



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 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
REGULAR AUCTION
ORAL BID TIMBER SALE
BAUDETTE AREA

9:30 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 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 May 24, 2018, at the following Area Headquarters: Baudette Area.

TRACT B1

COUNTY: KOOCHICHING

AREA: BAUDETTE AREA

ACRES: 212.0

Permit Number: B013611
Expiration Date: 05/31/2020

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

NESW,NWSW,SESW,SWSW of Section 36 - Township 158, Range 29W.
NESW,NWSW,SESW,SWSW of Section 1; NESE,SESE of Section 2; NESE,NESW,NWNE,SESW of Section 11; NESW,NWSW,SESW,SWSW of Section 12 - Township 157, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 75	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	2,516.00	Cd	23.83	59,956.28	41.70	104,917.20
+ PAPER BIRCH	WOODSRUN CORDWOOD	365.00	Cd	11.30	4,124.50	19.78	7,219.70
ASH	WOODSRUN CORDWOOD	350.00	Cd	8.00	2,800.00	8.00	2,800.00
+ BALSAM FIR	WOODSRUN CORDWOOD	318.00	Cd	11.30	3,593.40	19.78	6,290.04
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$70,474.18	BID TOTAL = \$	121,226.94
				ADVANCE PAYMENT =	\$10,571.13		

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

ANY LISTED SPECIES BIOMASS 3,680.00 Tons 1.00 3,680.00

Mixed Species Description:

Aspen Species Woodsrunk Cordwood includes: Trembling Aspen 100%.

Season of Operations:

- Frozen ground access only.
- Operate during non-rutting soil conditions. Refer to DNR rutting guidelines.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Near the intersection of Indian Pines Rd. and Boise Blvd 22 miles SE of Baudette, MN. 90 miles of primary rd, 4-6 stick aspen averaging 8-9 inches DBH; 3-5 stick balsam fir averaging 7" DBH; birch averaging 3-4 sticks and 7" DBH; ash 2-4 sticks averaging 6" DBH.

Cruised by E. Koepp and K. Dorow 3/17

Price Adjustments:

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

Appraiser:

Edwin Fredrick Koepp

TRACT B2	COUNTY: KOOCHICHING	AREA: BAUDETTE AREA	ACRES: 192.0
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Permit Number: B013612
 Expiration Date: 05/31/2020

Purchased By: UPM - Blandin Paper
Address: 115 First Street SW, Grand Rapids, MN 55744

NENW,NWNE,NWNW of Section 24; NENW,NESE,NWNW,NWSE,SENE,SESE,SWNE,SWSE of Section 14;
 NENE,NWNE of Section 26; SESE,SWSE of Section 23 - Township 158, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 270	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	WOODSRUN CORDWOOD	3,982.00	Cd	11.07	44,080.74	40.96	163,102.72
NORWAY PINE	WOODSRUN CORDWOOD	100.00	Cd	7.70	770.00	7.70	770.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$44,850.74	BID TOTAL = \$ 163,872.72
				ADVANCE PAYMENT =		\$6,727.61	

Season of Operations:

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

Sale Conditions:

- Access is across state land.
- Notice to begin harvesting must be given at least 5 working days prior to starting sale operations due to the recreational trail.

Marketing Conditions:

Sale is located 12 miles south (on Hwy 72) and 12 miles east of Baudette, MN off of the Indian Pines road. Access is made easy with pre existing trails. Black spruce averages 7" DBH. The Norway pine section is a first time thin located just off of the snowmobile trail and averages 7" DBH with 7 sticks.

Price Adjustments:

- Road Construction Costs: -5%
- 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: 197.0

Permit Number: B013613
Expiration Date: 05/24/2022

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

NENE,NESE,NWSE,SENE,SESE,SESW of Section 22; NESW,NWNW,NWSW,SENW,SWNW of Section 23;
NENE of Section 27; NWSE,SESE,SWSE of Section 15 - Township 158, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 100	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	6,390.00	Cd	22.50	143,775.00	45.00	287,550.00
BALSAM FIR	WOODSRUN CORDWOOD	520.00	Cd	10.71	5,569.20	10.71	5,569.20
ASH	WOODSRUN CORDWOOD	70.00	Cd	7.65	535.50	7.65	535.50
WHITE SPRUCE	WOODSRUN CORDWOOD	20.00	Cd	10.71	214.20	10.71	214.20

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$150,093.90
ADVANCE PAYMENT = \$22,514.09
BID TOTAL = \$ 293,868.90

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

PAPER BIRCH	WOODSRUN CORDWOOD	70.00	Cd	10.71	749.70
ANY LISTED SPECIES	BIOMASS	7,580.00	Tons	1.00	7,580.00

Mixed Species Description:

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

Season of Operations:

- Frozen ground access across state land.

Sale Conditions:

- Access is across state land.
- Notice to begin working on this sale must be given at least five (5) working days prior to the start of operations due to the recreation trail.

Marketing Conditions:

located 12 miles south and 12 miles east of Baudette, MN along the Indian Pines Rd, 90 miles primary roads to International Falls.access via snowmobile trail, a meandering river divides this sale in two parts. aspen averaging 9" DBH and 5-7 sticks, as well as balsam fir averaging 7" DBH and 4 sticks

Cruised by E. Koepp, K. Dorow, and D. Serrine. 3/17

Price Adjustments:

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

Appraiser:

Edwin Fredrick Koepp

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 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 CORDWOOD	ASH	420.00	Cd	7.94	3,335.50
	ASPEN SPECIES	8,906.00	Cd	44.07	392,467.20
	PAPER BIRCH	365.00	Cd	21.83	7,969.40
	PAPER BIRCH (<i>optional</i>)	70.00	Cd	-	0.00
	NORWAY PINE	100.00	Cd	7.70	770.00
	WHITE SPRUCE	20.00	Cd	10.71	214.20
	BALSAM FIR	838.00	Cd	14.15	11,859.24
	BLACK SPRUCE	3,982.00	Cd	40.96	163,102.72
BIOMASS	ANY LISTED SPECIES (<i>optional</i>)	11,260.00	Tons	-	0.00
TOTAL SOLD TRACTS CONVERTED TO CORDS:		14,631.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 265,418.82			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 579,718.26			
TOTAL ACRES SOLD:		601.0			
TOTAL NUMBER OF TRACTS SOLD:		3			