

MINNESOTA DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

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

TOWER AREA

STATUS: COMPLETED INTERMEDIATE AUCTION - SALE #2 ORAL BID

Notice is hereby given that I offered for sale at public auction in Orr, MN at 9:15 AM on Thursday, December 1, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Orr American Legion in Orr, 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

TOWER AREA

9:15 AM on December 1, 2016 Orr American Legion in Orr, 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 December 1, 2017, at the following Area Headquarters: Tower 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.

NSOLD

TRACT X1 COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 16.5

Expiration Date: 05/31/2019

Permit Number: X015274

Purchased By: Address:

SESW, SWSE of Section 35 - Township 61, Range 19W. GL03 of Section 2 - Township 60, Range 19W.

					APPRAISED		BID:	
	SPECIES	PRODUCT	VOLUME	UNIT		\$ VALUE	UNIT PRICE	\$ VALUE
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	265.00	Cd	19.50	5,167.50	19.50	5,167.50
	BALSAM FIR	WOODSRUN CORDWOOD	15.00	Cd	11.50	172.50	11.50	172.50
	BLACK SPRUCE	WOODSRUN CORDWOOD	10.00	Cd	12.25	122.50	12.25	122.50
	WHITE CEDAR	WOODSRUN CORDWOOD	10.00	Cd	4.60	46.00	4.60	46.00
	ANY LISTED SPECIES	BIOMASS	165.00	Tons	1.00	165.00	1.00	165.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME		APPRAISED TOTAL = ADVANCE PAYMENT =		\$5,673.50 \$851.03	BID TOTA	AL = \$ 5,673.50		

Marketing Conditions:

Aspen 10"dbh, 6 stick avg. 19cds./acre, 1 % Balm of Gilead due to the white cedar residual you have to work around.

Price Adjustments:

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

Appraiser:

Terry R. Bergstrom

This sale is reduced 10%

(Appraisal ID 12502-1; Cutting Block ID 14606-4)

TRACT X2 COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 27.0

Permit Number: X015275 Expiration Date: 05/31/2019

> Purchased By: Bud R. Strandberg Address: 1742 Hwy 73, Cook, MN 55723

NWSW,SWNW of Section 16 - Township 62, Range 19W.

					APPRAISED		BID %: 75	
					UNIT		UNIT	
	SPECIES	PRODUCT			PRICE	\$ VALUE	PRICE	\$ VALUE
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	450.00	Cd	21.68	9,756.00	37.94	17,073.00
	BALSAM FIR	WOODSRUN CORDWOOD	50.00	Cd	12.75	637.50	12.75	637.50
	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	5.00	Cd	6.80	34.00	6.80	34.00
	+ BID SPECIES * SOL			SED TOTAL =	\$10,427.50 \$1,564.13	BID TOTA	L = \$ 17,744.50	

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: American Elm 50%; Paper Birch 50%.

Season of Operations:

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

Sale Conditions:

- Permission for all season access across Potlatch land is the responcibility of the purchaser. Winter only access from Hwy1 is availabe across state land.

Marketing Conditions:

Potlatch has their land listed for sale. Buyer will be responsible for gaining access from the current land owner.

Aspen average 6-11" DBH, and 5.5 sticks.

Price Adjustments:

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

Appraiser:

Christine Ann Martin

(Appraisal ID 12398-0; Cutting Block ID 14503-0)

12/01/2016 INTERMEDIATE AUCTION - SALE #2

TRACT X3

3 COUNTY: ST. LOUIS

AREA: TOWER AREA

Permit Number: X015276 Expiration Date: 05/31/2019 Purchased Over-the-Counter Date: 05/01/2017

Purchased By: Mark A. Heesaker

Address: 2237 Grant McMahon Blvd, Ely, MN 55731

NWNW of Section 36 - Township 63, Range 13W.

					APPRAISED		BID %: 0	
5	PECIES	PRODUCT	VOLUME		UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	ASPEN SPECIES	WOODSRUN CORDWOOD	205.00	Cd	14.09	2,888.45	14.09	2,888.45
+	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	50.00	Cd	6.63	331.50	6.63	331.50
	ASH	WOODSRUN CORDWOOD	35.00	Cd	3.87	135.45	3.87	135.45
	BALSAM FIR	WOODSRUN CORDWOOD	30.00	Cd	8.29	248.70	8.29	248.70
	MIXED SPRUCE	WOODSRUN CORDWOOD	10.00	Cd	8.84	88.40	8.84	88.40
	PINE SPECIES	WOODSRUN MIXED PRODUCTS	10.00	Cd	18.03	180.30	18.03	180.30
+	BID SPECIES *	SOLD ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$3,872.80 \$580.92	BID TOTA	AL = \$ 3,872.80

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

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Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 90%; Trembling Aspen 10%. Mixed Spruce Woodsrun Cordwood includes: Black Spruce 5%; White Spruce 95%. Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 60%; Red Maple 40%. Pine Species Woodsrun Mixed Products includes: Norway Pine 80%; White Pine 20%.

Mixed Product Description:

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

Season of Operations:

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

Sale Conditions:

- Access is across State and possibly private land.

- Permission to cross private land must be obtained by permittee.

Marketing Conditions:

Aspen averages 8-10" DBH and 5-6 sticks Pine averages 12-14" DBH and 6-7 sticks Price reduced by 35% due to low stand density and re-offer

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0% Stand Density: -10% Operational Constraints: 0% Other Price Factor: -25% (Re-offer of unsold sale)

Appraiser:

Brody J. Geiselman

TRACT X4 COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 10.0

Permit Number: X015277 Expiration Date: 05/31/2019

Purchased By: Kraabel Logging LLC

Address: 2758 Hwy 53, Gheen, MN 55771

NWNW of Section 23; SESW of Section 14 - Township 63, Range 20W.

					APPRAISED		BID %: 0		
		PROPUST			UNIT		UNIT	A 1/A 1 1/F	
-	SPECIES	PRODUCT	VOLUME	UNIT	PRICE	\$ VALUE	PRICE	\$ VALUE	
+	BLACK SPRUCE	WOODSRUN CORDWOOD	170.00	Cd	6.80	1,156.00	6.80	1,156.00	
	TAMARACK	WOODSRUN CORDWOOD	15.00	Cd	2.55	38.25	2.55	38.25	
	TREMBLING ASPEN	WOODSRUN CORDWOOD	5.00	Cd	10.85	54.25	10.85	54.25	
	BALSAM FIR	WOODSRUN CORDWOOD	1.00	Cd	6.40	6.40	6.40	6.40	
-	BID SPECIES * SOLD	ON APPRAISED VOLUME		APPRAISE	ED TOTAL =	\$1,254.90	BID TOTA	L = \$ 1,254.90	
				DVANCE F	PAYMENT =	\$188.24			
Optional Timber (may be purchased with an Added Timber Agreement):									
	ANY LISTED SPECIES	BIOMASS	155.00	Tons	1.00	155.00			

ANY LISTED SPECIES	BIOMASS	155.00	Tons	1.00	155.00

SOAV Option:

Sold on Appraised Volume (SOAV) option is available. If elected, Permittee must sign option agreement on date of permit purchase.

Cutting and Felling:

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

Season of Operations:

- Frozen ground access only.

Sale Conditions:

- Access is across State land.

Marketing Conditions:

BS 3-4 stick, 7-9" 18 cds/acre .

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0% Stand Density: 0% **Operational Constraints: 0%** Other Price Factor: -50% (for reoffer)

Appraiser:

Terry R. Bergstrom

This Sale is a reoffer and is reduced 50%.

(Appraisal ID 11525-0; Cutting Block ID 13499-0)

TRACT X5 COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 23.4

Permit Number: X015278 Expiration Date: 05/31/2020

Purchased By: Donald W Nelson Logging Address: 68922 County Rd 547, Cook, MN 55723

NESE, NWSE, SESE, SWSE of Section 36 - Township 63, Range 20W.

					APPRAISED		BID %: 5	
(SPECIES	PRODUCT	VOLUME			\$ VALUE		\$ VALUE
+	WHITE SPRUCE	WOODSRUN CORDWOOD	135.00	Cd	10.20	1,377.00	10.71	1,445.85
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	110.00	Cd	16.25	1,787.50	17.06	1,876.60
	BALSAM FIR	WOODSRUN CORDWOOD	15.00	Cd	9.55	143.25	9.55	143.25
	LOWLAND HARDWOODS	WOODSRUN CORDWOOD	15.00	Cd	5.55	83.25	5.55	83.25
	PINE SPECIES	WOODSRUN CORDWOOD	3.00	Cd	8.95	26.85	8.95	26.85
-	► BID SPECIES ★ SOLD	ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$3,417.85 \$512.68	BID TOTAL	= \$ 3,575.80

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

ANY LISTED SPECIES	BIOMASS	195.00	Tons	1.00	195.00
	DIOWAGO	100.00	10113	1.00	100.00

Mixed Species Description:

Lowland Hardwoods Woodsrun Cordwood includes: Ash 66%; Paper Birch 27%; Red Maple 7%. Pine Species Woodsrun Cordwood includes: Norway Pine 33%; White Pine 67%.

Cutting and Felling:

- Reserve WS,Pine and Ash under 7" in Clearcut area, in thinning area leave 100 basal area between lanes.
- Reserved timber that is damaged will be assessed at a rate of double stumpage.
- Trees must be processed at the stump and cut products forwarded to the landing.
- Thinning area : cut skidding lanes 14-15' in width. Thin remaining 40-45' to a basal area of 100 square feet(12' spacing).

Season of Operations:

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

Slash Disposal:

- Biomass harvest is allowed on this permit. An Added Timber Agreement is required.

Marketing Conditions:

WS 3 stick avg. 8" dbh, Aspen 4- 5 sticks/ 9" dbh. In thinning area priority species will be WS, Pine, PB, Maple and BF in that order , leaving 100 basal area.

Price Adjustments:

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

Appraiser:

Terry R. Bergstrom

TRACT X6 COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 78.2

Permit Number: X015279 Expiration Date: 05/31/2020

Purchased By: Rutar Logging LLC.

Address: 5601 River Road, Buyck, MN 55771

NESE, SESE, SESW, SWSE of Section 24 - Township 64, Range 18W.

					APPRAISED		BID %: 1	
S	PECIES	PRODUCT	VOLUME		UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	PINE SPECIES	WOODSRUN MIXED PRODUCTS	780.00	Cd	13.86	10,810.80	14.00	10,920.00
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	160.00	Cd	10.84	1,734.40	10.95	1,752.00
	MIXED SPRUCE	WOODSRUN CORDWOOD	70.00	Cd	6.80	476.00	6.80	476.00
	BALSAM FIR	WOODSRUN CORDWOOD	25.00	Cd	6.38	159.50	6.38	159.50
	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	15.00	Cd	5.10	76.50	5.10	76.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				ED TOTAL = PAYMENT =	\$13,257.20 \$1,988.58	BID TOTA	L = \$ 13,384.00	

Mixed Species Description:

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 80%; White Spruce 20%. Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 73%; Red Maple 27%. Pine Species Woodsrun Mixed Products includes: Jack Pine 37%; Norway Pine 62%; White Pine 1%.

Mixed Product Description:

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

Cutting and Felling:

- Clearcut skidding lanes 15' avg., thin remaining 40-45' between these lanes to a basal area of 100 sq. ft.(approximately 15' around reserve trees). Reserve trees will be Norway Pine, Jack Pine<10", Spruce, Aspen, Balsam Fir in that order. Some areas will be a mixture of species to meet 100 basal area.

Season of Operations:

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

Sale Conditions:

- Permission to cross Potlatch land must be obtained by permittee.

Marketing Conditions:

Norway Pine 10-12"dbh, 5-6 stick. Jack Pine 12" 5-6 stick avg. Prices reduced 25% for first year thinning and another 25% for reoffer. Some limbing of trees before skidding may be required in some areas to reduce damage to residuals.

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0% Stand Density: 0% Operational Constraints: 0% Other Price Factor: -50% (First time thinning and reoffer)

Appraiser:

Terry R. Bergstrom

TRACT X7 COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 83.0

Permit Number: X015280 Expiration Date: 05/31/2020

Purchased By: Sokoloski Logging Inc.

Address: PO Box 146, Orr, MN 55771-0146

NESW,NWSE,NWSW,SESE,SESW,SWSE,SWSW of Section 36 - Township 64, Range 20W.

					APPRAISED		BID %: 76	
5	SPECIES	PRODUCT	VOLUME		UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	1,205.00	Cd	21.68	26,124.40	38.16	45,982.80
+	NORWAY PINE	WOODSRUN MIXED PRODUCTS	265.00	Cd	20.60	5,459.00	36.26	9,608.90
	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	155.00	Cd	8.50	1,317.50	8.50	1,317.50
	BALSAM FIR	WOODSRUN CORDWOOD	145.00	Cd	12.75	1,848.75	12.75	1,848.75
+	BID SPECIES * SOLD	ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$34,749.65 \$5,212.45	BID TOTAI	_ = \$ 58,757.95

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

ANY LISTED SPECIES	BIOMASS	755.00 Tons	1.00	755.00

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Ash 34%; Basswood 15%; Paper Birch 17%; Red Maple 34%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 33%; Pulpwood 67%.

Season of Operations:

- Conduct sale operations on dry/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:

Norway Pine 1/3 bolts and 2/3 pulpwood.

Aspen average 10DBH and 6 sticks

This sale is along Hunter Walking Trails therefore there are some special specs in the appraisal.

Price Adjustments:

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

Appraiser:

Christine Ann Martin

TRACT X8 COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 14.0

Permit Number: X015281 Expiration Date: 05/31/2020

> Purchased By: Rutar Logging LLC. Address: 5601 River Road, Buyck, MN 55771

Address. 5001 River Road, Buyck, Win 55

GL03 of Section 35 - Township 65, Range 17W.

					APPRAISED		BID %: 0		
	SPECIES	PRODUCT	VOLUME		UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE	
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	320.00	Cd	20.60	6,592.00	20.60	6,592.00	
	BALSAM FIR	WOODSRUN CORDWOOD	60.00	Cd	12.11	726.60	12.11	726.60	
	WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	12.00	Cd	17.77	213.24	17.77	213.24	
	+ BID SPECIES * SOLD	ON APPRAISED VOLUME		APPRAISE	ED TOTAL =	\$7,531.84	BID TOTA	L = \$ 7,531.84	
			A	DVANCE F	PAYMENT =	\$1,129.78			
Optional Timber (may be purchased with an Added Timber Agreement):									
	ANY LISTED SPECIES	BIOMASS	186.00	Tons	0.95	176.70			

Mixed Product Description:

White Spruce Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 25%; Sawtimber 25%.

Season of Operations:

- No sale operations allowed between February 15 and August 15, without written permission from State.
- Conduct felling, skidding on frozen, dry 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:

Best operability on frozen soils. Season of operations timing restriction for active eagle nest. Base price reduced 5% for filter strip BMP implementation. Aspen average 14"DBH @ 8sticks

Balsam average 8"DBH @ 2sticks.

Price Adjustments:

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

Appraiser:

David T. Sopoci

(Appraisal ID 12353-0; Cutting Block ID 14423-0)

TRACT X9

T X9 COUNTY: ST. LOUIS

AREA: TOWER AREA

Permit Number: X015282 Expiration Date: 05/31/2020 Purchased Over-the-Counter Date: 12/02/2016

Purchased By: DeLack Logging Inc. Address: PO Box 354, Littlefork, MN 56653

NESE, NWSE, SESE of Section 17 - Township 65, Range 19W.

						APPRAISED		BID %: 0	
5	SPECIES		PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	NORWAY PINE		WOODSRUN MIXED PRODUCTS	275.00	Cd	39.27	10,799.25	39.27	10,799.25
-	BID SPECIES	* SOL	D ON APPRAISED VOLUME			SED TOTAL = PAYMENT =	\$10,799.25 \$1,619.89	BID TOTA	L = \$ 10,799.25

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 47%; Pulpwood 4%; Sawtimber 49%.

Season of Operations:

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

Site, Soil and Water Protection:

- Wetlands requiring filter strips occur on this permit.

Sale Conditions:

- Access is across State and County land.

Marketing Conditions:

Plantation #0844 established 1951 (age 65). Thinned in 2006, every third row removed. Norway Pine DBH average 13.5" (9-18") at 8 bolts (7-9). Pine bolts 71%, saw bolts 25%. Initial Basal Area average 133sqft at 57cd/acre. Produce approximately 19cd/acre removing 43sqft average. Base Price reduced 5% for stand density.

Price Adjustments:

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

Appraiser:

David T. Sopoci

(Appraisal ID 12370-0; Cutting Block ID 14471-0)

TRACT X10 COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 16.1

Permit Number: X015283 Expiration Date: 05/31/2019

Purchased By: DeLack Logging Inc.

Address: PO Box 354, Littlefork, MN 56653

GL01,NESE,NWSE,SWSE of Section 19 - Township 66, Range 19W.

					APPRAISED		BID %: 0	
	SPECIES	PRODUCT	VOLUME		UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	ASPEN SPECIES	WOODSRUN CORDWOOD	190.00	Cd	21.06	4,001.40	21.06	4,001.40
+	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	60.00	Cd	10.20	612.00	10.20	612.00
+	BALSAM FIR	WOODSRUN MIXED PRODUCTS	50.00	Cd	17.59	879.50	17.59	879.50
+	WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	40.00	Cd	20.91	836.40	20.91	836.40
+ BID SPECIES * SOLD ON APPRAISED VOLUME					ED TOTAL = PAYMENT =	\$6,329.30 \$949.40	BID TOTA	L = \$ 6,329.30

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

ANY LISTED SPECIES BIOMASS	185.00 Tons	1.00	185.00
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Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 16%; Trembling Aspen 84%. Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 84%; Red Maple 8%; Sugar Maple 8%.

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 38%; Pulpwood 62%. White Spruce Woodsrun Mixed Products includes: Bolts 43%; Pulpwood 57%.

Season of Operations:

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

- Operate during non-rutting soil conditions. Refer to DNR rutting guidelines.

Marketing Conditions:

Sale has good access off of Hwy 53 down a County forest management road.

Aspen averages 16" diameter, 6-7 sticks.

Price Adjustments:

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

Appraiser:

Andrew J. Erickson

(Appraisal ID 12174-0; Cutting Block ID 14236-0)

TRACT X11 COUNTY: KOOCHICHING

AREA: TOWER AREA

Permit Number: X015284 Expiration Date: 05/31/2019

Purchased By: Sam L. Hege

Address: 4440 Hwy 71, Littlefork, MN 56653

NENW,NWNW of Section 34; SESW,SWSE,SWSW of Section 27 - Township 67, Range 22W.

				APPRAISED		BID %: 20		
5	SPECIES	PRODUCT	VOLUME	UNIT		\$ VALUE	UNIT PRICE	\$ VALUE
+	JACK PINE	WOODSRUN MIXED PRODUCTS	250.00	Cd	24.02	6,005.00	28.82	7,205.00
+	MIXED SPRUCE	WOODSRUN CORDWOOD	170.00	Cd	12.24	2,080.80	14.69	2,497.30
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	40.00	Cd	19.51	780.40	23.41	936.40
	NORWAY PINE	WOODSRUN MIXED PRODUCTS	10.00	Cd	24.02	240.20	24.02	240.20
	BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	11.48	57.40	11.48	57.40
	NORTHERN HARDWOODS	WOODSRUN CORDWOOD	5.00	Cd	9.18	45.90	9.18	45.90
+	BID SPECIES * SOLI	O ON APPRAISED VOLUME			SED TOTAL = PAYMENT =	\$9,209.70 \$1,381.46	BID TOTA	L = \$ 10,982.20

Mixed Species Description:

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 90%; White Spruce 10%. Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 50%; Red Maple 50%.

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 40%. Norway Pine Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 40%.

Marketing Conditions:

Jack Pine averages 9-11 inch DBH 4-5 Sticks Spruce averages 7-9 inch DBH 3-4 Sticks

Price Adjustments:

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

Appraiser:

Lars E. Helleloid

(Appraisal ID 12369-0; Cutting Block ID 14575-0)

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

TOWER AREA - ORR FIELD STATION

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: December 1, 2016

TOWER AREA

PRODUCT	SUMMARY FOR <u>SO</u>	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED	PINE SPECIES	790.00	Cd	14.11	11,144.42
PRODUCTS	NORWAY PINE	550.00	Cd	37.54	20,648.35
	JACK PINE	250.00		28.82	7,205.00
	WHITE SPRUCE	52.00	Cd	20.19	1,049.64
	BALSAM FIR	50.00	Cd	17.59	879.50
WOODSRUN CORDWOOD	ASH	35.00	Cd	3.87	135.45
	LOWLAND HARDWOODS	15.00	Cd	5.55	83.25
	ASPEN SPECIES	395.00	Cd	17.44	6,889.85
	TREMBLING ASPEN	2,290.00	Cd	32.43	74,267.05
	NORTHERN HARDWOODS	290.00	Cd	8.43	2,443.51
	PINE SPECIES	3.00	Cd	8.95	26.85
	WHITE SPRUCE	135.00	Cd	10.71	1,445.85
	BALSAM FIR	331.00	Cd	11.57	3,828.10
	BLACK SPRUCE	170.00	Cd	6.80	1,156.00
	TAMARACK	15.00	Cd	2.55	38.25
	MIXED SPRUCE	250.00	Cd	12.25	3,061.70
BIOMASS	ANY LISTED SPECIES (optional)	1,641.00	Tons	-	0.00
TOTAL APPRAI	SOLD TRACTS CONVERTED TO CORDS: SED DOLLAR VALUE OF SOLD TRACTS: O-UP DOLLAR VALUE OF SOLD TRACTS: TOTAL ACRES SOLD: SOLD TRACT NUMBERS: TOTAL NUMBER OF TRACTS SOLD:	\$ 100,849.99 \$ 134,533.97 334.2 2, 3, 4, 5, 6, 7	7, 8, 9, 10, 11		
	SUMMARY FOR UNS	OLD TRACTS			
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
WOODSRUN CORDWOOD	TREMBLING ASPEN	265.00	Cd	19.50	5,167.50
	BALSAM FIR	15.00	Cd	11.50	172.50
	BLACK SPRUCE	10.00	Cd	12.25	122.50
	WHITE CEDAR	10.00	Cd	4.60	46.00
BIOMASS	ANY LISTED SPECIES	165.00	Tons	1.00	165.00
	SOLD TRACTS CONVERTED TO CORDS: D DOLLAR VALUE OF UNSOLD TRACTS: TOTAL ACRES UNSOLD:	\$ 5,673.50			

TOTAL NUMBER OF TRACTS UNSOLD: 1

UNSOLD TRACT NUMBER: 1