NOTICE OF TIMBER SALE

SALE NAME/NO.: Coast Moon Tie 341-12-02

AUCTION DATE/TIME: March 20, 2012, 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

HARVEST TYPE: Area 1 is 117 net acres of modified clearcut; Area 2 is 98 net acres of modified clearcut; Area 3 is 13 net acres of modified clearcut; Area 4 is 2.8 miles (4 acres) of daylighting. Approximate age: 47 years.

SALE LOCATION: Portions of Sections 12, 13, 24, 25, and 35, T2S, R8W, and Sections 1 and 2, T3S, R8W, W.M., Tillamook County, Oregon.

DIRECTIONS TO TIMBER SALE AREA: From Tillamook travel approximately 12 miles on Trask River County Road until it turns to gravel and becomes the South Fork Trask Road; continue approximately 8.3 miles to Coast Range Road South, turn right and continue another 1.2 miles to Area 2.

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>1S</th>
<th>2S</th>
<th>3S</th>
<th>4S</th>
<th>6-7</th>
<th>8-9</th>
<th>10-11</th>
<th>12+</th>
<th>UT</th>
<th>CR</th>
<th>WRM</th>
<th>PLP</th>
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<tbody>
<tr>
<td>Douglas-fir</td>
<td>18&quot;</td>
<td>4,047</td>
<td>1.684</td>
<td>1.779</td>
<td>584</td>
<td>298</td>
<td>89</td>
<td>81</td>
<td>37</td>
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<tr>
<td>Red Alder</td>
<td>14&quot;</td>
<td>505</td>
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</table>

Sale Total 4,552

MINIMUM BID: BID SPECIES Douglas-fir ........................................ $149.52 per MBF

NO-BID SPECIES Western hemlock and other conifers........ $130.00 per MBF
Red alder and other hardwoods ............... $199.99 per MBF
Western redcedar and other cedars ........ $500.00 per MBF

In order to compensate PURCHASER for Project Work, ODF will credit PURCHASER's timber account in the amount of $87,610 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. Bond amount will be rounded up to an even $1,000 unit.

EXPIRATION DATE: October 31, 2014

BID DEPOSIT: $61,800

SALE TYPE: Recovery/BOF -100%

INSURANCE: $2,000,000 Commercial General Liability; $2,000,000 Automobile Liability; $2,000,000 Logger's Broad Form.

HARVEST METHOD: 52% cable logging, 48% ground logging.

PROJECTS:
Project 1 – Construct 1.44 miles of road, reconstruct .50 mile of road, improve .95 mile of road.
Project 2 – Spread rock.
Project 3 – Road Closure.
Project 4 – Seeding and mulching.
Project 5 – Landing construction.
This timber sale is subject to a Public Safety Road Use fee, payable directly to Tillamook County. Payment of this fee is not contingent on hauling on the Trask River County Road (Section 2110).

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 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.

NO PERSONAL OR COMPANY CHECKS ACCEPTED FOR THE BID DEPOSIT.

SALE ACREAGE WAS DETERMINED USING GIS.


If pulp is yarded to the landing, removal is required.

Public Safety Road Fee (Section 2110).

Snag Creation (Section 2335).

A Tailhold Permit with Stimson Lumber Co. shall be secured prior to tailholding on their property (Section 2120).

All felling on the Timber Sale must be completed by March 15, 2014.

Log Hauling shall not occur prior to September 1, 2012 on South Fork Trask Road unless approved by STATE. (Section 2035). This restriction is to allow the STATE to complete bridge repairs on South Fork Trask Road.

Felling (Section 2310).

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: Coast Moon Tie
COUNTY: Tillamook
CONTRACT NO.: 341-12-02
TIMBER SALE NAME: Coast Moon Tie
TIMBER SALE NO.: 341-12-02
OPENING DATE: March 20, 2012

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 ................................................................. $130.00 per MBF.
Red alder and other hardwoods............................................................................ $199.99 per MBF.
Western redcedar and other cedars ...................................................................... $500.00 per MBF.

Enclosed is a bid deposit as required, consisting of a _________________________________ in the amount of $61,800, 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. If the undersigned fails to qualify within the thirty-day period, STATE may disqualify the undersigned from submitting another bid on this timber sale.

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 ( )

Incorporated in the State of

President's Name ____________________________

Secretary's Name ____________________________

Purchaser is: ( ) a partnership

( ) an individual name

( ) 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 directly or indirectly export the unprocessed State timber as defined in OAR 629-031-0020 which is the subject of this transaction.

(b) Shall not engage in export of unprocessed timber originating from private lands in Oregon until such time as all interests in contracts for State timber held by the above have terminated, per OAR 629-031-0010(1)(d).

(c) 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.

(d) 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.

(e) 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.

(f) Have not directly or indirectly 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: Coast Moon Tie
Date: December 1, 2011
To: Joe Travers
CC: Dan Goody, Kate Skinner, District Sale File
From: Matt Gostin

Habitat Suitability

This sale contains potentially suitable habitat for northern spotted owls and marbled murrelets.

Survey Results

This sale was surveyed for northern spotted owls in 2010 and 2011, using a protocol endorsed by the U.S. Fish and Wildlife Service\(^1\).\(^2\). There was one observation of a northern spotted owl in 2011. The response from 2011 was determined to be from non-territorial single (or "floater") owl.

Surveys for marbled murrelets were conducted in 2010 and 2011, using a protocol developed by the Pacific Seabird Group\(^3\). There was one minor deviation from the protocol recommendations relating to the sequence of surveys in 2010. Murrelets were not detected during these surveys.

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Known T&E Resources

There are no northern spotted owl activity centers or Marbled Murrelet Management Areas affecting this sale.

Operational Considerations

Trees with 5 inch or greater diameter limbs are reserved from harvest.

Current northern spotted owl survey results are valid until March 15, 2014. Marbled murrelet survey results are valid until April 1, 2017.

All timber should be felled by March 15, 2014

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.

Survey Results Summary

Table 1. Northern Spotted Owl Surveys of Coast Moon Tie

<table>
<thead>
<tr>
<th>Survey Area Year</th>
<th>Visit #1 Date</th>
<th>Visit #2 Date</th>
<th>Visit #3 Date</th>
<th>Visit #4 Date</th>
<th>Visit #5 Date</th>
<th>Visit #6 Date</th>
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<tbody>
<tr>
<td>Coast Moon Tie 2010</td>
<td>4/12-13</td>
<td>5/7-8</td>
<td>5/31-6/1</td>
<td>6/24-25</td>
<td>7/15-16</td>
<td>7/8-9-10</td>
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<tr>
<td>NR</td>
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<tr>
<td>Coast Moon Tie 2011</td>
<td>4/12-13</td>
<td>5/10</td>
<td>6/6</td>
<td>6/30</td>
<td>7/24</td>
<td>8/2</td>
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<td>4/16</td>
<td>5/10-11</td>
<td>6/6-7</td>
<td>6/30-7/1</td>
<td>7/24-25</td>
<td>8/2-3</td>
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<tr>
<td>4/16-17</td>
<td>5/12-13</td>
<td>6/7-8</td>
<td>7/1</td>
<td>7/25</td>
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<td>5/13-14</td>
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<td>7/4-5</td>
<td>7/25-26</td>
<td>8/3-4</td>
<td></td>
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<tr>
<td>NR</td>
<td>Φ (5/10-11)</td>
<td>NR</td>
<td>NR</td>
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</tr>
</tbody>
</table>

NR - no response

j - juvenile

M0 - mouse refused

M4 - 4 mice taken

V - visual response

jj - 2 juveniles

M1 - 1 mouse taken

M5 - 5 mice taken

bb - new bird banded

M2 - 2 mice taken

M6 - 6 mice taken

Φ Φ Φ - Pair (day, night, early morning)

Φ Φ - Female (day, night, early morning)

Ο Ο Ω - Male (day, night, early morning)

Ο Ο Ω - Sex Unk (day, night, early morning)
Table 2. Marbled Murrelet Surveys of Coast Moon Tie

<table>
<thead>
<tr>
<th>Survey Area</th>
<th>Site</th>
<th>Station</th>
<th>Date</th>
<th># Detections</th>
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