



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
INTERMEDIATE AUCTION - SALE #4
ORAL BID

Notice is hereby given that I offered for sale at public auction in Willow River, MN at 10:15 AM on Thursday, December 8, 2016, timber belonging to the State of Minnesota. All tracts were offered at the General Andrews Nursery 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
INTERMEDIATE AUCTION
ORAL BID TIMBER SALE
SANDSTONE AREA

10:15 AM on December 8, 2016
General Andrews Nursery 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 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 8, 2017, at the following Area Headquarters: Sandstone 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: PINE

AREA: SANDSTONE AREA

ACRES: 57.2

Permit Number: X015330
Expiration Date: 05/31/2019

Purchased By: Coldwater Logging
Address: 2964 290th Ave, Brook Park, MN 55007

NWSE,SWSE of Section 28 - Township 39, Range 22W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 35	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ OAK SPECIES	WOODSRUN MIXED PRODUCTS	135.00	Cd	9.74	1,314.90	13.15	1,775.25
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	67.00	Cd	16.26	1,089.42	21.95	1,470.65
+ BASSWOOD	WOODSRUN MIXED PRODUCTS	43.00	Cd	6.86	294.98	9.26	398.18
+ MAPLE SPECIES	WOODSRUN CORDWOOD	40.00	Cd	7.65	306.00	10.33	413.20
ASH	WOODSRUN CORDWOOD	5.00	Cd	4.46	22.30	4.46	22.30
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$3,027.60	BID TOTAL = \$ 4,079.58
				ADVANCE PAYMENT =		\$454.14	

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

ANY LISTED SPECIES BIOMASS 180.00 Tons 0.75 135.00

Mixed Species Description:

Maple Species Woodsrun Cordwood includes: Red Maple 50%; Sugar Maple 50%.
Oak Species Woodsrun Mixed Products includes: Red Oak 70%; White Oak 30%.

Mixed Product Description:

Basswood Woodsrun Mixed Products includes: Bolts 22%; Pulpwood 68%; Sawtimber 10%.
Oak Species Woodsrun Mixed Products includes: Bolts 29%; Pulpwood 43%; Sawtimber 28%.

Cutting and Felling:

- Harvest all species within 80 feet of the orange painted center tree. Only two access lanes, one entry and one exit, may be cut between each circle. Access lanes cannot exceed 18' in width.

Season of Operations:

- No sale operations allowed during firearms / muzzleloader deer seasons.
- Conduct sale operations on frozen soil conditions only, except with written permission from State.
- Operate during non-rutting soil conditions. Refer to DNR rutting guidelines.

Marketing Conditions:

Average diameter and stick height
Aspen 9.5", 5 stick
Oak 14", 6 stick
Basswood 9", 5 stick
Ash 7", 4 stick
Maple 9", 4 stick
37 cords per acre in the gaps that are being cut out.
Appraised by guest appraisers.

Unsold at auction. First reoffer.

Price Adjustments:

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

Stand Density: 0%
Operational Constraints: -10%
Other Price Factor: -15% (reoffer discount)

Appraiser:

Jacob Sivertson

(Appraisal ID 11086-0; Cutting Block ID 13050-0)

TRACT X2

COUNTY: PINE

AREA: SANDSTONE AREA

ACRES: 15.0

Permit Number: X015331

Expiration Date: 05/31/2019

Purchased By: Mark L. Sauter

Address: 13480 Ravine Rd, Pine City, MN 55063

SESW of Section 24 - Township 44, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	160.00	Cd	10.84	1,734.40	10.84	1,734.40
+ NORTHERN HARDWOODS	WOODSRUN CORDWOOD	81.00	Cd	4.87	394.47	4.87	394.47
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$2,128.87	BID TOTAL = \$	2,128.87
				ADVANCE PAYMENT =	\$319.33		

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Ash 6%; Basswood 12%; Paper Birch 36%; Red Maple 42%; Sugar Maple 4%.

Cutting and Felling:

- Harvest all aspen, birch, ash, maple, and basswood.
- Trees must be processed at the stump and cut products forwarded to the landing.

Season of Operations:

- No sale operations allowed during firearms / muzzleloader deer seasons.
- Conduct sale operations on frozen soil conditions only, except with written permission from State.

Slash Disposal:

- Biomass harvest is not allowed on this permit.

Sale Conditions:

- Access is across Wildlife administered land.

Marketing Conditions:

Access to the sale is from the east off Twin Oaks Road.

aspen 15 dbh, 6 sticks-overmature
 birch 9 dbh, 5 sticks
 ash 6 dbh, 2 sticks
 maple 7 dbh, 4 sticks
 basswood 8 dbh, 3 sticks

Price discounted 45% for third reoffer of unsold tract.

Price Adjustments:

Road Construction Costs: 0%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: -5%
 Other Price Factor: -45% (third unsold reoffer discount)

Appraiser:

Brian S. Allshouse

TRACT X3

COUNTY: PINE

AREA: SANDSTONE AREA

ACRES: 52.4

Permit Number: X015332
Expiration Date: 05/31/2018

Purchased By: Mark L. Sauter
Address: 13480 Ravine Rd, Pine City, MN 55063

NENE,NESE,NWSE,SENE,SWNE of Section 8 - Township 45, Range 16W.
SWSW of Section 4; NWNW of Section 9; NENE of Section 8 - Township 45, Range 16W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 130	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ RED OAK	WOODSRUN MIXED PRODUCTS	545.00	Cd	20.40	11,118.00	46.92	25,571.40
+ MIXED HARDWOODS	WOODSRUN CORDWOOD	94.00	Cd	4.08	383.52	9.38	881.72
BASSWOOD	WOODSRUN MIXED PRODUCTS	50.00	Cd	11.15	557.50	11.15	557.50
TREMBLING ASPEN	WOODSRUN CORDWOOD	29.00	Cd	8.67	251.43	8.67	251.43
ASH	WOODSRUN CORDWOOD	8.00	Cd	2.38	19.04	2.38	19.04
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$12,329.49	BID TOTAL = \$	27,281.09
				ADVANCE PAYMENT =	\$1,849.42		

Mixed Species Description:

Mixed Hardwoods Woodsrun Cordwood includes: Paper Birch 15%; Red Maple 23%; Sugar Maple 62%.

Mixed Product Description:

Basswood Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 40%; Sawtimber 30%.
Red Oak Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 40%; Sawtimber 30%.

Cutting and Felling:

- Fell all snags within 50 feet of the OHV trail system (Cutting Blocks 1 and 2).

Season of Operations:

- Oak wilt is within 20 miles and poses a threat. No sale operations allowed from April 15 - July 15 due to oak wilt concerns, unless with written permission from State (Cutting Blocks 1 and 2).

Slash Disposal:

- Biomass harvest is not allowed on this permit (Cutting Blocks 1 and 2).

Landings Roads and Trails:

- Use of OHV trail not allowed except with written permission from State (Cutting Blocks 1 and 2).

Sale Conditions:

- The sale will expire 5/31/2018 due to salvage (Cutting Blocks 1 and 2).
- Notice to begin harvest must be given at least five working days prior to commencing operations due to recreation trails (Cutting Blocks 1 and 2).

Marketing Conditions:

Location of sale is off the Bigtooth Ridge Rd off NE Extension (NLFRD) in Nemadji State Forest. - 6 miles from State Highway 23 and ~ 3 miles east of Nickerson, MN. (Pine County).

Stand information:

Approximately 75 year old northern hardwood and paper birch stand was severely impacted by July 11, 2016 thunderstorm - windstorm with strong downbursts.

Note: Selective commercial harvest was completed in 2012. The windstorm had blown down a lot of the residual trees left.

Approximately 60% of stand was impacted. Damaged trees to be harvested include uprooted trees (60% of total volume), trees with wind - caused lean in excess of 30 degrees from vertical (30% of total volume), and trees with more than 30

percent of live crown broken off (10% of total volume).

Tree information:

Aspen: 8-14" diameter @ 4 - 6 sticks

Maple species: 6 - 12" diameter @ 4 - 5 sticks

Black / green ash: 9" @ 4 sticks

Red oak: 10 - 20" diameter @ 4 - 6 sticks

Paper birch: 7 - 12" diameter @ 3 - 5 sticks

Basswood: 10 - 18" diameter @ 4 - 7 sticks

There is an extensive Off Highway Vehicle trail infrastructure found in harvest area. Very limited use of any trail for harvest operations will be allowed as to keep these system trails protected from damage from logging equipment and for the safety of trail users.

Trail usage for harvest operations equipment will be only allowed at designated trail crossings identified and marked by Permit TSA.

Portions of sale are summer operable.

NOTE: There are several other active timber sales nearby and adjacent to the permit area.

Price Adjustments:

Road Construction Costs: 0%

Haul Distance to Nearest Mill: 0%

Stand Density: 0%

Operational Constraints: 0%

Other Price Factor: -60% (Blowdown Salvage)

Appraiser:

Michael R. Dahl

(Appraisal ID 12525-0; Cutting Block ID 14649-0, 14635-0)

TRACT X4

COUNTY: PINE

AREA: SANDSTONE AREA

ACRES: 23.0

Permit Number: X015333

Expiration Date: 05/31/2019

Purchased By: CTP Chipping Inc.

Address: 53778 Fir Lane, Sandstone, MN 55072

NENE,SENE of Section 14; NWNW of Section 13 - Township 45, Range 17W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 115	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	495.00	Cd	22.76	11,266.20	48.93	24,220.35
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	70.00	Cd	18.03	1,262.10	38.76	2,713.20
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	35.00	Cd	10.71	374.85	10.71	374.85
SPRUCE-BALSAM	WOODSRUN CORDWOOD	10.00	Cd	13.57	135.70	13.57	135.70
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$13,038.85	BID TOTAL = \$	27,444.10
				ADVANCE PAYMENT =	\$1,955.83		

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

ANY LISTED SPECIES	BIOMASS	280.00 Tons	1.00	280.00
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Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 10%; Trembling Aspen 90%.
 Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 50%; Red Maple 50%.
 Spruce-Balsam Woodsrun Cordwood includes: Balsam Fir 80%; White Spruce 20%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 80%.

Marketing Conditions:

Permit is located in the Nemadji State Forest off the Net Lake Forest Rd and south down the Matthew Lourey Trail for 1 mile to the east side of permit.
 Distance to Highway 23 from this permit is 4 1/2 miles.
 Nickerson, MN is the closest town to Net Lake Forest Rd at a distance of 3 miles.

Aspen: Diameter range 7" - 20" (ave. 10") @ 8 - 24 cds/ac
 Norway Pine: Diameter ranges 7" -12" @ 3 c/a
 Paper Birch: Diameter 11" @ 1 cd /ac
 Red maple: Diameters 7" - 9" @ 1 cd / ac
 Balsam Fir: Diameters 7" - 9" @ 1/2 cd /ac
 White spruce: Diameter 9" @ < 1/2 cd/ac

This stand was previously planted to norway pine 50 years ago. Machine planted so there are some furrows still evident on landscape. This was a failed plantation.
 This harvest will be cutting all trees on permit and to prepare site to be re-planted to norway pine for stand development.

Price Adjustments:

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

Appraiser:

Michael R. Dahl

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: December 8, 2016

- SUMMARY SHEET -

12/08/2016 INTERMEDIATE AUCTION - SALE #4

COMPLETED - DATA AS OF 12/27/2017

SANDSTONE AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	BASSWOOD	93.00	Cd	10.28	955.68
	OAK SPECIES	135.00	Cd	13.15	1,775.25
	RED OAK	545.00	Cd	46.92	25,571.40
	NORWAY PINE	70.00	Cd	-	0.00
WOODSRUN CORDWOOD	ASH	13.00	Cd	3.18	41.34
	ASPEN SPECIES	495.00	Cd	-	0.00
	TREMBLING ASPEN	256.00	Cd	13.50	3,456.48
	MAPLE SPECIES	40.00	Cd	10.33	413.20
	NORTHERN HARDWOODS	116.00	Cd	3.40	394.47
	SPRUCE-BALSAM	10.00	Cd	-	0.00
	MIXED HARDWOODS	94.00	Cd	9.38	881.72
BIOMASS	ANY LISTED SPECIES (optional)	460.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 1,867.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 30,524.81
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 61,213.62
TOTAL ACRES SOLD: 147.6
TOTAL NUMBER OF TRACTS SOLD: 4