



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 Tuesday, January 7, 2020, 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 7, 2020
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 7, 2021, at the following Area Headquarters: Two Harbors Area.

TRACT B1	COUNTY: LAKE	AREA: TWO HARBORS AREA	ACRES: 156.7
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Permit Number: B014459
 Expiration Date: 05/31/2023

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

SWSW of Section 34; NENE, NESE, NWSW, SESE, SESW, SWSE, SWSW of Section 33 - Township 57, Range 7W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	820.00	Cd	13.36	10,955.20	13.36	10,955.20
+ BALSAM FIR	PULPWOOD	355.00	Cd	11.20	3,976.00	11.20	3,976.00
+ WHITE SPRUCE	PULP & BOLTS	335.00	Cd	16.51	5,530.85	16.51	5,530.85
+ PAPER BIRCH	PULPWOOD	200.00	Cd	8.00	1,600.00	8.00	1,600.00
ASH	PULPWOOD	45.00	Cd	4.80	216.00	4.80	216.00
SUGAR MAPLE	PULPWOOD	30.00	Cd	8.00	240.00	8.00	240.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$22,518.05	BID TOTAL = \$	22,518.05
ADVANCE PAYMENT =	\$3,377.71		

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

ANY LISTED SPECIES	BIOMASS	878.00 Tons	0.52	456.56
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Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 10%; Trembling Aspen 90%.

Mixed Product Description:

White Spruce Pulp & Bolts includes: Bolts 58%; Pulpwood 42%.

Cutting and Felling:

- Harvest white spruce, balsam fir, paper birch, black ash, sugar maple, and all aspen species.

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:

Sale is located south of Finland, adjacent to Eckbeck Campground.
 Spruce budworm is affecting the white spruce and balsam fir.
 The snowmobile trail cannot be used as a haul road or landing access. The snowmobile trail approach to Hwy 1 maybe used for crossing the ditch.
 Pricing has been deducted for winter only upland cover types and stand density on upland cover types.

Price Adjustments:

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

Appraiser:

Simon Cain

TRACT B2 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 192.1

Permit Number: B014460
 Expiration Date: 05/31/2023

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

GL05, GL06, SWNE of Section 1 - Township 58, Range 7W.
 NESW, NWSW, SWNW of Section 6 - Township 58, Range 6W.
 NESE, SENE, SESE, SWNE of Section 36 - Township 59, Range 7W.
 GL05, NESW, NWSE, SWNE of Section 1 - Township 58, Range 7W.
 NESW, NWNW, NWSW, SENW, SWNW of Section 6 - Township 58, Range 6W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	1,050.00	Cd	1.70	1,785.00	1.70	1,785.00
+ MIXED SPRUCE	PULP & BOLTS	960.00	Cd	1.87	1,795.20	1.87	1,795.20
+ BALSAM FIR	PULPWOOD	740.00	Cd	1.40	1,036.00	1.40	1,036.00
+ NORWAY PINE	PULP & BOLTS	250.00	Cd	1.32	330.00	1.32	330.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$4,946.20	BID TOTAL = \$	4,946.20
				ADVANCE PAYMENT =	\$741.93		

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

ANY LISTED SPECIES BIOMASS 1,487.00 Tons 0.65 966.55

Mixed Species Description:

Mixed Spruce Pulp & Bolts includes: Black Spruce 17%; White Spruce 83%.

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 34%; Pulpwood 66%.
 Norway Pine Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.

Cutting and Felling:

- Harvest aspen and balsam greater than 5 inches DBH and greater, and spruce 10 inches DBH and greater (Cutting Block 2).
- Harvest aspen greater than 5 inches DBH, balsam and spruce 10 inches DBH and greater (Cutting Block 1).
- Harvest balsam and red pine 5 inches DBH and greater, cut thinning lanes 15' wide spaced 60' apart on center. Between lanes thin pine to 14-15' spacing, an average BA of 90 (Cutting Block 3).

Season of Operations:

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

Sale Conditions:

- Access is across private, Lake County land (Cutting Block 3).
- Access is across state, private land (Cutting Blocks 1 and 2).
- Permission to cross private land must be obtained by permittee (Cutting Blocks 1 and 2).
- Permission to cross private, Lake County land must be obtained by permittee (Cutting Block 3).
- USFS access request submitted, will become part of sale terms and conditions (Cutting Block 1).

Marketing Conditions:

Sale is located north of the railroad between Moose Lake and Balsam Lake, surrounding the Manitou River. Three stream crossings exist between nearest access point and sale.

Most Aspen has reached life expectancy and has started to decline, though the northern-most Aspen is averaging seven sticks, decent condition. The Spruce and Balsam has been hit by spruce budworm. The salvage deductions of the sale reflect stand health.

Operational constraints are slope and terrain related. Access over streams furthermore limits seasonal operations.

Access is best projected across the Moose Creek North Project Road on Rajala Woods Foundation land (across from Cramer gravel pit) and the transmission line.

A potential second access may be from the Hoist Lake Rd Spur, however, there are more drainages to cross if elected.

Price Adjustments:

Road Construction Costs: -15%

Haul Distance to Nearest Mill: -10%

Stand Density: -5%

Operational Constraints: -10%

Other Price Factor: -50% (Budworm and Aspen decline, first-time pine thin)

Appraiser:

Glenn N. Ristow

(Appraisal ID 15299-0; Cutting Block ID 17797-0, 17796-0, 17795-0)

TRACT B3 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 267.2

Permit Number: B014461
Expiration Date: 05/31/2023

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

NESW of Section 14; NESE,NWSE,NWSW,SESE,SWSE of Section 13 - Township 58, Range 8W.
NENE,NESW,NWNE,NWSE,SENE,SENE,SWNE of Section 20 - Township 58, Range 7W.
SWSE of Section 10; NWNE,NWSE,SESE,SWNE,SWSE of Section 15 - Township 58, Range 8W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULP & BOLTS	1,120.00	Cd	11.70	13,104.00	11.70	13,104.00
+ NORTHERN HARDWOODS	PULPWOOD	970.00	Cd	6.29	6,101.30	6.29	6,101.30
+ PAPER BIRCH	PULPWOOD	580.00	Cd	6.50	3,770.00	6.50	3,770.00
+ BALSAM FIR	PULPWOOD	500.00	Cd	9.10	4,550.00	9.10	4,550.00
+ ASPEN SPECIES	PULPWOOD	270.00	Cd	10.93	2,951.10	10.93	2,951.10

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$30,476.40 BID TOTAL = \$ 30,476.40
 ADVANCE PAYMENT = \$4,571.46

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

ANY LISTED SPECIES BIOMASS 1,500.00 Tons 0.42 630.00

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 6%; Trembling Aspen 94%.
Mixed Spruce Pulp & Bolts includes: Black Spruce 12%; White Spruce 88%.
Northern Hardwoods Pulpwood includes: Ash 8%; Red Maple 8%; Sugar Maple 68%; Yellow Birch 16%.

Mixed Product Description:

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

Cutting and Felling:

- Harvest spruce species, aspen species, balsam fir, paper birch, yellow birch, maple species, and black ash (Cutting Blocks 1, 2, and 3).

Season of Operations:

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

Sale Conditions:

- Access is across state and county land (Cutting Blocks 2 and 3).
- Access is across state and private land (Cutting Block 1).
- Permission to cross county land must be obtained by permittee (Cutting Blocks 2 and 3).
- Permission to cross private land must be obtained by permittee (Cutting Block 1).

Marketing Conditions:

The sale is located 8.1 miles north of Finland on Highway 1. Most of the sale is around Murphy City. Sale is located approximately 95 miles from Cloquet, 130 miles from Grand Rapids, 165 miles from International Falls, and 200 miles from Bemidji.

Operational constraint deduction is for piling slash in 2 cutting blocks and for stream crossings.

Price Adjustments:

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

Operational Constraints: -10%

Other Price Factor: 0%

Appraiser:

Andrew R. Weston

(Appraisal ID 15309-0; Cutting Block ID 17807-0, 17813-0, 17812-0)

TRACT B4

COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 167.7

Permit Number: B014462
Expiration Date: 05/31/2023

Purchased By:
Address:

UNSOLD

GL02,NESE,NWSW,SESE,SWSE of Section 14; GL04 of Section 24; SWNE of Section 23; NESW,SESW of Section 13 - Township 59, Range 11W.
NENE,NESE,NESW,NWSE,SENE,SWNE,SWSW of Section 12; NWNW of Section 13; SESE of Section 1 - Township 59, Range 11W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BALSAM FIR	PULPWOOD	1,200.00	Cd	9.10	10,920.00	9.10	10,920.00
+ MIXED SPRUCE	PULP & BOLTS	620.00	Cd	12.30	7,626.00	12.30	7,626.00
+ NORWAY PINE	PULP & BOLTS	440.00	Cd	11.05	4,862.00	11.05	4,862.00
+ PAPER BIRCH	PULPWOOD	440.00	Cd	6.50	2,860.00	6.50	2,860.00
+ TREMBLING ASPEN	PULPWOOD	215.00	Cd	11.05	2,375.75	11.05	2,375.75
TAMARACK	PULPWOOD	185.00	Cd	3.90	721.50	3.90	721.50
JACK PINE	PULP & BOLTS	35.00	Cd	13.39	468.65	13.39	468.65

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$29,833.90 BID TOTAL = \$ 29,833.90
ADVANCE PAYMENT = \$4,475.09

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

ANY LISTED SPECIES BIOMASS 1,080.00 Tons 0.42 453.60

Mixed Species Description:

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

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 80%; Pulpwood 20%.
Mixed Spruce Pulp & Bolts includes: Bolts 36%; Pulpwood 64%.
Norway Pine Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.

Cutting and Felling:

- Harvest in Units C and D: aspen, balsam fir, birch, spruce, and tamarack larger than 1 stick. Harvest jack pine larger than 12" dbh. In unit D cut all black spruce over 5' tall (Cutting Block 2).
- Harvest in units A and B: aspen, balsam fir, birch, spruce, and tamarack larger than 1 stick. In Unit B pine, cut thinning lanes 15' wide spaced 60' apart on center. Between lanes thin pine to 14-15' spacing, favoring black spruce where possible (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 USFS, state, and private land (Cutting Blocks 1 and 2).
- Permission to cross private land must be obtained by permittee (Cutting Blocks 1 and 2).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Block 2).

Marketing Conditions:

Base prices reduced for winter-only access and spruce budworm. Pine additionally discounted 25% for first entry thinning. Access off the Dunka River Rd has been requested from the USFS. Best access using winter roads from LC Hwy 2 crosses private land.

Price Adjustments:

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

Appraiser:

Karen L. Updegraff

(Appraisal ID 15306-0; Cutting Block ID 17802-0, 17805-0)

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 7, 2020

- SUMMARY SHEET -

01/07/2020 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 01/07/2020

TWO HARBORS AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	NORWAY PINE	250.00	Cd	1.32	330.00
	WHITE SPRUCE	335.00	Cd	16.51	5,530.85
	MIXED SPRUCE	2,080.00	Cd	7.16	14,899.20
PULPWOOD	ASH	45.00	Cd	4.80	216.00
	ASPEN SPECIES	1,090.00	Cd	12.76	13,906.30
	TREMBLING ASPEN	1,050.00	Cd	1.70	1,785.00
	PAPER BIRCH	780.00	Cd	6.88	5,370.00
	NORTHERN HARDWOODS	970.00	Cd	6.29	6,101.30
	SUGAR MAPLE	30.00	Cd	8.00	240.00
	BALSAM FIR	1,595.00	Cd	5.99	9,562.00
BIOMASS	ANY LISTED SPECIES (optional)	3,865.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 8,225.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 57,940.65
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 57,940.65
TOTAL ACRES SOLD: 616.0
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	NORWAY PINE	440.00	Cd	11.05	4,862.00
	JACK PINE	35.00	Cd	13.39	468.65
	MIXED SPRUCE	620.00	Cd	12.30	7,626.00
PULPWOOD	TREMBLING ASPEN	215.00	Cd	11.05	2,375.75
	PAPER BIRCH	440.00	Cd	6.50	2,860.00
	BALSAM FIR	1,200.00	Cd	9.10	10,920.00
	TAMARACK	185.00	Cd	3.90	721.50
BIOMASS	ANY LISTED SPECIES (optional)	1,080.00	Tons	0.42	453.60

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 3,135.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 29,833.90
TOTAL ACRES UNSOLD: 167.7
UNSOLD TRACT NUMBER: 4
TOTAL NUMBER OF TRACTS UNSOLD: 1