



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Palisade, MN at 9:00 AM on Monday, June 13, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Long Lake Conservation Center in Palisade, 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
AITKIN AREA

9:00 AM on June 13, 2016
Long Lake Conservation Center in Palisade, 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 13, 2017, at the following Area Headquarters: Aitkin Area.

TRACT B1

COUNTY: AITKIN

AREA: AITKIN AREA

ACRES: 50.0

Permit Number: B013326
Expiration Date: 05/31/2019

Purchased By: Sappi Cloquet LLC

Address: 20 N. 22nd Street Wood Fiber & Fuel Proc, Cloquet, MN 55720

NESE, SENE of Section 35; NENW, NWNE, NWSW, SENW, SWNE, SWNW of Section 36 - Township 48, Range 22W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 120	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	960.00	Cd	21.68	20,812.80	47.70	45,792.00
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	405.00	Cd	11.56	4,681.80	25.43	10,299.15
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$25,494.60	BID TOTAL = \$ 56,091.15
				ADVANCE PAYMENT =		\$3,824.19	

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

ANY LISTED SPECIES BIOMASS 650.00 Tons 1.00 650.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 75%; Trembling Aspen 25%.

Mixed Product Description:

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

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.
- Frozen ground access across state.

Sale Conditions:

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

Marketing Conditions:

This sale is located 3 miles south of Tamarack on 115th Place, and includes 4 miles of secondary roads to reach MN Hwy 210.

The wood is good quality. The aspen averages 9-12 inches and 4-6 sticks with some larger diameter wood present. The Birch is 8-12 inch diameter and 4 sticks.

Access to the sale is fairly good, with little road building needed across the swamp.

Price Adjustments:

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

Appraiser:

Derek Duane Wagner

TRACT B2 COUNTY: AITKIN AREA: AITKIN AREA ACRES: 213.0

Permit Number: B013327 Purchased Over-the-Counter Date: 06/14/2016
Expiration Date: 05/31/2019

Purchased By: Croatt Enterprises Inc.
Address: PO Box 821087 State 6 NE, Outing, MN 56662

GL05, GL06, SESE of Section 28; GL07, GL08, GL09, GL10, NENE of Section 33 - Township 48, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORTHERN HARDWOODS	WOODSRUN MIXED PRODUCTS	1,345.00	Cd	10.31	13,866.95	10.31	13,866.95
+ ASPEN SPECIES	WOODSRUN CORDWOOD	410.00	Cd	19.37	7,941.70	19.37	7,941.70
MIXED CONIFERS	WOODSRUN CORDWOOD	67.00	Cd	11.28	755.76	11.28	755.76
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$22,564.41	BID TOTAL = \$ 22,564.41
				ADVANCE PAYMENT =		\$3,384.66	

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

ANY LISTED SPECIES BIOMASS 1,010.00 Tons 1.00 1,010.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 1%; Paper Birch 1%; Trembling Aspen 98%.
Mixed Conifers Woodsrun Cordwood includes: Norway Pine 63%; White Spruce 37%.
Northern Hardwoods Woodsrun Mixed Products includes: Ash 28%; Basswood 22%; Bur Oak 36%; Red Maple 3%; Silver Maple 10%; Sugar Maple 1%.

Mixed Product Description:

Northern Hardwoods Woodsrun Mixed Products includes: Bolts 14%; Pulpwood 86%.

Season of Operations:

- Conduct sale operations on Frozen soil conditions only, except with written permission from State.
- Frozen ground access across state and private.

Sale Conditions:

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

Marketing Conditions:

This sale is located 1 mile west of the intersection of U.S. hwy 169 and MN hwy 210, or 8 miles north of Aitkin.

The group selection areas are 90ft radius clear-cuts reserving the orange painted center tree to create 1/2 acre gaps. The harvest volumes in the gaps averages 27 cds/ac. With a mixture of northern hardwoods that ranges from 4-6 sticks and 8-22 inch diameter.

The aspen and ash clear-cut area is 33 cd/ac with the aspen being 5-7 sticks and 12-14 inch diameter. The ash is 4-5 sticks and 9-12 inch diameter.

The Pine thinning is a first time row thinning removing every 3rd row to remove 1/3 of the volume. The Norway pine averages 4-5 sticks and the spruce averages 3 sticks. 14.5 cds/ac will be removed.

There is also 372 cords of additional timber 1/2 mile to the north that will be available as an informal sale due to potential access issues across private land (see map). This additional timber consists of 340 cords of northern hardwoods and 32 cords of aspen.

Price Adjustments:

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

Appraiser:

Steven Anthony Sovinski

(Appraisal ID 11868-0; Cutting Block ID 13871-0)

TRACT B3

COUNTY: AITKIN

AREA: AITKIN AREA

ACRES: 117.2

Permit Number: B013328
Expiration Date: 05/31/2019

Purchased Over-the-Counter Date: 08/29/2016

Purchased By: Nistler Kowitz Logging Inc.

Address: 25263 - 420th Lane, Mcgregor, MN 55760

NENW,NESW,NWNE,NWNW,NWSE,NWSW,SENW,SWNE,SWNW of Section 11 - Township 50, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORTHERN HARDWOODS	WOODSRUN MIXED PRODUCTS	1,628.00	Cd	12.15	19,780.20	12.15	19,780.20
BALSAM FIR	WOODSRUN CORDWOOD	27.00	Cd	12.75	344.25	12.75	344.25
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$20,124.45	BID TOTAL = \$ 20,124.45
				ADVANCE PAYMENT =		\$3,018.67	

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

ANY LISTED SPECIES BIOMASS 915.00 Tons 1.00 915.00

Mixed Species Description:

Northern Hardwoods Woodsrun Mixed Products includes: Ash 7%; Basswood 24%; Largetooth Aspen 3%; Paper Birch 6%; Red Maple 15%; Red Oak 8%; Sugar Maple 26%; Trembling Aspen 10%; Yellow Birch 1%.

Mixed Product Description:

Northern Hardwoods Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.

Cutting and Felling:

- Harvest all trees marked with orange paint, Balsam Fir, and aspen within marked areas; all aspen, maple, birch, and balsam within clear-cut area; all trees within an 80 ft radius of marked center tree in circle cuts.
- Reserve all conifers except Balsam Fir throughout the sale and oak within small clear-cut area.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Aspen within sale is 12-14" diameter, 7 sticks. All hardwoods range in diameter from 6-18", with the majority over 8". Bolt percentage for all tree species varies between marked areas. Most of the sale is accessible from the Remote Lake Forest Road, which is north of Big Sandy Lake on the east side of county road 36. The southeast and western areas of the sale also have recreational trails and old skid trails along the edge. Sale is winter only due to sensitive plants within sale area.

Price Adjustments:

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

Appraiser:

Derek Duane Wagner

TRACT B4 COUNTY: AITKIN AREA: AITKIN AREA ACRES: 95.0
 Permit Number: B013329
 Expiration Date: 05/31/2019

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

GL01, GL02, NENE, NESE, SENE of Section 8; NWNW of Section 9 - Township 51, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 55	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	2,560.00	Cd	18.36	47,001.60	28.46	72,857.60
BALSAM FIR	WOODSRUN CORDWOOD	165.00	Cd	10.84	1,788.60	10.84	1,788.60
MAPLE SPECIES	WOODSRUN CORDWOOD	150.00	Cd	8.67	1,300.50	8.67	1,300.50
PAPER BIRCH	WOODSRUN CORDWOOD	105.00	Cd	8.67	910.35	8.67	910.35
ASH	WOODSRUN CORDWOOD	40.00	Cd	5.06	202.40	5.06	202.40
NORWAY PINE	WOODSRUN MIXED PRODUCTS	20.00	Cd	16.83	336.60	16.83	336.60

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$51,540.05 BID TOTAL = \$ 77,396.05
 ADVANCE PAYMENT = \$7,731.01

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

ANY LISTED SPECIES BIOMASS 1,420.00 Tons 1.00 1,420.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 2%; Trembling Aspen 98%.
 Maple Species Woodsrun Cordwood includes: Red Maple 20%; Sugar Maple 80%.

Mixed Product Description:

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

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Sale Location: From intersection of State Highway 65 and Aitkin County Highway 65, go SE on County 65, 3.4 miles to a county land department road. Go west on land department road 0.7 miles to pine plantation. Sale access requires extending the road 0.6 miles west through very steep terrain.

Another possible access is from 210th place and an existing logging road to the southwest of the sale. This access would require crossing approximately 50' of beaver flooded area.

Average Tree: Aspen 50 years old; 9-11", 7 stick

Majority of sale is summer wood, west finger will have to be cut in winter.

VERY DIFFICULT ACCESS AND STEEP TERRAIN ON SALE, AN ONSITE VISIT IS RECOMMENDED.

Sale cruised by Matt Huseby and Jeff Nelson.

Price Adjustments:

Road Construction Costs: -15%

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

Appraiser:

Matthew P. Huseby

(Appraisal ID 11913-0; Cutting Block ID 13981-0)

TRACT B5 COUNTY: AITKIN AREA: AITKIN AREA ACRES: 244.0

Permit Number: B013330
Expiration Date: 05/31/2020

Purchased By: Sandstrom Logging
Address: 12145 Garret Rd, Floodwood, MN 55736

SESE of Section 16; NESW,NWSW,SENW,SESW,SWNW,SWSE,SWSW of Section 15; NWNW,SWNW of Section 22; NENE,NENW,NWNE,NWNW,NWSE,SENE,SENW,SWNE of Section 21 - Township 52, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 71	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BASSWOOD	WOODSRUN MIXED PRODUCTS	1,895.00	Cd	14.05	26,624.75	24.03	45,536.85
+ MAPLE SPECIES	WOODSRUN MIXED PRODUCTS	745.00	Cd	10.98	8,180.10	18.78	13,991.10
+ ASH	WOODSRUN MIXED PRODUCTS	725.00	Cd	9.29	6,735.25	15.89	11,520.25
+ ASPEN SPECIES	WOODSRUN CORDWOOD	185.00	Cd	20.60	3,811.00	35.23	6,517.55
NORTHERN HARDWOODS	WOODSRUN MIXED PRODUCTS	45.00	Cd	14.12	635.40	14.12	635.40
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$45,986.50	BID TOTAL = \$	78,201.15
				ADVANCE PAYMENT =	\$6,897.98		

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

ANY LISTED SPECIES BIOMASS 1,975.00 Tons 1.00 1,975.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 2%; Largetooth Aspen 3%; Trembling Aspen 95%.
Maple Species Woodsrun Mixed Products includes: Red Maple 6%; Sugar Maple 94%.
Northern Hardwoods Woodsrun Mixed Products includes: American Elm 2%; Paper Birch 2%; Red Oak 94%; Yellow Birch 2%.

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 60%; Sawtimber 10%.
Basswood Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 50%; Sawtimber 20%.
Maple Species Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 80%.
Northern Hardwoods Woodsrun Mixed Products includes: Bolts 85%; Pulpwood 15%.

Season of Operations:

- Frozen ground access only.

Sale Conditions:

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

Marketing Conditions:

Sale located 4 miles East of Hill City on Hwy 200. Then 1.5 miles south down powerline and SE of Taylor Lake.

All wood varies from pole size to sawtimber throughout sale

Price Adjustments:

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

Appraiser:

Krista M. Starn

(Appraisal ID 11661-0; Cutting Block ID 13623-0)

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

AITKIN 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 13, 2016

- SUMMARY SHEET -

06/13/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/26/2017

AITKIN AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	ASH	725.00	Cd	15.89	11,520.25
	PAPER BIRCH	405.00	Cd	25.43	10,299.15
	MAPLE SPECIES	745.00	Cd	18.78	13,991.10
	NORTHERN HARDWOODS	3,018.00	Cd	11.36	34,282.55
	BASSWOOD	1,895.00	Cd	24.03	45,536.85
	NORWAY PINE	20.00	Cd	16.83	336.60
WOODSRUN CORDWOOD	ASH	40.00	Cd	5.06	202.40
	ASPEN SPECIES	4,115.00	Cd	32.35	133,108.85
	PAPER BIRCH	105.00	Cd	8.67	910.35
	MAPLE SPECIES	150.00	Cd	8.67	1,300.50
	BALSAM FIR	192.00	Cd	11.11	2,132.85
	MIXED CONIFERS	67.00	Cd	11.28	755.76
BIOMASS	ANY LISTED SPECIES (optional)	5,970.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 11,477.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 165,710.01
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 254,479.21
TOTAL ACRES SOLD: 719.2
TOTAL NUMBER OF TRACTS SOLD: 5