

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 Tuesday, January 4, 2022, timber belonging to the State of Minnesota. All tracts were offered at the Backus DNR Forestry Office 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.



MINNESOTA DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

REGULAR AUCTION
ORAL BID TIMBER SALE
BACKUS AREA

9:30 AM on January 4, 2022 Backus DNR Forestry Office 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'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 4, 2023, at the following Area Headquarters: Backus Area.

TRACT B1 COUNTY: CROW WING AREA: BACKUS AREA ACRES: 54.0

Permit Number: B015226 Expiration Date: 05/31/2025

Purchased By: Bell Timber Inc.

Address: 4 Berger Avenue, Barron, WI 54812

NESE, SESE, SESW, SWSE of Section 36 - Township 138, Range 26W.

						APPRAISED		%: 51
5	PECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE _	\$ VALUE	UNIT PRICE	\$ VALUE
+	NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	2,098.00	Cd	55.65	116,753.70	84.03	176,294.94
	NORTHERN HARDWOODS	PULPWOOD	41.00	Cd	17.40	713.40	17.40	713.40
	MIXED CONIFERS	PULP & BOLTS	38.00	Cd	13.20	501.60	13.20	501.60
	RED OAK	PULPWOOD	8.00	Cd	14.70	117.60	14.70	117.60
	JACK PINE	PULPWOOD	7.00	Cd	6.30	44.10	6.30	44.10
+	BID SPECIES *	SOLD ON APPRAISED VOLUME			ISED TOTAL = E PAYMENT =	\$118,130.40 \$17,719.56	BID TOTAL	_ = \$ 177,671.64

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

ANY LISTED SPECIES BIOMASS 931.00 Tons 0.65 605.15

Mixed Species Description:

Mixed Conifers Pulp & Bolts includes: Balsam Fir 92%; White Spruce 8%.

Northern Hardwoods Pulpwood includes: Paper Birch 9%; Red Maple 18%; Trembling Aspen 73%.

Mixed Product Description:

Mixed Conifers Pulp & Bolts includes: Bolts 43%; Pulpwood 57%.

Norway Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 40%; Pulpwood 10%; Sawtimber (Softwood Only) 50%.

Cutting and Felling:

- Harvest all Norway pine, jack pine, red oak, mixed conifer and northern hardwoods.
- Reserve all white pine.

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 pine stand with scattered reserves. It is located south of Emily, MN and east of State Hwy 6 approx. 3 miles using the Dam Road and State minimum maintenance forest roads.

Price Adjustments:

Road Construction Costs: +5% Haul Distance to Nearest Mill: -10%

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

Appraiser:

Jacob Corty

TRACT B2 COUNTY: CROW WING AREA: BACKUS AREA ACRES: 45.9

Permit Number: B015227 Expiration Date: 05/31/2025

Purchased By: Sappi Cloquet LLC

Address: 20 N. 22nd Street, Cloquet, MN 55720

GL01, GL02, NENW of Section 16 - Township 138, Range 26W.

						APPRAISED		O %: 0
5	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	ASPEN SPECIES	PULPWOOD	1,365.00	Cd	21.85	29,825.25	21.85	29,825.25
+	PAPER BIRCH	PULP & BOLTS	295.00	Cd	17.71	5,224.45	17.71	5,224.45
+	OAK SPECIES	PULP & BOLTS	215.00	Cd	20.27	4,358.05	20.27	4,358.05
	NORTHERN HARDWOODS	PULPWOOD	45.00	Cd	11.42	513.90	11.42	513.90
+ BID SPECIES		* SOLD ON APPRAISED VOLUME		APPRAISED TOTAL = ADVANCE PAYMENT =		\$39,921.65 \$5,988.25	BID TOTA	L = \$ 39,921.65

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

ANY LISTED SPECIES BIOMASS 920.00 Tons 0.65 598.00

Mixed Species Description:

Aspen Species Pulpwood includes: Largetooth Aspen 10%; Trembling Aspen 90%.

Northern Hardwoods Pulpwood includes: Ash 1%; Basswood 1%; Red Maple 96%; Sugar Maple 2%.

Oak Species Pulp & Bolts includes: Bur Oak 9%; Red Oak 91%.

Mixed Product Description:

Oak Species Pulp & Bolts includes: Bolts 33%; Pulpwood 67%. Paper Birch Pulp & Bolts includes: Bolts 54%; Pulpwood 46%.

Cutting and Felling:

- Harvest aspen, paper birch, oak species, red maple, sugar maple, ash, and basswood in clearcut.

Season of Operations:

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

Marketing Conditions:

Sale is located 3 miles NNW of Emily, MN.

If accessing across State land, sale is located across 0.7 miles of minimum maintenance road and approximately 0.25 miles will need to be made and a swamp must be froze down to cross.

If accessing across private, 0.2 miles of road will need to be made. If permittee obtains private access into sale, sale operations may be conducted on dry/frozen conditions, with written permission from the State. Private landowner has indicated interest in allowing permittee private access, but has NOT been secured and is up to permittee to obtain.

Price Adjustments:

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

Stand Density: +10%

Operational Constraints: -5% Other Price Factor: 0%

Appraiser:

Karla Regina Sandstrom

TRACT B3 COUNTY: CASS AREA: BACKUS AREA ACRES: 118.0

Permit Number: B015228 Expiration Date: 05/31/2025

Purchased By: Sappi Cloquet LLC

Address: 20 N. 22nd Street, Cloquet, MN 55720

SESE of Section 4; NENE, NENW, NESW, NWNW, NWSE, SENE, SENW, SWNE, SWNW of Section 10; NENE of

Section 9 - Township 138, Range 31W.

					APPR	APPRAISED		%: 77
3	SPECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	ASPEN SPECIES	PULPWOOD	1,384.00	Cd	17.99	24,898.16	31.84	44,066.56
+	PAPER BIRCH	PULP & BOLTS	396.00	Cd	13.30	5,266.80	23.54	9,321.84
+	OAK SPECIES	PULP & BOLTS	353.00	Cd	17.48	6,170.44	30.94	10,921.82
+	MAPLE SPECIES	PULPWOOD	243.00	Cd	9.50	2,308.50	16.82	4,087.26
+	NORWAY PINE	PULP & BOLTS	173.00	Cd	19.95	3,451.35	35.31	6,108.63
	BASSWOOD	PULP & BOLTS	154.00	Cd	8.98	1,382.92	8.98	1,382.92
	ASH	PULP & BOLTS	93.00	Cd	9.12	848.16	9.12	848.16
-	▶ BID SPECIES	* SOLD ON APPRAISED VOLUME			SED TOTAL =	\$44,326.33 \$6,648.95	BID TOTA	L = \$ 76,737.19

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

ANY LISTED SPECIES BIOMASS 1,468.00 Tons 0.65 954.20

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 2%; Largetooth Aspen 28%; Trembling Aspen 70%.

Maple Species Pulpwood includes: Red Maple 80%; Sugar Maple 20%. Oak Species Pulp & Bolts includes: Bur Oak 20%; Red Oak 80%.

Mixed Product Description:

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

Cutting and Felling:

- Harvest all unmarked aspen species, oak, paper birch, basswood, Norway pine, maple, and ash in clear-cut w/ reserves portion. In marked thinning, only harvest ORANGE painted trees.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Sale is located 4 miles SW of Backus off Hwy 87.

Sale is 1.3 miles along access trail off Hwy 87.

Sale consists of 82 acres of aspen and hardwood clear-cut, and 36 acres of marked thinning with approximately 80 square feet of trees retained that the operator will need to work around.

Stumpage prices reduced by 5% due to operational constraints (frozen ground).

Price Adjustments:

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

01/04/2022 REGULAR AUCTION - SALE #1

Stand Density: 0%

Operational Constraints: -10% Other Price Factor: 0%

Appraiser:

Brody J. Geiselman

(Appraisal ID 17335-0; Cutting Block ID 20152-0)

TRACT B4 COUNTY: CASS AREA: BACKUS AREA ACRES: 103.5

Permit Number: B015229 Expiration Date: 05/31/2025

Purchased By:
Address:

 ${\tt GL03,NESE,NESW,NWSE,SENW,SESE,SESW,SWSE} \ of \ Section \ 6; \ NESE,SESE \ of \ Section \ 8; \ GL01,NWNESE,SESE,SESW,SWSE \ of \ Section \ 8; \ GL01,NWNESE,SESW,SWSE \ of \ Section \ 8; \ GL01,$

of Section 7 - Township 139, Range 25W.

SESE of Section 26; NWNW of Section 36; SWSW of Section 25 - Township 140, Range 26W.

NENW,NWNW,SENW of Section 6 - Township 139, Range 25W.

GL04,SESW of Section 31 - Township 140, Range 25W.

					APPRAISED		BID:	
5	PECIES	PRODUCT	VOLUME	UNIT	UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+	ASPEN SPECIES	PULPWOOD	1,278.00	Cd	14.25	18,211.50	14.25	18,211.50
+	OAK SPECIES	PULP & BOLTS	519.00	Cd	15.62	8,106.78	15.62	8,106.78
+	BASSWOOD	PULP & BOLTS	292.00	Cd	8.87	2,590.04	8.87	2,590.04
+	NORWAY PINE	PULP & BOLTS	148.00	Cd	20.48	3,031.04	20.48	3,031.04
	PAPER BIRCH	PULP & BOLTS	119.00	Cd	12.23	1,455.37	12.23	1,455.37
	WHITE SPRUCE	PULP & BOLTS	111.00	Cd	13.20	1,465.20	13.20	1,465.20
	ASH	PULP & BOLTS	49.00	Cd	8.55	418.95	8.55	418.95
	MAPLE SPECIES	PULPWOOD	38.00	Cd	7.50	285.00	7.50	285.00
+	BID SPECIES *	SOLD ON APPRAISED VOLUME			SED TOTAL = PAYMENT =	\$35,563.88 \$5,334.58	BID TOTA	L = \$ 35,563.88

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

ANY LISTED SPECIES BIOMASS 1,400.00 Tons 0.65 910.00

Mixed Species Description:

Aspen Species Pulpwood includes: Largetooth Aspen 8%; Trembling Aspen 92%.

Maple Species Pulpwood includes: Red Maple 26%; Sugar Maple 74%.

Oak Species Pulp & Bolts includes: Bur Oak 58%; Red Oak 42%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 60%; Pulpwood 40%. Basswood Pulp & Bolts includes: Bolts 69%; Pulpwood 31%. Norway Pine Pulp & Bolts includes: Bolts 71%; Pulpwood 29%. Oak Species Pulp & Bolts includes: Bolts 62%; Pulpwood 38%. Paper Birch Pulp & Bolts includes: Bolts 63%; Pulpwood 37%. White Spruce Pulp & Bolts includes: Bolts 53%; Pulpwood 47%.

Cutting and Felling:

- Harvest all ORANGE marked trees in the thinning block. Harvest all NON MARKED red oak, bur oak, maple species, basswood, ash, aspen, and paper birch in the clear cut and seed tree blocks (Cutting Block 1).
- Harvest all UNMARKED aspen, maple species, oak species, basswood, ash, and paper birch (Cutting Block 3).
- Harvest all UNMARKED aspen, white spruce, oak species, basswood, Norway pine, and paper birch (Cutting Block 2).

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, and 3).

Sale Conditions:

- Access is across State land (Cutting Blocks 1, 2, and 3).

Marketing Conditions:

Sale consists of 1 thinning block, 4 seedtree blocks and 1 clearcut block.

The majority of Cutting block one is located 2 miles south of the Draper forest road on the Wren Lake Loop. With the furthest cut being located 2.7 miles down the Wren Lake Loop. The clearcut portion of Cutting block one is across a swamp and will need to be froze down before accessing.

Cutting block two is located 1 mile south of the Draper forest road on the Wren Lake Loop.

Cutting block three is located 1/2 miles south of the Draper forest road off of the Plantation Loop.

Price Adjustments:

Road Construction Costs: -15% Haul Distance to Nearest Mill: 0% Stand Density: 0%

Operational Constraints: -10% Other Price Factor: 0%

Appraiser:

Devon Andrew Wenthe

(Appraisal ID 16589-0; Cutting Block ID 19377-0, 20119-0, 20058-0)

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: January 4, 2022

BACKUS AREA

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH	93.00	Cd	9.12	848.16
	PAPER BIRCH	691.00	Cd	21.05	14,546.29
	BASSWOOD	154.00	Cd	8.98	1,382.92
	OAK SPECIES	568.00	Cd	26.90	15,279.87
	NORWAY PINE	173.00	Cd	35.31	6,108.63
	MIXED CONIFERS	38.00	Cd	13.20	501.60
PULPWOOD	ASPEN SPECIES	2,749.00	Cd	26.88	73,891.81
	MAPLE SPECIES	243.00	Cd	16.82	4,087.26
	NORTHERN HARDWOODS	86.00	Cd	14.27	1,227.30
	RED OAK	8.00	Cd	14.70	117.60
	JACK PINE	7.00	Cd	6.30	44.10
BIOMASS	ANY LISTED SPECIES (optional)	3,319.00	Tons	-	0.00
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	NORWAY PINE	2,098.00	Cd	84.03	176,294.94

TOTAL SOLD TRACTS CONVERTED TO CORDS: 6,908.00

TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 202,378.38

TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 294,330.48

TOTAL ACRES SOLD: 217.9

 $\begin{array}{ccc} \textbf{SOLD TRACT NUMBERS:} & 1, 2, 3 \\ \textbf{TOTAL NUMBER OF TRACTS SOLD:} & 3 \end{array}$

SUMMARY FOR <u>UNSOLD</u> TRACTS								
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE			
PULP & BOLTS	ASH	49.00	Cd	8.55	418.95			
	PAPER BIRCH	119.00	Cd	12.23	1,455.37			
	BASSWOOD	292.00	Cd	8.87	2,590.04			
	OAK SPECIES	519.00	Cd	15.62	8,106.78			
	NORWAY PINE	148.00	Cd	20.48	3,031.04			
	WHITE SPRUCE	111.00	Cd	13.20	1,465.20			
PULPWOOD	ASPEN SPECIES	1,278.00	Cd	14.25	18,211.50			
	MAPLE SPECIES	38.00	Cd	7.50	285.00			
BIOMASS	ANY LISTED SPECIES (optional)	1,400.00	Tons	0.65	910.00			

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 2,554.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$35,563.88
TOTAL ACRES UNSOLD: 103.5
UNSOLD TRACT NUMBER: 4

TOTAL NUMBER OF TRACTS UNSOLD: 1