



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
INTERMEDIATE AUCTION - SALE #2
ORAL BID

Notice is hereby given that I offered for sale at public auction in Chisholm, MN at 9:15 AM on Thursday, November 29, 2018, timber belonging to the State of Minnesota. All tracts were offered at the Minnesota Discovery Center 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
INTERMEDIATE AUCTION
ORAL BID TIMBER SALE
HIBBING AREA

9:15 AM on November 29, 2018
Minnesota Discovery Center 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 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 November 29, 2019, at the following Area Headquarters: Hibbing 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: ST. LOUIS

AREA: HIBBING AREA

ACRES: 64.9

Permit Number: X016275
Expiration Date: 05/31/2021

Purchased By: Douglas Hustad Logging Inc.
Address: 4566 W Raymond Rd, Gilbert, MN 55741

NENW,NESW,NWNW,NWSE,NWSW,SENE,SESW,SWNW,SWSE of Section 16 - Township 58, Range 13W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	872.00	Cd	25.20	21,974.40	25.20	21,974.40
+ BALSAM FIR	WOODSRUN CORDWOOD	315.00	Cd	17.85	5,622.75	17.85	5,622.75
+ BLACK SPRUCE	WOODSRUN CORDWOOD	259.00	Cd	19.95	5,167.05	19.95	5,167.05
PAPER BIRCH	WOODSRUN CORDWOOD	125.00	Cd	11.55	1,443.75	11.55	1,443.75
TAMARACK	WOODSRUN CORDWOOD	95.00	Cd	6.30	598.50	6.30	598.50
JACK PINE	WOODSRUN MIXED PRODUCTS	38.00	Cd	16.70	634.60	16.70	634.60

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$35,441.05 BID TOTAL = \$ 35,441.05
ADVANCE PAYMENT = \$5,316.16

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

ANY LISTED SPECIES BIOMASS 861.00 Tons 1.00 861.00

Mixed Product Description:

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

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.

Sale Conditions:

- Access is across USFS and County land.
- Permission to cross County land must be obtained by permittee.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.

Marketing Conditions:

Aspen Ave 5-7 Sticks, 10-12" DBH
Balsam/Black Spruce Ave 4-5 Sticks, 6-8" DBH

Access is across Forest Service land 2.1 miles via USFS Rd 120/120A. Road Use Permit required.

Sale is increased by 5% due to stand density.

Price Adjustments:

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

Appraiser:

Megan J. Eiting

TRACT X2

COUNTY: ITASCA

AREA: HIBBING AREA

ACRES: 42.8

Permit Number: X016276
Expiration Date: 05/31/2022

Purchased By: Greg Cook Logging Inc.
Address: 35367 Cty Rd 237, Bigfork, MN 56628

GL03, GL06 of Section 30 - Township 59, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 52	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	1,010.00	Cd	25.20	25,452.00	38.30	38,683.00
ASH	PULP & BOLTS	85.00	Cd	9.45	803.25	9.45	803.25
BALSAM FIR	PULP & BOLTS	10.00	Cd	17.85	178.50	17.85	178.50
PAPER BIRCH	PULPWOOD	10.00	Cd	7.35	73.50	7.35	73.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$26,507.25	BID TOTAL = \$ 39,738.25
				ADVANCE PAYMENT =		\$3,976.09	

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

ANY LISTED SPECIES BIOMASS 633.00 Tons 1.05 664.65

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.
Balsam Fir Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.

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:

Sale has excellent access along CR 336. A portion of the sale may be harvested in a very dry summer situation with the right equipment.

Price Adjustments:

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

Appraiser:

Kirby B. Budrow

TRACT X3

COUNTY: ST. LOUIS

AREA: HIBBING AREA

ACRES: 43.7

Permit Number: X016277
Expiration Date: 05/13/2022

Purchased By: Northwoods Timber Harvesting, Inc.
Address: 12992 Co Rd 55, Nashwauk, MN 55769

SWSW of Section 10; NESW, NWNW, SWNW of Section 15; GL02, GL08, NWSE, SENE of Section 16 -
Township 60, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PINE SPECIES	PULP & BOLTS	377.00	Cd	23.10	8,708.70	23.10	8,708.70
+ BALSAM FIR	PULPWOOD	25.00	Cd	17.00	425.00	17.00	425.00
TREMBLING ASPEN	PULPWOOD	20.00	Cd	24.00	480.00	24.00	480.00
NORTHERN HARDWOODS	PULPWOOD	2.00	Cd	11.05	22.10	11.05	22.10

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$9,635.80	BID TOTAL = \$	9,635.80
ADVANCE PAYMENT =	\$1,445.37		

Mixed Species Description:

Northern Hardwoods Pulpwood includes: Paper Birch 95%; Red Maple 5%.
Pine Species Pulp & Bolts includes: Jack Pine 35%; Norway Pine 65%.

Mixed Product Description:

Pine Species Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.

Season of Operations:

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

Landings Roads and Trails:

- Recreation trail may be used as access.

Sale Conditions:

- Operations due to recreation trail: Contact State at least 5 days before operations commence.

Marketing Conditions:

2nd Entry Pine Thin
Excellent summer access off of the Perch Lake Road

Price Adjustments:

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

Appraiser:

Andrew E. Carlson

TRACT X4

COUNTY: ITASCA

AREA: HIBBING AREA

ACRES: 101.8

Permit Number: X016278
Expiration Date: 05/31/2021

Purchased By: Scheff Logging & Trucking Inc.

Address: 48985 State Hwy 3849301 Chokecherry Lane, Marcell, MN 56657

NENW,NESW,NWNE,NWNW,NWSE,NWSW,SENW,SESW,SWNW,SWSE,SWSW of Section 25 - Township 61, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 15	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	1,470.00	Cd	22.80	33,516.00	26.22	38,543.40
+ WHITE SPRUCE	PULP & BOLTS	160.00	Cd	20.90	3,344.00	24.04	3,846.40
BALSAM FIR	PULPWOOD	100.00	Cd	16.15	1,615.00	16.15	1,615.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		BID TOTAL = \$	
						\$ 44,004.80	
				ADVANCE PAYMENT =			
						\$5,771.25	

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

ANY LISTED SPECIES BIOMASS 967.00 Tons 1.00 967.00

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 8%; Trembling Aspen 92%.

Mixed Product Description:

White Spruce Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.

Season of Operations:

- Conduct all harvest activities on frozen soil conditions only, except with written permission from State.
- Frozen ground access across state, private county and/or industry depending on which access route is used.

Sale Conditions:

- Permission to cross county, private and/or industry land must be obtained by permittee.
- Access is across State, county, private and/or industry land depending on the access route used.

Marketing Conditions:

Access option 1- come from the north off of Co Rd 551 approximately 1.9 miles of woods road across Mopus land and State land.

Access option 2 - come from the west off of State Hwy 65 approximately 1.8 miles of woods road across private, county, and State land utilizing the MN Power Access road.

Price Adjustments:

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

Appraiser:

Amber M. Jungwirth

TRACT X5

COUNTY: ITASCA

AREA: HIBBING AREA

ACRES: 13.3

Permit Number: X016279
Expiration Date: 05/31/2021

Purchased By: Sunne Logging LLC
Address: 5762 Hwy 11, International Falls, MN 56649

SESE of Section 14; SESW of Section 13 - Township 62, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 31	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULP & BOLTS	495.00	Cd	26.40	13,068.00	34.58	17,117.10
+ BALSAM FIR	PULPWOOD	80.00	Cd	18.70	1,496.00	24.50	1,960.00
NORTHERN HARDWOODS	PULPWOOD	10.00	Cd	11.00	110.00	11.00	110.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$14,674.00	BID TOTAL = \$	19,187.10
				ADVANCE PAYMENT =	\$2,201.10		

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

ANY LISTED SPECIES BIOMASS 254.00 Tons 1.10 279.40

Mixed Species Description:

Northern Hardwoods Pulpwood includes: Ash 50%; Paper Birch 50%.

Mixed Product Description:

Trembling Aspen Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.

Season of Operations:

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

Marketing Conditions:

Sale is located 2 miles north of State Hwy. 1 on the Holmstrum Spur Forest Road. Excellent winter access.
Price increased 10% for stand density

Price Adjustments:

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

Appraiser:

Andrew E. Carlson

TRACT X6

COUNTY: ITASCA

AREA: HIBBING AREA

ACRES: 32.6

Permit Number: X016280
Expiration Date: 05/31/2021

Purchased By: John Rolle Logging Inc.
Address: 1200 - 5th Ave. NW, Chisholm, MN 55719

SWSW of Section 4; NESE,SENW of Section 5 - Township 62, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULP & BOLTS	1,100.00	Cd	26.40	29,040.00	26.40	29,040.00
+ BALSAM FIR	PULPWOOD	110.00	Cd	18.70	2,057.00	18.70	2,057.00
NORTHERN HARDWOODS	PULPWOOD	60.00	Cd	10.27	616.20	10.27	616.20
MIXED SPRUCE	PULP & BOLTS	30.00	Cd	23.54	706.20	23.54	706.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$32,419.40	BID TOTAL = \$ 32,419.40
				ADVANCE PAYMENT =		\$4,862.91	

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

ANY LISTED SPECIES BIOMASS 622.00 Tons 1.00 622.00

Mixed Species Description:

Mixed Spruce Pulp & Bolts includes: Black Spruce 33%; White Spruce 67%.
Northern Hardwoods Pulpwood includes: Ash 83%; Paper Birch 17%.

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.
Trembling Aspen Pulp & Bolts 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 county and state land.

Sale Conditions:

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

Marketing Conditions:

The sale is located off the Button Box State Forest Road, which has dry summer logging roads to within 1/4 mile of the sale blocks.
Aspen volume includes 1% Balm of Gilead.

Price Adjustments:

Road Construction Costs: 0%
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: November 29, 2018

- SUMMARY SHEET -

11/29/2018 INTERMEDIATE AUCTION - SALE #2

COMPLETED - DATA AS OF 12/03/2018

HIBBING AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH	85.00	Cd	9.45	803.25
	TREMBLING ASPEN	1,595.00	Cd	28.94	46,157.10
	PINE SPECIES	377.00	Cd	23.10	8,708.70
	WHITE SPRUCE	160.00	Cd	24.04	3,846.40
	BALSAM FIR	10.00	Cd	17.85	178.50
	MIXED SPRUCE	30.00	Cd	23.54	706.20
WOODSRUN MIXED PRODUCTS	JACK PINE	38.00	Cd	16.70	634.60
WOODSRUN CORDWOOD	TREMBLING ASPEN	872.00	Cd	25.20	21,974.40
	PAPER BIRCH	125.00	Cd	11.55	1,443.75
	BALSAM FIR	315.00	Cd	17.85	5,622.75
	BLACK SPRUCE	259.00	Cd	19.95	5,167.05
	TAMARACK	95.00	Cd	6.30	598.50
PULPWOOD	ASPEN SPECIES	1,470.00	Cd	26.22	38,543.40
	TREMBLING ASPEN	1,030.00	Cd	38.02	39,163.00
	PAPER BIRCH	10.00	Cd	7.35	73.50
	NORTHERN HARDWOODS	72.00	Cd	10.39	748.30
	BALSAM FIR	315.00	Cd	19.23	6,057.00
BIOMASS	ANY LISTED SPECIES (optional)	3,337.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 6,858.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 157,152.50
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 180,426.40
TOTAL ACRES SOLD: 299.1
TOTAL NUMBER OF TRACTS SOLD: 6