



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
INTERMEDIATE AUCTION - SALE #2
ORAL BID

Notice is hereby given that I offered for sale at public auction in Big Fork, MN at 9:30 AM on Tuesday, December 5, 2017, timber belonging to the State of Minnesota. All tracts were offered at the Big Fork Town Hall in Big Fork, 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. 6Y921-S1) and the principles of the FSC ® certification standard (Certificate No. SCS-FM/COC-00088N).

FSC
100%



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

9:30 AM on December 5, 2017
Big Fork Town Hall in Big Fork, 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 *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 5, 2018, at the following Area Headquarters: Backus Area, Deer River 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: ITASCA

AREA: DEER RIVER AREA

ACRES: 38.8

Permit Number: X015732
 Expiration Date: 05/31/2021

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

GL01,NWNE of Section 9; SESE,SESW,SWNE,SWSE of Section 4 - Township 59, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 87	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	432.00	Cd	15.84	6,842.88	29.62	12,795.84
+ WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	112.00	Cd	12.75	1,428.00	23.84	2,670.08
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	105.00	Cd	26.35	2,766.75	49.27	5,173.35
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	19.00	Cd	10.20	193.80	10.20	193.80
ANY LISTED SPECIES	BIOMASS	366.00	Tons	1.00	366.00	1.00	366.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$11,597.43 BID TOTAL = \$ 21,199.07
 ADVANCE PAYMENT = \$1,739.61

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 68%; Red Maple 32%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%.
 White Spruce Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 80%.

Cutting and Felling:

- Harvest aspen, paper birch and maple in the clearcut area. In thinning areas harvest 1/3 of Norway pine and white spruce. Order of removal is provide access, damaged, low vigor and over topped. Remove aspen and birch for access only.
- Reserve conifers within the aspen clearcut area. Within thinning areas reserve aspen and birch except to provide access.
- Trees must be processed at the stump and cut products forwarded to the landing.
- Full tree skidding prohibited.

Season of Operations:

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

Landings Roads and Trails:

- Contact timber sale administrator at least five days before roading operations commence due to GIA trail.

Sale Conditions:

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

Marketing Conditions:

Aspen averages 10-12" DBH and 5-7 sticks.
 Paper birch averages 8-10" DBH and 4-6 sticks.
 Red maple averages 8-11" DBH and 4-5 sticks.
 Norway pine averages 7-9" DBH and 4-6 sticks.
 White spruce averages 7-9" DBH and 4-6 sticks.

High probability for summer harvest.

Norway pine and white spruce prices reduced 25% due to first entry thinning.

Price Adjustments:

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

Appraiser:

Joshua Matthew Tomlin

(Appraisal ID 13261-0; Cutting Block ID 15498-0)

TRACT X2

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 19.0

Permit Number: X015733
 Expiration Date: 05/31/2021

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

SESW,SWSE of Section 22 - Township 59, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 64	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	325.00	Cd	21.68	7,046.00	35.56	11,557.00
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	80.00	Cd	15.60	1,248.00	25.58	2,046.40
+ PAPER BIRCH	WOODSRUN CORDWOOD	20.00	Cd	10.20	204.00	16.73	334.60
+ BALSAM FIR	WOODSRUN CORDWOOD	10.00	Cd	12.75	127.50	20.91	209.10
+ RED MAPLE	WOODSRUN CORDWOOD	10.00	Cd	10.20	102.00	16.73	167.30
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$8,727.50	BID TOTAL = \$ 14,314.40
				ADVANCE PAYMENT =		\$1,309.13	

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

ANY LISTED SPECIES BIOMASS 260.00 Tons 1.00 260.00

Mixed Species Description:

Pine Species Woodsrun Mixed Products includes: Jack Pine 18%; Norway Pine 82%.

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.

Landings Roads and Trails:

- Contact timber sale administrator at least five days before roading operations commence due to Grant In Aid snowmobile trail.

Sale Conditions:

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

Marketing Conditions:

Aspen averages 4 sticks and 8 inches DBH.
 Pine species average 3 sticks and 6-7 inches DBH, 30% bolts.
 Pine species price discounted 25% due to 1st thinning.
 Great late summer/fall logging opportunity due to well drained soils.

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 X3

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 35.0

Permit Number: X015734
 Expiration Date: 05/31/2021

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

SESW of Section 10 - Township 59, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 51	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	230.00	Cd	16.83	3,870.90	25.41	5,844.30
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	130.00	Cd	16.26	2,113.80	24.55	3,191.50
+ PAPER BIRCH	WOODSRUN CORDWOOD	30.00	Cd	7.65	229.50	11.55	346.50
+ BID SPECIES	* SOLD ON APPRAISED VOLUME						
					APPRAISED TOTAL =	\$6,214.20	BID TOTAL = \$ 9,382.30
					ADVANCE PAYMENT =	\$932.13	

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

ASH	WOODSRUN MIXED PRODUCTS	50.00	Cd	7.33	366.50		
ANY LISTED SPECIES	BIOMASS	220.00	Tons	1.00	220.00		

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.
 Norway Pine Woodsrun Mixed Products includes: Bolts 40%; Pulpwood 60%.

Season of Operations:

- Conduct sale operations on dry/frozen soil conditions only, except with written permission from State.
- Offered optional timber sale operations must occur during frozen soil conditions.

Sale Conditions:

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

Marketing Conditions:

Norway pine averages 7-8 inches DBH and 3-4 sticks, 40% bolts.

Aspen averages 5-7 inches DBH, 3 sticks.

Row spacing averages 8 feet.

Price/cord reduced 25% for 1st thinning.

Price Adjustments:

- Road Construction Costs: +5%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: -25% (1st thinning discount)

Appraiser:

Joshua M. Donatell

TRACT X4

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 24.3

Permit Number: X015735
Expiration Date: 05/31/2021

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

NESW,NWSW,SESW,SWSW of Section 35 - Township 59, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 16	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	268.00	Cd	26.35	7,061.80	30.57	8,192.76
+ NORTHERN HARDWOODS	WOODSRUN CORDWOOD	122.00	Cd	9.88	1,205.36	11.46	1,398.12
WHITE SPRUCE	WOODSRUN CORDWOOD	23.00	Cd	10.20	234.60	10.20	234.60
ANY LISTED SPECIES	BIOMASS	275.00	Tons	1.00	275.00	1.00	275.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$8,776.76	BID TOTAL = \$ 10,100.48
				ADVANCE PAYMENT =		\$1,316.51	

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 1%; Largetooth Aspen 4%; Trembling Aspen 95%.
Northern Hardwoods Woodsrun Cordwood includes: Ash 1%; Basswood 10%; Paper Birch 6%; Red Maple 73%; Sugar Maple 10%.

Cutting and Felling:

- Harvest all aspen species, paper birch and red maple, harvest yellow marked ash, sugar maple and basswood in clear cut stand. In thinning stand harvest 1/3 volume of white spruce, order of removal is for access, low vigor and over topped.

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:

Aspen averages 6-8" DBH and 4-6 sticks.
Maple averages 8-10" DBH and 3-5 sticks.
Basswood averages 10-12" DBH and 4-6 sticks.
White spruce averages 6-7" DBH and 2-4 sticks.
Ash averages 10-12" DBH and 4-6 sticks.

Price Adjustments:

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

Appraiser:

Joshua Matthew Tomlin

TRACT X5

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 25.0

Permit Number: X015736
Expiration Date: 05/31/2021

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

GL07,SESW of Section 32 - Township 60, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ JACK PINE	WOODSRUN MIXED PRODUCTS	240.00	Cd	13.00	3,120.00	13.00	3,120.00
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	175.00	Cd	26.36	4,613.00	26.36	4,613.00
	BALSAM FIR	5.00	Cd	13.73	68.65	13.73	68.65
	PAPER BIRCH	5.00	Cd	11.31	56.55	11.31	56.55
	TREMBLING ASPEN	5.00	Cd	25.03	125.15	25.03	125.15
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$7,983.35	BID TOTAL = \$ 7,983.35
				ADVANCE PAYMENT =		\$1,197.50	

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 15%; Pulpwood 85%.
Norway Pine Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 40%.

Cutting and Felling:

- Full tree skidding required for jack pine.

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

Sale Conditions:

- Access is across State land.

Marketing Conditions:

Norway pine: 10-11" dbh, 4-5 sticks
jack pine: 8-10" dbh, 4-5 sticks

The jack pine dominated portions of the sale that will require full tree skidding total roughly 5 acres.

Price Adjustments:

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

Appraiser:

Christopher J. Bergquist

TRACT X6

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 27.0

Permit Number: X015737
Expiration Date: 05/31/2021

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

NENE,NWNW,SWNW of Section 28 - Township 60, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 55	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	246.00	Cd	29.95	7,367.70	46.42	11,419.32
+ JACK PINE	WOODSRUN MIXED PRODUCTS	80.00	Cd	25.00	2,000.00	38.75	3,100.00
+ BALSAM FIR	WOODSRUN MIXED PRODUCTS	70.00	Cd	20.98	1,468.60	32.52	2,276.40
WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	8.00	Cd	23.66	189.28	23.66	189.28

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$11,025.58 BID TOTAL = \$ 16,985.00
ADVANCE PAYMENT = \$1,653.84

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

ANY LISTED SPECIES BIOMASS 217.00 Tons 1.00 217.00

Mixed Product Description:

- Balsam Fir Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.
- Jack Pine Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.
- Norway Pine Woodsrun Mixed Products includes: Bolts 66%; Pulpwood 34%.
- White Spruce Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.

Cutting and Felling:

- Logger select thinning. Thin to 90 basal area. Order of removal is jack pine, balsam fir, spruce then Norway pine.

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:

- Norway pine ave. 13"/6 sticks
- Jack pine ave. 10"/5 sticks
- Balsam ave. 10"/4 sticks
- White spruce ave. 12"/5 sticks

Price Adjustments:

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

Appraiser:

Ryan K. Brubaker

TRACT X7

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 95.0

Permit Number: X015738
 Expiration Date: 05/31/2021

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

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

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASH	WOODSRUN MIXED PRODUCTS	482.00	Cd	9.03	4,352.46	9.03	4,352.46
+ PAPER BIRCH	WOODSRUN CORDWOOD	250.00	Cd	11.00	2,750.00	11.00	2,750.00
+ TAMARACK	WOODSRUN CORDWOOD	87.00	Cd	6.12	532.44	6.12	532.44
+ BLACK SPRUCE	WOODSRUN CORDWOOD	52.00	Cd	13.01	676.52	13.01	676.52
RED MAPLE	WOODSRUN CORDWOOD	43.00	Cd	10.71	460.53	10.71	460.53
ASPEN SPECIES	WOODSRUN CORDWOOD	15.00	Cd	23.72	355.80	23.72	355.80

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$9,127.75
 ADVANCE PAYMENT = \$1,369.16
 BID TOTAL = \$ 9,127.75

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

ANY LISTED SPECIES BIOMASS 543.00 Tons 1.00 543.00

Mixed Species Description:

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

Mixed Product Description:

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

Season of Operations:

- Frozen ground access only.

Sale Conditions:

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

Marketing Conditions:

Ash averages 9" DBH and 4 sticks.
 Birch averages 7" DBH and 3 sticks.
 Tamarack averages 10" DBH and 5 sticks.
 Prices reduced 5% for thinning restraints in ash stands.

Electronic and mobile maps are available upon request.

Price Adjustments:

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

Appraiser:

John J. Segari

TRACT X8

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 9.7

Permit Number: X015739
Expiration Date: 05/31/2021

Purchased By: Padgett Logging
Address: 68914 Co Rd 163, Blackduck, MN 56630

GL04 of Section 4; GL01 of Section 5 - Township 147, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	236.00	Cd	69.61	16,427.96	69.61	16,427.96
BALSAM FIR	WOODSRUN CORDWOOD	14.00	Cd	14.45	202.30	14.45	202.30
+ BID SPECIES	* SOLD ON APPRAISED VOLUME			APPRAISED TOTAL =		\$16,630.26	BID TOTAL = \$ 16,630.26
				ADVANCE PAYMENT =		\$2,494.54	

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

ANY LISTED SPECIES BIOMASS 106.00 Tons 1.10 116.60

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 5%; Sawtimber 95%.

Slash Disposal:

- Tightly pile slash on landings as designated by TSA. Piles should be free of dirt, stumps, root wads, and prohibited materials. Piles should be placed a minimum of 50 away from standing timber.

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.

Marketing Conditions:

Norway pine averages 20" DBH and 9 sticks.
Balsam fir averages 6" and 2 sticks.
Stand is a 135 yr old Norway pine stand that has been thinned multiple times in the past.
Price adjustments for ease of access and timber quality. Fir price not adjusted.

Price Adjustments:

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

Appraiser:

John J. Segari

TRACT X9

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 55.8

Permit Number: X015740
 Expiration Date: 05/31/2021

Purchased By: Padgett Logging
Address: 68914 Co Rd 163, Blackduck, MN 56630

GL06,NESE,NWSE,SESE of Section 36 - Township 149, Range 27W.
 GL02,GL03,GL04 of Section 31 - Township 149, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 65	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	490.00	Cd	22.16	10,858.40	36.56	17,914.40
+ ASH	WOODSRUN MIXED PRODUCTS	200.00	Cd	8.74	1,748.00	14.42	2,884.00
PAPER BIRCH	WOODSRUN CORDWOOD	15.00	Cd	10.12	151.80	10.12	151.80
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		BID TOTAL = \$	
				ADVANCE PAYMENT =			

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

ANY LISTED SPECIES BIOMASS 381.00 Tons 0.85 323.85

Mixed Species Description:

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

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%.

Season of Operations:

- Conduct sale operations on 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.
- Access across private land and USFS land to the South may also be possible. Negotiation of right to access across private land will be the responsibility of the permittee.

Marketing Conditions:

Base prices reduced by 15% for "POOR" Access Road Construction/Reconstruction.

Aspen average 6 sticks, 16" DBH, with occasional trees to 22" DBH.
 Ash average 4 sticks, 8" DBH.
 Birch average 4 sticks, 8" DBH.

Permit is located approximately 2 miles southeast of Shogren Dam Picnic Area via USFS Road 2225.

Price Adjustments:

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

Appraiser:

Elias Rasch Anoszko

TRACT X10

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 101.8

Permit Number: X015741

Expiration Date: 05/31/2021

Purchased By: Rieger Logging Inc.

Address: 61559 Co Road 26, Northome, MN 56661

NESE,NESW,NWNW,NWSE,SESE,SWNE,SWNW of Section 16; SESE of Section 8; NENE of Section 17 - Township 151, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 62	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,350.00	Cd	28.89	39,001.50	46.80	63,180.00
+ BALSAM FIR	WOODSRUN CORDWOOD	680.00	Cd	15.90	10,812.00	25.76	17,516.80
+ MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	350.00	Cd	24.78	8,673.00	40.14	14,049.00
JACK PINE	WOODSRUN MIXED PRODUCTS	40.00	Cd	29.36	1,174.40	29.36	1,174.40
RED MAPLE	WOODSRUN CORDWOOD	40.00	Cd	13.09	523.60	13.09	523.60
ASH	WOODSRUN MIXED PRODUCTS	20.00	Cd	9.91	198.20	9.91	198.20
PAPER BIRCH	WOODSRUN CORDWOOD	20.00	Cd	13.09	261.80	13.09	261.80

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$60,644.50 BID TOTAL = \$ 96,903.80
 ADVANCE PAYMENT = \$9,096.68

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 2%; Trembling Aspen 98%.
 Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 40%; White Spruce 60%.

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.
 Jack Pine Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 40%.
 Mixed Spruce Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.

Cutting and Felling:

- Fell all snags within 50 feet of the sale boundary on the South side of the Blueberry Forest Rd.
- Full tree skidding required.
- Use dispersed skidding to increase soil scarification. Avoid repeated use of the same skid trail when skidding or distributing slash.

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.

Slash Disposal:

- Distribute slash evenly across site, while keeping roads, trails and permit boundary free of slash.
- Biomass harvest is not allowed on this permit.
- South of the Blueberry Forest Rd, maintain a 30 foot slash-free alley along permit boundary.

Sale Conditions:

- Access is across State land.

Marketing Conditions:

Base price Increased 10% due to excellent access

Aspen species average 14" DBH and 6 sticks.
 Balsam fir averages 9" DBH and 5 sticks.
 Jack pine averages 12" DBH and 5 sticks.
 Mixed spruce species average 10" DBH and 5 sticks.
 Red maple averages 9" DBH and 4 sticks.

Paper birch averages 8" DBH and 4 sticks.

Price Adjustments:

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

Appraiser:

Elias Rasch Anoszko

(Appraisal ID 13232-0; Cutting Block ID 15421-0)

TRACT X11

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 28.0

Permit Number: X015742
 Expiration Date: 05/31/2021

Purchased By: Shull Brothers
Address: PO Box 461, Northome, MN 56661

NESE of Section 30 - Township 151, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 58	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	350.00	Cd	23.50	8,225.00	37.13	12,995.50
+ ASH	WOODSRUN MIXED PRODUCTS	110.00	Cd	9.49	1,043.90	14.99	1,648.90
BASSWOOD	WOODSRUN MIXED PRODUCTS	30.00	Cd	11.25	337.50	11.25	337.50
MAPLE SPECIES	WOODSRUN CORDWOOD	20.00	Cd	10.71	214.20	10.71	214.20
BALSAM FIR	WOODSRUN CORDWOOD	10.00	Cd	13.00	130.00	13.00	130.00
PAPER BIRCH	WOODSRUN CORDWOOD	10.00	Cd	10.71	107.10	10.71	107.10
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$10,057.70	BID TOTAL = \$	15,433.20
				ADVANCE PAYMENT =	\$1,508.66		

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

ANY LISTED SPECIES BIOMASS 270.00 Tons 0.90 243.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 6%; Trembling Aspen 94%.
 Maple Species Woodsrun Cordwood includes: Red Maple 25%; Sugar Maple 75%.

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 40%; Pulpwood 60%.
 Basswood Woodsrun Mixed Products includes: Bolts 45%; Pulpwood 55%.

Season of Operations:

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

Landings Roads and Trails:

- The location and construction of all roads and landings must be pre-approved by the State.

Sale Conditions:

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

Marketing Conditions:

Aspen averages 6 sticks/tree and 17" diameter
 Black ash averages 4 sticks/tree
 Unfrozen ground operation is very unlikely due to wetlands and access. Lots of small, residual ash to work around in SE portion of permit area. Extra care will be needed if full tree skidding.
 Price reduced 10% due to residual ash (under 10" DBH).

Price Adjustments:

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

Appraiser:

Scott A. Bergloff

(Appraisal ID 13345-0; Cutting Block ID 15570-0)

TRACT X12

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 67.5

Permit Number: X015743
 Expiration Date: 05/31/2020

Purchased By: Ziembra & Sons Inc.
Address: 6002 County Rd. 1, Littlefork, MN 56653

NESE,NESW,NWNE,NWSE,SESW,SWNE of Section 29 - Township 152, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 60	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,380.00	Cd	22.03	30,401.40	35.25	48,645.00
+ BALSAM FIR	WOODSRUN CORDWOOD	300.00	Cd	12.28	3,684.00	19.65	5,895.00
PAPER BIRCH	WOODSRUN CORDWOOD	30.00	Cd	10.11	303.30	10.11	303.30
WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	25.00	Cd	16.40	410.00	16.40	410.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$34,798.70
 ADVANCE PAYMENT = \$5,219.81
 BID TOTAL = \$ 55,253.30

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

ANY LISTED SPECIES BIOMASS 790.00 Tons 0.85 671.50

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 11%; Trembling Aspen 89%.

Mixed Product Description:

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

Season of Operations:

- Conduct sale operations on frozen or 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 private land.
- Permission to cross private land must be obtained by permittee.

Marketing Conditions:

Aspen averages 15" and 5 sticks per tree.
 Some aspen up to 20" diameter.
 Balm of Gilead averages 3 sticks per tree.
 Balsam fir averages 3 sticks per tree.
 Price reduced due to aspen quality and access work.
 Access work and felling may be possible during dry soil conditions but hauling is unlikely.

Price Adjustments:

Road Construction Costs: -10%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: 0%
 Other Price Factor: -5% (limbing large tops)

Appraiser:

Scott A. Bergloff

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 5, 2017

- SUMMARY SHEET -

12/05/2017 INTERMEDIATE AUCTION - SALE #2

COMPLETED - DATA AS OF 12/05/2017

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	812.00	Cd	11.19	9,083.56
	ASH (optional)	50.00	Cd	-	0.00
	BASSWOOD	30.00	Cd	11.25	337.50
	PINE SPECIES	80.00	Cd	25.58	2,046.40
	NORWAY PINE	1,319.00	Cd	38.74	51,100.42
	JACK PINE	360.00	Cd	20.54	7,394.40
	WHITE SPRUCE	145.00	Cd	22.55	3,269.36
	BALSAM FIR	70.00	Cd	32.52	2,276.40
	MIXED SPRUCE	350.00	Cd	40.14	14,049.00
WOODSRUN CORDWOOD	ASPEN SPECIES	3,853.00	Cd	39.26	151,283.46
	TREMBLING ASPEN	565.00	Cd	35.48	20,047.00
	PAPER BIRCH	380.00	Cd	11.35	4,311.65
	MAPLE SPECIES	20.00	Cd	10.71	214.20
	NORTHERN HARDWOODS	141.00	Cd	11.29	1,591.92
	RED MAPLE	93.00	Cd	12.38	1,151.43
	WHITE SPRUCE	23.00	Cd	10.20	234.60
	BALSAM FIR	1,019.00	Cd	23.57	24,021.85
	BLACK SPRUCE	52.00	Cd	13.01	676.52
	TAMARACK	87.00	Cd	6.12	532.44
BIOMASS	ANY LISTED SPECIES (optional)	2,787.00	Tons	-	0.00
	ANY LISTED SPECIES	641.00	Tons	1.00	641.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 9,399.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 198,341.93
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 294,263.11
TOTAL ACRES SOLD: 526.9
TOTAL NUMBER OF TRACTS SOLD: 12