



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Backus, MN at 9:30 AM on Thursday, May 30, 2019, timber belonging to the State of Minnesota. All tracts were offered at the Cass County Land Department 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
REGULAR AUCTION
ORAL BID TIMBER SALE
BACKUS AREA

9:30 AM on May 30, 2019
Cass County Land Department 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 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, 2020, at the following Area Headquarters: Backus Area.

TRACT B1 COUNTY: CASS AREA: BACKUS AREA ACRES: 62.2

Permit Number: B014242
 Expiration Date: 05/31/2022

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

NESE,NESW,NWSE,SESE,SESW,SWSE of Section 16 - Township 135, Range 32W.
 SESE,SWSW of Section 16 - Township 135, Range 32W.
 NWSW,SWSW of Section 16 - Township 135, Range 32W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	PULPWOOD	358.00	Cd	7.00	2,506.00	7.00	2,506.00
+ JACK PINE	PULP & BOLTS	110.00	Cd	14.56	1,601.60	14.56	1,601.60
+ TREMBLING ASPEN	PULPWOOD	50.00	Cd	14.00	700.00	14.00	700.00
OAK SPECIES	PULPWOOD	20.00	Cd	11.20	224.00	11.20	224.00
PAPER BIRCH	PULPWOOD	15.00	Cd	8.40	126.00	8.40	126.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$5,157.60 BID TOTAL = \$ 5,157.60
 ADVANCE PAYMENT = \$773.64

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

ANY LISTED SPECIES BIOMASS 314.00 Tons 1.00 314.00

Mixed Species Description:

Oak Species Pulpwood includes: Bur Oak 65%; Red Oak 35%.

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 60%; Pulpwood 40%.

Cutting and Felling:

- Harvest all Norway Pine trees marked with orange paint in Stand 64. Reduce the basal area to 90 - 100 square feet throughout Stands 93 and 94 by removing poor quality and suppressed trees to release dominant, well formed, single topped trees. Selection should be systematically throughout cutting area and not in clumps to provide equal spacing between crop/reserve trees (Cutting Block 2).
- Harvest all unmarked jack pine, aspen, birch, and oak (Cutting Block 1).
- Harvest the trees in Stand 67 to reduce the basal area to 90 - 100 square feet throughout the entire stand by removing poor quality and suppressed trees to release dominant, well formed, single topped trees. Selection should be systematically throughout cutting area and not in clumps to provide equal spacing between crop/reserve trees (Cutting Block 3).

Season of Operations:

- Conduct sale operations on dry / frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, and 3).
- Timber harvesting activities utilizing wheeled or tracked equipment must be conducted during the period of October 1st - April 30th or during the period of July 15th - August 7th due to a known ETS species occurrence (Cutting Blocks 1, 2, and 3).

Sale Conditions:

- Access is across private land (Cutting Block 3).
- Access is across state land (Cutting Blocks 1 and 2).
- Permission to cross private land must be obtained by permittee (Cutting Block 3).

Marketing Conditions:

Cutting block 1 is a clearcut with reserves.
 Jack pine averages 6 sticks, 11"

Aspen averages 5 sticks, 9".

Cutting blocks 2 & 3 are pine thinnings.

Norway Pine averages 3 sticks and 7" in diameter.

BA ranges from 128 to 140, average of 133.

Price Adjustments:

Road Construction Costs: 0%

Haul Distance to Nearest Mill: -10%

Stand Density: -10%

Operational Constraints: -10%

Other Price Factor: 0%

Appraiser:

William H. Salo

(Appraisal ID 11280-0; Cutting Block ID 13222-0, 15802-0, 13188-0)

TRACT B2 COUNTY: CASS AREA: BACKUS AREA ACRES: 32.2

Permit Number: B014243
Expiration Date: 05/31/2022

Purchased By: Rieger Logging Inc.
Address: 61559 Co Road 26, Northome, MN 56661

NENE,NWNE,SENE of Section 36 - Township 139, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 35	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	689.00	Cd	34.03	23,446.67	45.94	31,652.66
NORTHERN HARDWOODS	PULPWOOD	8.00	Cd	17.04	136.32	17.04	136.32
BALSAM FIR	PULPWOOD	1.00	Cd	12.00	12.00	12.00	12.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$23,594.99	BID TOTAL = \$ 31,800.98
				ADVANCE PAYMENT =		\$3,539.25	

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

ANY LISTED SPECIES BIOMASS 294.00 Tons 1.00 294.00

Mixed Species Description:

Northern Hardwoods Pulpwood includes: Bur Oak 12%; Paper Birch 12%; Red Maple 12%; Red Oak 14%; Trembling Aspen 50%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 53%; Pulpwood 22%; Sawtimber (Softwood Only) 25%.

Cutting and Felling:

- Harvest all orange painted trees in the east harvest block. Harvest all norway pine, paper birch, balsam fir, oak species, aspen species and maple species in the west harvest block.

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.

Slash Disposal:

- On the west harvest area, tightly pile slash on landings as designated by TSA. Piles should be free of dirt, stumps, root wads, and prohibited materials. Piles should be placed a minimum of 30 feet from standing timber. On the east harvest area lop and scatter slash evenly over the harvest site to within 2 feet of the ground.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

This sale is a made up of 2 harvest areas. One is approx. 6 acres and is a Norway pine clearcut and the other is approx. 26 acres and is a Norway pine marked thinning. The thinning stand had previously had each 3rd row removed going east-west allowing good access throughout. The sale is located just east of Outing, MN near S. Lake Lawrence Rd.

Price Adjustments:

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

Appraiser:

Jacob Corty

(Appraisal ID 14515-0; Cutting Block ID 16777-0)

TRACT B3 COUNTY: CASS AREA: BACKUS AREA ACRES: 302.0

Permit Number: B014244
Expiration Date: 05/31/2022

Purchased By: Sawyer Timber Co., LLP
Address: PO Box 13137 State 371 SW, Backus, MN 56435

GL07, GL08, GL09, SWSE of Section 1; GL01, GL02, GL03, GL04, GL05, GL06, NENW, NWSW, SENW, SWSW of Section 12; SESE of Section 11; NENW, NESW, NWNW, SENW of Section 13 - Township 139, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 60	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PAPER BIRCH	PULP & BOLTS	2,819.00	Cd	17.95	50,601.05	28.72	80,961.68
+ ASPEN SPECIES	PULPWOOD	2,287.00	Cd	24.00	54,888.00	38.40	87,820.80
+ OAK SPECIES	PULP & BOLTS	1,950.00	Cd	24.24	47,268.00	38.78	75,621.00
+ NORWAY PINE	SAWTIMBER (SOFTWOOD ONLY)	822.00	Cd	61.20	50,306.40	97.92	80,490.24
RED MAPLE	PULPWOOD	714.00	Cd	14.40	10,281.60	14.40	10,281.60
JACK PINE	PULP & BOLTS	74.00	Cd	22.80	1,687.20	22.80	1,687.20
SPRUCE-BALSAM	PULPWOOD	13.00	Cd	15.44	200.72	15.44	200.72
ASH	PULPWOOD	12.00	Cd	8.40	100.80	8.40	100.80

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$215,333.77
ADVANCE PAYMENT = \$32,300.07
BID TOTAL = \$ 337,164.04

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

ANY LISTED SPECIES BIOMASS 4,779.00 Tons 1.00 4,779.00

Mixed Species Description:

Aspen Species Pulpwood includes: Largetooth Aspen 10%; Trembling Aspen 90%.
Oak Species Pulp & Bolts includes: Bur Oak 2%; Red Oak 98%.
Spruce-Balsam Pulpwood includes: Balsam Fir 71%; White Spruce 29%.

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.
Oak Species Pulp & Bolts includes: Bolts 42%; Pulpwood 58%.
Paper Birch Pulp & Bolts includes: Bolts 37%; Pulpwood 63%.

Cutting and Felling:

- Harvest all birch, aspen, oak, maple, red pine, jack pine, balsam fir, white spruce and ash.
- Reserve all white pine, cherry & orange painted trees.

Season of Operations:

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

Site, Soil and Water Protection:

- No operations within old growth stand.

Landings Roads and Trails:

- Easement and lease roads must be regularly maintained in a safe and usable condition and will be restored to at least pre-sale conditions (see map for locations).

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Sale is located 12 miles NE of Backus and has great access from Hay Lake Dr and Hand Lake Ln. Topography is rolling to steep.

Orange painted reserve trees are located within 100 feet of the ordinary high water mark and around old growth stand.

Red pine sawtimber 55%; bolts 35%; pulp 10%

Price Adjustments:

Road Construction Costs: +10%

Haul Distance to Nearest Mill: 0%

Stand Density: +10%

Operational Constraints: 0%

Other Price Factor: 0%

Appraiser:

Elena A. Wiley

(Appraisal ID 14728-0; Cutting Block ID 17192-0)

TRACT B4

COUNTY: CASS

AREA: BACKUS AREA

ACRES: 112.0

Permit Number: B014245
Expiration Date: 05/31/2022

Purchased By: Sawyer Timber Co., LLP
Address: PO Box 13137 State 371 SW, Backus, MN 56435

NESW,NWSW,SWNW of Section 9; NENE,NESE,SENE,SWNE of Section 8; SESE of Section 5 - Township 140, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 53	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	2,465.00	Cd	21.00	51,765.00	32.13	79,200.45
+ RED OAK	PULP & BOLTS	690.00	Cd	21.53	14,855.70	32.94	22,728.60
+ MAPLE SPECIES	PULPWOOD	555.00	Cd	12.60	6,993.00	19.28	10,700.40
+ PAPER BIRCH	PULP & BOLTS	375.00	Cd	17.81	6,678.75	27.25	10,218.75
BASSWOOD	PULP & BOLTS	120.00	Cd	11.98	1,437.60	11.98	1,437.60
ASH	PULP & BOLTS	55.00	Cd	10.96	602.80	10.96	602.80

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$82,332.85
ADVANCE PAYMENT = \$12,349.93
BID TOTAL = \$ 124,888.60

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

ANY LISTED SPECIES BIOMASS 2,400.00 Tons 1.00 2,400.00

Mixed Species Description:

Aspen Species Pulpwood includes: Largetooth Aspen 20%; Trembling Aspen 80%.
Maple Species Pulpwood includes: Red Maple 75%; Sugar Maple 25%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 43%; Pulpwood 57%.
Basswood Pulp & Bolts includes: Bolts 63%; Pulpwood 37%.
Paper Birch Pulp & Bolts includes: Bolts 62%; Pulpwood 38%.
Red Oak Pulp & Bolts includes: Bolts 45%; Pulpwood 55%.

Cutting and Felling:

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

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Sale is located SE of Little Thunder Lake, Cottontail Drive bisects the site. Excellent access.

Terrain is slightly rolling with dozens of wetlands and wetland drainages; frozen operations only.

Price adjusted as follows:
-10% due to frozen access
+5% haul distance
+10% >30 cds/acre

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: +5%

Stand Density: +10%
Operational Constraints: -10%
Other Price Factor: 0%

Appraiser:

Karla Regina Sandstrom

(Appraisal ID 14695-0; Cutting Block ID 17158-0)

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: May 30, 2019

- SUMMARY SHEET -

05/30/2019 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 05/30/2019

BACKUS AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH	55.00	Cd	10.96	602.80
	PAPER BIRCH	3,194.00	Cd	28.55	91,180.43
	BASSWOOD	120.00	Cd	11.98	1,437.60
	OAK SPECIES	1,950.00	Cd	38.78	75,621.00
	RED OAK	690.00	Cd	32.94	22,728.60
	JACK PINE	184.00	Cd	17.87	3,288.80
WOODSRUN MIXED PRODUCTS	NORWAY PINE	689.00	Cd	45.94	31,652.66
PULPWOOD	ASH	12.00	Cd	8.40	100.80
	ASPEN SPECIES	4,752.00	Cd	35.15	167,021.25
	TREMBLING ASPEN	50.00	Cd	14.00	700.00
	PAPER BIRCH	15.00	Cd	8.40	126.00
	MAPLE SPECIES	555.00	Cd	19.28	10,700.40
	NORTHERN HARDWOODS	8.00	Cd	17.04	136.32
	RED MAPLE	714.00	Cd	14.40	10,281.60
	OAK SPECIES	20.00	Cd	11.20	224.00
	NORWAY PINE	358.00	Cd	7.00	2,506.00
	SPRUCE-BALSAM	13.00	Cd	15.44	200.72
	BALSAM FIR	1.00	Cd	12.00	12.00
BIOMASS	ANY LISTED SPECIES (optional)	7,787.00	Tons	-	0.00
SAWTIMBER (SOFTWOOD ONLY)	NORWAY PINE	822.00	Cd	97.92	80,490.24
TOTAL SOLD TRACTS CONVERTED TO CORDS:		14,202.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 326,419.21			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 499,011.22			
TOTAL ACRES SOLD:		508.4			
TOTAL NUMBER OF TRACTS SOLD:		4			