



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #3
ORAL BID

Notice is hereby given that I offered for sale at public auction in Park Rapids, MN at 1:45 PM on Tuesday, September 13, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Environmental Services Building in Park Rapids, 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
BEMIDJI AREA

1:45 PM on September 13, 2016
Environmental Services Building in Park Rapids, 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 September 13, 2017, at the following Area Headquarters: Bemidji Area.

TRACT B1 COUNTY: HUBBARD AREA: BEMIDJI AREA ACRES: 68.2

Permit Number: B013417
Expiration Date: 09/13/2017

Purchased By: Tim Kelm Logging Inc.
Address: 11921 Cardinal Rd NW, Bemidji, MN 56601

GL01, GL02, GL03, NESW, SWNE of Section 36 - Township 145, Range 35W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 455	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	1,550.00	Cd	8.35	12,942.50	46.34	71,827.00
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	50.00	Cd	4.40	220.00	4.40	220.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$13,162.50	BID TOTAL = \$	72,047.00
				ADVANCE PAYMENT =	\$1,974.38		

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

ANY LISTED SPECIES BIOMASS 950.00 Tons 0.40 380.00

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: American Elm 5%; Ash 10%; Basswood 30%; Bur Oak 30%; Paper Birch 10%; Red Maple 5%; Red Oak 10%.

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.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

This sale is located on the west side of Hennepin lake in Hubbard county on the south side of 470th st. The aspen has an 8 inch average dbh and the northern hardwoods average dbh is 7 inches. Approximately 50 percent of the aspen cordage on the sale is blown down or damaged and all of the northern hardwoods offered on the sale are damaged or blown down. About 80 percent of the blown down trees are uprooted and the other 20 percent have snapped off. This is a one year permit.

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: -10%
- Other Price Factor: -50% (50% blowdown)

Appraiser:

Joseph D. Blake

TRACT B2

COUNTY: CLEARWATER

AREA: BEMIDJI AREA

ACRES: 61.0

Permit Number: B013418
Expiration Date: 05/31/2018

Purchased By:
Address:

UNSOLD

GL01, GL02 of Section 2 - Township 145, Range 37W.
NWSW, SESW, SWSW of Section 36; SESE of Section 35 - Township 146, Range 37W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID:	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,130.00	Cd	8.30	9,379.00	8.30	9,379.00
ASH	WOODSRUN CORDWOOD	35.00	Cd	2.40	84.00	2.40	84.00
PAPER BIRCH	WOODSRUN CORDWOOD	15.00	Cd	4.10	61.50	4.10	61.50
BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	4.95	24.75	4.95	24.75
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	5.00	Cd	3.40	17.00	3.40	17.00
ANY LISTED SPECIES	BIOMASS	540.00	Tons	0.40	216.00	0.40	216.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$9,782.25 BID TOTAL = \$ 9,782.25
ADVANCE PAYMENT = \$1,467.34

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 3%; Trembling Aspen 97%.
Northern Hardwoods Woodsrun Cordwood includes: Basswood 99%; Red Maple 1%.

Marketing Conditions:

Approximately 33 miles SW of Bemidji off Highway 36. Near Upper Rice Lake. 40-50% blow down aspen. Average DBH 10", 5 stick aspen. Price is reduced 60% because of the blowdown. 3% of the Aspen spp is balm of Gilead.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -60%

Appraiser:

Morgan Lea Welter

TRACT B3 COUNTY: CLEARWATER AREA: BEMIDJI AREA ACRES: 24.5

Permit Number: B013419
Expiration Date: 05/31/2018

Purchased By: Richard Dukek Logging
Address: 28259 330th Street, Shevlin, MN 56676

NWSW,SWSW of Section 1 - Township 145, Range 37W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 130	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	455.00	Cd	8.35	3,799.25	19.21	8,740.55
ASH	WOODSRUN CORDWOOD	55.00	Cd	2.40	132.00	2.40	132.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$3,931.25	BID TOTAL = \$ 8,872.55
				ADVANCE PAYMENT =		\$589.69	

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

ANY LISTED SPECIES BIOMASS 210.00 Tons 0.40 84.00

Season of Operations:

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

Sale Conditions:

- Access is across state land.
- The sale will expire May 31, 2018 due to wind event salvage.

Marketing Conditions:

Approximately 33 miles WSW of Bemidji.
From US-2 go south onto County 2 for 10.5 miles.
Go west on County 36 4.5 miles to Kjo Rd.
Proceed 1.2 miles north to forest road gate. Sale is immediately to the east.
Aspen averages about 8 inches DBH and 5 sticks of merchantability.
About 35% of aspen is wind thrown or blown down.
Aspen volume contains 1% balm of Gilead.
Ash is variable but average about 7 inches DBH and 4 sticks of merchantability. There is a good amount of undamaged ash throughout the sale.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: -5%
Operational Constraints: -10%
Other Price Factor: -45% (Wind Damage)

Appraiser:

Joe Renik

TRACT B4

COUNTY: CLEARWATER

AREA: BEMIDJI AREA

ACRES: 12.0

Permit Number: B013420
Expiration Date: 09/13/2017

Purchased By: Mark I. Bellefy
Address: 22960 320th Street, Bagley, MN 56621

SWNE of Section 25 - Township 145, Range 38W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 150	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	500.00	Cd	8.35	4,175.00	20.88	10,440.00
+ BID SPECIES	* SOLD ON APPRAISED VOLUME						
					APPRAISED TOTAL =	\$4,175.00	BID TOTAL = \$ 10,440.00
					ADVANCE PAYMENT =	\$626.25	

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

ANY LISTED SPECIES	BIOMASS	300.00	Tons	0.40	120.00
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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 county land.
- Permission to cross county land must be obtained by permittee.

Marketing Conditions:

Sale is located 15 miles south of Bagley.
 Aspen averages 10" diameter, 6 sticks.
 Stand is 60% blowdown, mostly uprooted.
 Access is 3/4 mile of upland woods trail.

Price Adjustments:

Road Construction Costs: 0%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: 0%
 Other Price Factor: -60% (Salvage/windthrow.)

Appraiser:

Jeffrey L. Straub

TRACT B5 COUNTY: MAHNOMEN AREA: BEMIDJI AREA ACRES: 67.0

Permit Number: B013421
Expiration Date: 09/13/2017

Purchased By: Hillside Lumber Inc.
Address: PO Box 357, Bagley, MN 56621

NENW,NWNE,NWSE,SEnw,SWNE,SWNW of Section 11 - Township 145, Range 39W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,100.00	Cd	8.32	9,152.00	8.32	9,152.00
PAPER BIRCH	WOODSRUN CORDWOOD	30.00	Cd	4.08	122.40	4.08	122.40
OAK SPECIES	WOODSRUN CORDWOOD	20.00	Cd	6.12	122.40	6.12	122.40
JACK PINE	WOODSRUN CORDWOOD	10.00	Cd	4.76	47.60	4.76	47.60
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$9,444.40	BID TOTAL = \$	9,444.40
				ADVANCE PAYMENT =	\$1,416.66		

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

ANY LISTED SPECIES BIOMASS 635.00 Tons 0.40 254.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 1%; Trembling Aspen 99%.
Oak Species Woodsrun Cordwood includes: Bur Oak 70%; Red Oak 30%.

Season of Operations:

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

Sale Conditions:

- Access is across State land.

Marketing Conditions:

Timber sale is located 10 miles south of Lengby, along the west side of the Pine Bend Road. Approximately 1/3 of the harvest area is blown over.

Aspen: 6-7" average DBH and 4 sticks.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -60% (Blowdown Salvage)

Appraiser:

Blair Olson

TRACT B6 COUNTY: MAHNOMEN AREA: BEMIDJI AREA ACRES: 33.3

Permit Number: B013422
Expiration Date: 09/13/2017

Purchased By: Richard Dukek Logging
Address: 28259 330th Street, Shevlin, MN 56676

NESE,NWSE,SESE,SWSE of Section 2 - Township 145, Range 39W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 115	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ JACK PINE	WOODSRUN MIXED PRODUCTS	810.00	Cd	10.05	8,140.50	21.61	17,504.10
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	175.00	Cd	8.35	1,461.25	17.95	3,141.25
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$9,601.75	BID TOTAL = \$	20,645.35
				ADVANCE PAYMENT =	\$1,440.26		

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

ANY LISTED SPECIES BIOMASS 450.00 Tons 0.40 180.00

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.

Cutting and Felling:

- Full tree skidding required.

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.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Sale is located 2.25 miles south of Pine Bend along the Pine Bend Road.

Approximately 50% of trees are laying on the ground.

Jack Pine averages 5-6 sticks and 10" dbh.

Aspen averages 5-6 sticks and 10-11" dbh.

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: -60% (salvage timber)

Appraiser:

Cory B. Kimball

TRACT B7	COUNTY: BELTRAMI	AREA: BEMIDJI AREA	ACRES: 9.9
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Permit Number: B013423
 Expiration Date: 05/31/2018

Purchased By: Affield Logging
Address: 32699 Everts Road NE, Blackduck, MN 56630

SENE of Section 16 - Township 146, Range 35W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 350	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	225.00	Cd	8.35	1,878.75	37.58	8,455.50
+ BID SPECIES	* SOLD ON APPRAISED VOLUME						
					APPRAISED TOTAL =	\$1,878.75	BID TOTAL = \$ 8,455.50
					ADVANCE PAYMENT =	\$281.81	

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

ANY LISTED SPECIES	BIOMASS	100.00 Tons	0.40	40.00
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Mixed Species Description:

Aspen Species Woodsrunk Cordwood includes: Largetooth Aspen 10%; Trembling Aspen 90%.

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.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Sale is located 4.5 miles south of Solway.

Aspen averages 9" dbh and 5 sticks.

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: -60% (salvage timber)

Appraiser:

Cory B. Kimball

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

BEMIDJI 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: September 13, 2016

- SUMMARY SHEET -

09/13/2016 REGULAR AUCTION - SALE #3

COMPLETED - DATA AS OF 12/26/2017

BEMIDJI AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	JACK PINE	810.00	Cd	21.61	17,504.10
WOODSRUN CORDWOOD	ASH	55.00	Cd	2.40	132.00
	ASPEN SPECIES	1,325.00	Cd	13.29	17,607.50
	TREMBLING ASPEN	2,680.00	Cd	35.13	94,148.80
	PAPER BIRCH	30.00	Cd	4.08	122.40
	NORTHERN HARDWOODS	50.00	Cd	4.40	220.00
	OAK SPECIES	20.00	Cd	6.12	122.40
	JACK PINE	10.00	Cd	4.76	47.60
BIOMASS	ANY LISTED SPECIES (optional)	2,645.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 4,980.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 42,193.65
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 129,904.80
TOTAL ACRES SOLD: 214.9
SOLD TRACT NUMBERS: 1, 3, 4, 5, 6, 7
TOTAL NUMBER OF TRACTS SOLD: 6

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
WOODSRUN CORDWOOD	ASH	35.00	Cd	2.40	84.00
	ASPEN SPECIES	1,130.00	Cd	8.30	9,379.00
	PAPER BIRCH	15.00	Cd	4.10	61.50
	NORTHERN HARDWOODS	5.00	Cd	3.40	17.00
	BALSAM FIR	5.00	Cd	4.95	24.75
BIOMASS	ANY LISTED SPECIES	540.00	Tons	0.40	216.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 1,190.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 9,782.25
TOTAL ACRES UNSOLD: 61.0
UNSOLD TRACT NUMBER: 2
TOTAL NUMBER OF TRACTS UNSOLD: 1