



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 Wednesday, May 29, 2019, 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
REGULAR AUCTION
ORAL BID TIMBER SALE
HIBBING AREA

9:00 AM on May 29, 2019
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 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 May 29, 2020, at the following Area Headquarters: Hibbing Area.

TRACT B1 COUNTY: LAKE, ST. LOUIS AREA: HIBBING AREA ACRES: 397.3

Permit Number: B014236
Expiration Date: 05/31/2023

Purchased By: Futurewood Corp
Address: 9676 N Kruger Rd, Hayward, WI 54843

GL09 of Section 30 - Township 58, Range 11W.
GL01 of Section 1 - Township 57, Range 12W.
GL01, GL02, GL03, NENE, NENW, NESW, NWNE, NWNW, NWSW, SENW, SWNE, SWNW, SWSW of Section 36 - Township 58, Range 12W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 0 | |
|-------------------|--------------|----------|------|------------|-----------|------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + PAPER BIRCH | PULP & BOLTS | 2,100.00 | Cd | 14.56 | 30,576.00 | 14.56 | 30,576.00 |
| + TREMBLING ASPEN | PULP & BOLTS | 1,765.00 | Cd | 17.00 | 30,005.00 | 17.00 | 30,005.00 |
| + BALSAM FIR | PULPWOOD | 1,220.00 | Cd | 11.90 | 14,518.00 | 11.90 | 14,518.00 |
| + MIXED SPRUCE | PULP & BOLTS | 950.00 | Cd | 17.75 | 16,862.50 | 17.75 | 16,862.50 |
| ASH | PULPWOOD | 405.00 | Cd | 5.95 | 2,409.75 | 5.95 | 2,409.75 |
| TAMARACK | PULP & BOLTS | 330.00 | Cd | 7.65 | 2,524.50 | 7.65 | 2,524.50 |
| RED MAPLE | PULPWOOD | 300.00 | Cd | 10.20 | 3,060.00 | 10.20 | 3,060.00 |

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$99,955.75
 ADVANCE PAYMENT = \$14,993.36
 BID TOTAL = \$ 99,955.75

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

ANY LISTED SPECIES BIOMASS 3,780.00 Tons 1.00 3,780.00

Mixed Species Description:

Mixed Spruce Pulp & Bolts includes: Black Spruce 83%; White Spruce 17%.

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 35%; Pulpwood 65%.
 Paper Birch Pulp & Bolts includes: Bolts 68%; Pulpwood 32%.
 Tamarack Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.
 Trembling Aspen Pulp & Bolts includes: Bolts 80%; Pulpwood 20%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall (Cutting Blocks 1 and 2).
- Fell all dead and non-merchantable balsam fir 5" dbh and larger (Cutting Blocks 1 and 2).

Season of Operations:

- Conduct sale operations on frozen or dry soil conditions only, except with written permission from State (Cutting Block 2).
- Conduct sale operations on frozen, dry (as delineated on sale map) soil conditions only, except with written permission from State (Cutting Block 1).
- Frozen ground access across USFS with the potential for dry summer access from the east off of Pine Lake Road with road improvements. USFS approval pending (Cutting Blocks 1 and 2).

Slash Disposal:

- Distribute slash evenly across the entire harvest site (Cutting Blocks 1 and 2).
- Broadcast skid across entire site to knock down brush and dead balsam. Full tree skidding recommended (Cutting Blocks 1 and 2).

Sale Conditions:

- Access is across USFS land (Cutting Block 2).
- Access is across USFS and St. Louis County land (Cutting Block 1).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Blocks 1 and 2).

Sale Conditions (Continued):

- The sale will expire in 4 years due to road work requirements and sale volume (Cutting Blocks 1 and 2).
- Permission to cross USFS and St. Louis County will be obtained by the State (Cutting Blocks 1 and 2).

Marketing Conditions:

Proposed USFS access from east is approximately 2.6 miles off end of Pine Lake Road. 1.1 miles is existing woods road and 1.5 miles is the snowmobile trail. Road work includes widening snowmobile trail to accommodate truck and snowmobile traffic. Summer access depends on approval of summer road construction from USFS. Access across USFS from west is approximately 1.8 miles off end of Seven Beavers Road. Includes 0.8 miles on existing road along North Shore RR tracks, 0.6 miles along snowmobile trail and 0.5 miles of new winter road construction. Permission to cross RR tracks may be required.

Due to severe spruce budworm infestation, quality and merchantability of balsam will likely decrease over the life of the sale.

Volume per acre of all species varies across sale acres and ranges from 13 cds/acre to 29 cds/acre.

Appraisers: Nathan Eiting, Corey Skerjance, Megan Eiting and Trevor Poyhonen.

Price Adjustments:

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

Appraiser:

Megan J. Eiting

(Appraisal ID 14844-0; Cutting Block ID 17324-0, 17296-0)

TRACT B2 COUNTY: ITASCA AREA: HIBBING AREA ACRES: 129.2

Permit Number: B014237
Expiration Date: 05/31/2022

Purchased By: Sappi Cloquet LLC
Address: 20 N. 22nd Street, Cloquet, MN 55720

NESE,SESE,SESW,SWSE of Section 23 - Township 60, Range 23W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 75 | |
|--|--------------|----------|------|-------------------|-------------|----------------|------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + TREMBLING ASPEN | PULP & BOLTS | 4,130.00 | Cd | 22.00 | 90,860.00 | 38.50 | 159,005.00 |
| RED MAPLE | PULPWOOD | 55.00 | Cd | 13.20 | 726.00 | 13.20 | 726.00 |
| BALSAM FIR | PULPWOOD | 10.00 | Cd | 15.40 | 154.00 | 15.40 | 154.00 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | \$91,740.00 | BID TOTAL = \$ | 159,885.00 |
| | | | | ADVANCE PAYMENT = | \$13,761.00 | | |

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

ANY LISTED SPECIES BIOMASS 1,907.00 Tons 1.00 1,907.00

Mixed Product Description:

Trembling Aspen Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.
- Possible dry summer access road to sale area using the minimum maintenance road from state hwy #65. Shaping the road and graveling maybe needed.

Landings Roads and Trails:

- The Recreation trail may be used as access. DNR Forestry must be notified at least 5 working days before any sale operations take place, including clearing or access road construction. Ensure "Trucks Hauling" signs are prominently posted and maintained 200 feet beyond either side of any segment of any road or trail being temporarily used or crossed in conjunction with timber harvest operations. No logging equipment, wood piles, slash or logging debris will remain on the trail treadway and/or trail right-of-way during or after permit operations. Trail must be maintained wide enough to allow truck and ATV/snowmobile traffic to safely pass. The permittee must repair any trail damage attributable to timber harvest operations before the sale is finalized. Maintain at least 4" snow depth on all trail surfaces during sale activities while operating from Dec.1- March 31.
- Haul roads must reshaped if used during non-frozen conditions after harvest and trucking is completed.

Sale Conditions:

- Access is across state and county land.
- Permission to cross county land must be obtained by permittee.

Marketing Conditions:

Aspen contains 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: May 29, 2019

- SUMMARY SHEET -

05/29/2019 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 06/03/2019

HIBBING AREA

SUMMARY FOR SOLD TRACTS

| PRODUCT | SPECIES | TOTAL VOLUME | UNIT | SOLD AVERAGE UNIT PRICE | TOTAL SOLD \$ VALUE |
|--------------|-------------------------------|--------------|------|-------------------------|---------------------|
| PULP & BOLTS | TREMBLING ASPEN | 5,895.00 | Cd | 32.06 | 189,010.00 |
| | PAPER BIRCH | 2,100.00 | Cd | 14.56 | 30,576.00 |
| | TAMARACK | 330.00 | Cd | 7.65 | 2,524.50 |
| | MIXED SPRUCE | 950.00 | Cd | 17.75 | 16,862.50 |
| PULPWOOD | ASH | 405.00 | Cd | 5.95 | 2,409.75 |
| | RED MAPLE | 355.00 | Cd | 10.66 | 3,786.00 |
| | BALSAM FIR | 1,230.00 | Cd | 11.93 | 14,672.00 |
| BIOMASS | ANY LISTED SPECIES (optional) | 5,687.00 | Tons | - | 0.00 |

TOTAL SOLD TRACTS CONVERTED TO CORDS: 11,265.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 191,695.75
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 259,840.75
TOTAL ACRES SOLD: 526.5
TOTAL NUMBER OF TRACTS SOLD: 2