



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY

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

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**STATUS: COMPLETED**  
**REGULAR AUCTION - SALE #1**  
**ORAL BID**

Notice is hereby given that I offered for sale at public auction in Willow River, MN at 10:00 AM on Wednesday, June 8, 2016, timber belonging to the State of Minnesota. All tracts were offered at the DNR General Andrews Wildfire Training Center in Willow River, 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  
SANDSTONE AREA

10:00 AM on June 8, 2016

DNR General Andrews Wildfire Training Center in Willow River, 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 June 8, 2017, at the following Area Headquarters: Sandstone Area.

**TRACT B1** COUNTY: PINE AREA: SANDSTONE AREA ACRES: 214.1

Permit Number: B013337  
Expiration Date: 05/31/2019

**Purchased By:** CTP Chipping Inc.  
**Address:** 53778 Fir Lane, Sandstone, MN 55072

NENW,NWNE,SESW,SWNE of Section 35; SESW,SWSE,SWSW of Section 26 - Township 39, Range 20W.  
NENE,NENW,NWNE,NWSE,SENE,SESW,SWNE of Section 26; SESW of Section 23 - Township 39, Range 20W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 21	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	1,985.00	Cd	17.34	34,419.90	20.98	41,645.30
+ MIXED HARDWOODS	WOODSRUN CORDWOOD	802.00	Cd	10.00	8,020.00	12.10	9,704.20
ASH	WOODSRUN MIXED PRODUCTS	485.00	Cd	4.83	2,342.55	4.83	2,342.55

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$44,782.45  
ADVANCE PAYMENT = \$6,717.37  
BID TOTAL = \$ 53,692.05

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

ANY LISTED SPECIES BIOMASS 1,898.00 Tons 0.80 1,518.40

**Mixed Species Description:**

Mixed Hardwoods Woodsrun Cordwood includes: Basswood 2%; Bur Oak 46%; Paper Birch 1%; Red Maple 51%.

**Mixed Product Description:**

Ash Woodsrun Mixed Products includes: Bolts 5%; Pulpwood 90%; Sawtimber 5%.

**Cutting and Felling:**

- Full tree skidding allowed (Cutting Blocks 1 and 2).

**Season of Operations:**

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

**Sale Conditions:**

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

**Marketing Conditions:**

Block 1 has 20-60% blowdown in places. Block 2 has 10-20% blowdown. Average dbh/sticks/tree- Block 1: Aspen-10/5. Ash-8/4. Red Maple-7/3. Paper Birch-7/3. Block 2: Aspen-10/6. Red Maple-8/4. Ash-8/4. Basswood-8/4. Block 1: 82% of ash is black ash. Block 2:95% of ash is black ash.

**Price Adjustments:**

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: -20% (Varied blowdown 20-60% in places)

**Appraiser:**

Timothy A. Brault

**TRACT B2** COUNTY: PINE AREA: SANDSTONE AREA ACRES: 64.7

Permit Number: B013338  
Expiration Date: 05/31/2019

Purchased By: CTP Chipping Inc.  
Address: 53778 Fir Lane, Sandstone, MN 55072

NESE,NESW,NWSE,SESE,SESW,SWSE,SWSW of Section 11 - Township 43, Range 17W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 165	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	1,000.00	Cd	23.85	23,850.00	63.20	63,200.00
+ RED OAK	WOODSRUN MIXED PRODUCTS	300.00	Cd	21.74	6,522.00	57.61	17,283.00
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	205.00	Cd	12.34	2,529.70	32.70	6,703.50
+ MAPLE SPECIES	WOODSRUN CORDWOOD	195.00	Cd	11.22	2,187.90	29.73	5,797.35
MIXED HARDWOODS	WOODSRUN MIXED PRODUCTS	115.00	Cd	9.51	1,093.65	9.51	1,093.65
MIXED CONIFERS	WOODSRUN MIXED PRODUCTS	50.00	Cd	24.97	1,248.50	24.97	1,248.50

+ BID SPECIES      \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$37,431.75      BID TOTAL = \$ 95,326.00  
 ADVANCE PAYMENT = \$5,614.76

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

ANY LISTED SPECIES      BIOMASS      1,022.00 Tons      1.10      1,124.20

**Mixed Species Description:**

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 1%; Trembling Aspen 99%.  
 Maple Species Woodsrun Cordwood includes: Red Maple 77%; Sugar Maple 23%.  
 Mixed Conifers Woodsrun Mixed Products includes: Balsam Fir 10%; White Spruce 90%.  
 Mixed Hardwoods Woodsrun Mixed Products includes: American Elm 10%; Ash 28%; Basswood 62%.

**Mixed Product Description:**

Mixed Conifers Woodsrun Mixed Products includes: Bolts 54%; Pulpwood 46%.  
 Mixed Hardwoods Woodsrun Mixed Products includes: Bolts 27%; Pulpwood 73%.  
 Paper Birch Woodsrun Mixed Products includes: Bolts 15%; Pulpwood 85%.  
 Red Oak Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 65%; Sawtimber 5%.

**Season of Operations:**

- No sale operations allowed between April 1 and July 15 due to oak wilt concerns , without written permission from State.
- Conduct sale operations on dry / frozen soil conditions only, except with written permission from State.

**Sale Conditions:**

- Access is across county land.
- Permission to cross county land must be obtained by permittee.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.

**Marketing Conditions:**

Approx. 50%-60% of sale is a dry summer chance.

- Aspen avg. 14" DBH and 7 sticks
- Red Oak avg. 11" DBH and 5 sticks
- Paper Birch avg. 9" DBH and 4 sticks
- Maple avg. 8" DBH and 3 sticks

Co. of Var. for aspen: 0.88  
Plots needed for scaled: 32  
Plots taken: 74

**Price Adjustments:**

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

**Appraiser:**

Jeremiah Thomas Fauskee

(Appraisal ID 12104-0; Cutting Block ID 14156-0)

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**TRACT B3** COUNTY: PINE AREA: SANDSTONE AREA ACRES: 110.1

Permit Number: B013339  
Expiration Date: 05/31/2019

Purchased By: Sappi Cloquet LLC  
Address: 20 N. 22nd St. Wood Fiber & Fuel Proc, Cloquet, MN 55720

NWNW,SWNW of Section 13; NESW,NWSW,SESW,SWSW of Section 12; NESE,NWSE,SESE,SWSE of Section 11; NENE,NWNE,SENE of Section 14 - Township 44, Range 16W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 144	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MAPLE SPECIES	WOODSRUN CORDWOOD	950.00	Cd	9.70	9,215.00	23.67	22,486.50
+ PAPER BIRCH	WOODSRUN CORDWOOD	765.00	Cd	9.70	7,420.50	23.67	18,107.55
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	350.00	Cd	20.60	7,210.00	50.26	17,591.00

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$23,845.50      BID TOTAL = \$ 58,185.05  
 ADVANCE PAYMENT = \$3,576.83

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

ANY LISTED SPECIES BIOMASS 1,150.00 Tons 0.95 1,092.50

**Mixed Species Description:**

Maple Species Woodsrun Cordwood includes: Red Maple 50%; Sugar Maple 50%.

**Cutting and Felling:**

- Harvest aspen, birch, and 75% (approximately 8.8 cords per acre) of the maple.
- Reserve an average of three cords per acre evenly divided between red and sugar maple and distributed throughout the stand, with emphasis along the wetlands, 1 paper birch per acre where present, and all basswood, oak, pine and fir.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across state land.

**Marketing Conditions:**

Sale was Cruised by Brian Allshouse  
 Average DBH is about 9 inches ranged from 6 inches to 25 inches  
 Average number of sticks is 6 stick trees.  
 Cords by species  
 Aspen 350  
 Birch 765  
 Red Maple 475  
 Sugar Maple 475

**Price Adjustments:**

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

**Appraiser:**

Brian S. Allshouse



Distance to Highway 23 from permit is 7 1/2 miles.  
 Nickerson, MN is the closest town to Net Lake Forest Rd at a distance of 5 miles.  
 Paper Birch: Diameters 8" - 16" (ave. 10"-12") @ 10 - 26 cds/acre  
 Aspen: 10% Bolts in trees and Quality is starting to decline in aspen.  
 Diameter range 8" - 20" (ave. 12") @ 8 - 28 cds/acre  
 Maple Species: Diameter range 7" - 14" @ 8-15 cds/acre  
 Balsam Fir: Diameter range 8" - 16" @ <2cds/acre the balsam fir is in Salvage status (over mature) as there is a large % of mortality - decline in the trees. A high % of the trees are on the ground and not marketable. Balsam Fir price was reduced for what is salvageable.  
 Portions of stand are in Salvage status.  
 Black spruce: Diameter range 6 - 9" @ 4 - 8 c/a  
 Black ash: Diametere range 6" - 18" @ 5 - 20 c/a  
 Red Oak: Diameter ranges 8" - 18" @ 6 - 20 c/a  
 Basswood: Diameter range 8" - 20" @ < 5c/a

The terrain is a meandering very hilly upland with numerous wetlands - drainages dispersed throughout.  
 There is approximately 10% blowdown in the stand from the July 2011 windstorm, impacting primarily upland species.

**Price Adjustments:**

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

**Appraiser:**

Michael R. Dahl

(Appraisal ID 12133-0; Cutting Block ID 14194-0)

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

SANDSTONE 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: June 8, 2016



- SUMMARY SHEET -

06/08/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/26/2017

SANDSTONE AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	ASH	610.00	Cd	5.75	3,505.05
	PAPER BIRCH	205.00	Cd	32.70	6,703.50
	NORTHERN HARDWOODS	3,315.00	Cd	29.64	98,256.60
	RED OAK	300.00	Cd	57.61	17,283.00
	SPRUCE-BALSAM	130.00	Cd	11.80	1,534.00
	MIXED CONIFERS	50.00	Cd	24.97	1,248.50
	MIXED HARDWOODS	115.00	Cd	9.51	1,093.65
WOODSRUN CORDWOOD	ASPEN SPECIES	1,650.00	Cd	55.82	92,099.00
	TREMBLING ASPEN	2,335.00	Cd	25.37	59,236.30
	PAPER BIRCH	765.00	Cd	23.67	18,107.55
	MAPLE SPECIES	1,145.00	Cd	24.70	28,283.85
	MIXED HARDWOODS	802.00	Cd	12.10	9,704.20
BIOMASS	ANY LISTED SPECIES (optional)	6,480.00	Tons	-	0.00
TOTAL SOLD TRACTS CONVERTED TO CORDS:		11,422.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 161,523.20			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 337,055.20			
TOTAL ACRES SOLD:		617.0			
TOTAL NUMBER OF TRACTS SOLD:		4			