



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
SEALED BID

Notice is hereby given that I offered for sale by sealed bid auction, timber belonging to the State of Minnesota. Bid forms were required to be submitted at the address listed on the bid form prior to 2:00 PM on Monday, June 6, 2016. All tracts were awarded at the Littlefork Community Building at 8:45 AM on June 7, 2016 in Littlefork, 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
SEALED BID TIMBER SALE
LITTLEFORK AREA

**SEALED BIDS MUST BE RECEIVED PRIOR TO
2:00 PM on June 6, 2016**

**Bids will be awarded at the following location:
Littlefork Community Building at 8:45 AM on June 7, 2016 in Littlefork, 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. Bids must be submitted on bid forms provided by the State, each bid must be sealed in a separate envelope, the envelope must be clearly marked with the tract number and bidder's name on the outside of the envelope. Bid forms may be obtained from the Forestry Area Office(s) listed above. Bids may be submitted by mail or in person at any time during regular business hours prior to the bid submission deadline (June 6, 2016). 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)].

ADVANCE PAYMENT

- The advance payment of fifteen (15) percent of the appraised value of the timber is due within fourteen (14) days from the bid award date. Advance payments will not be accepted with the bid. Failure to provide the advance payment within 14 days of the bid opening date will result in forfeiture of the permit and the purchaser will be held liable for the advance payment. The successful bidders's advance payment will be kept on deposit by the State and applied against any billings for timber.

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 an advance payment and bid guarantee. Security can be furnished in the following forms: Corporate surety bond, 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 advance 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 advance 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 June 6, 2017, at the following Area Headquarters: Littlefork Area.

TRACT B1 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 139.0

Permit Number: B013289
Expiration Date: 05/31/2018

Purchased By: Junker Logging Inc.
Address: 5564 Co Rd 8, Littlefork, MN 56653

NENE,NENW,NESW,NWNE,NWNW,NWSE,SENE,SENW,SWNE,SWNW of Section 32; SESW,SWSE of Section 29 - Township 66, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 13	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TAMARACK	WOODSRUN CORDWOOD	2,600.00	Cd	5.35	13,910.00	6.05	15,730.00
+ BLACK SPRUCE	WOODSRUN CORDWOOD	850.00	Cd	14.28	12,138.00	16.14	13,719.00
+ JACK PINE	WOODSRUN MIXED PRODUCTS	110.00	Cd	30.48	3,352.80	34.44	3,788.40
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	110.00	Cd	22.76	2,503.60	25.72	2,829.20
	BALSAM FIR	10.00	Cd	13.39	133.90	13.39	133.90
	PAPER BIRCH	8.00	Cd	10.71	85.68	10.71	85.68

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$32,123.98 BID TOTAL = \$ 36,286.18
 ADVANCE PAYMENT = \$4,818.60

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

ANY LISTED SPECIES BIOMASS 1,304.00 Tons 1.00 1,304.00

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 65%; Pulpwood 35%.

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 county and state land.
- Permission to cross county land must be obtained by permittee.
- The sale will expire in 2 years due to dwarf mistletoe pockets and the larch beetle.

Marketing Conditions:

Tamarack: Avg 8" dbh, Avg 5 stick, 66 years old.
 Black spruce: Avg 6" dbh, Avg 3 stick 64 years old.
 Trembling aspen: Avg 11" dbh, Avg 6 stick.
 Jack pine: Avg 12" dbh, Avg 7 stick.

Site index in western stand better for both black spruce and tamarack.
Price increase 5% for existing road access.

Price Adjustments:

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

Appraiser:

Simon Cain

TRACT B2

COUNTY: KOOCHICHING

AREA: LITTLEFORK AREA

ACRES: 227.9

Permit Number: B013290
Expiration Date: 05/31/2019

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

SESW of Section 29; NENW,NESW,NWSE,NWSW,SENW,SWNE,SWNW,SWSE of Section 32; SENE of Section 31 - Township 67, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 265	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	WOODSRUN CORDWOOD	5,390.00	Cd	14.96	80,634.40	54.60	294,294.00
TAMARACK	WOODSRUN CORDWOOD	370.00	Cd	5.61	2,075.70	5.61	2,075.70
ASPEN SPECIES	WOODSRUN CORDWOOD	60.00	Cd	23.81	1,428.60	23.81	1,428.60
BALSAM FIR	WOODSRUN CORDWOOD	13.00	Cd	14.03	182.39	14.03	182.39
PAPER BIRCH	WOODSRUN CORDWOOD	10.00	Cd	11.22	112.20	11.22	112.20
JACK PINE	WOODSRUN CORDWOOD	1.00	Cd	13.09	13.09	13.09	13.09

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$84,446.38 BID TOTAL = \$ 298,105.98
ADVANCE PAYMENT = \$12,666.96

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

ANY LISTED SPECIES BIOMASS 3,018.00 Tons 1.00 3,018.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 1%; Trembling Aspen 99%.
Mixed Spruce Woodsrun Cordwood includes: Black Spruce 99%; White Spruce 1%.

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 County and State land.
- Permission to cross County land must be obtained by permittee.

Marketing Conditions:

Approximately 40 acres of sale is heavily impacted by mistletoe with little or no merchantable volume and a high amount of non-merchantable stems to cut.
Spruce size and quality varies by stand, most is 4-6 sticks 7-10" DBH.
In areas not significantly impacted by mistletoe volume runs 25-35 cords/acre.
Tamarack averages 10" DBH and 5 sticks.
Tamarack is declining rapidly due to Eastern Larch Beetle.

Price Adjustments:

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

Appraiser:

Benjamin I. Becker

TRACT B3

COUNTY: KOOCHICHING

AREA: LITTLEFORK AREA

ACRES: 91.8

Permit Number: B013291
Expiration Date: 05/31/2019

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

GL01, GL02, GL03, NESW, NWSW of Section 35; GL04 of Section 34 - Township 69, Range 24W.
GL03, GL04 of Section 2 - Township 68, Range 24W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 163	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	WOODSRUN MIXED PRODUCTS	3,620.00	Cd	21.00	76,020.00	55.23	199,932.60
TAMARACK	WOODSRUN CORDWOOD	265.00	Cd	6.63	1,756.95	6.63	1,756.95
PAPER BIRCH	WOODSRUN CORDWOOD	15.00	Cd	13.26	198.90	13.26	198.90
BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	16.58	82.90	16.58	82.90
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$78,058.75	BID TOTAL = \$	201,971.35
				ADVANCE PAYMENT =	\$11,708.81		

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

ANY LISTED SPECIES BIOMASS 1,800.00 Tons 1.00 1,800.00

Mixed Product Description:

Black Spruce Woodsrun Mixed Products includes: Bolts 15%; Pulpwood 85%.

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 State land.

Marketing Conditions:

Black spruce avg 7-8" dbh 4-5 sticks/ tree Age 95-120 SI 42-45

Tamarack avg 11" dbh 5 sticks/ tree

Majority of sale is of good size and quality. There is some old blowdown on western and southern edges and stand has pockets of dwarf mistletoe.

From Hwy #217 approximately 2 miles of existing winter road to access sale area. Portions of this road are very wet and take some work to freeze down.

Price Adjustments:

Road Construction Costs: 0%

Haul Distance to Nearest Mill: +5%

Stand Density: +10%

Operational Constraints: 0%

Other Price Factor: +15% (quality)

Appraiser:

Chris J. Scofield

TRACT B4

COUNTY: KOOCHICHING

AREA: LITTLEFORK AREA

ACRES: 139.1

Permit Number: B013292
Expiration Date: 05/31/2019

Purchased By: Boise White Paper LLC

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

NESE,NESW,NWSE,NWSW,SESE,SESW,SWNW,SWSE,SWSW of Section 9; NENE,NWNE of Section 16 - Township 155, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 150	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	3,210.00	Cd	22.16	71,133.60	55.40	177,834.00
+ BALSAM FIR	WOODSRUN CORDWOOD	485.00	Cd	13.39	6,494.15	33.48	16,237.80
+ WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	155.00	Cd	27.67	4,288.85	69.18	10,722.90
MIXED HARDWOODS	WOODSRUN CORDWOOD	145.00	Cd	9.10	1,319.50	9.10	1,319.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$83,236.10	BID TOTAL =	\$ 206,114.20
				ADVANCE PAYMENT =	\$12,485.42		

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

ANY LISTED SPECIES BIOMASS 1,890.00 Tons 1.00 1,890.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 15%; Trembling Aspen 85%.
Mixed Hardwoods Woodsrun Cordwood includes: Ash 36%; Paper Birch 64%.

Mixed Product Description:

White Spruce Woodsrun Mixed Products includes: Bolts 75%; Pulpwood 25%.

Season of Operations:

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

Sale Conditions:

- Access is across state land.
- Access to the harvest area may include using the power line right-of-way. Permission to operate on the right-of-way must be obtained by the permittee.

Marketing Conditions:

Harvest area volume is 31.1 cords per acre.

Aspen averages 16" diameter and 6 sticks. Some aspen exceed 20" diameter and 7-8 sticks.
Balm of Gilead averages 10" diameter and 5 sticks.
White spruce averages 14" diameter and 5 sticks.
Balsam fir averages 8" diameter and 3 sticks.
Ash and paper birch averages 7" diameter and 2-3 sticks.

Price Adjustments:

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

Appraiser:

Matthew S. Wappler

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

LITTLEFORK 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: June 6, 2016

- SUMMARY SHEET -

06/06/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/26/2017

LITTLEFORK AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	JACK PINE	110.00	Cd	34.44	3,788.40
	WHITE SPRUCE	155.00	Cd	69.18	10,722.90
	BLACK SPRUCE	3,620.00	Cd	55.23	199,932.60
WOODSRUN CORDWOOD	ASPEN SPECIES	3,270.00	Cd	54.82	179,262.60
	TREMBLING ASPEN	110.00	Cd	25.72	2,829.20
	PAPER BIRCH	33.00	Cd	12.02	396.78
	JACK PINE	1.00	Cd	13.09	13.09
	BALSAM FIR	513.00	Cd	32.43	16,636.99
	BLACK SPRUCE	850.00	Cd	16.14	13,719.00
	TAMARACK	3,235.00	Cd	6.05	19,562.65
	MIXED SPRUCE	5,390.00	Cd	54.60	294,294.00
	MIXED HARDWOODS	145.00	Cd	9.10	1,319.50
BIOMASS	ANY LISTED SPECIES (optional)	8,012.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 17,432.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 277,865.21
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 742,477.71
TOTAL ACRES SOLD: 597.8
TOTAL NUMBER OF TRACTS SOLD: 4