



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #3
ORAL BID

Notice is hereby given that I offered for sale at public auction in Bemidji, MN at 9:30 AM on Tuesday, January 7, 2020, timber belonging to the State of Minnesota. All tracts were offered at the Beltrami Electric Cooperative in Bemidji, 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
BEMIDJI AREA

9:30 AM on January 7, 2020
Beltrami Electric Cooperative in Bemidji, 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 January 7, 2021, at the following Area Headquarters: Bemidji Area.

TRACT B1 COUNTY: HUBBARD AREA: BEMIDJI AREA ACRES: 25.0

Permit Number: B014463
Expiration Date: 05/31/2023

Purchased By: Bunes Trucking
Address: 38795 County 36, LaPorte, MN 56461

SWSE of Section 10 - Township 143, Range 34W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 140	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	180.00	Cd	17.85	3,213.00	42.84	7,711.20
+ JACK PINE	PULP & BOLTS	110.00	Cd	18.06	1,986.60	43.34	4,767.40
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	105.00	Cd	17.12	1,797.60	41.09	4,314.45
+ BALSAM FIR	PULPWOOD	65.00	Cd	10.50	682.50	25.20	1,638.00
PAPER BIRCH	PULPWOOD	35.00	Cd	10.50	367.50	10.50	367.50
ASH	PULPWOOD	5.00	Cd	6.30	31.50	6.30	31.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$8,078.70	BID TOTAL = \$ 18,830.05
				ADVANCE PAYMENT =		\$1,211.81	

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

ANY LISTED SPECIES BIOMASS 230.00 Tons 0.65 149.50

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 60%; Pulpwood 40%.
Norway Pine Woodsrunk Mixed Products includes: Bolts 40%; Pulpwood 50%; Sawtimber (Softwood Only) 10%.

Cutting and Felling:

- Harvest aspen, birch, balsam fir, red pine, ash, and jack pine in clear cut areas. In first entry pine stand, thin stand down to 100 basal area. Remove aspen, jack pine and birch only in rows or where directly impeding red pine. Remove all fir.

Season of Operations:

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

Slash Disposal:

- Lop and scatter slash in pine thinning areas. In clear cut 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 75 feet away from standing timber.

Landings Roads and Trails:

- There is two roads that dissect the timber sale. Keep slash and equipment off of roads to ensure that they are open and usable.

Marketing Conditions:

Permit is 1 mile east of Lake George.
One stand is a first entry pine thinning, The other two stands are over mature aspen and jack pine.
Red Pine is reduced 25% due to first entry thin.

Price Adjustments:

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

Appraiser:

Benjamin A. Lang

(Appraisal ID 15100-0; Cutting Block ID 17594-0)

TRACT B2

COUNTY: CLEARWATER

AREA: BEMIDJI AREA

ACRES: 38.4

Permit Number: B014464
Expiration Date: 05/31/2023

Purchased By: Hillside Lumber Inc.
Address: PO Box 357, Bagley, MN 56621

GL01, GL02, NESW of Section 19 - Township 144, Range 37W.
NWNE, SENE of Section 24 - Township 144, Range 38W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	1,205.00	Cd	58.65	70,673.25	58.65	70,673.25
+ ASPEN SPECIES	PULPWOOD	215.00	Cd	19.45	4,181.75	19.45	4,181.75
BALSAM FIR	PULPWOOD	110.00	Cd	11.50	1,265.00	11.50	1,265.00
WHITE SPRUCE	PULP & BOLTS	60.00	Cd	21.28	1,276.80	21.28	1,276.80
MIXED HARDWOODS	PULPWOOD	30.00	Cd	10.06	301.80	10.06	301.80
JACK PINE	PULPWOOD	5.00	Cd	8.05	40.25	8.05	40.25
WHITE PINE	PULP & BOLTS	5.00	Cd	24.44	122.20	24.44	122.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$77,861.05	BID TOTAL = \$	77,861.05
				ADVANCE PAYMENT =	\$11,679.16		

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

ANY LISTED SPECIES	BIOMASS	740.00 Tons	0.65	481.00
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Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 3%; Trembling Aspen 97%.
Mixed Hardwoods Pulpwood includes: Ash 20%; Basswood 15%; Paper Birch 50%; Sugar Maple 15%.

Mixed Product Description:

Norway Pine Woodsrunk Sawtimber (Softwood only) includes: Bolts 10%; Pulpwood 20%; Sawtimber (Softwood Only) 70%.
White Pine Pulp & Bolts includes: Bolts 75%; Pulpwood 25%.
White Spruce Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.

Season of Operations:

- Conduct sale operations on dry/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:

18 miles south of Bagley off the Waptus road.
Possible summer access. Easy access to all but one site which will require less than half a mile of new road through non-merchantable aspen and brush.
Harvest area 2 was partially cruised by Ben Lang.

Price Adjustments:

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

Appraiser:

Tristan Michealson

TRACT B3

COUNTY: MAHNOMEN

AREA: BEMIDJI AREA

ACRES: 81.3

Permit Number: B014465
Expiration Date: 05/31/2023

Purchased By: Erickson Logging LLC
Address: 38322 - 141st Ave, Bagley, MN 56621

NWSE,SESW,SWSE,SWSW of Section 35 - Township 146, Range 39W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 82	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	1,395.00	Cd	17.85	24,900.75	32.49	45,323.55
+ NORWAY PINE	PULP & BOLTS	195.00	Cd	25.75	5,021.25	46.87	9,139.65
+ WHITE SPRUCE	PULP & BOLTS	95.00	Cd	18.25	1,733.75	33.22	3,155.90
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$31,655.75	BID TOTAL = \$ 57,619.10
				ADVANCE PAYMENT =		\$4,748.36	

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

ANY LISTED SPECIES	BIOMASS	960.00 Tons	0.65	624.00
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Mixed Product Description:

Norway Pine Pulp & Bolts includes: Bolts 70%; Pulpwood 30%.
White Spruce Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Sale is located approx. 5 miles north of Roy Lake with access from the Pine Bend road and is located adjacent to the snowmobile trail.
First thin, row thin in "Pine and Spruce Thinning" area (Cut 1 row and leave 2 rows).

Price Adjustments:

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

Appraiser:

David Fraundorf

TRACT B4 COUNTY: ITASCA AREA: BEMIDJI AREA ACRES: 33.5
 Permit Number: B014466
 Expiration Date: 05/31/2023

Purchased By: Kevin Thomas
Address: 17838 Poplewood Rd NE, Hines, MN 56647

NWSE of Section 33; GL04,SESW of Section 31 - Township 147, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 105	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	1,130.00	Cd	20.76	23,458.80	42.56	48,092.80
+ ASH	PULP & BOLTS	135.00	Cd	12.00	1,620.00	24.60	3,321.00
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	45.00	Cd	46.00	2,070.00	94.30	4,243.50
PAPER BIRCH	PULP & BOLTS	35.00	Cd	13.75	481.25	13.75	481.25
BALSAM FIR	PULP & BOLTS	30.00	Cd	14.00	420.00	14.00	420.00
MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	25.00	Cd	29.88	747.00	29.88	747.00
BASSWOOD	PULPWOOD	10.00	Cd	8.75	87.50	8.75	87.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$28,884.55 BID TOTAL = \$ 57,393.05
 ADVANCE PAYMENT = \$4,332.68

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

ANY LISTED SPECIES BIOMASS 660.00 Tons 0.65 429.00

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 13%; Largetooth Aspen 1%; Trembling Aspen 86%.
 Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 25%; White Spruce 75%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 35%; Pulpwood 60%; Sawlog-Grade 3 (Hardwood) 5%.
 Balsam Fir Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.
 Mixed Spruce Woodsrun Mixed Products includes: Bolts 45%; Pulpwood 20%; Sawtimber (Softwood Only) 35%.
 Norway Pine Woodsrun Mixed Products includes: Bolts 40%; Pulpwood 15%; Sawtimber (Softwood Only) 45%.
 Paper Birch Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

This sale is about one third old aspen and two thirds middle aged aspen. Wood quality is good. Cords per acre is high with many stems per acre of aspen and other species.

Sale is located about 5 miles Northeast of Pennington.

30 miles to Bemidji, 60 miles to Grand Rapids, 110 miles from International Falls, and 130 miles from Cloquet.

Price Adjustments:

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

Appraiser:

Joseph D. Blake

(Appraisal ID 15341-0; Cutting Block ID 17834-0)

TRACT B6

COUNTY: KOOCHICHING

AREA: BEMIDJI AREA

ACRES: 331.0

Permit Number: B014468
Expiration Date: 05/31/2024

Purchased By:
Address:

UNSOLD

GL03, GL04, NESE, NESW, NWSE, SESE, SESW, SWSE of Section 7; NESW, NWSW, SESW, SWSW of Section 8; NENE, NENW, NWNW, NWSE, SENE, SENW, SWNE of Section 18; NWNW of Section 17 - Township 154, Range 28W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	PULPWOOD	3,800.00	Cd	7.15	27,170.00	7.15	27,170.00
+ TAMARACK	PULPWOOD	1,200.00	Cd	3.30	3,960.00	3.30	3,960.00
WHITE CEDAR	PULPWOOD	600.00	Cd	3.30	1,980.00	3.30	1,980.00
PAPER BIRCH	PULPWOOD	350.00	Cd	5.50	1,925.00	5.50	1,925.00
BALSAM FIR	PULPWOOD	120.00	Cd	5.50	660.00	5.50	660.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$35,695.00
ADVANCE PAYMENT = \$5,354.25
BID TOTAL = \$ 35,695.00

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

ANY LISTED SPECIES BIOMASS 2,240.00 Tons 0.65 1,456.00

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

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:

From Kelliher go 8 miles north to Lost River Road. Go 10 miles east, just past Lost River crossing. Go about 6 miles north on winter roads.

Will require 6 miles of winter road maintenance. Contact forester to discuss other access options. A snow/ice bridge will be needed to cross Tamarac River. Some scattered infestations of tamarack bark beetle throughout sale.

Price reduced 45% due to access, bark beetle, dwarf mistletoe, and re-offer

Sale expiration extended to 4 seasons due to sale size

Price Adjustments:

- Road Construction Costs: -15%
- Haul Distance to Nearest Mill: -5%
- Stand Density: -5%
- Operational Constraints: -5%
- Other Price Factor: -15% (Re-Offer)

Appraiser:

Michael R. Bates

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

BEMIDJI 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: January 7, 2020

- SUMMARY SHEET -

01/07/2020 REGULAR AUCTION - SALE #3

COMPLETED - DATA AS OF 01/08/2020

BEMIDJI AREA

SUMMARY FOR SOLD TRACTS

<u>PRODUCT</u>	<u>SPECIES</u>	<u>TOTAL VOLUME</u>	<u>UNIT</u>	<u>SOLD AVERAGE UNIT PRICE</u>	<u>TOTAL SOLD \$ VALUE</u>
PULP & BOLTS	ASH	135.00	Cd	24.60	3,321.00
	PAPER BIRCH	35.00	Cd	13.75	481.25
	WHITE PINE	5.00	Cd	24.44	122.20
	NORWAY PINE	195.00	Cd	46.87	9,139.65
	JACK PINE	110.00	Cd	43.34	4,767.40
	WHITE SPRUCE	169.00	Cd	28.50	4,817.28
	BALSAM FIR	70.00	Cd	15.79	1,105.60
WOODSRUN MIXED PRODUCTS	NORWAY PINE	150.00	Cd	57.05	8,557.95
	MIXED SPRUCE	25.00	Cd	29.88	747.00
PULPWOOD	ASH	5.00	Cd	6.30	31.50
	ASPEN SPECIES	2,780.00	Cd	32.19	89,484.10
	TREMBLING ASPEN	1,575.00	Cd	33.67	53,034.75
	PAPER BIRCH	35.00	Cd	10.50	367.50
	BASSWOOD	10.00	Cd	8.75	87.50
	JACK PINE	5.00	Cd	8.05	40.25
	BALSAM FIR	175.00	Cd	16.59	2,903.00
	MIXED HARDWOODS	80.00	Cd	10.85	867.80
BIOMASS	ANY LISTED SPECIES (optional)	3,302.00	Tons	-	0.00
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	NORWAY PINE	1,205.00	Cd	58.65	70,673.25

TOTAL SOLD TRACTS CONVERTED TO CORDS: 6,764.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 169,326.24
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 250,548.98
TOTAL ACRES SOLD: 250.7
SOLD TRACT NUMBERS: 1, 2, 3, 4, 5
TOTAL NUMBER OF TRACTS SOLD: 5

SUMMARY FOR UNSOLD TRACTS

<u>PRODUCT</u>	<u>SPECIES</u>	<u>TOTAL VOLUME</u>	<u>UNIT</u>	<u>APPRAISED AVERAGE UNIT PRICE</u>	<u>APPRAISED \$ VALUE</u>
PULPWOOD	PAPER BIRCH	350.00	Cd	5.50	1,925.00
	BALSAM FIR	120.00	Cd	5.50	660.00
	BLACK SPRUCE	3,800.00	Cd	7.15	27,170.00
	TAMARACK	1,200.00	Cd	3.30	3,960.00
	WHITE CEDAR	600.00	Cd	3.30	1,980.00
BIOMASS	ANY LISTED SPECIES (optional)	2,240.00	Tons	0.65	1,456.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 6,070.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 35,695.00
TOTAL ACRES UNSOLD: 331.0
UNSOLD TRACT NUMBER: 6
TOTAL NUMBER OF TRACTS UNSOLD: 1