NOTICE OF TIMBER SALE

NAME/NO.: Duchess and the Duke

AUCTION DATE/TIME: September 20, 2019, starting at 2:00 PM

AUCTION LOCATION: Forest Grove
801 GALES CRK RD
FOREST GROVE, OR 97116-1199
(503) 357-2191 FAX: (503) 357-4548

DISTRICT/OFFICE (MAILING ADDRESS FOR BIDS): Forest Grove
801 GALES CRK RD
FOREST GROVE, OR 97116-1199
(503) 357-2191 FAX: (503) 357-4548

HARVEST TYPE: The timber sale area is an 82 acre Modified Clearcut.

LOCATION: Portions of Section(s) 10 of T1N R6W W.M., Tillamook Co., Oregon

DIRECTIONS TO TIMBER SALE AREA: From Forest Grove, travel 7 miles west on Highway 8 to its intersection with Highway 6. Proceed west onto Highway 6 for approximately 10 miles, then turn left onto Beaverdam Road. Follow Beaverdam Road for approximately 5.5 miles, then turn right onto Chicken Road. Continue on Chicken Road for approximately 0.6 miles to the southwestern boundary of the Timber Sale Area. To get to the top of the sale, turn left off of Highway 6 onto Beaverdam Road and travel approximately 5 miles. Turn right onto BD5 Road and travel approximately 2 miles. Turn right on to Beaver Jack Road for .1 miles to the northwestern boundary of the Timber Sale Area.

APPRaised VOLUMES AND QUALITY:

<table>
<thead>
<tr>
<th>Conifer/Hwd</th>
<th>Species Group</th>
<th>Species</th>
<th>Product</th>
<th>AVG DBH</th>
<th>Grade</th>
<th>Volume</th>
<th>UOM</th>
<th>Diam. From</th>
<th>Diam. To</th>
<th>Length From</th>
<th>Length To</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conifers</td>
<td>Douglas Fir</td>
<td>Douglas Fir</td>
<td>Sawlog</td>
<td>19&quot;</td>
<td>2 M</td>
<td>2096 MBF</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Conifers</td>
<td>Douglas Fir</td>
<td>Douglas Fir</td>
<td>Sawlog</td>
<td>3 M</td>
<td>827 MBF</td>
<td></td>
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</tr>
<tr>
<td>Conifers</td>
<td>Douglas Fir</td>
<td>Douglas Fir</td>
<td>Sawlog</td>
<td>4 M</td>
<td>205 MBF</td>
<td></td>
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</tr>
<tr>
<td>Conifers</td>
<td>Hemlock</td>
<td>Western Hemlock</td>
<td>Sawlog</td>
<td>19&quot;</td>
<td>2 M</td>
<td>7 MBF</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Conifers</td>
<td>Hemlock</td>
<td>Western Hemlock</td>
<td>Sawlog</td>
<td>3 M</td>
<td>8 MBF</td>
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</tr>
<tr>
<td>Conifers</td>
<td>Hemlock</td>
<td>Western Hemlock</td>
<td>Sawlog</td>
<td>4 M</td>
<td>3 MBF</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Hardwood</td>
<td>Red Alder</td>
<td>Red Alder</td>
<td>Sawlog</td>
<td>13&quot;</td>
<td>CR</td>
<td>84 MBF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardwood</td>
<td>Maple</td>
<td>Bigleaf Maple</td>
<td>Sawlog</td>
<td>12&quot;</td>
<td>CR</td>
<td>16 MBF</td>
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<tr>
<td>Sale Total:</td>
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<td></td>
<td></td>
<td></td>
<td>3,246 MBF</td>
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</tbody>
</table>

MINIMUM BID:

<table>
<thead>
<tr>
<th>Bid</th>
<th>Species Category</th>
<th>Species Group</th>
<th>Species Group</th>
<th>Species</th>
<th>Product</th>
<th>Grade</th>
<th>Volume</th>
<th>Diameter From</th>
<th>Diameter To</th>
<th>Length From</th>
<th>Length To</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Conifers</td>
<td>Douglas Fir</td>
<td>Douglas Fir</td>
<td>3128</td>
<td>$449.39 MBF</td>
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<td></td>
</tr>
<tr>
<td>No-Bid</td>
<td>Conifers</td>
<td>Cedar</td>
<td>0</td>
<td>$676.03 MBF</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>No-Bid</td>
<td>Hardwood</td>
<td>16</td>
<td>$82.28 MBF</td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>No-Bid</td>
<td>Hardwood</td>
<td>Red Alder</td>
<td>84</td>
<td>$233.25 MBF</td>
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</tbody>
</table>

All Utility logs are set at price above, which means material will be charged at the highest rate for that species.
In order to compensate PURCHASER for Project Work, ODF will credit PURCHASER's timber account in the amount of $57,313.00 after the project work is completed and accepted, as described in Section 2630, "Credit for Project Work."

The Timber Sale Area contains 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 $57,313.00 whichever is greater, not to exceed $500,000. Actual bond amount will be rounded up to an even $1,000 unit.

EXPIRATION DATE: 10/31/2022

BID METHOD: Sealed Bid

BID DEPOSIT: $137,200.00

SALE TYPE: Recovery / BOF: 15.54% CSL: 84.46%

10% of the net appraised value, not to exceed $500,000. Bond amount will be rounded down to an even $100 unit.

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

HARVEST METHOD: Area is 51% cable yarding and 49% ground yarding.

PROJECTS:
1 - New Construction
2 - Road Improvement
3 - Road Blocking

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 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. In some cases, ODF may require that initiation of operations be delayed to allow for completion of spot check surveys, as recommended by the USFWS survey protocol and required by ODF policy. 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. Also, legal challenges and other litigation regarding ODF threatened and endangered species related processes may occur and may affect operations contemplated under the contract. In the event a threatened or endangered species is found within or near this sale, or efforts are required to respond to legal issues, 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 Forest Grove ODF District at (503) 357-2191 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:  

NO PERSONAL OR COMPANY CHECKS ACCEPTED FOR THE BID DEPOSIT. 
SEASONAL RESTRICTIONS APPLY - SECTION 2455.

Pulp removal is not allowed.  
Equipment cleaning required (Section 2416).  
Elevation ranges from 1,330 to 2,130 feet.  
Slopes range from 5% to 80%.  
Acres were determined using ESRI ArcMap GIS software.

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 government regulatory actions.
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

<table>
<thead>
<tr>
<th>Species</th>
<th>18</th>
<th>$272.97 MBF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Fir, sawmill grade or better</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Species</th>
<th>0</th>
<th>$676.03 MBF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cedar</td>
<td></td>
<td></td>
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</tbody>
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<th>84</th>
<th>$233.25 MBF</th>
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</thead>
<tbody>
<tr>
<td>Red Alder</td>
<td></td>
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</tbody>
</table>

Enclosed is a bid deposit as required, consisting of ____________ in the amount of $137,200.00, 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. 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)

EMPLOYER IDENTIFICATION NUMBER (EIN)

ADDRESS

PHONE

BY

(Signature of Authorized Official & Title)

COMPLETE PURCHASER’S 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 assumed (business) name  ( ) company  
( ) an individual

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 that is not a STATE's approved location.

(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, 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: Duchess and The Duke
Date: May 22, 2019
To: Erik Marcy
CC: Mike Cafferata, District Sale File
From: [Signature]

2019.05.22 12:08:25
-07'00'

Habitat Suitability

This sale contains potentially suitable habitat for northern spotted owls. This sale is located in the Marbled Murrelet Systematic Survey Zone. By ODF policy, operational marbled murrelet surveys are not required.

Survey Results

This sale has covered by ongoing density surveys beginning in 2016\(^1\). Northern spotted owls have not been observed during these surveys.

Surveys for marbled murrelets are not necessary for this sale.

Known T&E Resources

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

Operational Considerations

This sale is in a density survey coverage area. Northern spotted owl felling deadlines for survey expirations will not be in effect unless density surveys are discontinued. If

density surveys are discontinued at any point during the contract, survey coverage will be valid until March 15, three years following the last full season of surveys.

**Future Survey Plans**

This sale will be covered by northern spotted owl density surveys during the life of the contract. These density surveys provide incidental survey coverage in lieu of spot checks. If density surveys are not conducted, then spot checks will be required. In addition, ODF has an active northern spotted owl survey program and surveys for other planned operations and density surveys will be conducted within 3 miles of this sale during the life of the contract.