



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, May 25, 2017, 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 May 25, 2017
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 May 25, 2018, at the following Area Headquarters: Backus Area.

TRACT B1

COUNTY: CROW WING

AREA: BACKUS AREA

ACRES: 12.0

Permit Number: B013614
Expiration Date: 05/31/2020

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

NESW,NWSW,SESW,SWSW of Section 16 - Township 137, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 37	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	600.00	Cd	58.55	35,130.00	80.21	48,126.00
PAPER BIRCH	WOODSRUN CORDWOOD	10.00	Cd	12.50	125.00	12.50	125.00
BALSAM FIR	WOODSRUN MIXED PRODUCTS	4.00	Cd	21.06	84.24	21.06	84.24
TREMBLING ASPEN	WOODSRUN CORDWOOD	2.00	Cd	26.33	52.66	26.33	52.66
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$35,391.90	BID TOTAL = \$ 48,387.90
				ADVANCE PAYMENT =		\$5,308.79	

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

ANY LISTED SPECIES BIOMASS 120.00 Tons 1.00 120.00

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 40%.
Norway Pine Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 10%; Sawtimber 70%.

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.

Slash Disposal:

- Tightly pile slash on landings as designated by TSA. Piles should be free of dirt, stumps, root wads, and prohibited materials. Piles should be placed a minimum of 50 feet away from standing timber.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Trees ave. 7 and 8 stick and 15" DBH. Basal area is around 150 and site will be site preped and replanted. level ground and good access.

Price Adjustments:

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

Appraiser:

Gregory L. Johnson

TRACT B2 COUNTY: CROW WING AREA: BACKUS AREA ACRES: 141.3

Permit Number: B013615
Expiration Date: 05/31/2020

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

NESE,NWSE,SESE,SWSE of Section 7 - Township 138, Range 28W.
SWSE of Section 16 - Township 138, Range 28W.
NWSW,SWNW,SWSW of Section 16 - Township 138, Range 28W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 13	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	3,280.00	Cd	26.33	86,362.40	29.75	97,580.00
+ NORTHERN HARDWOODS	WOODSRUN CORDWOOD	695.00	Cd	12.15	8,444.25	13.73	9,542.35
+ RED OAK	WOODSRUN MIXED PRODUCTS	345.00	Cd	17.85	6,158.25	20.17	6,958.65

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$100,964.90 BID TOTAL = \$ 114,081.00
 ADVANCE PAYMENT = \$15,144.74

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

ANY LISTED SPECIES	BIOMASS	2,190.00 Tons	1.00	2,190.00
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Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: American Elm 1%; Ash 2%; Basswood 11%; Paper Birch 59%; Red Maple 23%; Sugar Maple 4%.

Mixed Product Description:

Red Oak Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.

Marketing Conditions:

This sale is located 7 miles east of Pine River, north of Ramsey Road. Aspen 8-12" dbh - 3-6 sticks. Paper birch 6-10" dbh - 2-4 sticks. Red oak 8-12" dbh - 2-4 sticks.
Potential/best access to cutting block three is through private lands.

Price Adjustments:

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

Appraiser:

Brian Hoffmann

TRACT B3 COUNTY: CASS AREA: BACKUS AREA ACRES: 96.0

Permit Number: B013616
Expiration Date: 05/31/2020

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

SESW,SWSE of Section 9; NENE,NENW,NESE,NWNE,NWSE,SENE,SESE,SWNE,SWSE of Section 16 -
Township 138, Range 31W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 105	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,679.00	Cd	26.33	44,208.07	53.98	90,632.42
+ WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	1,527.00	Cd	21.33	32,570.91	43.73	66,775.71
NORTHERN HARDWOODS	WOODSRUN MIXED PRODUCTS	110.00	Cd	15.34	1,687.40	15.34	1,687.40

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$78,466.38
ADVANCE PAYMENT = \$11,769.96
BID TOTAL = \$ 159,095.53

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

ANY LISTED SPECIES BIOMASS 1,401.00 Tons 1.00 1,401.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 20%; Trembling Aspen 80%.
Northern Hardwoods Woodsrun Mixed Products includes: Ash 2%; Basswood 18%; Bur Oak 12%; Paper Birch 10%; Red Maple 24%; Red Oak 34%.

Mixed Product Description:

Northern Hardwoods Woodsrun Mixed Products includes: Bolts 12%; Pulpwood 88%.
White Spruce Woodsrun Mixed Products includes: Bolts 45%; Pulpwood 55%.

Cutting and Felling:

- Harvest all aspen, spruce, oak, maple, basswood, birch and ash.

Season of Operations:

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

Slash Disposal:

- Lop and scatter slash on north block. On south block, tightly pile slash on landing for future burning.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Sale is 6.5 miles SW of Backus. From Hwy 87, sale is 2.5 miles south on Bull Moose Forest Road and Rode Camp MMFR.

Aspen DBH 8-12" with 4-6 sticks/tree
Spruce DBH 8-14" with 4-6 sticks/tree

Price Adjustments:

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

Appraiser:

Elena A. Teich

(Appraisal ID 13030-0; Cutting Block ID 15263-0)

TRACT B4 COUNTY: CASS AREA: BACKUS AREA ACRES: 63.0

Permit Number: B013617
Expiration Date: 05/31/2020

Purchased By: Travis C. Hall
Address: 3656 Hilltop View, Barnum, MN 55707

NESE,NWSE of Section 15 - Township 139, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 170	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ RED OAK	WOODSRUN MIXED PRODUCTS	586.00	Cd	17.85	10,460.10	48.20	28,245.20
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	284.00	Cd	12.95	3,677.80	34.97	9,931.48
+ MAPLE SPECIES	WOODSRUN CORDWOOD	271.00	Cd	11.31	3,065.01	30.54	8,276.34
+ ASPEN SPECIES	WOODSRUN CORDWOOD	176.00	Cd	23.83	4,194.08	64.34	11,323.84
	BASSWOOD WOODSRUN MIXED PRODUCTS	38.00	Cd	11.10	421.80	11.10	421.80
	ANY LISTED SPECIES BIOMASS	800.00	Tons	1.00	800.00	1.00	800.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$22,618.79
ADVANCE PAYMENT = \$3,392.82
BID TOTAL = \$ 58,998.66

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 80%; Trembling Aspen 20%.
Maple Species Woodsrun Cordwood includes: Red Maple 50%; Sugar Maple 50%.

Mixed Product Description:

Basswood Woodsrun Mixed Products includes: Bolts 29%; Pulpwood 71%.
Paper Birch Woodsrun Mixed Products includes: Bolts 34%; Pulpwood 66%.
Red Oak Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%.

Marketing Conditions:

8 miles east of Outing, MN on CR 58.

operational constraints are for the snowmobile trail going through the center of the sale.

- oak average DBH 11" average sticks 5.
- birch average DBH 12" average sticks 2.5.
- maple average DBH 8" average sticks 5.
- basswood average DBH 10" average sticks 5.
- aspen average DBH 12" average sticks 6.

Price Adjustments:

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

Appraiser:

Cody Crawford

TRACT B5 COUNTY: CASS AREA: BACKUS AREA ACRES: 32.3

Permit Number: B013618
Expiration Date: 05/31/2020

Purchased By: Scheff Logging & Trucking Inc.
Address: 48985 State Hwy 38, Marcell, MN 56657

NWSE,SWSE of Section 7 - Township 140, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 105	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	330.00	Cd	22.57	7,448.10	46.27	15,269.10
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	295.00	Cd	41.59	12,269.05	85.26	25,151.70
+ NORTHERN HARDWOODS	WOODSRUN MIXED PRODUCTS	165.00	Cd	11.42	1,884.30	23.41	3,862.65
+ RED OAK	WOODSRUN MIXED PRODUCTS	135.00	Cd	17.14	2,313.90	35.14	4,743.90
	SPRUCE-BALSAM	25.00	Cd	11.86	296.50	11.86	296.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$24,211.85	BID TOTAL = \$ 49,323.85
				ADVANCE PAYMENT =		\$3,631.78	

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

ANY LISTED SPECIES BIOMASS 498.00 Tons 1.00 498.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 30%; Trembling Aspen 70%.
Northern Hardwoods Woodsrun Mixed Products includes: Basswood 4%; Paper Birch 56%; Red Maple 40%.
Pine Species Woodsrun Mixed Products includes: Jack Pine 4%; Norway Pine 95%; White Pine 1%.
Spruce-Balsam Woodsrun Cordwood includes: Balsam Fir 88%; White Spruce 12%.

Mixed Product Description:

Northern Hardwoods Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.
Pine Species Woodsrun Mixed Products includes: Bolts 48%; Pulpwood 10%; Sawtimber 42%.
Red Oak Woodsrun Mixed Products includes: Bolts 45%; Pulpwood 55%.

Cutting and Felling:

- Harvest all aspen, birch, red oak, maple, basswood, balsam fir, jack pine, white spruce and orange painted red pine & white pine in north stand. In south stand, harvest all red pine, aspen, birch, red oak, maple, basswood, balsam fir and white spruce.
- Reserve all bur oak and unmarked red pine and white pine in north stand. Reserve all bur oak and white pine in south stand.

Season of Operations:

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

Slash Disposal:

- Lop and scatter slash evenly over the harvest site to within 2 feet of the ground.

Sale Conditions:

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

Marketing Conditions:

Sale is 9 miles SW of Remer and 1/2 mile south of County Rd 7. Access/snowmobile trail is steep and rugged in spots. Sale has steep and rolling hills throughout.

Red pine DBH 9-21" with 3-8 sticks/tree
Aspen DBH 8-13" with 4-8 sticks/tree
Red oak DBH 10-18" with 2-5 sticks/tree

Price Adjustments:

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

Appraiser:

Elena A. Teich

(Appraisal ID 13036-0; Cutting Block ID 15265-0)

TRACT B6 COUNTY: CASS AREA: BACKUS AREA ACRES: 24.0

Permit Number: B013619
Expiration Date: 05/31/2020

Purchased By: Scheff Logging & Trucking Inc.
Address: 48985 State Hwy 38, Marcell, MN 56657

NENE,NWNE of Section 11 - Township 141, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 110	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	460.00	Cd	26.33	12,111.80	55.29	25,433.40
+ NORTHERN HARDWOODS	WOODSRUN CORDWOOD	100.00	Cd	14.07	1,407.00	29.55	2,955.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$13,518.80	BID TOTAL = \$	28,388.40
				ADVANCE PAYMENT =	\$2,027.82		

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

ANY LISTED SPECIES BIOMASS 338.00 Tons 1.00 338.00

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Basswood 26%; Bur Oak 28%; Paper Birch 15%; Red Maple 16%; Red Oak 10%; Sugar Maple 5%.

Cutting and Felling:

- Harvest all aspen, paper birch, maple, basswood, red oak and bur oak <10" DBH.

Season of Operations:

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

Sale Conditions:

- Access is across USFS and State land.
- A USFS access permit is required, the State will obtain this permit. Provisions of access permit will become part of sale terms and conditions for this sale.

Marketing Conditions:

Aspen DBH ranges 5-10" and 4-6 sticks.
Hardwoods are mostly smaller sized except for a pocket of larger sized DBH and heights.

This is a younger, smaller aspen stand with minor amounts of hardwoods.

Sale is located about a mile east of Mable Lake off of HWY 200 through USFS land.

Price Adjustments:

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

Appraiser:

Darren S. Bundy

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: May 25, 2017

- SUMMARY SHEET -

05/25/2017 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

BACKUS AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	PAPER BIRCH	284.00	Cd	34.97	9,931.48
	NORTHERN HARDWOODS	275.00	Cd	20.18	5,550.05
	BASSWOOD	38.00	Cd	11.10	421.80
	RED OAK	1,066.00	Cd	37.47	39,947.75
	PINE SPECIES	295.00	Cd	85.26	25,151.70
	NORWAY PINE	600.00	Cd	80.21	48,126.00
	WHITE SPRUCE	1,527.00	Cd	43.73	66,775.71
	BALSAM FIR	4.00	Cd	21.06	84.24
WOODSRUN CORDWOOD	ASPEN SPECIES	2,185.00	Cd	53.65	117,225.36
	TREMBLING ASPEN	3,742.00	Cd	32.89	123,066.06
	PAPER BIRCH	10.00	Cd	12.50	125.00
	MAPLE SPECIES	271.00	Cd	30.54	8,276.34
	NORTHERN HARDWOODS	795.00	Cd	15.72	12,497.35
	SPRUCE-BALSAM	25.00	Cd	11.86	296.50
BIOMASS	ANY LISTED SPECIES (optional)	4,547.00	Tons	-	0.00
	ANY LISTED SPECIES	800.00	Tons	1.00	800.00
TOTAL SOLD TRACTS CONVERTED TO CORDS:		11,117.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 275,172.62			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 458,275.34			
TOTAL ACRES SOLD:		368.6			
TOTAL NUMBER OF TRACTS SOLD:		6			