize encroachment of the travel surface.

Decks shall be left in an orderly and stable manner outside of the road cut or prism. Logs shall not be stored on or left unattended on the roadway.

## OPERATING PLAN:

An Operating Plan is required to be submitted 2 weeks in advanced of the start of operations. Within 5 business days after receipt, the plan will be reviewed by the State for compliance with appropriate management plans, the sale contract, and the State's best interest. The requirements of the Operating Plan are set out in the contract. The operating plan will be updated as conditions change and will always reflect the Purchaser's plans and actual operations.

The Operating Plan must comply with the requirements of the Alaska Forest Resources and Practices Act (FRPA) under AS 41.17, the Alaska Land Act under AS 38.05, and 11 AAC

71.300. The Operating Plan must provide the STATE with sufficient information to allow the STATE to understand the timber operations, as they will occur in the field. The Operating Plan shall include areas of concern identified by the PURCHASER, including any potential conflicts.

## PRIMARY MANUFACTURE:

Primary manufacture of logs from this sale is not required.

## RESERVATIONS:

The State reserves the right to waive technical defects in this Prospectus and reject any and all bids and, unless all bids are rejected, the sale will be awarded to the responsible qualified bidder offering the highest bid. The State reserves the right to award the timber for the amount of the next highest bidder if the Director considers the highest bidder unqualified to fulfill the requirements of the contract, or if the contract is not executed by the highest bidder. The State also reserves the right to waive any informality in the bids received whenever the waiver is in the best interests of the State. The State will reject a bid containing or submitted with a condition or qualification on or a material alteration of the terms as specified in the notice of sale, or which is not in accordance with the law.

## DISCLAIMER:

This Prospectus is subject to the following disclaimers:

The information provided in the prospectus is only general background information. The bidder has full and unrestricted access to the sale area and has the full and unlimited opportunity to closely inspect the property, timber access, infrastructure, and operating conditions and has evaluated options available for transporting logs, fuel, equipment and material; and the bidder is knowledgeable of timber and is relying solely upon its own expertise or that of its consultants.

The bidder assumes each, every and all risk regarding the sale and purchase of timber from the DOF.

The bidder accepts full responsibility for determining timber volume and species composition, and operational conditions as they pertain to the bidder's markets, needs, equipment and other resources.

The bidder may not rely in any manner upon any representation by the DOF or any of its employees or representatives outside the provisions of this prospectus or the terms and conditions of the draft contract, for any purpose, including the interpretation of any provision of the prospectus or compliance with the requirements of the prospectus. No amendment of this prospectus may be made orally.

The maps provided with this prospectus are approximate and no guarantee or warranty is made as to their accuracy. It is the bidder's responsibility to examine the sale area and take such other steps as may be necessary to ascertain the exact character and location of the sale area, the

general and local conditions which can affect this project, and to satisfy itself as to quantities and quality of timber present.

The DOF believes the statements in this prospectus are substantially accurate. However, the DOF cannot and does not make any warranties or representations of any kind or character, expressed or implied, as to the availability, quantity, quality, harvestability, merchantability, fitness for a particular use or purpose, matters of title, physical conditions, availability of access, operating projections, valuations, governmental regulations, or any other matter concerning the timber offered here in for sale. The composition of the timber offered for sale is not warranted for grade, size, density defect, taper or any other stand or log component. The DOF will not be liable under any circumstances for any damages relating to the purchase or use of such timber or any infrastructure or for any special, consequential or incidental damages. The DOF will not be liable for and will not pay any costs incurred due to the rejection for any reason of any or all bids, cancelation of this bid, the successful bidder's failure to execute the Contract or any other reason, including fault of DOF or its representatives.

## GENERAL:

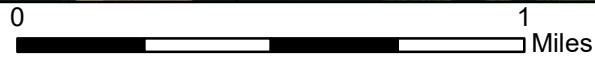
Further information, including copies of this Prospectus, Bid Form, timber sale log deck summary report, and a sample contract may be obtained by writing to Area Forester at the Southeast Area Office, Alaska Division of Forestry, 2417 Tongass Avenue, Suite 213, Ketchikan, AK 99901, or by calling (907) 225-3070. The information and documents may also be picked up in person by visiting the Southeast Area Office or online at:

<http://forestry.alaska.gov/timber/ketchikan>

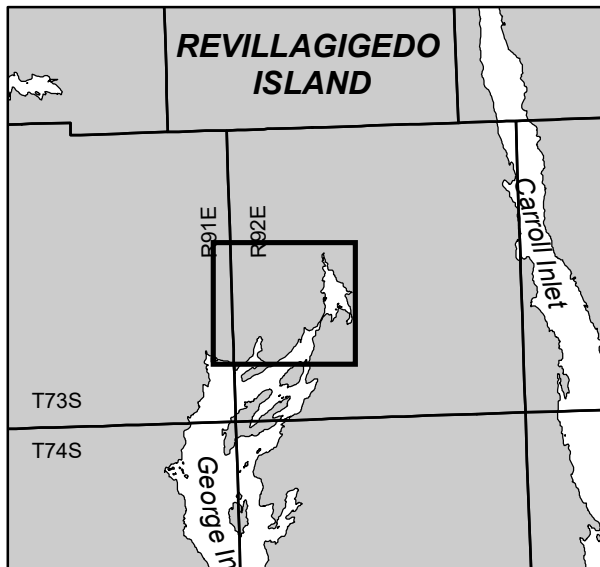
## Attachment A

### Sale Area Map

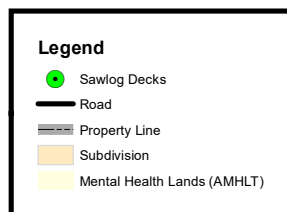
(Exhibit A) 1 Page



1 in = 2,000 feet



1 in = 4 miles Vicinity Map CRM



## Sale Area Map Shelter Cove Road Salvage



**DIVISION OF FORESTRY**

Date: 10/6/2020



GS

Shelter Cove Road Salvage Sale Prospectus

## Attachment B

Log Decks Report and Sort Specifications  
(16 pages)

**ADNR-DOF Old Growth Sort Guidelines for Southeast Alaska**

Sort Code/ Symbol	Description	Min. Length	Min. Diameter	Max Diameter
<b><u>SPRUCE AND HEMLOCK LOGS</u></b>				
<b>HI/E</b>	<b>High Grade Sort</b> Clean appearing #2 and better. Reasonably straight, with clear cuttings. #2 saw 18"-23" should be of prime quality. Maximum twist 2" per foot, Max. defect 15%.	12'	18"	
<b>RS/R</b>	<b>Red Sort</b> Good appearing #3 saw or better. Knot spacing very important with 4' of clear cuttings between knots on 50% of log. Max deductions 35%.	12"	18"	
<b>SH/B</b>	<b>Shop Sort</b> Should have clear cutting in one Quadrant minimum. Total deductions not more than 50%.	12'	24"	
<b>JS/J</b>	<b>Japan Sort</b> Round clean #2 and better quality, reasonably straight with no hooked butt or sap. Max defect 25%.	12'	17"	
<b>KS/K</b>	<b>Korea Sort</b> #3 or better, no rough tops. Maximum deduction 35%. Relatively good sawlog.	12'	12"	
<b>DO/D</b>	<b>Domestic Sort</b> Veneer or sawlog quality. Maximum defect 35%. #4 sawlog and better.	12'	6"	
<b>PU/U</b>	<b>Pulp Sort</b> Min. 50% net utility scale. Won't fit into domestic sort due to quality or size.	12'	6"	

RED CEDAR LOGS

<b>L/L</b>	<b>Shake &amp; Shingle</b> Suitable to produce 4' blocks for shakes or 16" blocks for shingles. Larger logs that aren't saw quality.	12'	20"
<b>M/M</b>	<b>Medium Sawlog</b> Good appearing #3 saw or better, Green round sawable logs and high quality slabs. Max defect 50%	12'	12"
<b>SC/C</b>	<b>Small Sawlogs</b> Small sawlog type. Preferred lengths 24', 31' and 37'. No excessive sweep or twist. Max. defect 25%. Sound, tight knots.	12'	6"
<b>RC/X</b>	<b>Camp Run Domestic Sawlog</b> High defect or not fitting M & C sort specs.	12'	6"
<u>YELLOW CEDAR LOGS</u>			
<b>YC/Y</b>	<b>All Saw Logs</b> Camp run sort. Grade determines quality. No excessive sweep or twist. Must be suitable for sawlogs. Blue stain is permissible. 1/3 sound Scribner volume.	12'	6"

State Shelter Cove ROW Summary

Date: 9/18/2020

Sort	Description	Total All Decks	Saw	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)	Deck (MBF)
		Volume	%	1E	2W	2E	3E	4W	4E	5E	6E	6W	Loose East	7E	8E	9E
	<b>Red Cedar</b>															
	Net (MBF)															
M	Medium Sawlog	23.02	66.6	-	-	-	-	-	-	16.6	-	0.2	0.5	1.6	4.1	
L	Shingle, high defect	0.87	2.5	-	-	-	-	-	-	0.2	-	-	-	-	0.6	
C	2x4	0.42	1.2	-	-	-	-	-	0.1	-	0.4	-	-	-	-	
X	Domestic	10.24	29.6	-	-	-	-	-	1.8	3.6	0.2	2.3	1.3	0.4	0.7	
	<b>Red Cedar Camp Run Subtotal</b>	<b>34.54</b>	<b>35.6</b>	-	-	-	-	-	1.9	20.5	0.5	2.5	1.7	2.0	5.4	
	<b>Spruce</b>															
E	Select	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	
E	1 Saw	8.57	22.1	-	-	-	-	6.8	1.8	-	-	-	-	-	-	
E	2 Saw	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	
E	Sp. Mill 16-20	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	
B	Shop	2.26	5.8	-	-	-	-	-	-	-	-	2.3	-	-	-	
R	Red	18.60	47.9	-	-	-	8.4	9.6	0.6	-	-	-	-	-	-	
J		0.39	1.0	-	-	-	-	0.4	-	-	-	-	-	-	-	
K		8.91	23.0	0.40	-	0.4	3.9	2.3	1.9	-	-	-	-	-	-	
D	Domestic	0.09	0.2	0.06	0.0	-	-	-	-	-	-	-	-	-	-	
Pulp	sawlog	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pulp	Utility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Spruce Camp Run Subtotal</b>	<b>38.82</b>	<b>40.1</b>	0.46	0.0	0.4	12.3	19.0	4.4	-	-	2.3	-	-	-	
	<b>Hemlock</b>															
E	Peeler	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	
E	1 Saw	3.20	13.6	-	-	-	0.7	1.8	0.6	-	-	-	-	-	-	
E	2 Saw	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	
E	Sp. Mill 16-20	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	
B	Shop	3.00	12.7	-	0.5	-	2.5	-	-	-	-	-	-	-	-	
R	Red	4.92	20.9	-	-	-	1.9	1.3	1.7	-	-	-	-	-	-	
J		-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	
K		11.11	47.2	2.60	0.8	1.6	3.4	2.7	-	-	-	-	-	-	-	
D	Domestic	1.32	5.6	-	0.3	0.3	0.3	0.1	0.1	0.2	-	-	-	-	-	
Pulp	sawlog	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pulp	Utility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Hemlock Camp Run Subtotal</b>	<b>23.55</b>	<b>24.3</b>	2.60	1.6	2.0	8.8	5.9	2.4	0.2	-	-	-	-	-	
	<b>Total Camp Run Sawlog OG</b>	<b>96.91</b>	<b>100.0</b>	3.06	1.67	2.36	21.07	24.96	6.75	2.09	20.47	0.53	4.79	1.73	2.00	5.43

LOG DECK CALCULATION SHEET

DATE: 9/21/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 1E

Species	Gross DIA. (IN)	Gross Length (FT)	Log Log	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
	1	24	26	R22622	R	2	26	2			0	22	24	660	500	24%
	1	19	24	K22430--1	K	2	24	0	0	1	30	19	24	360	252	30%
	2	24	32	K23230--1	K	2	32	0	0	1	30	24	32	810	567	30%
	2	18	40	K24030--1	K	2	40	0	0	1	30	18	40	530	371	30%
	2	23	40	K24030--1	K	2	40	0	0	1	30	23	40	940	658	30%
	2	22	23	K22330--1	K	2	23	0	0	1	30	22	23	480	336	30%
	2	23	32	K23230--1	K	2	32	0	0	1	30	23	32	750	525	30%
	2	12	38	K23812	K	2	38	1	2		0	10	37	190	140	26%
	1	8	40	D34002	D	3	40	0	2		0	6	40	90	60	33%
	1	12	40	K24002	K	2	40	0	2		0	10	40	200	150	25%
Subtotal	Deck												5,010	3,559	29%	

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 2W

Species	Gross DIA. (IN)	Gross Length (FT Log	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
2	16	20	K22002	K	2	20	0	2		0	14	200	140	30%	
2	13	40	K24002	K	2	40	0	2		0	11	40	180	25%	
2	8	40	D34001	D	3	40	0	1		0	7	40	70	22%	
2	8	34	D34041	D	3	40	4	1		0	7	30	70	29%	
1	7	28	D32802	D	3	28	0	2		0	5	28	50	30	40%
2	24	38	K23650--1	K	2	36	0	1	0 1	50	24	38	960	480	50%
2	10	24	D32402	D	3	24	0	2		0	8	24	90	40	56%
2	10	40	D34001	D	3	40	0	1		0	9	40	150	120	20%
2	8	40	D34002	D	3	40	0	2		0	6	40	90	60	33%
2	26	23	B12330--1	B	1	23	0	1	0 1	30	26	23	720	504	30%
Subtotals											12	32.3	2,660	1,674	37%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 2E

Species	Gross DIA. (IN)	Gross Length (FT Log)	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
2	16	40	K24002 K	2	40	0	0	2	0	14	40	400	290	28%	
2	10	40	D34000 D	3	40	0	0	0	0	10	40	150	150	0%	
2	12	22	K22202 K	2	22	0	0	2	0	10	22	110	80	27%	
2	10	40	D34002 D	3	40	0	0	2	0	8	40	150	90	40%	
2	12	40	K24002 K	2	40	0	0	2	0	10	40	200	150	25%	
2	12	30	K23002 K	2	30	0	0	2	0	10	30	150	110	27%	
2	13	30	K23002 K	2	30	0	0	2	0	11	30	180	130	28%	
2	12	40	K24002 K	2	40	0	0	2	0	10	40	200	150	25%	
2	17	32	K23232 K	2	32	3	3	2	0	15	29	370	260	30%	
1	18	40	K24022 K	2	40	2	2	2	0	16	38	530	380	28%	
2	12	40	K24002 K	2	40	0	0	2	0	10	40	200	150	25%	
2	12	27	K22702 K	2	27	0	0	2	0	10	27	130	100	23%	
2	14	40	K24025--1 K	2	40	0	0	1	25	14	40	290	218	25%	
2	10	34	D33411 D	3	34	1	1	1	0	9	33	130	100	23%	
Subtotal											11	35	3,190	2,358	26%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 3E

Species	Gross DIA. (IN)	Gross Length (FT Log)	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
	2	9	34 D33401	D	3	34	0	1		0	8	34	100	70	30%
	1	24	40 R24012	R	2	40	1	2		0	22	39	1,010	810	20%
	2	24	35 E13202	E	1	32	0	2		0	22	35	880	730	17%
	2	21	22 R22202	R	2	22	0	2		0	19	22	420	330	21%
	1	15	23 K22302	K	2	23	0	2		0	13	23	200	140	30%
	2	18	18 R21802	R	2	18	0	2		0	16	18	240	180	25%
	2	20	18 R21802	R	2	18	0	2		0	18	18	310	240	23%
	2	12	18 K21825--1	K	2	18	0	2	1	25	12	18	90	68	25%
	2	24	29 K22630--1	K	2	26	0	0	1	30	24	29	730	511	30%
	2	14	18 K21802	K	2	18	0	2		0	12	18	130	90	31%
	2	26	32 K23250--1	K	2	32	0	0	1	50	26	32	1,000	500	50%
	2	11	17 K21602	K	2	16	0	2		0	9	17	70	40	43%
	2	15	17 K21602	K	2	16	0	2		0	13	17	150	100	33%
	2	21	40 K24002	K	2	40	0	2		0	19	40	760	600	21%
	1	16	40 K24030--1	K	2	40	0	0	1	30	16	40	400	280	30%
	2	11	26 D32602	D	3	26	0	2		0	9	26	110	60	45%
	2	16	26 K22602	K	2	26	0	2		0	14	26	260	190	27%
	2	17	40 K24003	K	2	40	0	3		0	14	40	460	290	37%
	2	18	18 K24002	K	2	40	0	2		0	16	18	240	180	25%
	2	23	27 R12702	R	1	27	0	2		0	21	27	630	510	19%
	2	21	26 R12302	R	1	23	0	2		0	19	26	490	390	20%
	2	18	26 R11802	R	1	18	0	2		0	16	26	350	260	26%
	2	38	34 B12330--1	B	1	23	0	0	1	30	38	34	2,270	1,589	30%
	1	32	40 R24002	R	2	40	0	2		0	30	40	1,840	1,640	11%
	1	28	40 R14082	R	1	40	8	2		0	26	32	1,460	1,000	32%
	2	29	34 B12630--1	B	1	26	0	0	1	30	29	34	1,290	903	30%
	1	23	38 R23602	R	2	36	0	2		0	21	38	890	720	19%
	1	24	26 R22602	R	2	26	0	2		0	22	26	660	540	18%
	1	22	24 R22402	R	2	24	0	2		0	20	24	500	420	16%
	1	22	40 K24002	K	2	40	0	2		0	20	40	840	700	17%
	1	27	40 K24002	K	2	40	0	2		0	25	40	1,370	1,150	16%
	1	22	40 K24002	K	2	40	0	2		0	20	40	840	700	17%
	1	25	40 K24002	K	2	40	0	2		0	23	40	1,150	940	18%
	2	12	35 K23502	K	2	35	0	2		0	10	35	170	130	24%
	2	8	35 D33501	D	3	35	0	1		0	7	35	80	60	25%
	2	8	35 D33501	D	3	35	0	1		0	7	35	80	60	25%
	2	22	40 K24002	K	2	40	0	2		0	20	40	840	700	17%
	1	22	40 R14001	R	1	40	0	1		0	21	40	840	760	10%
	1	30	23 R12301	R	1	23	0	1		0	29	23	940	870	7%
	1	26	26 R12601	R	1	26	0	1		0	25	26	810	750	7%
	1	30	23 R12301	R	1	23	0	1		0	29	23	940	870	7%
Subtotal											19	30	26,840	21,071	21%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 4W

Species	Gross DIA. (IN)	Gross Length (FT Log)	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect
	2	16	29 K22901	K	2	29	0	1	0	15	29	290	260	10%
	1	21	32 R23201	R	2	32	0	1	0	20	32	610	560	8%
	1	22	30 R2300401	R	2	30	0	4	0	18	30	630	400	37%
	1	29	24 E14001	E	1	40	0	1	0	28	24	910	870	4%
	1	27	22 R14001	R	1	40	0	1	0	26	22	750	690	8%
	1	30	39 E13901	E	1	39	0	1	0	29	39	1,600	1,480	8%
	1	30	40 E14001	E	1	40	0	1	0	29	40	1,640	1,520	7%
	1	34	36 R13601	R	1	36	0	1	0	33	36	1,800	1,760	2%
	1	19	40 R13602	R	1	36	0	2	0	17	40	600	460	23%
	2	13	38 K23825--1	K	2	38	0	0 1	25	13	38	230	173	25%
	2	20	40 K24010--1	K	2	40	0	0 1	10	20	40	700	630	10%
	1	20	29 J52902	J	5	29	0	2	0	18	29	510	390	24%
	1	25	27 R12602	R	1	26	0	2	0	23	27	770	630	18%
	1	20	40 R14002	R	1	40	0	2	0	18	40	700	530	24%
	2	22	30 K23002	K	2	30	0	2	0	20	30	630	520	17%
	2	18	31 K23012	K	2	30	1	2	0	16	30	410	300	27%
	2	16	30 K23012	K	2	30	1	2	0	14	29	300	210	30%
	2	21	29 K22635--1	K	2	26	0	0 1	35	21	29	550	358	35%
	2	12	17 D21602	D	2	16	0	2	0	10	17	80	60	25%
	1	31	30 R13002	R	1	30	0	2	0	29	30	1,330	1,140	14%
	1	25	27 R22702	R	2	27	0	2	0	23	27	770	630	18%
	2	10	24 D32402	D	3	24	0	2	0	8	24	90	40	56%
	1	30	30 K23000	K	2	30	0	0	0	30	30	1,230	1,230	0%
	2	19	20 K22002	K	2	20	0	2	0	17	20	300	230	23%
	2	27	24 R22401	R	2	24	0	1	0	26	24	820	750	9%
	2	25	22 R22401	R	2	24	0	1	0	24	22	630	550	13%
	2	34	40 E14002	E	1	40	0	2	0	32	40	2,000	1,840	8%
	1	27	40 R14002	R	1	40	0	2	0	25	40	1,370	1,150	16%
	1	30	39 E13902	E	1	39	0	2	0	28	39	1,600	1,420	11%
	1	30	40 E14002	E	1	40	0	2	0	28	40	1,640	1,460	11%
	1	17	40 R24002	R	2	40	0	2	0	15	40	460	360	22%
	1	37	24 R23302	R	2	33	0	2	0	35	24	1,540	1,310	15%
	1	24	40 K24002	K	2	40	0	2	0	22	40	1,010	840	17%
	1	16	30 K23002	K	2	30	0	2	0	14	30	300	210	30%
Subtotal										22	32	28,800	24,960	13%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 4E

Species	Gross DIA. (IN)	Gross Length (FT Log)	Log Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
1	36	12	E11202	E	12	0	0	2	0	34	12	690	600	13%	
1	33	13	E11302	E	13	0	0	2	0	31	13	640	580	9%	
2	25	22	R12202	R	22	0	0	2	0	23	22	630	520	17%	
2	22	13	R11302	R	13	0	0	2	0	20	13	270	230	15%	
1	35	13	E11302	E	13	0	0	2	0	33	13	710	640	10%	
1	15	40	K24002	K	40	0	0	2	0	13	40	360	240	33%	
2	10	29	D32902	D	29	0	0	2	0	8	29	100	50	50%	
2	26	27	E12025--1	E	20	0	0	0	1	25	26	840	630	25%	
1	21	40	R24002	R	40	0	0	2	0	19	40	760	600	21%	
1	12	40	K24002	K	40	0	0	2	0	10	40	200	150	25%	
1	16	40	K24002	K	40	0	0	2	0	14	40	400	290	28%	
1	22	40	K24002	K	40	0	0	2	0	20	40	840	700	17%	
1	18	24	K22400	K	24	0	0	0	0	18	24	320	320	0%	
1	16	24	K22400	K	24	0	0	0	0	16	24	240	240	0%	
2	24	26	R22602	R	26	0	0	2	0	22	26	660	540	18%	
2	22	24	R22402	R	24	0	0	2	0	20	24	500	420	16%	
Subtotal											20	27	8,160	6,750	17%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 5E

Species	Gross DIA. (IN)	Gross Length (FT Log)	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
3	15	16	X31600 X	3	16	0	0		0	15	16	140	140	0%	
3	13	18	X31802 X	3	18	0	2		0	11	18	110	80	27%	
3	12	39	X33901 X	3	39	0	1		0	11	39	190	180	5%	
2	12	40	D34002 D	3	40	0	2		0	10	40	200	150	25%	
3	8	28	C32801 C	3	28	0	1		0	7	28	50	50	0%	
2	10	40	D34002 D	3	40	0	2		0	8	40	150	90	40%	
3	23	40	X34000 X	3	40	0	0		0	23	40	940	940	0%	
3	20	26	X32601 X	3	26	0	1		0	19	26	450	390	13%	
3	10	20	X32000 X	3	20	0	0		0	10	20	70	70	0%	
Subtotal											13	30	2,300	2,090	9%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 6E

Species	Gross DIA. (IN)	Gross Length (FT Log)	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
3	10	40	X34030--1 X	3	40	0	0	0	1	30	10	40	150	105	30%
3	12	18	X31801 X	3	18	0	1	1	0	0	11	18	90	80	11%
3	15	27	X32730--1 X	3	27	0	0	0	1	30	15	27	240	168	30%
3	8	16	X31601 X	3	16	0	1	1	0	0	7	16	30	30	0%
3	10	14	X31401 X	3	14	0	1	1	0	0	9	14	40	30	25%
3	12	24	X32401 X	3	24	0	1	1	0	0	8	24	60	40	33%
3	9	23	X32301 X	3	23	0	1	1	0	0	25	23	720	660	8%
3	26	40	M34000 M	3	40	0	0	0	0	0	26	40	1,250	1,250	0%
3	13	20	X32000 X	3	20	0	0	0	0	0	13	20	120	120	0%
3	8	40	X34000 X	3	40	0	0	0	0	0	8	40	90	90	0%
3	25	36	X33625--1 X	3	36	0	0	0	1	25	25	36	1,030	773	25%
3	11	26	X32602 X	3	26	0	2	2	0	0	9	26	110	60	45%
3	6	25	X32501 X	3	25	0	1	1	0	0	5	25	30	30	0%
3	21	40	M34000 M	3	40	0	0	0	0	0	21	40	760	760	0%
3	40	26	M32630--1 M	3	26	0	0	0	1	30	40	26	16,960	11,872	30%
3	23	40	M34002 M	3	40	0	2	2	0	0	21	40	940	760	19%
3	18	12	X31220--1 X	3	12	0	0	0	1	20	18	12	160	128	20%
3	26	36	M34002 M	3	40	0	2	2	0	0	24	36	1,120	910	19%
3	13	24	X32400 X	3	24	0	0	0	0	0	13	24	150	150	0%
3	12	20	X32000 X	3	20	0	0	0	0	0	12	20	100	100	0%
3	16	32	M33200 M	3	32	0	0	0	0	0	16	32	320	320	0%
3	27	26	X32602 X	3	26	0	2	2	0	0	25	26	890	750	16%
3	16	12	M31200 M	3	12	0	0	0	0	0	16	12	120	120	0%
3	38	7	L30750--1 L	3	07	0	0	0	1	50	38	7	470	235	50%
3	22	13	M31311 M	3	13	1	1	1	0	0	21	12	270	230	15%
3	19	27	M32700 M	3	27	0	0	0	0	0	19	27	400	400	0%
3	20	17	X31700 X	3	17	0	0	0	0	0	20	17	300	300	0%
Subtotal											18	25	26,920	20,471	24%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 6W

Species	Gross DIA. (IN)	Gross Length (FT Log)	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
	3	14	31 C33100	C	3	31	0			0	14	31	220	220	0%
	3	14	17 X41700	X	4	17	0			0	14	17	120	120	0%
	3	12	31 C33100	C	3	31	0			0	12	31	150	150	0%
	3	8	20 X42000	X	4	20	0			0	8	20	40	40	0%
Subtotal											12	25	530	530	0%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: Loose East

Species	Gross DIA. (IN)	Gross Length (FT Log	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
3	18	38 X33830--1	X	3	38	0	0	0	1	30	18	38	510	357	30%
3	16	18 X31802	X	3	18	0	0	2	0	0	14	18	180	130	28%
3	14	25 X32525--1	X	3	25	0	0	0	1	25	14	25	180	135	25%
3	16	28 M32802	M	3	28	0	0	2	0	0	14	28	280	200	29%
3	11	37 X33000	X	3	30	0	0	0	0	0	11	37	170	170	0%
3	21	14 X31400	X	3	14	0	0	0	0	0	21	14	270	270	0%
3	16	16 X31600	X	3	16	0	0	0	0	0	16	16	160	160	0%
3	14	36 X33660	X	3	36	6	0	0	0	0	14	30	260	210	19%
3	14	40 X34000	X	3	40	0	0	0	0	0	14	40	290	290	0%
3	16	39 X33902	X	3	39	0	0	2	0	0	14	39	390	280	28%
3	8	26 X32601	X	3	26	0	0	1	0	0	7	26	50	40	20%
3	7	19 X31801	X	3	18	0	0	1	0	0	6	19	30	20	33%
3	16	40 X34022	X	3	40	2	0	2	0	0	14	38	400	270	33%
1	40	40 B14025--1	B	1	40	0	0	0	1	25	40	40	3,010	2,258	25%
Subtotal											16	29	6,180	4,790	23%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 7E

Species	Gross DIA. (IN)	Gross Length (FT Log	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
3	20	22 X32200	X	3	22	0	0		0	20	22	380	380	0%	
3	18	34 M33300	M	3	33	0	0		0	18	34	450	450	0%	
3	18	23 X32300	X	3	23	0	0		0	18	23	310	310	0%	
3	10	33 X33300	X	3	33	0	0		0	10	33	130	130	0%	
3	16	40 X34000	X	3	40	0	0		0	16	40	400	400	0%	
3	9	26 X32600	X	3	26	0	0		0	9	26	60	60	0%	
Subtotal											15	30	1,730	1,730	0%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 8E

Species	Gross DIA. (IN)	Gross Length (FT Log)	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
	3	31	40 M34001	M	3	40	0	1		0	30	40	1,780	1,640	8%
	3	16	40 X34001	X	3	40	0	1		0	15	40	400	360	10%
Subtotal											23	40	2,180	2,000	8%

LOG DECK CALCULATION SHEET

DATE: 9/18/2020

Spruce=1  
Hemlock=2  
Red Cedar=3

LOCATION: Shelter Cove ROW

Deck: 9E

Species	Gross DIA. (IN)	Gross Length (FT Log)	Sort	Grade	Log Length	Length Deduct	Dia. Deduct	%Flag	% Deduct	Net T. D. (IN)	Net Length	Gross Vol (BF)	Net Vol (BF)	% Defect	
3	32	16 M21602	M	2	16	0	2			0	30	16	740	660	11%
3	14	29 X32902	X	3	29	0	2			0	12	29	210	140	33%
3	44	29 M22902	M	2	29	0	2			0	42	29	2,680	2,430	9%
3	28	24 M32402	M	3	24	0	2			0	26	24	870	750	14%
3	21	37 X33702	X	3	37	0	2			0	19	37	700	550	21%
3	39	9 L10900	L	1	09	0	0		1	0	39	9	630	630	0%
3	21	18 M31802	M	3	18	0	2			0	19	18	340	270	21%
Subtotal											27	23	6,170	5,430	12%

Shelter Cove Road Salvage Sale Prospectus

**Attachment C (Miscellaneous)**  
(None)

## Attachment D (Forms)

Bid and Deposit Form

(one page)

**DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY**

**BID AND DEPOSIT FOR ADVERTISED TIMBER**

Subject to the provisions below, the following bid is submitted for the timber to be removed from the  
Shelter Cove Road Salvage Timber Sale. Sale No. SSE - 1375 K

SPECIES	PRODUCT	ESTIMATE VOLUME	UNIT OF MEASURE	MINIMUM UNIT PRICE	BID UNIT PRICE	TOTAL PRICE BID
STATE Western Red Cedar	Sawlogs	34	MBF	\$ 300.00		
STATE Old Growth Sitka Spruce	Sawlogs	38	MBF	\$ 10.00		
STATE Old Growth Western Hemlock	Sawlogs	23	MBF	\$ 2.00		

**GRAND TOTAL BID: \$**

Minimum Acceptable Total Bid = \$11,000.00 USD

\* MBF= One Thousand Board Feet Scribner Net Scale.

THE BIDDER AGREES:

- At the time of bidding, if bidding as an agent for an individual, partnership, corporation, or other legally established firm, to submit a letter of authorization creating such agency to the Selling Agent and provide a business license.
- To, within 30 days of award of sale, execute a contract of sale and furnish a satisfactory performance bond.
- That the bid deposit may be retained by the State as liquidated damages, if the sale is not completed as specified in the published notice of sale.
- That the bid deposit of the successful bidder shall, upon execution of the contract, be credited, as a stumpage deposit to the amount due the State for stumpage as required by the contract of sale.
- That, if the contract of sale is terminated due to failure of the purchaser to comply with the terms of the contract or the "Timber Sale Regulations", any unused stumpage deposit may be retained by the State as liquidated damages.

It is understood that a bid of less than the advertised price for any species will invalidate this bid as a whole, and that bids will be evaluated on the basis of total return to the State for sawlogs of Sitka Spruce, Hemlock, and Red Cedar.

The bidder transmits herewith a \_\_\_\_\_ for 10% of the Grand Total Bid in the sum of  
(certified check, money order, cashier's check)

\_\_\_\_\_ dollars (\$) \_\_\_\_\_ ) payable to the  
State of Alaska, as required by the published notice of sale.

\_\_\_\_\_  
Name of Bidder

\_\_\_\_\_  
Date

\_\_\_\_\_  
By, Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
Title

THIS SPACE FOR STATE USE ONLY

This bid was opened and accepted as a qualified bid on \_\_\_\_\_ at \_\_\_\_\_ by  
(Date) (Time)

\_\_\_\_\_  
(Name)  
If not accepted, explain:

\_\_\_\_\_  
(Title)

## Attachment E

### Sample Contract

Contract (1 Page)

Sample Contract Standard Provisions (1 Page)

Sample Contract Addendum (3 Pages)

**STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY**

**TIMBER SALE CONTRACT**

<b>PURCHASER:</b> [REDACTED]	CONTRACT No.      A.D.L. No. SSE 1375-K
<b>REPRESENTATIVE:</b> [REDACTED]	SALE NAME Shelter Cove Road Salvage
ADDRESS	BOND TYPE      BOND AMOUNT \$5,000.00
The purchaser and the State of Alaska agree to this sale of timber under AS 38.05.110 - AS 38.05.120, under all applicable State of Alaska regulations including but not limited to all timber and material regulations and under the written provisions of this timber sale contract.	TYPE OF CUT Log Decks Salvage
	TYPE OF PAYMENT Lump Sum
	METHOD OF SALE Competitive    AS 38.05.120
<b>DESCRIPTION OF AREA:</b> Existing marked log decks adjacent to the Shelter Cove Road. The harvest decks are designated by Timber Sale Signs and orange tags.	CONTRACT MAY BE EXTENDED YES ___ NO <u>X</u>
	EFFECTIVE DATE Area Forester Signature Date
	EXPIRATION DATE 30-Jun-21
(No. of Acres, Sec., Subdivision, Twp., Rng., Mer.; Survey No. or Other) Right of way on the Shelter Cove Road in Sections 17,20,29, and 30 in Township 73 South, Range 92 East, Copper River Meridian	

**PRODUCTS AND PRICES**

SPECIES	PRODUCT	ESTIMATED VOLUME	UNIT	UNIT PRICE	TOTAL PRICE
Western Hemlock	sawlog		MBF		NA
Sitka Spruce	sawlog		MBF		NA
Western Red Cedar	sawlog		MBF		NA
Alaska Yellow Cedar	sawlog	0	MBF		
Utility	utility	0	MBF		
<b>Total Sale Price</b>					

**SPECIAL PROVISIONS AND CUTTING SPECIFICATIONS:**

All provisions of this contract, the attached conditions and requirements, contract addendum, sale area map, and cover letter apply to this contract. This sale is for decks of timber located on the public right of way. No additional timber shall be fallen unless prior notification has been obtained and approval granted from the DOF.

Logs located on USFS land are not part of this prospectus.

Contractor will pay stumpage and bond; provide proof of insurance; and provide a plan of operations prior to starting operations. Harvest area will be left in a manner acceptable to the State.

The purchaser acknowledges that he or she has read this contract in its entirety, that there are no oral promises not part of the written contract terms, and that the contract is fully understood. Purchaser agrees to abide by the terms of this agreement.

The purchaser and the State have executed this contract on the dates appearing below.

STATE OF ALASKA BY: _____  _____ Area Forester Title  _____ Date	PURCHASER  _____  _____ By Purchaser Title  _____ Date
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Southeast Area Office - 2417 Tongass Ave, Suite 213, Ketchikan AK 99901, Phone: 907-225-3070

Attachments:      **Standard Conditions**  
                          **Addendum**  
                          **Map**

THE FOLLOWING CONDITIONS AND REQUIREMENTS CONSTITUTE A PART OF THIS CONTRACT

- I. **NOTIFICATION:** The Purchaser shall notify the Area Forester before cutting begins.
2. **INCLUDED-TIMBER:** The Purchaser's cutting or removal of State owned timber not covered under this or any other contract may be a violation of various State of Alaska criminal laws, and will be considered a breach of this contract.
3. **TITLE:** Title to all timber included in this sale shall remain in the State of Alaska until it has been cut, measured, removed from the sale area and paid for in accordance with the provisions of this contract. Cut forest products remaining on State land 30 days after the timber sale expiration date will become the property of the State of Alaska unless written permission is granted by the Division of Forestry.
4. **SCALING:** The method of volume determination shall be by the Scribner Decimal "C" log rule, unless stipulated otherwise. The method of volume I determination for products other than sawlogs is specified in the special provisions.
5. **PAYMENTS:** Material cut under this contract shall be paid for according to conditions specified in the Type of Payment block on the reverse side of this contract. Checks, money orders, or drafts shall be made payable to the State of Alaska, Department of Revenue and submitted to the Area Forester. The Area Forester shall issue an official Department of Natural Resources receipt for each payment received.
6. **PERFORMANCE BOND:** To guarantee faithful performance of the conditions of this contract, the Purchaser must deliver to the State a cash or surety bond in the amount indicated on the reverse side of this contract. The State agrees to return the bond when the Purchaser has fully satisfied the terms of the contract. The Purchaser agrees that the State may keep all or part of the cash or surety bond in partial satisfaction of the Purchaser's obligations under the contract if the Purchaser has not done so without prejudice to any other remedies the State has for Purchaser's breach of contract.
7. **LIABILITY:** The Purchaser shall defend, indemnify, and hold the State harmless from any and all claims, demands, suits, loss, liability and expense for injury to, or death of, persons and damage to, or loss of, property arising out of, or connected with, the exercise of the privileges granted the Purchaser by this contract.
8. **APPLICABLE LAWS AND REGULATIONS:** The Purchaser shall comply with all laws and regulations applicable to this contract, including the Timber and Material Sales Regulations, State Fish and Game Regulations pertaining to the protection of wildlife and wildlife habitat, the Alaska Fire Control Act, Forest Resources and Practices Act, and State regulations pertaining to safety, sanitation, and the use of explosives. Such laws and regulations shall have the force of any other provision of this contract, and violation shall be cause for suspension of this contract in addition to any penalties prescribed by law.
9. **PROPER LOCATION BY PURCHASER:** The Purchaser is responsible for accurately locating his operations within the contract area specified on the reverse side of this contract.
10. **PURCHASER REPRESENTATIVE:** During all periods of operation, the Purchaser shall have a representative in the contract area authorized to act on his behalf in response to notices and instructions given by authorized State personnel regarding performance under this contract.
- II. **UTILIZATION:** Unless otherwise indicated in this contract, trees shall be utilized to a top diameter inside bark of 6 inches for sawlogs, and 4 inches for cordwood. Stump height shall be as low as practical to secure good utilization. Unless otherwise specified, the maximum stump height shall not exceed a height equal to the diameter of the stump outside bark as measured on the side adjacent to the highest ground. Each stump cut to exceed the maximum specifications shall be paid for by the Purchaser at a fixed rate of \$2 per stump, which sum shall be regarded as fixed, agreed, and liquidated damages.
12. **LIQUIDATED DAMAGES:** Unmarked or undesignated live trees which are cut or injured through carelessness or negligence, and marked or designated trees left uncut, shall be paid for at double the stumpage rate specified on the reverse side of this contract. Such payment shall not release the Purchaser for liability to the State for damage other than the value of said trees.
13. **SUSPENSION AND TERMINATION:** The Regional Forester or his representative may suspend all or part of Purchaser's operations or terminate the contract if the Purchaser has breached a contract term, or violated applicable State laws or regulations. Prior to any suspension or termination, the State shall give the Purchaser thirty days written notice during which time Purchaser may correct any breach or correct the offending conduct. If Purchaser takes no corrective action and the State elects to cancel the contract, the State may, in its discretion, retain in addition to any cash or surety bond any advance contract payment to partially satisfy Purchaser's obligations and take any other action the law allows.
14. **SLASH DISPOSAL:** All slash over the contract area shall be reduced to a height consistent with good forestry practices as approved by the Area Forester.
15. **ROADS, SKID TRAILS, LANDINGS:** Locations and specifications of roads, skid trails, and landings will be determined by the Division of Forestry prior to their construction. Upon completion of the sale, roads will be left in a condition equal to, or better than they were before the sale. Timber within the agreed-upon construction limits designated for cutting will be paid for according to the designated contract rates.
16. **USE OF ROADS:** The State hereby reserves the right to use any road constructed by the Purchaser under this contract for any and all purposes in connection with the protection and administration of State lands. The Director will, in his discretion, authorize other parties to use roads and facilities constructed and maintained by the Purchaser if it does not interfere with the operations of the Purchaser and if the other parties either perform a share of the maintenance based on their use or pay to the Purchaser the cost of their share of the maintenance as agreed upon by the Purchaser and the other parties.
17. **EROSION CONTROL:** Road construction or logging operations in connection with this contract shall be conducted so as to avoid damage to streams, lakes or other waters areas and land adjacent thereto. Timber shall not be cut so that it falls into any stream or other water area. Logs shall not be skidded into or across live stream courses. Locations and/or improvements necessary for stream crossings for skidding or hauling shall be approved by the Area Forester. All skid roads and other roads to be preserved for future access shall be treated with such measures as necessary to prevent erosion. Any damages resulting from failure to perform these requirements shall be repaired by the purchaser to the satisfaction of the state.
18. **FISH SPAWNING WATERS:** All operations in connection with this contract adjacent to lakes, streams, or important fish waters shall be conducted so as to avoid causing stream silting, and shall not be permitted to interfere with the passage of fish or to injure the spawning grounds in accordance with AS 16.05.
19. **SURVEY CORNERS:** The Purchaser shall protect all known land survey monuments and their witness trees from damage or obliteration. If such monuments or witness trees are destroyed, the Purchaser shall pay the costs of restoration.
20. **FIRE PRECAUTIONS:** The Purchaser and his employees shall do all in their power to prevent and suppress forest fires.
21. **INSPECTION AND REPORTS:** Following completion of operations under this contract, the Purchaser shall file a written report with the State indicating the estimated volume of timber removed. During the life of this contract, authorized agents of the State shall have access at all reasonable times to the contract area and to the books and records of the Purchaser, and the Purchaser's contractors and subcontractors, that relate to operations under this contract. Upon the request of the Purchaser, the Division will keep information obtained under this section confidential to the extent permitted by Law.
22. **SALE OF OTHER TIMBER PRODUCTS:** The State reserves the right to sell from the sale area, during the time that a purchaser's contract is in effect, timber which is not covered by the contract if the removal of the timber will not interfere, in the Director's judgment, with the operations of the Purchaser.
23. **SANITATION:** The sale area shall be left in a clean and sanitary condition. Any foreign material or waste, such as cans, bottles, barrels, garbage, or equipment that is a result of the Purchaser's operation shall be removed from the sale area prior to the close of operation.
24. **ESTIMATED VOLUME:** The "estimated contract volume" is solely an estimate.

## Contract Addendum

### Shelter Cove Road Salvage Timber Sale SSE 1375-K

#### General Conditions

1. The area designated for purchase as described in the contract and depicted on the attached Sale Area Map are decked logs adjacent to the Shelter Cove Road on State managed land. The timber sale is for the existing log decks or trees marked either with orange 8.5" x 11" DNR timber sale signs or orange 4"x4" label tags. Only logs and DOF marked down trees may be removed under the terms of this contract. Log decks on USFS land are not part of this contract.
2. Saw logs and Utility logs may be left at the purchaser's discretion. A utility log is defined as a log that is less than one third sound and not capable of meeting the requirements of a #3 saw log as defined by the Pacific Northwest Log Scaling and Grading Bureau Rules. Logs left shall be decked in a safe, orderly and workman like manner that is easily accessible for firewood cutters, is not within 15 feet of the road prism and does not affect water quality.
3. The purchaser shall submit to the DOF for approval a registered log brand and paint color for the marking of all logs. All logs shall be branded and painted on at least one end prior to removal from the sale area.
4. Prior to the beginning operations, the purchaser shall submit an operating plan to the DOF. The plan must outline anticipated start up and completion dates, timeline for loading and hauling from the sale area. The plan shall list the name of the field representative in charge of daily operations. The plan shall be kept current. Operating without a representative on site or operating plan is a breach of contract. The purchaser shall not operate on the sale without a DOF approved operating plan.
5. The purchaser is responsible for obtaining any necessary permits or written permission from other landowners for use of roads under their management jurisdiction and paying any required fees.
6. The Shelter Cove Road (specifically the road section through Mental Health Trust Land was constructed in 2005. To access the work area from Ketchikan, several log stringer bridges are traveled. The log stringer bridges were originally constructed to accommodate commercial log truck traffic; the structures are nearing the end of a typical lifespan. **Purchaser is advised to use caution loading all bridges on the road with heavy vehicles (specifically the use of concentrated loads such as excavators, loaders, and dump trucks) and do so at their own risk.** The purchaser agrees to a maximum loading of the bridge structures on the haul route to seventy five percent of the legal highway total load limits for vehicles moving equipment and logs. Speed on the bridges is advised to be kept less than 3 MPH.
7. Appropriate safety measures shall be taken when operating near the existing road and hauling. At a minimum, reflective warning signage (caution construction area, logging, etc.) shall be posted on each side of active operations. Appropriate

sign placement and maintenance shall be used to provide adequate advanced warning to drivers in all conditions. Purchaser shall provide flaggers during active loading operations and if there is a risk of logs or debris reaching the road. Equipment shall be functionally sound, safe, and delineated per applicable industry standards. Equipment shall not be stored on the roadway.

8. **Road access and the sale area are used by the public.** Portions of the road have limited visibility, narrow widths and other factors that can affect maneuverability of vehicles and awareness of drivers. All operations associated with the timber sale shall respect existing use and account for operational hazards. The purchaser shall at a minimum:
  - a. Provide and implement a communication plan meeting the approval of the DOF to keep road users aware of timber sale activity. The plan shall be updated by the purchaser throughout the term of the timber sale to reflect present conditions or as deemed necessary by the DOF.
  - b. Manage all operations to avoid, minimize, and mitigate operational hazards that conflict with other users.
  - c. Use speeds appropriate for operating conditions. Maximum speed on the road is 15MPH.
  - d. Provide warning signage.
  - e. Consider using a pilot car for purchaser's vehicles that have reduced maneuverability such as log trucks, low boy or tilt trailers in areas of road width less than 16 feet.
9. Existing roadbeds, cut banks, fill slopes, drainage structures, and ditches must be left in functional condition equivalent or better than the condition at the start of operations. All slash, limbs, tops, and other debris must be cleaned from the roadway and ditches. Heavy equipment uses other than for loading logs and equipment staging is not authorized off the shoulder of the road without specific site approval of DOF.
10. Fire equipment shall be on site from April 1 to August 31, while operations are active.
11. The sale information and volumes represented in this document and the reports are estimates only. The State does not warranty the total volume that may be cut in the sale or the appraised value.
12. Timber Sale Insurance Requirements.

Without limiting PURCHASER 's indemnification, it is agreed that PURCHASER shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the PURCHASER 's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Area Forester prior to beginning work and must provide for a 30-day prior notice of cancellation, nonrenewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for default. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

- a. Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, The purchaser shall also be responsible for Workers' Compensation Insurance for any subcontractor who performs work under the timber sale contract. The coverage shall include:
  - i. Waiver of subrogation against the state by the purchaser and all subcontractors associated with the timber sale;
  - ii. Employer's Liability Protection at \$500,000 each accident/each employee and \$500,000 policy limit;
  - iii. "Other States" endorsement if the purchaser or subcontractor directly utilizes labor of residents from outside of the State of Alaska;
  - iv. United States Longshore and Harbor Workers' Act Endorsement, whenever the work involves activity over or about navigable water; and
  - v. Maritime Employer's Liability (Jones Act) Endorsement with a minimum limit of \$1,000,000 whenever the work involves activity from or on a vessel on navigable water.
- b. Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000.00, combined single limit per occurrence.
- c. Commercial Automobile Liability covering all vehicles used in connection with the timber sale. All operators shall meet the State minimum requirements for commercial carriers as defined in AS 19.10.300.
  - \$200,000 property damage single occurrence.
  - \$500,000 bodily injury single occurrence.