



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Silver Bay, MN at 9:30 AM on Thursday, January 3, 2019, timber belonging to the State of Minnesota. All tracts were offered at the Tettegouche State Park Visitor Center in Silver Bay, 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
TWO HARBORS AREA

9:30 AM on January 3, 2019
Tettegouche State Park Visitor Center in Silver Bay, 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 3, 2020, at the following Area Headquarters: Two Harbors Area.

TRACT B1

COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 25.2

Permit Number: B014122
Expiration Date: 05/31/2022

Purchased By:
Address:

UNSOLD

NWSW,SWSW of Section 28; NESE,NWSE,SESE of Section 29 - Township 57, Range 8W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASH	PULPWOOD	200.00	Cd	6.30	1,260.00	6.30	1,260.00
+ NORTHERN HARDWOODS	PULPWOOD	85.00	Cd	8.29	704.65	8.29	704.65
+ BALSAM FIR	PULPWOOD	40.00	Cd	11.90	476.00	11.90	476.00
+ WHITE SPRUCE	PULP & BOLTS	40.00	Cd	20.61	824.40	20.61	824.40
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$3,265.05	BID TOTAL = \$ 3,265.05
				ADVANCE PAYMENT =		\$489.76	

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

ANY LISTED SPECIES BIOMASS 270.00 Tons 1.00 270.00

Mixed Species Description:

Northern Hardwoods Pulpwood includes: Paper Birch 16%; Red Maple 27%; Sugar Maple 57%.

Mixed Product Description:

White Spruce Pulp & Bolts includes: Bolts 87%; Pulpwood 13%.

Cutting and Felling:

- Harvest all sugar maple, red maple, paper birch, white spruce, balsam fir and black ash greater than 2 sticks.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Existing access to either side of sale area off MMR 629 & MMR 630.

Large, good quality white spruce is scattered across sale area.

Price Adjustments:

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

Appraiser:

Simon Cain

TRACT B2 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 51.4

Permit Number: B014123
Expiration Date: 05/31/2022

Purchased By: Ronald Clement
Address: 60 Garden Drive, Silver Bay, MN 55614

NESE of Section 8; NESW,NWSE,SESW,SWSE of Section 9 - Township 58, Range 6W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 40	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BALSAM FIR	PULPWOOD	355.00	Cd	12.75	4,526.25	17.85	6,336.75
+ TREMBLING ASPEN	PULPWOOD	285.00	Cd	18.00	5,130.00	25.20	7,182.00
+ MIXED SPRUCE	PULP & BOLTS	220.00	Cd	16.50	3,630.00	23.10	5,082.00
	PAPER BIRCH	65.00	Cd	8.25	536.25	8.25	536.25

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$13,822.50 BID TOTAL = \$ 19,137.00
 ADVANCE PAYMENT = \$2,073.38

Mixed Species Description:

Mixed Spruce Pulp & Bolts includes: Black Spruce 33%; White Spruce 67%.

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.

Cutting and Felling:

- Harvest aspen, balsam fir, spruce, and paper birch.

Season of Operations:

- Conduct sale conditions on dry or 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.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.

Marketing Conditions:

Access to block 2 from county will require an access permit, depending on location of road access may go through a sold county permit. There is frozen ground access only through state land for block 2.

There are a few areas within harvest blocks that have a good amount of slope and may restrict equipment operations. There is spruce budworm damage within the harvest blocks, 25-30% damaged and 0-10% mortality.

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: -10%
- Other Price Factor: -15% (Insect and Disease concerns)

Appraiser:

Jason A. Bushmaker

TRACT B3

COUNTY: COOK

AREA: TWO HARBORS AREA

ACRES: 157.2

Permit Number: B014124
Expiration Date: 05/31/2022

Purchased By:
Address:

UNSOLD

NESE,NESW,SESE,SESW,SWSE of Section 19; NENE,NENW,NWNE of Section 30 - Township 63, Range 3E.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PAPER BIRCH	PULPWOOD	1,523.00	Cd	3.85	5,863.55	3.85	5,863.55
+ TREMBLING ASPEN	PULPWOOD	1,036.00	Cd	8.40	8,702.40	8.40	8,702.40
+ BALSAM FIR	PULPWOOD	334.00	Cd	5.95	1,987.30	5.95	1,987.30
+ MIXED SPRUCE	PULPWOOD	204.00	Cd	6.65	1,356.60	6.65	1,356.60
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$17,909.85	BID TOTAL = \$	17,909.85
				ADVANCE PAYMENT =	\$2,686.48		

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

ANY LISTED SPECIES BIOMASS 2,440.00 Tons 1.00 2,440.00

Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 10%; White Spruce 90%.

Cutting and Felling:

- Harvest Paper Birch, Aspen, Spruce and Fir.

Season of Operations:

- Conduct Sale Operations on Frozen/ Dry soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across USFS and State land.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.
- USFS haul permit is required and the responsibility of the Permittee.

Marketing Conditions:

There is a possibility of Added Timber for this permit to the NE of the cutting block. This can be discussed with the permit holder upon the sale going active. The added timber would consist of approximately 70 cords of Paper Birch, 10 cords of Spruce, 20 cords of Fir and 40 cords of Aspen.

The portion of the cutting block that is south of the Greenwood River road could possibly have sale operations during dry soil conditions. The portion north of the Greenwood River road will be frozen soil conditions only.

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: -65% (Cook County Discount)

Appraiser:

Justin Owen Rexrode

TRACT B4

COUNTY: COOK

AREA: TWO HARBORS AREA

ACRES: 42.0

Permit Number: B014125
Expiration Date: 05/31/2022

Purchased By: Johnson Brothers Firewood
Address: P.O. Box 415030 North Road, Hovland, MN 55606

SENW of Section 24 - Township 63, Range 1E.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 9	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	480.00	Cd	60.00	28,800.00	65.40	31,392.00
TREMBLING ASPEN	PULPWOOD	50.00	Cd	8.40	420.00	8.40	420.00
JACK PINE	PULP & BOLTS	20.00	Cd	20.46	409.20	20.46	409.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$29,629.20	BID TOTAL = \$ 32,221.20
				ADVANCE PAYMENT =		\$4,444.38	

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

ANY LISTED SPECIES BIOMASS 315.00 Tons 1.00 315.00

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 60%; Pulpwood 40%.
Norway Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 20%; Pulpwood 20%; Sawtimber (Softwood Only) 60%.

Cutting and Felling:

- Harvest Red Pine, Aspen, and Jack Pine.

Season of Operations:

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

Sale Conditions:

- Access is across USFS land.
- A USFS haul permit is required and responsibility of the permittee.

Marketing Conditions:

May be harvested any season providing that it is during non-rutting conditions on the harvest site, and roads are in a usable condition.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -65% (Cook County Discount)

Appraiser:

Benjamin J. Mattsen

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

TWO HARBORS 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 3, 2019

- SUMMARY SHEET -

01/03/2019 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 01/03/2019

TWO HARBORS AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	JACK PINE	20.00	Cd	20.46	409.20
	MIXED SPRUCE	220.00	Cd	23.10	5,082.00
PULPWOOD	TREMBLING ASPEN	335.00	Cd	22.69	7,602.00
	PAPER BIRCH	65.00	Cd	8.25	536.25
	BALSAM FIR	355.00	Cd	17.85	6,336.75
BIOMASS	ANY LISTED SPECIES (optional)	315.00	Tons	-	0.00
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	NORWAY PINE	480.00	Cd	65.40	31,392.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 1,475.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 43,451.70
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 51,358.20
TOTAL ACRES SOLD: 93.4
SOLD TRACT NUMBERS: 2, 4
TOTAL NUMBER OF TRACTS SOLD: 2

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	WHITE SPRUCE	40.00	Cd	20.61	824.40
PULPWOOD	ASH	200.00	Cd	6.30	1,260.00
	TREMBLING ASPEN	1,036.00	Cd	8.40	8,702.40
	PAPER BIRCH	1,523.00	Cd	3.85	5,863.55
	NORTHERN HARDWOODS	85.00	Cd	8.29	704.65
	BALSAM FIR	374.00	Cd	6.59	2,463.30
	MIXED SPRUCE	204.00	Cd	6.65	1,356.60
BIOMASS	ANY LISTED SPECIES (optional)	2,710.00	Tons	1.00	2,710.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 3,462.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 21,174.90
TOTAL ACRES UNSOLD: 182.4
UNSOLD TRACT NUMBERS: 1, 3
TOTAL NUMBER OF TRACTS UNSOLD: 2