



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
INTERMEDIATE AUCTION - SALE #2
ORAL BID

Notice is hereby given that I offered for sale at public auction in Baudette, MN at 10:00 AM on Wednesday, May 24, 2017, 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
INTERMEDIATE AUCTION
ORAL BID TIMBER SALE
BAUDETTE AREA

10:00 AM on May 24, 2017
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 whoever bids the highest price for all timber species advertised for bidding on each tract. Bidding over 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 account 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)]. Purchase is limited to registered persons or companies with 30 or fewer employees. No bidder may purchase more than twenty-five (25) percent of the tracts offered on the first round of bidding. Purchases or attempts to purchase tracts beyond the twenty-five (25) percent limit will result in the forfeiture of the down payment and loss of the tract.

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 May 24, 2018, at the following Area Headquarters: Baudette Area. Beginning 30 days after the auction date, an unsold intermediate auction tract may be purchased by any registered responsible bidder, i.e., purchase is no longer limited to businesses with 30 or fewer employees.

TRACT X1

COUNTY: LAKE OF THE WOODS

AREA: BAUDETTE AREA

ACRES: 91.0

Permit Number: X015498
 Expiration Date: 05/31/2020

Purchased By: Whitefish Creek Ent. Inc.
Address: 1393 County Road 4, Birchdale, MN 56629-9302

NENE,NESW,NWNE,NWSE,SENE,SENW,SWNE of Section 31; NENW,NWNW of Section 32 - Township 158, Range 33W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 40 | |
|---|-------------------------|----------|------|-------------------|-------------|----------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + TREMBLING ASPEN | WOODSRUN CORDWOOD | 1,480.00 | Cd | 25.08 | 37,118.40 | 35.11 | 51,962.80 |
| + BALSAM FIR | WOODSRUN MIXED PRODUCTS | 820.00 | Cd | 13.26 | 10,873.20 | 18.56 | 15,219.20 |
| PAPER BIRCH | WOODSRUN CORDWOOD | 160.00 | Cd | 11.90 | 1,904.00 | 11.90 | 1,904.00 |
| WHITE SPRUCE | WOODSRUN MIXED PRODUCTS | 130.00 | Cd | 14.71 | 1,912.30 | 14.71 | 1,912.30 |
| ASH | WOODSRUN CORDWOOD | 20.00 | Cd | 8.50 | 170.00 | 8.50 | 170.00 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | \$51,977.90 | BID TOTAL = \$ | 71,168.30 |
| | | | | ADVANCE PAYMENT = | \$7,796.69 | | |

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.
 White Spruce Woodsrun Mixed Products includes: Bolts 15%; Pulpwood 85%.

Cutting and Felling:

- Harvest aspen, balsam, spruce, birch, and black ash.
- Reserve some wolf/cull large diameter aspen and some large diameter white spruce.

Season of Operations:

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

Slash Disposal:

- Distribute slash evenly across the site to a depth up to 3 feet.

Site, Soil and Water Protection:

- If site damage becomes apparent, alter or cease operations and contact State.

Landings Roads and Trails:

- The location and construction of all roads, trails and landings must be pre-approved by the State.

Sale Conditions:

- IF trail to the north is used to access permit : Access crosses Public Waters. A Permit is not required if using a snow / ice bridge.

Marketing Conditions:

Southern access south of the river is preferred. Aspen averages 6-8 sticks & 9- 14" in diameter, balsam 3-5 sticks & 8-11"

Price Adjustments:

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

Appraiser:

Mark E. Johnson

TRACT X2

COUNTY: LAKE OF THE WOODS

AREA: BAUDETTE AREA

ACRES: 31.0

Permit Number: X015499
Expiration Date: 05/31/2020

Purchased By: Kevin L. Fish
Address: 1513 76th Ave NW, Williams, MN 56686

NESE,NWSE,SENE,SESE,SWSE of Section 6; GL02,GL03,SENW,SWNE of Section 5 - Township 159, Range 32W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 0 | |
|--|-------------------------|--------|------|-------------------|-----------|-------------|--------------------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + ASPEN SPECIES | WOODSRUN CORDWOOD | 620.00 | Cd | 23.83 | 14,774.60 | 23.83 | 14,774.60 |
| + JACK PINE | WOODSRUN MIXED PRODUCTS | 115.00 | Cd | 12.40 | 1,426.00 | 12.40 | 1,426.00 |
| + PAPER BIRCH | WOODSRUN CORDWOOD | 90.00 | Cd | 11.31 | 1,017.90 | 11.31 | 1,017.90 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | | \$17,218.50 | BID TOTAL = \$ 17,218.50 |
| | | | | ADVANCE PAYMENT = | | \$2,582.78 | |

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

ANY LISTED SPECIES BIOMASS 499.00 Tons 0.95 474.05

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 5%; Trembling Aspen 95%.

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 5%; Pulpwood 95%.

Season of Operations:

- Frozen ground access across state.

Landings Roads and Trails:

- Recreation trail may be used as access.

Sale Conditions:

- Notice to begin harvest must be given at least five working days prior to starting operations due to recreation trail.

Marketing Conditions:

This sale is comprised of trembling aspen ranging from a 4-6 stick average with an average dbh of 7/8 inches as well as some jack pine averaging 6 sticks with an average 9 inches dbh and a mix of 5% sawbolts & 95% pulpwood. The stands are right on the edges of the snowmobile trails and are very easy to access on frozen ground. There is a -5% mark down due to stand composition of smaller scattered pockets of wood. Enjoy a cup of hot cocoa or warm yourself at the stove in the snowmobile shack at the trails intersection on those blistering logging days.

Price Adjustments:

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

Appraiser:

Rebecca Bies

TRACT X3

COUNTY: LAKE OF THE WOODS

AREA: BAUDETTE AREA

ACRES: 28.0

Permit Number: X015500
Expiration Date: 05/31/2020

Purchased By: Big Bear Farms
Address: 1471 33 Ave SE, Baudette, MN 56623

SESW,SWSW of Section 10; NENE,NENW,NWNE,NWNW of Section 15 - Township 159, Range 32W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 0 | |
|-----------------|----------------------------|--------|------|-------------------|-------------|----------------|-----------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + ASPEN SPECIES | WOODSRUN CORDWOOD | 530.00 | Cd | 21.83 | 11,569.90 | 21.83 | 11,569.90 |
| + BID SPECIES | * SOLD ON APPRAISED VOLUME | | | | | | |
| | | | | APPRAISED TOTAL = | \$11,569.90 | BID TOTAL = \$ | 11,569.90 |
| | | | | ADVANCE PAYMENT = | \$1,735.49 | | |

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

| | | | | | |
|--------------------|---------|--------|------|------|--------|
| ANY LISTED SPECIES | BIOMASS | 240.00 | Tons | 0.90 | 216.00 |
|--------------------|---------|--------|------|------|--------|

Mixed Species Description:

Aspen Species Woodsrunk Cordwood includes: Balm of Gilead 22%; Trembling Aspen 78%.

Cutting and Felling:

- Harvest all aspen & balm of Gilead.
- Reserve all conifers.

Season of Operations:

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

Slash Disposal:

- Distribute slash across the harvest site to within 2 feet of the ground.

Site, Soil and Water Protection:

- If site damage becomes apparent, alter or cease operations and contact State.

Landings Roads and Trails:

- The location and construction of all trails & landings must be pre-approved by the State.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Aspen contains 22% balm of Gilead.

Price Adjustments:

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

Appraiser:

Mark E. Johnson

TRACT X4

COUNTY: LAKE OF THE WOODS

AREA: BAUDETTE AREA

ACRES: 72.0

Permit Number: X015501
Expiration Date: 05/31/2020

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

NWSW,SWSW of Section 14; NESE,NESW,NWSE,NWSW,SESE,SESW,SWSE,SWSW of Section 15 -
Township 159, Range 34W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 50 | |
|---|-------------------------|--------|------|-------------------|-----------|-------------|--------------------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + NORWAY PINE | WOODSRUN MIXED PRODUCTS | 910.00 | Cd | 34.99 | 31,840.90 | 52.49 | 47,765.90 |
| + JACK PINE | WOODSRUN CORDWOOD | 140.00 | Cd | 11.05 | 1,547.00 | 16.58 | 2,321.20 |
| WHITE PINE | WOODSRUN MIXED PRODUCTS | 45.00 | Cd | 13.77 | 619.65 | 13.77 | 619.65 |
| * MIXED CONIFERS | WOODSRUN SAWTIMBER | 15.00 | Cd | 11.90 | 178.50 | 11.90 | 178.50 |
| * MIXED HARDWOODS | WOODSRUN CORDWOOD | 10.00 | Cd | 15.85 | 158.50 | 15.85 | 158.50 |
| + BID SPECIES * SOLD ON APPRAISED VOLUME | | | | APPRAISED TOTAL = | | \$34,344.55 | BID TOTAL = \$ 51,043.75 |
| | | | | ADVANCE PAYMENT = | | \$5,151.68 | |

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

ANY LISTED SPECIES BIOMASS 850.00 Tons 1.00 850.00

Mixed Species Description:

Mixed Conifers Woodsrun Sawtimber includes: Balsam Fir 33%; White Spruce 67%.
Mixed Hardwoods Woodsrun Cordwood includes: Paper Birch 70%; Trembling Aspen 30%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 55%; Pulpwood 29%; Sawtimber 16%.
White Pine Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.

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, felling, skidding, hauling on dry / frozen soil conditions only, except with written permission from State.

Sale Conditions:

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

Marketing Conditions:

Location of sale is 3 miles west of Faunce.
'Select Thinning' areas are 7/8 stick, large diameter(11"). Basal area is presently 135. Basal area after will be 81.
'Strip thin' areas are 3 stick, 7"DBH. Basal area is presently 129. Basal area after will be 65.
Appraised by 12/02/2016 by mlh, wcl.

Price Adjustments:

Road Construction Costs: +5%
Haul Distance to Nearest Mill: -5%

Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

William C. Lockner

(Appraisal ID 12907-0; Cutting Block ID 14466-0)

TRACT X5

COUNTY: LAKE OF THE WOODS

AREA: BAUDETTE AREA

ACRES: 74.0

Permit Number: X015502
Expiration Date: 05/31/2020

Purchased By: Hasbargen Logging Inc.
Address: 1580 Twn Rd 117, Birchdale, MN 56623

GL01, GL02, NENW, SENW of Section 31 - Township 161, Range 34W.

| SPECIES | PRODUCT | VOLUME | UNIT | APPRAISED | | BID %: 81 | |
|---------------|----------------------------|----------|------|------------|-------------------|-------------|--------------------------|
| | | | | UNIT PRICE | \$ VALUE | UNIT PRICE | \$ VALUE |
| + NORWAY PINE | WOODSRUN MIXED PRODUCTS | 1,200.00 | Cd | 21.93 | 26,316.00 | 39.69 | 47,628.00 |
| JACK PINE | WOODSRUN CORDWOOD | 30.00 | Cd | 11.05 | 331.50 | 11.05 | 331.50 |
| + BID SPECIES | * SOLD ON APPRAISED VOLUME | | | | | | |
| | | | | | APPRAISED TOTAL = | \$26,647.50 | BID TOTAL = \$ 47,959.50 |
| | | | | | ADVANCE PAYMENT = | \$3,997.13 | |

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

ANY LISTED SPECIES BIOMASS 400.00 Tons 1.00 400.00

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 40%; Pulpwood 60%.

Cutting and Felling:

- Harvest Norway using strip thinning across existing rows: Cut 15' wide strips, alternately reserving 20' wide strips following Forester's directions.

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.

Landings Roads and Trails:

- The location and construction of all landings must be pre-approved by the State.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

This is the second thinning across the rows. Averages 4-5 sticks & 8-11" diameters. BA before = 121-147, BA after thinning = BA 80

Price Adjustments:

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

Appraiser:

Mark E. Johnson

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: May 24, 2017

- SUMMARY SHEET -

05/24/2017 INTERMEDIATE AUCTION - SALE #2

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 | WHITE PINE | 45.00 | Cd | 13.77 | 619.65 |
| | NORWAY PINE | 2,110.00 | Cd | 45.21 | 95,393.90 |
| | JACK PINE | 115.00 | Cd | 12.40 | 1,426.00 |
| | WHITE SPRUCE | 130.00 | Cd | 14.71 | 1,912.30 |
| | BALSAM FIR | 820.00 | Cd | 18.56 | 15,219.20 |
| WOODSRUN CORDWOOD | ASH | 20.00 | Cd | 8.50 | 170.00 |
| | ASPEN SPECIES | 1,150.00 | Cd | 22.91 | 26,344.50 |
| | TREMBLING ASPEN | 1,480.00 | Cd | 35.11 | 51,962.80 |
| | PAPER BIRCH | 250.00 | Cd | 11.69 | 2,921.90 |
| | JACK PINE | 170.00 | Cd | 15.60 | 2,652.70 |
| | MIXED HARDWOODS | 10.00 | Cd | 15.85 | 158.50 |
| WOODSRUN SAWTIMBER | MIXED CONIFERS | 15.00 | Cd | 11.90 | 178.50 |
| BIOMASS | ANY LISTED SPECIES (optional) | 1,989.00 | Tons | - | 0.00 |
| TOTAL SOLD TRACTS CONVERTED TO CORDS: | | 6,315.00 | | | |
| TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: | | \$ 141,758.35 | | | |
| TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: | | \$ 198,959.95 | | | |
| TOTAL ACRES SOLD: | | 296.0 | | | |
| TOTAL NUMBER OF TRACTS SOLD: | | 5 | | | |