



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #3
ORAL BID

Notice is hereby given that I offered for sale at public auction in Orr, MN at 9:00 AM on Tuesday, June 14, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Orr American Legion in Orr, 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
TOWER AREA

9:00 AM on June 14, 2016
Orr American Legion in Orr, 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 June 14, 2017, at the following Area Headquarters: Tower Area.

TRACT B1

COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 94.0

Permit Number: B013344
Expiration Date: 05/31/2019

Purchased By: Mike Nielsen Logging
Address: 1979 Sotlich Road, Ely, MN 55731

NENE,NENW,NESW,NWNE,NWNW,NWSW,SENW,SWNE,SWNW of Section 36 - Township 61, Range 17W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	950.00	Cd	41.15	39,092.50	41.15	39,092.50
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	400.00	Cd	21.68	8,672.00	21.68	8,672.00
+ BLACK SPRUCE	WOODSRUN CORDWOOD	250.00	Cd	13.60	3,400.00	13.60	3,400.00
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	150.00	Cd	9.65	1,447.50	9.65	1,447.50
BALSAM FIR	WOODSRUN CORDWOOD	50.00	Cd	12.75	637.50	12.75	637.50
TAMARACK	WOODSRUN CORDWOOD	30.00	Cd	5.10	153.00	5.10	153.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$53,402.50	BID TOTAL = \$ 53,402.50
				ADVANCE PAYMENT =		\$8,010.38	

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

ANY LISTED SPECIES BIOMASS 900.00 Tons 1.00 900.00

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Ash 13%; Paper Birch 75%; Red Maple 12%.
Pine Species Woodsrun Mixed Products includes: Norway Pine 99%; White Pine 1%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 55%; Pulpwood 10%; Sawtimber 35%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

- Conduct sale operations on dry / frozen soil conditions only, except with written permission from State.
- Frozen ground access only to most of the sale area.

Sale Conditions:

- Access is across USFS and State land.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.

Marketing Conditions:

Average size of main species:

Pine - 15-20" dbh, 7-8 sticks
Aspen- 10-14" dbh, 5-6 sticks
Black spruce 6-9" dbh, 3-4 sticks

Price Adjustments:

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

Appraiser:

Jeffrey J. Rengo

(Appraisal ID 11871-0; Cutting Block ID 13897-0)

TRACT B2 COUNTY: KOOCHICHING AREA: TOWER AREA ACRES: 220.8

Permit Number: B013345
 Expiration Date: 05/31/2019

Purchased By: Boise White Paper LLC
 Address: 400 3rd Ave E, International Falls, MN 56649

NENE,NESE,NWNE,NWSE,SENE,SWNE of Section 26; NWNW,NWSW,SWNW of Section 25 - Township 67, Range 22W.

NESE,NESW,NWSE,SENE,SESE,SESW,SWNE,SWSE,SWSW of Section 27; NWSW of Section 26 - Township 67, Range 22W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 155	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	6,710.00	Cd	23.64	158,624.40	60.28	404,478.80
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	435.00	Cd	10.20	4,437.00	10.20	4,437.00
BALSAM FIR	WOODSRUN CORDWOOD	420.00	Cd	12.75	5,355.00	12.75	5,355.00
MIXED SPRUCE	WOODSRUN CORDWOOD	90.00	Cd	13.60	1,224.00	13.60	1,224.00
JACK PINE	WOODSRUN CORDWOOD	65.00	Cd	11.90	773.50	11.90	773.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$170,413.90 BID TOTAL = \$ 416,268.30
 ADVANCE PAYMENT = \$25,562.09

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

ANY LISTED SPECIES BIOMASS 3,630.00 Tons 1.00 3,630.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 5%; Largetooth Aspen 3%; Trembling Aspen 92%.
 Mixed Spruce Woodsrun Cordwood includes: Black Spruce 83%; White Spruce 17%.
 Northern Hardwoods Woodsrun Cordwood includes: Ash 5%; Paper Birch 64%; Red Maple 31%.

Season of Operations:

- Conduct sale operations on dry / frozen soil conditions only, except with written permission from State (Cutting Blocks 1 and 2).

Sale Conditions:

- Access is across state land (Cutting Blocks 1 and 2).

Marketing Conditions:

Aspen averages approx 14 inches, and 8 sticks. Prices increased 10 %, due to stand density, and access.

Price Adjustments:

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

Appraiser:

Steven W. Horndt

TRACT B3 COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 192.0

Permit Number: B013346 Purchased Over-the-Counter Date: 06/15/2016
Expiration Date: 05/31/2019

Purchased By: Wagner Logging LLC
Address: 3151 Hwy 53 Suite 1, International Falls, MN 56649

NWSE,SWSE of Section 10 - Township 68, Range 19W.
NESW,NWSW,SWNW of Section 23 - Township 68, Range 19W.
NWSW,SESW,SWSE of Section 25; NWSE,SWSE of Section 26 - Township 68, Range 19W.
NENE,NWNE of Section 15; SESE,SWSE of Section 10 - Township 68, Range 19W.
NESE of Section 9; NESW,NWSW of Section 10 - Township 68, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	1,460.00	Cd	10.84	15,826.40	10.84	15,826.40
+ MIXED SPRUCE	WOODSRUN CORDWOOD	1,065.00	Cd	6.80	7,242.00	6.80	7,242.00
+ JACK PINE	WOODSRUN CORDWOOD	800.00	Cd	5.95	4,760.00	5.95	4,760.00
BALSAM FIR	WOODSRUN CORDWOOD	275.00	Cd	6.38	1,754.50	6.38	1,754.50
MIXED HARDWOODS	WOODSRUN CORDWOOD	150.00	Cd	4.67	700.50	4.67	700.50
TAMARACK	WOODSRUN CORDWOOD	40.00	Cd	2.55	102.00	2.55	102.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$30,385.40 BID TOTAL = \$ 30,385.40
 ADVANCE PAYMENT = \$4,557.81

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

ANY LISTED SPECIES BIOMASS 1,625.00 Tons 0.50 812.50

Mixed Species Description:

Mixed Hardwoods Woodsrun Cordwood includes: Ash 20%; Paper Birch 60%; Red Maple 20%.
Mixed Spruce Woodsrun Cordwood includes: Black Spruce 84%; White Spruce 16%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall (Cutting Blocks 1, 2, and 3).

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, 3, 4, and 5).
- Frozen ground access across state and Molpus land (Cutting Blocks 1, 2, 3, 4, and 5).

Sale Conditions:

- Access crosses Public Waters. A Permit is not required if using a snow / ice bridge (Cutting Blocks 1 and 5).
- Access is across state and Molpus land (Cutting Blocks 3, 4, and 5).
- Access is across state, Molpus and George Cochran land (Cutting Blocks 1 and 2).
- Permission to cross private land must be obtained by permittee (Cutting Blocks 1 and 2).
- Permittee will need to tramp and freeze winter roads (Cutting Blocks 1, 2, 3, 4, and 5).

Marketing Conditions:

Aspen 7.5 sticks 14" DBH, jack pine 6.5 sticks 13"DBH, black spruce 4.5 sticks 8"DBH, white spruce 5 sticks 10" DBH, balsam 4 sticks 9" DBH. NOTE: Pockets of whitepine saplings 6-10 feet tall \$25 per tree if damaged. Forester will define area of concern.

Cruised by Mike Wurst

Price Adjustments:

Road Construction Costs: -15%
Haul Distance to Nearest Mill: 0%

Stand Density: -10%
Operational Constraints: -10%
Other Price Factor: -15% (Reoffer)

Appraiser:

Lars E. Helleloid

(Appraisal ID 10899-0; Cutting Block ID 9112-0, 9138-0, 9144-0, 9139-0, 9145-0)

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

TOWER AREA - ORR FIELD STATION

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 14, 2016

- SUMMARY SHEET -

06/14/2016 REGULAR AUCTION - SALE #3

COMPLETED - DATA AS OF 12/26/2017

TOWER AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	PINE SPECIES	950.00	Cd	41.15	39,092.50
WOODSRUN CORDWOOD	ASPEN SPECIES	6,710.00	Cd	60.28	404,478.80
	TREMBLING ASPEN	1,860.00	Cd	13.17	24,498.40
	NORTHERN HARDWOODS	585.00	Cd	10.06	5,884.50
	JACK PINE	865.00	Cd	6.40	5,533.50
	BALSAM FIR	745.00	Cd	10.40	7,747.00
	BLACK SPRUCE	250.00	Cd	13.60	3,400.00
	TAMARACK	70.00	Cd	3.64	255.00
	MIXED SPRUCE	1,155.00	Cd	7.33	8,466.00
	MIXED HARDWOODS	150.00	Cd	4.67	700.50
BIOMASS	ANY LISTED SPECIES (optional)	6,155.00	Tons	-	0.00
TOTAL SOLD TRACTS CONVERTED TO CORDS:		13,340.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 254,201.80			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 501,056.20			
TOTAL ACRES SOLD:		506.8			
TOTAL NUMBER OF TRACTS SOLD:		3			