



Itasca Woodland Services, Inc.

P.O. Box 422 * Park Rapids, MN 56470

Phone: 218-252-8572 * Email: iws@wcta.net * Web: www.iwsconsulting.com

3-29-2016

To: Bernard McGarty, McGarty Flynn Family Ltd. Partnership
From: Stan Grossman, CEO Itasca Woodland Services, Inc.
Re: Timber Harvest

Bernard,

I believe we can set up a timber harvest that will attract the interest of loggers. With your approval, I intend to set up thinning operations in some of the pine stands you have. My hope is to offer at least 300 cords of wood in 3 or 4 separate locations. I also believe that you will have sufficient timber to sell in other stands in 1 or 2 years.

Assuming you would like to proceed, I will begin the field work of estimating timber volumes and formulating a bid package as soon as possible.

Please review, sign, and return one copy of the enclosed "Timber Sale Administration Contract" at your earliest convenience and return to the address listed above and on the contract.

If you have any questions please call or email me. Thanks again!

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stan Grossman', written in a cursive style.

Stan Grossman

Enc.: Timber Sale Administration Contract (2)

Invoice

Date: 6/23/2016
Job Number: Timber Harvest Administration

TO: Bernard McGarty, McGarty/Flynn Ltd. Partnership
From: Stan Grossman

Itasca Woodland Services, Inc.

3015 S. Hwy. 169

Grand Rapids, MN 55744

218-252-8572

email = iws@wcta.net

website = www.itascawoodlandservices.com

new address

ITEM NO.	QTY	DESCRIPTION	UNIT	UNIT PRICE	TOTAL
One		Initial Fee for services			\$ 750.00
Total:					\$ 750.00

Thank you!
Stan G.

Itasca Woodland Services, Inc.

Serving People, Caring for Nature

PO box 422. *Park Rapids, MN 56470 *

Cell= 218-252-8572 e-mail = iws@wcta.net

Timber Sale Administration Contract

This agreement is made and entered into between the parties listed below hereinafter called the LANDOWNER and the FORESTER

Landowner: MC GARTY-FLYNN FAMILY Limited Partnership
Address 109 S. 14th St.
LaCrosse, WI 54601
Phone: 608-784-4473

Forester name: Stan Grossman, CEO, Itasca Woodland Services, Inc.
Address PO box 422 Park Rapids, MN 56470
Phone: 218-252-8572

Section I: Services to be performed by Itasca Woodland Services:

- Estimate volumes of timber to be harvested
- Prepare and distribute formal bid for timber harvest and/or assist in obtaining a contractor to pay for and complete the harvest
- Create formal contract for timber harvest and oversee proper execution of harvest according to the terms outlined in the contract.
- Ensure harvest boundaries fall within landowners property lines
- Track and record actual volumes of timber removed during harvest
- Facilitate prompt payment to landowner from harvester.

Section II:

In return for the aforementioned services, the landowner agrees to pay Itasca Woodland Services, Inc. a total of 15% of the total gross income received from the value of the timber harvested. **There is a \$1500.00 minimum charge for any timber sale, with \$750 due immediately upon timber sale bid invitations being sent out or buyer is secured with a contract, whichever comes first.** Subsequent payments are to be made to forester within **15 days** of receipt of payment from timber buyer.

IN WITNESS WHEREOF, the parties have set their hands on the dates shown below.

WE HAVE READ AND UNDERSTAND THIS AGREEMENT INCLUDING ANY ATTACHMENTS, ADDITIONS, OR DELETIONS.

Approved and agreed to by the Landowner:

By B. M. Garty Partner
M. Garty-Flynn Partnership

Date: 4-2-16

Approved and agreed to by the Forester:

Stan Grossman

Date: 3-29-16

LANDOWNER and FORESTER must sign and date each copy

PRIVATE TIMBER HARVEST BID INVITATION

Seller Name			Seller address		
MC GARTY-FLYNN FAMILY LTD PTNSHP			109 SOUTH 14TH ST LA CROSSE, WI 54601		
Section	Township	Range	County	Township Name	PID #:
			Wadena	Meadow, Orton	Multiple

<u>Financial Responsibilities of Successful Bidder</u>	
Down Payment Requirement = 15% of Bid , due upon contract signing	
Performance/Damage Deposit = \$1000 , due upon moving equipment onto site	
<u>Slash Disposal Regulations:</u> TBD, both CTL and Conventional systems bids will be considered	
Bids must be submitted by: 7-15-2016	
Sale Acres: 87.5	Sale end date: 11-1-2017
Summer Harvest Option, after Aug. 15th. No operations between 3-15- to 8-15.	
Utilization requirements: Softwood Bolts = 6" top, Pulp = 4" top, Woodsrun = all products combined to 4" top.	

ESTIMATE OF TIMBER VOLUME

Species	Products	Estimated Volume	Units	Method of Scale	Bid/ Cord	Bid Value
Red Pine	Bolts	204	Cords	Consumer Scale	\$	\$
Red Pine	Pulpwood	118	Cords	Consumer Scale	\$	\$
Jack Pine	Woodsrun	230	Cords	Consumer Scale	\$	\$
Q. Aspen	Pulpwood	198	Cords	Consumer Scale	\$	\$
Birch	Woodsrun	32	Cords	Consumer Scale	\$	\$
Oak	Woodsrun	89	Cords	Consumer Scale	\$	\$
White Spruce	Woodsrun	25	Cords	Consumer Scale	\$	\$
	Total Cords	896	<u>Electronic bids will be accepted by scanning and emailing this completed form only. Paper bids also accepted</u>		Total Estimated Value	\$

Indicate Logging Method (ie CTL or Conventional): _____

Bidder Name: _____

Signature: _____

Address: _____

Phone: _____

Fill out and return only Page 1 when bidding.

---Harvest Prescriptions and Maps for individual Harvest Units are on following pages---

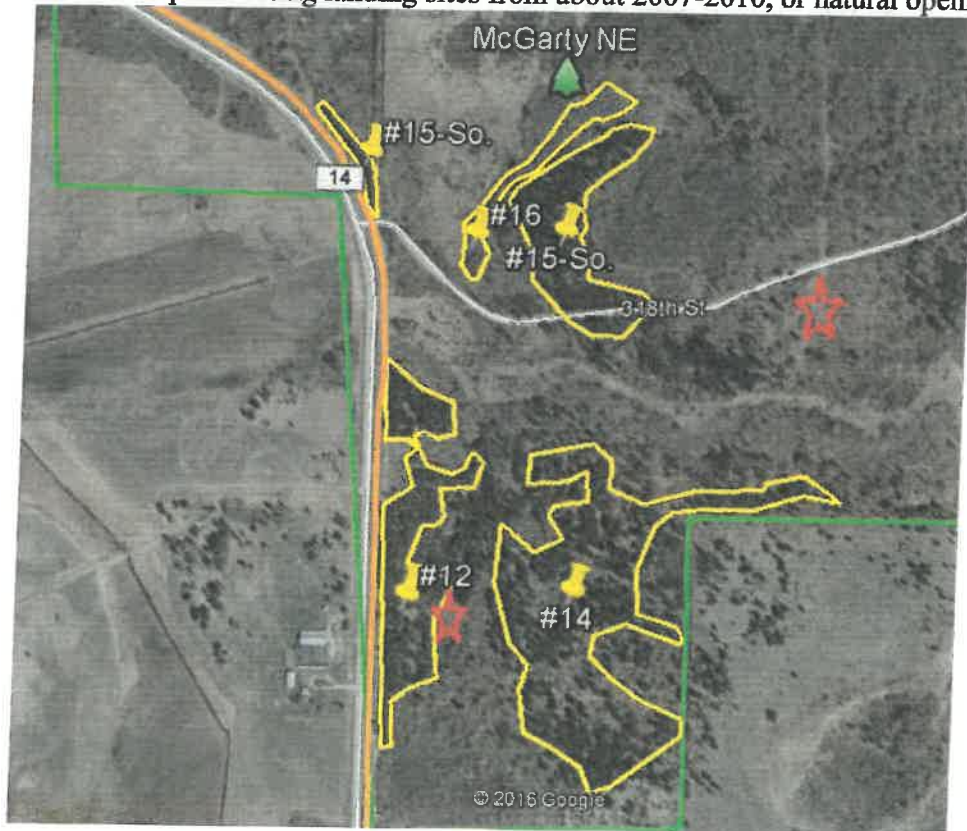
Overview Map of harvest locations

(Green polygons = Property boundaries (irrelevant landowners included), Yellow = harvest units)

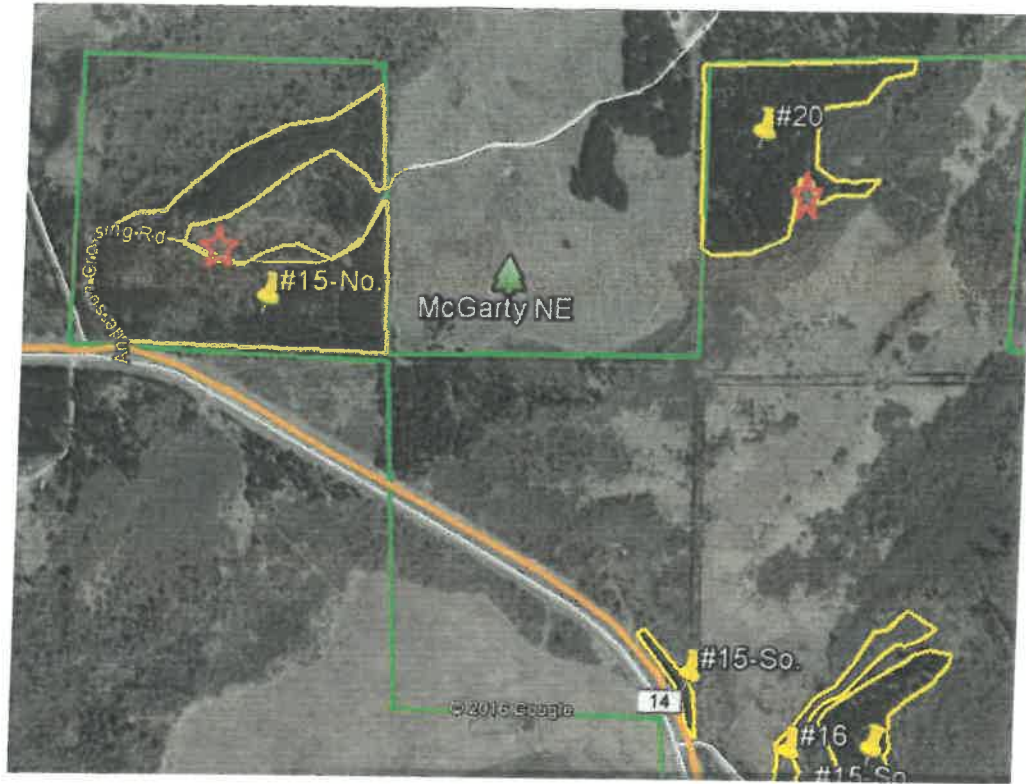


McGarty NE Harvest Units

(Red Stars are pre-existing landing sites from about 2007-2010, or natural openings)



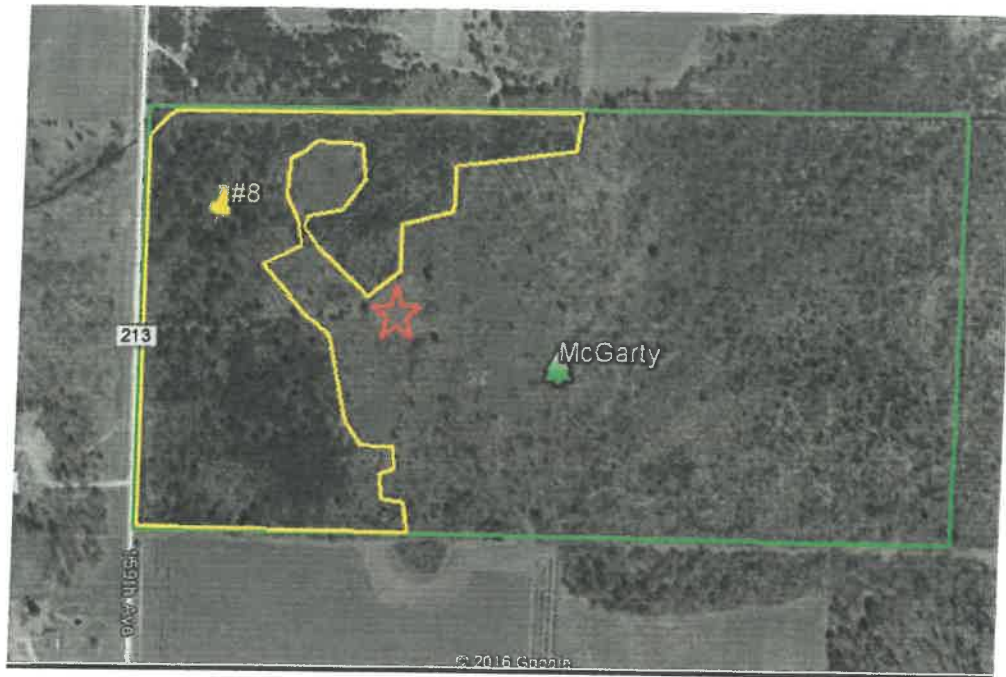
McGarty NE Harvest Units, Continued



McGarty South Harvest Unit



McGarty West Harvest Unit



Individual Stand Data and Harvest Prescriptions

Stand #12, 5.75 Acres

	Ave. Dia. (inches)	Dia. range (inches)	Ave. Ht. to 4" top (ft.)	Average Age		
Species					Product	Cords
Red Pine	10.5	7-16	34	40	Bolts	36
Red Pine					Pulp	20
					Total	56

Stand History/Condition: Previously thinned in uneven lanes. Current BA = 112.

Harvest Prescription: Harvest by removing 1/3 of the Red Pine volume, thinning from "below" and leaving the tallest, highest quality trees standing, logger select. Target BA of 75. Leave all other species standing and undamaged.

Stand #14, 14 Acres

	Ave. Dia. (inches)	Dia. range (inches)	Ave. Ht. to 4" top (ft.)	Average Age		
Species					Product	Cords
Red Pine	8.4	5-14	32	50	Bolts	11
Red Pine					Pulp	8
					Total	19

Stand History/Condition: Pockets and clusters of overcrowded Pine. Mostly hazel brush elsewhere.

Harvest Prescription: Harvest all paint marked trees. Trees to harvest are typically within overcrowded clusters and are all marked with bright blue paint on two sides. Non-merchantable trees with a blue "X" may be cut to access target trees.

Stand #15-So., 5.5 Acres

	Ave. Dia. (inches)	Dia. range (inches)	Ave. Ht. to 4" top (ft.)	Average Age		
Species					Product	Cords
Red Pine	7.5	5-10	26	35	Bolts	37
Red Pine					Pulp	21
Aspen	7	5-8	24	35	Pulp	13
Jack Pine	8	7-9	32	35	Woodsrun	3
					Total	74

Stand History/Condition: Previously thinned by cutting parallel lanes. Current BA=142

Harvest Prescription: Harvest all Aspen and Jack pine. Thin Red pine to 75 BA average, thinning from "below", logger select. Leave all Oaks and Birch standing and undamaged.

Stand #15-No., 16.7 Acres

	Ave. Dia. (inches)	Dia. range (inches)	Ave. Ht. to 4" top (ft.)	Average Age		
Species					Product	Cords
Red Pine	8	5-13	26	35	Bolts	60
Red Pine					Pulp	28
Jack Pine	8	6-9	24	35	Woodsrun	26
Aspen	8.5	7-10	32	35	Pulp	38
Oak	7	6-8	8	35	Woodsrun	5
Birch	7	5-10	20	35	Woodsrun	7
White Spruce	6	5-9	13	25	Woodsrun	10
					Total	174

Stand History/Condition: Parts of Red pine areas within stand have been previously row thinned. White spruce areas have not. Some Pine and Spruce overtopped by Oak and Birch.

Harvest Prescription:

- Where Pine was previously thinned, remove every third *tree* within existing rows. Elsewhere remove every third *row*. Leave any Red pine greater than 13 inches in diameter standing and undamaged.
- Harvest all Aspen and Jack pine.
- Harvest any Oak or Birch that has at least one 8 foot merchantable stick and is overtopping or adjacent to (crowns touching) Pine or Spruce.
- Harvest one third of White spruce, logger select.

Stand #16, 1.6 Acres

	Ave. Dia. (inches)	Dia. range (inches)	Ave. Ht. to 4" top (ft.)	Average Age		
Species					Product	Cords
Aspen	7.8	5-13	22	35	Pulp	31
Jack Pine	11	11-12	40	45	Woodstrun	2
					Total	33

Harvest Prescription: Harvest all Aspen and Jack pine. Leave all others species standing and undamaged.

Stand #20, 9.75 Acres

	Ave. Dia. (inches)	Dia. range (inches)	Ave. Ht. to 4" top (ft.)	Average Age		
Species					Product	Cords
Jack Pine	7.5	5-12	29	45	Woodstrun	170
					Total	170

Harvest Prescription: Harvest all Jack pine, leave all other species standing and undamaged

Stand #7, 12.2 Acres

	Ave. Dia. (inches)	Dia. range (inches)	Ave. Ht. to 4" top (ft.)	Average Age		
Species					Product	Cords
Red Pine	7.5	5-10	26	34	Bolts	50
Red Pine					Pulp	30
White Spruce	6	5-8	16	34	Woodstrun	4
Aspen	6	5-8	24	34	Pulp	15
Birch	6	6-7	12	34	Woodstrun	3
Jack pine	10.5	10-11	32	40	Woodstrun	18
					Total	120

Stand History/Condition: Stand not previously thinned. Current total stand BA = 117

Harvest Prescription: Harvest every third row of Red pine and White spruce, and all Aspen, Birch, and Jack pine. Harvest any Oak with at least one 8 foot merchantable stick that is overtopping or adjacent to (crowns touching) conifers. Leave all other Oak, and Red Pines over 12 inch diameter standing and undamaged.

Stand #8, 22 Acres

	Ave. Dia. (inches)	Dia. range (inches)	Ave. Ht. to 4" top (ft.)	Average Age		
Species					Product	Cords
Red Pine	7	5-8	22	34	Bolts	10
Red Pine					Pulp	11
White Spruce	5	5-6	12	34	Woodsrun	11
Aspen	8	5-11	20	34	Pulp	101
Birch	8.5	8-9	28	34	Woodsrun	22
Jack pine	9.5	9-10	32	45	Woodsrun	11
Oak	9	5-16	16	45	Woodsrun	84
					Total	250

Stand History/Condition: Stand not previously thinned. Current total stand BA = 117

Harvest Prescription: Harvest every third row of Red pine and White spruce where present, and all Aspen, and Jack pine. Harvest any Birch and Oak with at least one 8 foot merchantable stick that is overtopping or adjacent to (crowns touching) conifers. Leave all other Oak and Birch, and Red Pines over 12 inch diameter standing and undamaged.

Private Forest Management TIMBER SALE CONTRACT

(This form is one of many available for this purpose. Please contact your attorney for legal advice.) This agreement is made and entered into between the parties below hereinafter called the SELLER and the PURCHASER.

Seller Name	Address	Telephone No.
MC GARTY-FLYNN FAMILY LTD PTNSHIP	109 SOUTH 14TH ST LA CROSSE, WI 54601	608-784-4473

Purchaser Name	Address	Telephone No.
Hodgdon Logging, Inc.	38114 Twin Lakes Rd. Menahga, MN 56464	218-639-1574

Section I:

Sale acres	Sec.	Twp.	Rge.	County	Sale end date or cutting period
87.5	30 & 35	137	34	Wadena	11-1-2017
	7,8,17	137	33	Wadena	

Amount Purchaser agrees to Pay Seller:
\$26,045.00

Down payment amount; (Due upon signing of this contract.)
\$3906.75

Refundable performance deposit: (Due prior to moving machinery on site)
\$1000.00

SECTION II: THE SELLER AGREES TO SELL and the Purchaser agrees to buy, under the terms and conditions hereinafter stated, all the timber marked or designated by the Seller, as estimated in SECTION V, on certain lands held by the Seller as described in Section I.

SECTION III: THE PURCHASER AGREES TO PAY the seller the amounts specified in Section I, more or less, as may be determined by the actual scale at the rate and by the method specified in SECTION V. The Purchaser also agrees to pay the Seller a separate refundable deposit as specified in SECTION I, to guarantee the performance of SECTIONS IV, V and VI.

SECTION IV: UPON RECEIPT OF THE DOWN-PAYMENT, and the signature of both parties, this agreement becomes effective. The Purchaser agrees to pay the Seller a down-payment in the amount specified in SECTION I when the contract is signed. The balance of the actual value of timber removed shall be paid within 15 days of completion of logging operations and the receipt of all consumer load reports for this sale.

SECTION V: ALL TIMBER DESIGNATED BELOW SHALL BE CUT and removed before the date specified in SECTION I unless extension of time is requested and granted in writing. Sale expiration shall occur on this date or before if all products have been cut, removed, and final payment completed. The Purchaser is liable for the full bid price for all timber listed below, including any uncut or not removed at sale expiration. This liability shall continue notwithstanding injury to the timber from natural causes, Acts of God, or human acts including vandalism or theft. All rights to remaining products, cut or uncut, revert to the Seller at sale expiration.

Species	Products	Estimated Volume	Units	Method of Scale	Bid Price	Bid Value
Red Pine	Bolts	204	Cords	Consumer Scale	\$ 37.50	\$ 7650.00
Red Pine	Pulpwood	118	Cords	Consumer Scale	\$ 22.50	\$ 2655.00
Jack Pine	Woodsrn	230	Cords	Consumer Scale	\$ 30.00	\$ 6900.00
Q. Aspen	Pulpwood	198	Cords	Consumer Scale	\$ 32.50	\$ 6435.00
Birch	Woodsrn	32	Cords	Consumer Scale	\$ 10.00	\$ 320.00
Oak	Woodsrn	89	Cords	Consumer Scale	\$ 15.00	\$ 1335.00
White Spruce	Woodsrn	25	Cords	Consumer Scale	\$ 30.00	\$ 750.00
	Total	896			Total Est. Value	\$ 26,045.00

MC GARTY-FLYNN FAMILY LTD/HODGDEN LOGGING TIMBER HARVEST CONTRACT

SECTION VI:

Cutting Regulations:

- No sale operations allowed between March 15th and August 15th. Operate during non-rutting soil conditions only. Harvest operations may be suspended at the discretion of Itasca Woodland Services, Inc. (hereafter IWS) or its representative(s). Gouges caused by dragging trees is NOT rutting.

Damage to property that would justify withholding of performance deposit includes, but is not limited to:

- Broken gates, deer stands, or other fixed, manmade structures on or adjacent to property.
- Unrepaired road rutting or unrepairable rutting in the woods. Road rut tolerance = Up to 4 inches deep with a maximum rut length of 15 feet. Harvest and surrounding area(s) rut tolerance = Up to 8 inches with a maximum rut length of 15 feet.
- Damage to residual trees that exceeds typical industry standards, as determined by IWS.
- Any other unreasonable damage to the environment, real or personal property that will incur an expense to replace or restore said damaged feature to its original condition. "Unreasonable" damage will be determined by IWS.

General Sale-wide Cutting Regulations:

- Open and clear communication must be maintained with the forester at all times regarding estimated starting and finishing dates, procedural problems and questions, etc.
- Landing sites and skid trails must meet with the approval of the landowner and/or forester.
- Merchantable trees listed for sale (cut or standing) that are not utilized will be charged double stumpage rates

IN WITNESS WHEREOF, the parties hereto have set their hands on the dates shown below.
WE HAVE READ AND UNDERSTAND THIS AGREEMENT INCLUDING THE REVERSE SIDE AND ANY ATTACHMENTS, ADDITIONS, OR DELETIONS.

COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, together shall constitute one and the same instrument.

Approved and agreed to by the Seller: M^c Garty, Flynn Partnership by B. ^{M^c Garty, Flynn} Date: 7-30-16

Approved and agreed to by the Purchaser: [Signature] Date: 8/3/16

All stand level harvest prescriptions and associated maps are found on pages 3-6.

Stand #12, 5.75 Acres

Harvest Prescription: Harvest by removing 1/3 of the Red Pine volume, thinning from “below” and leaving the tallest, highest quality trees standing, logger select. Target BA of 75. Leave all other species standing and undamaged.

Stand #14, 14 Acres

Harvest Prescription: Harvest all paint marked trees. Trees to harvest are typically within overcrowded clusters and are all marked with bright blue paint on two sides. Non-merchantable trees with a blue “X” may be cut to access target trees.

Stand #15-So., 5.5 Acres

Harvest Prescription: Harvest all Aspen and Jack pine. Thin Red pine to 75 BA average, thinning from “below”, logger select. Leave all Oaks and Birch standing and undamaged.

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Harvest Prescription:

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- Harvest all Aspen and Jack pine.
- Harvest any Oak or Birch that has at least one 8 foot merchantable stick and is overtopping or adjacent to (crowns touching) Pine or Spruce.
- Harvest one third of White spruce, logger select.

Stand #16, 1.6 Acres

Harvest Prescription: Harvest all Aspen and Jack pine. Leave all others species standing and undamaged.

Stand #20, 9.75 Acres

Harvest Prescription: Harvest all Jack pine, leave all other species standing and undamaged

Stand #7, 12.2 Acres

Harvest Prescription: Harvest every third row of Red pine and White spruce, and all Aspen, Birch, and Jack pine. Harvest any Oak with at least one 8 foot merchantable stick that is overtopping or adjacent to (crowns touching) conifers. Leave all other Oak, and Red Pines over 12 inch diameter standing and undamaged.

Stand #8, 22 Acres

Harvest Prescription: Harvest every third row of Red pine and White spruce where present, and all Aspen, and Jack pine. Harvest any Birch and Oak with at least one 8 foot merchantable stick that is overtopping or adjacent to (crowns touching) conifers. Leave all other Oak and Birch, and Red Pines over 12 inch diameter standing and undamaged.

Overview Map of harvest locations

(Green polygons = Property boundaries (irrelevant landowners included), Yellow = harvest units)

→ (printed orange)

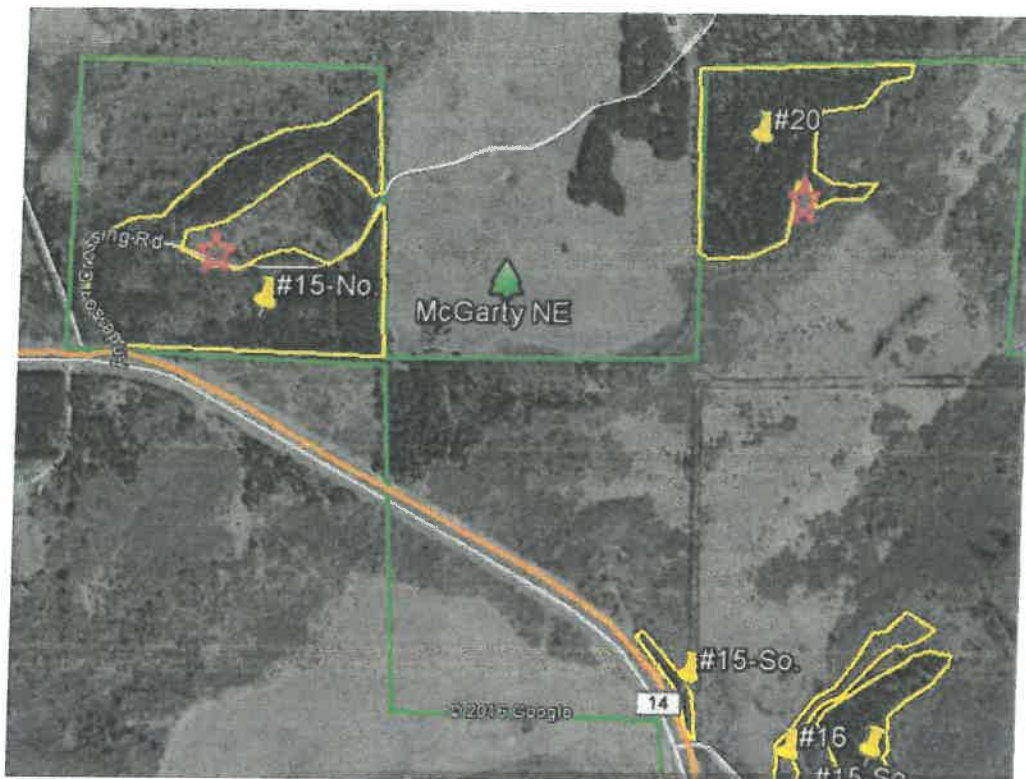


McGarty NE Harvest Units

(Red Stars are pre-existing landing sites from about 2007-2010, or natural openings)



McGarty NE Harvest Units. Continued



McGarty South Harvest Unit



McGarty West Harvest Unit

