



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Baudette, MN at 9:30 AM on Tuesday, November 22, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Baudette Area Forestry Office in Baudette, 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
BAUDETTE AREA

9:30 AM on November 22, 2016
Baudette Area Forestry Office in Baudette, 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 November 22, 2017, at the following Area Headquarters: Baudette Area.

TRACT B1 COUNTY: LAKE OF THE WOODS AREA: BAUDETTE AREA ACRES: 107.0

Permit Number: B013448
Expiration Date: 05/31/2019

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

NESW,SESW of Section 34 - Township 158, Range 31W.
GL02,GL03,SENW,SESE,SWNE,SWSE of Section 3 - Township 157, Range 31W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 141	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	3,800.00	Cd	20.41	77,558.00	49.19	186,922.00
+ BID SPECIES	* SOLD ON APPRAISED VOLUME						
					APPRAISED TOTAL =	\$77,558.00	BID TOTAL = \$ 186,922.00
					ADVANCE PAYMENT =	\$11,633.70	

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

ANY LISTED SPECIES BIOMASS 1,700.00 Tons 0.98 1,666.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 3%; Trembling Aspen 97%.

Season of Operations:

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

Landings Roads and Trails:

- Use only snow / ice in Christy's creek water crossing.
- Permission required if access across private land is to be used. A north and south access trail to each parcel will be needed to avoid private lands.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Ice bridge needed to cross Christy's creek.
Aspen ave. 11-14" dbh @ 35-40+ cds/ac.

Price Adjustments:

- Road Construction Costs: -2%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: 0%

Appraiser:

Mark E. Johnson

TRACT B2 COUNTY: LAKE OF THE WOODS AREA: BAUDETTE AREA ACRES: 16.5

Permit Number: B013449
Expiration Date: 05/31/2019

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

NWNE,SWNE of Section 20 - Township 157, Range 31W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	480.00	Cd	19.82	9,513.60	19.82	9,513.60
PAPER BIRCH	WOODSRUN CORDWOOD	54.00	Cd	9.00	486.00	9.00	486.00
ASH	WOODSRUN CORDWOOD	5.00	Cd	5.83	29.15	5.83	29.15
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$10,028.75	BID TOTAL = \$	10,028.75
				ADVANCE PAYMENT =	\$1,504.31		

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

ANY LISTED SPECIES BIOMASS 249.00 Tons 0.98 244.02

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 16%; Trembling Aspen 84%.

Season of Operations:

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

Sale Conditions:

- Access is across state, or private land.

Marketing Conditions:

Aspen is 6-7 sticks, birch is 3-4 sticks. Sale is located 20 miles south of Baudette on state hwy 72 and 4 miles west on city rd 77.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: -2%
Other Price Factor: 0%

Appraiser:

Edwin Fredrick Koepp

TRACT B3

COUNTY: KOOCHICHING

AREA: BAUDETTE AREA

ACRES: 152.2

Permit Number: B013450
Expiration Date: 05/31/2019

Purchased By: Ferrier Logging Inc.

Address: 585 County RD 6 SW, Baudette, MN 56623

NENE,NESE,NWNE,SENE,SWNE of Section 30; NENW,NESW,NWNW,NWSW,SENW,SWNW of Section 29 - Township 158, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 105	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TAMARACK	WOODSRUN CORDWOOD	1,580.00	Cd	4.97	7,852.60	10.19	16,100.20
+ BLACK SPRUCE	WOODSRUN CORDWOOD	700.00	Cd	11.90	8,330.00	24.40	17,080.00
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	55.00	Cd	20.83	1,145.65	42.70	2,348.50
PAPER BIRCH	WOODSRUN CORDWOOD	30.00	Cd	10.20	306.00	10.20	306.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$17,634.25	BID TOTAL = \$	35,834.70
ADVANCE PAYMENT =	<u>\$2,645.14</u>		

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Black spruce average 7 inch dbh, and average of 4 sticks
Tamarack average 10 inch dbh, and average of 5 sticks

Tamarack price reduced due to 5% dead tamarack present in stand

Timber sale is 26 miles southeast of Baudette, MN.

Price Adjustments:

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

Appraiser:

Ethan Erdmann

TRACT B4 COUNTY: LAKE OF THE WOODS AREA: BAUDETTE AREA ACRES: 36.0

Permit Number: B013451
Expiration Date: 05/31/2018

Purchased By: Potlatch Land & Lumber, LLC
Address: 50518 County Rd 45, Bemidji, MN 56601

GL02 of Section 31 - Township 159, Range 33W.
NESE,NESW,NWSE,SESE,SWSE of Section 3; SWSW of Section 2 - Township 158, Range 34W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 2	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	540.00	Cd	47.90	25,866.00	48.86	26,384.40
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$25,866.00	BID TOTAL = \$	26,384.40
				ADVANCE PAYMENT =	\$3,879.90		

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 34%; Pulpwood 26%; Sawtimber 40%.

Marketing Conditions:

This sale is a two season sale due to it being part of a time sensitive study by the Northern Research Station.

Sale is located 15 miles south of Williams on the Faunce Rangeline (CB2) and 3 miles in on the Spina (CB1). Average dbh of NP is 15.5" with 7.5 sticks. Residual BA is 40.

Price Adjustments:

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

Appraiser:

Clarissa A. Spicer

TRACT B5

COUNTY: LAKE OF THE WOODS

AREA: BAUDETTE AREA

ACRES: 102.0

Permit Number: B013452
Expiration Date: 05/31/2018

Purchased By: Erickson Herefords
Address: 10048 Highway 11, Birchdale, MN 56629

NESE,SENE,SESE of Section 11; NENW,SENW of Section 15 - Township 159, Range 34W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 45	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	1,550.00	Cd	36.24	56,172.00	52.55	81,452.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$56,172.00	BID TOTAL = \$	81,452.50
				ADVANCE PAYMENT =	\$8,425.80		

Mixed Product Description:

Norway Pine Woodsrunk Mixed Products includes: Bolts 30%; Pulpwood 10%; Sawtimber 60%.

Marketing Conditions:

This sale is a two season sale due to it being part of a time sensitive study by the Northern Research Station.

Sale is located 15 miles south and west of Williams on the Faunce/Butterfield Forest Road.

Norway pine averages 12" DBH and 8 sticks. Jack pine averages 7 sticks and 9" DBH.

Price Adjustments:

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

Appraiser:

Becky J. Lein

TRACT B6 COUNTY: LAKE OF THE WOODS AREA: BAUDETTE AREA ACRES: 72.0

Permit Number: B013453
Expiration Date: 05/31/2018

Purchased By: Ferrier Logging Inc.
Address: 585 County RD 6 SW, Baudette, MN 56623

NWSE of Section 6; NENE,NWNE of Section 20; NWNW of Section 21 - Township 159, Range 35W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 60	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	910.00	Cd	31.67	28,819.70	50.67	46,109.70
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$28,819.70	BID TOTAL = \$	46,109.70
				ADVANCE PAYMENT =	\$4,322.96		

Mixed Species Description:

Pine Species Woodsrun Mixed Products includes: Norway Pine 94%; White Pine 6%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 68%; Pulpwood 9%; Sawlog-Grade 3 23%.

Marketing Conditions:

This sale is a two season sale due to it being part of a time sensitive study by the Northern Research Station. The three portions of the sale are all located within about 4 miles of Norris Camp, in the Beltrami Island State Forest. Tree heights are up to 8 sticks, and diameters vary up to 15"DBH. The basal areas of the three stands range from 112 to 164, and will be reduced from 36 to 46% to a final BA of 67 to 76. Appraised 8/8/16, wcl, bl

Price Adjustments:

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

Appraiser:

William C. Lockner

TRACT B7 COUNTY: LAKE OF THE WOODS AREA: BAUDETTE AREA ACRES: 29.0

Permit Number: B013454
Expiration Date: 05/31/2018

Purchased By: Calder Logging
Address: 57337 - 350th Street, Warroad, MN 56763

NWNW of Section 22; NENE of Section 21 - Township 159, Range 35W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 65	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	300.00	Cd	34.06	10,218.00	56.20	16,860.00
+ JACK PINE	WOODSRUN MIXED PRODUCTS	130.00	Cd	17.84	2,319.20	29.44	3,827.20
WHITE PINE	WOODSRUN MIXED PRODUCTS	3.00	Cd	12.40	37.20	12.40	37.20

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$12,574.40
ADVANCE PAYMENT = \$1,886.16
BID TOTAL = \$ 20,724.40

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.
Norway Pine Woodsrun Mixed Products includes: Bolts 57%; Pulpwood 6%; Sawtimber 37%.
White Pine Woodsrun Mixed Products includes: Bolts 5%; Pulpwood 95%.

Marketing Conditions:

This sale is a two season sale due it being part of a time sensitive study by the North Research Station.

Average DBH of the NP is 12", average number of sticks is 8. BA before is 125 BA after is 70.

Sale is located about 23 miles south and west of Williams on the Hogsback Forest Road.

Price Adjustments:

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

Appraiser:

Becky J. Lein

TRACT B8

COUNTY: LAKE OF THE WOODS

AREA: BAUDETTE AREA

ACRES: 201.0

Permit Number: B013455
Expiration Date: 05/31/2019

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

NENE,NESE,NESW,NWSE,SESE of Section 18; SESE,SWSE of Section 7;
NESW,NWNW,NWSW,SWNW,SWSW of Section 17 - Township 163, Range 33W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 106	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	6,000.00	Cd	19.72	118,320.00	40.62	243,720.00
PAPER BIRCH	WOODSRUN CORDWOOD	100.00	Cd	9.69	969.00	9.69	969.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$119,289.00	BID TOTAL = \$ 244,689.00
				ADVANCE PAYMENT =		\$17,893.35	

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

ANY LISTED SPECIES BIOMASS 4,600.00 Tons 0.95 4,370.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 2%; Trembling Aspen 98%.

Season of Operations:

- Conduct sale operations, felling, skidding, hauling on dry / frozen soil conditions only, except with written permission from State.
- Access trail from Co. Rd # 51 may need gravel placed in areas of holes. Nearby state pit may be used for gravel source.

Sale Conditions:

- Access is across state land.
- If harvested between Dec 1st and March 31st, a five day advance notice is required before starting the sale.

Marketing Conditions:

Sale is 11 miles north of Williams, then east on Sandy Shores road 1 mile.
Bedrock and boulders on the surface are not un-common throughout the sale area.
Non-frozen operations and hauling is an option in normal dry conditions, and if haul road is improved with gravel from nearby state pit.
Appraised 10/3/16, wcl, ek, ee.

Price Adjustments:

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

Appraiser:

William C. Lockner

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

BAUDETTE 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 22, 2016

- SUMMARY SHEET -

11/22/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

BAUDETTE AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	PINE SPECIES	910.00	Cd	50.67	46,109.70
	WHITE PINE	3.00	Cd	12.40	37.20
	NORWAY PINE	2,390.00	Cd	52.17	124,696.90
	JACK PINE	130.00	Cd	29.44	3,827.20
WOODSRUN CORDWOOD	ASH	5.00	Cd	5.83	29.15
	ASPEN SPECIES	10,280.00	Cd	42.82	440,155.60
	TREMBLING ASPEN	55.00	Cd	42.70	2,348.50
	PAPER BIRCH	184.00	Cd	9.57	1,761.00
	BLACK SPRUCE	700.00	Cd	24.40	17,080.00
	TAMARACK	1,580.00	Cd	10.19	16,100.20
BIOMASS	ANY LISTED SPECIES (optional)	6,549.00	Tons	-	0.00
TOTAL SOLD TRACTS CONVERTED TO CORDS:		16,237.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 347,942.10			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 652,145.45			
TOTAL ACRES SOLD:		715.7			
TOTAL NUMBER OF TRACTS SOLD:		8			