

MINNESOTA DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

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

STATUS: COMPLETED INTERMEDIATE AUCTION - SALE #4 ORAL BID

Notice is hereby given that I offered for sale at public auction in Carlton, MN at 9:15 AM on Thursday, December 15, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Carlton County Land Department Building in Carlton, 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.





MINNESOTA DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

INTERMEDIATE AUCTION
ORAL BID TIMBER SALE
CLOQUET AREA

9:15 AM on December 15, 2016 Carlton County Land Department Building in Carlton, 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 whoever bids the highest price for all timber species advertised for bidding on each tract. Bidding over 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 account 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)]. Purchase is limited to registered persons or companies with 30 or fewer employees. No bidder may purchase more than twenty-five (25) percent of the tracts offered on the first round of bidding. Purchases or attempts to purchase tracts beyond the twenty-five (25) percent limit will result in the forfeiture of the down payment and loss of the tract.

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 15, 2017, at the following Area Headquarters: Cloquet Area. Beginning 30 days after the auction date, an unsold intermediate auction tract may be purchased by any registered responsible bidder, i.e., purchase is no longer limited to businesses with 30 or fewer employees.

TRACT X1 COUNTY: CARLTON AREA: CLOQUET AREA ACRES: 102.5

Permit Number: X015334 Expiration Date: 05/31/2020

Purchased By: J & A Logging of Wright

Address: 6737 Pacific Ave, Wright, MN 55798

NESW,NWSW,SESW,SWSE,SWSW of Section 29; NENW,NWNE,SENE,SENW,SWNE of Section 32 -

Township 49, Range 19W.

					APPRAISED		BID %: 0	
3	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	920.00	Cd	23.85	21,942.00	23.85	21,942.00
+	NORWAY PINE	WOODSRUN MIXED PRODUCTS	730.00	Cd	36.28	26,484.40	36.28	26,484.40
+	WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	570.00	Cd	24.31	13,856.70	24.31	13,856.70
	BALSAM FIR	WOODSRUN MIXED PRODUCTS	150.00	Cd	18.93	2,839.50	18.93	2,839.50
	RED MAPLE	WOODSRUN MIXED PRODUCTS	100.00	Cd	11.97	1,197.00	11.97	1,197.00
	PAPER BIRCH	WOODSRUN MIXED PRODUCTS	55.00	Cd	13.84	761.20	13.84	761.20
•	+ BID SPECIES ★ SOLD	ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$67,080.80 \$10,062.12	BID TOTAI	L = \$ 67,080.80

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

ANY LISTED SPECIES BIOMASS 1,390.00 Tons 1.10 1,529.00

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%. Norway Pine Woodsrun Mixed Products includes: Bolts 80%; Pulpwood 20%. Paper Birch Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%. Red Maple Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%. White Spruce Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.

Cutting and Felling:

- Harvest all merchantable white spruce, Norway pine, aspen, paper birch, balsam fir and red maple.
- Reserve all other species not on harvest list as well as any harvest species under 1 stick.

Season of Operations:

- Conduct sale operations on dry / frozen soil conditions only, except with written permission from State.
- If private access cannot be granted then this sale will become a frozen only since 100% State access is across 3/4 mile spruce swamp.

Slash Disposal:

- Biomass harvest is allowed on this permit. An Added Timber Agreement is required.
- If biomass is purchased with an Added Timber Agreement, 20% of the tops and limbs must be left on the site or hauled back from the landing and redistributed in the general harvest area. This percentage may be adjusted up or down to meet the 1/3 retention goal if incidental breakage is more or less than 10-15%.
- If biomass is not purchased, then tightly pile slash on landings as designated by TSA. Piles should be free of dirt, stumps, root wads, and prohibited materials. Piles should be placed a minimum of 25 feet away from standing timber.

Sale Conditions:

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

Marketing Conditions:

WS: Avg DBH 10" and 5 sticks Asp: Avg DBH 10" and 5 sticks BF: Avg DBH 9" and 3 sticks RM: Avg DBH 8" and 3 sticks PB: Avg DBH 12" and 3 sticks NP: Avg DBH 12" and 6 sticks

Appraiser: Josh Muchow 218-878-5641

Price Adjustments:

Road Construction Costs: +5% Haul Distance to Nearest Mill: +10%

Stand Density: 0%

Operational Constraints: -5% Other Price Factor: 0%

Appraiser:

Joshua C. Muchow

(Appraisal ID 12527-0; Cutting Block ID 14631-0)

TRACT X2 COUNTY: CARLTON AREA: CLOQUET AREA ACRES: 99.0

Permit Number: X015335 Expiration Date: 05/31/2020

Purchased By: Krueger Dirtwerx Inc.

Address: 2962 County Road 61, Mahtowa, MN 55707

NENW, NESW, NWNE, NWSW, SENE, SENW, SWNE, SWNW of Section 25; SENE of Section 26 - Township 49,

Range 20W.

					APPRAISED		BID %: 45	
3	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	1,210.00	Cd	22.76	27,539.60	33.00	39,930.00
+	MAPLE SPECIES	WOODSRUN MIXED PRODUCTS	755.00	Cd	12.85	9,701.75	18.63	14,065.65
	PAPER BIRCH	WOODSRUN MIXED PRODUCTS	135.00	Cd	14.28	1,927.80	14.28	1,927.80
	SPRUCE-BALSAM	WOODSRUN MIXED PRODUCTS	40.00	Cd	16.94	677.60	16.94	677.60
	BASSWOOD	WOODSRUN MIXED PRODUCTS	35.00	Cd	13.21	462.35	13.21	462.35
	ASH	WOODSRUN MIXED PRODUCTS	25.00	Cd	8.66	216.50	8.66	216.50
	▶ BID SPECIES ★ SOLD	ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$40,525.60 \$6,078.84	BID TOTAI	L = \$ 57,279.90

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

ANY LISTED SPECIES BIOMASS 1,475.00 Tons 1.05 1,548.75

Mixed Species Description:

Maple Species Woodsrun Mixed Products includes: Red Maple 95%; Sugar Maple 5%. Spruce-Balsam Woodsrun Mixed Products includes: Balsam Fir 90%; White Spruce 10%.

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.
Basswood Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 40%.
Maple Species Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.
Paper Birch Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.
Spruce-Balsam Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.

Cutting and Felling:

- Harvest all aspen, maple, white spruce, balsam fir, basswood, ash and paper birch (except as designated in reserve specification).
- Reserve all other species not on harvest list as well as 3 healthy crowned paper birch per acre (approximately 120' spacing).

Season of Operations:

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

Slash Disposal:

- Biomass harvest is allowed on this permit. An Added Timber Agreement is required.

Sale Conditions:

- Access is across State land, but best access is from the south and/or west across private land.
- Permission to cross private land must be obtained by permittee.
- State access can come from the NW where it will need to follow 1/2 mile of ATV trail and cross 450' of swamp. It can also come from the NE, following about 4.5 miles of old logging road.

Marketing Conditions:

Maple: Avg DBH 10" and 3 sticks Aspen: Avg DBH 11" and 5 sticks Spr/BF: Avg DBH 8" and 3 sticks BW: Avg DBH 11" and 4 sticks Ash: Avg DBH 8" and 3 sticks Birch: Avg DBH 10" and 4 sticks

Wherley/Ferguson have 4320 cord sale north of the swamp that will also be up for bid. See Map.

Appraiser: Josh Muchow 218-878-5641

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: +5%

Stand Density: 0%

Operational Constraints: 0% Other Price Factor: 0%

Appraiser:

Joshua C. Muchow

(Appraisal ID 12379-0; Cutting Block ID 14481-0)

TRACT X3 COUNTY: ST. LOUIS AREA: CLOQUET AREA ACRES: 44.7

Permit Number: X015336 Expiration Date: 05/31/2019 Purchased Over-the-Counter Date: 12/27/2016

Purchased By: Jatco, Inc.

Address: 121 W Lemon St, Duluth, MN 55811

NENW,NWNW,SENW,SWNW of Section 16 - Township 54, Range 16W.

	APPRAISED		AISED	BID %: 0				
S	PECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	640.00	Cd	16.26	10,406.40	16.26	10,406.40
+	SPRUCE-BALSAM	WOODSRUN MIXED PRODUCTS	480.00	Cd	11.94	5,731.20	11.94	5,731.20
	NORWAY PINE	WOODSRUN MIXED PRODUCTS	30.00	Cd	16.83	504.90	16.83	504.90
	ASH	WOODSRUN CORDWOOD	10.00	Cd	4.46	44.60	4.46	44.60
+	BID SPECIES * SOLI	O ON APPRAISED VOLUME		APPRAIS	SED TOTAL =	\$16,687.10	BID TOTAL	L = \$ 16,687.10
			А	DVANCE	PAYMENT =	\$2,503.07		
Op	otional Timber (<i>may</i>)	be purchased with an Adde	d Timber Agr	eement	·):			
	ANY LISTED SPECIES	BIOMASS	530.00	Tons	0.75	397.50		

Mixed Species Description:

Spruce-Balsam Woodsrun Mixed Products includes: Balsam Fir 13%; Black Spruce 5%; White Spruce 82%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 40%; Pulpwood 60%. Spruce-Balsam Woodsrun Mixed Products includes: Bolts 15%; Pulpwood 85%.

Cutting and Felling:

- Harvest aspen, ash, balsam, and unmarked spruce and pine.
- Reserve yellow painted spruce and pine and all maple, birch, cedar, 1-2 large diameter aspen per acre and as many balsam fir less than 3 sticks as possible.
- Processing timber at the stump and forwarding cut products to the landing is recommended to minimize residual stand damage.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

White Spruce 7-10" DBH 3-5 sticks Red Pine 9-12" DBH 4-6 sticks Aspen 8-10" DBH 5-6 sticks Balsam 7-9" DBH 3-5 sticks Ash 7-9" DBH 3-5 sticks

Residual spruce and pine basal area averages 30 BA and ranges from 0 to 80 BA. Reserve spruce and pine trees are marked with yellow paint.

Prices are reduced 25% due to thinning.

12/15/2016 INTERMEDIATE AUCTION - SALE #4

Permit B012303 is nearby to the east (see map)

This sale at this time is not in the EAB quarantine area.

Contact Appraiser Wes Habedank Floodwood Field Station Phone # 218-476-7022

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: +5%

Stand Density: +5%

Operational Constraints: -10%

Other Price Factor: -25% (1st thinning)

Appraiser:

Wesley J. Habedank

(Appraisal ID 12160-0; Cutting Block ID 14135-0)

TRACT X4 COUNTY: ST. LOUIS AREA: CLOQUET AREA ACRES: 34.1

Permit Number: X015337 Expiration Date: 05/31/2019

Purchased By: Krueger Dirtwerx Inc.

Address: 2962 County Road 61, Mahtowa, MN 55707

NESE, NESW, NWSE, NWSW, SESW of Section 11 - Township 54, Range 18W.

					APPRAISED		BID %: 35	
3	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	ASPEN SPECIES	WOODSRUN CORDWOOD	800.00	Cd	19.68	15,744.00	26.57	21,256.00
	MIXED HARDWOODS	WOODSRUN CORDWOOD	50.00	Cd	5.81	290.50	5.81	290.50
	ANY LISTED SPECIES	BIOMASS	520.00	Tons	0.95	494.00	0.95	494.00
+	BID SPECIES * SOLD	ON APPRAISED VOLUME			SED TOTAL = EPAYMENT =	\$16,528.50 \$2,479.28	BID TOTA	L = \$ 22,040.50

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 25%; Trembling Aspen 75%. Mixed Hardwoods Woodsrun Cordwood includes: American Elm 10%; Ash 80%; Paper Birch 10%.

Cutting and Felling:

- Harvest all aspen, birch, ash and elm.
- Reserve all oak, maple and conifers as well as two reserve islands west of the gas pipeline in stand 216 and a reserve area on the east side of stand 220, and all of stand 243 as indicated on the map.

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 7-9" DBH 3-5 sticks Mixed Hardwoods 8-11" DBH 4-5 sticks Biomass harvest required.

This sale at this time is not in the EAB quarantine area.

Contact Appraiser Wes Habedank Floodwood Field Station Phone # 218-476-7022

Price Adjustments:

Road Construction Costs: 0% Haul Distance to Nearest Mill: +5%

Stand Density: +5%

Operational Constraints: -10%

Other Price Factor: -5% (Biomass Required)

Appraiser:

Wesley J. Habedank

TRACT X5 COUNTY: ST. LOUIS AREA: CLOQUET AREA ACRES: 59.0

Permit Number: X015338 Expiration Date: 05/31/2020

Purchased By: Douglas Hustad Logging Inc.

Address: 4566 W Raymond Rd, Gilbert, MN 55741

GL04, SESW of Section 19 - Township 55, Range 14W.

				APPR	AISED	BID %: 106		
		PROPUST	VOLUME	LINUT	UNIT	* YALUE	UNIT	*******
3	SPECIES	PRODUCT	VOLUME	UNIT	PRICE	\$ VALUE	PRICE	\$ VALUE
+	TREMBLING ASPEN	WOODSRUN CORDWOOD	440.00	Cd	19.51	8,584.40	40.19	17,683.60
+	WHITE SPRUCE	WOODSRUN CORDWOOD	430.00	Cd	12.24	5,263.20	25.21	10,840.30
+	PAPER BIRCH	WOODSRUN CORDWOOD	90.00	Cd	9.18	826.20	18.91	1,701.90
	BALSAM FIR	WOODSRUN CORDWOOD	25.00	Cd	11.47	286.75	11.47	286.75
	ANY LISTED SPECIES	BIOMASS	563.00	Tons	0.90	506.70	0.90	506.70
+ BID SPECIES * SOLI		ON APPRAISED VOLUME		APPRAIS	SED TOTAL =	\$15,467.25 \$2.320.09	BID TOTA	L = \$ 31,019.25
			Α	ADVANCE PAYMENT =				

Cutting and Felling:

- Harvest all Aspen under 16 inch DBH, spruce, balsam and paper birch over 5 inch DBH.
- Reserve all Aspen over 16 inch DBH, red maple, cedar, yellow birch, and paper birch under 5 inch DBH that do not interfere with harvest operations.
- Reserve all non-hazardous snags.

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 and county land.

Marketing Conditions:

Sale is located 17 miles north of Island Lake Inn on County Hwy 4 and 3 mile east on the Jim Readdy Road.

Aspen is average of 7-10 inch DBH and 4-6 sticks tall.

Spruce is average of 8-10 DBH and 4-5 sticks tall.

Roughly 17 cords per acre.

TSA Dave Arras 218/723-4791 EXT. 221

Price Adjustments:

Road Construction Costs: +5% Haul Distance to Nearest Mill: 0%

Stand Density: -10%

Operational Constraints: -5% Other Price Factor: 0%

Appraiser:

David W. Arras

(Appraisal ID 12522-0; Cutting Block ID 14632-0)

12/15/2016 INTERMEDIATE AUCTION - SALE #4

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

CLOQUET 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 15, 2016

CLOQUET AREA

	SUMMARY FOR SO	OLD TRACTS			
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED	ASH	25.00	Cd	8.66	216.50
PRODUCTS	PAPER BIRCH	190.00	Cd	14.15	2,689.00
	MAPLE SPECIES	755.00	Cd	18.63	14,065.65
	RED MAPLE	100.00	Cd	11.97	1,197.00
	BASSWOOD	35.00	Cd	13.21	462.35
	NORWAY PINE	760.00	Cd	35.51	26,989.30
	SPRUCE-BALSAM	520.00	Cd	12.32	6,408.80
	WHITE SPRUCE	570.00	Cd	24.31	13,856.70
	BALSAM FIR	150.00	Cd	18.93	2,839.50
WOODSRUN CORDWOOD	ASH	10.00	Cd	4.46	44.60
	ASPEN SPECIES	800.00	Cd	26.57	21,256.00
	TREMBLING ASPEN	3,210.00	Cd	28.03	89,962.00
	PAPER BIRCH	90.00	Cd	18.91	1,701.90
	WHITE SPRUCE	430.00	Cd	25.21	10,840.30
	BALSAM FIR	25.00	Cd	11.47	286.75
	MIXED HARDWOODS	50.00	Cd	5.81	290.50
BIOMASS	ANY LISTED SPECIES (optional)	3,395.00	Tons	-	0.00
	ANY LISTED SPECIES	1,083.00	Tons	0.92	1,000.70

TOTAL SOLD TRACTS CONVERTED TO CORDS: 7,720.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 156,289.25
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 194,107.55
TOTAL ACRES SOLD: 339.3

TOTAL NUMBER OF TRACTS SOLD: 5