



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

NOTICE OF SALE OF STUMPAGE ON STATE LANDS IN THE FOLLOWING AREAS:
BACKUS AREA, DEER RIVER AREA

STATUS: COMPLETED
REGULAR AUCTION - SALE #3
ORAL BID

Notice is hereby given that I offered for sale at public auction in Bigfork, MN at 9:00 AM on Wednesday, June 8, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Bigfork Town Hall in Bigfork, 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.



The resource management of the Minnesota DNR's state forests and wildlife management areas meets the objectives of the SFI ® program (Certificate No. NSF-SFI-FM-6Y921) and the principles of the FSC ® certification standard (Certificate No. SCS-FM/COC-00088N).

FSC
100%



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
REGULAR AUCTION
ORAL BID TIMBER SALE
BACKUS AREA, DEER RIVER AREA

9:00 AM on June 8, 2016
Bigfork Town Hall in Bigfork, 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. Bidding above the appraised price shall be by increments of one (1) percent or more. The percent bid up will be added to the appraised price of each species indicated as a bid species by a plus symbol (+) on the Notice of Sale. 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 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)].

DOWN PAYMENT

- Purchasers of timber must pay a down payment of fifteen (15) percent of the appraised value of the timber at the time the purchaser's bid is approved. The down payment will be kept on deposit by the State and applied against any billings for timber. The purchaser may elect to have the down payment refunded if they post security for one hundred (100) percent of the bid price of the timber (see Security Required). If the purchaser does not sign the permit document within 45 days of sale, the down payment will forfeit to the State. A permit signature extension of 10 business days may be granted, provided the purchaser pays a \$200 penalty.

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 a down payment and bid guarantee. Security can be furnished in the following forms: Corporate surety bond, Letter of Credit, 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 down 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 down 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 8, 2017, at the following Area Headquarters: Backus Area, Deer River Area.

TRACT B1	COUNTY: ITASCA	AREA: DEER RIVER AREA	ACRES: 21.6
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Permit Number: B013307
 Expiration Date: 05/31/2019

Purchased By: Sappi Cloquet LLC
Address: 20 N. 22nd St. Wood Fiber & Fuel Proc, Cloquet, MN 55720

NENW,NWNE of Section 10 - Township 56, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 165	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	565.00	Cd	21.68	12,249.20	57.45	32,459.25
BALSAM FIR	WOODSRUN CORDWOOD	20.00	Cd	12.75	255.00	12.75	255.00
PAPER BIRCH	WOODSRUN CORDWOOD	12.00	Cd	10.20	122.40	10.20	122.40
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$12,626.60	BID TOTAL = \$	32,836.65
				ADVANCE PAYMENT =	\$1,893.99		

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

ANY LISTED SPECIES	BIOMASS	275.00 Tons	1.00	275.00
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Sale Conditions:

- This is a DRY summer chance sale.

Marketing Conditions:

Aspen size is 8-14" dbh, 5-7 sticks.
 Balsam fir is 6-9" dbh, 3-5 sticks.
 Paper birch is 6-14" dbh, 3-4 sticks.

Price Adjustments:

Road Construction Costs: 0%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: 0%
 Other Price Factor: 0%

Appraiser:

Darren W. Neuman

TRACT B2 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 99.5

Permit Number: B013308
Expiration Date: 05/31/2019

Purchased By: UPM - Blandin Paper
Address: 115 First Street SW, Grand Rapids, MN 55744

SWSW of Section 25; SENE of Section 35; SESE of Section 26; NENW, NESW, NWNW, SENW, SWNW of Section 36 - Township 59, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	2,975.00	Cd	23.85	70,953.75	23.85	70,953.75
BLACK SPRUCE	WOODSRUN MIXED PRODUCTS	45.00	Cd	18.70	841.50	18.70	841.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$71,795.25 BID TOTAL = \$ 71,795.25
 ADVANCE PAYMENT = \$10,769.29

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

ANY LISTED SPECIES BIOMASS 1,365.00 Tons 1.00 1,365.00

Mixed Product Description:

Black Spruce Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.

Season of Operations:

- Frozen ground access across Itasca County and State land.

Landings Roads and Trails:

- Recreation trail may be used as access.
- A minimum of four inches of snow must be left on the recreation trail from Dec. 1 - March 31.

Marketing Conditions:

Aspen is 6-11" dbh 3-6 sticks, avg 9" 5-6 sticks
Black spruce is 6-11" dbh 3-6 sticks, only 1.2 acres of sale area in N end of stand 850.
Aspen price increased 10% due to stand density.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: +10%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Darren W. Neuman

TRACT B3 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 114.1

Permit Number: B013309
Expiration Date: 05/31/2019

Purchased By: UPM - Blandin Paper
Address: 115 First Street SW, Grand Rapids, MN 55744

NESE of Section 18 - Township 60, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	2,650.00	Cd	21.68	57,452.00	21.68	57,452.00
+ BALSAM FIR	WOODSRUN CORDWOOD	650.00	Cd	12.75	8,287.50	12.75	8,287.50
PAPER BIRCH	WOODSRUN CORDWOOD	25.00	Cd	10.20	255.00	10.20	255.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$65,994.50	BID TOTAL = \$ 65,994.50
				ADVANCE PAYMENT =		\$9,899.18	

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

* ANY LISTED SPECIES BIOMASS 1,565.00 Tons 1.00 1,565.00

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Access across Itasca county from East, UPM from West, or State/private from South
Stand is bordered and intersected by Herb Brandstrom Snowmobile Trail.
Aspen averages 8-10' DBH, 5-6 sticks, 28 cords/acre

Price Adjustments:

- Road Construction Costs: -5%
- Haul Distance to Nearest Mill: +5%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: 0%

Appraiser:

Allissa Corrow

TRACT B4 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 27.5

Permit Number: B013310
Expiration Date: 05/31/2019

Purchased By: Boise White Paper LLC
Address: 400 3rd Ave E, International Falls, MN 56649

SESE of Section 22; SWSW of Section 23 - Township 61, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	550.00	Cd	21.70	11,935.00	21.70	11,935.00
MIXED HARDWOODS	WOODSRUN CORDWOOD	35.00	Cd	10.00	350.00	10.00	350.00
WHITE SPRUCE	WOODSRUN CORDWOOD	25.00	Cd	13.60	340.00	13.60	340.00
BALSAM FIR	WOODSRUN CORDWOOD	15.00	Cd	12.75	191.25	12.75	191.25
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$12,816.25	BID TOTAL = \$	12,816.25
				ADVANCE PAYMENT =	\$1,922.44		

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

* ANY LISTED SPECIES BIOMASS 288.00 Tons 1.00 288.00

Mixed Species Description:

Mixed Hardwoods Woodsrun Cordwood includes: Ash 5%; Paper Birch 29%; Red Maple 66%.

Season of Operations:

- Conduct sale operations on frozen/dry soil conditions only, except with written permission from State.
- Permit holder must obtain permission from Molpus to use their haul roads.

Landings Roads and Trails:

- Haul roads must be regularly maintained in a safe and usable condition.

Marketing Conditions:

Aspen 7-13" dbh, 5-7 sticks.

Price Adjustments:

- Road Construction Costs: +1%
- Haul Distance to Nearest Mill: -3%
- Stand Density: +2%
- Operational Constraints: 0%
- Other Price Factor: 0%

Appraiser:

Steven A. Moberg

TRACT B5 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 28.9

Permit Number: B013311
Expiration Date: 05/31/2019

Purchased By: UPM - Blandin Paper
Address: 115 First Street SW, Grand Rapids, MN 55744

NESE,NWSE,SENE,SESW of Section 11; NWNE of Section 14 - Township 61, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	WOODSRUN CORDWOOD	390.00	Cd	11.56	4,508.40	11.56	4,508.40
+ BALSAM FIR	WOODSRUN CORDWOOD	250.00	Cd	10.84	2,710.00	10.84	2,710.00
	PAPER BIRCH	35.00	Cd	8.67	303.45	8.67	303.45
	TREMBLING ASPEN	35.00	Cd	18.43	645.05	18.43	645.05
	TAMARACK	20.00	Cd	4.33	86.60	4.33	86.60
	ASH	15.00	Cd	5.06	75.90	5.06	75.90

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$8,329.40 BID TOTAL = \$ 8,329.40
 ADVANCE PAYMENT = \$1,249.41

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

ANY LISTED SPECIES BIOMASS 420.00 Tons 0.85 357.00

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.

Marketing Conditions:

Sale is 3.5 of winter road from CR 42.
 Black spruce averages 5-6 sticks, 8" DBH.
 Balsam fir averages 6 sticks, 8" DBH.
 Price reduced 15% for poor access.

Price Adjustments:

Road Construction Costs: -15%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: 0%
 Other Price Factor: 0%

Appraiser:

Garrett Mann

TRACT B6 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 43.6

Permit Number: B013312
Expiration Date: 05/31/2019

Purchased By: Haley Logging Company
Address: 60697 State Hwy 38, Bigfork, MN 56628

NWNW,SWNW of Section 35 - Township 61, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	WOODSRUN CORDWOOD	300.00	Cd	13.60	4,080.00	13.60	4,080.00
+ TAMARACK	WOODSRUN CORDWOOD	110.00	Cd	5.10	561.00	5.10	561.00
ASH	WOODSRUN CORDWOOD	85.00	Cd	5.95	505.75	5.95	505.75
BALSAM FIR	WOODSRUN CORDWOOD	75.00	Cd	12.75	956.25	12.75	956.25
TREMBLING ASPEN	WOODSRUN CORDWOOD	50.00	Cd	21.68	1,084.00	21.68	1,084.00
PAPER BIRCH	WOODSRUN CORDWOOD	25.00	Cd	10.20	255.00	10.20	255.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$7,442.00 BID TOTAL = \$ 7,442.00
 ADVANCE PAYMENT = \$1,116.30

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

ANY LISTED SPECIES BIOMASS 348.00 Tons 1.00 348.00

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 City of Bigfork, county, private or State land.
- Permission to cross City of Bigfork, county or private land must be obtained by permittee.

Marketing Conditions:

Black spruce size is 7-9" DBH, 3-4 sticks
Tamarack size is 7-9" DBH, 3-4 sticks
Black ash size is 7-9" DBH, avg. 3 sticks

Volume is variable throughout the permit area. Portions of the area are dense with advanced regen. Operators must make their best effort to reserve as much of the adv. regen as they can.

Permittee must contact TSA 5 days prior to sale entry.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Christopher J. Bergquist

TRACT B7 COUNTY: KOOCHICHING AREA: DEER RIVER AREA ACRES: 99.0

Permit Number: B013313
Expiration Date: 05/31/2019

Purchased By: Boise White Paper LLC
Address: 400 3rd Ave E, International Falls, MN 56649

NENE,NENW,NWNE,NWNW of Section 31 - Township 64, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 15	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	2,800.00	Cd	23.85	66,780.00	27.43	76,804.00
+ NORTHERN HARDWOODS	WOODSRUN CORDWOOD	550.00	Cd	7.01	3,855.50	8.06	4,433.00
BALSAM FIR	WOODSRUN CORDWOOD	60.00	Cd	14.03	841.80	14.03	841.80
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$71,477.30	BID TOTAL = \$ 82,078.80
				ADVANCE PAYMENT =		\$10,721.60	

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

* ANY LISTED SPECIES BIOMASS 1,655.00 Tons 1.00 1,655.00

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Ash 90%; Paper Birch 10%.

Season of Operations:

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

Marketing Conditions:

Access directly from the Deer River Line, with an existing trail running the length of the sale.
Aspen averages 10-14" DBH , 5-7 sticks with pockets of smaller wood

Price Adjustments:

Road Construction Costs: +10%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Allissa Corrow

TRACT B8 COUNTY: CASS AREA: BACKUS AREA ACRES: 75.9
 Permit Number: B013314
 Expiration Date: 05/31/2019

Purchased By: Dukek Logging Inc.
 Address: 23873 Timber Trail Drive, Bemidji, MN 56601

NENE,NENW,NWNE,NWNW,SENE,SENW,SWNE,SWNW of Section 17 - Township 144, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 80	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN MIXED PRODUCTS	775.00	Cd	17.68	13,702.00	31.82	24,660.50
+ BALSAM FIR	WOODSRUN MIXED PRODUCTS	440.00	Cd	14.00	6,160.00	25.20	11,088.00
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	305.00	Cd	12.24	3,733.20	22.03	6,719.15
ASH	WOODSRUN MIXED PRODUCTS	60.00	Cd	6.73	403.80	6.73	403.80
RED MAPLE	WOODSRUN CORDWOOD	20.00	Cd	9.18	183.60	9.18	183.60
TAMARACK	WOODSRUN CORDWOOD	15.00	Cd	4.59	68.85	4.59	68.85

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$24,251.45
 ADVANCE PAYMENT = \$3,637.72
 BID TOTAL = \$ 43,123.90

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

ANY LISTED SPECIES BIOMASS 1,050.00 Tons 0.90 945.00

Mixed Product Description:

- Ash Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 80%.
- Balsam Fir Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%.
- Paper Birch Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.
- Trembling Aspen Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.

Cutting and Felling:

- Harvest all aspen, birch, balsam fir, ash, tamarack and maple inside permit boundaries.

Season of Operations:

- Frozen ground access across state / USFS land.

Landings Roads and Trails:

- 1.5 miles of winter road and 3 miles forest road to access this permit.

Sale Conditions:

- Access is on USFS road. A road use permit is required, state will obtain this permit.

Marketing Conditions:

- Aspen 4-6 stks 10 inch Diameter
- Balsam Fir 3-6 stks 9 inch diameter
- Paper birch 4-6 stks 9 inch Diameter
- Ash 3-5 stks 8inch diameter
- Maple 3-4 stks 8 inch diameter
- Tamarack 4-6 stks 9 inch diameter

Price Adjustments:

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

Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Michael H. Aultman

(Appraisal ID 11998-0; Cutting Block ID 14003-0)

TRACT B9 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 156.0

Permit Number: B013315
Expiration Date: 05/31/2019

Purchased By: Andy Michalek Logging Inc.
Address: 54529 Michalek Road, Blackduck, MN 56630

NESE,NESW,NWSE,NWSW,SENE,SENW,SESE,SESW,SWNE,SWSE of Section 23;
NENE,NWNE,SENE,SWNE of Section 26 - Township 146, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TAMARACK	WOODSRUN CORDWOOD	3,985.00	Cd	4.34	17,294.90	4.34	17,294.90
+ BLACK SPRUCE	WOODSRUN CORDWOOD	635.00	Cd	11.56	7,340.60	11.56	7,340.60
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$24,635.50	BID TOTAL = \$ 24,635.50
				ADVANCE PAYMENT =		\$3,695.33	

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

ANY LISTED SPECIES BIOMASS 1,835.00 Tons 0.85 1,559.75

Season of Operations:

- Frozen ground access across private, industry and State.

Marketing Conditions:

Tamarack 6-12" dbh 4-6 stick
Black Spruce 5-9" dbh 3-5 stick

*Stumpage price reduced 15% for difficult access.
Bark beetle damage spotty in sale area.

Price Adjustments:

Road Construction Costs: -15%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Daniel D. Hertle

TRACT B10

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 69.0

Permit Number: B013316
 Expiration Date: 05/31/2019

Purchased By: Michael H. Rieger
 Address: 61559 Co. Road 26, Northome, MN 56661

NESW,SENW of Section 32; NWNE of Section 31; GL07,GL12,SWSE of Section 30 - Township 147, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 36	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	525.00	Cd	35.50	18,637.50	48.28	25,347.00
+ BALSAM FIR	WOODSRUN MIXED PRODUCTS	100.00	Cd	18.33	1,833.00	24.93	2,493.00
TREMBLING ASPEN	WOODSRUN CORDWOOD	85.00	Cd	24.93	2,119.05	24.93	2,119.05
MIXED HARDWOODS	WOODSRUN CORDWOOD	55.00	Cd	11.85	651.75	11.85	651.75
JACK PINE	WOODSRUN MIXED PRODUCTS	20.00	Cd	36.41	728.20	36.41	728.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$23,969.50	BID TOTAL = \$	31,339.00
				ADVANCE PAYMENT =	\$3,595.43		

Mixed Species Description:

Mixed Hardwoods Woodsrun Cordwood includes: Paper Birch 80%; Red Maple 18%; Red Oak 2%.

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.
 Jack Pine Woodsrun Mixed Products includes: Bolts 75%; Pulpwood 25%.
 Norway Pine Woodsrun Mixed Products includes: Bolts 29%; Pulpwood 36%; Sawtimber 35%.

Cutting and Felling:

- Harvest Norway pine to 90 sq. ft. of basal area in logger select cutting units. Order of removal is provide access, damaged, high risk, low vigor, over-topped and increase spacing. Harvest paper birch, aspen, maple, balsam fir, jack pine and red oak to release Norway pine crop trees.
- In types #526, 537, and 612 harvest painted Norway pine, balsam fir, >7" dbh aspen and operational jack pine, paper birch, and maple. Within delineated RMZ harvest painted Norway pine, balsam fir and only operational paper birch, aspen, jack pine and maple. Maintain 60 sq. ft. of basal area.

Season of Operations:

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

Marketing Conditions:

Types #526 and 612 previously thinned.
 Age:103 yrs.
 -Norway pine 10-26" dbh 1-4.5 logs
 Types #561, 617 and 688 are a first entry thinning. Stumpage reduced by 25%.
 Age: 26-33 yrs.
 -Norway pine 8-11" dbh 3-5 stick 50% bolts
 Basal Area: 140-200 all species.

Bridge signage is incorrect. USFS engineering will monitor bridge during hauling. Full loads can be hauled over it.

Price Adjustments:

- Road Construction Costs: +10%
- Haul Distance to Nearest Mill: +5%
- Stand Density: +5%
- Operational Constraints: -5%

Other Price Factor: 0%

Appraiser:

Daniel D. Hertle

(Appraisal ID 11736-0; Cutting Block ID 13673-0)

TRACT B11

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 50.8

Permit Number: B013317
Expiration Date: 05/31/2019

Purchased By: Michael H. Rieger
Address: 61559 Co. Road 26, Northome, MN 56661

GL03, GL04, SESW of Section 30 - Township 149, Range 26W.
NWNW of Section 20 - Township 149, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 110	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	760.00	Cd	21.68	16,476.80	45.53	34,602.80
+ PAPER BIRCH	WOODSRUN CORDWOOD	152.00	Cd	10.20	1,550.40	21.42	3,255.84
BALSAM FIR	WOODSRUN CORDWOOD	65.00	Cd	12.75	828.75	12.75	828.75
ASH	WOODSRUN CORDWOOD	50.00	Cd	5.95	297.50	5.95	297.50
WHITE SPRUCE	WOODSRUN CORDWOOD	5.00	Cd	13.60	68.00	13.60	68.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$19,221.45
ADVANCE PAYMENT = \$2,883.22
BID TOTAL = \$ 39,052.89

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

ANY LISTED SPECIES BIOMASS 480.00 Tons 1.00 480.00

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Blocks 1 and 2).
- No sale operations allowed between February 1 and August 1, due to nearby goshawk nest site (Cutting Block 1).

Sale Conditions:

- Access is across USFS and State land (Cutting Block 1).
- Access is across USFS, Itasca County and State land (Cutting Block 2).
- Permission to cross Itasca County land must be obtained by permittee (Cutting Block 2).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Blocks 1 and 2).

Marketing Conditions:

Estimated volumes average 23.6 cords per acre (all appraised species).

All Price Guide Factors are average.

- Aspen average 6-7 sticks, 18" DBH.
- Birch average 4 sticks, 10" DBH.
- Balsam fir average 4 sticks, 12" DBH.
- Ash average 3 sticks, 8" DBH.
- White spruce average 3 sticks, 10" DBH.

480 tons of biomass available as optional timber.

Block 1 is located approximately 2.3 miles NE of the intersection of Itasca County Road 145 and USFS Road 3359. Block 1 is accessible via USFS Roads 3359, 3359D and U1182.

Block 2 is located approximately 1 mile SE of the intersection of Itasca County Road 145 and USFS Road 3359. Block 2 is accessible via USFS Roads 3359, 3359A and 3359AA.

Price Adjustments:

Road Construction Costs: 0%

Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Matthew T. Pollard

(Appraisal ID 12064-0; Cutting Block ID 14139-0, 14133-0)

TRACT B12

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 37.2

Permit Number: B013318
Expiration Date: 05/31/2019

Purchased By:
Address:

UNSOLD

NENE of Section 32; SWSW of Section 28; NENW,NWNW,SWNW of Section 33 - Township 150, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TAMARACK	WOODSRUN CORDWOOD	370.00	Cd	5.10	1,887.00	5.10	1,887.00
+ BLACK SPRUCE	WOODSRUN CORDWOOD	160.00	Cd	13.60	2,176.00	13.60	2,176.00
ANY LISTED SPECIES	BIOMASS	192.00	Tons	1.00	192.00	1.00	192.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$4,255.00	BID TOTAL = \$	4,255.00
				ADVANCE PAYMENT =	\$638.25		

Marketing Conditions:

Tamarack avg 5"-8" dbh @ 3-4 sticks
Black Spruce avg. 4"-7"dbh @ 3 sticks

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

William E. Julson

TRACT B13

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 39.0

Permit Number: B013319
Expiration Date: 05/31/2019

Purchased By: Boise White Paper LLC
Address: 400 3rd Ave E, International Falls, MN 56649

GL03,NWSW,SWSW of Section 36 - Township 151, Range 28W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 55	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	520.00	Cd	21.68	11,273.60	33.60	17,472.00
+ BASSWOOD	WOODSRUN MIXED PRODUCTS	220.00	Cd	10.54	2,318.80	16.34	3,594.80
MAPLE SPECIES	WOODSRUN CORDWOOD	110.00	Cd	10.20	1,122.00	10.20	1,122.00
PAPER BIRCH	WOODSRUN MIXED PRODUCTS	85.00	Cd	12.24	1,040.40	12.24	1,040.40

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$15,754.80 BID TOTAL = \$ 23,229.20
ADVANCE PAYMENT = \$2,363.22

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

ANY LISTED SPECIES BIOMASS 480.00 Tons 1.00 480.00

Mixed Species Description:

Maple Species Woodsrun Cordwood includes: Red Maple 40%; Sugar Maple 60%.

Mixed Product Description:

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

Paper Birch Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.

Cutting and Felling:

- Harvest all merchantable aspen, basswood, birch and maple.
- Reserve all oak, spruce, balsam, ash and non-merchantable maple.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Aspen averages 16" DBH, 7 Sticks
Basswood averages 10" DBH, 4 Sticks
Birch averages 11" DBH, 4 Sticks
Maple averages 8" DBH, 3 Sticks

Cutting block averages 29 cords per acre

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Ryan K. Brubaker

(Appraisal ID 11881-0; Cutting Block ID 13927-0)

TRACT B14

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 37.0

Permit Number: B013320
Expiration Date: 05/31/2019

Purchased By: Boise White Paper LLC
Address: 400 3rd Ave E, International Falls, MN 56649

NENW,NWNE of Section 35; SESW,SWSE,SWSW of Section 27 - Township 153, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 5	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	450.00	Cd	21.45	9,652.50	22.52	10,134.00
+ BALSAM FIR	WOODSRUN CORDWOOD	260.00	Cd	12.75	3,315.00	13.39	3,481.40
PAPER BIRCH	WOODSRUN CORDWOOD	80.00	Cd	10.20	816.00	10.20	816.00
WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	80.00	Cd	17.85	1,428.00	17.85	1,428.00
ASH	WOODSRUN CORDWOOD	30.00	Cd	5.95	178.50	5.95	178.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$15,390.00	BID TOTAL = \$ 16,037.90
				ADVANCE PAYMENT =		\$2,308.50	

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

WHITE CEDAR	WOODSRUN MIXED PRODUCTS	25.00	Cd	5.10	127.50		
ANY LISTED SPECIES	BIOMASS	488.00	Tons	1.00	488.00		

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 6%; Trembling Aspen 94%.

Mixed Product Description:

White Cedar Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.
White Spruce Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.

Cutting and Felling:

- Full tree skidding required.

Season of Operations:

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

Marketing Conditions:

Aspen Species avg. 7"-12" dbh @ 5 sticks

Balsam Fir avg. 6"-7" dbh @ 3-4 sticks

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

William E. Julson

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

BACKUS AREA, DEER RIVER AREA

The right is reserved to reject any and all bids.

For the Commissioner
MINNESOTA DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Signature
Division Of Forestry
Dated: June 8, 2016

- SUMMARY SHEET -

06/08/2016 REGULAR AUCTION - SALE #3

COMPLETED - DATA AS OF 12/26/2017

BACKUS AREA, DEER RIVER AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	ASH	60.00	Cd	6.73	403.80
	TREMBLING ASPEN	775.00	Cd	31.82	24,660.50
	PAPER BIRCH	390.00	Cd	19.90	7,759.55
	BASSWOOD	220.00	Cd	16.34	3,594.80
	NORWAY PINE	525.00	Cd	48.28	25,347.00
	JACK PINE	20.00	Cd	36.41	728.20
	WHITE SPRUCE	80.00	Cd	17.85	1,428.00
	BALSAM FIR	540.00	Cd	25.15	13,581.00
	BLACK SPRUCE	45.00	Cd	18.70	841.50
	WHITE CEDAR (optional)	25.00	Cd	-	0.00
WOODSRUN CORDWOOD	ASH	180.00	Cd	5.91	1,063.60
	ASPEN SPECIES	450.00	Cd	22.52	10,134.00
	TREMBLING ASPEN	10,990.00	Cd	27.80	305,526.90
	PAPER BIRCH	329.00	Cd	15.22	5,007.69
	MAPLE SPECIES	110.00	Cd	10.20	1,122.00
	NORTHERN HARDWOODS	550.00	Cd	8.06	4,433.00
	RED MAPLE	20.00	Cd	9.18	183.60
	WHITE SPRUCE	30.00	Cd	13.60	408.00
	BALSAM FIR	1,395.00	Cd	12.58	17,551.95
	BLACK SPRUCE	1,325.00	Cd	12.02	15,929.00
	TAMARACK	4,130.00	Cd	4.36	18,011.35
	MIXED HARDWOODS	90.00	Cd	11.13	1,001.75
	BIOMASS	ANY LISTED SPECIES (optional)	10,249.00	Tons	-

TOTAL SOLD TRACTS CONVERTED TO CORDS: 22,254.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 373,704.00
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 458,732.49
TOTAL ACRES SOLD: 861.9
SOLD TRACT NUMBERS: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14
TOTAL NUMBER OF TRACTS SOLD: 13

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
WOODSRUN CORDWOOD	BLACK SPRUCE	160.00	Cd	13.60	2,176.00
	TAMARACK	370.00	Cd	5.10	1,887.00
BIOMASS	ANY LISTED SPECIES	192.00	Tons	1.00	192.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 530.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 4,255.00
TOTAL ACRES UNSOLD: 37.2
UNSOLD TRACT NUMBER: 12
TOTAL NUMBER OF TRACTS UNSOLD: 1