



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Backus, MN at 9:00 AM on Thursday, December 15, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Cass County Land Department Building in Backus, 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
BACKUS AREA

9:00 AM on December 15, 2016
Cass County Land Department Building in Backus, 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 15, 2017, at the following Area Headquarters: Backus Area.

TRACT B1

COUNTY: CROW WING

AREA: BACKUS AREA

ACRES: 29.4

Permit Number: B013502
Expiration Date: 05/31/2019

Purchased By: Sawyer Timber Co., LLP
Address: PO Box 13, Backus, MN 56435-0013

SWSE of Section 9; NWNE of Section 16 - Township 138, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	250.00	Cd	22.91	5,727.50	22.91	5,727.50
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	85.00	Cd	13.46	1,144.10	13.46	1,144.10
+ RED OAK	WOODSRUN CORDWOOD	40.00	Cd	16.83	673.20	16.83	673.20
RED MAPLE	WOODSRUN CORDWOOD	30.00	Cd	11.22	336.60	11.22	336.60
WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	30.00	Cd	18.23	546.90	18.23	546.90
				APPRAISED TOTAL =		\$8,428.30	BID TOTAL = \$ 8,428.30
				ADVANCE PAYMENT =		\$1,264.25	

+ BID SPECIES * SOLD ON APPRAISED VOLUME

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

ANY LISTED SPECIES BIOMASS 350.00 Tons 1.00 350.00

Mixed Product Description:

Paper Birch Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.
White Spruce Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.

Marketing Conditions:

Cutting unit 1 is a clear cut, and cutting unit 2 is strip cuts through white spruce.
Good access on ATV trail across state land.
Topography level.
Aspen averages 10", 6 sticks.
Birch averages 8", 5 sticks.
White spruce averages 6", 3 sticks.
Red oak averages 9", 4 sticks.
Maple averages 8", 4 sticks.

Price Adjustments:

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

Appraiser:

Karla Regina Sandstrom

TRACT B2

COUNTY: CASS

AREA: BACKUS AREA

ACRES: 16.2

Permit Number: B013503
Expiration Date: 05/31/2018

Purchased By:
Address:

UNSOLD

SWSW of Section 4; NENE,NWNE of Section 8; SESE,SWSE of Section 5 - Township 139, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ OAK SPECIES	WOODSRUN MIXED PRODUCTS	158.00	Cd	7.48	1,181.84	7.48	1,181.84
+ NORTHERN HARDWOODS	WOODSRUN CORDWOOD	137.00	Cd	4.08	558.96	4.08	558.96
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	70.00	Cd	8.33	583.10	8.33	583.10
BASSWOOD	WOODSRUN CORDWOOD	42.00	Cd	3.40	142.80	3.40	142.80
ASH	WOODSRUN CORDWOOD	6.00	Cd	2.38	14.28	2.38	14.28
ANY LISTED SPECIES	BIOMASS	269.00	Tons	1.00	269.00	1.00	269.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$2,749.98 BID TOTAL = \$ 2,749.98
ADVANCE PAYMENT = \$412.50

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 53%; Red Maple 18%; Sugar Maple 29%.
Oak Species Woodsrun Mixed Products includes: Bur Oak 4%; Red Oak 96%.

Mixed Product Description:

Oak Species Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.

Marketing Conditions:

This sale is timber damaged due to windstorms during the summer of 2016. Approximately 20% is windthrown, 50% root tipped, 20% snapped off and 10% standing.

Prices are reduced by 60%.

Access is on the Wren Lake ATV loop. Best access is north off of Charlies Road.

This is a blowdown salvage appraisal from a storm on July 21st. Some species and products may have limited timeframe for marketability due to blue stain or damage to wood fibers. Operate this permit promptly for best utilization and reduction of insect and disease concerns

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -60%

Appraiser:

William H. Salo

TRACT B3 COUNTY: CASS AREA: BACKUS AREA ACRES: 67.0

Permit Number: B013504
Expiration Date: 05/31/2019

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

NESE, NESW, NWSE, SENW, SWNE, SWSE of Section 9 - Township 140, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 51	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,460.00	Cd	21.87	31,930.20	33.02	48,209.20
+ MIXED HARDWOODS	WOODSRUN MIXED PRODUCTS	390.00	Cd	11.43	4,457.70	17.26	6,731.40
+ OAK SPECIES	WOODSRUN MIXED PRODUCTS	310.00	Cd	17.93	5,558.30	27.07	8,391.70
+ BASSWOOD	WOODSRUN MIXED PRODUCTS	210.00	Cd	11.43	2,400.30	17.26	3,624.60
BLACK SPRUCE	WOODSRUN CORDWOOD	105.00	Cd	13.39	1,405.95	13.39	1,405.95
TAMARACK	WOODSRUN MIXED PRODUCTS	105.00	Cd	5.36	562.80	5.36	562.80
ASH	WOODSRUN MIXED PRODUCTS	40.00	Cd	7.06	282.40	7.06	282.40

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$46,597.65
 ADVANCE PAYMENT = \$6,989.65
 BID TOTAL = \$ 69,208.05

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

ANY LISTED SPECIES BIOMASS 1,500.00 Tons 1.00 1,500.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 30%; Trembling Aspen 70%.
 Mixed Hardwoods Woodsrun Mixed Products includes: Paper Birch 68%; Sugar Maple 32%.
 Oak Species Woodsrun Mixed Products includes: Bur Oak 13%; Red Oak 87%.

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.
 Basswood Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%.
 Mixed Hardwoods Woodsrun Mixed Products includes: Bolts 15%; Pulpwood 85%.
 Oak Species Woodsrun Mixed Products includes: Bolts 26%; Pulpwood 74%.
 Tamarack Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 80%.

Cutting and Felling:

- Harvest all merchantable aspen, maple, birch, basswood, red oak, ash, tamarack, black spruce, and bur oak.

Season of Operations:

- The Timber Sale Administrator (TSA) can allow or stop permit operations to minimize rutting, root damage, bark slippage, beetle infestations or wildfire risk. If excessive damage is occurring, the TSA will stop operations until site conditions improve. For pine thinning operations the following restrictions apply to cut pine greater than 3 inch diameter:

December 1 to May 31: Pine cut in this period must be hauled or destroyed by June 1.
 June 1 to August 31: Pine cut in this period must be hauled or destroyed within 3 weeks.
 September 1 to November 30: No special restrictions for pine cut in this period.

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

The sale is located 12 miles northeast of Outing off of county rd 161.
+5% will be added to the base price for the hauling distance.
+10% will be added to the base price for stand density being greater than 30 cords/acre.
-10% will deducted off of the base price for operational constraints, winter operation only.

Aspen: 10-13" DBH 5-6 sticks
Oak: 10-14" DBH 4-6 sticks
Basswood 12-15" DBH 6-7 sticks
Black Spruce: 6-8" DBH 2-3 sticks
Tamarack: 10-14" DBH 2-3 sticks
Northern Hardwoods: 8-12" DBH 3-5 sticks

Price Adjustments:

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

Appraiser:

Cody Crawford

(Appraisal ID 12559-0; Cutting Block ID 14657-0)

TRACT B4

COUNTY: CASS

AREA: BACKUS AREA

ACRES: 14.0

Permit Number: B013505
Expiration Date: 05/31/2018

Purchased By:
Address:

UNSOLD

SESE of Section 8 - Township 140, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	215.00	Cd	4.97	1,068.55	4.97	1,068.55
ASH	WOODSRUN MIXED PRODUCTS	30.00	Cd	2.44	73.20	2.44	73.20
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	25.00	Cd	2.55	63.75	2.55	63.75
PINE SPECIES	WOODSRUN MIXED PRODUCTS	10.00	Cd	7.59	75.90	7.59	75.90
BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	3.08	15.40	3.08	15.40
BASSWOOD	WOODSRUN CORDWOOD	5.00	Cd	2.13	10.65	2.13	10.65
ANY LISTED SPECIES	BIOMASS	140.00	Tons	1.00	140.00	1.00	140.00

+ BID SPECIES

* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$1,447.45
ADVANCE PAYMENT = \$217.12

BID TOTAL = \$ 1,447.45

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 25%; Largetooth Aspen 50%; Trembling Aspen 25%.
Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 35%; Red Maple 60%; Sugar Maple 5%.
Pine Species Woodsrun Mixed Products includes: Norway Pine 90%; White Pine 10%.

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.
Pine Species Woodsrun Mixed Products includes: Bolts 70%; Pulpwood 30%.

Marketing Conditions:

This is a reoffered salvage permit, base prices have been reduced by 75%.
Most of the trees are root-tipped.
Good access exist on south end of permit boundary.
This is a blowdown salvage sale from July 21st. 2016.
Some species and products may have limited timeframe for marketability due to blue stain or damage to wood fibers.
Operate this permit promptly for best utilization and reduction of insect and disease concerns.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -75%

Appraiser:

Craig A. Schultz

TRACT B5

COUNTY: CASS

AREA: BACKUS AREA

ACRES: 32.3

Permit Number: B013506

Purchased Over-the-Counter Date: 01/27/2017

Expiration Date: 05/31/2019

Purchased By: Bill Taylor Logging LLC

Address: 39469 County 36, Laporte, MN 56461

GL03,NESW,SESW of Section 19 - Township 141, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BASSWOOD	WOODSRUN MIXED PRODUCTS	390.00	Cd	9.49	3,701.10	9.49	3,701.10
+ ASPEN SPECIES	WOODSRUN CORDWOOD	200.00	Cd	18.75	3,750.00	18.75	3,750.00
+ NORTHERN HARDWOODS	WOODSRUN MIXED PRODUCTS	180.00	Cd	11.02	1,983.60	11.02	1,983.60
+ OAK SPECIES	WOODSRUN MIXED PRODUCTS	180.00	Cd	16.22	2,919.60	16.22	2,919.60
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$12,354.30	BID TOTAL = \$	12,354.30
				ADVANCE PAYMENT =	\$1,853.15		

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

ANY LISTED SPECIES BIOMASS 504.00 Tons 1.00 504.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 5%; Trembling Aspen 95%.
Northern Hardwoods Woodsrun Mixed Products includes: Paper Birch 17%; Red Maple 3%; Sugar Maple 80%.
Oak Species Woodsrun Mixed Products includes: Bur Oak 50%; Red Oak 50%.

Mixed Product Description:

Basswood Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.
Northern Hardwoods Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.
Oak Species Woodsrun Mixed Products includes: Bolts 40%; Pulpwood 60%.

Cutting and Felling:

- Harvest all basswood, aspen, maple, oak & paper birch.
- Reserve all red pine, white pine, ash, yellow birch & trees marked with yellow paint.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Sale is 4.5 miles NE of Longville through private access on an established trail.
Basswood is 8"-16" DBH with 4-6 sticks/tree.
Aspen is 8"-14" DBH with 5-7 sticks/tree.
Oak is 10"-14" DBH with 3-5 sticks/tree.
Maple is 6"-14" DBH with 3-5 sticks/tree.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%

Operational Constraints: -10%
Other Price Factor: 0%

Appraiser:

Elena A. Teich

(Appraisal ID 12548-0; Cutting Block ID 14653-0)

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

BACKUS 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 15, 2016

- SUMMARY SHEET -

12/15/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

BACKUS AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	ASH	40.00	Cd	7.06	282.40
	PAPER BIRCH	85.00	Cd	-	0.00
	NORTHERN HARDWOODS	180.00	Cd	11.02	1,983.60
	BASSWOOD	600.00	Cd	12.21	7,325.70
	OAK SPECIES	490.00	Cd	23.08	11,311.30
	WHITE SPRUCE	30.00	Cd	-	0.00
	TAMARACK	105.00	Cd	5.36	562.80
	MIXED HARDWOODS	390.00	Cd	17.26	6,731.40
WOODSRUN CORDWOOD	ASPEN SPECIES	1,660.00	Cd	31.30	51,959.20
	TREMBLING ASPEN	250.00	Cd	-	0.00
	RED MAPLE	30.00	Cd	-	0.00
	RED OAK	40.00	Cd	-	0.00
	BLACK SPRUCE	105.00	Cd	13.39	1,405.95
BIOMASS	ANY LISTED SPECIES (optional)	2,354.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 4,005.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 67,380.25
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 90,352.55
TOTAL ACRES SOLD: 128.7
SOLD TRACT NUMBERS: 1, 3, 5
TOTAL NUMBER OF TRACTS SOLD: 3

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
WOODSRUN MIXED PRODUCTS	ASH	30.00	Cd	2.44	73.20
	OAK SPECIES	158.00	Cd	7.48	1,181.84
	PINE SPECIES	10.00	Cd	7.59	75.90
WOODSRUN CORDWOOD	ASH	6.00	Cd	2.38	14.28
	ASPEN SPECIES	215.00	Cd	4.97	1,068.55
	TREMBLING ASPEN	70.00	Cd	8.33	583.10
	NORTHERN HARDWOODS	162.00	Cd	3.84	622.71
	BASSWOOD	47.00	Cd	3.26	153.45
	BALSAM FIR	5.00	Cd	3.08	15.40
BIOMASS	ANY LISTED SPECIES	409.00	Tons	1.00	409.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 703.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 4,197.43
TOTAL ACRES UNSOLD: 30.2
UNSOLD TRACT NUMBERS: 2, 4
TOTAL NUMBER OF TRACTS UNSOLD: 2