



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 #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Bigfork, MN at 9:00 AM on Tuesday, December 6, 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 December 6, 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 December 6, 2017, at the following Area Headquarters: Backus Area, Deer River Area.

TRACT B1

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 64.3

Permit Number: B013466
 Expiration Date: 05/31/2019

Purchased By: Greg Cook Logging Inc.
Address: 35367 Cty Rd 237, Bigfork, MN 56628

SENW,SWNW of Section 21 - Township 58, Range 24W.
 NENE,NWNE of Section 20 - Township 58, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 102	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	705.00	Cd	24.60	17,343.00	49.69	35,031.45
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	105.00	Cd	20.68	2,171.40	41.77	4,385.85
+ WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	80.00	Cd	20.89	1,671.20	42.20	3,376.00
+ JACK PINE	WOODSRUN MIXED PRODUCTS	70.00	Cd	11.47	802.90	23.17	1,621.90
	PAPER BIRCH	35.00	Cd	7.65	267.75	7.65	267.75
* BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	9.56	47.80	9.56	47.80
* RED MAPLE	WOODSRUN CORDWOOD	5.00	Cd	7.65	38.25	7.65	38.25
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$22,342.30	BID TOTAL = \$ 44,769.00
				ADVANCE PAYMENT =		\$3,351.35	

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 18%; Pulpwood 83%.
 Norway Pine Woodsrun Mixed Products includes: Bolts 70%; Pulpwood 30%.
 White Spruce Woodsrun Mixed Products includes: Bolts 29%; Pulpwood 71%.

Cutting and Felling:

- Trees must be processed at the stump and cut products forwarded to the landing (Cutting Block 1).
- Full tree skidding prohibited (Cutting Block 1).

Season of Operations:

- The Timber Sale Administrator (TSA) can allow or stop permit operations to minimize rutting, root damage, bark slippage, beetle infestations or wildfire risk. If excessive damage is occurring, the TSA will stop operations until site conditions improve. For pine thinning operations the following restrictions apply to cut pine greater than 3 inch diameter:

- December 1 to May 31: Pine cut in this period must be hauled or destroyed by June 1.
- June 1 to August 31: Pine cut in this period must be hauled or destroyed within 3 weeks.
- September 1 to November 30: No special restrictions for pine cut in this period (Cutting Block 1).
- No weekend hauling on Taconite Trail allowed between 12/1 and 4/1, without written permission from State (Cutting Block 1).

Slash Disposal:

- Biomass harvest is not allowed on this permit (Cutting Blocks 1 and 2).

Sale Conditions:

- Access is across Itasca County and State land (Cutting Block 2).
- Permission to cross Itasca County land must be obtained by permittee (Cutting Block 2).

Marketing Conditions:

Cutting Block 1:
 NP avg dia 12" 6-7 sticks.
 Price increased 15% for access and quality.

Cutting Block 2:

NP avg dia 10" 4-5 sticks.

Price reduced by 25% for 1st entry thinning in thinning area.

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

(Appraisal ID 12536-0; Cutting Block ID 14640-0, 14192-0)

TRACT B2

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 81.7

Permit Number: B013467
Expiration Date: 05/31/2020

Purchased By: Scheff Logging & Trucking Inc.
Address: 48985 State Hwy 38, Marcell, MN 56657

NWSE,SESW,SWSE of Section 1 - Township 59, Range 25W.
NESW,NWSE,SENE,SENW,SWNE of Section 36 - Township 60, Range 25W.
NWSE,SESE,SWSE of Section 6 - Township 59, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 125	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,933.00	Cd	23.85	46,102.05	53.66	103,724.78
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	375.00	Cd	21.77	8,163.75	48.98	18,367.50
	BALSAM FIR	215.00	Cd	14.03	3,016.45	14.03	3,016.45
	PAPER BIRCH	64.00	Cd	11.22	718.08	11.22	718.08
	RED MAPLE	13.00	Cd	11.22	145.86	11.22	145.86
	ANY LISTED SPECIES	1,400.00	Tons	1.00	1,400.00	1.00	1,400.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$59,546.19 BID TOTAL = \$ 127,372.67
ADVANCE PAYMENT = \$8,931.93

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 13%; Trembling Aspen 87%.
Pine Species Woodsrun Mixed Products includes: Jack Pine 16%; Norway Pine 84%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 55%; Pulpwood 45%.

Cutting and Felling:

- Harvest all aspen species, paper birch, red maple and balsam fir in aspen clearcuts. Within norway pine thinning stands harvest all jack pine, balsam fir and aspen greater than 2 sticks. Thin stand #1 to 100 sq. ft basal area and thin stand #2 to 130 sq. ft basal area. Order of removal is low vigor, over topped, and pine spacing.
- Reserve oak, basswood, spruce, 1-2 paper birch per acre and pine species in aspen clearcuts. Reserve paper birch, maple, white pine and aspen less than 2 sticks in pine thinning stands.

Season of Operations:

- Conduct sale operations on dry/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:

Aspen species averages 6-9" DBH and 4-6 sticks.
Paper birch averages 5-9" DBH and 3-5 sticks.
Red maple averages 6-10" DBH and 2-5 sticks.
Balsam fir averages 5-9" DBH and 3-5 sticks.
Jack pine averages 7-9" DBH and 4-6 sticks.
Norway pine averages 6-9" DBH and 4-6 sticks.

Price Adjustments:

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

Appraiser:

Joshua Matthew Tomlin

(Appraisal ID 12214-0; Cutting Block ID 14290-0)

TRACT B3

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 42.0

Permit Number: B013468
Expiration Date: 05/31/2019

Purchased By: UPM - Blandin Paper

Address: 115 First Street SW, Grand Rapids, MN 55744

SWNW of Section 24; NENE,SENE of Section 22 - Township 59, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 30	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	980.00	Cd	23.85	23,373.00	31.01	30,389.80
+ BLACK SPRUCE	WOODSRUN CORDWOOD	190.00	Cd	14.96	2,842.40	19.45	3,695.50
+ BALSAM FIR	WOODSRUN CORDWOOD	170.00	Cd	14.03	2,385.10	18.24	3,100.80
ASH	WOODSRUN CORDWOOD	42.00	Cd	6.54	274.68	6.54	274.68
PAPER BIRCH	WOODSRUN CORDWOOD	34.00	Cd	11.22	381.48	11.22	381.48
TAMARACK	WOODSRUN CORDWOOD	10.00	Cd	5.10	51.00	5.10	51.00

+ BID SPECIES

* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$29,307.66
ADVANCE PAYMENT = \$4,396.15

BID TOTAL = \$ 37,893.26

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

ANY LISTED SPECIES BIOMASS 44,323.00 Tons 1.10 48,755.30

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Aspen average 10" DBH and 6 sticks. Includes 5% or less Balm of Gilead.
Spruce average 7" DBH and 5 sticks.
Fir average 7" DBH and 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:

John J. Segari

TRACT B4 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 22.4

Permit Number: B013469
Expiration Date: 05/31/2019

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

NWSE,SWNE of Section 10 - Township 61, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	190.00	Cd	12.02	2,283.80	12.02	2,283.80
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	115.00	Cd	14.09	1,620.35	14.09	1,620.35
+ WHITE SPRUCE	WOODSRUN CORDWOOD	85.00	Cd	8.84	751.40	8.84	751.40
+ PAPER BIRCH	WOODSRUN CORDWOOD	80.00	Cd	6.63	530.40	6.63	530.40
BALSAM FIR	WOODSRUN CORDWOOD	20.00	Cd	8.29	165.80	8.29	165.80
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$5,351.75	BID TOTAL = \$	5,351.75
				ADVANCE PAYMENT =	\$802.76		

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

ANY LISTED SPECIES BIOMASS 280.00 Tons 0.65 182.00

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.

Season of Operations:

- Conduct sale operations on dry/frozen soil conditions only, except with written permission from State.
- Dry summer operations will only be considered if mats or a bridge are used to access the western stand across beaver flowage.

Sale Conditions:

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

Marketing Conditions:

Norway pine averages 5-6 sticks, 9" DBH, and 175 BA.
 White spruce averages 3 sticks, 7" DBH.
 Aspen averages 4-5 sticks, 7" DBH.
 Trembling aspen contains 5% balm of Gilead.
 Price Reduced 25% for first thinning.
 Price Reduced additional 10% for poor access.

Price Adjustments:

Road Construction Costs: -10%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: 0%
 Other Price Factor: -25% (First thinning)

Appraiser:

Garrett Mann

TRACT B5

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 51.0

Permit Number: B013470
Expiration Date: 05/31/2019

Purchased By:
Address:

UNSOLD

NENE, NESE, NWNE, NWSE, SENE, SESE, SWNE of Section 12 - Township 146, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PAPER BIRCH	WOODSRUN CORDWOOD	165.00	Cd	9.69	1,598.85	9.69	1,598.85
+ ASH	WOODSRUN MIXED PRODUCTS	149.00	Cd	7.11	1,059.39	7.11	1,059.39
+ TAMARACK	WOODSRUN CORDWOOD	57.00	Cd	4.84	275.88	4.84	275.88
MIXED SPRUCE	WOODSRUN CORDWOOD	34.00	Cd	12.92	439.28	12.92	439.28
RED MAPLE	WOODSRUN CORDWOOD	28.00	Cd	9.69	271.32	9.69	271.32
BALSAM FIR	WOODSRUN CORDWOOD	21.00	Cd	12.11	254.31	12.11	254.31
ANY LISTED SPECIES	BIOMASS	184.00	Tons	0.95	174.80	0.95	174.80

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$4,073.83 BID TOTAL = \$ 4,073.83
ADVANCE PAYMENT = \$611.07

Mixed Species Description:

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 95%; White Spruce 5%.

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 80%.

Marketing Conditions:

Ash averages 9" DBH and 4 sticks.
Birch averages 7" DBH and 3 sticks.
Tamarack averages 10" DBH and 5 sticks.

Price Adjustments:

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

Appraiser:

John J. Segari

(Appraisal ID 12003-2; Cutting Block ID 13959-3)

TRACT B6 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 37.9

Permit Number: B013471
 Expiration Date: 05/31/2020

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

SWNE of Section 13 - Township 149, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 122	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BASSWOOD	WOODSRUN MIXED PRODUCTS	360.00	Cd	11.93	4,294.80	26.48	9,532.80
+ SUGAR MAPLE	WOODSRUN MIXED PRODUCTS	190.00	Cd	11.93	2,266.70	26.48	5,031.20
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	125.00	Cd	11.93	1,491.25	26.48	3,310.00
+ ASPEN SPECIES	WOODSRUN CORDWOOD	45.00	Cd	19.51	877.95	43.31	1,948.95
ASH	WOODSRUN MIXED PRODUCTS	15.00	Cd	8.45	126.75	8.45	126.75

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$9,057.45 BID TOTAL = \$ 19,949.70
 ADVANCE PAYMENT = \$1,358.62

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

ANY LISTED SPECIES BIOMASS 410.00 Tons 1.00 410.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 50%; Trembling Aspen 50%.

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 45%; Pulpwood 55%.
 Basswood Woodsrun Mixed Products includes: Bolts 70%; Pulpwood 30%.
 Paper Birch Woodsrun Mixed Products includes: Bolts 45%; Pulpwood 55%.
 Sugar Maple Woodsrun Mixed Products includes: Bolts 45%; Pulpwood 55%.

Season of Operations:

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

Sale Conditions:

- Access is across USFS and State land.
 - Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.

Marketing Conditions:

Estimated volumes average 21.6 cords per acre (all appraised species).

Base prices reduced 10% for "FAIR" Access Road costs.

Basswood average 5 sticks, 16" DBH, 70% Bolts.
 Maple average 4 sticks, 13" DBH, 45% Bolts.
 Birch average 4 sticks, 12" DBH, 45% Bolts.
 Aspen average 6 sticks, 15% DBH.
 Ash average 4 sticks, 15" DBH, 45% Bolts.

Permit is located 0.10 miles south of Dogfish Lake near Wirt. The permit is accessed through USFS land 1.4 miles East of Itasca County Road 29 on Forest Road 2462.

Price Adjustments:

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

Appraiser:

Matthew T. Pollard

(Appraisal ID 12454-0; Cutting Block ID 14568-0)

TRACT B7

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 16.0

Permit Number: B013472
Expiration Date: 05/31/2020

Purchased By: Forseen Logging LLC
Address: 64055 Co Rd 26, Northome, MN 56661

NWSW,SESW,SWSE,SWSW of Section 16 - Township 150, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 5	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	145.00	Cd	21.68	3,143.60	22.76	3,300.20
+ PAPER BIRCH	WOODSRUN CORDWOOD	65.00	Cd	10.20	663.00	10.71	696.15
NORWAY PINE	WOODSRUN CORDWOOD	45.00	Cd	5.95	267.75	5.95	267.75
BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	12.75	63.75	12.75	63.75
RED MAPLE	WOODSRUN CORDWOOD	5.00	Cd	10.20	51.00	10.20	51.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$4,189.10	BID TOTAL = \$	4,378.85
				ADVANCE PAYMENT =	\$628.37		

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

ANY LISTED SPECIES BIOMASS 165.00 Tons 1.00 165.00

Season of Operations:

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

Sale Conditions:

- Access is across State or USFS land.

Marketing Conditions:

Aspen averages 4-5 sticks, 8-12 inches dbh.
Paper birch averages 3 sticks, 7-9 inches dbh.
Norway pine averages 3 sticks, 6-8 inches dbh.
Red maple averages 2-3 sticks 6-8 inches dbh.
Balsam fir averages 2-3 sticks, 6 inches dbh.

Norway pine price reduced due to poor form/topkill.
Slope may hinder operations in parts of the sale.

Price Adjustments:

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

Appraiser:

Joshua M. Donatell

TRACT B8 COUNTY: KOOCHICHING AREA: DEER RIVER AREA ACRES: 23.0

Permit Number: B013473
Expiration Date: 05/31/2019

Purchased By: Boise White paper LLC
Address: 400 Third Ave East, International Falls, MN 56649

SENW,SWNE of Section 15 - Township 152, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 151	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	545.00	Cd	22.16	12,077.20	55.62	30,312.90
ASH	WOODSRUN CORDWOOD	25.00	Cd	6.25	156.25	6.25	156.25
PAPER BIRCH	WOODSRUN CORDWOOD	25.00	Cd	10.71	267.75	10.71	267.75
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$12,501.20	BID TOTAL = \$	30,736.90
				ADVANCE PAYMENT =	\$1,875.18		

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

ANY LISTED SPECIES BIOMASS 270.00 Tons 1.00 270.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 15%; Trembling Aspen 85%.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Estimated volumes average 27.0 cords per acre (all appraised species).

Base prices increased by 5% for "GOOD" Stand Density.

- Aspen average 6-7 sticks, 16" DBH.
- Balm of Gilead average 5-6 sticks, 14" DBH.
- Birch average 4 sticks, 10" DBH.
- Ash average 4 sticks, 10" DBH.

Permit is located approximately 0.8 miles south of Flowing Well Forest Road, access is through Koochiching County and State land.

Price Adjustments:

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

Appraiser:

Matthew T. Pollard

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: December 6, 2016

- SUMMARY SHEET -

12/06/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

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	15.00	Cd	8.45	126.75
	PAPER BIRCH	125.00	Cd	26.48	3,310.00
	SUGAR MAPLE	190.00	Cd	26.48	5,031.20
	BASSWOOD	360.00	Cd	26.48	9,532.80
	PINE SPECIES	375.00	Cd	48.98	18,367.50
	NORWAY PINE	895.00	Cd	41.69	37,315.25
	JACK PINE	70.00	Cd	23.17	1,621.90
	WHITE SPRUCE	80.00	Cd	42.20	3,376.00
WOODSRUN CORDWOOD	ASH	67.00	Cd	6.43	430.93
	ASPEN SPECIES	2,523.00	Cd	53.90	135,986.63
	TREMBLING ASPEN	1,345.00	Cd	29.51	39,696.20
	PAPER BIRCH	303.00	Cd	9.44	2,861.61
	RED MAPLE	23.00	Cd	10.22	235.11
	NORWAY PINE	45.00	Cd	5.95	267.75
	WHITE SPRUCE	85.00	Cd	8.84	751.40
	BALSAM FIR	415.00	Cd	15.41	6,394.60
	BLACK SPRUCE	190.00	Cd	19.45	3,695.50
	TAMARACK	10.00	Cd	5.10	51.00
BIOMASS	ANY LISTED SPECIES	1,400.00	Tons	1.00	1,400.00
	ANY LISTED SPECIES (optional)	45,448.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 7,116.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 142,295.65
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 270,452.13
TOTAL ACRES SOLD: 287.3
SOLD TRACT NUMBERS: 1, 2, 3, 4, 6, 7, 8
TOTAL NUMBER OF TRACTS SOLD: 7

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
WOODSRUN MIXED PRODUCTS	ASH	149.00	Cd	7.11	1,059.39
WOODSRUN CORDWOOD	PAPER BIRCH	165.00	Cd	9.69	1,598.85
	RED MAPLE	28.00	Cd	9.69	271.32
	BALSAM FIR	21.00	Cd	12.11	254.31
	TAMARACK	57.00	Cd	4.84	275.88
	MIXED SPRUCE	34.00	Cd	12.92	439.28
BIOMASS	ANY LISTED SPECIES	184.00	Tons	0.95	174.80

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 454.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 4,073.83
TOTAL ACRES UNSOLD: 51.0
UNSOLD TRACT NUMBER: 5
TOTAL NUMBER OF TRACTS UNSOLD: 1