



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 #1**  
**ORAL BID**

Notice is hereby given that I offered for sale at public auction in Orr, MN at 9:00 AM on Wednesday, May 30, 2018, 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 May 30, 2018  
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 May 30, 2019, at the following Area Headquarters: Tower Area.

**TRACT B1** COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 186.7

Permit Number: B013923  
Expiration Date: 05/31/2021

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

NESW,NWNW,NWSE,NWSW,SESW,SWNE,SWSE,SWSW of Section 24; SWSW of Section 13;  
NENE,NWNE,NWSE,SENE,SWNE of Section 23; NWNW of Section 25 - Township 64, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 57	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	3,905.00	Cd	26.40	103,092.00	41.45	161,862.25
LOWLAND HARDWOODS	PULPWOOD	1,200.00	Cd	12.20	14,640.00	12.20	14,640.00
BALSAM FIR	PULPWOOD	335.00	Cd	16.50	5,527.50	16.50	5,527.50
WHITE SPRUCE	PULPWOOD	90.00	Cd	20.90	1,881.00	20.90	1,881.00

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$125,140.50  
ADVANCE PAYMENT = \$18,771.08  
BID TOTAL = \$ 183,910.75

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

ANY LISTED SPECIES BIOMASS 3,360.00 Tons 1.00 3,360.00

**Mixed Species Description:**

Aspen Species Pulpwood includes: Balm of Gilead 8%; Trembling Aspen 92%.  
Lowland Hardwoods Pulpwood includes: Ash 63%; Paper Birch 28%; Red Maple 9%.

**Cutting and Felling:**

- Reserve Cedar, Ash under 6", Yellow Birch, Basswood and Elm.

**Season of Operations:**

- Conduct conduct sale operations on 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 crosses Public Waters. A Permit is not required if using a snow / ice bridge.

**Marketing Conditions:**

(N/A)

**Price Adjustments:**

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

**Appraiser:**

Terry R. Bergstrom

**TRACT B2** COUNTY: KOOCHICHING AREA: TOWER AREA ACRES: 272.2

Permit Number: B013924  
Expiration Date: 05/31/2021

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

NESW,NWSE,NWSW,SESE,SESW,SWSE,SWSW of Section 36 - Township 68, Range 22W.  
NENE,NENW,NESE,NESW,NWNE,NWSE,NWSW,SENE,SENW,SESE,SWNE,SWSE of Section 36 -  
Township 68, Range 22W.  
SWSE of Section 25; NENE,NESE,NWNE,SENE of Section 36 - Township 68, Range 22W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 101	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	4,090.00	Cd	23.38	95,624.20	46.99	192,189.10
+ MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	550.00	Cd	32.32	17,776.00	64.96	35,728.00
BALSAM FIR	PULPWOOD	545.00	Cd	15.00	8,175.00	15.00	8,175.00
PAPER BIRCH	PULPWOOD	475.00	Cd	13.00	6,175.00	13.00	6,175.00
ASH	PULP & BOLTS	260.00	Cd	12.80	3,328.00	12.80	3,328.00
TAMARACK	PULPWOOD	55.00	Cd	8.00	440.00	8.00	440.00
PINE SPECIES	PULP & BOLTS	50.00	Cd	31.95	1,597.50	31.95	1,597.50

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$133,115.70  
ADVANCE PAYMENT = \$19,967.36  
BID TOTAL = \$ 247,632.60

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

ANY LISTED SPECIES BIOMASS 2,820.00 Tons 1.00 2,820.00

**Mixed Species Description:**

Aspen Species Pulpwood includes: Balm of Gilead 15%; Largetooth Aspen 35%; Trembling Aspen 50%.  
Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 15%; White Spruce 85%.  
Pine Species Pulp & Bolts includes: Norway Pine 30%; White Pine 70%.

**Mixed Product Description:**

Ash Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.  
Mixed Spruce Woodsrun Mixed Products includes: Bolts 27%; Pulpwood 25%; Sawlog-Grade 3 48%.  
Pine Species Pulp & Bolts includes: Bolts 90%; Pulpwood 10%.

**Cutting and Felling:**

- Fell all live black spruce equal to or greater than 5 feet tall (Cutting Block 3).

**Season of Operations:**

- Conduct all sale operations on dry or frozen soil conditions only, except with written permission from State (Cutting Block 1).
- Conduct all sale operations on frozen soil conditions only, except with written permission from State (Cutting Block 3).
- Conduct all sale operations on dry or frozen soil conditions only, except with written permission from State (Cutting Block 2).

**Sale Conditions:**

- Access is across Molpus, USFS, and state land (Cutting Blocks 1, 2, and 3).

**Marketing Conditions:**

This sale is approximately located 14 miles off the Haney down the Wento (Town Road 161). There is a good chance for summer wood in cutting block 2 and parts of 1, however some road work will be needed to access this area. The area has a gentle slope to the south where you will find some wet areas to avoid if cutting in block 1 in the summer. There are two cedar reserves painted in blue in cutting block 1, and individual reserve trees painted in orange throughout both cutting blocks 1 and 2 that will need to be protected. The aspen are averaging 13-15 inches and 7 sticks. The white spruce is averaging 15 inches

and 6 to 7 sticks

**Price Adjustments:**

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

**Appraiser:**

Timothy D. St Aubin

(Appraisal ID 13799-0; Cutting Block ID 16171-0, 16175-0, 16112-0)

---

---

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: May 30, 2018

- SUMMARY SHEET -

05/30/2018 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 06/08/2018

TOWER AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH	260.00	Cd	12.80	3,328.00
	PINE SPECIES	50.00	Cd	31.95	1,597.50
WOODSRUN MIXED PRODUCTS	MIXED SPRUCE	550.00	Cd	64.96	35,728.00
PULPWOOD	LOWLAND HARDWOODS	1,200.00	Cd	12.20	14,640.00
	ASPEN SPECIES	7,995.00	Cd	44.28	354,051.35
	PAPER BIRCH	475.00	Cd	13.00	6,175.00
	WHITE SPRUCE	90.00	Cd	20.90	1,881.00
	BALSAM FIR	880.00	Cd	15.57	13,702.50
	TAMARACK	55.00	Cd	8.00	440.00
BIOMASS	ANY LISTED SPECIES (optional)	6,180.00	Tons	-	0.00
TOTAL SOLD TRACTS CONVERTED TO CORDS:		11,555.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 258,256.20			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 431,543.35			
TOTAL ACRES SOLD:		458.9			
TOTAL NUMBER OF TRACTS SOLD:		2			