



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, June 13, 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 June 13, 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 June 13, 2020, at the following Area Headquarters: Two Harbors Area.

TRACT B1

COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 206.4

Permit Number: B014313
Expiration Date: 05/31/2022

Purchased By: Fjeran's Forest Prod.
Address: 1801 Hwy 3, Two Harbors, MN 55616

NENE,NWNE,SENW,SWNW of Section 11 - Township 57, Range 10W.
NESW,NWSE,NWSW,SENW,SWNE,SWSW of Section 1 - Township 57, Range 10W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 151	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULP & BOLTS	2,580.00	Cd	10.86	28,018.80	27.26	70,330.80
+ BALSAM FIR	PULPWOOD	750.00	Cd	8.40	6,300.00	21.08	15,810.00
+ TREMBLING ASPEN	PULPWOOD	165.00	Cd	12.00	1,980.00	30.12	4,969.80
MIXED HARDWOODS	PULPWOOD	105.00	Cd	7.09	744.45	7.09	744.45
TAMARACK	PULPWOOD	80.00	Cd	3.60	288.00	3.60	288.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$37,331.25	BID TOTAL = \$	92,143.05
				ADVANCE PAYMENT =	\$5,599.69		

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

ANY LISTED SPECIES BIOMASS 350.00 Tons 1.00 350.00

Mixed Species Description:

Mixed Hardwoods Pulpwood includes: Ash 3%; Paper Birch 3%; Red Maple 94%.
Mixed Spruce Pulp & Bolts includes: Black Spruce 15%; White Spruce 85%.

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.

Cutting and Felling:

- Harvest balsam fir, white spruce, black spruce, tamarack, trembling aspen, balm of Gilead, paper birch, red maple, and black ash (Cutting Block 2).
- Harvest balsam fir, white spruce, black spruce, tamarack, trembling aspen, balm of Gilead, red maple, black ash, and only birch that are in the way of operations (Cutting Block 1).

Season of Operations:

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

Sale Conditions:

- Access is across private, USFS, and state land (Cutting Blocks 1 and 2).
- Permission to cross private, USFS, and state land must be obtained by permittee (Cutting Blocks 1 and 2).

Marketing Conditions:

From Two Harbors, drive north on Highway 2 for 27.5 miles. Turn east onto Forest Highway 11 and drive for 2 miles. Turn north onto the Stoney River Forest Road and drive approximately 6 miles to the private access route to the east. Sale is located approximately 175 miles from Bemidji, 105 miles from Grand Rapids, 160 miles from International Falls, and 85 miles from Cloquet.

Timber is discounted due to winter access, stream crossing, and mix of species present on site.

Price Adjustments:

- Road Construction Costs: -15%
- Haul Distance to Nearest Mill: 0%
- Stand Density: -5%
- Operational Constraints: -10%

Other Price Factor: -10% (Spruce Budworm)

Appraiser:

Andrew R. Weston

(Appraisal ID 14563-0; Cutting Block ID 17015-0, 17012-0)

TRACT B2 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 559.7

Permit Number: B014314
Expiration Date: 05/31/2022

Purchased By: Tibbetts Trucking
Address: 6389 Lax Lake Rd, Finland, MN 55603

NWSW,SESW,SWNW,SWSW of Section 16; NENW,NWNW,SENW of Section 21 - Township 58, Range 8W.
NENE,NESE,SENE,SWNE of Section 20; NESW,NWNW,NWSW,SENW,SESW,SWNW,SWSW of Section 21 - Township 58, Range 8W.
NENE,NESE,NWNE,NWSE,NWSW,SENE,SESE,SWNE,SWSE of Section 22; SWNW of Section 23 - Township 58, Range 8W.
NWNE of Section 21; SESE,SWSE of Section 16; SWSW of Section 15 - Township 58, Range 8W.
NWNE of Section 20; NESW,NWSE,NWSW,SESE,SESW,SWSE,SWSW of Section 17 - Township 58, Range 8W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 51	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULPWOOD	2,919.00	Cd	11.05	32,254.95	16.69	48,718.11
+ BALSAM FIR	PULPWOOD	2,045.00	Cd	9.10	18,609.50	13.74	28,098.30
+ MIXED HARDWOODS	PULPWOOD	1,904.00	Cd	7.16	13,632.64	10.81	20,582.24
+ TREMBLING ASPEN	PULPWOOD	1,167.00	Cd	13.00	15,171.00	19.63	22,908.21
TAMARACK	PULPWOOD	75.00	Cd	3.90	292.50	3.90	292.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$79,960.59 BID TOTAL = \$ 120,599.36
ADVANCE PAYMENT = \$11,994.09

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

ANY LISTED SPECIES BIOMASS 3,365.00 Tons 1.00 3,365.00

Mixed Species Description:

Mixed Hardwoods Pulpwood includes: Paper Birch 97%; Red Maple 1%; Yellow Birch 1%.
Mixed Spruce Pulpwood includes: Black Spruce 41%; White Spruce 59%.

Cutting and Felling:

- Harvest 60-80 square feet of BA in Unit 5A of white spruce, black spruce, balsam fir, trembling aspen, big tooth aspen, balm of Gilead, tamarack, paper birch, and yellow birch. In unit 5B, harvest white spruce, black spruce, balsam fir, tamarack, paper birch, and yellow birch. In unit 5C, harvest white spruce, black spruce, tamarack, and balsam fir (Cutting Block 5).
- Harvest aspen species, balsam fir, black spruce, white spruce, tamarack and paper birch (Cutting Block 2).
- Harvest aspen species, balsam fir, spruce, paper birch, maple, and yellow birch (Cutting Block 1).
- Harvest aspen, paper birch, balsam fir, and spruce (Cutting Block 3).
- Harvest spruce and balsalm fir (Cutting Block 4).

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, 3, 4, and 5).

Sale Conditions:

- Access is across state and USFS land (Cutting Blocks 1, 2, 3, 4, and 5).
- Permission to cross state and USFS land must be obtained by permittee (Cutting Blocks 1, 2, 3, 4, and 5).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Blocks 1, 2, 3, and 4).

Marketing Conditions:

This sale is setup to harvest the area before any volume loss from the spruce budworm outbreak. We recommend harvesting sale within 2 years.

Price Adjustments:

Road Construction Costs: -10%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: -10%
Other Price Factor: -15% (Spruce Budworm)

Appraiser:

Jason A. Bushmaker

(Appraisal ID 14920-0; Cutting Block ID 17394-0, 17099-0, 17374-0, 17177-0, 17082-0)

TRACT B3

COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 47.1

Permit Number: B014315
Expiration Date: 05/31/2022

Purchased By: Holden Logging
Address: 6763 Highway 1, Finland, MN 55603

NENW,NWNE,NWNW of Section 16; SESW of Section 9 - Township 59, Range 7W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BALSAM FIR	PULPWOOD	393.00	Cd	7.00	2,751.00	7.00	2,751.00
+ PAPER BIRCH	PULP & BOLTS	182.00	Cd	8.52	1,550.64	8.52	1,550.64
+ MIXED SPRUCE	PULP & BOLTS	168.00	Cd	10.32	1,733.76	10.32	1,733.76
TREMBLING ASPEN	PULPWOOD	72.00	Cd	10.00	720.00	10.00	720.00
ASH	PULPWOOD	8.00	Cd	3.50	28.00	3.50	28.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$6,783.40	BID TOTAL = \$ 6,783.40
				ADVANCE PAYMENT =		\$1,017.51	

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

ANY LISTED SPECIES BIOMASS 370.00 Tons 1.00 370.00

Mixed Species Description:

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

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 33%; Pulpwood 67%.
Paper Birch Pulp & Bolts includes: Bolts 67%; Pulpwood 33%.

Cutting and Felling:

- Harvest balsam fir, aspen, ash, spruce less than 16" DBH, and paper birch less than 16" DBH.

Season of Operations:

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

Sale Conditions:

- Access is across USFS, state land.
- Permission to cross USFS 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:

Sale is located in between the Wanless Rd and the East General Grade off the Hoist Lake Rd/Manitou Trl. In some areas Balsam Fir is falling out of the canopy and exhibits low volume. Price is reflective. Limited road building or improvement is necessary. This sale exhibits summer access.

Price Adjustments:

- Road Construction Costs: -15%
- Haul Distance to Nearest Mill: -15%
- Stand Density: -10%
- Operational Constraints: -10%
- Other Price Factor: 0%

Appraiser:

Glenn N. Ristow

TRACT B4

COUNTY: COOK

AREA: TWO HARBORS AREA

ACRES: 517.9

Permit Number: B014316
Expiration Date: 05/31/2022

Purchased By:
Address:

UNSOLD

NENE,NENW,NESE,NESW,NWNE,NWNW,NWSE,NWSW,SENE,SEnw,SESE,SESW,SWNE,SWNW,SWSE ,SWSW of Section 36 - Township 61, Range 2W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID:	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PAPER BIRCH	PULPWOOD	1,100.00	Cd	1.65	1,815.00	1.65	1,815.00
+ WHITE SPRUCE	PULPWOOD	1,100.00	Cd	2.55	2,805.00	2.55	2,805.00
+ TREMBLING ASPEN	PULPWOOD	550.00	Cd	3.00	1,650.00	3.00	1,650.00
+ BALSAM FIR	PULPWOOD	260.00	Cd	2.10	546.00	2.10	546.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$6,816.00	BID TOTAL = \$	6,816.00
ADVANCE PAYMENT =	\$1,022.40		

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

ANY LISTED SPECIES	BIOMASS	2,200.00	Tons	1.00	2,200.00
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Cutting and Felling:

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

Season of Operations:

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

Sale Conditions:

- Access is across USFS and State land.
- Permission to cross USFS 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:

(N/A)

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: -10%
- Operational Constraints: -10%
- Other Price Factor: -65% (Cook County)

Appraiser:

Aaron J. Mielke

TRACT B5

COUNTY: COOK

AREA: TWO HARBORS AREA

ACRES: 62.5

Permit Number: B014317
Expiration Date: 05/31/2022

Purchased By:
Address:

UNSOLD

GL01, GL02 of Section 30 - Township 63, Range 4E.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PAPER BIRCH	PULPWOOD	555.00	Cd	3.85	2,136.75	3.85	2,136.75
+ ASPEN SPECIES	PULPWOOD	235.00	Cd	6.89	1,619.15	6.89	1,619.15
+ MIXED SPRUCE	PULP & BOLTS	140.00	Cd	7.11	995.40	7.11	995.40
BALSAM FIR	PULPWOOD	135.00	Cd	4.90	661.50	4.90	661.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$5,412.80	BID TOTAL = \$	5,412.80
				ADVANCE PAYMENT =	\$811.92		

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

ANY LISTED SPECIES BIOMASS 603.00 Tons 1.00 603.00

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 10%; Trembling Aspen 90%.
Mixed Spruce Pulp & Bolts includes: Black Spruce 10%; White Spruce 90%.

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.

Cutting and Felling:

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

Season of Operations:

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

Sale Conditions:

- Access is across State, private, and USFS land.
- Permission to cross private and USFS 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.
- An access permit to cross USFS land has been applied for. Provisions of the access permit will become part of sale terms and conditions for this sale.

Marketing Conditions:

(N/A)

Price Adjustments:

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

Appraiser:

Anna K. Heruth

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: June 13, 2019

- SUMMARY SHEET -

06/13/2019 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 06/13/2019

TWO HARBORS AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	PAPER BIRCH	182.00	Cd	8.52	1,550.64
	MIXED SPRUCE	2,748.00	Cd	26.22	72,064.56
PULPWOOD	ASH	8.00	Cd	3.50	28.00
	TREMBLING ASPEN	1,404.00	Cd	20.37	28,598.01
	BALSAM FIR	3,188.00	Cd	14.64	46,659.30
	TAMARACK	155.00	Cd	3.75	580.50
	MIXED SPRUCE	2,919.00	Cd	16.69	48,718.11
	MIXED HARDWOODS	2,009.00	Cd	10.62	21,326.69
BIOMASS	ANY LISTED SPECIES (optional)	4,085.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 12,613.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 124,075.24
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 219,525.81
TOTAL ACRES SOLD: 813.2
SOLD TRACT NUMBERS: 1, 2, 3
TOTAL NUMBER OF TRACTS SOLD: 3

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	MIXED SPRUCE	140.00	Cd	7.11	995.40
PULPWOOD	ASPEN SPECIES	235.00	Cd	6.89	1,619.15
	TREMBLING ASPEN	550.00	Cd	3.00	1,650.00
	PAPER BIRCH	1,655.00	Cd	2.39	3,951.75
	WHITE SPRUCE	1,100.00	Cd	2.55	2,805.00
	BALSAM FIR	395.00	Cd	3.06	1,207.50
BIOMASS	ANY LISTED SPECIES (optional)	2,803.00	Tons	1.00	2,803.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 4,075.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 12,228.80
TOTAL ACRES UNSOLD: 580.4
UNSOLD TRACT NUMBERS: 4, 5
TOTAL NUMBER OF TRACTS UNSOLD: 2