



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
INTERMEDIATE AUCTION - SALE #2
ORAL BID

Notice is hereby given that I offered for sale at public auction in Backus, MN at 10:30 AM on Wednesday, December 13, 2017, timber belonging to the State of Minnesota. All tracts were offered at the Cass County Land Dept. 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
INTERMEDIATE AUCTION
ORAL BID TIMBER SALE
BACKUS AREA

10:30 AM on December 13, 2017
Cass County Land Dept. 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 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 December 13, 2018, at the following Area Headquarters: Backus 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: CASS

AREA: BACKUS AREA

ACRES: 85.0

Permit Number: X015775
Expiration Date: 05/31/2021

Purchased By: Edin Logging Inc.
Address: 16568 - 235th Ave, Staples, MN 56479

SENE,SWNE of Section 2; GL03,GL04 of Section 11 - Township 133, Range 32W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	360.00	Cd	23.58	8,488.80	23.58	8,488.80
+ ASPEN SPECIES	WOODSRUN CORDWOOD	170.00	Cd	20.06	3,410.20	20.06	3,410.20
+ JACK PINE	WOODSRUN MIXED PRODUCTS	135.00	Cd	14.34	1,935.90	14.34	1,935.90
+ WHITE SPRUCE	WOODSRUN CORDWOOD	115.00	Cd	9.52	1,094.80	9.52	1,094.80
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	10.00	Cd	10.30	103.00	10.30	103.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$15,032.70	BID TOTAL = \$ 15,032.70
				ADVANCE PAYMENT =		\$2,254.91	

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

ANY LISTED SPECIES BIOMASS 485.00 Tons 1.00 485.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 60%; Trembling Aspen 40%.
Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 40%; Red Elm 2%; Red Maple 3%; Red Oak 55%.

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.
Norway Pine Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.

Cutting and Felling:

- Harvest all northern hardwoods listed on permit. Thin Norway pine to ~90 B.A. in 50 acre NP stand. In the 35 acre spruce stand; first create 15' wide access rows/strips with 45'-50' between access rows. Remove approximately 5-10% of volume within the 45'-50' area between rows, focusing on the removal of damaged, poor formed trees within those 45'-50' wide swaths.

Season of Operations:

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

Landings Roads and Trails:

- The location and construction of all landings must be pre-approved by the State.
- Incorporate water diversion practices when constructing or upgrading roads, skid trails, and landings as directed by State.

Sale Conditions:

- Access is across State land. Access across ag field might be possible, which is across private land.

Marketing Conditions:

Sale is located 2.5 miles west of STH 64, south off of CR 33 with access off of 79 Ave SW.
All base prices have been reduced 25% for a 1st entry thinning in both pine & spruce stands.
Existing access to spruce stand is good. Best access to pine stand would be across private land ag field when crops are off.
Permission needs to be obtained from private landowner.
Access rows need to be created in spruce stand.
Pine thinning should target a residual BA of 90. Focus on thinning denser pockets of pine, as some areas are more sparse

than others.

Aspen avg. 7-9" dia. 2-4 stk <20% bolts.

jack pine avg. 8-10" dia. 3-4 stk, 25% bolts

Norway pine avg. 8"-10" dia. 3-4 stk. 30% bolts

white spruce avg. 8"-10" 3-4 stk.

Price Adjustments:

Road Construction Costs: 0%

Haul Distance to Nearest Mill: +5%

Stand Density: 0%

Operational Constraints: 0%

Other Price Factor: -25% (1st entry thinning in spruce & pine stands)

Appraiser:

Craig A. Schultz

(Appraisal ID 13334-0; Cutting Block ID 15514-0)

TRACT X2

COUNTY: CASS

AREA: BACKUS AREA

ACRES: 27.4

Permit Number: X015776
Expiration Date: 05/31/2021

Purchased By: Hodgden Logging Inc.
Address: 38114 Twin Lakes Rd, Menahga, MN 56464

NWSE,SWSE of Section 6 - Township 137, Range 31W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 10	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	255.00	Cd	27.59	7,035.45	30.35	7,739.25
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	155.00	Cd	14.77	2,289.35	16.25	2,518.75
+ OAK SPECIES	WOODSRUN MIXED PRODUCTS	140.00	Cd	19.26	2,696.40	21.19	2,966.60
+ NORTHERN HARDWOODS	WOODSRUN CORDWOOD	50.00	Cd	12.27	613.50	13.50	675.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$12,634.70	BID TOTAL = \$	13,899.60
				ADVANCE PAYMENT =	\$1,895.21		

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

ANY LISTED SPECIES BIOMASS 350.00 Tons 1.00 350.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 20%; Trembling Aspen 80%.
Northern Hardwoods Woodsrun Cordwood includes: Ash 22%; Red Maple 78%.
Oak Species Woodsrun Mixed Products includes: Bur Oak 20%; Red Oak 80%.

Mixed Product Description:

Oak Species Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.
Paper Birch Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.

Cutting and Felling:

- Harvest all aspen, oak, paper birch, red maple, and ash.

Season of Operations:

- Conduct sale operations on dry / frozen soil conditions only, except with written permission from State.
- Operate during non-rutting soil conditions. Refer to DNR rutting guidelines.

Sale Conditions:

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

Marketing Conditions:

Aspen averages 14-18" DBH and 6-7 sticks
Oak averages 14-18" DBH and 4-5 sticks
Paper birch averages 7-9" DBH and 4-5 sticks

Sale is located south of Hwy 2 along the Spider-McKinley FR.
Access to south block along Spider-McKinley FR.
Access to north block through county land due to steep terrain.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: +10%

Operational Constraints: 0%

Other Price Factor: 0%

Appraiser:

Brody J. Geiselman

(Appraisal ID 13367-0; Cutting Block ID 15602-0)

TRACT X3

COUNTY: CROW WING

AREA: BACKUS AREA

ACRES: 53.5

Permit Number: X015777
Expiration Date: 05/31/2021

Purchased By: Shawn Fletcher Trucking Inc.
Address: 10545 Business 371, Brainerd, MN 56401

GL04,SENE,SWNE of Section 16 - Township 138, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 75	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,340.00	Cd	28.84	38,645.60	50.47	67,629.80
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	160.00	Cd	14.57	2,331.20	25.50	4,080.00
RED MAPLE	WOODSRUN CORDWOOD	160.00	Cd	13.69	2,190.40	13.69	2,190.40
OAK SPECIES	WOODSRUN MIXED PRODUCTS	110.00	Cd	20.31	2,234.10	20.31	2,234.10

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$45,401.30 BID TOTAL = \$ 76,134.30
ADVANCE PAYMENT = \$6,810.20

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

ANY LISTED SPECIES BIOMASS 900.00 Tons 1.00 900.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 25%; Trembling Aspen 75%.
Oak Species Woodsrun Mixed Products includes: Northern Pin Oak 25%; Red Oak 75%.

Mixed Product Description:

Oak Species Woodsrun Mixed Products includes: Bolts 13%; Pulpwood 87%.
Paper Birch Woodsrun Mixed Products includes: Bolts 15%; Pulpwood 85%.

Cutting and Felling:

- Harvest all aspen species, oak species, red maple and paper birch.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

The sale is 2 miles north of Emily, MN and one mile west on Anna Lake Dr.

Aspen species 5.5 stick average 10" DBH average
Oak species 3 stick average 9" DBH average
Paper birch 4 stick average 10" DBH average
Red maple 3 stick average 8" DBH average

Price Adjustments:

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

Appraiser:

Cody Crawford

Appraiser:

Cody Crawford

(Appraisal ID 13377-0; Cutting Block ID 15607-0)

TRACT X5

COUNTY: CASS

AREA: BACKUS AREA

ACRES: 63.0

Permit Number: X015779
Expiration Date: 05/31/2021

Purchased By: Haverinen Brothers Logging
Address: 10097 - 350th St, Menahga, MN 56464

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

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 65	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ RED OAK	WOODSRUN MIXED PRODUCTS	586.00	Cd	17.85	10,460.10	29.45	17,257.70
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	284.00	Cd	12.95	3,677.80	21.37	6,069.08
+ MAPLE SPECIES	WOODSRUN CORDWOOD	271.00	Cd	11.31	3,065.01	18.66	5,056.86
+ ASPEN SPECIES	WOODSRUN CORDWOOD	176.00	Cd	23.83	4,194.08	39.32	6,920.32
BASSWOOD	WOODSRUN MIXED PRODUCTS	38.00	Cd	11.10	421.80	11.10	421.80
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$21,818.79	BID TOTAL = \$ 35,725.76
				ADVANCE PAYMENT =		\$3,272.82	

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

ANY LISTED SPECIES BIOMASS 800.00 Tons 1.00 800.00

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%.

Cutting and Felling:

- Harvest all oak, maple species, paper birch, and aspen species in the clear cut area. In the thinning area, harvest all orange marked trees, all paper birch, and maple species <12" in DBH.

Season of Operations:

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

Sale Conditions:

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

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

(Appraisal ID 13033-0; Cutting Block ID 15223-0)

TRACT X6

COUNTY: CASS

AREA: BACKUS AREA

ACRES: 22.6

Permit Number: X015780
Expiration Date: 05/31/2020

Purchased By: Diff's Logging Inc.
Address: 11132 Bonnie Road, Brainerd, MN 56401

GL06,SWSE of Section 10 - Township 141, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 24	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	275.00	Cd	26.33	7,240.75	32.65	8,978.75
+ NORTHERN HARDWOODS	WOODSRUN MIXED PRODUCTS	245.00	Cd	13.04	3,194.80	16.17	3,961.65
+ OAK SPECIES	WOODSRUN MIXED PRODUCTS	180.00	Cd	19.72	3,549.60	24.45	4,401.00
				APPRAISED TOTAL =	\$13,985.15	BID TOTAL = \$	17,341.40
				ADVANCE PAYMENT =	\$2,097.77		

+ BID SPECIES * SOLD ON APPRAISED VOLUME

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 30%; Trembling Aspen 70%.
Northern Hardwoods Woodsrun Mixed Products includes: Ash 16%; Basswood 37%; Paper Birch 10%; Red Maple 7%; Sugar Maple 30%.
Oak Species Woodsrun Mixed Products includes: Bur Oak 28%; Red Oak 72%.

Mixed Product Description:

Northern Hardwoods Woodsrun Mixed Products includes: Bolts 37%; Pulpwood 63%.
Oak Species Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%.

Cutting and Felling:

- Harvest all unmarked aspen, oak, maple, basswood, ash and paper birch.
- Reserve all trees marked with orange paint and any oak under 6" DBH.

Season of Operations:

- No sale operations allowed during firearms / muzzleloader deer seasons.
- Conduct sale operations on frozen soil conditions only.

Slash Disposal:

- Biomass harvest is not allowed on this permit.

Landings Roads and Trails:

- A minimum of four inches of snow must be left on the recreation trail from Dec. 1 - March 31.
- Due to snowmobile trail, operator must give 5 working days notice prior to when they commence hauling and/or road work between Dec 1 - March 31.

Sale Conditions:

- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.
- Access is across State, County and USFS land. USFS road use permit is required, state will acquire this permit.

Marketing Conditions:

Sale is in the Ah Gwah Ching WMA in Pine Lake Township. From Pine Lake Rd, take Old Grade/snowmobile trail 1.0 miles to Forest Service #2317 & blue #1200. Sale is 1.5 miles north.
Aspen is 9-12" DBH with 4-6 sticks/tree.
Oak is 8-15" DBH with 4-6 sticks/tree.
Basswood is 9-15" DBH with 3-6 sticks/tree.
Maple is 6-10" DBH with 2-4 sticks/tree.

Price Adjustments:

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

Appraiser:

Elena A. Teich

(Appraisal ID 13362-0; Cutting Block ID 15595-0)

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: December 13, 2017

- SUMMARY SHEET -

12/13/2017 INTERMEDIATE AUCTION - SALE #2

COMPLETED - DATA AS OF 12/13/2017

BACKUS AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	PAPER BIRCH	611.00	Cd	21.04	12,853.11
	NORTHERN HARDWOODS	245.00	Cd	16.17	3,961.65
	BASSWOOD	38.00	Cd	11.10	421.80
	OAK SPECIES	430.00	Cd	22.33	9,601.70
	RED OAK	610.00	Cd	29.10	17,753.78
	NORWAY PINE	360.00	Cd	23.58	8,488.80
	JACK PINE	135.00	Cd	14.34	1,935.90
WOODSRUN CORDWOOD	ASPEN SPECIES	2,646.00	Cd	42.58	112,660.92
	MAPLE SPECIES	295.00	Cd	18.26	5,385.42
	NORTHERN HARDWOODS	60.00	Cd	12.97	778.00
	RED MAPLE	160.00	Cd	13.69	2,190.40
	WHITE SPRUCE	115.00	Cd	9.52	1,094.80
	BALSAM FIR	24.00	Cd	13.69	328.56
BIOMASS	ANY LISTED SPECIES (optional)	2,785.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 5,729.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 122,612.32
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 177,454.84
TOTAL ACRES SOLD: 264.5
TOTAL NUMBER OF TRACTS SOLD: 6