NOTICE OF TIMBER SALE (Recovery – Scaled Sale)

SALE NAME/NO.: Roger Fox 341-06-41

AUCTION DATE/TIME: May 16, 2006, 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:
Modified clearcut: 120 acres, 43 years old.
Retention cut: 153 acres, 50 years old.
Partial cut: 14 acres, 50 years old.

SALE LOCATION:
Portions of Section 31, T1N, R7W; Sections 5 and 6, T1S, R7W; and Section 1, T1S, R8W, W.M., Tillamook County, Oregon.

DIRECTIONS TO TIMBER SALE AREA:
Access from Tillamook is via Highway 6 to Milepost 16, Fox Creek Ridge Road. Take Fox Creek Ridge Road approximately 1.5 miles to access Timber Sale Areas 4, 5, 6, 7, and 8 and proceed an additional 2.0 miles to Timber Sale Areas 1A, 1B, 2, and 3.

APPRAISED VOLUMES AND QUALITY:

<table>
<thead>
<tr>
<th>SPECIES</th>
<th>AVG DBH</th>
<th>TOTAL MBF</th>
<th>1P</th>
<th>2P</th>
<th>3P</th>
<th>P</th>
<th>5M</th>
<th>1S</th>
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<th>4S</th>
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<th>SEL</th>
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<th>UT</th>
<th>CR</th>
<th>WRM</th>
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<tbody>
<tr>
<td>Douglas-fir</td>
<td>12'</td>
<td>3,213</td>
<td>131</td>
<td>1,770</td>
<td>1,312</td>
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<tr>
<td>W Hem. / ftr</td>
<td>18'</td>
<td>117</td>
<td>35</td>
<td>69</td>
<td>13</td>
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<tr>
<td>Red Alder</td>
<td>14'</td>
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<td>447</td>
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<td>Sale Total</td>
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<td>3,777</td>
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MINIMUM BID: BID SPECIES

$274.91 per MBF

NO-BID SPECIES

Western Hemlock and Other Conifers... $109.95 per MBF

Hardwoods... $329.04 per MBF

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 $171,208 after the project work is completed and accepted, as described in Section 2630, "Credit for Project Work."

The timber sale areas contain negligible volumes of other logs to be paid for at the prices in Section 1740.

PERFORMANCE SECURITY: 20% of bid value (unknown) or the total value of the project work ($172,000), whichever is greater. Actual bond amount will be rounded up to an even $1,000 unit.

EXPIRATION DATE: October 31, 2008
BID METHOD: Sealed Bids
BID DEPOSIT: $87,200
SALE TYPE: Recovery/BOF – 100%
INSURANCE: $1,000,000 Commercial General Liability; $1,000,000 Automobile Liability; $1,000,000 Logger's Broad Form

HARVEST METHOD: 60% cable, 40% ground.

PROJECTS: Road improvement and reconstruction.

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 APPLY - SEE SECTION 2455.

Sale acreage was calculated using ortho photographs and ArcView GIS. The boundaries of Areas 1A, 1B, and 2 were plotted on ArcView GIS with GPS reference points.

See Timber Sale Appraisal for optional Point C to D rocking cost. Rocking this road may reduce the need for the seasonal restriction on this road segment.

SALE OBJECTIVES: Harvest of overstocked off-site seed source, Douglas-fir with Swiss needle cast symptoms, and alder to prepare for replanting with a mixture of native conifer species.

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 Timber Sale Schedule handbook for disclaimer regarding all governmental regulatory actions.

SALE NAME: Roger Fox
COUNTY: Tillamook
CONTRACT NO.: 341-06-41
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:

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.

No-bid species will remain as shown:

Western Hemlock and Other Conifers......................................................... $109.95 per MBF.
Hardwoods................................................................. $329.04 per MBF.

Enclosed is a bid deposit as required, consisting of a ______________________________________ in the amount of $87,200, 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 notice of intent to award; 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

President’s Name ________________________________

Secretary’s Name ________________________________

Purchaser is: ( ) a partnership
( ) an individual
( ) an assumed (business) name
( ) company

List names of all persons doing business under the partnership or assumed name:

__________________________________________    ________________________________

__________________________________________    ________________________________

__________________________________________    ________________________________

If assumed name is subsidiary to a corporation, fill in data requested of corporation also and write in corporation name here:

__________________________________________
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

Project:  Roger Fox
Date:    August 1, 2005
To:      Bob Teran
CC:      Ross Holloway, District Sale File
From:    Marcia Humes

Habitat Suitability

This sale does not contain potential habitat for marbled murrelets. This sale is located within the historic Tillamook burn. By ODF policy northern spotted owl surveys are not required.

Survey Results

Surveys for northern spotted owls and marbled murrelets are not necessary for this sale.

Known T&E Resources

There are no northern spotted owl activity centers within 1.5 miles or Marbled Murrelet Management Areas within 0.25 miles of this sale.

Operational Considerations

There are no seasonal restrictions for marbled murrelets or spotted owls for this sale.

Future Survey Plans

ODF has no plans for further survey of this sale. However, 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. Additionally, ODF will be conducting spotted owl surveys in and around this sale, as part of an investigation into the presence or absence of spotted owl use of the Tillamook Burn.