

MINNESOTA DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

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

TWO HARBORS AREA

STATUS: COMPLETED INTERMEDIATE AUCTION - SALE #2 ORAL BID

Notice is hereby given that I offered for sale at public auction in Silver Bay, MN at 9:15 AM on Thursday, June 16, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Tettegouche State Park Visitor Center in Silver Bay, 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).



MINNESOTA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY INTERMEDIATE AUCTION ORAL BID TIMBER SALE

TWO HARBORS AREA

9:15 AM on June 16, 2016 Tettegouche State Park Visitor Center in Silver Bay, 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 whoever bids the highest price for all timber species advertised for bidding on each tract. Bidding over 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 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.

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 *Cerfification 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 16, 2017, at the following Area Headquarters: Two Harbors 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: LAKE

AREA: TWO HARBORS AREA

```
ACRES: 25.4
```

Permit Number: X015175 Expiration Date: 05/31/2019

Purchased By: Futurewood Corp

Address: 9676 N Kruger Rd, Hayward, WI 54843

NESW,NWSW,SESW,SWSW of Section 15 - Township 57, Range 8W.

					APPR	AISED	BID	%: 76
S	PECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	PAPER BIRCH	WOODSRUN MIXED PRODUCTS	284.00	Cd	11.02	3,129.68	19.40	5,509.60
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	221.00	Cd	19.51	4,311.71	34.34	7,589.14
+	MAPLE SPECIES	WOODSRUN CORDWOOD	186.00	Cd	9.18	1,707.48	16.16	3,005.76
	BALSAM FIR	WOODSRUN CORDWOOD	57.00	Cd	11.48	654.36	11.48	654.36
+	BID SPECIES * SOLD	ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$9,803.23 \$1,470.48	BID TOTA	L = \$ 16,758.86

- PAGE 4 -

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

ANY LISTED SPECIES	BIOMASS	394.00 Tons	0.90	354.60	

Mixed Species Description:

Maple Species Woodsrun Cordwood includes: Red Maple 10%; Sugar Maple 90%.

Mixed Product Description:

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

Cutting and Felling:

- Harvest paper birch, aspen, balsam fir, maple.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

BA ranges from 70 - 170, avg. 120 Aspen: 12" DBH, 5 sticks. Birch: 12" DBH, 5 sticks.

Price Adjustments:

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

Appraiser:

Michael J. Young

TRACT X2 COUNTY: LAKE

AREA: TWO HARBORS AREA

Permit Number: X015176 Expiration Date: 05/31/2019

> Purchased By: Goutermont Logging Address: 65 Adams Blvd, Silver Bay, MN 55614

SESW of Section 32 - Township 58, Range 8W.

NESE,NESW,NWSE,SESE,SESW,SWNE,SWSE of Section 5 - Township 57, Range 8W. GL02,GL03,SENW,SWNE of Section 5 - Township 57, Range 8W.

				APPRAISED			BID %: 51		
S	PECIES		PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	WHITE SPRUCE		WOODSRUN CORDWOOD	960.00	Cd	10.20	9,792.00	15.40	14,785.54
+	BALSAM FIR		WOODSRUN CORDWOOD	190.00	Cd	9.56	1,816.40	14.44	2,746.49
+	BID SPECIES	*	SOLD ON APPRAISED VOLUME	Ą		SED TOTAL = PAYMENT =	\$11,608.40 \$1,741.26	BID TOTA	L = \$ 17,532.03

- PAGE 5 -

Cutting and Felling:

- Harvest by thinning white spruce and balsam fir to a residual basal area of 80. Cut in strips and single trees as directed by TSA (Cutting Blocks 1 and 2).

Season of Operations:

- Conduct sale operations on dry / frozen soil conditions only, except with written permission from State (Cutting Block 1).

- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Block 2).

Sale Conditions:

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

Marketing Conditions:

White spruce ave. 8" DBH and 4 sticks. Balsam fir ave. 7" DBH and 3-4 sticks

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0% Stand Density: 0% Operational Constraints: 0% Other Price Factor: -25% (first entry thinning)

Appraiser:

Paul R. Moran

(Appraisal ID 12148-0; Cutting Block ID 14205-0, 14200-0)

TRACT X3 COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 42.0

Permit Number: X015177 Expiration Date: 05/31/2019

Purchased By: Fjeran's Forest Prod.

Address: 1801 Hwy 3, Two Harbors, MN 55616

NWNE,NWNW,NWSW,SENW,SWNW,SWSE of Section 16 - Township 57, Range 11W.

				APPR	APPRAISED) %: 0	
	SPECIES	PRODUCT		UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	ASPEN SPECIES	WOODSRUN CORDWOOD	530.00	Cd	21.49	11,389.70	21.49	11,389.70
+	BALSAM FIR	WOODSRUN CORDWOOD	180.00	Cd	12.75	2,295.00	12.75	2,295.00
+	PAPER BIRCH	WOODSRUN CORDWOOD	30.00	Cd	10.20	306.00	10.20	306.00
_	+ BID SPECIES *	SOLD ON APPRAISED VOLUME			SED TOTAL = PAYMENT =	\$13,990.70 \$2,098.61	BID TOTA	L = \$ 13,990.70

- PAGE 6 -

Mixed Species Description:

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

Cutting and Felling:

- Harvest merchantable aspen, balsam fir, and paper birch within cutting area.

Season of Operations:

- This sale has mixed summer/ winter access depending on the stand harvested.

Landings Roads and Trails:

- Road right of way crossing approval from Northshore Mining Railroad must be acquired in writing by logger to use the eastern "unofficial" RR crossing.

Marketing Conditions:

Ave sticks= 5-6 for aspen, 3-5 for balsam, 2-4 for birch Ave DBH = 11-14 for aspen, 8-10 for balsam, 8-12 for birch

Price Adjustments:

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

Appraiser:

Robert O. Fasteland

(Appraisal ID 12147-0; Cutting Block ID 14204-0)

TRACT X4 COUNTY: LAKE

AREA: TWO HARBORS AREA

```
ACRES: 46.0
```

Permit Number: X015178 Expiration Date: 05/31/2019

Purchased By: Holden Logging

Address: PO Box 557, Finland, MN 55603

NENW,NESW,NWNW,NWSW,SENW,SWNW of Section 36 - Township 58, Range 6W.

	APPRAISED				AISED	BID %: 0		
	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	PAPER BIRCH	WOODSRUN MIXED PRODUCTS	500.00	Cd	6.00	3,000.00	6.00	3,000.00
	WHITE SPRUCE	WOODSRUN CORDWOOD	10.00	Cd	13.60	136.00	13.60	136.00
	+ BID SPECIES * SOI	LD ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$3,136.00 \$470.40	BID TOTA	L = \$ 3,136.00

- PAGE 7 -

Mixed Product Description:

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

Cutting and Felling:

- Harvest all paper birch.

- Reserve all cedar and black ash. Reserve white spruce except where necessary to access paper birch, discuss with TSA at pre-sale meeting for more direction.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

This is a deteriorating paper birch stand with a lot of standing dead trees. Paper birch ave.11" DBH and 5 sticks. White spruce ave 10" DBH and 4 sticks.

This site is wet and is best suited to winter operations.

Paper birch price reduced by 50% due to salvage condition.

Price Adjustments:

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

Appraiser:

Paul R. Moran

(Appraisal ID 12146-0; Cutting Block ID 14208-0)

TRACT X5 COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 36.0

Permit Number: X015179 Expiration Date: 05/31/2019

Purchased By: Holden Logging

Address: PO Box 557, Finland, MN 55603

SENE, SWNE of Section 17 - Township 58, Range 6W.

	APPRAISED					BID %: 0		
	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	BALSAM FIR	WOODSRUN CORDWOOD	300.00	Cd	11.48	3,444.00	11.48	3,444.00
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	160.00	Cd	19.51	3,121.60	19.51	3,121.60
•	► BID SPECIES ★ SOLD	ON APPRAISED VOLUME			SED TOTAL = PAYMENT =	\$6,565.60 \$984.84	BID TOTA	AL = \$ 6,565.60

Cutting and Felling:

- Harvest balsam fir and aspen.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Balsam fir ave 8" DBH and 5 sticks. Aspen ave 11" DBH and 4 sticks. Dry summer operable, may have some spruce budworm damage.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0% Stand Density: 0% Operational Constraints: 0% Other Price Factor: -10% (forest health)

Appraiser:

Paul R. Moran

(Appraisal ID 12150-0; Cutting Block ID 14211-0)

TRACT X6 COUNTY: COOK

AREA: TWO HARBORS AREA

```
ACRES: 42.4
```

Permit Number: X015180 Expiration Date: 05/31/2019

> Purchased By: Goutermont Logging Address: 65 Adams Blvd, Silver Bay, MN 55614

GL01,NESW of Section 16 - Township 59, Range 5W. NESW,NWSE of Section 16 - Township 59, Range 5W.

					APPR	AISED	BID	%: 60		
5	SPECIES	PRODUCT	VOLUME		UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE		
+	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	1,235.00	Cd	2.55	3,149.25	4.08	5,038.80		
	MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	20.00	Cd	5.10	102.00	5.10	102.00		
4	BID SPECIES * SOLD	ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$3,251.25 \$487.69	BID TOTA	L = \$ 5,140.80		
0	Optional Timber (may be purchased with an Added Timber Agreement):									

ANY LISTED SPECIES	BIOMASS	543.00 Tons	0.25	135.75

Mixed Species Description:

Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 5%; White Spruce 95%. Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 10%; Red Maple 5%; Sugar Maple 85%.

Mixed Product Description:

Mixed Spruce Woodsrun Mixed Products includes: Bolts 40%; Pulpwood 60%.

Cutting and Felling:

- Harvest all paper birch and maple with 2+ sticks. Harvest all spruce with a DBH > 8" (Cutting Blocks 1 and 2).
- Reserve islands that have been marked with blue paint (Cutting Blocks 1 and 2).

Season of Operations:

- Conduct sale operations on dry or frozen soil conditions only, except with written permission from State (Cutting Blocks 1 and 2).

Slash Disposal:

- Distribute slash in small piles scattered across the site, talk with TSA for more direction (Cutting Blocks 1 and 2).

Landings Roads and Trails:

- When sale is completed, plug access trail entrance with slash/root wads at least 2 feet deep and covering the first 50 feet

- of the access road (Cutting Blocks 1 and 2).
- USFS access permit has been applied for and conditions will become part of the permit (Cutting Blocks 1 and 2).

Sale Conditions:

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

Marketing Conditions:

This sale has a chance as summer harvest, will require a good amount of road work to make summer. Winter access across USFS has been approved, if this is used it is a different route than marked on map, see TSA for further details.

Averages: Maple 4 stick, 11" DBH Paper Birch 4 stick, 12" DBH, 35% bolts Spruce 5 stick, 16" DBH, 40% bolts

Price Adjustments:

Road Construction Costs: -10% Haul Distance to Nearest Mill: 0% Stand Density: 0% Operational Constraints: 0% Other Price Factor: -65% (Cook County Discount)

Appraiser:

Jason A. Bushmaker

(Appraisal ID 5692-0; Cutting Block ID 11660-0, 11661-0)

TRACT X7 COUNTY: LAKE

AREA: TWO HARBORS AREA

```
ACRES: 100.4
```

Permit Number: X015181 Expiration Date: 05/31/2019

Purchased By: Holden Logging

Address: PO Box 557, Finland, MN 55603

NENW,NWNE,SENW,SWNE of Section 29; NWSE of Section 21 - Township 59, Range 7W.

					APPR	AISED	BID	%: 50
S	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	920.00	Cd	13.70	12,604.00	20.55	18,906.00
+	BALSAM FIR	WOODSRUN CORDWOOD	440.00	Cd	11.48	5,051.20	17.22	7,576.80
+	ASPEN SPECIES	WOODSRUN CORDWOOD	300.00	Cd	19.48	5,844.00	29.22	8,766.00
	MAPLE SPECIES	WOODSRUN CORDWOOD	120.00	Cd	9.18	1,101.60	9.18	1,101.60
	JACK PINE	WOODSRUN CORDWOOD	20.00	Cd	10.71	214.20	10.71	214.20
4	BID SPECIES *	SOLD ON APPRAISED VOLUME			SED TOTAL = PAYMENT =	\$24,815.00 \$3,722.25	BID TOTA	L = \$ 36,564.60

- PAGE 11 -

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 1%; Trembling Aspen 99%. Maple Species Woodsrun Cordwood includes: Red Maple 99%; Sugar Maple 1%. Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 10%; White Spruce 90%.

Mixed Product Description:

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

Cutting and Felling:

- Harvest all spruce, aspen, balsam fir, and jack pine 2 sticks or greater. Harvest all maple less than 16" diameter.

- Reserve all white pine, paper birch, cedar, yellow birch. Reserve maple 16" diameter or greater. Reserve clumps of immature balsam and spruce where possible.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Averages: spruce 10", 3.5 sticks; aspen 12", 3.5 sticks; balsam fir 8", 3 sticks; maple 12", 3 sticks, jack pine 12", 4 sticks

Some aspen is over-mature, accounted for visible defect in cruise

Price Adjustments:

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

Appraiser:

Elizabeth J. McCarthy

TRACT X8 COUNTY: COOK

AREA: TWO HARBORS AREA

Permit Number: X015182 Expiration Date: 05/31/2019

Purchased By: Hall Logging

Address: 280 Hall Rd, Lutsen, MN 55612

NESW,NWNE,SESW,SWSE,SWSW of Section 16 - Township 60, Range 3W.

				APPRAISED				BID %: 80		
	SPECIES	PRODUCT	VOLUME		UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE		
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	435.00	Cd	5.42	2,357.70	9.76	4,245.60		
+	PAPER BIRCH	WOODSRUN CORDWOOD	200.00	Cd	2.55	510.00	4.59	918.00		
+	WHITE SPRUCE	WOODSRUN CORDWOOD	120.00	Cd	3.40	408.00	6.12	734.40		
	BALSAM FIR	WOODSRUN CORDWOOD	80.00	Cd	3.19	255.20	3.19	255.20		
	+ BID SPECIES * SOLD	ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$3,530.90 \$529.64	BID TOTA	L = \$ 6,153.20		
0	Optional Timber (may be purchased with an Added Timber Agreement):									

ANY LISTED SPECIES	BIOMASS	450.00	Tons	0.25	112.50

Cutting and Felling:

- Harvest aspen, birch, balsam fir. Harvest spruce over 3 sticks.

Season of Operations:

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

Landings Roads and Trails:

- There is a 40 ton weight restricted bridge on County Rd 5 which is access route to sale.

Sale Conditions:

- Access is across USFS land.

- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.

- No hauling on weekends from Dec. 1st thru May 1st. No sale operations or hauling last week of June Fri-Sun during Lutsen 99'r bike race.

Marketing Conditions:

Aspen ave DBH 12", 5 stks Birch ave DBH 8", 5 stks

Supplemental Terms and Conditions included

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0% Stand Density: 0% Operational Constraints: -10% Other Price Factor: -65% (Cook County Price reduction)

Appraiser:

Aaron J. Mielke

TRACT X9 COUNTY: COOK

AREA: TWO HARBORS AREA

ACRES: 115.0

Permit Number: X015183 Expiration Date: 05/31/2019

> Purchased By: Johnson Brothers Firewood Address: P.O. Box 41, Hovland, MN 55606

Address. P.O. Box 41, Hovianu, Ivin 5500

NENE,NWNE,SWNE of Section 18 - Township 62, Range 4E.

					APPR	AISED	BID %: 0				
	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE			
-	TREMBLING ASPEN	WOODSRUN CORDWOOD	930.00	Cd	7.59	7,058.70	7.59	7,058.70			
4	 PAPER BIRCH 	WOODSRUN CORDWOOD	175.00	Cd	3.57	624.75	3.57	624.75			
4	 BALSAM FIR 	WOODSRUN CORDWOOD	125.00	Cd	4.46	557.50	4.46	557.50			
	WHITE SPRUCE	WOODSRUN CORDWOOD	65.00	Cd	4.76	309.40	4.76	309.40			
_	+ BID SPECIES * SOLD (ON APPRAISED VOLUME			ED TOTAL =	\$8,550.35 \$1,282.55	BID TOTA	L = \$ 8,550.35			
(ADVANCE PAYMENT = \$1,282.55 Optional Timber (may be purchased with an Added Timber Agreement):										

ANY LISTED SPECIES	BIOMASS	650.00 Tons	0.35	227.50
--------------------	---------	-------------	------	--------

Cutting and Felling:

- Harvest all aspen, birch, balsam fir, and spruce.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.
- Frozen ground access across private and/or USFS.

Sale Conditions:

- Access is across private and/or USFS land.
- Permission to cross private 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:

Aspen ave DBH 14", 4-5 stks Birch ave DBH 8", 3-4 stks

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0% Stand Density: 0% Operational Constraints: 0% Other Price Factor: -65% (Cook County Reduction)

Appraiser:

Aaron J. Mielke

(Appraisal ID 12131-0; Cutting Block ID 14165-0)

TRACT X10 COUNTY: COOK

AREA: TWO HARBORS AREA

ACRES: 65.3

Permit Number: X015184 Expiration Date: 05/31/2019

> Purchased By: Johnson Brothers Firewood Address: P.O. Box 41, Hovland, MN 55606

NESW,SESW of Section 34 - Township 62, Range 1W. NESW,NWSE,NWSW,SENW of Section 33 - Township 62, Range 1W.

				APPRAISED		BID %: 41		
					UNIT		UNIT	
	SPECIES	PRODUCT	VOLUME	UNIT	PRICE	\$ VALUE	PRICE	\$ VALUE
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	1,190.00	Cd	7.59	9,032.10	10.70	12,733.00
+	PAPER BIRCH	WOODSRUN CORDWOOD	245.00	Cd	3.57	874.65	5.03	1,232.35
+	MIXED SPRUCE	WOODSRUN CORDWOOD	220.00	Cd	4.76	1,047.20	6.71	1,476.20
	BALSAM FIR	WOODSRUN CORDWOOD	126.00	Cd	4.46	561.96	4.46	561.96
	JACK PINE	WOODSRUN CORDWOOD	80.00	Cd	4.17	333.60	4.17	333.60
	+ BID SPECIES * SO	LD ON APPRAISED VOLUME		-	ED TOTAL = PAYMENT =	\$11,849.51 \$1,777.43	BID TOTA	L = \$ 16,337.11

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

	A	ANY LISTED SPECIES	BIOMASS	908.00 Tons	0.35	317.80
--	---	--------------------	---------	-------------	------	--------

Mixed Species Description:

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 36%; White Spruce 64%.

Cutting and Felling:

- Harvest merchantable aspen, birch, jack pine, spruce, and fir (Cutting Block 1).
- Harvest merchantable aspen, spruce, and fir (Cutting Block 2).

Season of Operations:

- Conduct sale operations on frozen or dry soil conditions only, except with written permission from State (Cutting Blocks 1 and 2).

Sale Conditions:

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

- Access has been requested from the USFS, terms and conditions of the permit will become part of the sale (Cutting Blocks 1 and 2).

Marketing Conditions:

Avg. DBH: Aspen 15", Birch 14", Spruce 11", Fir 8", Jack Pine 11". Avg. # 8' sticks: Aspen-7, Birch-5, Spruce-3, Fir-3, Jack Pine-5

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0% Stand Density: 0% Operational Constraints: 0% Other Price Factor: -65% (Cook County Discount)

Appraiser:

Benjamin J. Mattsen

(Appraisal ID 12081-0; Cutting Block ID 14093-0, 14061-0)

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

TWO HARBORS 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 16, 2016

TWO HARBORS AREA

SUMMARY FOR <u>SOLD</u> TRACTS							
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE		
WOODSRUN MIXED	PAPER BIRCH	784.00		10.85	8,509.60		
PRODUCTS	MIXED SPRUCE	940.00	Cd	20.22	19,008.00		
WOODSRUN CORDWOOD	ASPEN SPECIES	830.00	Cd	24.28	20,155.70		
	TREMBLING ASPEN	2,936.00	Cd	11.84	34,748.04		
	PAPER BIRCH	650.00	Cd	4.74	3,081.10		
	MAPLE SPECIES	306.00	Cd	13.42	4,107.36		
	NORTHERN HARDWOODS	1,235.00	Cd	4.08	5,038.80		
	JACK PINE	100.00	Cd	5.48	547.80		
	WHITE SPRUCE	1,155.00	Cd	13.82	15,965.34		
	BALSAM FIR	1,498.00	Cd	12.08	18,091.31		
	MIXED SPRUCE	220.00	Cd	6.71	1,476.20		
BIOMASS	ANY LISTED SPECIES (optional)	2,945.00	Tons	-	0.00		
TOTAL SOLD TRACTS CONVERTED TO CORDS: 10,654.00TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 97,100.94TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 130,810.43TOTAL ACRES SOLD: 630.5TOTAL NUMBER OF TRACTS SOLD: 10							