



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY

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

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**STATUS: COMPLETED**  
**INTERMEDIATE AUCTION - SALE #2**  
**ORAL BID**

Notice is hereby given that I offered for sale at public auction in Backus, MN at 9:45 AM on Thursday, December 19, 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  
INTERMEDIATE AUCTION  
ORAL BID TIMBER SALE  
BACKUS AREA

9:45 AM on December 19, 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 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 19, 2020, 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: CROW WING**

**AREA: BACKUS AREA**

**ACRES: 25.7**

Permit Number: X016985  
Expiration Date: 05/31/2022

**Purchased By:** Banick Logging Inc.

**Address:** 10986 Executive Acres Road, Brainerd, MN 56401

NESE,NWSE,SENE,SESE,SWNE,SWSE of Section 16 - Township 136, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	430.00	Cd	16.15	6,944.50	16.15	6,944.50
+ PAPER BIRCH	PULP & BOLTS	180.00	Cd	12.54	2,257.20	12.54	2,257.20
+ OAK SPECIES	PULP & BOLTS	170.00	Cd	15.81	2,687.70	15.81	2,687.70
+ MAPLE SPECIES	PULPWOOD	100.00	Cd	9.50	950.00	9.50	950.00
+ PINE SPECIES	PULP & BOLTS	65.00	Cd	22.09	1,435.85	22.09	1,435.85
ASH	PULPWOOD	5.00	Cd	5.70	28.50	5.70	28.50

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$14,303.75  
ADVANCE PAYMENT = \$2,145.56  
BID TOTAL = \$ 14,303.75

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

ANY LISTED SPECIES BIOMASS 360.00 Tons 0.65 234.00

**Mixed Species Description:**

- Aspen Species Pulpwood includes: Largetooth Aspen 15%; Trembling Aspen 85%.
- Maple Species Pulpwood includes: Red Maple 95%; Sugar Maple 5%.
- Oak Species Pulp & Bolts includes: Bur Oak 53%; Red Oak 47%.
- Pine Species Pulp & Bolts includes: Jack Pine 1%; Norway Pine 99%.

**Mixed Product Description:**

- Oak Species Pulp & Bolts includes: Bolts 24%; Pulpwood 76%.
- Paper Birch Pulp & Bolts includes: Bolts 32%; Pulpwood 68%.
- Pine Species Pulp & Bolts includes: Bolts 65%; Pulpwood 35%.

**Cutting and Felling:**

- Harvest all aspen, birch, oak, maple, and ash in Cutting unit 1.
- Harvest only orange marked trees in Cutting unit 2.

**Season of Operations:**

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

**Sale Conditions:**

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

**Marketing Conditions:**

Sale is located 1.5 miles across Potlatch land, off CR 11 in Mission township.

Frozen operations required on Cutting unit 1. Most of the stand is a filter strip along Flanders Lake. Non-frozen operations possible in Cutting unit 2.

**Price Adjustments:**

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

**Appraiser:**

Karla Regina Sandstrom

(Appraisal ID 15269-0; Cutting Block ID 17763-0)

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**TRACT X2**

**COUNTY: CROW WING**

**AREA: BACKUS AREA**

**ACRES: 20.9**

Permit Number: X016986  
Expiration Date: 05/31/2022

Purchased By:  
Address:

# UNSOLD

GL01, GL02, GL03, GL04 of Section 36 - Township 137, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	PULP & BOLTS	79.00	Cd	11.38	899.02	11.38	899.02
+ TREMBLING ASPEN	PULPWOOD	53.00	Cd	11.05	585.65	11.05	585.65
RED MAPLE	PULPWOOD	31.00	Cd	6.50	201.50	6.50	201.50
MIXED HARDWOODS	PULPWOOD	19.00	Cd	8.46	160.74	8.46	160.74
+ BID SPECIES      * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$1,846.91	BID TOTAL = \$	1,846.91
				ADVANCE PAYMENT =	\$277.04		

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

ANY LISTED SPECIES      BIOMASS      95.00 Tons      0.65      61.75

**Mixed Species Description:**

Mixed Hardwoods Pulpwood includes: Basswood 5%; Bur Oak 16%; Paper Birch 16%; Red Oak 63%.

**Mixed Product Description:**

Norway Pine Pulp & Bolts includes: Bolts 42%; Pulpwood 58%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across state land.

**Marketing Conditions:**

Access to the site is off the Greer Lake Road.  
Winter access only.

**Price Adjustments:**

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

**Appraiser:**

William H. Salo

**TRACT X3**

**COUNTY: CASS**

**AREA: BACKUS AREA**

**ACRES: 85.3**

Permit Number: X016987  
Expiration Date: 05/31/2022

Purchased By: Croatt Enterprises Inc.  
Address: PO Box 82, Outing, MN 56662

NESW,NWSW,SESW,SWSE,SWSW of Section 36 - Township 139, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 20	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ OAK SPECIES	PULP & BOLTS	971.00	Cd	21.45	20,827.95	25.74	24,993.54
+ TREMBLING ASPEN	PULPWOOD	818.00	Cd	18.70	15,296.60	22.44	18,355.92
MAPLE SPECIES	PULPWOOD	140.00	Cd	11.00	1,540.00	11.00	1,540.00
PAPER BIRCH	PULP & BOLTS	126.00	Cd	14.85	1,871.10	14.85	1,871.10
NORWAY PINE	PULP & BOLTS	35.00	Cd	28.32	991.20	28.32	991.20
WHITE PINE	PULP & BOLTS	30.00	Cd	16.06	481.80	16.06	481.80
BASSWOOD	PULPWOOD	28.00	Cd	7.70	215.60	7.70	215.60
WHITE SPRUCE	PULPWOOD	3.00	Cd	14.30	42.90	14.30	42.90
ASH	PULPWOOD	1.00	Cd	6.60	6.60	6.60	6.60
BALSAM FIR	PULPWOOD	1.00	Cd	11.00	11.00	11.00	11.00

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$41,284.75  
ADVANCE PAYMENT = \$6,192.71  
BID TOTAL = \$ 48,509.66

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

ANY LISTED SPECIES BIOMASS 1,217.00 Tons 0.65 791.05

**Mixed Species Description:**

Maple Species Pulpwood includes: Red Maple 60%; Sugar Maple 40%.  
Oak Species Pulp & Bolts includes: Bur Oak 1%; Red Oak 99%.

**Mixed Product Description:**

Norway Pine Pulp & Bolts includes: Bolts 75%; Pulpwood 25%.  
Oak Species Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.  
Paper Birch Pulp & Bolts includes: Bolts 35%; Pulpwood 65%.  
White Pine Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.

**Cutting and Felling:**

- Harvest all oak, maple, aspen, paper birch, basswood, Norway pine, white pine, ash, white spruce and balsam fir.

**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:**

This sale is a clearcut with scattered reserve trees and a patch reserves. It is located just east of Outing, MN near S. Lake Lawrence Rd.  
Access is off S. Lake Lawrence Rd. using the ATV and snowmobile trail system. Approximately 200 feet of ATV trail will need to be widened to enter the stand.

**Price Adjustments:**

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

**Appraiser:**

Jacob Corty

(Appraisal ID 14687-0; Cutting Block ID 16863-0)

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**TRACT X4**

**COUNTY: CASS**

**AREA: BACKUS AREA**

**ACRES: 63.1**

Permit Number: X016988  
Expiration Date: 05/31/2022

**Purchased By:** Michele Putnam  
**Address:** 1051 N Hunter Lake Rd, Longville, MN 56655

NENE,NWNE,SENE of Section 25 - Township 140, Range 26W.  
GL01,GL02,NENE,NENW,NWNE of Section 30; SESE,SWSE of Section 19 - Township 140, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 112	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	698.00	Cd	15.30	10,679.40	32.44	22,643.12
+ BASSWOOD	PULP & BOLTS	488.00	Cd	8.19	3,996.72	17.36	8,471.68
+ OAK SPECIES	PULP & BOLTS	385.00	Cd	16.06	6,183.10	34.05	13,109.25
+ MAPLE SPECIES	PULPWOOD	331.00	Cd	9.00	2,979.00	19.08	6,315.48
ASH	PULP & BOLTS	125.00	Cd	7.42	927.50	7.42	927.50
PAPER BIRCH	PULP & BOLTS	54.00	Cd	12.60	680.40	12.60	680.40
WHITE SPRUCE	PULPWOOD	4.00	Cd	11.70	46.80	11.70	46.80

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$25,492.92  
ADVANCE PAYMENT = \$3,823.94  
BID TOTAL = \$ 52,194.23

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

ANY LISTED SPECIES BIOMASS 1,310.00 Tons 0.65 851.50

**Mixed Species Description:**

Aspen Species Pulpwood includes: Largetooth Aspen 80%; Trembling Aspen 20%.  
Maple Species Pulpwood includes: Red Maple 25%; Sugar Maple 75%.  
Oak Species Pulp & Bolts includes: Bur Oak 43%; Red Oak 57%.

**Mixed Product Description:**

Ash Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.  
Basswood Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.  
Oak Species Pulp & Bolts includes: Bolts 35%; Pulpwood 65%.  
Paper Birch Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.

**Cutting and Felling:**

- Harvest all oak, aspen, maple, paper birch, basswood and ash. Harvest all white spruce > 8" DBH.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across state land.

**Marketing Conditions:**

This sale located in the Land O'Lakes State Forest. The sale is a clearcut with a combination of patch and scattered reserves. Scattered reserve trees range 60 - 85 feet apart.

Access is from the Draper Forest Road. The west access requires freezing down approximately 150 feet of wetland. From there to the east stand, there is a 20 foot wetland crossing that will need to be froze down and an existing access trail will need to be reopened. This route has very little blow-down over it.

**Price Adjustments:**

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

Other Price Factor: 0%

**Appraiser:**

Jacob Corty

(Appraisal ID 15263-0; Cutting Block ID 17755-0)

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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 19, 2019

- SUMMARY SHEET -

12/19/2019 INTERMEDIATE AUCTION - SALE #2

COMPLETED - DATA AS OF 12/19/2019

BACKUS AREA

**SUMMARY FOR SOLD TRACTS**

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH	125.00	Cd	7.42	927.50
	PAPER BIRCH	360.00	Cd	13.36	4,808.70
	BASSWOOD	488.00	Cd	17.36	8,471.68
	OAK SPECIES	1,526.00	Cd	26.73	40,790.49
	PINE SPECIES	65.00	Cd	22.09	1,435.85
	WHITE PINE	30.00	Cd	16.06	481.80
	NORWAY PINE	35.00	Cd	28.32	991.20
PULPWOOD	ASH	6.00	Cd	5.85	35.10
	ASPEN SPECIES	1,128.00	Cd	26.23	29,587.62
	TREMBLING ASPEN	818.00	Cd	22.44	18,355.92
	MAPLE SPECIES	571.00	Cd	15.42	8,805.48
	BASSWOOD	28.00	Cd	7.70	215.60
	WHITE SPRUCE	7.00	Cd	12.81	89.70
	BALSAM FIR	1.00	Cd	11.00	11.00
BIOMASS	ANY LISTED SPECIES (optional)	2,887.00	Tons	-	0.00

**TOTAL SOLD TRACTS CONVERTED TO CORDS:** 5,188.00  
**TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:** \$ 81,081.42  
**TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:** \$ 115,007.64  
**TOTAL ACRES SOLD:** 174.1  
**SOLD TRACT NUMBERS:** 1, 3, 4  
**TOTAL NUMBER OF TRACTS SOLD:** 3

**SUMMARY FOR UNSOLD TRACTS**

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	NORWAY PINE	79.00	Cd	11.38	899.02
PULPWOOD	TREMBLING ASPEN	53.00	Cd	11.05	585.65
	RED MAPLE	31.00	Cd	6.50	201.50
	MIXED HARDWOODS	19.00	Cd	8.46	160.74
BIOMASS	ANY LISTED SPECIES (optional)	95.00	Tons	0.65	61.75

**TOTAL UNSOLD TRACTS CONVERTED TO CORDS:** 182.00  
**TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS:** \$ 1,846.91  
**TOTAL ACRES UNSOLD:** 20.9  
**UNSOLD TRACT NUMBER:** 2  
**TOTAL NUMBER OF TRACTS UNSOLD:** 1