



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Chisholm, MN at 9:00 AM on Thursday, December 8, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Minnesota Discovery Center (Ironworld) in Chisholm, 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
HIBBING AREA

9:00 AM on December 8, 2016
Minnesota Discovery Center (Ironworld) in Chisholm, 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 December 8, 2017, at the following Area Headquarters: Hibbing Area.

TRACT B1 COUNTY: ST. LOUIS AREA: HIBBING AREA ACRES: 34.6

Permit Number: B013474
 Expiration Date: 05/31/2020

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

GL02,NWNE,SESW of Section 16 - Township 60, Range 19W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 51 | |
|--------------------|-------------------------|--------|------|------------|----------|------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + PINE SPECIES | WOODSRUN MIXED PRODUCTS | 410.00 | Cd | 22.69 | 9,302.90 | 34.26 | 14,046.60 |
| + LARGETOOTH ASPEN | WOODSRUN CORDWOOD | 157.00 | Cd | 18.43 | 2,893.51 | 27.83 | 4,369.31 |
| NORTHERN HARDWOODS | WOODSRUN CORDWOOD | 29.00 | Cd | 8.67 | 251.43 | 8.67 | 251.43 |
| BALSAM FIR | WOODSRUN CORDWOOD | 17.00 | Cd | 10.84 | 184.28 | 10.84 | 184.28 |
| MIXED SPRUCE | WOODSRUN CORDWOOD | 16.00 | Cd | 11.56 | 184.96 | 11.56 | 184.96 |

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$12,817.08
 ADVANCE PAYMENT = \$1,922.56
 BID TOTAL = \$ 19,036.58

Mixed Species Description:

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 90%; White Spruce 10%.
 Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 93%; Red Maple 7%.
 Pine Species Woodsrun Mixed Products includes: Jack Pine 5%; Norway Pine 95%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 40%.

Cutting and Felling:

- Trees must be processed at the stump and cut products forwarded to the landing.

Season of Operations:

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

Slash Disposal:

- Biomass harvest is not allowed on this permit.

Landings Roads and Trails:

- The location and construction of all roads, trails and landings must be pre-approved by the State.
 - A minimum of four inches of snow must be left on the recreation trail from Dec. 1 - March 31.

Marketing Conditions:

First entry pine thinning, will be logger select and a combination of strips and select thinning within leave strips.
 Red Pine varies from 7" to 12" DBH, 3 - 4 stick.
 Aspen 3 - 5 stick, 5- 13" DBH.
 Sale includes 2.8 acres of clearcut.
 Sale includes two units, unit 1 is the south unit and is predominantly pine thinning. Unit 2 is the north unit and is a mix of thinning and clearcut.
 Excellent summer access on both units.

Price Adjustments:

Road Construction Costs: +10%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: 0%
 Other Price Factor: -25% (pine reduced by 25% due to 1st entry thinning)

Appraiser:

Thomas R. Nikolanci

(Appraisal ID 12312-0; Cutting Block ID 14377-0)

TRACT B2 COUNTY: ST. LOUIS AREA: HIBBING AREA ACRES: 82.5

Permit Number: B013475
Expiration Date: 05/31/2019

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

GL02 of Section 3 - Township 60, Range 21W.
NWNW,SWNW of Section 36; NENE,NWNE,SENE,SESE,SWNE,SWSE of Section 35 - Township 61, Range 21W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 180 | |
|-------------------|-------------------|----------|------|------------|-----------|------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + BLACK SPRUCE | WOODSRUN CORDWOOD | 1,285.00 | Cd | 12.92 | 16,602.20 | 36.18 | 46,491.30 |
| + TAMARACK | WOODSRUN CORDWOOD | 425.00 | Cd | 4.85 | 2,061.25 | 13.58 | 5,771.50 |
| + TREMBLING ASPEN | WOODSRUN CORDWOOD | 175.00 | Cd | 20.60 | 3,605.00 | 57.68 | 10,094.00 |
| BALSAM FIR | WOODSRUN CORDWOOD | 35.00 | Cd | 12.11 | 423.85 | 12.11 | 423.85 |
| RED MAPLE | WOODSRUN CORDWOOD | 5.00 | Cd | 9.69 | 48.45 | 9.69 | 48.45 |

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$22,740.75
ADVANCE PAYMENT = \$3,411.11
BID TOTAL = \$ 62,829.10

Cutting and Felling:

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

Season of Operations:

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

Slash Disposal:

- Biomass harvest is not allowed on this permit.

Marketing Conditions:

Black Spruce averages 6 sticks; 8" DBH

Price Adjustments:

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

Appraiser:

Jeff J. Sirjord

TRACT B3

COUNTY: ITASCA

AREA: HIBBING AREA

ACRES: 24.7

Permit Number: B013476
Expiration Date: 05/31/2020

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

NWNW of Section 8 - Township 62, Range 23W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 50 | |
|---|-------------------------|--------|------|-------------------|----------|------------|--------------------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + PINE SPECIES | WOODSRUN MIXED PRODUCTS | 350.00 | Cd | 24.48 | 8,568.00 | 36.72 | 12,852.00 |
| | PAPER BIRCH | 30.00 | Cd | 10.20 | 306.00 | 10.20 | 306.00 |
| | SPRUCE-BALSAM | 15.00 | Cd | 13.03 | 195.45 | 13.03 | 195.45 |
| | TREMBLING ASPEN | 10.00 | Cd | 21.68 | 216.80 | 21.68 | 216.80 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | | \$9,286.25 | BID TOTAL = \$ 13,570.25 |
| | | | | ADVANCE PAYMENT = | | \$1,392.94 | |

Mixed Species Description:

Pine Species Woodsrun Mixed Products includes: Jack Pine 39%; Norway Pine 60%; White Pine 1%.
Spruce-Balsam Woodsrun Cordwood includes: Balsam Fir 67%; White Spruce 33%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 35%; Sawtimber 5%.

Cutting and Felling:

- Trees must be processed at the stump and cut products forwarded to the landing.

Season of Operations:

- Conduct sale operations on dry/frozen soil conditions only, except with written permission from State.
- Excellent summer access across State land.

Slash Disposal:

- Biomass harvest is not allowed on this permit.

Marketing Conditions:

Mixed pine averages 2-8 sticks; Average DBH 9"

Pine price reduced 25% for the first entry thinning block.

Price Adjustments:

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

Appraiser:

Jeff J. Sirjord

TRACT B4

COUNTY: KOOCHICHING

AREA: HIBBING AREA

ACRES: 41.8

Permit Number: B013477
Expiration Date: 05/31/2019

Purchased By: Boise White Paper LLC

Address: 400 3rd Ave E, International Falls, MN 56649

GL03,NESW,NWNE,SEnw,SWNE of Section 18 - Township 63, Range 23W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 0 | |
|--------------------|-------------------------|----------|------|------------|-----------|------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + TREMBLING ASPEN | WOODSRUN CORDWOOD | 1,400.00 | Cd | 24.93 | 34,902.00 | 24.93 | 34,902.00 |
| + BALSAM FIR | WOODSRUN CORDWOOD | 210.00 | Cd | 14.66 | 3,078.60 | 14.66 | 3,078.60 |
| NORTHERN HARDWOODS | WOODSRUN CORDWOOD | 90.00 | Cd | 11.09 | 998.10 | 11.09 | 998.10 |
| WHITE SPRUCE | WOODSRUN MIXED PRODUCTS | 30.00 | Cd | 21.51 | 645.30 | 21.51 | 645.30 |

+ BID SPECIES

* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$39,624.00
ADVANCE PAYMENT = \$5,943.60

BID TOTAL = \$ 39,624.00

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

ANY LISTED SPECIES BIOMASS 783.00 Tons 1.15 900.45

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Ash 13%; Paper Birch 77%; Red Maple 10%.

Mixed Product Description:

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

Season of Operations:

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

Sale Conditions:

- Permission to cross Molpus land must be obtained by permittee.

Marketing Conditions:

Aspen averages 7-8 sticks;14" DBH

Aspen contains 1% Balm of Gilead

Price Adjustments:

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

Appraiser:

Jeff J. Sirjord

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

HIBBING AREA

The right is reserved to reject any and all bids.

For the Commissioner
MINNESOTA DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Signature
Division Of Forestry
Dated: December 8, 2016

- SUMMARY SHEET -

12/08/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

HIBBING AREA

| SUMMARY FOR <u>SOLD</u> TRACTS | | | | | |
|--------------------------------|-------------------------------|--------------|------|-------------------------|---------------------|
| PRODUCT | SPECIES | TOTAL VOLUME | UNIT | SOLD AVERAGE UNIT PRICE | TOTAL SOLD \$ VALUE |
| WOODSRUN MIXED PRODUCTS | PINE SPECIES | 760.00 | Cd | 35.39 | 26,898.60 |
| | WHITE SPRUCE | 30.00 | Cd | 21.51 | 645.30 |
| WOODSRUN CORDWOOD | TREMBLING ASPEN | 1,585.00 | Cd | 28.53 | 45,212.80 |
| | PAPER BIRCH | 30.00 | Cd | 10.20 | 306.00 |
| | LARGETOOTH ASPEN | 157.00 | Cd | 27.83 | 4,369.31 |
| | NORTHERN HARDWOODS | 119.00 | Cd | 10.50 | 1,249.53 |
| | RED MAPLE | 5.00 | Cd | 9.69 | 48.45 |
| | SPRUCE-BALSAM | 15.00 | Cd | 13.03 | 195.45 |
| | BALSAM FIR | 262.00 | Cd | 14.07 | 3,686.73 |
| | BLACK SPRUCE | 1,285.00 | Cd | 36.18 | 46,491.30 |
| | TAMARACK | 425.00 | Cd | 13.58 | 5,771.50 |
| | MIXED SPRUCE | 16.00 | Cd | 11.56 | 184.96 |
| BIOMASS | ANY LISTED SPECIES (optional) | 783.00 | Tons | - | 0.00 |

TOTAL SOLD TRACTS CONVERTED TO CORDS: 4,689.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 84,468.08
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 135,059.93
TOTAL ACRES SOLD: 183.6
TOTAL NUMBER OF TRACTS SOLD: 4