



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Warroad, MN at 10:00 AM on Thursday, July 20, 2017, timber belonging to the State of Minnesota. All tracts were offered at the Warroad Area Forestry Office in Warroad, 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
WARROAD AREA

10:00 AM on July 20, 2017
Warroad Area Forestry Office in Warroad, 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 July 20, 2018, at the following Area Headquarters: Warroad Area.

TRACT B1

COUNTY: BELTRAMI

AREA: WARROAD AREA

ACRES: 97.0

Permit Number: B013718
Expiration Date: 05/31/2020

Purchased By: Tim Kelm Logging Inc.

Address: 11921 Cardinal Rd NW, Bemidji, MN 56601

NENE,NENW,NWNE,SENE,SWNE of Section 32; SWNE of Section 29; NWNW of Section 33 - Township 155, Range 37W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 80	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	2,040.00	Cd	20.05	40,902.00	36.09	73,623.60
ASH	WOODSRUN CORDWOOD	45.00	Cd	6.80	306.00	6.80	306.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$41,208.00	BID TOTAL = \$ 73,929.60
				ADVANCE PAYMENT =		\$6,181.20	

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

ANY LISTED SPECIES BIOMASS 950.00 Tons 1.00 950.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 8%; Trembling Aspen 92%.

Season of Operations:

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

Sale Conditions:

- Access is across state and private land.
- Permission to cross private land must be obtained by permittee.
- An onsite meeting with the state must occur prior to sale operations. Notice to begin harvest operations must be given at least five working days prior to operations due to recreation trail.

Marketing Conditions:

1 mile of secondary road, 81 miles of primary road to Bemidji.
Aspen averages 9-10" DBH, 5 sticks, 21 cords/acre.

Price Adjustments:

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

Appraiser:

Michael Nooker

TRACT B2 COUNTY: BELTRAMI AREA: WARROAD AREA ACRES: 70.9

Permit Number: B013719
Expiration Date: 05/31/2020

Purchased By: Tim Kelm Logging Inc.
Address: 11921 Cardinal Rd NW, Bemidji, MN 56601

GL01, GL02, NENW, NWNE, SENW of Section 31 - Township 157, Range 38W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 100	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,300.00	Cd	17.75	23,075.00	35.50	46,150.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$23,075.00	
				ADVANCE PAYMENT =		\$3,461.25	
						BID TOTAL = \$ 46,150.00	

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

ANY LISTED SPECIES BIOMASS 840.00 Tons 1.00 840.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 37%; Trembling Aspen 63%.

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.
- Notice to begin harvest must be given at least five working days prior to the date they will commence operations due to recreation trail.

Marketing Conditions:

Sale is located approximately 5 miles NE of Grygla.
1 mile trail to build, 2 miles trail to improve, 3 miles secondary road, 84 miles primary road to Norboard, Solway.
1 mile trail to build, 2 miles trail to improve, 3 miles secondary road, 148 miles primary road to Boise, I Falls.
Aspen averages 8" dbh, 4-5 sticks

Price Adjustments:

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

Appraiser:

Shawn J. Olsen

TRACT B3 COUNTY: MARSHALL AREA: WARROAD AREA ACRES: 204.0

Permit Number: B013720
Expiration Date: 05/31/2020

Purchased By: Hillside Lumber Inc.
Address: PO Box 357, Bagley, MN 56621

NESW,NWSE,SESW,SWNE,SWSW of Section 3; SESE,SESW,SWSE of Section 17;
NENE,NENW,NWNE,NWNW,SENE,SWNE of Section 20; NESW,NWSE,SESW,SWSE,SWSW of Section 16 -
Township 158, Range 42W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	3,300.00	Cd	2.40	7,920.00	2.40	7,920.00
+ BID SPECIES	* SOLD ON APPRAISED VOLUME						
					APPRAISED TOTAL =	\$7,920.00	BID TOTAL = \$ 7,920.00
					ADVANCE PAYMENT =	\$1,188.00	

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: Balm of Gilead 35%; Trembling Aspen 65%.

Marketing Conditions:

Averages
9" DBH
4 Eight foot sticks

5 miles secondary road/118 miles primary road to Bemidji (123 miles)
4 miles of secondary road/151 miles primary road to International Falls (155 miles)

Best access is across private fields, an old snowmobile trail on state land is an optional route.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -90% (Aspen Parklands)

Appraiser:

Nicholas John Riley

TRACT B4 COUNTY: MARSHALL AREA: WARROAD AREA ACRES: 203.0

Permit Number: B013721
Expiration Date: 05/31/2020

Purchased By: Hillside Lumber Inc.
Address: PO Box 357, Bagley, MN 56621

NENW,NWNE,NWSE,NWSW,SENE,SWNE,SWNW,SWSW of Section 16;
NESW,NWSW,SESW,SWNW,SWSW of Section 21; SENE,SESE,SWSE of Section 17;
NENE,NESE,NWNE,NWSE,SENE,SESE,SWNE,SWSE of Section 20 - Township 158, Range 43W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	3,260.00	Cd	2.00	6,520.00	2.00	6,520.00
+ BID SPECIES	* SOLD ON APPRAISED VOLUME						
				APPRAISED TOTAL =	\$6,520.00	BID TOTAL = \$	6,520.00
				ADVANCE PAYMENT =	\$978.00		

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

ANY LISTED SPECIES BIOMASS 2,420.00 Tons 1.00 2,420.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 20%; Trembling Aspen 80%.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Ave 8' Sticks = 2-4 DBH varies greatly throughout
Fire damage on < 5% of volume. Blowdown pocket of < 5 acres
3 miles secondary, 110 miles primary road to Solway
3 miles secondary, 161 miles primary road to International Falls
1/4 to 3/4 mile winter road to build to get to sale-depending on access route
Cutting Block option available: North: 1480 cds Middle:730 cds South: 1050 cds

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -90% (aspen parkland winter access)

Appraiser:

Shane D. Delaney

TRACT B5 COUNTY: MARSHALL AREA: WARROAD AREA ACRES: 214.0

Permit Number: B013722
Expiration Date: 05/31/2020

Purchased By: Gerbracht Logging Inc.
Address: 20405 - 340th St, Bagley, MN 56621

SWSE of Section 9;
NENW, NESE, NESW, NWNE, NWNW, NWSE, NWSW, SENE, SENW, SESW, SWNE, SWNW, SWSW of Section 16;
NESE, NESW, NWSE, NWSW, SESE, SWSE of Section 17;
NESE, NESW, NWNW, NWSE, NWSW, SENW, SWNE, SWNW of Section 20 - Township 158, Range 44W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 91	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	3,420.00	Cd	2.45	8,379.00	4.68	16,005.60
+ BID SPECIES	* SOLD ON APPRAISED VOLUME						
					APPRAISED TOTAL =	\$8,379.00	BID TOTAL = \$ 16,005.60
					ADVANCE PAYMENT =	\$1,256.85	

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

ANY LISTED SPECIES BIOMASS 2,540.00 Tons 1.00 2,540.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 10%; Trembling Aspen 90%.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.
- No sale operations within 600' of eagle nest location from February 15th to November 15th.

Sale Conditions:

- Access is across state land. Best access to portions of the sale through private land.
- Permission to cross private land must be obtained by permittee.

Marketing Conditions:

Various size classes of aspen. Ave 8' Sticks = 2-4
Fire Damage less than 5% of volume.
10miles secondary, 110 miles primary road to Solway.
10 miles secondary, 161 miles primary road to International Falls.
0.5 mile winter road to get to sale.
Cutting block option: Sec 9/16:1715 cds; 17: 962 cds; 20: 743 cds

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -90% (aspen parklands winter access sale)

Appraiser:

Shane D. Delaney

TRACT B6 COUNTY: ROSEAU AREA: WARROAD AREA ACRES: 58.0

Permit Number: B013723
Expiration Date: 05/31/2020

Purchased By: Tim Kelm Logging Inc.
Address: 11921 Cardinal Rd NW, Bemidji, MN 56601

GL02, GL03, NENW, NESW, NWNE, NWSE, SENW of Section 34 - Township 159, Range 41W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 300	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	905.00	Cd	2.50	2,262.50	10.00	9,050.00
ASH	WOODSRUN CORDWOOD	55.00	Cd	1.00	55.00	1.00	55.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$2,317.50	
				ADVANCE PAYMENT =		\$347.63	
						BID TOTAL = \$ 9,105.00	

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

ANY LISTED SPECIES BIOMASS 50.00 Tons 1.00 50.00

Mixed Species Description:

Aspen Species Woodsrunk Cordwood includes: Balm of Gilead 58%; Trembling Aspen 42%.

Season of Operations:

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

Sale Conditions:

- Access is across state land.
- An on-site meeting with the State must occur prior to sale operations.

Marketing Conditions:

1 mile secondary/148 miles primary to International Falls.
1 mile secondary/100 miles primary to Solway.

Aspen species average # of 8' sticks = 4
Aspen species average DBH = 9"

Ash average # of 8' sticks = 2-3
Ash average DBH = 7"

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: -90% (Winter access Aspen Parklands.)

Appraiser:

Josiah Michael Emerson

TRACT B7

COUNTY: ROSEAU

AREA: WARROAD AREA

ACRES: 149.0

Permit Number: B013724
Expiration Date: 05/31/2020

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

NENW,NWNW of Section 34; GL06,GL07,NESW,NWSE,NWSW,SESW,SWSE,SWSW of Section 27 -
Township 164, Range 38W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 53	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	4,400.00	Cd	24.80	109,120.00	37.94	166,936.00
BALSAM FIR	WOODSRUN MIXED PRODUCTS	55.00	Cd	18.70	1,028.50	18.70	1,028.50
MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	40.00	Cd	27.80	1,112.00	27.80	1,112.00
PAPER BIRCH	WOODSRUN CORDWOOD	25.00	Cd	11.90	297.50	11.90	297.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$111,558.00
ADVANCE PAYMENT = \$16,733.70
BID TOTAL = \$ 169,374.00

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

ANY LISTED SPECIES BIOMASS 2,050.00 Tons 1.00 2,050.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 5%; Trembling Aspen 95%.
Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 1%; White Spruce 99%.

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.
Mixed Spruce Woodsrun Mixed Products includes: Bolts 85%; Pulpwood 15%.

Season of Operations:

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

Landings Roads and Trails:

- Due to the condition of the Norland forest road, summer hauling will not be allowed without written permission from state.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

13 miles of secondary roads on Lindberg & Norland forest roads, 10 miles of county roads and 105 miles to International Falls, MN.
Aspen average 5 to 6 sticks and 9-11" dbh.
Spruce average 6-7 sticks and 10-12" dbh.
Balsam Fir averages 3 stick & 6" dbh.

Price Adjustments:

Road Construction Costs: +10%
Haul Distance to Nearest Mill: -15%
Stand Density: +5%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Kevin G. Dorow

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

WARROAD 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: July 20, 2017

- SUMMARY SHEET -

07/20/2017 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

WARROAD AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	BALSAM FIR	55.00	Cd	18.70	1,028.50
	MIXED SPRUCE	40.00	Cd	27.80	1,112.00
WOODSRUN CORDWOOD	ASH	100.00	Cd	3.61	361.00
	ASPEN SPECIES	18,625.00	Cd	17.51	326,205.20
	PAPER BIRCH	25.00	Cd	11.90	297.50
BIOMASS	ANY LISTED SPECIES (optional)	10,350.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 18,845.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 200,977.50
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 329,004.20
TOTAL ACRES SOLD: 995.9
TOTAL NUMBER OF TRACTS SOLD: 7