



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Park Rapids, MN at 2:00 PM on Tuesday, September 12, 2017, timber belonging to the State of Minnesota. All tracts were offered at the Environmental Education Building in Park Rapids, 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
PARK RAPIDS AREA

2:00 PM on September 12, 2017
Environmental Education Building in Park Rapids, 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 September 12, 2018, at the following Area Headquarters: Park Rapids Area.

TRACT B1 COUNTY: BECKER AREA: PARK RAPIDS AREA ACRES: 80.0

Permit Number: B013730
Expiration Date: 05/31/2021

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

SESW of Section 30; NENW,NWNE,SESW,SWNE of Section 31 - Township 140, Range 36W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 52	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ SPRUCE-BALSAM	WOODSRUN MIXED PRODUCTS	860.00	Cd	19.09	16,417.40	29.02	24,957.20
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	360.00	Cd	27.59	9,932.40	41.94	15,098.40
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	305.00	Cd	33.11	10,098.55	50.33	15,350.65
JACK PINE	FUELWOOD	150.00	Cd	2.00	300.00	2.00	300.00
NORTHERN HARDWOODS	WOODSRUN MIXED PRODUCTS	125.00	Cd	13.65	1,706.25	13.65	1,706.25
RED OAK	WOODSRUN CORDWOOD	40.00	Cd	18.70	748.00	18.70	748.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$39,202.60
 ADVANCE PAYMENT = \$5,880.39
 BID TOTAL = \$ 58,160.50

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

ANY LISTED SPECIES BIOMASS 912.00 Tons 1.10 1,003.20

Mixed Species Description:

Northern Hardwoods Woodsrun Mixed Products includes: Paper Birch 88%; Red Maple 12%.
 Pine Species Woodsrun Mixed Products includes: Jack Pine 10%; Norway Pine 90%.
 Spruce-Balsam Woodsrun Mixed Products includes: Balsam Fir 82%; White Spruce 18%.

Mixed Product Description:

Northern Hardwoods Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.
 Pine Species Woodsrun Mixed Products includes: Bolts 70%; Pulpwood 30%.
 Spruce-Balsam Woodsrun Mixed Products includes: Bolts 65%; Pulpwood 35%.

Cutting and Felling:

- Trees must be processed at the stump and cut products forwarded to the landing in the Norway pine area.

Season of Operations:

- Operate during non-rutting soil conditions. Refer to DNR rutting guidelines.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

This sale is located 3 miles southwest of Osage. The spruce/balsam averages 14"-18" DBH and 52 merchantable feet. The Norway pine averages 11" DBH and 50 merchantable feet. There is approximately 14 acres of dense Norway pine located within this unit. The current basal area is 160. Parts of the permit contains significant amounts of balsam fir regeneration - avoid damage to these trees.

Price Adjustments:

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

Appraiser:

Steven J. Bade

(Appraisal ID 12715-0; Cutting Block ID 14866-0)

TRACT B2

COUNTY: HUBBARD

AREA: PARK RAPIDS AREA

ACRES: 192.0

Permit Number: B013731
Expiration Date: 05/31/2021

Purchased By: UPM - Blandin Paper

Address: 115 First Street SW, Grand Rapids, MN 55744

GL01, GL02, GL03, GL04, NESW, SENE, SENW, SWNE of Section 5; SENW, SWNW of Section 4 - Township 141, Range 32W.

NWSW, SESE, SESW, SWSE, SWSW of Section 32 - Township 142, Range 32W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 112	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	5,200.00	Cd	27.59	143,468.00	58.49	304,148.00
MIXED HARDWOODS	WOODSRUN CORDWOOD	465.00	Cd	13.09	6,086.85	13.09	6,086.85
RED OAK	WOODSRUN MIXED PRODUCTS	150.00	Cd	23.75	3,562.50	23.75	3,562.50

+ BID SPECIES

* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$153,117.35
ADVANCE PAYMENT = \$22,967.60

BID TOTAL = \$ 313,797.35

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

ANY LISTED SPECIES BIOMASS 3,350.00 Tons 1.10 3,685.00

Mixed Species Description:

Mixed Hardwoods Woodsrun Cordwood includes: Paper Birch 68%; Red Maple 32%.

Mixed Product Description:

Red Oak Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.

Season of Operations:

- Operate during non-rutting soil conditions. Refer to DNR rutting guidelines.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Sale is located in the Paul Bunyan State Forest and is adjacent to the Pine View minimum maintenance road. Aspen is 11" DBH and 5-7 sticks.

Price Adjustments:

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

Appraiser:

Kenneth P. Nelson

TRACT B3 COUNTY: HUBBARD AREA: PARK RAPIDS AREA ACRES: 80.0

Permit Number: B013732
Expiration Date: 05/31/2021

Purchased By: Michael H. Rieger
Address: 61559 Co. Road 26, Northome, MN 56661

GL06, GL07, GL10, GL11, NWSE, SENW, SWNE of Section 36 - Township 142, Range 34W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 37	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	660.00	Cd	46.71	30,828.60	63.99	42,233.40
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	235.00	Cd	23.83	5,600.05	32.65	7,672.75
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	105.00	Cd	11.31	1,187.55	11.31	1,187.55
SPRUCE-BALSAM	WOODSRUN CORDWOOD	80.00	Cd	11.31	904.80	11.31	904.80
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$38,521.00	BID TOTAL = \$	51,998.50
				ADVANCE PAYMENT =	\$5,778.15		

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Ash 1%; Basswood 1%; Paper Birch 98%.
Pine Species Woodsrun Mixed Products includes: Jack Pine 1%; Norway Pine 99%.
Spruce-Balsam Woodsrun Cordwood includes: Balsam Fir 99%; White Spruce 1%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 37%; Pulpwood 13%; Sawtimber 50%.

Cutting and Felling:

- Harvest marked pine, aspen, birch, balsam-fir, basswood, ash and spruce.
- Reserved timber that is damaged will be assessed at a rate of double stumpage.
- Trees must be limbed at the stump. Forwarding or skidding is allowed. Products being skidded may not exceed 32 feet in length, except with written permission from the state.

Season of Operations:

- Conduct all sale operations between December 1 and March 15.

Sale Conditions:

- Access is across State land.

Marketing Conditions:

This sale is located 2 miles east of Emmaville. This is a marked thinning in a mature red pine stand. There are existing skid trails throughout the sale from previous thinnings. There is some steep areas in the sale. There is a lot of white pine seedlings to avoid when operating. Landing room will be limited. 1840 red pine are marked that average 12" DBH and 7 sticks. The aspen averages 13" DBH and 6 sticks.

Price Adjustments:

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

Appraiser:

Kyle E. Anderson

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

PARK RAPIDS 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: September 12, 2017

- SUMMARY SHEET -

09/12/2017 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

PARK RAPIDS AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	NORTHERN HARDWOODS	125.00	Cd	13.65	1,706.25
	RED OAK	150.00	Cd	23.75	3,562.50
	PINE SPECIES	965.00	Cd	59.67	57,584.05
	SPRUCE-BALSAM	860.00	Cd	29.02	24,957.20
WOODSRUN CORDWOOD	TREMBLING ASPEN	5,795.00	Cd	56.41	326,919.15
	NORTHERN HARDWOODS	105.00	Cd	11.31	1,187.55
	RED OAK	40.00	Cd	18.70	748.00
	SPRUCE-BALSAM	80.00	Cd	11.31	904.80
	MIXED HARDWOODS	465.00	Cd	13.09	6,086.85
FUELWOOD	JACK PINE	150.00	Cd	2.00	300.00
BIOMASS	ANY LISTED SPECIES (optional)	4,262.00	Tons	-	0.00
TOTAL SOLD TRACTS CONVERTED TO CORDS:		8,735.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 230,840.95			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 423,956.35			
TOTAL ACRES SOLD:		352.0			
TOTAL NUMBER OF TRACTS SOLD:		3			