

MINNESOTA DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

NOTICE OF SALE OF STUMPAGE ON STATE LANDS IN THE FOLLOWING AREA: LITTLEFORK AREA

STATUS: COMPLETED INTERMEDIATE AUCTION - SALE #2 SEALED BID

Notice is hereby given that I offered for sale by sealed bid auction, timber belonging to the State of Minnesota. Bid forms were required to be submitted at the address listed on the bid form prior to 2:00 PM on Monday, June 6, 2016. All tracts were awarded at the Littlefork Community Building at 8:45 AM on June 7, 2016 in Littlefork, MN.

All of the timber offered was SFI and FSC certified.

The following pages list the lands upon which the timber was located, the estimated quantities of timber offered, the appraised prices, and the bid prices.





MINNESOTA DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

INTERMEDIATE AUCTION SEALED BID TIMBER SALE LITTLEFORK AREA

SEALED BIDS MUST BE RECEIVED PRIOR TO 2:00 PM on June 6, 2016 Bids will be awarded at the following location:

Littlefork Community Building at 8:45 AM on June 7, 2016 in Littlefork, MN

TERMS OF SALE

- This auction sale will be held according to Minnesota Statutes Sections 90.101 and 90.14. Timber shall be offered and sold by the same unit of measure as it was appraised. Sale shall be made to the responsible bidder who bids the highest price for all timber species advertised for bidding on each tract. Bids must be submitted on bid forms provided by the State, each bid must be sealed in a separate envelope, the envelope must be clearly marked with the tract number and bidder's name on the outside of the envelope. Bid forms may be obtained from the Forestry Area Office(s) listed above. Bids may be submitted by mail or in person at any time during regular business hours prior to the bid submission deadline (June 6, 2016). Any or all bids may be rejected and sales canceled for good and sufficient reasons.

REGISTRATION AND ELIGIBLE BIDDERS

- Interested persons must be registered at least four (4) business days prior to the auction by submitting an *Annual Timber Sales Purchaser Registration* form. No bid will be accepted from anyone having a delinquent timber sale account or trespass account or a willful timber trespass with any public agency in Minnesota, or from anyone who does not qualify as a Responsible Bidder as defined in Minnesota Statutes § 90.01 (12), or from anyone who has been debarred for cause by any public agency [M.S. § 90.041 (11)]. Purchase is limited to registered persons or companies with 30 or fewer employees. No bidder may purchase more than twenty-five (25) percent of the tracts offered on the first round of bidding. Purchases or attempts to purchase tracts beyond the twenty-five (25) percent limit will result in the forfeiture of the down payment and loss of the tract.

ADVANCE PAYMENT

- The advance payment of fifteen (15) percent of the appraised value of the timber is due within fourteen (14) days from the bid award date. Advance payments will not be accepted with the bid. Failure to provide the advance payment within 14 days of the bid opening date will result in forfeiture of the permit and the purchaser will be held liable for the advance payment. The successful bidders's advance payment will be kept on deposit by the State and applied against any billings for timber.

BID GUARANTEE

- For any bid increase in excess of \$10,000 of the appraised price, a bid guarantee equal to fifteen (15) percent of the total bid price of the timber less the down payment amount is required at the time the permit is signed. If the bid guarantee is not submitted with the signed permit, the permit cancels, and the down payment forfeits to the State. If the permit holder fails to execute an effective permit, the bid guarantee payment forfeits to the State.

PURCHASER AND LOGGER QUALIFICATIONS AND OPERATIONS REQUIREMENTS

- The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the general industry safety standards for logging (e.g., LogSafe) adopted by the Commissioner of Labor and Industry and provide proof of compliance with these standards. The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the State of Minnesota mandatory insurance requirements before harvest operations begin. A *Certification of Compliance with the Minnesota Workers' Compensation Law* form must be submitted each year. Before the start of harvest operations, the purchaser must certify that a designated foreperson, who will be supervising active logging operations, has a current certificate of completion from a logger education program (e.g., MLEP or FISTA) approved by the Commissioner of Natural Resources.

SECURITY REQUIRED

- The purchaser must furnish security equal to the total bid value of the permit, LESS the amount paid as an advance payment and bid guarantee. Security can be furnished in the following forms: Corporate surety bond, certified check, cashier's check, personal check, money order, or by signing a Cutting Block Payment Agreement for individual cutting blocks, at least one business day prior to the start of any permit operations. If the purchaser elects to receive a refund of the advance payment and bid guarantee, they must furnish security in a form described above, for one hundred (100) percent of the total bid value of the timber purchased. If the deferred cash payment for cutting blocks is selected, the advance payment and bid guarantee WILL NOT be refunded. If the purchaser elects to secure a permit by prepayment of cutting block(s), they must make a written request on a form provided by the state. No harvesting is permitted until proper security has been furnished to and approved by the Commissioner of Natural Resources or his agent.

PERMIT TERMS

- A permit to harvest and remove the timber from state lands will be issued to the purchaser. NO permit shall be issued to anyone other than the purchaser in whose name the bid was made. All timber purchased on the permit must be harvested prior to the permit expiration date. All permits provide for the continuous identification of timber from the time of cutting until delivery to the consumer. Failure to continuously identify the timber as specified in the permit shall constitute trespass. Also, please note all harvest specifications on each tract being sold. Only one Regular Extension is permitted for exceptional circumstances. An annual interest rate of 5 percent may be charged on a regular extension for the period of the extension.

UNSOLD TRACTS

- On the next regular business day (8:00 AM - 4:30 PM, Monday - Friday, except holidays) after the date of the auction sale, unsold tracts may be available for over-the-counter purchase at the appraised price for a period of no more than one year. Unless canceled for reoffer at an earlier date, unsold tracts will be available until June 6, 2017, at the following Area Headquarters: Littlefork Area. Beginning 30 days after the auction date, an unsold intermediate auction tract may be purchased by any registered responsible bidder, i.e., purchase is no longer limited to businesses with 30 or fewer employees.

TRACT X1 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 38.0

Permit Number: X015053 Expiration Date: 05/31/2019

Purchased By: Wagner Logging LLC

Address: 3151 Hwy 53 Ste 1, International Falls, MN 56649

NESW,NWSW,SESW,SWNW,SWSW of Section 26 - Township 65, Range 24W.

	SPECIES	PRODUCT	VOLUME	UNIT	APPRA UNIT PRICE	S VALUE	BID UNIT PRICE	%: 61 \$ VALUE
								
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	560.00	Cd	19.51	10,925.60	31.41	17,589.60
+	BALSAM FIR	WOODSRUN CORDWOOD	120.00	Cd	11.48	1,377.60	18.48	2,217.60
+	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	105.00	Cd	8.99	943.95	14.47	1,519.35
+	MIXED SPRUCE	WOODSRUN CORDWOOD	60.00	Cd	12.24	734.40	19.71	1,182.60
_	+ BID SPECIES * SOLD ON APPRAISED VOLUME				ISED TOTAL = E PAYMENT =	\$13,981.55 \$2,097.23	BID TOTA	L = \$ 22,509.15

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES BIOMASS 642.00 Tons 1.00 642.00

Mixed Species Description:

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 75%; White Spruce 25%. Northern Hardwoods Woodsrun Cordwood includes: Ash 5%; Paper Birch 70%; Red Maple 25%.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across Molpus, county, and state land.
- Permission to cross Molpus and county land must be obtained by permittee.

Marketing Conditions:

Aspen avg. 10 inch d.b.h and 5-6 sticks Balsam fir avg. 7 inch d.b.h. and 3-4 sticks

Sale is located 1 mile south off the end of Promersberger Road and around 7 miles southeast on winter Nelson Road.

Price Adjustments:

Road Construction Costs: -10% Haul Distance to Nearest Mill: 0%

Stand Density: 0%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Keith Flood

(Appraisal ID 11969-0; Cutting Block ID 14045-0)

TRACT X2 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 32.0

Permit Number: X015054 Expiration Date: 05/31/2018

Purchased By: Ziemba & Sons Inc.

Address: 6002 County Rd. 1, Littlefork, MN 56653

GL06, GL07, NESW, SESW of Section 6 - Township 65, Range 25W.

					APPR	AISED	BID %: 52				
	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE			
+	TAMARACK	WOODSRUN CORDWOOD	750.00	Cd	5.10	3,825.00	7.75	5,812.50			
+	BLACK SPRUCE	WOODSRUN CORDWOOD	150.00	Cd	13.60	2,040.00	20.67	3,100.50			
	+ BID SPECIES * SOLD			SED TOTAL = E PAYMENT =	\$5,865.00 \$879.75	BID TOTA	AL = \$ 8,913.00				
C	Optional Timber (may be purchased with an Added Timber Agreement):										
	ANY LISTED SPECIES	BIOMASS	366.00	Tons	1.00	366.00					

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across state and county land.
- Permission to cross county land must be obtained by permittee.
- The sale will expire in 2 years due to nearby larch beetle infestation.

Marketing Conditions:

Tamarack: Avg 8" dbh, 80 years old, avg 5 stick Black Spruce: Avg 7" dbh, 88 years old, avg 3-4 stick

Approximately .5 mile of new roading off the Deer River Line from the East.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: 0%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Simon Cain

(Appraisal ID 11762-0; Cutting Block ID 13766-0)

TRACT X3 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 49.8

Permit Number: X015055 Expiration Date: 05/31/2019

Purchased By: Michael H. Rieger

Address: 61559 Co. Road 26, Northome, MN 56661

NENW, NESW, NWNW, NWSW, SENW, SWNW of Section 29 - Township 67, Range 26W.

					APPR	AISED	BID '	%: 222
S	PECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	1,140.00	Cd	16.83	19,186.20	54.19	61,776.60
+	ASPEN SPECIES	WOODSRUN CORDWOOD	310.00	Cd	23.85	7,393.50	76.80	23,808.00
	TAMARACK	WOODSRUN CORDWOOD	80.00	Cd	5.61	448.80	5.61	448.80
	BALSAM FIR	WOODSRUN CORDWOOD	30.00	Cd	14.03	420.90	14.03	420.90
	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	20.00	Cd	10.29	205.80	10.29	205.80
+	BID SPECIES	* SOLD ON APPRAISED VOLUME		APPRAIS	SED TOTAL =	\$27,655.20	BID TOTA	L = \$ 86,660.10
			Α	DVANCE	PAYMENT =	\$4,148.28		

Optional Timber (may be purchased with an Added Timber Agreement)

ANY LISTED SPECIES BIOMASS 840.00 Tons 1.00 840.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 1%; Trembling Aspen 99%. Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 99%; White Spruce 1%. Northern Hardwoods Woodsrun Cordwood includes: Ash 20%; Paper Birch 67%; Red Maple 13%.

Mixed Product Description:

Mixed Spruce Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

- Conduct harvest operations on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Black spruce averages 5 sticks, 8" DBH. Aspen spp. average 6 sticks, 12" DBH.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: +10%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Brian M. Feldt

TRACT X4 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 42.6

Permit Number: X015056 Expiration Date: 05/31/2019

Purchased By: Little Logging

Address: Box 502, Littlefork, MN 56653

SWSW of Section 33; SESE of Section 32 - Township 69, Range 26W. GL01 of Section 5; GL04 of Section 4 - Township 68, Range 26W.

					APPR.	AISED .	BID	%: 190		
S	PECIES	PRODUCT	VOLUME	UNIT	PRICE	\$ VALUE	PRICE	\$ VALUE		
+	BLACK SPRUCE	WOODSRUN CORDWOOD	950.00	Cd	14.28	13,566.00	41.41	39,339.50		
	TAMARACK	WOODSRUN CORDWOOD	130.00	Cd	5.35	695.50	5.35	695.50		
	PAPER BIRCH	WOODSRUN CORDWOOD	15.00	Cd	10.71	160.65	10.71	160.65		
+	BID SPECIES * SOLD	ON APPRAISED VOLUME		APPRAIS	ED TOTAL =	\$14,422.15	BID TOTA	L = \$ 40,195.65		
			Α	DVANCE	PAYMENT =	\$2,163.32				
Optional Timber (may be purchased with an Added Timber Agreement):										
	ANY LISTED SPECIES	BIOMASS	716.90	Tons	1.00	716.90				

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

- Conduct sale operation on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across private, county, and state land.
- Permission to cross private and county land must be obtained by permittee.

Marketing Conditions:

Black spruce average 4-5 sticks and 7" d.b.h. The timber sale is located approximately 1.5 miles north of County Highway 1, just west of the Bear River.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: +5%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Keith Flood

(Appraisal ID 11924-0; Cutting Block ID 13968-0)

TRACT X5 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 48.3

Permit Number: X015057 Expiration Date: 05/31/2019

Purchased By: Gary Rasmussen Logging

Address: 5749 Hwy. 11, International Falls, MN 56649

SESW,SWSE of Section 10; NENW,NWNE of Section 15 - Township 69, Range 24W.

					APPR	AISED	BID	%: 130
					UNIT		UNIT	
S		PRODUCT	VOLUME	UNIT	PRICE	\$ VALUE	PRICE	\$ VALUE
N SPECIES	3	WOODSRUN CORDWOOD	1,370.00	Cd	26.02	35,647.40	59.85	81,994.50
AM FIR		WOODSRUN CORDWOOD	370.00	Cd	15.30	5,661.00	35.19	13,020.30
E SPRUCE		WOODSRUN CORDWOOD	65.00	Cd	16.32	1,060.80	16.32	1,060.80
CIES	*	SOLD ON APPRAISED VOLUME		APPRAIS	SED TOTAL =	\$42,369.20	BID TOTAL	_ = \$ 96,075.60
			Α	DVANCE	PAYMENT =	\$6,355.38		
						APPRAISED TOTAL = ADVANCE PAYMENT =		, a 110 to 22 10 17 12 17 7 7 7 18 18 18 18 18 18 18 18 18 18 18 18 18

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES **BIOMASS** 895.00 Tons 1.00 895.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 9%; Trembling Aspen 91%.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across county and state land.
- Permission to cross county land must be obtained by permittee.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.

Marketing Conditions:

Sale is located 1/2 mile west of the North Galvin Line off of the Arrowhead Snowmobile trail.

Aspen averages 12 inches in diameter and 7-8 sticks. Site index: 73 Balsam fir and spruce are variable throughout the sale area.

Swales, drainages, and intermittent streams are present and will need to be avoided.

Sale was appraised by Kevin Olson and Kirby Osvold

Price Adjustments:

Road Construction Costs: +5% Haul Distance to Nearest Mill: +10%

Stand Density: +10%

Operational Constraints: -5% Other Price Factor: 0%

Appraiser:

Kirby M. Readman

(Appraisal ID 11993-0; Cutting Block ID 13951-0)

TRACT X6 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 82.8

Permit Number: X015058 Expiration Date: 05/31/2019

Purchased By:
Address:

NENW, NWNE, SENW, SWNE of Section 13 - Township 153, Range 26W.

						AISED	BID:	
	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	- TAMARACK	WOODSRUN CORDWOOD	1,200.00	Cd	4.85	5,820.00	4.85	5,820.00
+	- BLACK SPRUCE	WOODSRUN CORDWOOD	100.00	Cd	12.92	1,292.00	12.92	1,292.00
	BALSAM FIR	WOODSRUN CORDWOOD	3.00	Cd	12.11	36.33	12.11	36.33
	PAPER BIRCH	WOODSRUN CORDWOOD	3.00	Cd	9.69	29.07	9.69	29.07
	ANY LISTED SPECIES	BIOMASS	395.00	Tons	1.00	395.00	1.00	395.00
_	+ BID SPECIES * SOLD ON APPRAISED VOLUME				SED TOTAL = PAYMENT =	\$7,572.40 \$1,135.86	BID TOTA	AL = \$ 7,572.40

Marketing Conditions:

Tamarack averages 8.5 inches DBH, 4 sticks, 160 years old. Black spruce averages 7 inches DBH, 3 sticks. Small pockets of beetle kill are present, but not included in volume estimate.

Price reduced 5% due to quality.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: -5%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Angela M. Yuska

(Appraisal ID 11823-3; Cutting Block ID 13832-4)

TRACT X7 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 29.4

Permit Number: X015059 Expiration Date: 05/31/2019

Purchased By: Nelson Brothers Logging LLC

Address: 911 - 4th St NWBox 437, Big Falls, MN 56627

SESE,SWSE of Section 3; SWSW of Section 2; NENW,NWNW of Section 11; NENE of Section 10 - Township

155, Range 26W.

					APPR	AISED	BID	%: 67			
					UNIT		UNIT				
S	PECIES	PRODUCT	VOLUME	UNIT	PRICE	\$ VALUE	PRICE	\$ VALUE			
+	ASPEN SPECIES	WOODSRUN CORDWOOD	525.00	Cd	19.90	10,447.50	33.23	17,445.75			
+	BALSAM FIR	WOODSRUN CORDWOOD	115.00	Cd	12.11	1,392.65	20.22	2,325.30			
	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	85.00	Cd	7.07	600.95	7.07	600.95			
	BLACK SPRUCE	WOODSRUN CORDWOOD	10.00	Cd	12.92	129.20	12.92	129.20			
+	BID SPECIES * SOLE	D ON APPRAISED VOLUME		APPRAIS	ED TOTAL =	\$12,570.30	BID TOTAL	L = \$ 20,501.20			
			А	DVANCE	PAYMENT =	\$1,885.55					
O	Optional Timber (may be purchased with an Added Timber Agreement):										
	ANY LISTED SPECIES	BIOMASS	340.00	Tons	1.00	340.00					

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 19%; Trembling Aspen 81%. Northern Hardwoods Woodsrun Cordwood includes: Ash 65%; Paper Birch 35%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Average sizes:

Aspen: 5 sticks, 9" dbh Ash: 3 sticks, 8" dbh Birch: 3 sticks, 8" dbh Balsam fir: 4 sticks, 7.5" dbh

Access is on existing trail, 0.6 miles south of the Hendrickson's Camp rd.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: -5%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Brittney Kathleen King

TRACT X8 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 130.4

Permit Number: X015060 Expiration Date: 05/31/2019

Purchased Over-the-Counter Date: 06/08/2016

Purchased By: Nelson Brothers Logging LLC

Address: 911 - 4th St NWBox 437, Big Falls, MN 56627

GL01 of Section 3; GL04 of Section 2 - Township 155, Range 26W.

NWNW of Section 35; NENE, NENW, NESW, NWNE, NWSE, SENE, SESE, SWNE, SWSE of Section 34 -

Township 156, Range 26W.

					APPR	AISED	BID	%: 0
3	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	TAMARACK	WOODSRUN CORDWOOD	895.00	Cd	5.10	4,564.50	5.10	4,564.50
+	MIXED SPRUCE	WOODSRUN CORDWOOD	810.00	Cd	13.60	11,016.00	13.60	11,016.00
+	ASPEN SPECIES	WOODSRUN CORDWOOD	110.00	Cd	21.68	2,384.80	21.68	2,384.80
+	BALSAM FIR	WOODSRUN CORDWOOD	110.00	Cd	12.75	1,402.50	12.75	1,402.50
	MIXED HARDWOODS	WOODSRUN CORDWOOD	40.00	Cd	9.31	372.40	9.31	372.40
4	+ BID SPECIES * SOLD ON APPRAISED VOLUME				SED TOTAL = E PAYMENT =	\$19,740.20 \$2,961.03	BID TOTAL	L = \$ 19,740.20

Optional Timber (may be purchased with an Added Timber Agreement):

WHITE CEDAR	WOODSRUN CORDWOOD	270.00 Cd	5.10	1,377.00
ANY LISTED SPECIES	BIOMASS	865.00 Tons	1.00	865.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 5%; Trembling Aspen 95%.

Mixed Hardwoods Woodsrun Cordwood includes: Ash 21%; Paper Birch 79%.

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 92%; White Spruce 8%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across Molpus and State land.
- Permission to cross Molpus land must be obtained by permittee.

Marketing Conditions:

Black spruce average diameter of 7", with an average of 4 sticks/tree.

Tamarack average diameter of 7", with an average of 4 sticks/tree.

Aspen average diameter of 7", with an average of 4 sticks/tree.

Balsam fir average diameter of 6", with an average of 3 sticks/tree.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: 0%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Jonathan George McDonald

TRACT X9 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 42.9

Permit Number: X015061 Expiration Date: 05/31/2019

Purchased By: Wagner Logging LLC

Address: 3151 Hwy 53 Ste 1, International Falls, MN 56649

NENE,NWNE of Section 17; NESE,NWSE,SESE,SWSE of Section 8 - Township 156, Range 25W.

					•					
					APPR	AISED	BID 9	%: 121		
	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE		
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	640.00	Cd	19.51	12,486.40	43.12	27,596.80		
+	BALSAM FIR	WOODSRUN MIXED PRODUCTS	350.00	Cd	12.62	4,417.00	27.89	9,761.50		
+	MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	190.00	Cd	13.77	2,616.30	30.43	5,781.70		
+	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	180.00	Cd	6.69	1,204.20	14.78	2,660.40		
	TAMARACK	WOODSRUN CORDWOOD	90.00	Cd	4.59	413.10	4.59	413.10		
	+ BID SPECIES * SOLD	ON APPRAISED VOLUME		APPRAISI	ED TOTAL =	\$21,137.00	BID TOTAL	_ = \$ 46,213.50		
			A	DVANCE	PAYMENT =	\$3,170.55				
C	Optional Timber (may be purchased with an Added Timber Agreement):									
	ANY LISTED SPECIES	BIOMASS	1,003.00	Tons	1.00	1,003.00				

Mixed Species Description:

Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 35%; White Spruce 65%. Northern Hardwoods Woodsrun Cordwood includes: Ash 65%; Paper Birch 35%.

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%. Mixed Spruce Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

- Conduct sale operation on frozen soil conditions only, except with written permission from State.
- Operate during non-rutting soil conditions. Refer to DNR rutting guidelines.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Aspen average 6 sticks, 10" dbh. Balsam fir average 4 sticks, 7" dbh. The sale is approximately 7 miles south on the Lindford ditch grade.

Price Adjustments:

Road Construction Costs: -10% Haul Distance to Nearest Mill: 0%

Stand Density: 0%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Keith Flood

TRACT X10 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 82.2

Permit Number: X015062 Expiration Date: 05/31/2019

Purchased By: Nelson Brothers Logging LLC

Address: 911 - 4th St NWBox 437, Big Falls, MN 56627

NWNW,SWNW of Section 33; NENE,SENE of Section 32 - Township 156, Range 26W. NENW,NWNE,SENW,SWNE,SWNW of Section 33 - Township 156, Range 26W.

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					APPR	AISED	BID	%: 87		
5	PECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE		
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	522.00	Cd	18.43	9,620.46	34.46	18,332.72		
+	MIXED SPRUCE	WOODSRUN CORDWOOD	321.00	Cd	11.56	3,710.76	21.62	6,940.02		
+	NORWAY PINE	WOODSRUN MIXED PRODUCTS	230.00	Cd	16.83	3,870.90	31.47	17,465.85		
+	MIXED HARDWOODS	WOODSRUN CORDWOOD	93.00	Cd	8.67	806.31	16.21	1,507.53		
+	BALSAM FIR	WOODSRUN CORDWOOD	92.00	Cd	10.84	997.28	20.27	1,864.84		
	TAMARACK	WOODSRUN CORDWOOD	30.00	Cd	4.34	130.20	4.34	130.20		
4	+ BID SPECIES * SOLD ON APPRAISED VOLUME			_	ED TOTAL = PAYMENT =	\$19,135.91 \$2,870.39	BID TOTAL	_ = \$ 46,241.16		
0	Optional Timber (may be purchased with an Added Timber Agreement):									
	WHITE CEDAR	WOODSRUN CORDWOOD	100.00	Cd	4.34	434.00				
	ANY LISTED SPECIES	BIOMASS	700.00	Tons	1.00	700.00				

Mixed Species Description:

Mixed Hardwoods Woodsrun Cordwood includes: Paper Birch 98%; Red Maple 2%. Mixed Spruce Woodsrun Cordwood includes: Black Spruce 85%; White Spruce 15%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall (Cutting Block 1).

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Block 1).
- Dry or frozen conditions required for felling and skidding. No harvest March 15 August 30 due to no summer hauling on Twomey-Williams State Forest Road. Frost and permission from sale administrator are both required before hauling cut products. All cut products must be removed by spring road restrictions annually (Cutting Block 2).

Sale Conditions:

- Access is across state land (Cutting Blocks 1 and 2).

Marketing Conditions:

Aspen is approximately 70 years old, averages 6 sticks, and 11.5" DBH.

Lowland type is approximately 100 years old.

Spruce averages 5-6 sticks and 7-8" DBH.

Paper birch and balsam fir average 3 sticks.

Norway pine averages 5.5 sticks, 10" DBH, and is 49 years old. Norway pine thinning is lower quality due to frost and snow damage.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: -5%

Operational Constraints: -10% Other Price Factor: 0%

Appraiser:

Angela M. Yuska

(Appraisal ID 11825-0; Cutting Block ID 13574-0, 13721-0)

TRACT X11 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 48.0

Permit Number: X015063 Expiration Date: 05/31/2019

Purchased By: Lone Oak Logging

Address: 15902 Deer Trail Rd NE, Blackduck, MN 56630

NESE, SESE, SWSE of Section 33; NESW, NWSW, SESW, SWSW of Section 34 - Township 156, Range 29W.

					APPRA UNIT	AISED	BID ^o	%: 110
	SPECIES	PRODUCT	VOLUME	UNIT	PRICE	\$ VALUE	PRICE	\$ VALUE
+	- ASPEN SPECIES	WOODSRUN CORDWOOD	450.00	Cd	21.68	9,756.00	45.53	20,488.50
+	MIXED HARDWOODS	WOODSRUN CORDWOOD	260.00	Cd	9.94	2,584.40	20.87	5,426.20
+	BALSAM FIR	WOODSRUN CORDWOOD	190.00	Cd	12.75	2,422.50	26.78	5,088.20
+	MIXED SPRUCE	WOODSRUN CORDWOOD	80.00	Cd	13.60	1,088.00	28.56	2,284.80
	TAMARACK	WOODSRUN CORDWOOD	10.00	Cd	5.10	51.00	5.10	51.00
	NORWAY PINE	WOODSRUN CORDWOOD	8.00	Cd	11.90	95.20	11.90	95.20
_	+ BID SPECIES * SOLD	ON APPRAISED VOLUME			SED TOTAL = E PAYMENT =	\$15,997.10 \$2,399.57	BID TOTAI	_ = \$ 33,433.90

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES BIOMASS 620.00 Tons 1.00 620.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 7%; Trembling Aspen 93%.

Mixed Hardwoods Woodsrun Cordwood includes: Ash 6%; Paper Birch 94%.

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 53%; White Spruce 47%.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Average aspen diameter is 11" and 6 sticks.

Average paper birch diameter is 8" and 5 sticks.

Average balsam fir diameter is 7" and 4 sticks.

Average spruce diameter is 8" and 5 sticks.

This permit is located on the Pine Island Forest Road approximately one and a half miles past Christiansons Corner if you are traveling from Big Falls.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: 0%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Jonathan George McDonald

(Appraisal ID 11997-0; Cutting Block ID 14064-0)

TRACT X12 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA **ACRES: 50.4**

Permit Number: X015064 Expiration Date: 05/31/2019

Purchased By: Peterson Logging Inc.

Address: 7911 Cty Rd 82, Loman, MN 56654

SENE of Section 5; GL03,GL04,NESW,NWSW,SENW,SWNW of Section 4 - Township 157, Range 26W.

				APPRAISED		BID %: 156	
SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE _	\$ VALUE	UNIT PRICE	\$ VALUE
ASPEN SPECIES	WOODSRUN CORDWOOD	1,320.00	Cd	21.76	28,723.20	55.71	73,537.20
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	285.00	Cd	10.04	2,861.40	25.70	7,324.50
BALSAM FIR	WOODSRUN CORDWOOD	115.00	Cd	13.39	1,539.85	13.39	1,539.85
WHITE CEDAR	WOODSRUN CORDWOOD	30.00	Cd	5.35	160.50	5.35	160.50
MIXED SPRUCE	WOODSRUN CORDWOOD	20.00	Cd	14.28	285.60	14.28	285.60
+ BID SPECIES * SOLD ON APPRAISED VOLUME			APPRAIS	SED TOTAL =	\$33,570.55	BID TOTAL	_ = \$ 82,847.65
	ADVANCE PAYMENT =			\$5,035.58			
Optional Timber (<i>ma</i>	y be purchased with an Adde	d Timber Agr	eement):			
ANY LISTED SPECIES	BIOMASS	855.00	Tons	1.00	855.00		

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 25%; Trembling Aspen 75%.

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 1%; White Spruce 99%.

Northern Hardwoods Woodsrun Cordwood includes: Ash 15%; Paper Birch 84%; Red Maple 1%.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across State and Molpus land.
- Permission to cross Molpus land must be obtained by permittee.

Marketing Conditions:

Aspen averages 14" D.B.H. and 7 sticks.

Paper birch averages 7" D.B.H. and 3-4 sticks.

Patchy blowdown throughout stand, approximately 10% affected.

Three to six miles of road to open, depending on route used. Beaver dam removal may also be needed.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: +5%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Benjamin I. Becker

Harvest specifications and additional information about each tract may be obtained upon request from the following DNR Area Forestry Office:

LITTLEFORK AREA

The right is reserved to reject any and all bids.

For the Commissioner
MINNESOTA DEPARTMENT OF NATURAL RESOURCES

By: ______Authorized Signature

Dated: June 6, 2016

Division Of Forestry

LITTLEFORK AREA

SUMMARY FOR SOLD TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED	NORWAY PINE	230.00	Cd	75.94	17,465.85
PRODUCTS	BALSAM FIR	350.00	Cd	27.89	9,761.50
	MIXED SPRUCE	1,330.00	Cd	50.80	67,558.30
WOODSRUN CORDWOOD	ASPEN SPECIES	4,085.00	Cd	53.77	219,658.75
	TREMBLING ASPEN	1,722.00	Cd	36.89	63,519.12
	PAPER BIRCH	15.00	Cd	10.71	160.65
	NORTHERN HARDWOODS	675.00	Cd	18.24	12,311.00
	NORWAY PINE	8.00	Cd	11.90	95.20
	WHITE SPRUCE	65.00	Cd	16.32	1,060.80
	BALSAM FIR	1,142.00	Cd	24.41	27,879.49
	BLACK SPRUCE	1,110.00	Cd	38.35	42,569.20
	TAMARACK	1,985.00	Cd	6.10	12,115.60
	WHITE CEDAR	30.00	Cd	20.24	607.25
	WHITE CEDAR (optional)	370.00	Cd	-	0.00
	MIXED SPRUCE	1,291.00	Cd	16.82	21,709.02
	MIXED HARDWOODS	393.00	Cd	18.59	7,306.13
BIOMASS	ANY LISTED SPECIES (optional)	7,842.90	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 14,431.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 226,444.16
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 503,788.06
TOTAL ACRES SOLD: 594.0

SOLD TRACT NUMBERS: 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12

TOTAL NUMBER OF TRACTS SOLD: 11

SUMMARY FOR <u>UNSOLD</u> TRACTS							
		TOTAL		APPRAISED AVERAGE	APPRAISED		
PRODUCT	SPECIES	VOLUME	UNIT	UNIT PRICE	\$ VALUE		
WOODSRUN CORDWOOD	PAPER BIRCH	3.00	Cd	9.69	29.07		
	BALSAM FIR	3.00	Cd	12.11	36.33		
	BLACK SPRUCE	100.00	Cd	12.92	1,292.00		
	TAMARACK	1,200.00	Cd	4.85	5,820.00		
BIOMASS	ANY LISTED SPECIES	395.00	Tons	1.00	395.00		

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 1,306.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$7,572.40

TOTAL ACRES UNSOLD: 82.8 UNSOLD TRACT NUMBER: 6

TOTAL NUMBER OF TRACTS UNSOLD: 1