RM/NW
MARKET MAKERS IN REAL ESTATE

Real Estate Auction

STATE OF OREGON
OREGON DEPARTMENT OF STATE LANDS
1859

Oregon Department of State Lands
Common School Fund Properties

Elliott State Forest Land Sale

Douglas and Coos Counties, Oregon



Three Coastal Range Timber and Hunting Tracts from 310± to 788± Acres

Excellent Access from Highway 38 near Reedsport and Highway 101 by Coos Bay/North Bend

SEALED BIDS DUE March 28, 2014

REALTY MARKETING/NORTHWEST

Elliott State Forest



View west from Adams Ridge One to Templeton Arm of Tenmile Lake

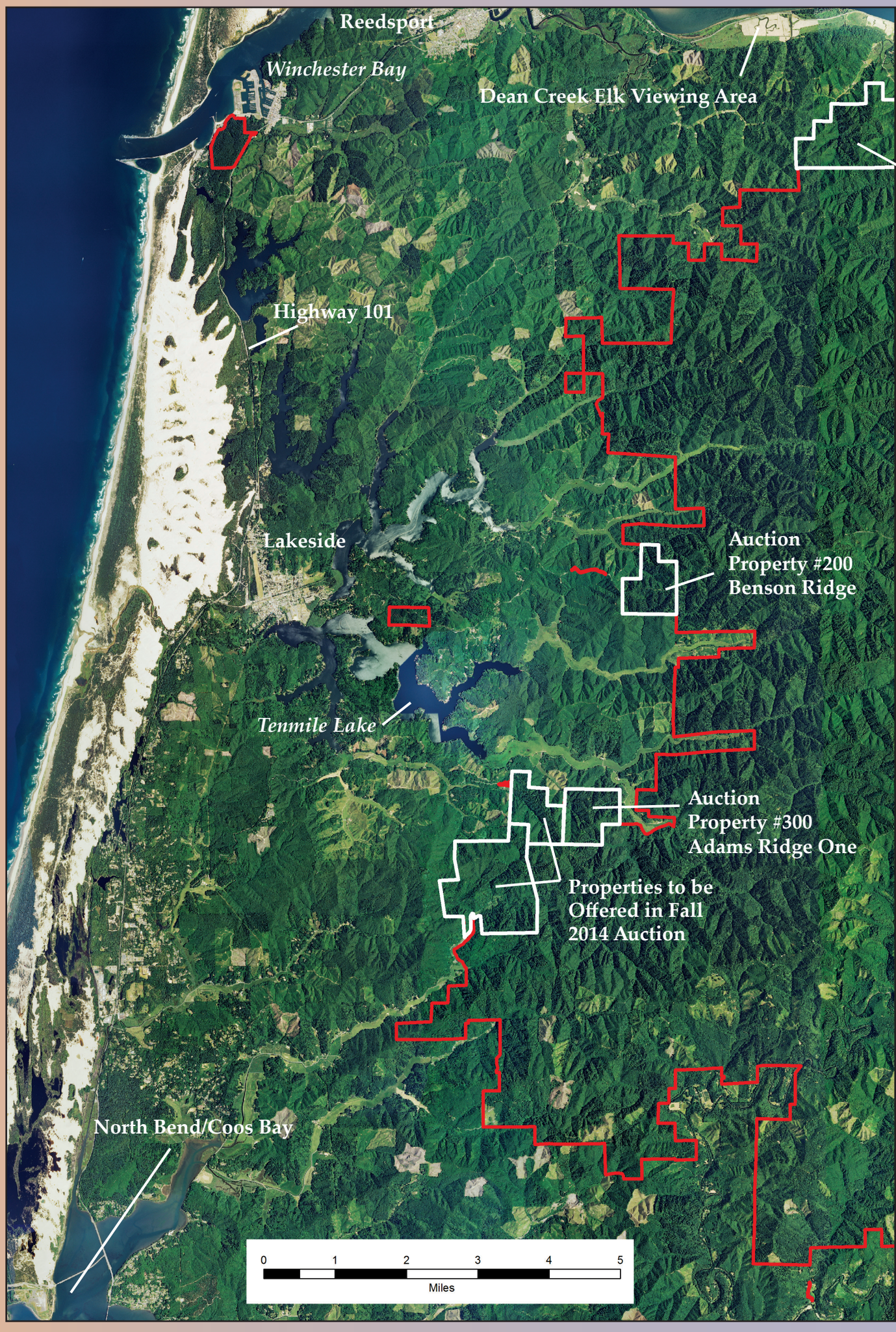


THE ELLIOTT STATE FOREST LAND SALE

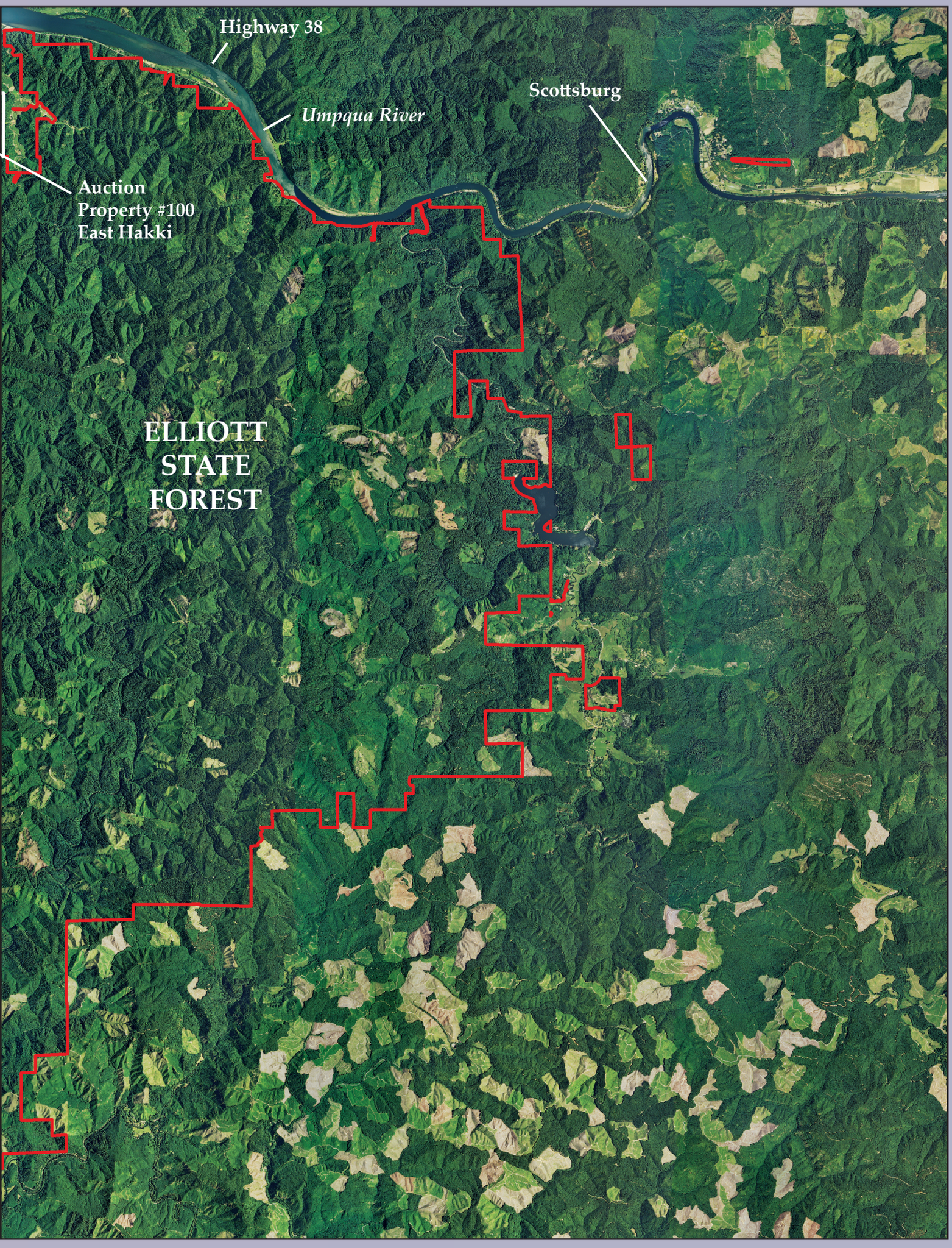
On December 10, 2013, the Oregon State Land Board authorized the sale of up to 2,728± acres of Common School Fund properties within the 93,000± acre Elliott State Forest, located along the Oregon Coast Range between the coastal communities of Reedsport and Coos Bay/ North Bend. Revenue from the sale will be invested in the Common School Fund, to be distributed to Oregon K-12 public schools. The State Land Board is comprised of Governor John Kitzhaber MD, State Treasurer Ted Wheeler, and Secretary of State Kate Brown.

Realty Marketing/Northwest has been retained by the Oregon Department of State Lands to offer three of the five tracts designated for sale in a March 28, 2014 Sealed Bid Auction. The remaining two tracts, Adams Ridge Two and Adams Ridge Three, will be offered in a Fall 2014 Auction.

Auction Property Locations

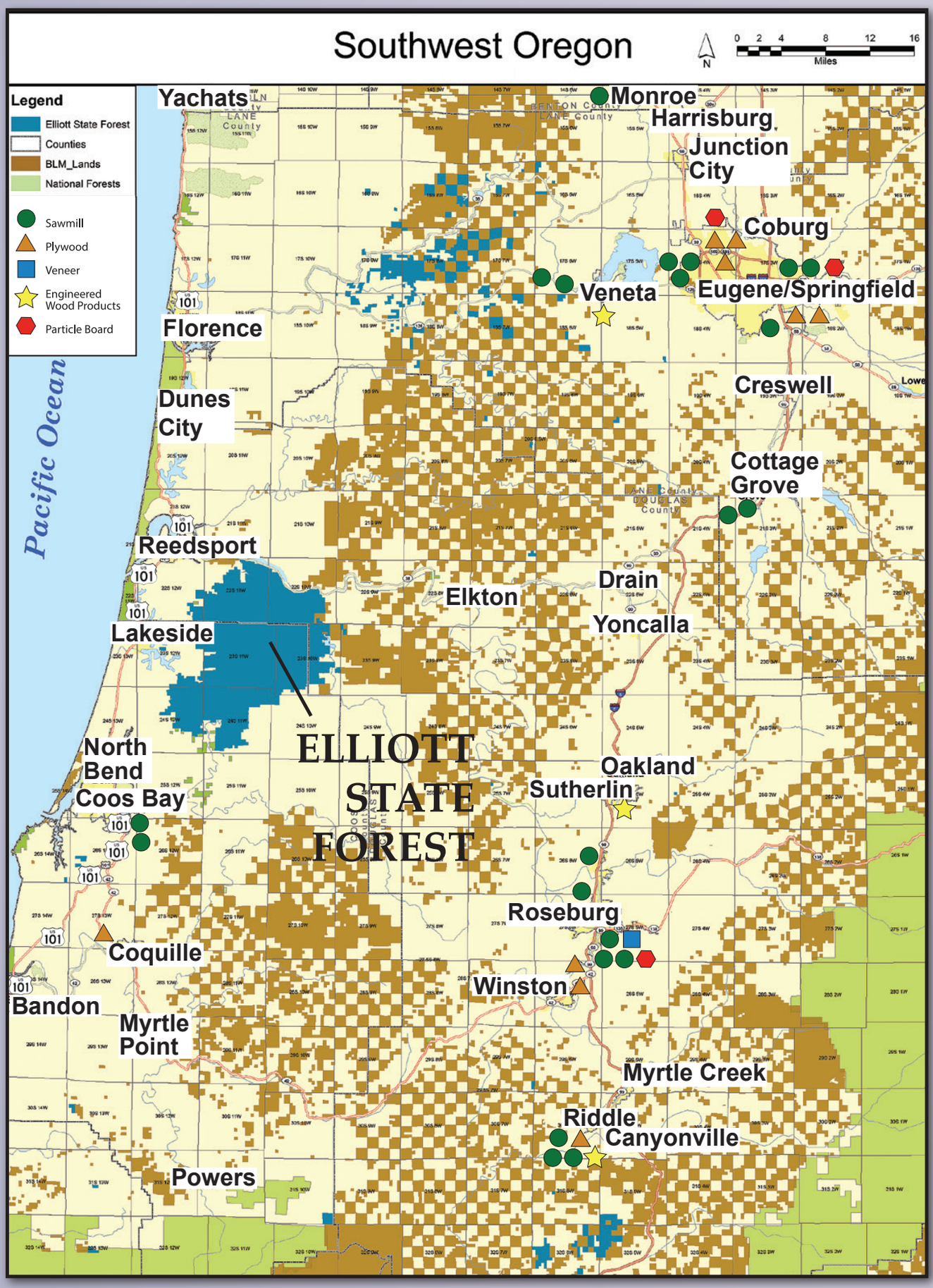


FOR SUPPLEMENTAL INFORMATION


Highway 38
Umpqua River
Scottsburg
Auction
Property #100
East Hakki
ELLIOTT
STATE
FOREST

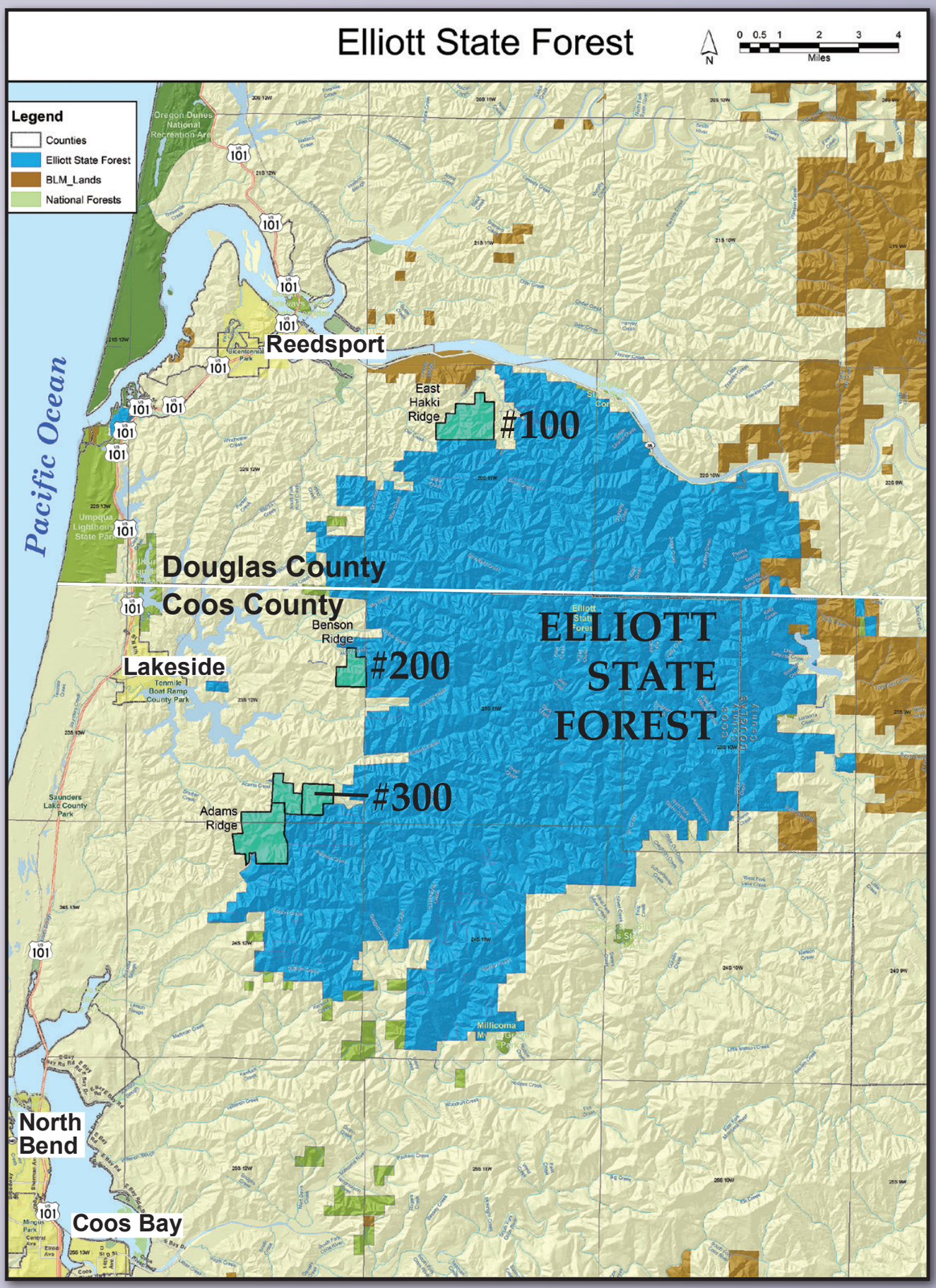
The three timber and hunting tracts being offered in the March 28 Auction total 1,453± acres, range in size from 310± to 788± acres, and are located at the northwest and western boundaries of the Elliott State Forest, with access from county and Elliott State Forest roads. These lands are within the Tioga Wildlife Management Unit, known for excellent Roosevelt elk hunting. Each tract qualifies for two Land Owner Preference Tags. Both the Dean Creek Elk Viewing Area and the O.H. Hinsdale Interpretive Center are located near the East Hakki Ridge tract, home to a resident elk herd.

The Elliott State Forest Land Sale parcels are in proximity to domestic log markets



There is a total of 41,068± MBF of primarily 98± to 139± year old Douglas-fir, and an estimated 650± acres of 24± to 49± year old pre-merchantable Douglas-fir.

All three auction properties have habitat suitable for Marbled Murrelet, which is protected by the Endangered Species Act (ESA). The timber appraisal conducted by Northwest Forestry Services used a model to both quantify suitability of habitat for each property, and to project a buffer which may be required for each property. This information is being provided to prospective bidders.



The Elliott State Forest is 93,000± acres

The five sale parcels total 2,728± acres

Overall, Northwest Forestry Services estimates that 772± acres of the lands, or 52%, contain habitat suitable to Marbled Murrelet due to the 98± to 139± year old mature timber, and an additional 222± acres of the lands, or 15%, contain habitat suitable to Murrelet buffer. Some pre-commercial thinning and harvest activities may occur within the buffer. The balance of the lands, or 448± acres, are pre-merchantable stands not impacted by Marbled Murrelet habitat, and are projected to have up to 11 million board feet that will be ready to harvest within 20 to 25 years.

Evaluation of the impact on suitability of habitat and buffers for the Marbled Murrelet was used by the appraiser in establishing a discounted value to both the mature and pre-merchantable timber in order to reflect measured-risk to a new owner. For establishment of the published reserve, or minimum selling prices, for this Sealed Bid Auction, a 90% discount was used to value the mature timber, and a 13% to 50% discount was used to value the pre-merchantable stands.

Additionally, the sales of these three properties carry the restriction that log exports are prohibited, in order to support the domestic sawmill log market.

PUBLISHED RESERVE PRICES:			
	East Hakki Ridge	788± acres	$1,820,000
	Benson Ridge	355± acres	$610,500
	Adams Ridge One	310± acres	$595,000

LAST ASKING PRICE: First Time Offered

FINANCING: None – All Cash

INSPECTION: At Any Time (no locked gates)

LEASES: There are no leases on any of the auction properties.

MINERALS: All minerals owned by the Seller will be reserved.

EASEMENTS: The Seller will provide an easement to access Auction Property 300, Adams Ridge One. Copies of any easements of record are contained in the Preliminary Title Reports.

TIMBER PORTFOLIO SUMMARY

Please note: All information contained herein is provided as a courtesy to the bidder and is in no way warranted or guaranteed. Specifically, no representations are expressed or implied with respect to timber marketability or timber quality by the seller or its agents or consultants. It is the bidder's obligation to evaluate any and all environmental and regulatory constraints relating to both use of the property, and harvest from the property. Prospective bidders are encouraged to complete their own inspection, cruise and additional due diligence prior to submitting a bid. A Data Site is available, with timber inventory by species, sort and grade, Geographic Information System (GIS) maps with age class, type, topography, ortho aerial, Murrelet Habitat maps, title reports, zoning, bid documents and form of purchase and sale agreement. In addition, the timber appraisal prepared by Northwest Forestry Services dated October 2013 is available on the Data Site, by mail, or by email. Prospective bidders may contact the Auction Information Office at 1-800-845-3524, or info@rmnw-auctions.com to receive the Supplemental Information Package with Bid Documents.

Note: All acres are GIS acres.

TIMBER CRUISE DESIGN

The timber on Auction Properties 100, 200 and 300 (East Hakki Ridge, Benson Ridge and Adams Ridge One) was cruised in July and August 2013 by Northwest Forestry Services. Prior to the cruise, cover types were delineated on the aerial photograph of each property, and type boundaries were later modified, based on field observation. Acreage within each type was calculated using ARC GIS software.

All timber that was cruised is over 30 years old, except timber that is in the RMA.

100 – East Hakki Ridge
Fifteen stands were sampled with a total of 231 variable radius plots.

200 – Benson Ridge
Six stands were sampled with a total of 214 variable radius plots.

300 – Adams Ridge One
Six stands were sampled with a total of 217 radius plots.

All plots were located on square grids. Spacing ranged from 250± feet to 300± feet in the older types, and 400± feet in the younger types. All trees that were 6.6 inches and greater in diameter were cruised. The cruise design for each property is available on the Data Site. Tree measurements were analyzed using the Super Ace cruise program and each log was assigned a grade and sort.



Auction Property #300, Adams Ridge One



Auction Property #200, view from 4000 Road

NET VOLUME BY SPECIES BY TRACT

Tract	Size	Volume by Species (Net MBF)						Total Net
	(± acres)	DF	WH	SS	WRC	RA	OH	MBF
100 - East Hakki Ridge	788	15,555	176	14	91	538	134	16,508
200 - Benson Ridge	355	10,774	61	63	-	293	13	11,204
300 - Adams Ridge One	310	12,747	37	10	230	176	156	13,356
Total	1453	39,076	274	87	321	1007	303	41,068

An estimated 95% of all volume is Douglas-fir, with the balance primarily a mix of western hemlock, Sitka spruce, western red-cedar, red alder and other hardwood.

ACRES BY AGE CLASS BY TRACT

Tract	Size	Pre-Merch					Total Pre-	Mature
	(± acres)	25-30	31-35	36-40	41-45	46-50	Merch	98+
100 - East Hakki Ridge	788	173	156	37	16	89	471	298
200 - Benson Ridge	355	-	-	10	99		109	239
300 - Adams Ridge One	310	38	19	13	-	-	70	234
Total	1453	211	175	60	115	89	650	771

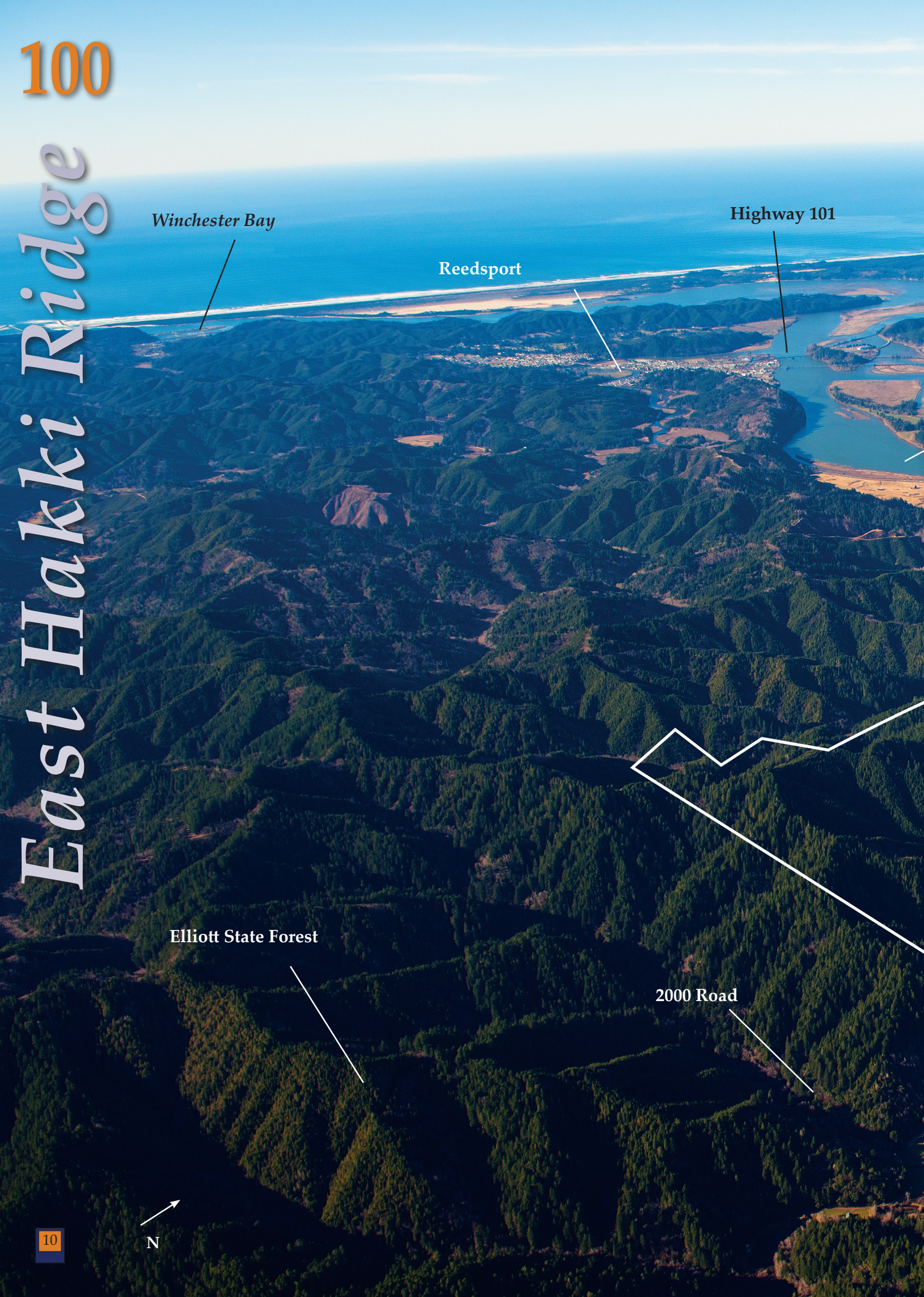
East Hakki Ridge contains 72% of all the pre-merchantable stands with Benson Ridge having 86% of those stands in the 41 - 45 age class, which will be ready for harvest within 5 to 10 years. Adams Ridge has 23% of its land within pre-merchantable stands.

ACREAGE AFFECTED BY MURRELET HABITAT

Tract	Size (± acres)	Suitable Habitat (± acres)	Murrelet Buffer (± acres)	Forest Not Impacted (± acres)	RMA (± acres)	Roads (± acres)
100 - East Hakki Ridge	788	298	114	357	10	9
200 - Benson Ridge	355	219	71	58	3	4
300 - Adams Ridge One	310	235	37	33	3	2
Total	1453	752	222	448	16	5

The amount of forest not impacted has a direct relationship with the amount of the pre-merchantable age class acres. Please note that properties have not been surveyed for Marbled Murrelet.

100 East Hakki Ridge




Umpqua River
Dean Creek Elk Viewing Area
Highway 38
Hakki Creek
Dean Creek Road
Dean Creek

View west to Reedsport and Highway 101



100 *East Hakki Ridge*
Douglas County, Oregon



View northwest of cover type #18

PUBLISHED RESERVE: $1,820,000

SIZE: 788± Acres

ELEVATION: 100± to 800± Feet

DOUGLAS-FIR SITE INDEX: 113

ZONING: Timber Resource

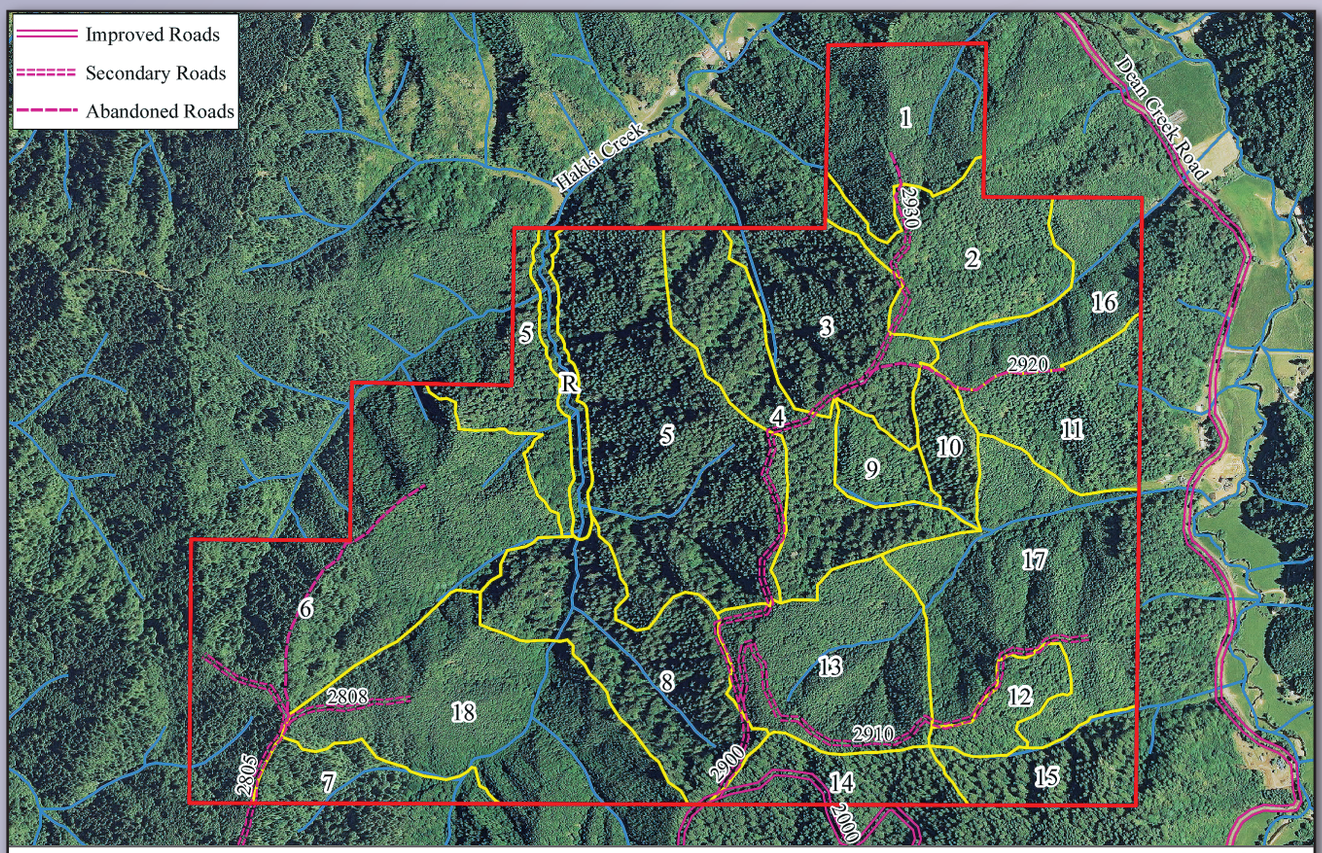
ODFW WILDLIFE MANAGEMENT UNIT: Tioga

DESCRIPTION: The 788± acre East Hakki Ridge tract is located at the northwest corner of the Elliott State Forest, a mile south of Highway 38 and the Umpqua River. The Dean Creek Elk Viewing Area along Highway 38 is nearby. There is access to the southern boundary from Highway 38 to Dean Creek Road, with an easement to Elliott State Forest Road 2000. The East Hakki Ridge Road (2900 Road), a narrow spur road, provides access north and south along the mid-section of the tract, with an additional spur road in the southwest corner of the property. The topography is steep and additional road construction will be required. Logging with cable systems is needed due to steep slopes. Hakki Creek, tributary to Dean Creek and the Umpqua River, is located in the western portion of the tract and is fish bearing, containing steelhead and coho salmon.

Oregon Board of Forestry is the adjoining owner within the



Stand of timber along 2910 Road



East Hakki

Cover Type Summary by Size, Age, Volume

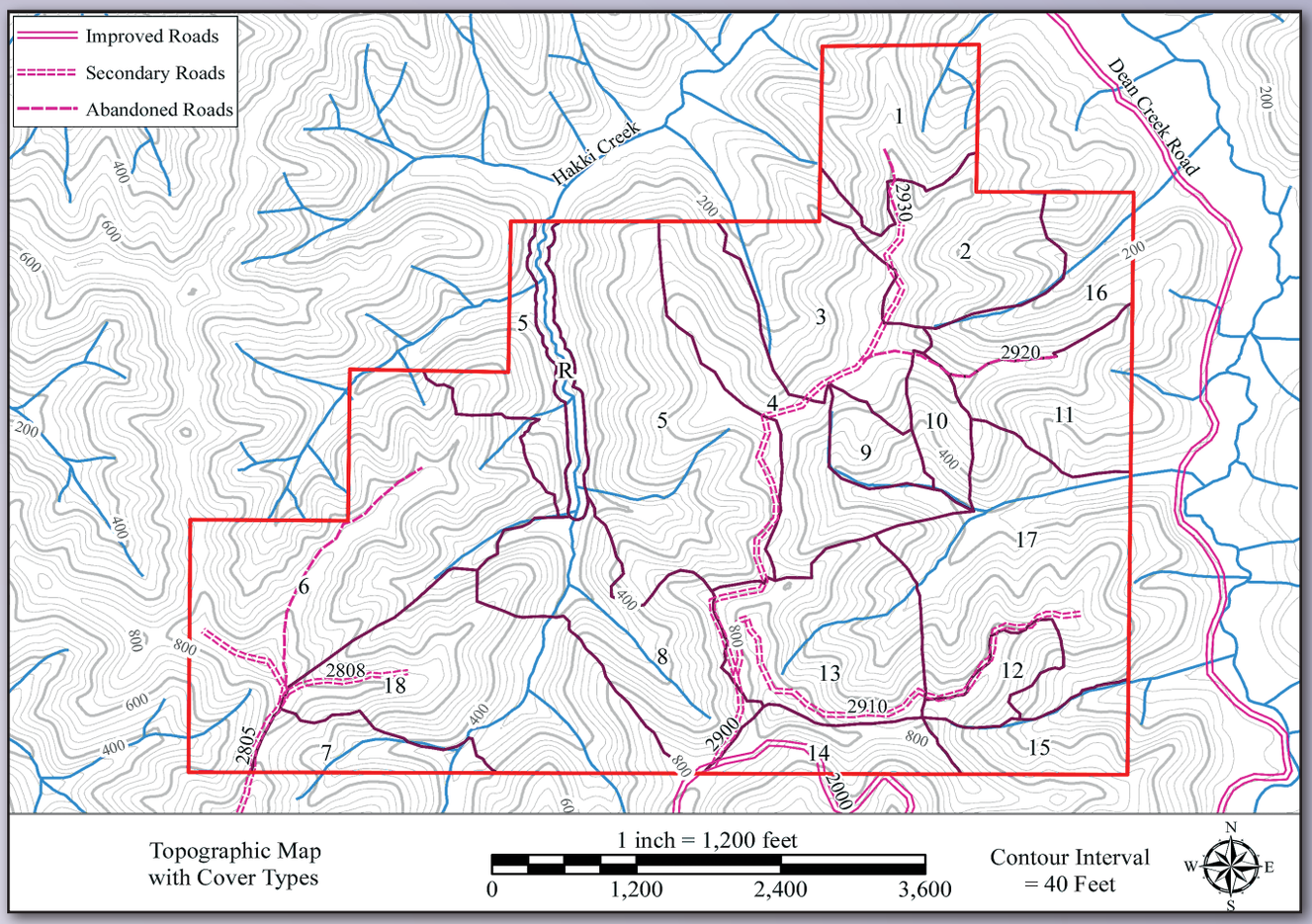
#	Size (Ac.)	Age	Net Volume (MBF)
1	37.4	38	461
2	37.7	47	282
3	41.1	133	1901
4	46.3	132	1649
5	109.3	128	6036
6	108.9	33	773
7	15.9	45	136
8	52.1	120	2348
9	10.8	47	73
10	10.9	126	510
11	29.0	47	338
12	11.4	49	275
13	47.4	33	499
14	18.3	93	637
15	19.9	126	590
16	29.3	26	Not applicable
17	72.7	24	Not applicable
18	71.0	27	Not applicable
RMA	9.5		
Total	**778.9**	**Acres**	**16,508 (±MBF)**



2000 Road



Stand showing merch timber

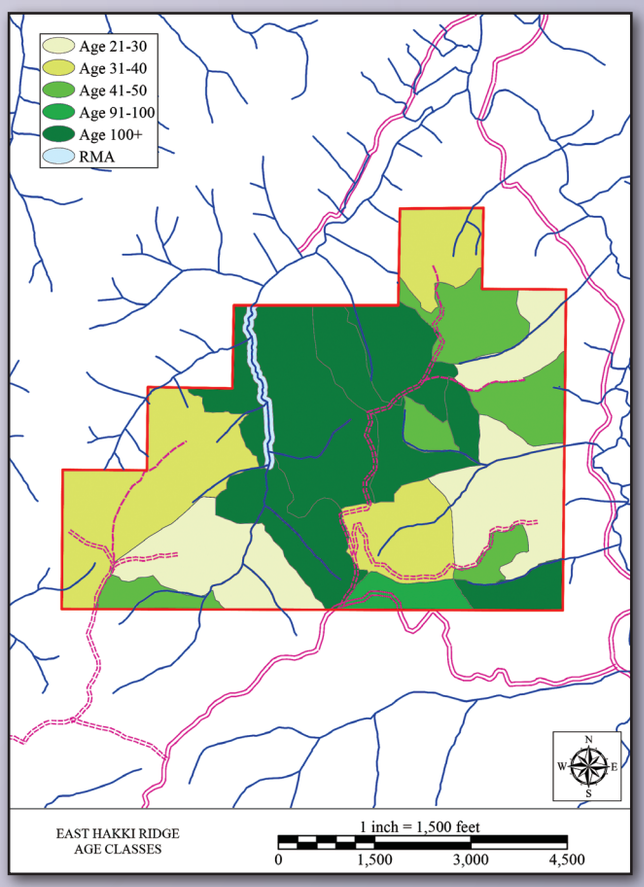


boundaries of the Elliott State Forest to the south, and two private timberland owners are to the west, north and east.

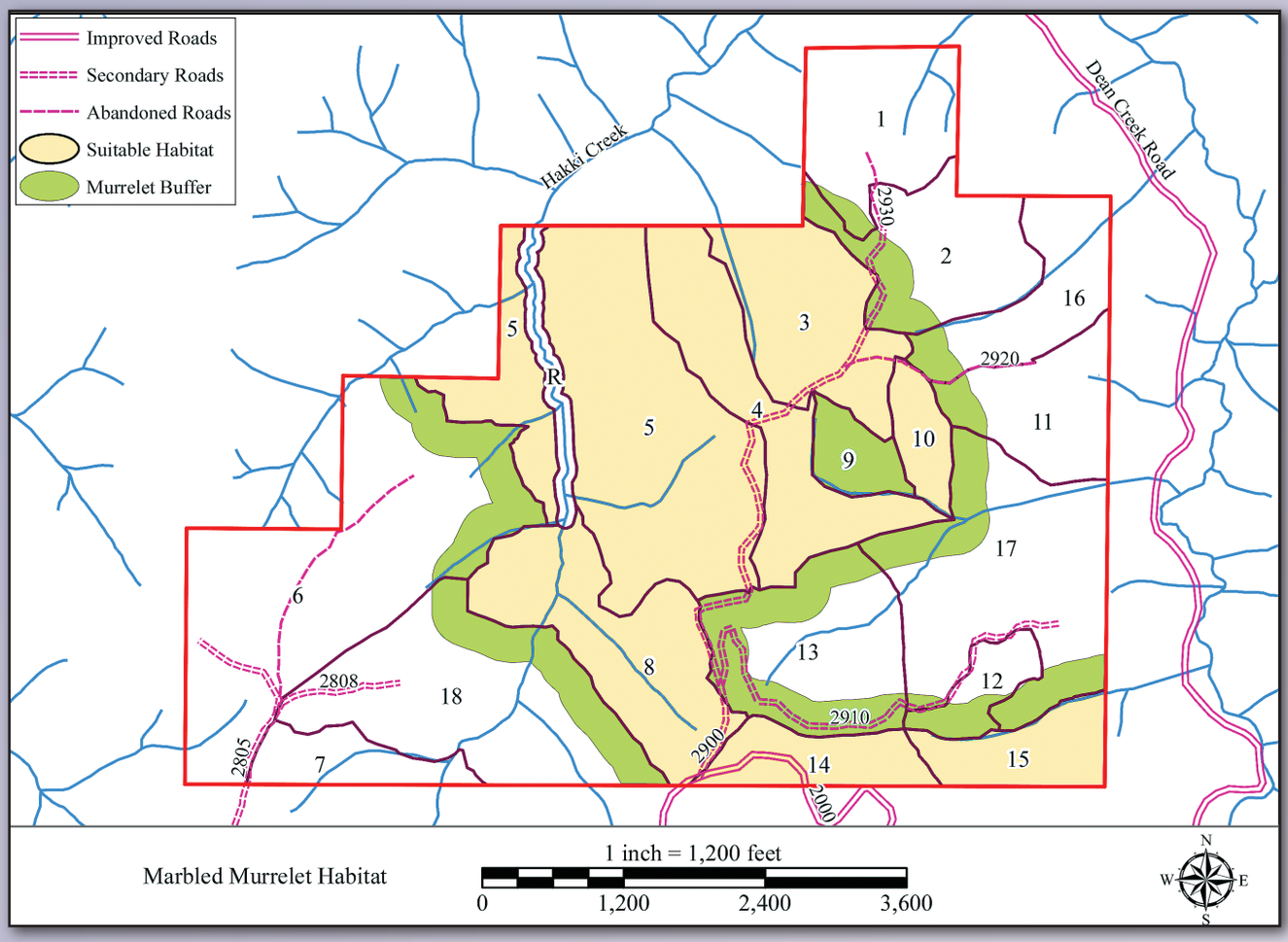
There is an estimated 16,508± MBF of primarily 93± to 133± year old Douglas-fir located on 298± acres concentrated in the middle of the property, and 25± to 50± year old pre-merchantable Douglas-fir located on 471± acres in the southwestern and eastern sections of the property. It is projected that growth from these stands will increase by 100% within ten years, with total volume of 9,965± MBF within 25 years, by 2039. This projected volume reflects deductions for the Murrelet buffers.

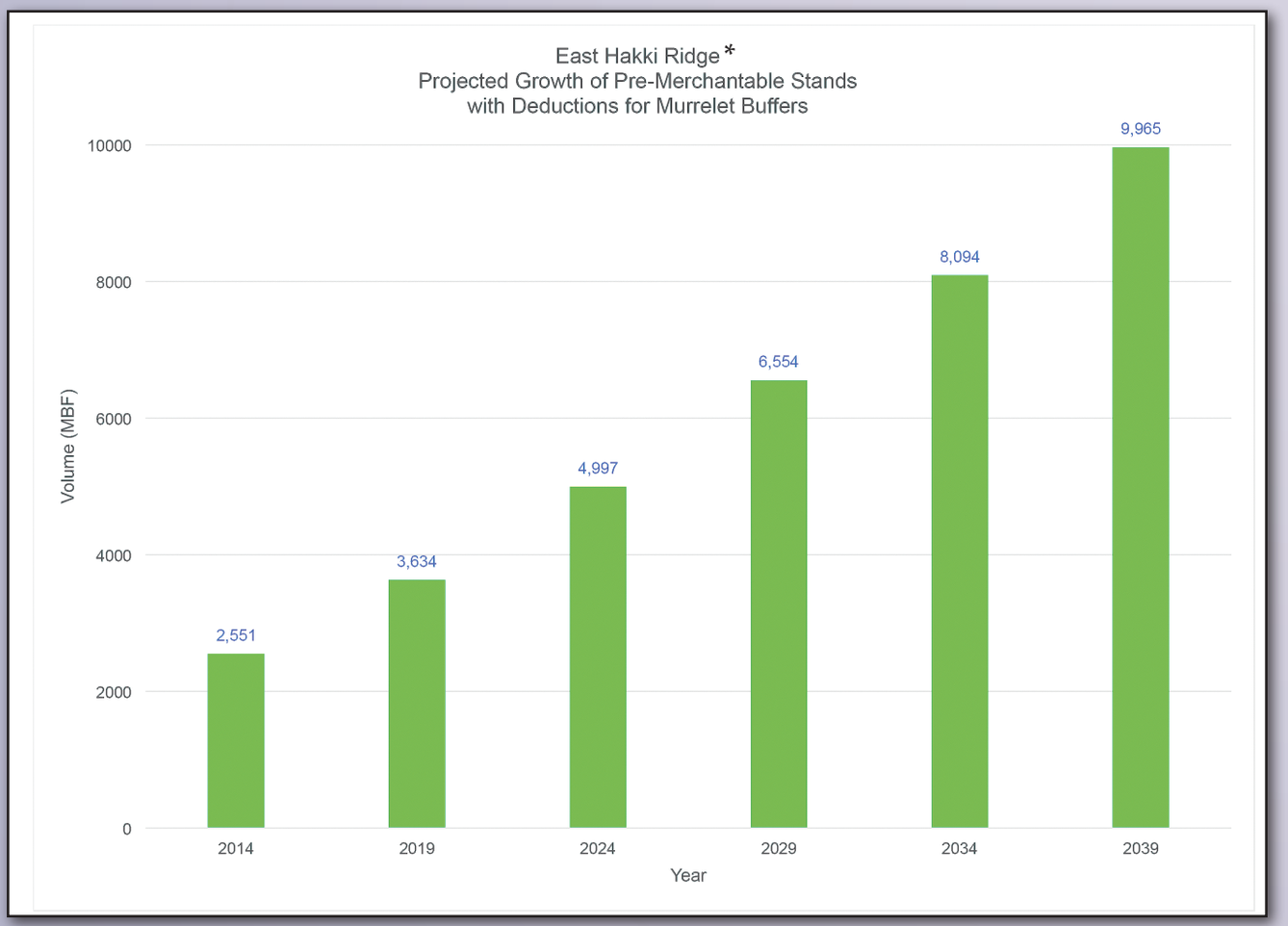
The property has not been surveyed for Marbled Murrelet. It has been estimated by Northwest Forestry Services that 298± acres, or 38% of the property, has habitat suitable for Murrelet, and that an additional 114± acres, or 14%, can be used as buffer. The estimated timber value, based on the October 2013 appraisal, is $5,590,000 prior to its discount of 90%, and the pre-merchantable timber value, $921,000, prior to its discount of 13%, to reflect risk inherent in future harvests.

LOCATION: Township 22 South, Range 11 West, Section 3 (Tax Lot 1500), Section 9 (Tax Lots 100 and 304) and Section 10 (Tax Lot 1300).

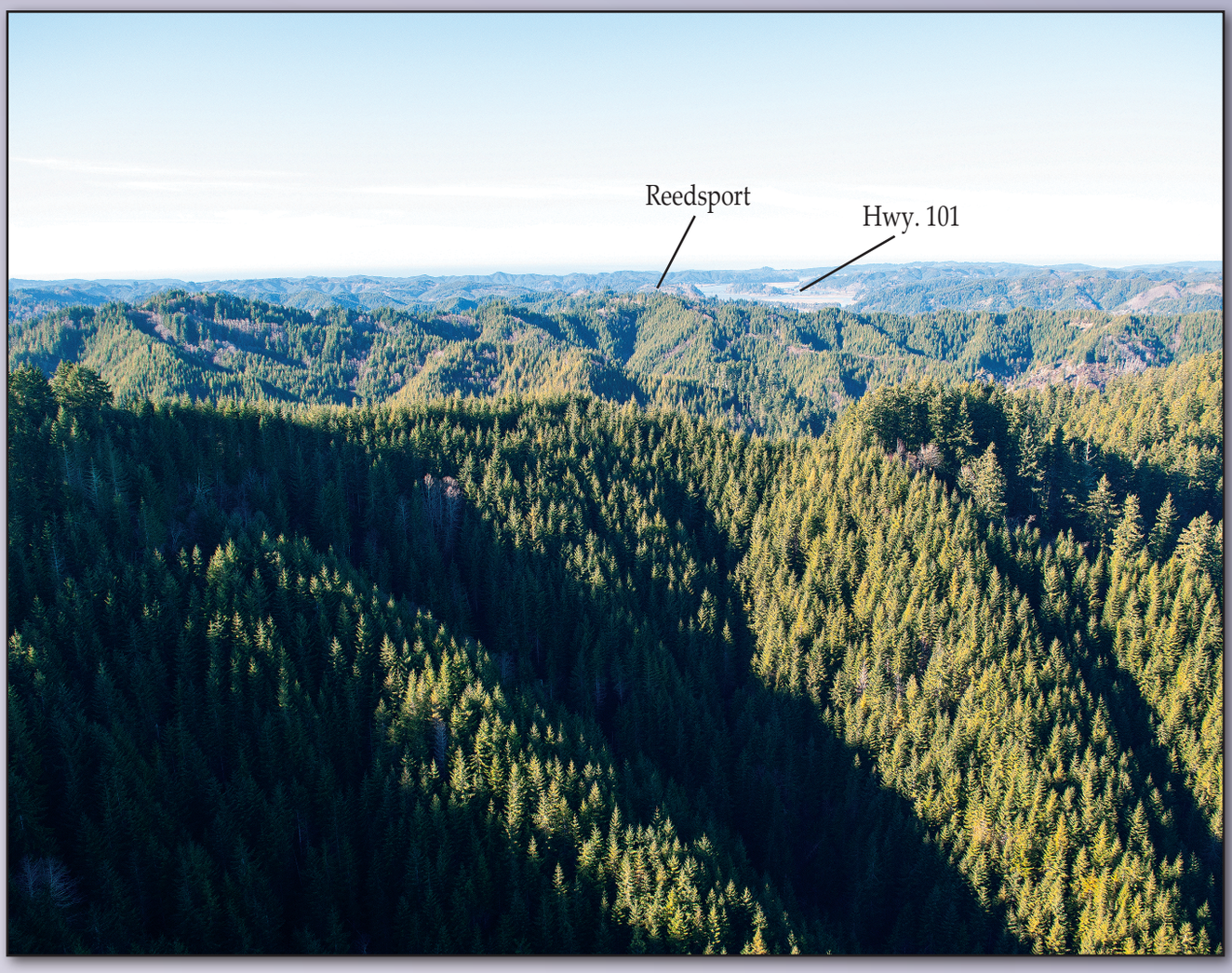


East Hakki Ridge has the largest amount of pre-merch acres, with a total of 471± acres

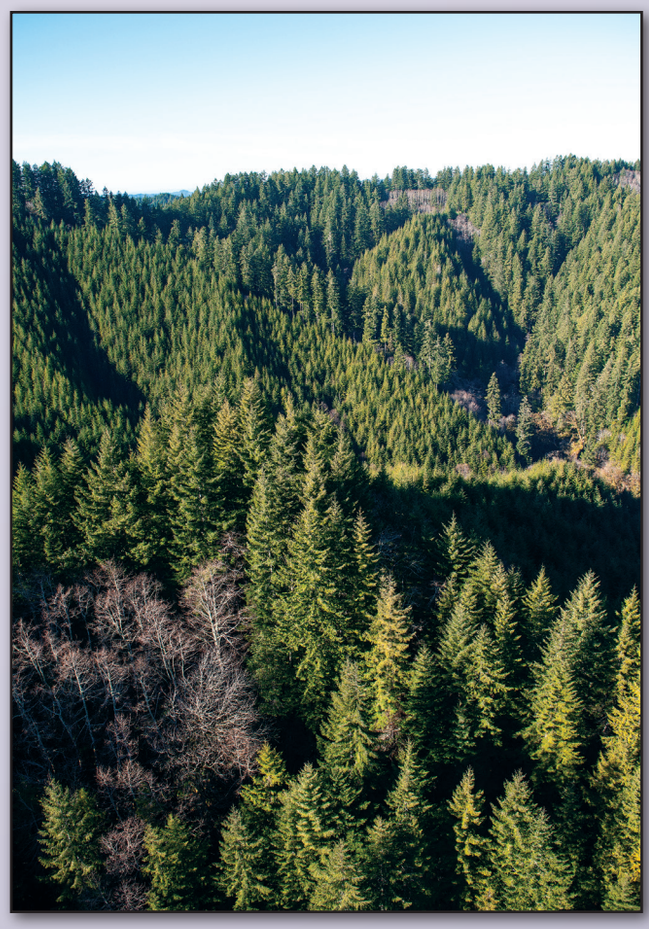




* Source: Northwest Forestry Services



View west to Reedsport





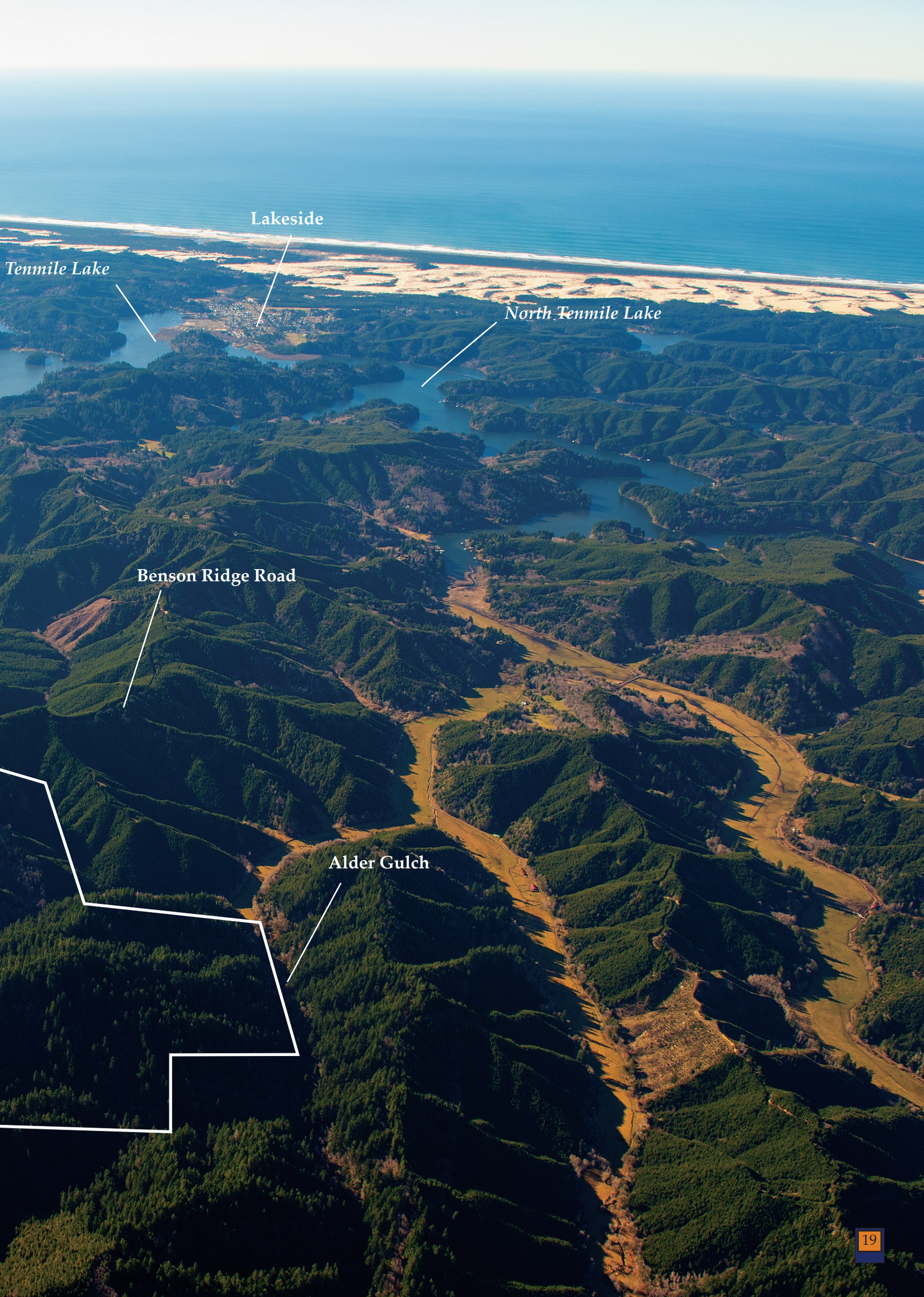
Left: View from southeast corner

Right: View northeast to Dean Creek

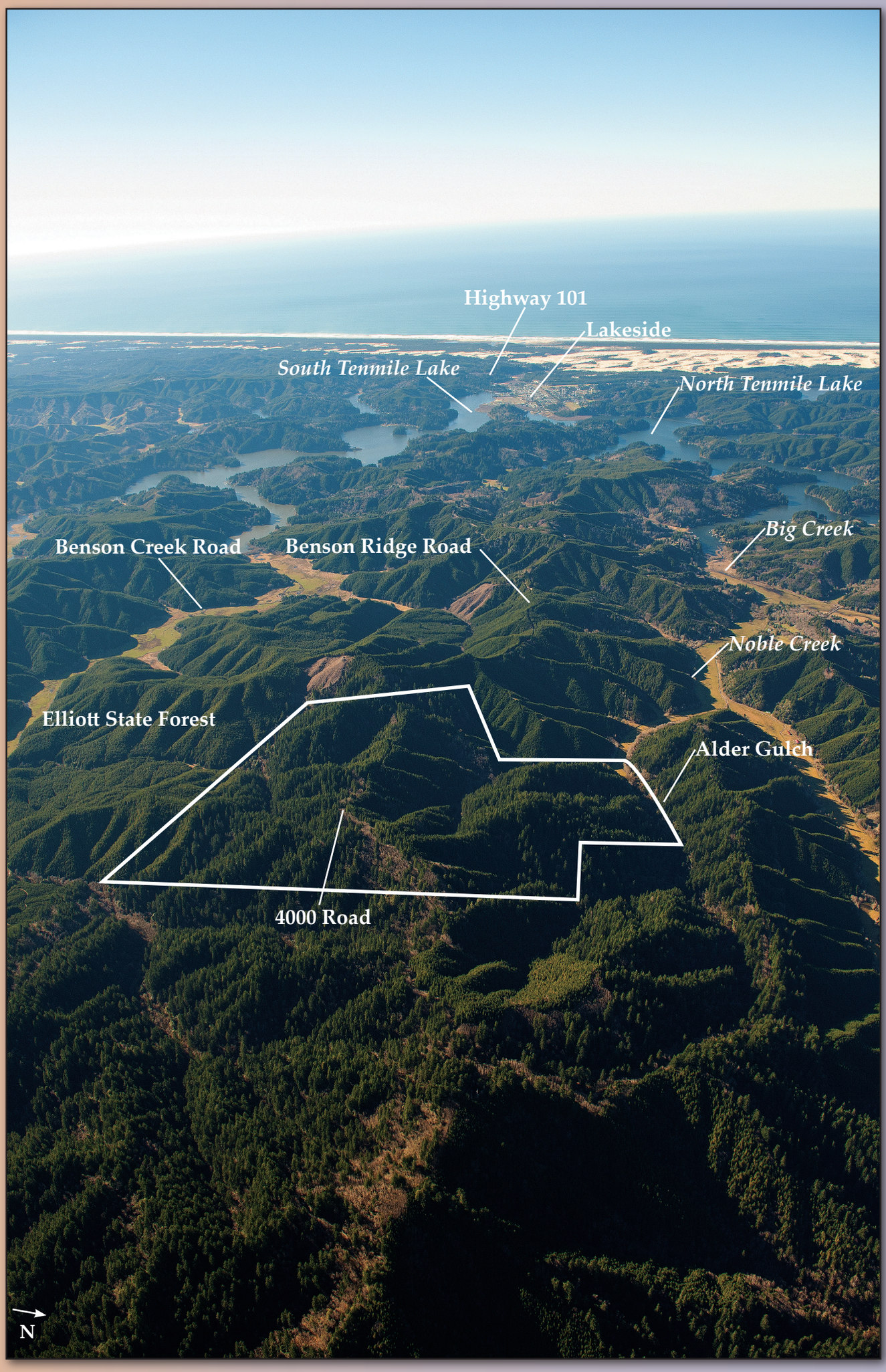
200

Benson Ridge




Lakeside
Tenmile Lake
North Tenmile Lake
Benson Ridge Road
Alder Gulch

View west to Lakeside



200 *Benson Ridge*
Coos County, Oregon



View north from Benson Ridge Road

PUBLISHED RESERVE: $610,500

SIZE: 355± Acres

ELEVATION: 100± to 1000± Feet

DOUGLAS-FIR SITE INDEX: 121

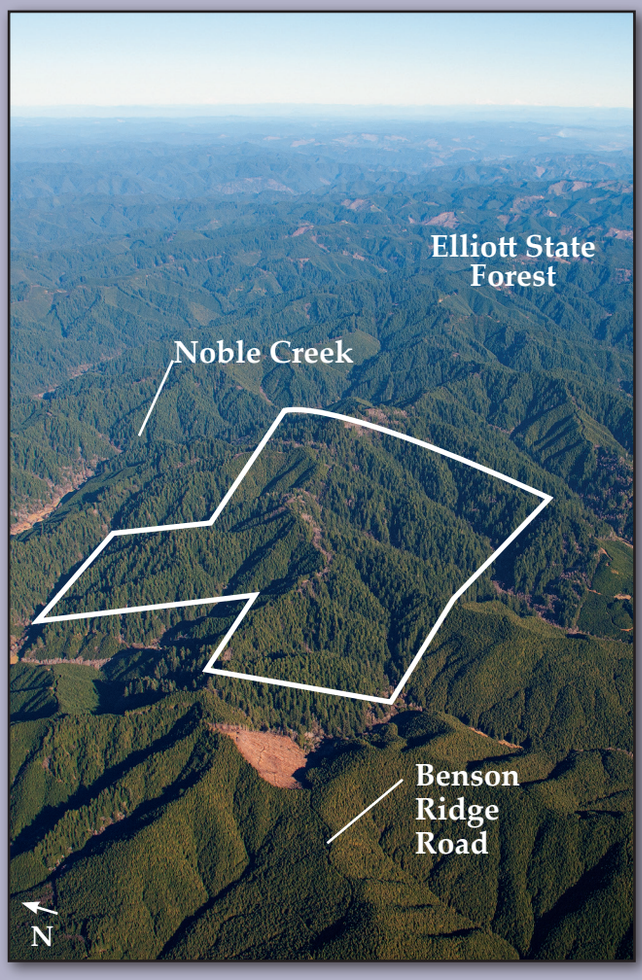
ZONING: Forest/Big Game Sensitive and Natural Hazard Overlay

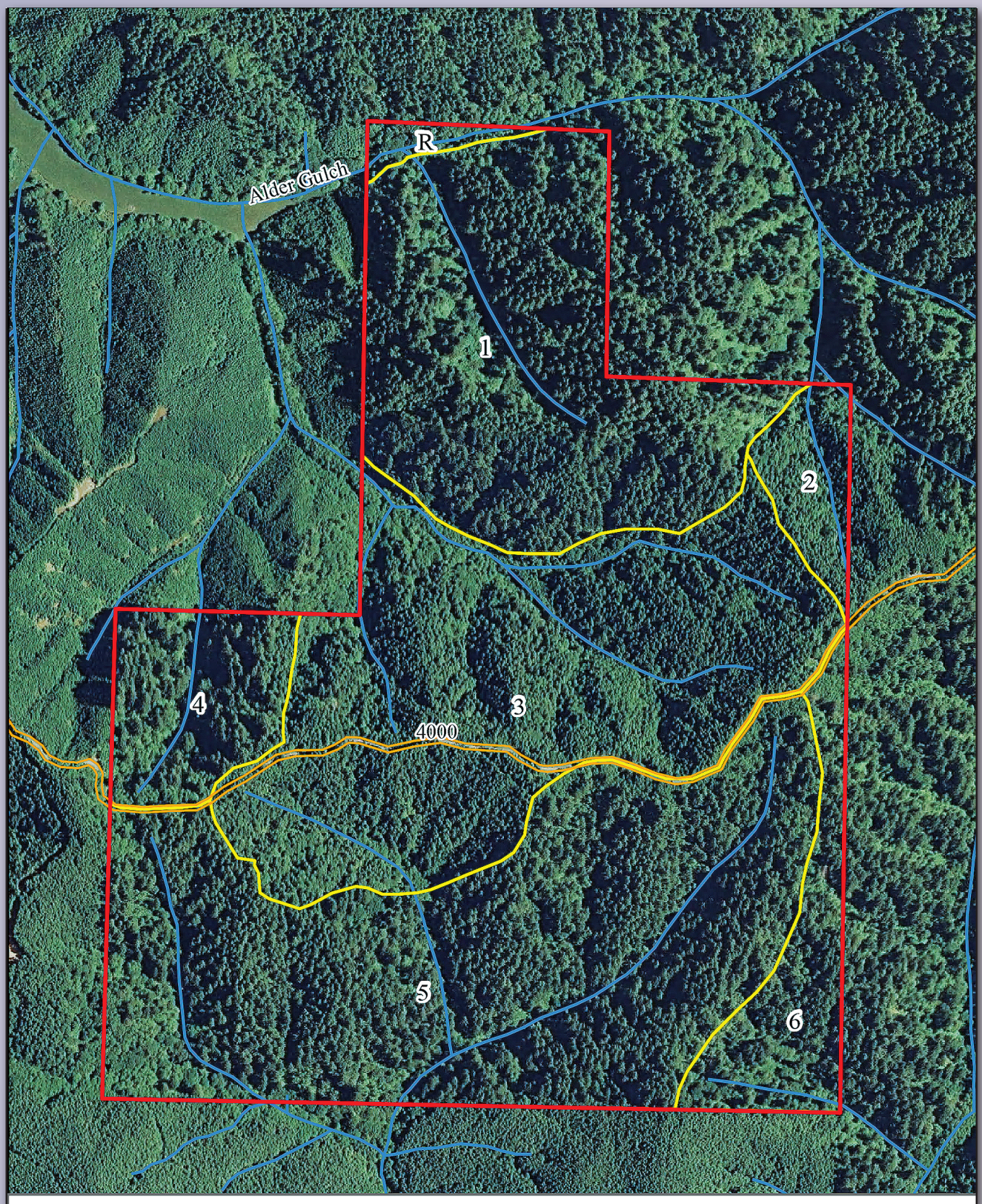
ODFW WILDLIFE MANAGEMENT UNIT: Tioga

DESCRIPTION: The 355± acre Benson Ridge tract is located on the western edge of the Elliott State Forest, six miles east of Lakeside, and has access from North Lake Lane to Elliott State Forest Road 4000, which runs through the tract. There are limited spur roads and no interior access roads. The topography is steep and additional road construction will be required. Logging with cable systems is needed due to steep slopes. Alder Gulch, along the northern section of the tract, is fish-bearing and contains coho salmon.

The Oregon Board of Forestry is the adjoining owner to the north and Common School Fund property is to the east, all within the boundaries of the Elliott State Forest. Private timberland is to the west and south.

There is an estimated 11,204± MBF of primarily Douglas-fir located on 239± acres south of the 4000 Road and in the northern section of the tract. The 109± acres of 38± to 44± year old pre-





Aerial Photograph with Cover Types

1 inch = 800 feet

0 800 1,600 2,400

N W E S

East Benson Ridge

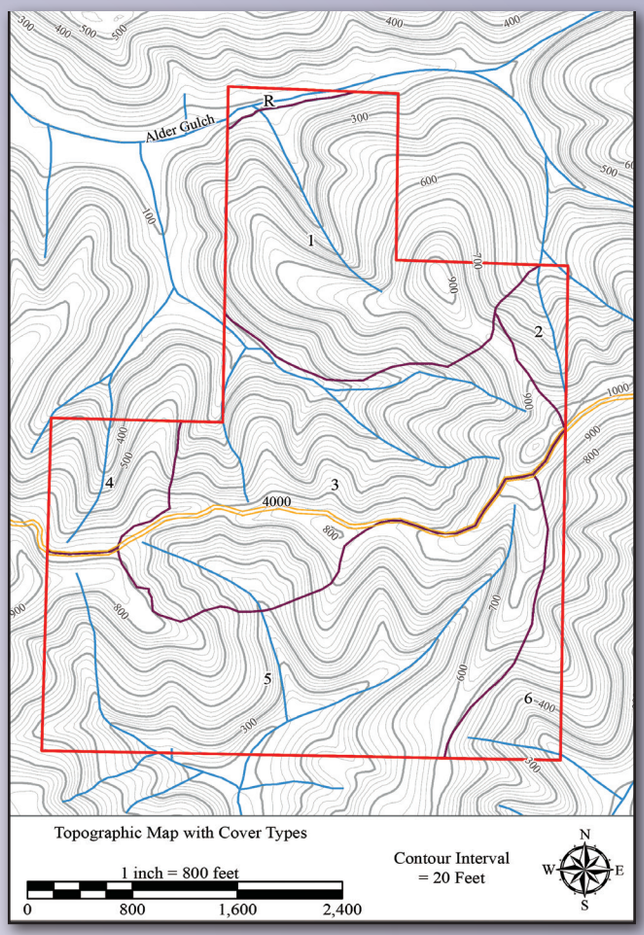
Cover Type Summary by Size, Age, Volume

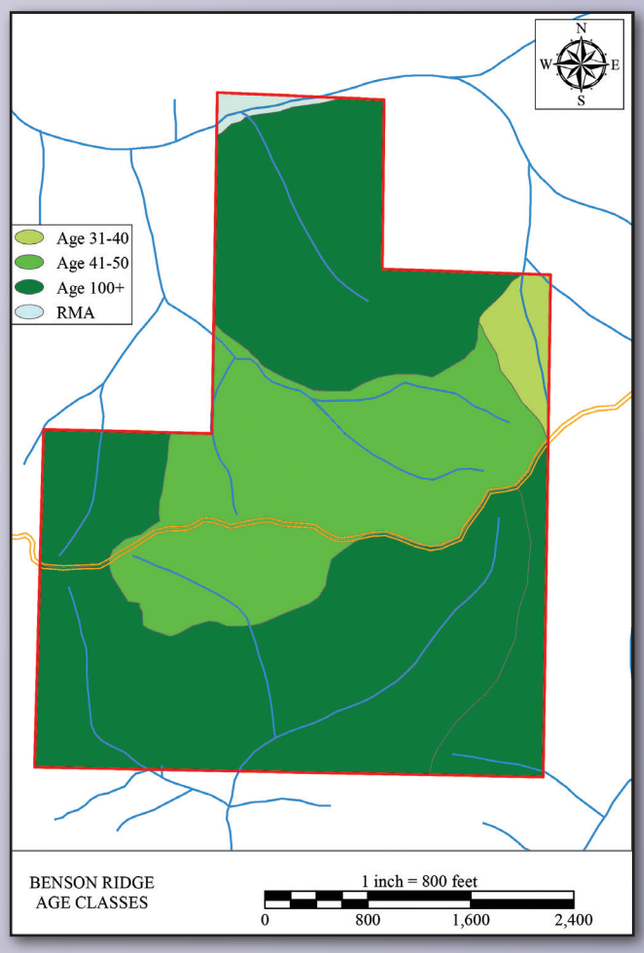
#	Size (Ac.)	Age	Net Volume (MBF)
1	75.9	126	2813
2	9.6	38	74
3	99.4	44	1372
4	20.4	133	693
5	123.0	133	6000
6	19.6	133	252
RMA	2.9		
Total	**350.8**	**Acres**	**11,204 (±MBF)**

merchantable Douglas-fir is located both north of the 4000 Road and in the northeast portion of the tract. It is projected that growth within 20 years, including deductions for Murrelet buffer, will be 1,822± MBF, which is a 60% increase over the current volume of 1,077± MBF.

The property has not been surveyed for Marbled Murrelet. It has been estimated by Northwest Forestry Services that 219 acres, or 62% of the Benson Ridge tract, has habitat suitable for Murrelet, and that an additional 71± acres, or 20%, can be used as buffer. The estimated timber value, based on the October 2013 appraisal is $2,709,000, prior to its discount of 90%, and the pre-merchantable timber value, is $248,000 prior to its discount of 25.5%, to reflect risk inherent in future harvests.

LOCATION: Township 23 South, Range 12 West, Section 12 (Tax Lot 600) and Section 13 (Tax Lot 100).





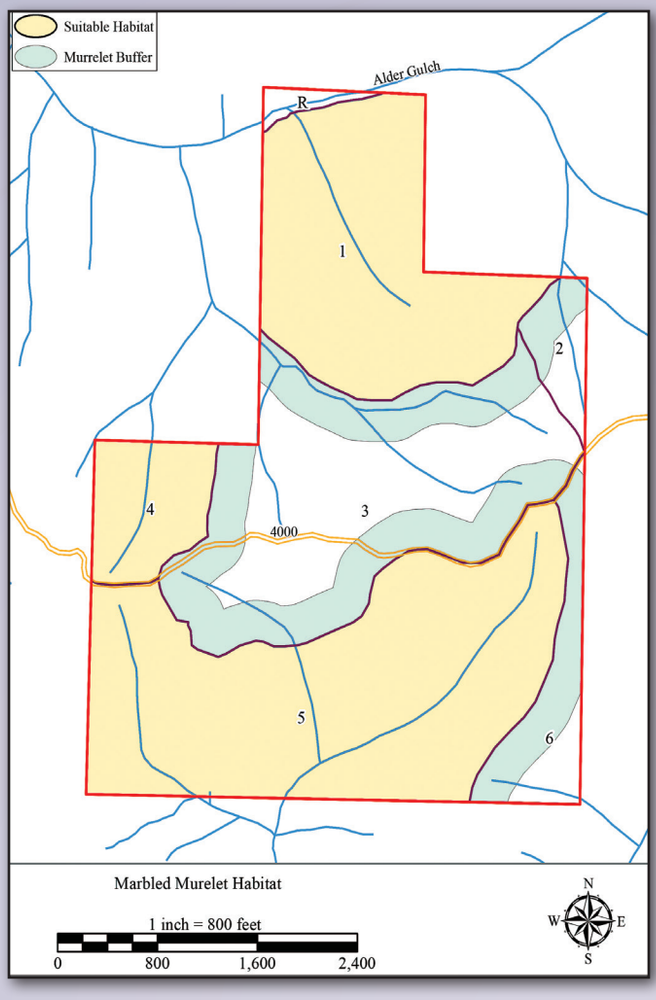
Benson Ridge contains 89% of all 46-50 year old timber, providing near term cash flow

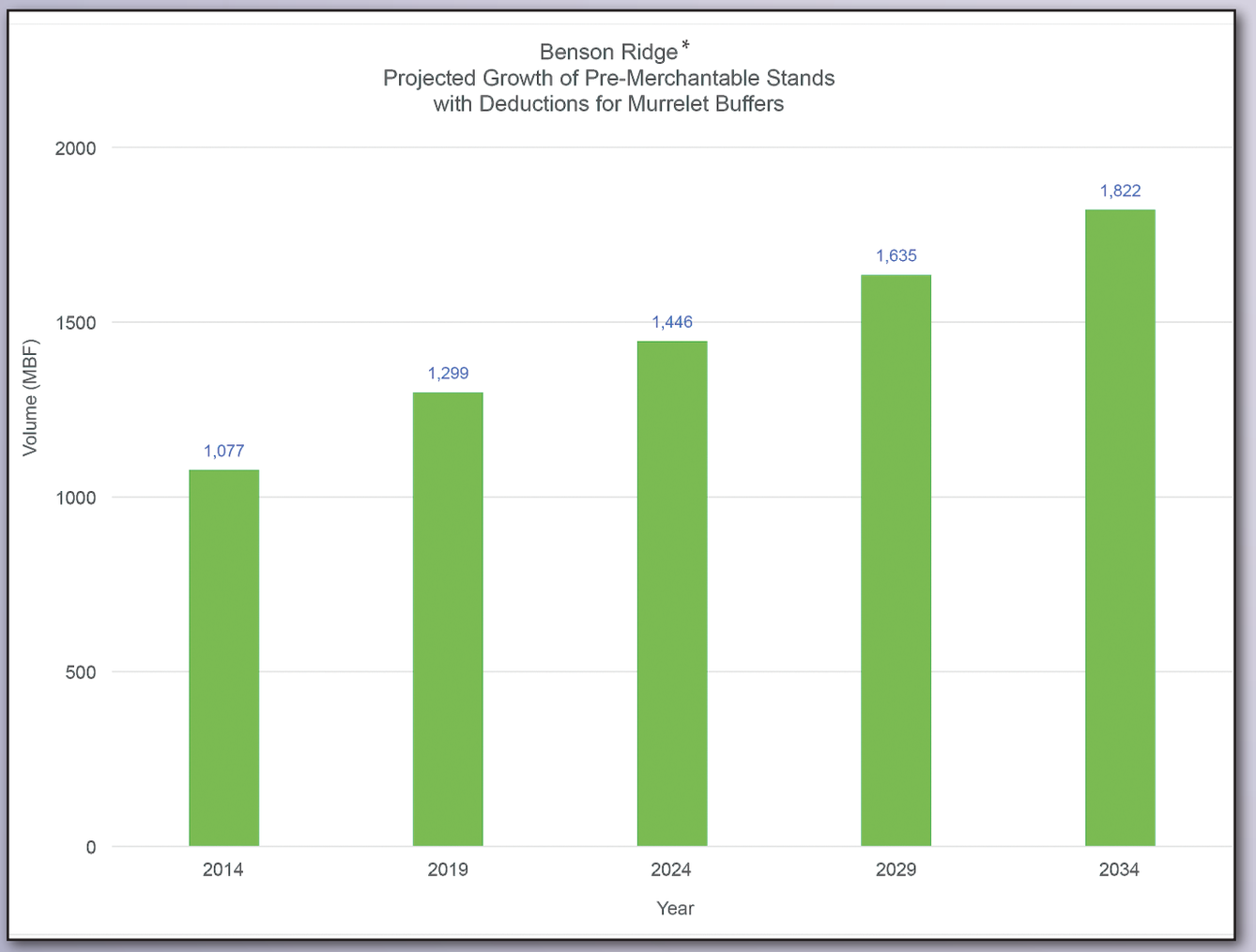


Young stand located along Elliott State Forest Road 4000

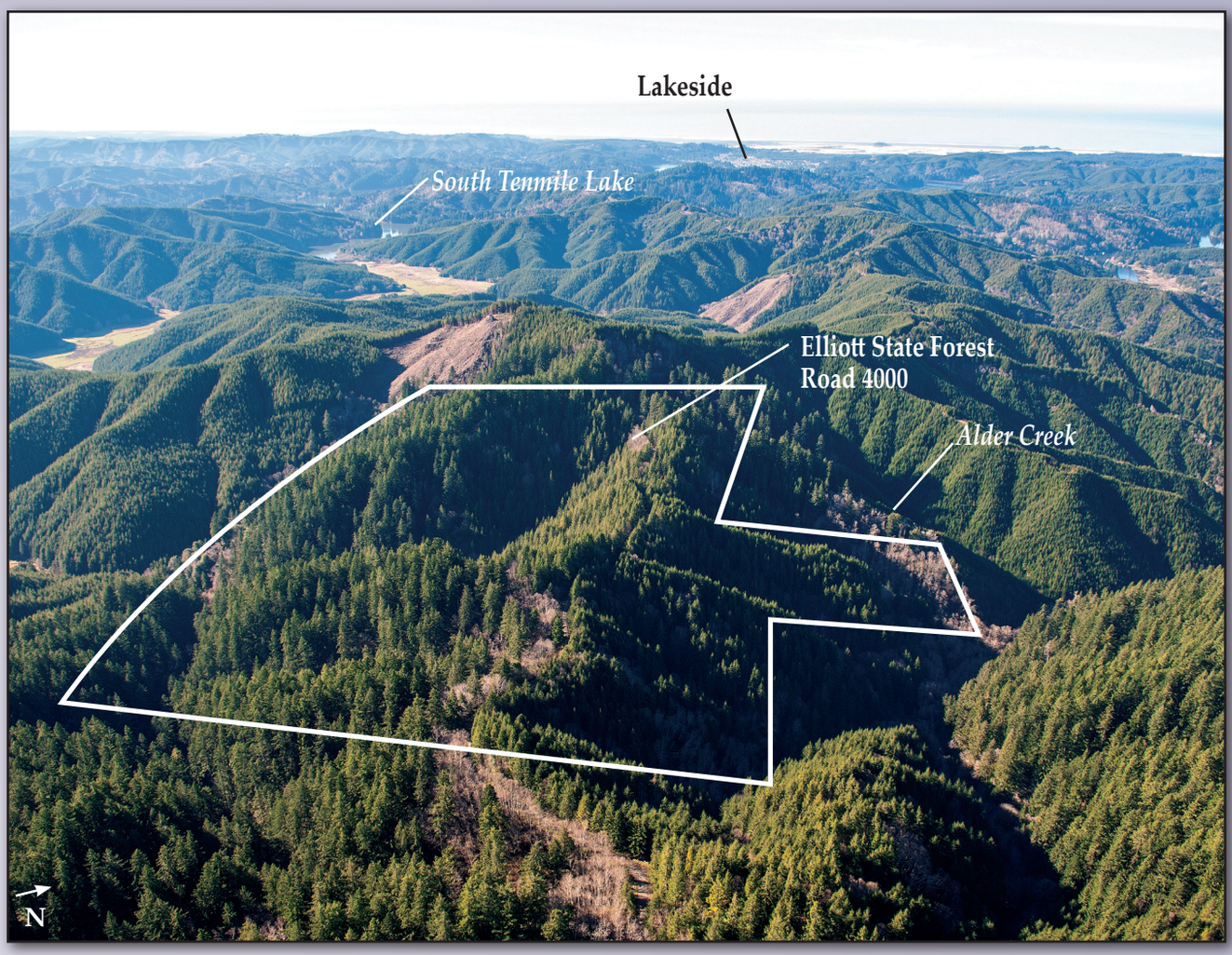


Elliott State Forest Road 4000

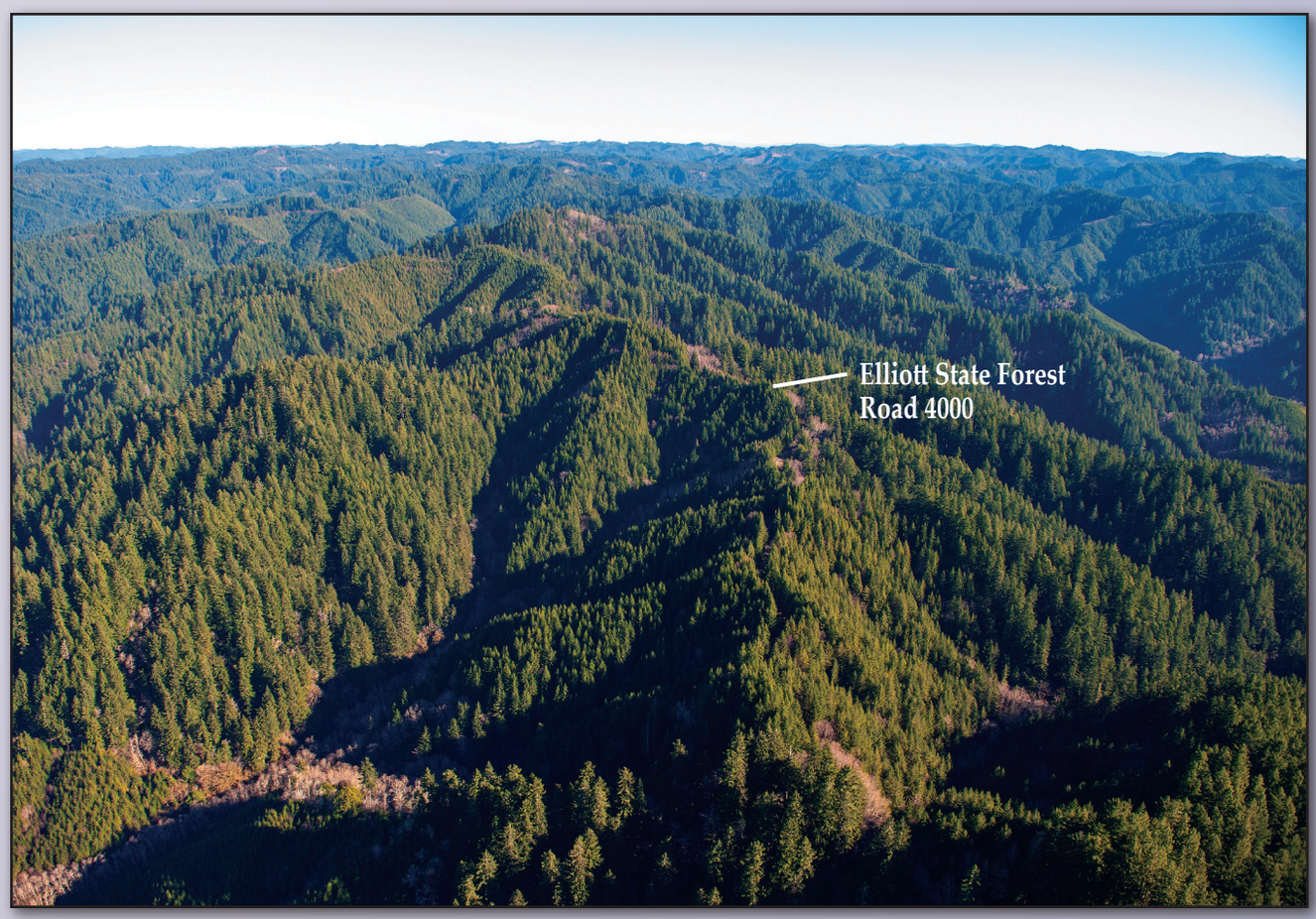




** Source: Northwest Forestry Services*



View from southeast section

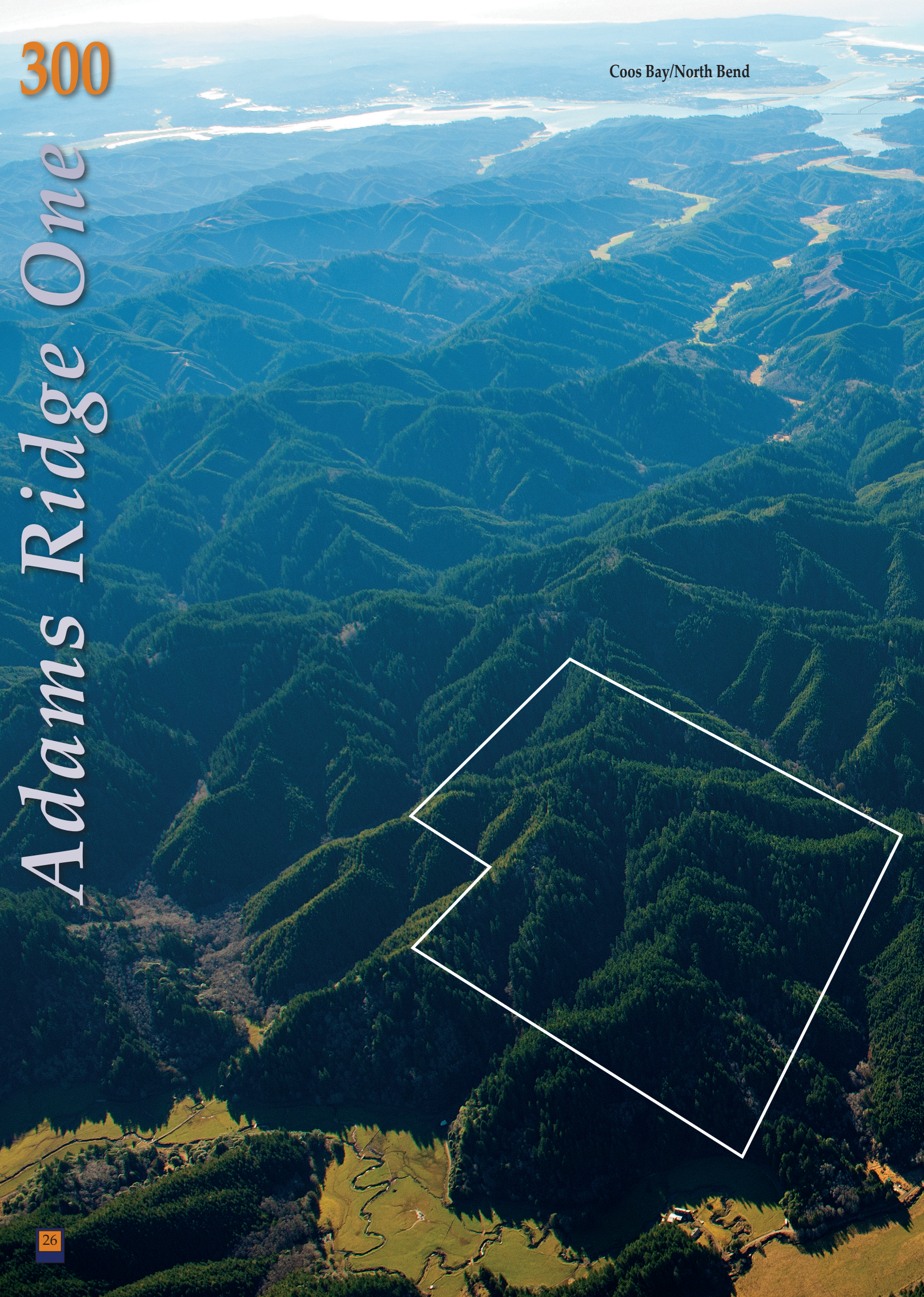


View east of cover types 4/5

300

Coos Bay/North Bend

Adams Ridge One




Templeton Arm
Robertson Creek
Johnson Creek



Note: Adams Ridge Tracts 2 and 3 will be offered in Fall 2014 Auction

300 *Adams Ridge One*
Coos County, Oregon



PUBLISHED RESERVE: $595,000

SIZE: 310± Acres

ELEVATION: 150± to 800± Feet

DOUGLAS-FIR SITE INDEX: 112

ZONING: Forest/Big Game Sensitive Overlay

ODFW WILDLIFE MANAGEMENT UNIT: Tioga

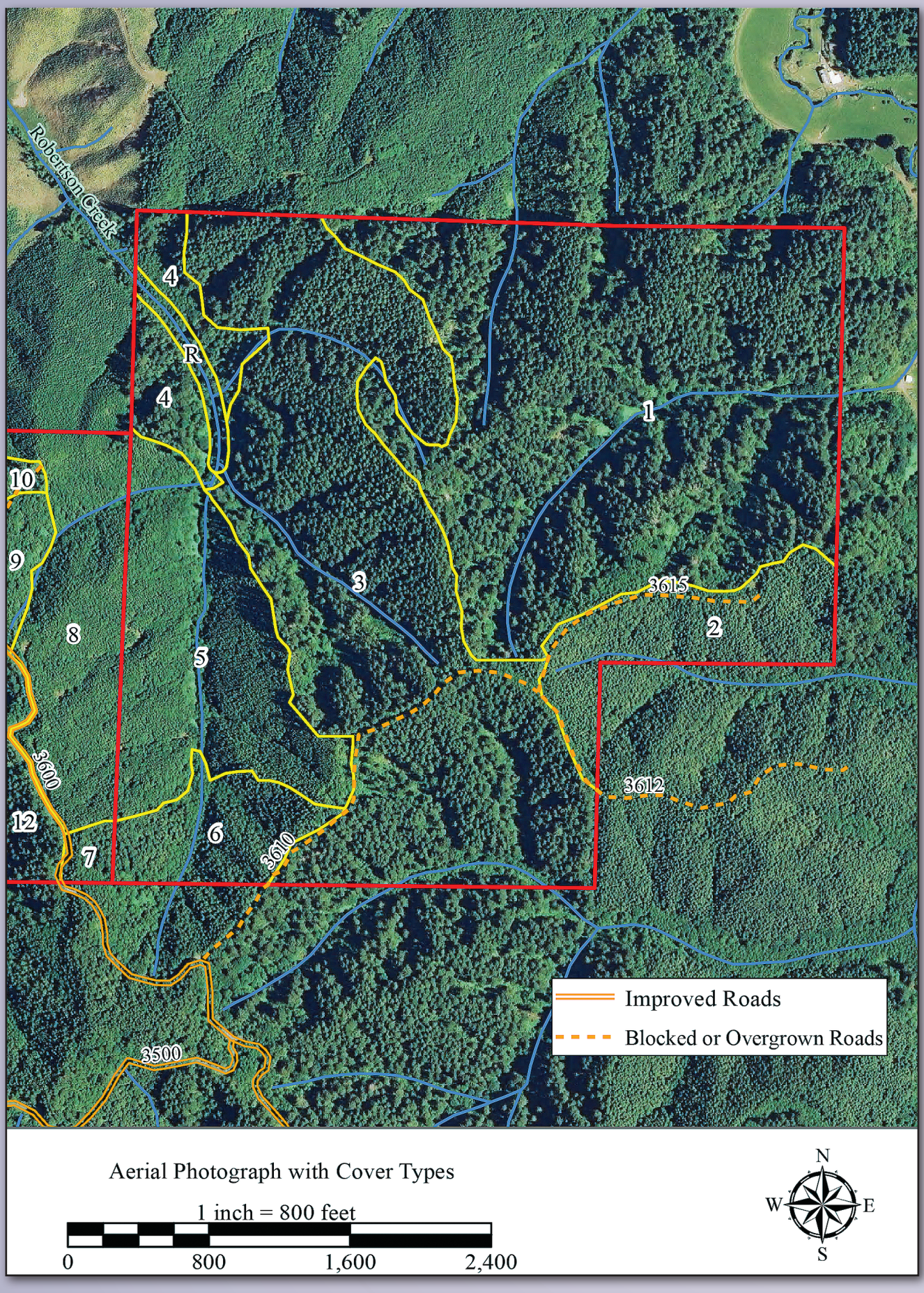
DESCRIPTION: The Adams Ridge One tract is located along the southwestern edge of the Elliott State Forest and is contiguous to the Adams Ridge Two and Adams Ridge Three tracts which contain a total of 1,315± acres. Adams Ridge Two and Three will be offered in a Fall 2014 Auction. Access to Adams Ridge One is from Highway 101 along Shutters Landing Lane to Templeton Lane. Elliott State Forest Road 3600 provides access through Adams Ridge Two and the other state forest lands near the southwest corner of the auction property. The 3610 spur road provides the only access to the property. It is blocked, and access is by ATV only. The seller will provide an easement along the 3600 road.

The topography is steep and the existing spur road (3610) needs to be improved, with additional road construction required. Logging with cable systems is needed due to steep slopes. Robertson Creek, a small fish bearing stream, is located in the northwest corner of the property.

The Oregon Board of Forestry is the adjoining owner to the



3610 Spur Road provides access from the 3610 Road, and improvements to the road will be required


Robertson Creek
4
R
4
1
10
9
3
3615
2
8
5
3600
12
6
3612
7
3610
3500
Improved Roads
Blocked or Overgrown Roads
Aerial Photograph with Cover Types
1 inch = 800 feet
0
800
1,600
2,400
N
W
E
S

Adams Ridge Tract 1

Cover Type Summary by Size, Age, Volume

#	Size (Ac.)	Age	Net Volume (MBF)
1	117.5	139	6204
2	19.1	33	227
3	105.0	124	6272
4	12.3	98	477
5	37.9	25	Not applicable
6	13.2	38	177
RMA	3.0		
Total	**308**	**Acres**	**13,357 (±MBF)**

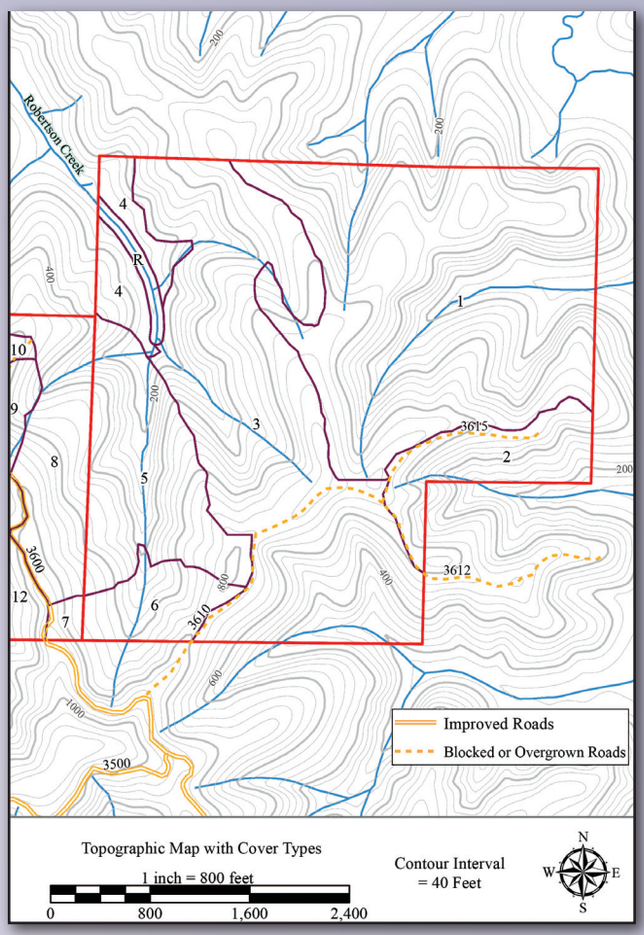
south, with a private timber company to the north and Adams Ridge Two tract to the west. The Oregon Department of Forestry and Adams Ridge Two are both within the boundaries of the Elliott State Forest.

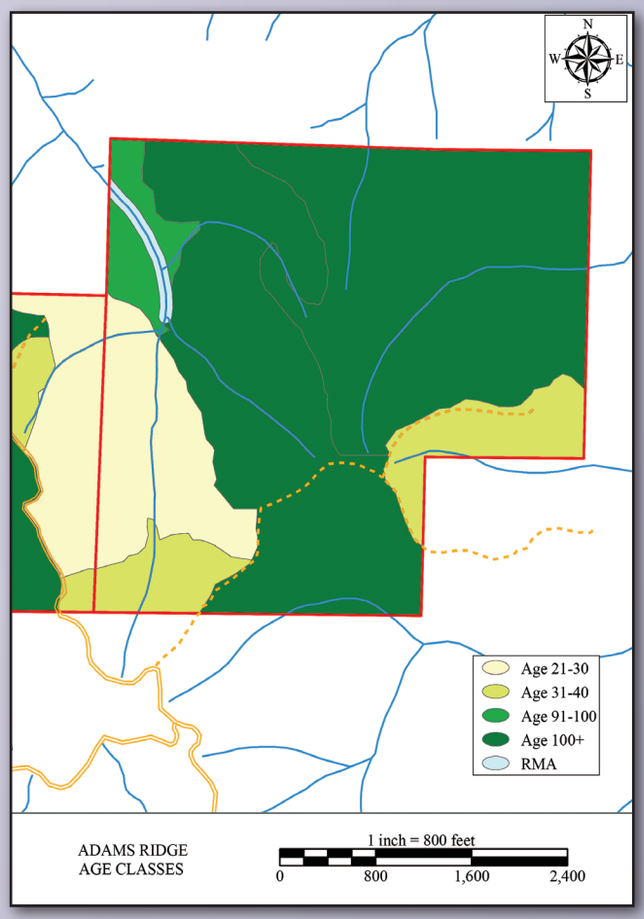
There is an estimated 13,357± MBF of primarily 98± to 139± year old-Douglas fir on 234± acres, with the 25± to 40± year old pre-merchantable timber located in both the southeast and southwest sections of the tract on 70 acres. It is projected that within 25 years the volume will be 886± MBF, including deductions for Murrelet buffer. The current volume is 216± MBF.

The property has not been surveyed for Marbled Murrelet. It has been estimated by Northwest Forestry Services that 235 acres, or 76% of the Adams Ridge One tract, has habitat suitable for Murrelet, and that an additional 37± acres, or 12%, can be used as buffer.

The estimated timber value, based on the October 2013 appraisal, is $3,763,000 prior to its discount of 90%, and the pre-merchantable timber value is $185,000, prior to its discount of 50%, to reflect risk inherent in future harvests .

LOCATION: Township 23 South, Range 12 West, Section 35 (Tax Lots 100, 200, 300 and the N ¼ of SE ¼ , which is a portion of Tax Lot 600) and Section 36 (Tax Lot 500).





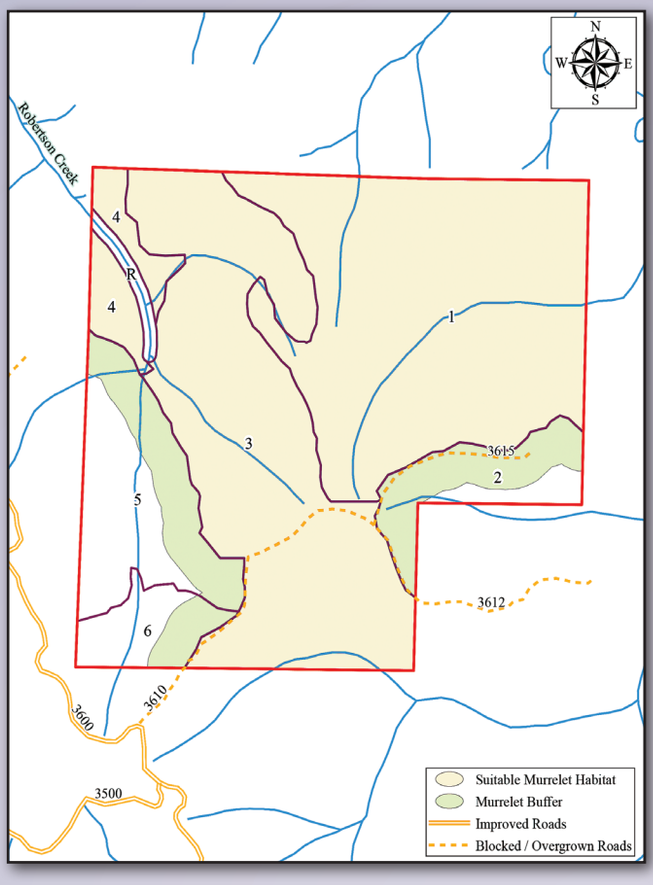
30% of the property contains pre-merch

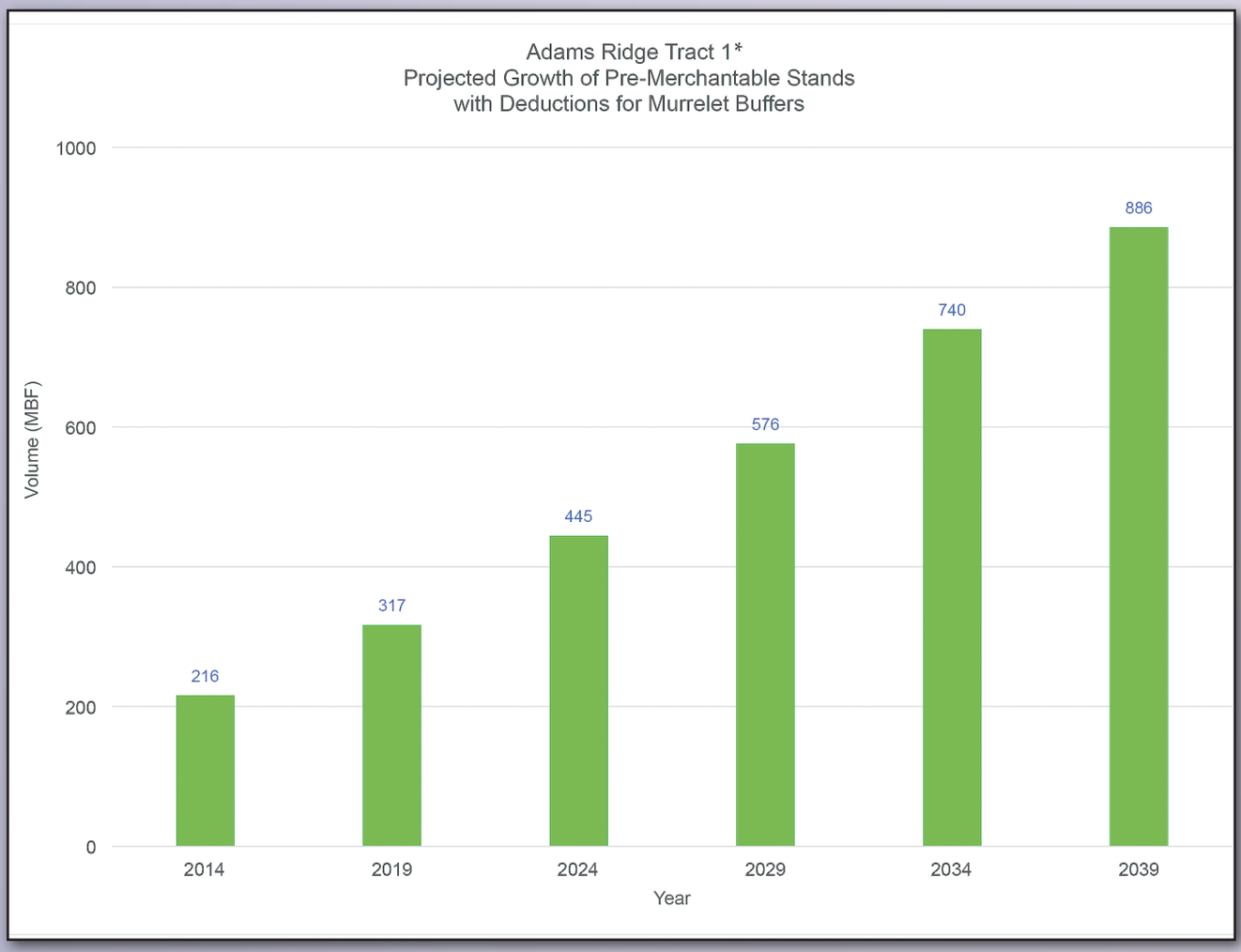


View of northeast corner from Templeton Road

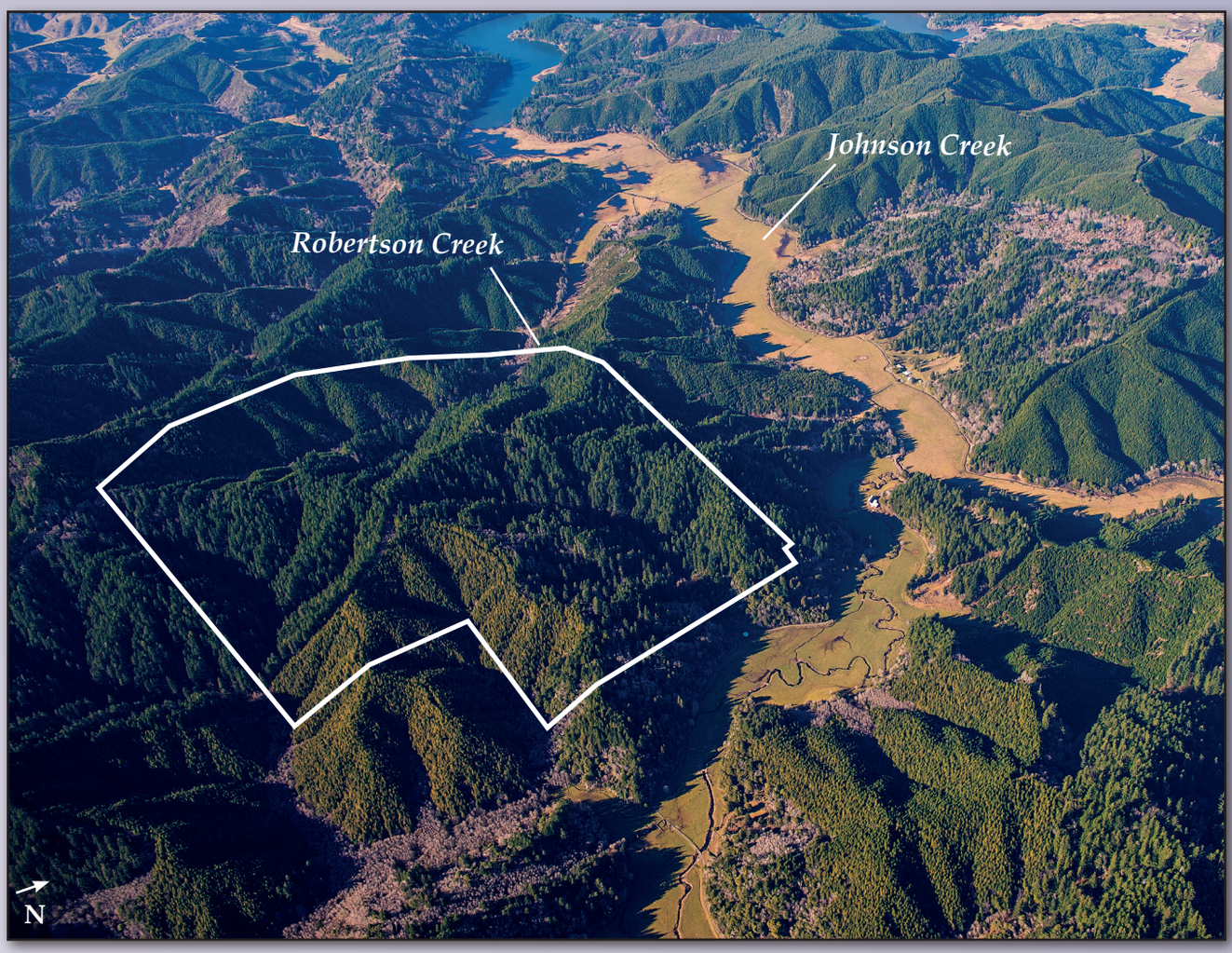


3610 spur road in southwest corner

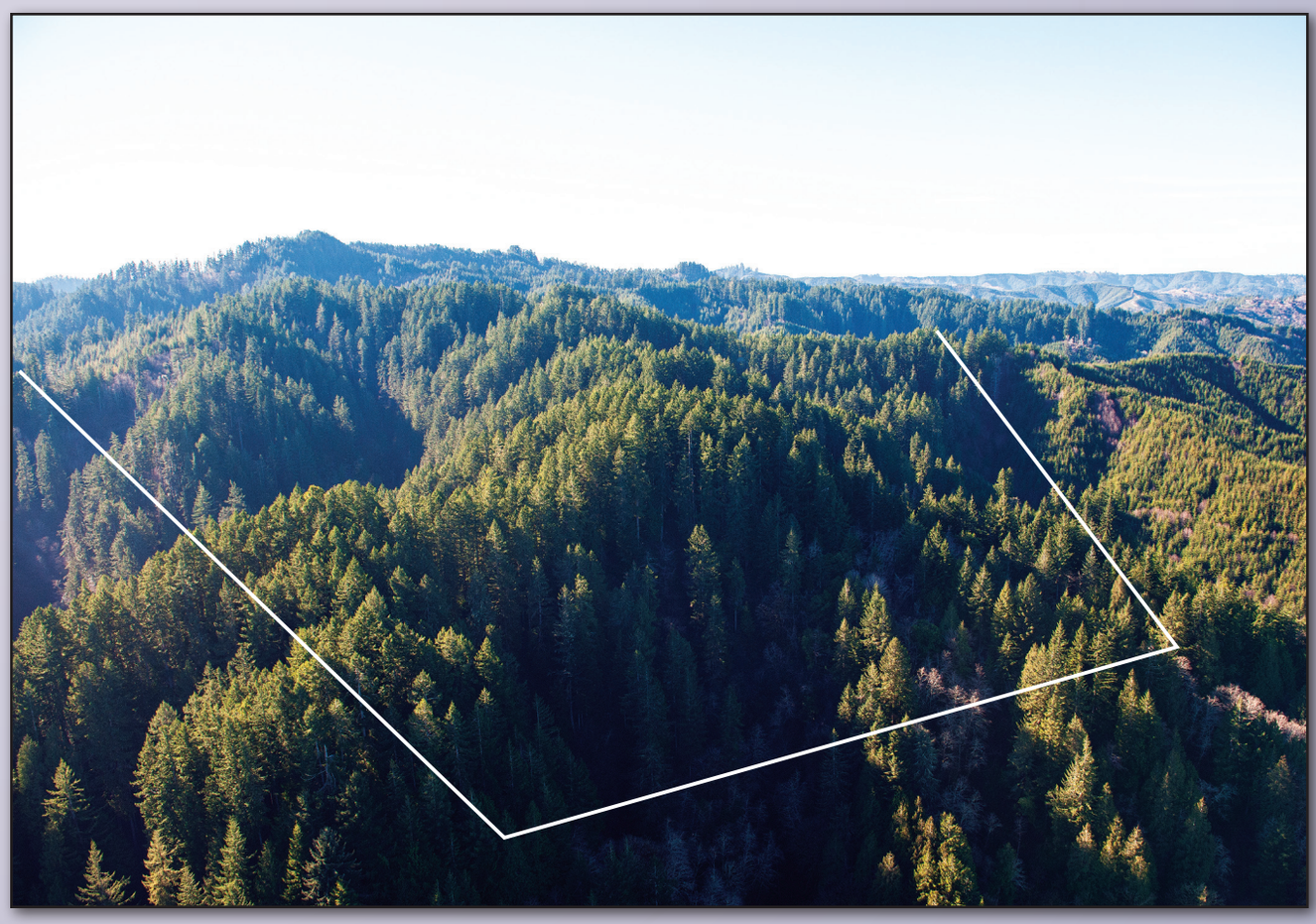




** Source: Northwest Forestry Services*



View northwest



View from southwest



View west to Johnson Creek



3610 spur road in southwest corner

TERMS AND CONDITIONS OF AUCTION #1401

REALTY MARKETING/NORTHWEST
AUCTION INFORMATION OFFICE

Corporate Office
522 SW Fifth Avenue, Suite 1250
Portland, Oregon 97204

Phones (during regular business hours -
8:30 AM to 5:00 PM Pacific Time):

Portland Metro Area	(503) 228 3248
Toll Free	(800) 845-3524
Facsimile	(503) 242-1814
Email	info@rmnw-auctions.com

SUPPLEMENTAL INFORMATION PACKAGES, with BID DOCUMENTS
Additional detailed information is available for each property. Supplemental Information Packages include all pertinent data provided by the Seller. To request supplemental information, contact the Auction Information Office at 800-845-3524 or email info@rmnw-auctions.com.

SEALED BID DUE DATE
Sealed Bids must be received no later than 5:00 p.m., Friday, March 28, 2014.

BID PROCESS
Sealed bids must be submitted to Realty Marketing/Northwest on the Seller Bid Form no later than 5:00 p.m. Pacific Time March 28, 2014. Bids must be accompanied by a signed earnest money agreement and a certified or cashiers check, in the amount of 10% of the bid amount, made payable to Realty Marketing/ Northwest Client Trust Account (RMNW CTA) as earnest money deposit. Due diligence must be completed prior to bid submission. Bidders will be notified of acceptance, or rejection, of bids no later than April 4, 2014. Unsuccessful Bidders' earnest money deposits will be returned within three (3) business days of Seller's rejection.

Earnest money deposit from the successful Bidder will be considered earned and become non-refundable liquidated damages in the event of Buyer default.

PUBLISHED RESERVE PRICES
The properties are being offered with published reserve prices, which is the Seller's minimum selling price. The Seller is committed to sell the property to the high bidder at, or above, the published reserve price.

FINANCING
None – All Cash

COOPERATING BROKERS
Broker cooperation is invited. A commission of 2% will be paid to the real estate agent whose Buyer closes on the purchase of any Auction Property. The real estate agent must be a broker currently licensed by his/her state of residence or a salesperson licensed under such broker. Cooperating broker commissions will be paid upon close of escrow. Cooperating brokers will not share in any payment of liquidated damages.

No real estate agent will be recognized for a Buyer where that Buyer has previously contacted, or been contacted by, the Seller, or Realty Marketing/ Northwest, concerning the Auction Property purchased. No commission will be paid to any real estate agent participating as a principal in the purchase of the property. The commission will be earned and paid upon the full and final closing by the Buyer on the conveyance of the property and the receipt of the full purchase price by Seller. No exceptions to this procedure will be made and no oral registrations will be accepted.

CLOSING
All sales must close within 45 days of Seller's acceptance, unless extended by the Seller, in writing.

CONDITIONS OF SALE
• Properties to be sold with a covenant restricting the timber harvested from the property from being exported.

• Seller is not responsible for any bidder's failure or inability to inspect any Parcel.

• None of the Parcels have been surveyed. The acreages used for the sale have been estimated through GIS mapping. Seller has made every effort to provide a reasonably accurate size measurement for each Parcel, but is not responsible for inaccuracies in the size of any Parcel. Similarly, Seller has relied on a number of sources for other information provided in connection with the Parcel and makes no guarantee or warranties for the accuracy of this information.

• Seller will not provide title insurance for any of the Parcels offered for sale.

• Title to each Parcel will be conveyed by statutory bargain and sale deed, in fee simple, EXCEPTING subsurface minerals and geothermal rights, which will be retained by Seller.

• The buyer will be responsible for all closing costs, including but not limited to all fees for title insurance (if desired), closing fees, recording fees, handling of the financing payments, deed and document preparation fees.

• Seller has not conducted, nor does it intend to conduct, any environmental site review (Phase 1 or otherwise) on the offered Parcels.

ADDITIONAL CONDITIONS

(A) No claim will be considered for allowance, adjustment or rescission based on failure of the property to correspond to any particular expectation or standard, other than the Preliminary Title Report.

(B) Title insurance is available for each property at Buyers sole cost and expense, ensuring the title of such property to be in fee simple, subject to no encumbrances except current taxes and assessments, easements, rights of way, reservations, covenants, conditions and restrictions of record, purchase money financing and printed exceptions in the standard form Owner's Title Policy. A copy of the Preliminary Title Report for each property may be inspected prior to the Auction.

(C) To the extent permitted by law, properties will be sold "As Is". Prospective buyers should examine the property and all supporting documentation carefully. Each bidder is responsible for evaluating the property and shall not rely on the Seller or sales agents. All buyers will take possession at the close of escrow.

(D) Sizes set forth for the properties are approximations only, based on the best information available, but the actual sizes may be different.

(E) Agency Disclosure. The selling and listing agent, Realty Marketing/ Northwest, represents the Seller in these transactions.

(F) Seller has the right to postpone or cancel the Auction in whole or in part, at its sole discretion, and to modify or add any terms and conditions of sale and to announce such modifications or additional conditions either prior to, or at, the Auction.

(G) Offer void where prohibited. Catalog will not be mailed to residents of any state in which this offering is not in compliance with the real estate laws or other laws of that state.

(H) The information contained here has been gathered from sources deemed reliable; however, Realty Marketing/Northwest makes no warranties expressed or implied as to the accuracy of the information contained here.

Need Help?

Realty Marketing/Northwest prides itself on the quality of its service. If at any time you need assistance please contact John Rosenthal, President, at (800) 845-3524 or (503) 228-3248.

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