



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #3
ORAL BID

Notice is hereby given that I offered for sale at public auction in Orr, MN at 9:00 AM on Tuesday, December 19, 2017, timber belonging to the State of Minnesota. All tracts were offered at the Orr American Legion in Orr, 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
TOWER AREA

9:00 AM on December 19, 2017
Orr American Legion in Orr, 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 December 19, 2018, at the following Area Headquarters: Tower Area.

TRACT B1 COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 27.6

Permit Number: B013836
Expiration Date: 05/31/2021

Purchased By: Rutar Logging LLC.
Address: 5601 River Road, Buyck, MN 55771

NENW,NWNE,NWNW of Section 10 - Township 65, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 30	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	PULP & BOLTS	725.00	Cd	31.87	23,105.75	41.43	30,036.75
+ WHITE SPRUCE	PULP & BOLTS	110.00	Cd	18.74	2,061.40	24.36	2,679.60
* BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	13.39	66.95	13.39	66.95
* NORTHERN HARDWOODS	WOODSRUN CORDWOOD	5.00	Cd	8.48	42.40	8.48	42.40
* TREMBLING ASPEN	WOODSRUN CORDWOOD	5.00	Cd	22.76	113.80	22.76	113.80

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$25,390.30 BID TOTAL = \$ 32,939.50
 ADVANCE PAYMENT = \$3,808.55

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Ash 50%; Paper Birch 50%.

Mixed Product Description:

Norway Pine Pulp & Bolts includes: Bolts 70%; Pulpwood 30%.
White Spruce Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.

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, main skid trails must be pre-approved by the State.
- All main skid trails and landings MUST be located behind existing timber and NOT located directly off the gravel road, unless with permission from the TSA.

Sale Conditions:

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

Marketing Conditions:

Red Pine averages 13" DBH with 6.5 sticks tall.

This sale has some visual quality specs that will impact the placement of yards and main skid trails.

Water diversion devices will be implemented on this sale.

Price Adjustments:

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

Appraiser:

Christine Ann Martin

TRACT B2 COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 305.8

Permit Number: B013837
 Expiration Date: 05/31/2021

Purchased By: DeLack Logging Inc.
 Address: PO Box 354, Littlefork, MN 56653

GL03, GL04 of Section 7 - Township 66, Range 19W.
 NENE, SENE, SESE, SWSE of Section 11; NESE, NESW, NWSE, NWSW, SENE, SESW, SWSE, SWSW of
 Section 12 - Township 66, Range 20W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 30	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	3,970.00	Cd	26.30	104,411.00	34.19	135,734.30
+ NORTHERN HARDWOODS	WOODSRUN CORDWOOD	905.00	Cd	10.16	9,194.80	13.21	11,955.05
BALSAM FIR	WOODSRUN CORDWOOD	375.00	Cd	14.45	5,418.75	14.45	5,418.75
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	280.00	Cd	27.52	7,705.60	35.78	10,018.40
MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	230.00	Cd	22.85	5,255.50	22.85	5,255.50
TAMARACK	WOODSRUN CORDWOOD	1.00	Cd	6.80	6.80	6.80	6.80
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$131,992.45	BID TOTAL = \$ 168,388.80
				ADVANCE PAYMENT =		\$19,798.87	

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

ANY LISTED SPECIES BIOMASS 3,640.00 Tons 1.00 3,640.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 1%; Largetooth Aspen 15%; Trembling Aspen 84%.
 Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 20%; White Spruce 80%.
 Northern Hardwoods Woodsrun Cordwood includes: Ash 51%; Paper Birch 22%; Red Maple 27%.
 Pine Species Woodsrun Mixed Products includes: Jack Pine 88%; Norway Pine 4%; White Pine 8%.

Mixed Product Description:

Mixed Spruce Woodsrun Mixed Products includes: Bolts 52%; Pulpwood 48%.
 Pine Species Woodsrun Mixed Products includes: Bolts 56%; Pulpwood 40%; Sawtimber 4%.

Season of Operations:

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

Sale Conditions:

- Access is across Federal, County, Private and State land.
 - Permission to cross Private land must be obtained by permittee.

Marketing Conditions:

Part of sale can be accessed off of HWY 53 about 12 miles north of Orr going east through the Lambert Rd.

Part of sale can be accessed off of HWY 53 through the Sheep Ranch Rd., then south on Fawn Creek Rd. (USFS Rd. 608).
 Other potential access through Greene Rd. (USFS Rd. 521).

Sale is primarily located on high ground making a large portion of the sale summer accessible.

Some black ash areas may require dryer conditions.

Aspen Averages 15" DBH, 7 sticks

Price Adjustments:

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

Appraiser:

Andrew J. Erickson

(Appraisal ID 13228-0; Cutting Block ID 15461-0)

TRACT B3

COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 209.8

Permit Number: B013838
Expiration Date: 05/31/2021

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

NENW,NESW,NWNW,NWSW,SENW,SESW,SWNW,SWSW of Section 28; NENE,NESE,SENE,SWNE of Section 29; SESE of Section 20 - Township 68, Range 20W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 50	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	4,540.00	Cd	26.46	120,128.40	39.69	180,192.60
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	375.00	Cd	11.35	4,256.25	11.35	4,256.25
BALSAM FIR	WOODSRUN CORDWOOD	75.00	Cd	15.17	1,137.75	15.17	1,137.75
NORWAY PINE	WOODSRUN CORDWOOD	5.00	Cd	9.81	49.05	9.81	49.05

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$125,571.45
ADVANCE PAYMENT = \$18,835.72
BID TOTAL = \$ 185,635.65

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

ANY LISTED SPECIES BIOMASS 2,340.00 Tons 1.00 2,340.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 29%; Trembling Aspen 71%.
Northern Hardwoods Woodsrun Cordwood includes: Ash 32%; Paper Birch 68%.

Season of Operations:

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

Slash Disposal:

- Biomass harvest is allowed on this permit. An Added Timber Agreement is required.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Aspen species consists of 71% trembling aspen and 29% Balm of Gilead.
Aspen averages 9-13" dbh and 5-6 sticks.
Northern hardwoods consists of 68% paper birch and 32% ash
Approximately half of sale is summer accessible.
Price reduced for working around spruce & cedar.

Price Adjustments:

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

Appraiser:

Edward A. Schoon

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

TOWER AREA - ORR FIELD STATION

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 19, 2017

- SUMMARY SHEET -

12/19/2017 REGULAR AUCTION - SALE #3

COMPLETED - DATA AS OF 12/19/2017

TOWER AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	NORWAY PINE	725.00	Cd	41.43	30,036.75
	WHITE SPRUCE	110.00	Cd	24.36	2,679.60
WOODSRUN MIXED PRODUCTS	PINE SPECIES	280.00	Cd	35.78	10,018.40
	MIXED SPRUCE	230.00	Cd	22.85	5,255.50
WOODSRUN CORDWOOD	ASPEN SPECIES	8,510.00	Cd	37.12	315,926.90
	TREMBLING ASPEN	5.00	Cd	22.76	113.80
	NORTHERN HARDWOODS	1,285.00	Cd	12.65	16,253.70
	NORWAY PINE	5.00	Cd	9.81	49.05
	BALSAM FIR	455.00	Cd	14.56	6,623.45
	TAMARACK	1.00	Cd	6.80	6.80
BIOMASS	ANY LISTED SPECIES (optional)	5,980.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 11,606.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 282,954.20
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 386,963.95
TOTAL ACRES SOLD: 543.2
TOTAL NUMBER OF TRACTS SOLD: 3