



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
ORAL BID

Notice is hereby given that I offered for sale at public auction in Big Falls, MN at 9:30 AM on Wednesday, December 7, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Big Falls Community Center in Big Falls, 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
LITTLEFORK AREA

9:30 AM on December 7, 2016
Big Falls Community Center in Big Falls, 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 December 7, 2017, at the following Area Headquarters: Littlefork Area.

TRACT B1 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 142.6

Permit Number: B013483
 Expiration Date: 05/31/2019

Purchased By:
 Address:

UNSOLD

SESW,SWSE,SWSW of Section 2; NENW,NESW,NWNE,NWNW,NWSE,NWSW,SENW,SWNE,SWNW of Section 11; GL03 of Section 10 - Township 64, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	WOODSRUN CORDWOOD	2,370.00	Cd	11.56	27,397.20	11.56	27,397.20
TAMARACK	WOODSRUN CORDWOOD	300.00	Cd	4.34	1,302.00	4.34	1,302.00
PAPER BIRCH	WOODSRUN CORDWOOD	30.00	Cd	8.67	260.10	8.67	260.10
BALSAM FIR	WOODSRUN CORDWOOD	7.00	Cd	10.84	75.88	10.84	75.88
ANY LISTED SPECIES	BIOMASS	1,420.00	Tons	1.00	1,420.00	1.00	1,420.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$30,455.18 BID TOTAL = \$ 30,455.18
 ADVANCE PAYMENT = \$4,568.28

Marketing Conditions:

Black spruce average diameter 7", average sticks 3-4.
 Tamarack average diameter 8", average sticks 4.
 Areas of non-merchantable timber exist within the stand and will need to be worked through.
 Appraised by Alex Gehrig.
 Prices reduced 15% for first re-offer.

Price Adjustments:

Road Construction Costs: 0%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: 0%
 Other Price Factor: -15%

Appraiser:

Brian M. Feldt

TRACT B2 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 105.1

Permit Number: B013484
Expiration Date: 05/31/2019

Purchased By: Gary Rasmussen Logging
Address: 5749 Hwy. 11, International Falls, MN 56649

NESE,NWSE,SESE,SWSE of Section 13; NENE,NWNE of Section 24 - Township 66, Range 27W.
GL03,GL04,SESW of Section 18 - Township 66, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 61	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ JACK PINE	WOODSRUN MIXED PRODUCTS	2,560.00	Cd	34.02	87,091.20	54.77	140,211.20
+ BALSAM FIR	WOODSRUN CORDWOOD	325.00	Cd	14.66	4,764.50	23.60	7,670.00
WHITE SPRUCE	WOODSRUN CORDWOOD	80.00	Cd	15.64	1,251.20	15.64	1,251.20
TREMBLING ASPEN	WOODSRUN CORDWOOD	40.00	Cd	24.93	997.20	24.93	997.20
PAPER BIRCH	WOODSRUN CORDWOOD	20.00	Cd	11.73	234.60	11.73	234.60

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$94,338.70
ADVANCE PAYMENT = \$14,150.81
BID TOTAL = \$ 150,364.20

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 70%; Pulpwood 30%.

Cutting and Felling:

- Full tree skidding required.

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.
- The sale will expire after 2 operating seasons due to advanced age and deteriorating condition of jack pine.

Marketing Conditions:

Jack pine averages 12" DBH and 6-7 sticks. The total jack pine volume includes 20 cords of Norway pine woodsrun mixed products.

Balsam fir averages 7" DBH and 3 sticks.

There are two small pockets of blowdown and numerous individual wind-thrown and root-sprung trees within the sale area.

The sale has excellent summer access 0.5 miles north of County Road 31, approximately 3 miles east of Big Falls.

Price Adjustments:

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

Appraiser:

Matthew S. Wappler

TRACT B3 COUNTY: KOOCHICHING AREA: LITTLEFORK AREA ACRES: 74.0

Permit Number: B013485
Expiration Date: 05/31/2020

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

GL01, GL02 of Section 36 - Township 68, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 59	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	980.00	Cd	24.49	24,000.20	38.94	38,161.20
+ ASH	WOODSRUN CORDWOOD	620.00	Cd	6.84	4,240.80	10.88	6,745.60
+ NORTHERN HARDWOODS	WOODSRUN CORDWOOD	270.00	Cd	10.46	2,824.20	16.63	4,490.10
+ BALSAM FIR	WOODSRUN CORDWOOD	120.00	Cd	14.66	1,759.20	23.31	2,797.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$32,824.40	BID TOTAL = \$ 52,194.10
				ADVANCE PAYMENT =		\$4,923.66	

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

ANY LISTED SPECIES BIOMASS 1,030.00 Tons 1.00 1,030.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 10%; Trembling Aspen 90%.
Northern Hardwoods Woodsrun Cordwood includes: Basswood 65%; Paper Birch 34%; Red Maple 1%.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Average Aspen: 11-12" dbh and 6-7 sticks
Average Black Ash: variable size dbh and 5 sticks

Due to large reserve area actual cords per acre is 34.5

Stand is very dry summer chance.

Stand is only accessible through private property.

Price Adjustments:

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

Appraiser:

Keith Flood

TRACT B4

COUNTY: KOOCHICHING

AREA: LITTLEFORK AREA

ACRES: 79.6

Permit Number: B013486
Expiration Date: 05/31/2019

Purchased By: Boise White paper LLC

Address: 400 Third Ave East, International Falls, MN 56649

NESW,NWSE,SESE,SESW,SWSE,SWSW of Section 34 - Township 70, Range 25W.
GL02,GL03 of Section 3 - Township 69, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 126	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	2,460.00	Cd	25.88	63,664.80	58.49	143,885.40
+ BALSAM FIR	WOODSRUN CORDWOOD	520.00	Cd	15.30	7,956.00	34.58	17,981.60
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	63.00	Cd	12.24	771.12	12.24	771.12
WHITE CEDAR	WOODSRUN CORDWOOD	40.00	Cd	6.12	244.80	6.12	244.80

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$72,636.72	BID TOTAL = \$	162,882.92
ADVANCE PAYMENT =	\$10,895.51		

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

ANY LISTED SPECIES	BIOMASS	1,320.00	Tons	1.00	1,320.00
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Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 3%; Trembling Aspen 97%.
Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 99%; Red Maple 1%.

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:

Aspen species averages 12 inches in diameter, 7 sticks
Balsam fir averages 7 inches in diameter, 3 sticks

Sale is located 1.5 miles east of Hwy 71 off of UT202

Price Adjustments:

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

Appraiser:

Kirby M. Readman

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: December 7, 2016

- SUMMARY SHEET -

12/07/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

LITTLEFORK AREA

SUMMARY FOR SOLD TRACTS

<u>PRODUCT</u>	<u>SPECIES</u>	<u>TOTAL VOLUME</u>	<u>UNIT</u>	<u>SOLD AVERAGE UNIT PRICE</u>	<u>TOTAL SOLD \$ VALUE</u>
WOODSRUN MIXED PRODUCTS	JACK PINE	2,560.00	Cd	54.77	140,211.20
WOODSRUN CORDWOOD	ASH	620.00	Cd	10.88	6,745.60
	ASPEN SPECIES	3,440.00	Cd	52.92	182,046.60
	TREMBLING ASPEN	40.00	Cd	24.93	997.20
	PAPER BIRCH	20.00	Cd	11.73	234.60
	NORTHERN HARDWOODS	333.00	Cd	15.80	5,261.22
	WHITE SPRUCE	80.00	Cd	15.64	1,251.20
	BALSAM FIR	965.00	Cd	29.48	28,448.80
	WHITE CEDAR	40.00	Cd	6.12	244.80
BIOMASS	ANY LISTED SPECIES (optional)	2,350.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 8,098.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 199,799.82
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 365,471.22
TOTAL ACRES SOLD: 258.7
SOLD TRACT NUMBERS: 2, 3, 4
TOTAL NUMBER OF TRACTS SOLD: 3

SUMMARY FOR UNSOLD TRACTS

<u>PRODUCT</u>	<u>SPECIES</u>	<u>TOTAL VOLUME</u>	<u>UNIT</u>	<u>APPRAISED AVERAGE UNIT PRICE</u>	<u>APPRAISED \$ VALUE</u>
WOODSRUN CORDWOOD	PAPER BIRCH	30.00	Cd	8.67	260.10
	BALSAM FIR	7.00	Cd	10.84	75.88
	BLACK SPRUCE	2,370.00	Cd	11.56	27,397.20
	TAMARACK	300.00	Cd	4.34	1,302.00
BIOMASS	ANY LISTED SPECIES	1,420.00	Tons	1.00	1,420.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 2,707.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 30,455.18
TOTAL ACRES UNSOLD: 142.6
UNSOLD TRACT NUMBER: 1
TOTAL NUMBER OF TRACTS UNSOLD: 1