NOTICE OF TIMBER SALE

(Recovery – Scaled Sale)

| | National Divide | |
|--|---|-------------------------------------|
| SALE NAME/NO.: | Nehalem Divide | 341-04-13 |
| AUCTION DATE/TIME: | October 21, 2003, starting at 10:00 a.m. | |
| AUCTION LOCATION: | Oregon Department of Forestry Tillamook District Headquarters 5005 Third Street Tillamook, Oregon 97141 (503) 842-2545 FAX (503) 842-3143 | |
| DISTRICT/UNIT OFFICE (MAILING ADDRESS FOR BIDS): | Oregon Department of Forestry Tillamook District Headquarters 5005 Third Street Tillamook, Oregon 97141 (503) 842-2545 FAX (503) 842-3143 | |
| HARVEST TYPE: | Partial cut: 159 acres. Clear cut: 94 acres. Approximate Age: 30 to 40 years. | |
| SALE LOCATION: | Portions of Sections 2, 10, 11, 15, and 16, T3N, Oregon. | R9W, W.M., Tillamook County, |
| DIRECTIONS TO TIMBER SALE AREA: | Access to all sale areas from Tillamook is via Hy County Road, and as follows: Area 1 via Hanse Road and Rector Ridge Road; and Area 4 via H Road. | en Road; Areas 2 and 3 via Crawford |

APPRAISED VOLUMES AND QUALITY:

| SPECIES | AVG DBH | TOTAL MBF | | GRADES BY MBF | | | | | | | | | | | | | | | |
|--------------|------------|--------------|------|---------------|----|-------|-------------|----|----|-------|-------|----|------|---------|-------|--------|----|-----|-----|
| | | | 1P | 2P | 3P | Р | SM | 1S | 2S | 3S | 4S | 5S | 6S | SEL | SC | UT | CR | WRM | PLP |
| Douglas-fir | 13" | 1,632 | | | | | | | | 1,486 | 146 | | | | | | | | |
| W Hem. / fir | 12" | 771 | | | | | | | | 771 | | | | | | | | | |
| Sale Total | | 2,403 | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| MINIMUM B | ID: B | ID SPEC | IES | | D |)ougl | as-fir | | | | | | \$20 | 6.34 pe | er ME | ßF | | | |
| | N | O-BID S | סברו | EQ | Ц | loml | n ck | | | | | | ¢G | 0.02 pe | or ME |) = ** | | | |
| | IN | 0-010-3 | FECI | 23 | Г | | JUN | | | | ••••• | | φΟ | 0.02 pe | | | | | |

**THE PRICE PER MBF FOR HEMLOCK SHALL BE DETERMINED BY MULTIPLYING THE MINIMUM PRICE FOR HEMLOCK BY A BID-UP FACTOR. THE BID-UP FACTOR SHALL BE DETERMINED BY DIVIDING THE BID PRICE FOR DOUGLAS-FIR BY THE MINIMUM PRICE FOR DOUGLAS-FIR. FIVE DECIMAL PLACES SHALL BE USED TO CALCULATE THE BID-UP FACTOR.

There is no project amortization. ODF will **not** reduce the price of a species to amortize the project work. Instead ODF will credit PURCHASER's timber account in the amount of \$75,572 after the project work is completed and accepted, as described in the section titled, "Credit for Project Work."

The timber sale areas contain negligible volumes of other logs to be paid for at the prices in Section 44.

PERFORMANCE SECURITY: 20% of bid value (unknown) **or** the total value of the project work (\$76,000), whichever is greater. Actual bond amount will be rounded up to an even \$1,000 unit.

| EXPIRATION DATE: | March 31, 2007 | BID METHOD: | Sealed Bids | | | | | |
|--|--|----------------------------|------------------------------|--|--|--|--|--|
| BID DEPOSIT: | \$30,700 | SALE TYPE: | Recovery/BOF – 100% | | | | | |
| INSURANCE: | \$500,000 Commercial General I \$500,000 Logger's Broad Form | Liability; \$500,000 Auton | nobile Liability; | | | | | |
| HARVEST METHOD: | 80% cable and 20% ground. | | | | | | | |
| PROJECTS: | 10.6 miles of road improvement roadside brushing. | ; 0.1 mile of road constru | uction; and 2.3 miles of | | | | | |
| FEES: | None. | | | | | | | |
| ENDANGERED SPECIES ACT COMPLIANCE STATEMENT: | The Oregon Department of Forestry (ODF) is engaged in an active threatened and endangered (T&E) species survey program. Surveys, determinations, and management measures are developed and implemented in good faith compliance with federal and state Endangered Species Act (ESA) requirements. Restrictions on operations due to T&E species considerations are included in the prospectus. Purchasers are required to comply with all federal and state laws, including the Endangered Species Act. Purchaser should take steps to be certain that no ESA violations occur. Prospective purchasers of timber sales are reminded that ODF surveying efforts may take place any time during the term of a timber sale contract. As part of the survey program, ODF surveys its lands on a continuing basis for land management, species protection, research, and other reasons. During the contract term, T&E survey work and/or the discovery of a threatened or endangered species within or in the vicinity of a timber sale may affect operations contemplated under the contract. In the event a threatened or endangered species is found within or near this sale, ODF may take steps necessary to protect the interests of the State, including contract alteration, suspension, or termination. | | | | | | | |
| | Prospective purchasers are encouraged to contact the Tillamook ODF District at (503) 842-2545 for further information or questions relative to threatened or endangered species surveys, future planned survey information, or other threatened or endangered species information. | | | | | | | |
| SPECIAL REMARKS: | SEASONAL RESTRICTIONS A | PPI Y - SEE SECTION | 39 | | | | | |
| | Acreage was calculated from a GIS orthophoto. | | | | | | | |
| | All felling on Areas 2, 3, and 4 shall be completed by March 15, 2006. | | | | | | | |
| | See the Logging Plan in the Cru | ise Report for acres exp | ected to be harvested. | | | | | |
| SALE OBJECTIVES: | Areas 1, 3, and 4: Harvest of De and partial cut other conifers. | ouglas-fir with severe sy | mptoms of Swiss needle cast | | | | | |
| | Area 2: Partial cut conifer in ser | nsitive habitat area. | | | | | | |
| The information shown on the Exh | ibit "A" map(s) are approximate lo | ocations. Exact locations | s of features represented by | | | | | |

map symbols shall be determined on site and shall depend upon the conditions that exist on site. Activities shall be conducted based upon features determined on site rather than features shown on maps.

See inside front cover of Auction Schedule booklet for disclaimer regarding all governmental regulatory actions.

| SALE NAME: | Nehalem Divide |
|---------------|----------------|
| COUNTY: | Tillamook |
| CONTRACT NO.: | 341-04-13 |

Form 341-210.1 (R) Page 1 of 2 Rev. 5/03

TIMBER SALE NAME: Nehalem Divide

TIMBER SALE NO .: 341-04-13

OPENING DATE: October 21, 2003

FORM OF PROPOSAL

The undersigned agrees to accept and perform all of the above terms and conditions as stated in the form of contract for the above-cited timber sale, and bids, and will pay:

ON THE BASIS OF PRICE PER THOUSAND BOARD FEET FOR:

Bid Species:

Douglas-fir, sawmill grade or better, _____

_____ Dollars (**\$______**) per MBF.

Minimum grades and volumes for bid species are stated in the timber sale prospectus.

<u>NO-BID SPECIES</u>: THE CONTRACT PRICE FOR HEMLOCK SHALL BE DETERMINED BY MULTIPLYING THE MINIMUM PRICE PER MBF FOR HEMLOCK BY THE BID-UP FACTOR OF THE BID SPECIES. FIVE DECIMAL PLACES SHALL BE USED TO CALCULATE THE BID-UP FACTOR.

Enclosed is a bid deposit as required, consisting of a ______ in the amount of **\$30,700**, payable to the Oregon Department of Forestry.

The undersigned agrees to execute and deliver the contract, initial payment, required certificates of insurance, and performance bond, within thirty (30) days of the date of the written notification of high bid; and that any cash bid deposit may be applied to the first required timber sale payment.

The undersigned understands that the bid is irrevocable and further agrees that if they fail to qualify under the terms of the contract within the thirty-day period, the bid deposit shall become the property of the Oregon Department of Forestry as liquidated damages.

| BIDDER | |
|------------|---|
| | (Name of Individual or Company and Authorized Official) |
| TAX ID NO. | |
| ADDRESS | |
| - | |
| PHONE | |
| BY | |
| | (Signature of Authorized Official & Title) |

COMPLETE PURCHASER'S STATUS ON PAGE 2

PURCHASER'S STATUS

| Purchaser is a | corporation | Check () | | Incorporated in the State of | |
|------------------|------------------------------------|------------------------------------|-------------------|-------------------------------|------------------|
| Presid | lent's Name | | | | |
| Secre | tary's Name | | | | |
| Purchaser is: | ()a partnership ()an individual | () an assumed (b name | ousiness) | () company | |
| List na | ames of all persons o | loing business under the par | tnership or assur | med name: | |
| | | | | | |
| | | | | | |
| | | | | | |
| lf assu here: | imed name is subsic | liary to a corporation, fill in da | ata requested of | corporation also and write in | corporation name |

CERTIFICATION OF ELIGIBILITY TO BID ON STATE TIMBER

hereby certifies that they:

EXPORT

- (a) Will not export the unprocessed State timber as defined in OAR 629-031-0020 which is the subject of this transaction;
- (b) Will not sell, transfer, exchange, or otherwise convey the unprocessed timber as defined above which is the subject of this transaction to any other person without first obtaining a certification from that person which meets the requirements of OAR 629-031-0030.
- (c) Are not prohibited by OAR's 629-031-0005 through 0045 from bidding for unprocessed State timber as defined above directly from the State Forester.
- (d) Understand that falsely entering into this certification is a violation of the Forest Resources Conservation Amendments Act of 1993 and OAR Chapter 629, Division 31, and is subject to any and all penalties contained therein.
- (e) Have not exported unprocessed timber originating from private lands in Oregon in the last 24 months, or if bidding only on STATE hardwood timber or logs, HAVE exported unprocessed timber originating from private lands in Oregon in the last 24 months, but HAVE NOT exported unprocessed hardwood timber originating from private lands in Oregon in the last 24 months and meet the requirements of OAR 629-031-0010(2).

DEFAULT, TERMINATION, AND OTHER RELATED MATTERS

- (a) Are not currently in default status under any timber sale contract sold by the State Forester.
- (b) Has not, within a 3-year period preceding this bid, had one or more Federal, State, or local timber sales terminated for cause or default.
- (c) If (b) above is Yes, has submitted an explanation, in writing, with this bid for consideration by STATE. Any such explanation shall be submitted at the time of bid on a separate piece of paper.

| Signed |
|--------|
|--------|

Title

Dated

[NOTE: For the purpose of this form, the definition of unprocessed timber is the same as in OAR 629-031-0005.]

Biological Survey Report -- Revised

Project:Nehalem Divide341-04-13Date:April 3, 2003To:Barbara MooreCC:Mark Labhart, District Sale FileFrom:Marcia Humes

Habitat Suitability

Areas 2, 3, and 4 of this sale contain potentially suitable habitat for northern spotted owls, and Area 2 contains potentially suitable habitat for marbled murrelets. Area 1 of this sale does not contain suitable habitat for northern spotted owls or marbled murrelets.

Survey Results

This sale was surveyed for northern spotted owls in 2001 and 2002, using a protocol endorsed by the U.S. Fish and Wildlife Service¹. There was one observation of a northern spotted owl during these surveys, which was associated with a previously known activity center. A third year of surveys will be conducted in 2003.

Surveys for marbled murrelets were conducted in 2001 and 2002, using a protocol developed by the Pacific Seabird Group². Murrelets were observed during several surveys, due to the proximity of this sale to a Marbled Murrelet Management Area (MMMA) previously established by ODF. Behaviors indicating occupancy by murrelets were not observed.

Known T&E Resources

This sale is within 1.5 miles of two known northern spotted owl activity centers. Areas 1, 2 and 3 are within 0.25 miles of several Marbled Murrelet Management

¹ USDI Fish and Wildlife Service. 1991, revised 1992. Protocol for surveying proposed management activities that may impact northern spotted owls. 15pp.

² Evans, D. M., W. P. Ritchie, S. K. Nelson, E. Kuo-Harrison, Peter Harrison, T. E. Hamer, eds. 2000. Methods for surveying marbled murrelets in forests: an update to the protocol for land management and research, by the Pacific Seabird Group Marbled Murrelet Technical Committee. 64 pp.

Areas. A Biological Assessment has been conducted by Clint Smith and concludes that harvest of the sale is in compliance with the Agreement for the Conservation of Northern Spotted Owls.³ For murrelets, seasonal disturbance and road construction issues are addressed, and no major impacts to marbled murrelet habitat are anticipated.

Operational Considerations

In Areas 2, 3, and 4, no felling shall occur prior to the completion of northern spotted owl surveys in 2003, with the exception of felling associated with project work. Pending completion of the northern spotted owl surveys in 2003, all timber in Areas 2, 3, and 4 should be felled by March 15, 2006. There are no felling restrictions for Area 1.

Seasonal operating restrictions will apply from April 1 through September 15, annually, on Areas 1, 2, and 3 to avoid disturbance to nesting murrelets. Operations may be allowed from 2 hours after sunrise until 2 hours before sunset from August 6 through September 15, annually.

Current northern spotted owl survey results are valid until March 15, 2005. Once an additional year of surveys are conducted in 2003, the results will be valid until March 15, 2006. Marbled murrelet survey results are valid until April 2008.

Future Survey Plans

The sale will be surveyed for northern spotted owls again in 2003. In addition, ODF has an active survey program and northern spotted owl surveys will be conducted within 3 miles of this sale during the life of the contract.

³ Agreement for the Conservation of Northern Spotted Owls, between the Oregon Department of Forestry and the USDI Fish and Wildlife Service. 2001.

Survey Results Summary

| Year | Visit #1 | Visit #2 | Visit #3 | Visit #4 | Visit #5 | Visit #6 | |
|---|---------------|---------------|----------------------|---------------------|----------------------|----------------------|--|
| Survey Area | Date | Date | Date | Date | Date | Date | |
| Nehalem Divide | 5/1-2 | 5/30-31 | 7/9-10 | | | | |
| | 5/2-3 | 5/31-6/1 | | | | | |
| 2001 | NR | NR | NR | | | | |
| Nehalem Divide | 4/22-23 | 6/3-4 | 7/15-16 | | | | |
| | 4/23-24 | 6/4-5 | 7/16-17 | | | | |
| | 4/24-25 | 6/5-6 | | | | | |
| | 4/25-26 | | | | | | |
| 2002 | NR | NR | NR | | | | |
| | ♀ ₄, V | | | | | | |
| | NR | | | | | | |
| NR - no response | j - juvenil | e | M ₀ - mor | use refused | M ₄ - 4 | mice taken | |
| V - visual response | jj - 2 juver | niles | M ₁ - 1mi | M_1 - 1mice taken | | M_5 - 5 mice taken | |
| bb - new bird banded | - last | visit to site | M ₂ - 2 m | ice taken | M_6 - 6 mice taken | | |
| M_3 - 3 mice taken | | | | | | | |
| ♀ ♀ ♀ ↓ Pair (day, night, ea | | | | | lay, night, early | morning) | |
| $O^{\dagger} \otimes^{\dagger} \otimes^{\dagger} \bullet^{\bullet}$ - Male (day, night, early morning) $O \otimes \otimes \bullet$ - Sex Unkn (day, night, early morning) | | | | | | | |

Table 1. Northern Spotted Owl Surveys of Nehalem Divide

Table 2. Marbled Murrelet Surveys of Nehalem Divide

| Survey Area | Site | Station | Date | # Detections |
|----------------|------|---------|---------|--------------|
| NEHALEM DIVIDE | 1 | 1 | 5/3/01 | 0 |
| NEHALEM DIVIDE | 1 | 2 | 5/24/01 | 0 |
| NEHALEM DIVIDE | 1 | 1 | 6/8/01 | 0 |
| NEHALEM DIVIDE | 1 | 3 | 7/2/01 | 0 |
| NEHALEM DIVIDE | 1 | 3 | 7/23/01 | 0 |
| NEHALEM DIVIDE | 1 | 1 | 5/10/02 | 0 |
| NEHALEM DIVIDE | 1 | 2 | 5/29/02 | 0 |
| NEHALEM DIVIDE | 1 | 3 | 6/20/02 | 0 |
| NEHALEM DIVIDE | 1 | 3 | 7/7/02 | 2 |
| NEHALEM DIVIDE | 1 | 3 | 7/11/02 | 20 |
| NEHALEM DIVIDE | 1 | 2 | 7/16/02 | 0 |
| NEHALEM DIVIDE | 1 | 1 | 7/23/02 | 1 |
| NEHALEM DIVIDE | 1 | 2 | 7/26/02 | 0 |
| NEHALEM DIVIDE | 1 | 1 | 7/30/02 | 0 |
| NEHALEM DIVIDE | 1 | 3 | 8/2/02 | 0 |

⁴ Response associated with a known activity center addressed in the Biological Assessment.