



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
INTERMEDIATE AUCTION - SALE #2
ORAL BID

Notice is hereby given that I offered for sale at public auction in Bigfork, MN at 9:15 AM on Wednesday, December 5, 2018, timber belonging to the State of Minnesota. All tracts were offered at the Bigfork town hall in Bigfork, 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
DEER RIVER AREA

9:15 AM on December 5, 2018
Bigfork town hall in Bigfork, 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 5, 2019, at the following Area Headquarters: Deer River 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: ITASCA

AREA: DEER RIVER AREA

ACRES: 73.4

Permit Number: X016281
Expiration Date: 05/31/2021

Purchased By: Scheff Logging & Trucking Inc.

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

NENE,NESE,NWSE,SENE,SWNE of Section 16 - Township 58, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 31	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	780.00	Cd	21.60	16,848.00	28.30	22,074.00
+ WHITE SPRUCE	PULP & BOLTS	150.00	Cd	16.05	2,407.50	21.03	3,154.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$19,255.50	BID TOTAL = \$ 25,228.50
				ADVANCE PAYMENT =		\$2,888.33	

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

ANY LISTED SPECIES	BIOMASS	560.00 Tons	1.00	560.00
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Mixed Product Description:

White Spruce Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.

Cutting and Felling:

- Harvest all aspen species in the aspen clearcut stand. Thin to an average basal area of 60 sq. ft' basal area in the white spruce plantation. Remove competing aspen first, followed by low vigor and over-topped spruce. Specific row placement will be determined during the on-site meeting with the forester.

Season of Operations:

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

Sale Conditions:

- Access is across State land.

Marketing Conditions:

Sale is a mixture of aspen approximately 36 years old and 50 year old aspen, diameters range between 5" and 10". Aspen includes 7% largetooth. The spruce is 35 years old and has not been thinned.

Spruce price reduced 25% due to first entry thinning harvest. Aspen price reduced 10% due to low volume per acre.

Will need a very dry summer in order to harvest during non-frozen conditions.

Access is .6 miles South of the County Road 343 and 51 intersection.

Price Adjustments:

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

Appraiser:

Joshua Matthew Tomlin

TRACT X2

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 28.0

Permit Number: X016282
Expiration Date: 05/31/2021

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

NENE of Section 32; GL07 of Section 29 - Township 59, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 50	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	PULP & BOLTS	290.00	Cd	13.73	3,981.70	20.60	5,974.00
+ TREMBLING ASPEN	PULPWOOD	100.00	Cd	18.00	1,800.00	27.00	2,700.00
	PAPER BIRCH	25.00	Cd	8.25	206.25	8.25	206.25
	ANY LISTED SPECIES	230.00	Tons	1.00	230.00	1.00	230.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$6,217.95	BID TOTAL = \$	9,110.25
ADVANCE PAYMENT =	<u>\$932.69</u>		

Mixed Product Description:

Norway Pine Pulp & Bolts 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 State land.

Marketing Conditions:

Norway pine volume includes 8% jack pine.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -25% (1st thinning discount)

Appraiser:

Joshua M. Donatell

TRACT X3

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 19.5

Permit Number: X016283
Expiration Date: 05/31/2021

Purchased By: Scheff Logging & Trucking Inc.

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

SENE of Section 8; NESW of Section 26 - Township 60, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 35	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	PULP & BOLTS	300.00	Cd	14.89	4,467.00	20.10	6,030.00
+ ASPEN SPECIES	PULPWOOD	85.00	Cd	18.00	1,530.00	24.30	2,065.50
	PAPER BIRCH	17.00	Cd	8.25	140.25	8.25	140.25
	BALSAM FIR	11.00	Cd	12.75	140.25	12.75	140.25
	WHITE SPRUCE	10.00	Cd	14.25	142.50	14.25	142.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$6,420.00	BID TOTAL = \$ 8,518.50
				ADVANCE PAYMENT =		\$963.00	

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

ANY LISTED SPECIES BIOMASS 241.00 Tons 0.75 180.75

Mixed Species Description:

Aspen Species Pulpwood includes: Largetooth Aspen 15%; Trembling Aspen 85%.

Mixed Product Description:

Norway Pine Pulp & Bolts includes: Bolts 35%; Pulpwood 65%.

Season of Operations:

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

Sale Conditions:

- Access is across US Forest Service and State land.

Marketing Conditions:

This sale encompasses two stands in Township 60-26, approx. 5 miles from each other by road.

North Block: Pine averages 4-5 sticks, 8" DBH, 165 BA, thin to 80 BA. Site is accessible from Farm Camp Rd.

South Block: Pine averages 5 sticks, 11" DBH, 145 BA, thin to 90 BA. South block is more of a mixed stand. This site is directly adjacent to USFS Rd 2182.

Price Adjustments:

Road Construction Costs: 0%

Haul Distance to Nearest Mill: 0%

Stand Density: 0%

Operational Constraints: 0%

Other Price Factor: -25% (First thinning)

Appraiser:

Garrett Mann

TRACT X4

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 180.4

Permit Number: X016284
Expiration Date: 05/31/2021

Purchased By:
Address:

UNSOLD

NENE,NENW,NWNE,SENE,SWNE of Section 28; SWSW of Section 22; NESW,NWNW,SENW,SWNW of Section 27 - Township 147, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TAMARACK	PULP & BOLTS	1,970.00	Cd	6.48	12,765.60	6.48	12,765.60
+ ASPEN SPECIES	PULPWOOD	400.00	Cd	23.60	9,440.00	23.60	9,440.00
+ BLACK SPRUCE	PULPWOOD	185.00	Cd	17.10	3,163.50	17.10	3,163.50
NORTHERN HARDWOODS	PULP & BOLTS	75.00	Cd	13.40	1,005.00	13.40	1,005.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$26,374.10	BID TOTAL = \$	26,374.10
ADVANCE PAYMENT =	\$3,956.12		

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

ANY LISTED SPECIES	BIOMASS	814.00 Tons	0.90	732.60
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Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 10%; Trembling Aspen 90%.
Northern Hardwoods Pulp & Bolts includes: Ash 50%; Basswood 25%; Paper Birch 25%.

Mixed Product Description:

Northern Hardwoods Pulp & Bolts includes: Bolts 55%; Pulpwood 45%.
Tamarack Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.

Season of Operations:

- Conduct sale operations in Tamarack on frozen soil conditions only, except with written permission from State.
- Aspen areas have very-dry summer chance. Operate during non-rutting soil conditions. 10.5 acres in the south of the tamarack stand, delineated with yellow paint, cannot have operations after February 15th.

Sale Conditions:

- Access is across USFS land.

Marketing Conditions:

Timing and Density price reduction only apply to spruce and tamarack pricing.

Price Adjustments:

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

Appraiser:

John J. Segari

TRACT X5

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 74.2

Permit Number: X016285
Expiration Date: 05/31/2021

Purchased By: Brian Krueth
Address: 16872 N Blackduck Lake Rd NE, Hines, MN 56647

NESW,NWNE,NWNW,NWSE,SENE,SWNE,SWNW of Section 16; NESW,NWSW,SESW of Section 9 - Township 149, Range 28W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 45	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	2,470.00	Cd	27.09	66,912.30	39.28	97,021.60
+ BALSAM FIR	PULP & BOLTS	171.00	Cd	22.65	3,873.15	32.84	5,615.64
ASH	PULP & BOLTS	86.00	Cd	14.03	1,206.58	14.03	1,206.58
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$71,992.03	BID TOTAL = \$	103,843.82
				ADVANCE PAYMENT =	\$10,798.80		

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 11%; Trembling Aspen 89%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.
Balsam Fir Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.

Season of Operations:

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

Slash Disposal:

- Biomass harvest is not allowed on this permit.

Sale Conditions:

- Access is across State land.
- The harvest is within the Mary Sandstrom Ruffed Grouse Management Area. Division of Wildlife will be included in the presale meeting for additional input for road work and landing locations. Access is gated.

Marketing Conditions:

(N/A)

Price Adjustments:

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

Appraiser:

Daniel D. Hertle

TRACT X6

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 55.2

Permit Number: X016286
Expiration Date: 05/31/2021

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

NENW,NWNE,SWNE of Section 36; NWSE,SWSE of Section 25 - Township 152, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 71	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULPWOOD	1,150.00	Cd	20.90	24,035.00	35.74	41,101.00
+ TREMBLING ASPEN	PULPWOOD	475.00	Cd	26.40	12,540.00	45.14	21,441.50
BALSAM FIR	PULPWOOD	160.00	Cd	18.70	2,992.00	18.70	2,992.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$39,567.00	BID TOTAL = \$ 65,534.50
				ADVANCE PAYMENT =		\$5,935.05	

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

ANY LISTED SPECIES BIOMASS 597.00 Tons 1.10 656.70

Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 36%; White Spruce 64%.

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:

Sale is located on the Caldwell State Forest Road, 1.6 mi. from highway 6, with access trails along stand edge and minimal roading costs.

Sale cruised by Dan Hertle.

Price Adjustments:

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

Appraiser:

Garrett Mann

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

DEER RIVER 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 5, 2018

- SUMMARY SHEET -

12/05/2018 INTERMEDIATE AUCTION - SALE #2

COMPLETED - DATA AS OF 12/05/2018

DEER RIVER AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH	86.00	Cd	14.03	1,206.58
	NORWAY PINE	590.00	Cd	20.35	12,004.00
	WHITE SPRUCE	150.00	Cd	21.03	3,154.50
	BALSAM FIR	171.00	Cd	32.84	5,615.64
PULPWOOD	ASPEN SPECIES	2,555.00	Cd	38.78	99,087.10
	TREMBLING ASPEN	1,355.00	Cd	34.11	46,215.50
	PAPER BIRCH	42.00	Cd	8.25	346.50
	WHITE SPRUCE	10.00	Cd	14.25	142.50
	BALSAM FIR	171.00	Cd	18.32	3,132.25
	MIXED SPRUCE	1,150.00	Cd	35.74	41,101.00
BIOMASS	ANY LISTED SPECIES (optional)	1,398.00	Tons	-	0.00
	ANY LISTED SPECIES	230.00	Tons	1.00	230.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 6,280.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 143,452.48
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 212,235.57
TOTAL ACRES SOLD: 250.3
SOLD TRACT NUMBERS: 1, 2, 3, 5, 6
TOTAL NUMBER OF TRACTS SOLD: 5

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	NORTHERN HARDWOODS	75.00	Cd	13.40	1,005.00
	TAMARACK	1,970.00	Cd	6.48	12,765.60
PULPWOOD	ASPEN SPECIES	400.00	Cd	23.60	9,440.00
	BLACK SPRUCE	185.00	Cd	17.10	3,163.50
BIOMASS	ANY LISTED SPECIES (optional)	814.00	Tons	0.90	732.60

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 2,630.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 26,374.10
TOTAL ACRES UNSOLD: 180.4
UNSOLD TRACT NUMBER: 4
TOTAL NUMBER OF TRACTS UNSOLD: 1