



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #3
ORAL BID

Notice is hereby given that I offered for sale at public auction in Willow River, MN at 10:00 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
REGULAR AUCTION
ORAL BID TIMBER SALE
SANDSTONE AREA

10:00 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 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 December 8, 2017, at the following Area Headquarters: Sandstone Area.

TRACT B1 COUNTY: PINE AREA: SANDSTONE AREA ACRES: 238.2

Permit Number: B013487
Expiration Date: 05/31/2020

Purchased By: Sappi Cloquet LLC
Address: 20 N. 22nd Street, Cloquet, MN 55720

NWSW,SWSW of Section 21; NESE,SESE of Section 20 - Township 42, Range 19W.
NENE,NWNE,NWSE,SENE,SWNE,SWSE of Section 16 - Township 42, Range 19W.
NENW,NESW,NWNW,NWSW,SESW,SWNW,SWSW of Section 21 - Township 42, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 130	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
++ ASPEN SPECIES	WOODSRUN CORDWOOD	4,450.00	Cd	23.85	106,132.50	54.86	244,127.00
++ RED MAPLE	WOODSRUN CORDWOOD	1,700.00	Cd	11.22	19,074.00	25.81	43,877.00
* PAPER BIRCH	WOODSRUN CORDWOOD	540.00	Cd	11.22	6,058.80	11.22	6,058.80
* RED OAK	WOODSRUN MIXED PRODUCTS	180.00	Cd	54.75	9,855.00	54.75	9,855.00
* MIXED HARDWOODS	WOODSRUN MIXED PRODUCTS	165.00	Cd	12.76	2,105.40	12.76	2,105.40

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$143,225.70 BID TOTAL = \$ 306,023.20
 ADVANCE PAYMENT = \$21,483.86

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

* ANY LISTED SPECIES BIOMASS 3,455.00 Tons 1.00 3,455.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Largetooth Aspen 7%; Trembling Aspen 93%.
Mixed Hardwoods Woodsrun Mixed Products includes: Ash 47%; Basswood 51%; Black Cherry 2%.

Mixed Product Description:

Mixed Hardwoods Woodsrun Mixed Products includes: Bolts 8%; Pulpwood 84%; Sawtimber 8%.
Red Oak Woodsrun Mixed Products includes: Bolts 12%; Pulpwood 58%; Sawtimber 30%.

Season of Operations:

- Oak wilt is within 20 miles and poses a threat. No sale operations allowed from April 1 - July 15 due to oak wilt concerns, unless with written permission from State (Cutting Blocks 1, 2, and 3).
- Conduct sale operations on dry or frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, and 3).

Landings Roads and Trails:

- Road right of way crossing approval from county may be required (Cutting Block 1).

Sale Conditions:

- Access is across state land (Cutting Block 1).
- Access is across state or private land (Cutting Blocks 2 and 3).
- Permission to cross private land must be obtained by permittee (Cutting Blocks 2 and 3).
- This sale will expire on 5/31/2020 in order to give three full summers of operation (Cutting Blocks 1, 2, and 3).

Marketing Conditions:

Depending on the conditions, portions of the sale are summer harvestable. Contact forester for more information.

Aspen avg. 14" DBH and 6-7 sticks
Red maple avg. 12" DBH and 4-5 sticks
Birch avg. 10" DBH and 4-5 sticks

Co. of Var. for aspen = 0.71

Plots needed for SOAV standard = 83

Plots taken = 117

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 12494-0; Cutting Block ID 14586-0, 14587-0, 14585-0)

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 REGULAR AUCTION - SALE #3

COMPLETED - DATA AS OF 12/27/2017

SANDSTONE AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	RED OAK	180.00	Cd	54.75	9,855.00
	MIXED HARDWOODS	165.00	Cd	12.76	2,105.40
WOODSRUN CORDWOOD	ASPEN SPECIES	4,450.00	Cd	54.86	244,127.00
	PAPER BIRCH	540.00	Cd	11.22	6,058.80
	RED MAPLE	1,700.00	Cd	25.81	43,877.00
BIOMASS	ANY LISTED SPECIES (optional)	3,455.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 7,035.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 143,225.70
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 306,023.20
TOTAL ACRES SOLD: 238.2
TOTAL NUMBER OF TRACTS SOLD: 1