



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

NOTICE OF SALE OF STUMPAGE ON STATE LANDS IN THE FOLLOWING 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 Big Fork, MN at 9:00 AM on Friday, June 1, 2018, 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. 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
DEER RIVER AREA

9:00 AM on June 1, 2018
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 the responsible bidder who bids the highest price for all timber species advertised for bidding on each tract. Bidding above the appraised price shall be by increments of one (1) percent or more. The percent bid up will be added to the appraised price of each species indicated as a bid species by a plus symbol (+) on the Notice of Sale. Any or all bids may be rejected and sales canceled for good and sufficient reasons.

REGISTRATION AND ELIGIBLE BIDDERS

- Interested persons must be registered at least four (4) business days prior to the auction by submitting an *Annual Timber Sales Purchaser Registration* form. No bid will be accepted from anyone having a delinquent timber sale or trespass account or a willful timber trespass with any public agency in Minnesota, or from anyone who does not qualify as a Responsible Bidder as defined in Minnesota Statutes § 90.01 (12), or from anyone who has been debarred for cause by any public agency [M.S. § 90.041 (11)].

DOWN PAYMENT

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

BID GUARANTEE

- For any bid increase in excess of \$10,000 of the appraised price, a bid guarantee equal to fifteen (15) percent of the total bid price of the timber less the down payment amount is required at the time the permit is signed. If the bid guarantee is not submitted with the signed permit, the permit cancels, and the down payment forfeits to the State. If the permit holder fails to execute an effective permit, the bid guarantee payment forfeits to the State.

PURCHASER AND LOGGER QUALIFICATIONS AND OPERATIONS REQUIREMENTS

- The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the general industry safety standards for logging (e.g., LogSafe) adopted by the Commissioner of Labor and Industry and provide proof of compliance with these standards. The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the State of Minnesota mandatory insurance requirements before harvest operations begin. A *Certification of Compliance with the Minnesota Workers' Compensation Law* form must be submitted each year. Before the start of harvest operations, the purchaser must certify that a designated foreperson, who will be supervising active logging operations, has a current certificate of completion from a logger education program (e.g., MLEP or FISTA) approved by the Commissioner of Natural Resources.

SECURITY REQUIRED

- The purchaser must furnish security equal to the total bid value of the permit, LESS the amount paid as a down payment and bid guarantee. Security can be furnished in the following forms: Corporate surety bond, Letter of Credit, certified check, cashier's check, personal check, money order, or by signing a Cutting Block Payment Agreement for individual cutting blocks, at least one business day prior to the start of any permit operations. If the purchaser elects to receive a refund of the down payment and bid guarantee, they must furnish security in a form described above, for one hundred (100) percent of the total bid value of the timber purchased. If the deferred cash payment for cutting blocks is selected, the down payment and bid guarantee WILL NOT be refunded. If the purchaser elects to secure a permit by prepayment of cutting block(s), they must make a written request on a form provided by the state. No harvesting is permitted until proper security has been furnished to and approved by the Commissioner of Natural Resources or his agent.

PERMIT TERMS

- A permit to harvest and remove the timber from state lands will be issued to the purchaser. NO permit shall be issued to anyone other than the purchaser in whose name the bid was made. All timber purchased on the permit must be harvested prior to the permit expiration date. All permits provide for the continuous identification of timber from the time of cutting until delivery to the consumer. Failure to continuously identify the timber as specified in the permit shall constitute trespass. Also, please note all harvest specifications on each tract being sold. Only one Regular Extension is permitted for exceptional circumstances. An annual interest rate of 5 percent may be charged on a regular extension for the period of the extension.

UNSOLD TRACTS

- On the next regular business day (8:00 AM - 4:30 PM, Monday - Friday, except holidays) after the date of the auction sale, unsold tracts may be available for over-the-counter purchase at the appraised price for a period of no more than one year. Unless canceled for reoffer at an earlier date, unsold tracts will be available until June 1, 2019, at the following Area Headquarters: Deer River Area.

| | | | |
|-----------------|----------------|-----------------------|------------|
| TRACT B1 | COUNTY: ITASCA | AREA: DEER RIVER AREA | ACRES: 4.1 |
|-----------------|----------------|-----------------------|------------|

Permit Number: B013925
 Expiration Date: 05/31/2021

Purchased By: Rajala Timber Company
Address: PO Box 217, Deer River, MN 56636

GL08 of Section 36 - Township 53, Range 23W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 0 | |
|---|-------------------------|--------|------|-------------------|------------|----------------|----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + NORWAY PINE | WOODSRUN MIXED PRODUCTS | 108.00 | Cd | 26.20 | 2,829.60 | 26.20 | 2,829.60 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | \$2,829.60 | BID TOTAL = \$ | 2,829.60 |
| | | | | ADVANCE PAYMENT = | \$424.44 | | |

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

| | | | | |
|--------------------|---------|------------|------|-------|
| ANY LISTED SPECIES | BIOMASS | 63.00 Tons | 1.00 | 63.00 |
|--------------------|---------|------------|------|-------|

Mixed Product Description:

Norway Pine Woodsrunk Mixed Products includes: Bolts 55%; Pulpwood 45%.

Cutting and Felling:

- Harvest Norway pine to a residual basal area of 90 sq.ft. per acre. Remove poorly formed, suppressed and damaged Norway pine before well formed 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 averages 9"-10" DBH and 5-6 sticks.

High chance for summer harvest operations.

Sale is a 2nd entry thinning in a 40 year old pine plantation. Current basal area is 170 sq.ft./acre with 8' spacing and 15' forwarder trails every 6th row.

Price Adjustments:

Road Construction Costs: +5%

Haul Distance to Nearest Mill: 0%

Stand Density: 0%

Operational Constraints: 0%

Other Price Factor: 0%

Appraiser:

Joshua Matthew Tomlin

TRACT B2

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 50.1

Permit Number: B013926
Expiration Date: 05/31/2021

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

GL05,SESW,SWSW of Section 16 - Township 59, Range 24W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 0 | |
|---|----------|--------|------|-------------------|-----------|-------------|--------------------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + ASPEN SPECIES | PULPWOOD | 759.00 | Cd | 21.60 | 16,394.40 | 21.60 | 16,394.40 |
| + PAPER BIRCH | PULPWOOD | 66.00 | Cd | 11.70 | 772.20 | 11.70 | 772.20 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | | \$17,166.60 | BID TOTAL = \$ 17,166.60 |
| | | | | ADVANCE PAYMENT = | | \$2,574.99 | |

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

| | | | | | |
|--------------------|---------|--------|------|------|--------|
| ANY LISTED SPECIES | BIOMASS | 497.00 | Tons | 1.00 | 497.00 |
|--------------------|---------|--------|------|------|--------|

Mixed Species Description:

Aspen Species Pulpwood includes: Largetooth Aspen 5%; Trembling Aspen 95%.

Cutting and Felling:

- Harvest aspen and un-marked paper birch.

Season of Operations:

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

Landings Roads and Trails:

- No harvest related equipment allowed on recreational trail except at approved crossings. Recreational trail may not be used as access during snow free conditions.

Sale Conditions:

- Access is across State land.

Marketing Conditions:

Sale access is located off of the Long Lake Forest road. Aspen is less than 40 years old. Sale is summer accessible during a normal summer with a small amount of new road construction. Steep slopes will make portions of the sale difficult for logging operations.

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 B3

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 37.4

Permit Number: B013927
 Expiration Date: 05/30/2021

Purchased By: Rajala Timber Company
Address: PO Box 217, Deer River, MN 56636

NWNE of Section 34; NWSE,SWSE of Section 27 - Township 59, Range 24W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 55 | |
|---|-------------------------|--------|------|-------------------|-----------|-------------|--------------------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + NORWAY PINE | WOODSRUN MIXED PRODUCTS | 415.00 | Cd | 29.78 | 12,358.70 | 46.16 | 19,156.40 |
| TREMBLING ASPEN | PULPWOOD | 15.00 | Cd | 18.00 | 270.00 | 18.00 | 270.00 |
| JACK PINE | PULP & BOLTS | 5.00 | Cd | 9.00 | 45.00 | 9.00 | 45.00 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | | \$12,673.70 | BID TOTAL = \$ 19,471.40 |
| | | | | ADVANCE PAYMENT = | | \$1,901.06 | |

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 15%; Pulpwood 85%.
 Norway Pine Woodsrun Mixed Products includes: Bolts 65%; Pulpwood 30%; Sawlog-Grade 3 5%.

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:

Stand 1:
 Norway pine averages 7-8" dbh & 3-4 sticks

Stand 2, 3 & 4:
 Norway pine averages 10-12" dbh & 7-9 sticks

Price adjusted to reflect first entry thin for a portion of the stand.
 Sale was partially marked and cruised by Clarissa Spicer.

Price Adjustments:

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

Appraiser:

Christopher J. Bergquist

TRACT B4 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 13.6

Permit Number: B013928
Expiration Date: 05/31/2021

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

GL03, GL06 of Section 29 - Township 59, Range 24W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 47 | |
|--|-------------------|--------|------|-------------------|-----------|-------------|--------------------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + ASPEN SPECIES | WOODSRUN CORDWOOD | 367.00 | Cd | 27.60 | 10,129.20 | 40.57 | 14,889.19 |
| PAPER BIRCH | WOODSRUN CORDWOOD | 15.00 | Cd | 14.95 | 224.25 | 14.95 | 224.25 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | | \$10,353.45 | BID TOTAL = \$ 15,113.44 |
| | | | | ADVANCE PAYMENT = | | \$1,553.02 | |

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

ANY LISTED SPECIES BIOMASS 230.00 Tons 1.15 264.50

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 45%; Trembling Aspen 55%.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Access is powerline corridor off of County Rd 339. There is an existing trail that leads to a wildlife opening. The opening can be used as a landing as long as there is no residual logging debris since this opening is mowed. The sale is listed as frozen access only due to concerns over salamander habitat. There is potential for dry summer chance if we get the okay after more surveying is completed.

Price adjusted 5% for access, 5% for haul distance & 5% for stand density.

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 B5

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 28.5

Permit Number: B013929
Expiration Date: 05/31/2021

Purchased By:
Address:

UNSOLD

GL03,NWSE,SWNE of Section 24 - Township 59, Range 25W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID: _____ | |
|---|----------|--------|------|-------------------|------------|----------------|----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + TREMBLING ASPEN | PULPWOOD | 190.00 | Cd | 20.40 | 3,876.00 | 20.40 | 3,876.00 |
| + PAPER BIRCH | PULPWOOD | 105.00 | Cd | 11.05 | 1,160.25 | 11.05 | 1,160.25 |
| + BASSWOOD | PULPWOOD | 100.00 | Cd | 6.80 | 680.00 | 6.80 | 680.00 |
| + BALSAM FIR | PULPWOOD | 20.00 | Cd | 12.75 | 255.00 | 12.75 | 255.00 |
| + ASH | PULPWOOD | 10.00 | Cd | 8.50 | 85.00 | 8.50 | 85.00 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | \$6,056.25 | BID TOTAL = \$ | 6,056.25 |
| | | | | ADVANCE PAYMENT = | \$908.44 | | |

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

ANY LISTED SPECIES BIOMASS 250.00 Tons 0.85 212.50

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

(N/A)

Price Adjustments:

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

Appraiser:

Joshua M. Donatell

TRACT B6 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 20.8

Permit Number: B013930
Expiration Date: 05/31/2021

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

NENE of Section 34 - Township 60, Range 24W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 84 | |
|--|-------------------------|--------|------|-------------------|-------------|----------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + NORWAY PINE | WOODSRUN MIXED PRODUCTS | 400.00 | Cd | 25.44 | 10,176.00 | 46.81 | 18,724.00 |
| + TREMBLING ASPEN | PULPWOOD | 130.00 | Cd | 22.80 | 2,964.00 | 41.95 | 5,453.50 |
| NORTHERN HARDWOODS | PULPWOOD | 20.00 | Cd | 12.35 | 247.00 | 12.35 | 247.00 |
| BALSAM FIR | PULPWOOD | 10.00 | Cd | 14.25 | 142.50 | 14.25 | 142.50 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | \$13,529.50 | BID TOTAL = \$ | 24,567.00 |
| | | | | ADVANCE PAYMENT = | \$2,029.43 | | |

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

ANY LISTED SPECIES BIOMASS 229.00 Tons 1.00 229.00

Mixed Species Description:

Northern Hardwoods Pulpwood includes: Paper Birch 60%; Red Maple 40%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 37%; Pulpwood 58%; Sawlog-Grade 3 5%.

Cutting and Felling:

- In the pine thinning stand, forwarding or tree length skidding only. No skidding with branches allowed and trees may have to be cut into shorter lengths before skidding. In the pine final harvest, skidding trees with branches will be allowed.

Season of Operations:

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

Sale Conditions:

- Access is across State land.
- Sale is accessible by a recreational trail off county road 310. A driveway accessed by crossing private land from 310 may be used, but permission to cross must be obtained by permittee from the landowner.

Marketing Conditions:

Summer accessible off of County road 310.
Stand prices adjusted for thinning and road considerations.

Price Adjustments:

- Road Construction Costs: +5%
- Haul Distance to Nearest Mill: 0%
- Stand Density: -10%
- Operational Constraints: 0%
- Other Price Factor: 0%

Appraiser:

Michael Shearen

TRACT B7 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 61.1

Permit Number: B013931
Expiration Date: 05/31/2021

Purchased By: Randy J. Erickson
Address: 45782 State Hwy 6, Deer River, MN 56636

GL09 of Section 2; GL01, GL02, GL03, GL04, GL05, GL06 of Section 11 - Township 146, Range 25W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 15 | |
|--|--------------|--------|------|-------------------|----------|-------------|--------------------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + ASPEN SPECIES | PULPWOOD | 490.00 | Cd | 17.49 | 8,570.10 | 20.11 | 9,853.90 |
| + ASH | PULP & BOLTS | 205.00 | Cd | 8.81 | 1,806.05 | 10.13 | 2,076.65 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | | \$10,376.15 | BID TOTAL = \$ 11,930.55 |
| | | | | ADVANCE PAYMENT = | | \$1,556.42 | |

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

ANY LISTED SPECIES BIOMASS 339.00 Tons 0.75 254.25

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 17%; Trembling Aspen 83%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.

Season of Operations:

- Frozen ground access across county and State Land.
- Harvest restriction of Feb 1 for operations within 660' of stick nests.

Sale Conditions:

- Access crosses Public Waters. A Permit is not required if using a snow / ice bridge.
- Permission to cross county land must be obtained by permittee.

Marketing Conditions:

A ditch or Grouse Creek will need to be crossed to access the sale. Price guide factors adjusted to reflect this difficulty. Time restrictions will be waived if nests are not active the year of the harvest. Neither nest was active in 2018.

Price Adjustments:

- Road Construction Costs: -15%
- Haul Distance to Nearest Mill: 0%
- Stand Density: -5%
- Operational Constraints: -5%
- Other Price Factor: 0%

Appraiser:

Daniel D. Hertle

TRACT B8

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 218.2

Permit Number: B013932
Expiration Date: 05/31/2022

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

NENE,NENW,NESW,NWNE,NWNW,NWSE,NWSW,SENE,SENW,SWNE,SWNW of Section 22 - Township 150, Range 25W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 0 | |
|-----------------|--------------|----------|------|------------|-----------|------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + BLACK SPRUCE | PULP & BOLTS | 4,225.00 | Cd | 17.64 | 74,529.00 | 17.64 | 74,529.00 |
| + TAMARACK | PULP & BOLTS | 940.00 | Cd | 8.28 | 7,783.20 | 8.28 | 7,783.20 |
| BALSAM FIR | PULPWOOD | 40.00 | Cd | 13.50 | 540.00 | 13.50 | 540.00 |
| PAPER BIRCH | PULPWOOD | 30.00 | Cd | 11.70 | 351.00 | 11.70 | 351.00 |
| TREMBLING ASPEN | PULPWOOD | 30.00 | Cd | 21.60 | 648.00 | 21.60 | 648.00 |

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$83,851.20 BID TOTAL = \$ 83,851.20
ADVANCE PAYMENT = \$12,577.68

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

ANY LISTED SPECIES BIOMASS 2,585.00 Tons 1.00 2,585.00

Mixed Product Description:

Black Spruce Pulp & Bolts includes: Bolts 5%; Pulpwood 95%.
Tamarack Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.

Cutting and Felling:

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

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Sale appraised by Mike Shearen and Trevor Adams.

Price Adjustments:

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

Appraiser:

Michael Shearen

TRACT B9 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 26.6

Permit Number: B013933
 Expiration Date: 05/31/2021

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

GL03 of Section 34 - Township 150, Range 27W.
 GL03,SWNW of Section 34 - Township 150, Range 27W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 26 | |
|-------------------|--------------|--------|------|------------|-----------|------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + TREMBLING ASPEN | PULP & BOLTS | 545.00 | Cd | 20.40 | 11,118.00 | 25.70 | 14,006.50 |
| SUGAR MAPLE | PULPWOOD | 25.00 | Cd | 11.05 | 276.25 | 11.05 | 276.25 |
| BASSWOOD | PULP & BOLTS | 20.00 | Cd | 8.84 | 176.80 | 8.84 | 176.80 |
| ASH | PULP & BOLTS | 15.00 | Cd | 9.99 | 149.85 | 9.99 | 149.85 |
| PAPER BIRCH | PULPWOOD | 13.00 | Cd | 11.05 | 143.65 | 11.05 | 143.65 |

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$11,864.55
 ADVANCE PAYMENT = \$1,779.68
 BID TOTAL = \$ 14,753.05

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

ANY LISTED SPECIES BIOMASS 289.00 Tons 0.85 245.65

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.
 Basswood Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.
 Trembling Aspen Pulp & Bolts includes: Bolts 27%; Pulpwood 73%.

Cutting and Felling:

- Harvest aspen and birch 2 sticks and larger (Cutting Block 1).
- Harvest aspen, maple, basswood and ash 2 sticks and larger by selective thinning. Reduce basal area from 140 to 75 by preferring the removal of aspen (Cutting Block 2).
- Reserve all oak and spruce. Reserve small, young hardwoods for future crop and seed trees. Reserve aspen where needed for basal area goal (Cutting Block 2).
- Reserve oak, pine, spruce, maple and balsam fir (Cutting Block 1).
- Damaged reserve trees will be charged according to the liquidated damages schedule. Damage is defined as 10% of stem circumference and greater than 30% of live crown (Cutting Blocks 1 and 2).

Season of Operations:

- Conduct felling on dry / frozen soil conditions only, except with written permission from State (Cutting Block 2).
- Conduct sale operations on dry / frozen soil conditions only, except with written permission from State (Cutting Block 1).
- Permittee is responsible for the Dishpan WMA water control structure that must be crossed to access the permit. Frozen ground hauling may be required (Cutting Block 2).

Slash Disposal:

- Water bars and slash mats may be required on steep terrain for erosion control (Cutting Block 2).

Site, Soil and Water Protection:

- Water bars and slash mats may be required for erosion control (Cutting Block 1).

Sale Conditions:

- Access is across USFS land (Cutting Block 1).
- Access is across USFS and State land (Cutting Block 2).
- Access consists of using USFS road #2240 (Cutting Blocks 1 and 2).

Marketing Conditions:

Rolling and steep terrain on both cutting blocks may limit operations to snow free periods.
Price reduction is for topography and thinning constraints.

Price Adjustments:

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

Appraiser:

Scott A. Bergloff

(Appraisal ID 13896-0; Cutting Block ID 16271-0, 16265-0)

TRACT B10

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 70.1

Permit Number: B013934
Expiration Date: 05/31/2021

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

NENE,NWNE,SWNE of Section 16 - Township 152, Range 28W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 96 | |
|---|--------------|----------|------|-------------------|-------------|----------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + ASPEN SPECIES | PULP & BOLTS | 1,625.00 | Cd | 23.52 | 38,220.00 | 46.10 | 74,912.50 |
| + ASH | PULP & BOLTS | 110.00 | Cd | 11.05 | 1,215.50 | 21.66 | 2,382.60 |
| + PAPER BIRCH | PULP & BOLTS | 70.00 | Cd | 14.05 | 983.50 | 27.54 | 1,927.80 |
| RED MAPLE | PULPWOOD | 20.00 | Cd | 13.00 | 260.00 | 13.00 | 260.00 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | \$40,679.00 | BID TOTAL = \$ | 79,482.90 |
| | | | | ADVANCE PAYMENT = | \$6,101.85 | | |

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

ANY LISTED SPECIES BIOMASS 865.00 Tons 1.00 865.00

Mixed Species Description:

Aspen Species Pulp & Bolts includes: Balm of Gilead 12%; Trembling Aspen 88%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 15%; Pulpwood 85%.
Aspen Species Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.
Paper Birch Pulp & Bolts includes: Bolts 15%; Pulpwood 85%.

Cutting and Felling:

- Harvest aspen species, birch and maple 2 sticks and larger. Harvest ash 10" diameter and larger.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Best access is across private.

Price Adjustments:

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

Appraiser:

Scott A. Bergloff

TRACT B11

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 94.6

Permit Number: B013935
Expiration Date: 05/21/2021

Purchased By: Krueth Logging
Address: 38981 Fireweed Lane NE, Kelliher, MN 56650

NWSW,SESW,SWSW of Section 2; NENW,NWNW of Section 11 - Township 152, Range 28W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 20 | |
|--|-------------------------|----------|------|-------------------|-----------|-------------|--------------------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + MIXED SPRUCE | WOODSRUN CORDWOOD | 1,245.00 | Cd | 18.05 | 22,472.25 | 21.66 | 26,966.70 |
| + TAMARACK | WOODSRUN MIXED PRODUCTS | 460.00 | Cd | 9.88 | 4,544.80 | 11.86 | 5,455.60 |
| + ASPEN SPECIES | WOODSRUN CORDWOOD | 240.00 | Cd | 22.04 | 5,289.60 | 26.45 | 6,348.00 |
| + BALSAM FIR | WOODSRUN CORDWOOD | 240.00 | Cd | 14.25 | 3,420.00 | 17.10 | 4,104.00 |
| WHITE CEDAR | WOODSRUN CORDWOOD | 50.00 | Cd | 5.70 | 285.00 | 5.70 | 285.00 |
| PAPER BIRCH | WOODSRUN CORDWOOD | 30.00 | Cd | 12.35 | 370.50 | 12.35 | 370.50 |
| ASH | WOODSRUN CORDWOOD | 5.00 | Cd | 9.50 | 47.50 | 9.50 | 47.50 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | | \$36,429.65 | BID TOTAL = \$ 43,577.30 |
| | | | | ADVANCE PAYMENT = | | \$5,464.45 | |

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

ANY LISTED SPECIES BIOMASS 1,023.00 Tons 0.95 971.85

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 20%; Trembling Aspen 80%.
Mixed Spruce Woodsrun Cordwood includes: Black Spruce 95%; White Spruce 5%.

Mixed Product Description:

Tamarack Woodsrun Mixed Products includes: Pulpwood 92%; Sawtimber 8%.

Season of Operations:

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

Sale Conditions:

- Access is across county and State land.
- Permission to cross county land must be obtained by permittee.
- Best access is through private land. Negotiation of right to access across private land will be the responsibility of the permittee.

Marketing Conditions:

- Spruce averages 7" dbh and 5 sticks.
- Aspen averages 12" dbh and 5 sticks with occasional trees to 24" dbh.
- Balsam fir averages 6" dbh and 3 sticks.
- Tamarack averages 11" dbh and 5 sticks with occasional trees to 17" dbh.
- Paper birch averages 6" dbh and 3 sticks.
- Black ash averages 8" dbh and 4 sticks.
- Cedar averages 6" dbh and 3 sticks.

Price adjusted -5% due to poor access.

Price Adjustments:

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

Other Price Factor: 0%

Appraiser:

Elias Rasch Anoszko

(Appraisal ID 13471-0; Cutting Block ID 15735-0)

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

DEER RIVER AREA

The right is reserved to reject any and all bids.

For the Commissioner
MINNESOTA DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Signature
Division Of Forestry
Dated: June 1, 2018

- SUMMARY SHEET -

06/01/2018 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 06/01/2018

DEER RIVER AREA

SUMMARY FOR SOLD TRACTS

| PRODUCT | SPECIES | TOTAL VOLUME | UNIT | SOLD AVERAGE UNIT PRICE | TOTAL SOLD \$ VALUE |
|-------------------------|-------------------------------|--------------|------|-------------------------|---------------------|
| PULP & BOLTS | ASH | 330.00 | Cd | 13.97 | 4,609.10 |
| | ASPEN SPECIES | 1,625.00 | Cd | 46.10 | 74,912.50 |
| | TREMBLING ASPEN | 545.00 | Cd | 25.70 | 14,006.50 |
| | PAPER BIRCH | 70.00 | Cd | 27.54 | 1,927.80 |
| | BASSWOOD | 20.00 | Cd | 8.84 | 176.80 |
| | JACK PINE | 5.00 | Cd | 9.00 | 45.00 |
| | BLACK SPRUCE | 4,225.00 | Cd | 17.64 | 74,529.00 |
| | TAMARACK | 940.00 | Cd | 8.28 | 7,783.20 |
| WOODSRUN MIXED PRODUCTS | NORWAY PINE | 923.00 | Cd | 44.11 | 40,710.00 |
| | TAMARACK | 460.00 | Cd | 11.86 | 5,455.60 |
| WOODSRUN CORDWOOD | ASH | 5.00 | Cd | 9.50 | 47.50 |
| | ASPEN SPECIES | 607.00 | Cd | 34.99 | 21,237.19 |
| | PAPER BIRCH | 45.00 | Cd | 13.22 | 594.75 |
| | BALSAM FIR | 240.00 | Cd | 17.10 | 4,104.00 |
| | WHITE CEDAR | 50.00 | Cd | 5.70 | 285.00 |
| | MIXED SPRUCE | 1,245.00 | Cd | 21.66 | 26,966.70 |
| PULPWOOD | ASPEN SPECIES | 1,249.00 | Cd | 21.02 | 26,248.30 |
| | TREMBLING ASPEN | 175.00 | Cd | 36.41 | 6,371.50 |
| | PAPER BIRCH | 109.00 | Cd | 11.62 | 1,266.85 |
| | NORTHERN HARDWOODS | 20.00 | Cd | 12.35 | 247.00 |
| | RED MAPLE | 20.00 | Cd | 13.00 | 260.00 |
| | SUGAR MAPLE | 25.00 | Cd | 11.05 | 276.25 |
| | BALSAM FIR | 50.00 | Cd | 13.65 | 682.50 |
| BIOMASS | ANY LISTED SPECIES (optional) | 6,120.00 | Tons | - | 0.00 |

TOTAL SOLD TRACTS CONVERTED TO CORDS: 12,983.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 239,753.40
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 312,743.04
TOTAL ACRES SOLD: 596.6
SOLD TRACT NUMBERS: 1, 2, 3, 4, 6, 7, 8, 9, 10, 11
TOTAL NUMBER OF TRACTS SOLD: 10

SUMMARY FOR UNSOLD TRACTS

| PRODUCT | SPECIES | TOTAL VOLUME | UNIT | APPRAISED AVERAGE UNIT PRICE | APPRAISED \$ VALUE |
|----------|-------------------------------|--------------|------|------------------------------|--------------------|
| PULPWOOD | ASH | 10.00 | Cd | 8.50 | 85.00 |
| | TREMBLING ASPEN | 190.00 | Cd | 20.40 | 3,876.00 |
| | PAPER BIRCH | 105.00 | Cd | 11.05 | 1,160.25 |
| | BASSWOOD | 100.00 | Cd | 6.80 | 680.00 |
| | BALSAM FIR | 20.00 | Cd | 12.75 | 255.00 |
| BIOMASS | ANY LISTED SPECIES (optional) | 250.00 | Tons | 0.85 | 212.50 |

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 425.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 6,056.25
TOTAL ACRES UNSOLD: 28.5
UNSOLD TRACT NUMBER: 5
TOTAL NUMBER OF TRACTS UNSOLD: 1