NOTICE OF TIMBER SALE

(Recovery - Scaled Sale)

SALE NAME/NO.: Fish Headwaters 341-04-30

AUCTION DATE/TIME: July 16, 2003, starting at 2:00 p.m.

AUCTION LOCATION: Oregon Department of Forestry

Coos District - CFPA Crewhouse

63612 Fifth Road

Coos Bay, Oregon 97420

(541) 267-4136 FAX (541) 269-2027

DISTRICT/UNIT Oregon Department of Forestry

OFFICE (MAILING Coos District ADDRESS FOR BIDS): 63612 Fifth Road

Coos Bay, Oregon 97420

(541) 267-4136 FAX (541) 269-2027

HARVEST TYPE: Regeneration harvest of approximately 42 acres of 102-year-old, mature second

growth, mixed Douglas-fir and western hemlock sawtimber.

SALE LOCATION: The timber sale area is located in portions of Section 33, T22S, R10W, W.M.,

Douglas County, Oregon.

DIRECTIONS TO TIMBER

SALE AREA:

The timber sale area is located approximately 35 miles northeast of Coos Bay via Lakeside, the 4000 Road (Benson Ridge Road), the 2000 Road (Dean Mtn. Road),

and the 7000 Road (Umpcoos Ridge Road).

APPRAISED VOLUMES AND QUALITY:

SPECIES	AVG DBH	TOTAL MBF	GRADES BY MBF																
			1P	2P	3P	Р	SM	18	28	3S	4S	5S	6S	SEL	SC	UT	CR	WRM	PLP
Douglas-fir	26"	1,833			92		220		1,100	421									
W Hem. / fir	21"	632							278	354									
Red Alder	15"	88															88		
Sale Total		2,553																	

MINIMUM BID: BID SPECIES Douglas-fir......\$ 456.09 per MBF

NO-BID SPECIES Western hemlock and other conifers ... \$ 246.90 per MBF**

Western red cedar......\$ 600.00 per MBF
Red alder and other hardwoods.......\$ \$24.232.56 TOTAL PRICE

**THE PRICE PER MBF FOR WESTERN HEMLOCK SHALL BE DETERMINED BY MULTIPLYING THE MINIMUM PRICE FOR WESTERN 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 \$30,001 after the project work is completed and accepted, as described in the section titled, "Credit for Project Work."

The timber sale area contains 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 (\$30,000),

whichever is greater. Actual bond amount will be rounded up to an even \$1,000 unit.

EXPIRATION DATE: October 1, 2004 BID METHOD: Sealed Bids

BID DEPOSIT: \$98,600 SALE TYPE: Recovery/CSL – 100%

INSURANCE: \$500,000 Commercial General Liability; \$500,000 Automobile Liability;

\$500,000 Logger's Broad Form

HARVEST METHOD: 91 percent uphill cable logging with full- and single-end suspension.

9 percent downhill cable logging.

PROJECTS: Road and landing construction; landing improvement; road surfacing; and rock

stockpile delivery.

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 Coos ODF District at (541) 267-4136 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 APPLY - SEE SECTION 39.

- Acreage was determined by electronic digitizing using digital orthophotography and ArcView GIS software program.
- The total price for hardwoods shall be paid prior to log hauling.
- Create 22 snags by topping trees per Section 58.

SALE OBJECTIVES:

The objectives of this timber sale are to provide revenue for the Common School Fund and to create a young-age class stand in accordance with the balanced landscape approach of the Elliott State Forest Management Plan.

The information shown on the Exhibit "A" map(s) are approximate locations. Exact locations 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: Fish Headwaters

COUNTY: Douglas CONTRACT NO.: 341-04-30

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

TIMBER SALE NAME: Fish Headwaters

TIMBER SALE NO.: 341-04-30

OPENING DATE: July 16, 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:

	O.	THE BROID OF THE	02 1 211 111000 1110	BOTTED I LET I OIL.	
Bid Species:					
Douglas-fir, sav	vmill grade or be	tter,			
				Dollars (\$) per MBF
Minimum grades	and volumes fo	r bid species are state	ed in the timber sale p	rospectus.	
THE MINIMUM I	PRICE PER MB		MLOCK BY THE BID	SHALL BE DETERMINED O-UP FACTOR OF THE BI TOR.	
No-bid species v	vill remain as sho	own:			
				\$ 600.00 per\$24,232.56 TO	
		uired, consisting of a _ Department of Forestr			in the amount of
performance bor	nd, within thirty (required certificates of ins n of high bid; and that any	
	ne thirty-day peri			that if they fail to qualify un ty of the Oregon Departme	
	BIDDER	(Name of Individual	or Company and Aut	horized Official)	
	TAX ID NO.				
	ADDRESS				
	PHONE				
	BY				

COMPLETE PURCHASER'S STATUS ON PAGE 2

(Signature of Authorized Official & Title)

PURCHASER'S STATUS

Purchaser is a corporation	Check ()	Incorporated in the State of
President's Name		_
Secretary's Name		-
Purchaser is: () a partnership () an individual	o () an assumed (business) name	() company
List names of all persons	doing business under the partnership of	or assumed name:
If assumed name is subsinere:	idiary to a corporation, fill in data reque	ested of corporation also and write in corporation name

Rev. 05/03 629: Form 301-020

CERTIFICATION OF ELIGIBILITY TO BID ON STATE TIMBER

	hereby certifies that they:
EXPOR	<u> </u>
(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).
<u>DEFAU</u>	LT, 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	

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

Dated

Biological Survey Report

Project: Fish Headwaters

Date: January 30, 2003

To: Unit Forester, Coos District

CC: Jim Young, District Sale File

From: Marcia Humes

Habitat Conservation Plan Area

This sale is within an area covered by a Habitat Conservation Plan (HCP) approved by the U. S. Fish and Wildlife Service. The Incidental Take Permit (ITP) for the HCP covers northern spotted owls.

Habitat Suitability

Due to the HCP, a habitat determination is not necessary for northern spotted owls. This sale does contain potentially suitable habitat for marbled murrelets.

Survey Results

Northern spotted owl surveys are not necessary for this sale.

Surveys for marbled murrelets were conducted in 2001 and 2002, using a protocol developed by the Pacific Seabird Group¹. During one survey in 2001, murrelets were heard from a station at Site 2. There were no other marbled murrelet detections during these surveys.

Known T&E Resources

This sale is not affected by any Marbled Murrelet Management Areas.

¹ 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.

Operational Considerations

By ODF policy, marbled murrelet survey results are valid until April 2007, within the contract duration of this sale. There are no seasonal operating restrictions or felling deadlines associated with marbled murrelets for this sale.

Future Survey Plans

There are no future survey plans for this sale. However, ODF will be conducting a spotted owl survey across the entire Elliott State Forest in 2003. A portion of these surveys will take place in or around the sale area.

Survey Results Summary

Table 1. Marbled Murrelet Survey Results for Fish Headwaters

Survey Area	Site	Station	Date	# Detections
FISH HEADWATERS	1	4	5/3/00	0
FISH HEADWATERS	1	3	5/15/00	0
FISH HEADWATERS	1	1	6/9/00	0
FISH HEADWATERS	1	6	7/2/00	0
FISH HEADWATERS	1	2	7/20/00	0
FISH HEADWATERS	1	5	7/29/00	0
FISH HEADWATERS	1	5	5/11/01	0
FISH HEADWATERS	1	2	5/31/01	0
FISH HEADWATERS	1	6	6/11/01	0
FISH HEADWATERS	1	1	6/28/01	0
FISH HEADWATERS	1	3	7/10/01	0
FISH HEADWATERS	1	4	7/18/01	0
FISH HEADWATERS	2	6	5/12/00	0
FISH HEADWATERS	2	2	6/8/00	0
FISH HEADWATERS	2	3	6/16/00	0
FISH HEADWATERS	2	1	6/27/00	0
FISH HEADWATERS	2	4	7/20/00	0
FISH HEADWATERS	2	5	7/28/00	14
FISH HEADWATERS	2	5	5/7/01	0
FISH HEADWATERS	2	4	6/1/01	0
FISH HEADWATERS	2	1	6/10/01	0
FISH HEADWATERS	2	3	6/24/01	0
FISH HEADWATERS	2	2	7/12/01	0
FISH HEADWATERS	2	6	7/19/01	0