

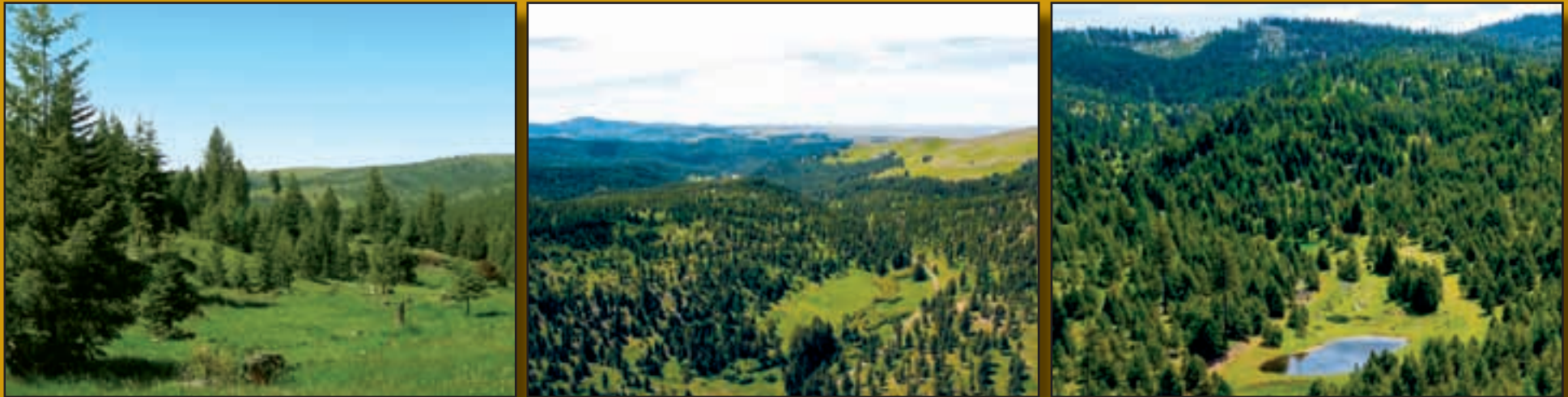


# REAL ESTATE AUCTION

Eastern Oregon Elk Hunting, Recreation and Timber Property

**Wilson Creek – 5,235± Acres**

Morrow County, Oregon



Strategic location at gateway to the Blue Mountains, next to Umatilla National Forest and within a three-hour drive of Portland

Spectacular meadows along Wilson and Caplinger Creeks, and new cabin

Well-stocked stands of ponderosa pine and Douglas-fir,  
providing long-term forestry investment

SEALED BIDS DUE AUGUST 20, 2014

## THE OPPORTUNITY

The 5,235± acre Wilson Creek Tract is one of the largest blocks of private timberland located at the gateway to eastern Oregon's Blue Mountains having a combination of well-stocked stands of ponderosa pine, Douglas-fir and western larch, providing a long-term forestry investment and exceptional landscape for hunting and recreation. There is a newly-built owner's cabin and the property has views west to Mt. Hood, Mt. Jefferson, Mt. Adams and Mt. Rainier.

The Wilson Creek Tract is located 12± miles southeast of Heppner, between the Rhea and Willow Creek drainages, and has been managed as commercial timberland for over 75 years. It was part of the Kinzua Pine Mill Company's original ownership, and provided logs to mills located in nearby Heppner and in the company town of Kinzua, east of Fossil in Wheeler County.

There is an airport in Lexington, near Heppner, that can accommodate private jet aircraft, and I-84 is within a 40-minute drive of Heppner.

The property extends over four miles north to south from Summerfield Canyon to Rhea Creek drainage, to nearly three miles west to east from Wilson and Caplinger Creek drainages to Cutsforth County Park, Willow Creek and Blue Mountain Scenic Byway.

Topography ranges from 3,700± feet to 5,300± feet and the property has 9.5± miles of frontage along Wilson, Alder and Caplinger Creeks, with a number of large meadows that could be used for additional cabins, a hunting base camp or owner's residence with horse facilities.

The Wilson Creek Tract has numerous springs plus twelve stock tanks which have been installed in order to enhance habitat for wildlife. Additional conservation opportunities exist for a new owner to fence and restore 200± acres of riparian areas along all three creek drainages, which are all fish-bearing streams.



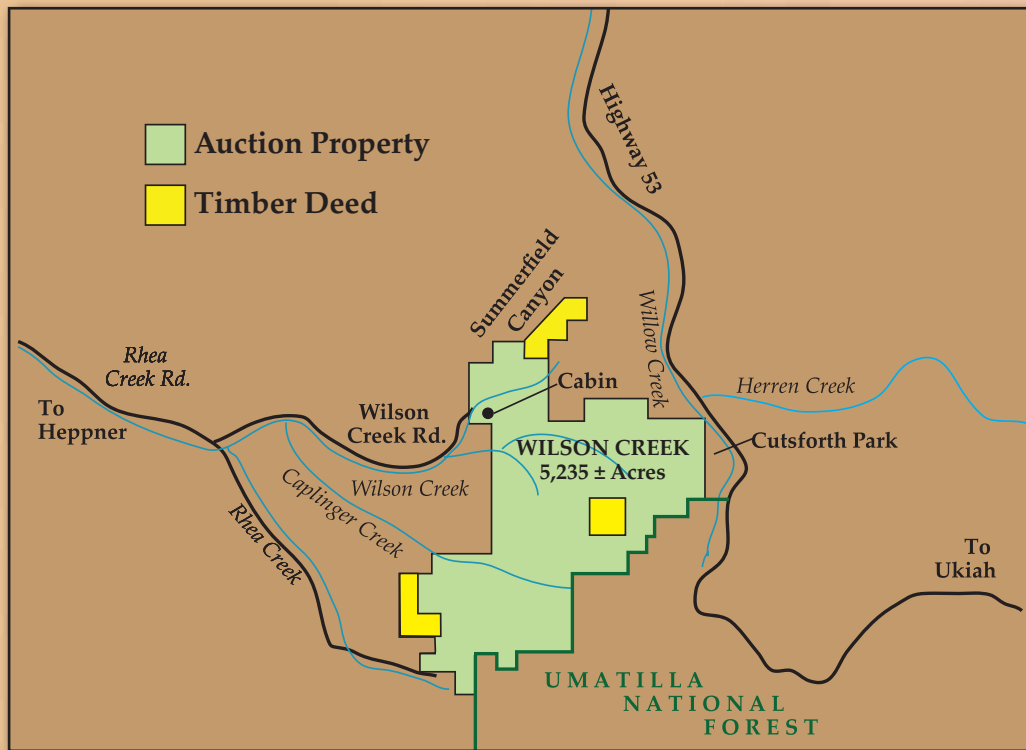
*Cabin overlooking Wilson Creek*



*Meadow along Wilson Creek below cabin*



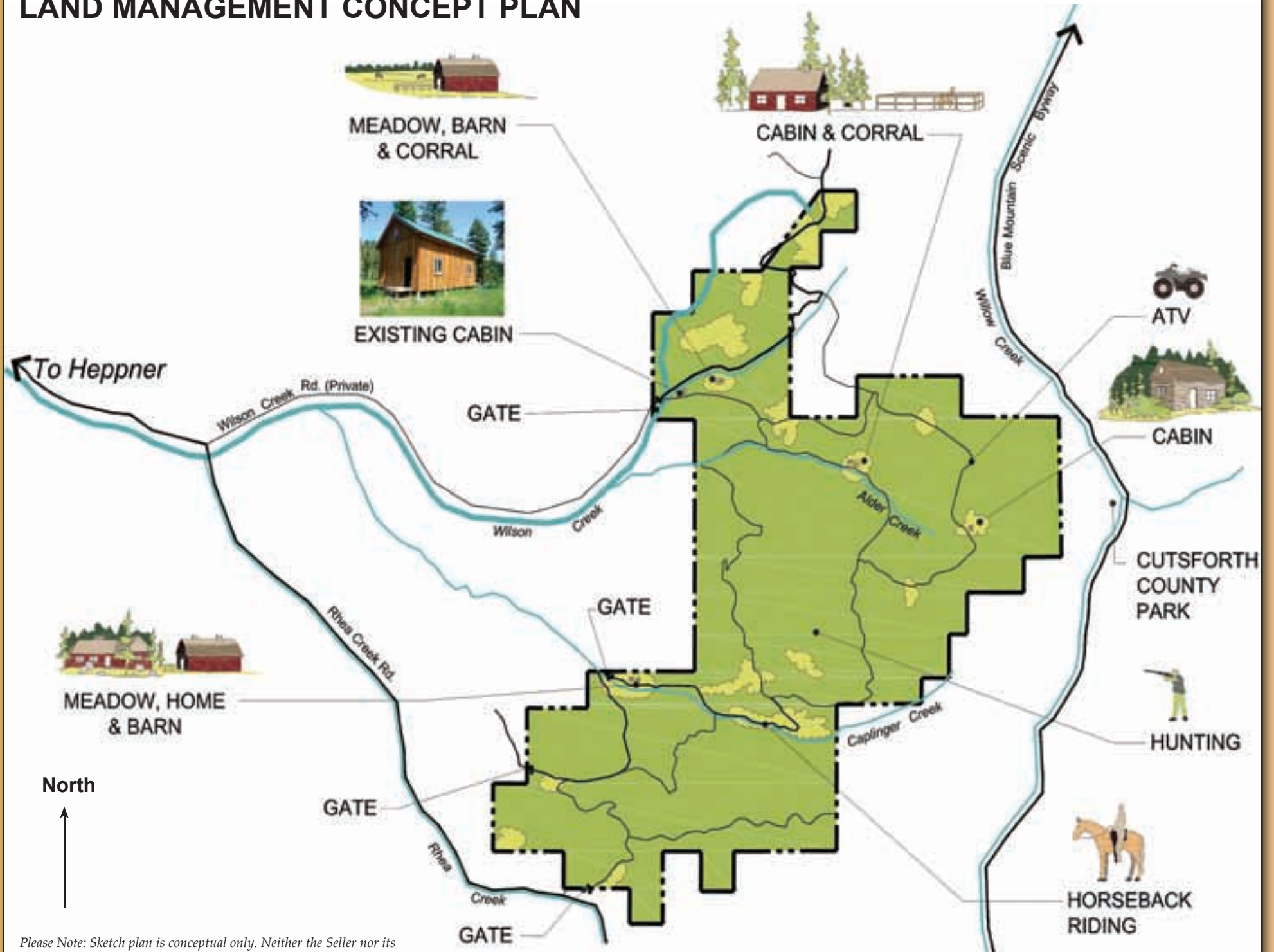
*Cabin built in 2009*



There are over 2 miles of Caplinger Creek frontage

AND BID PACKAGE CALL 1-800-845-3524

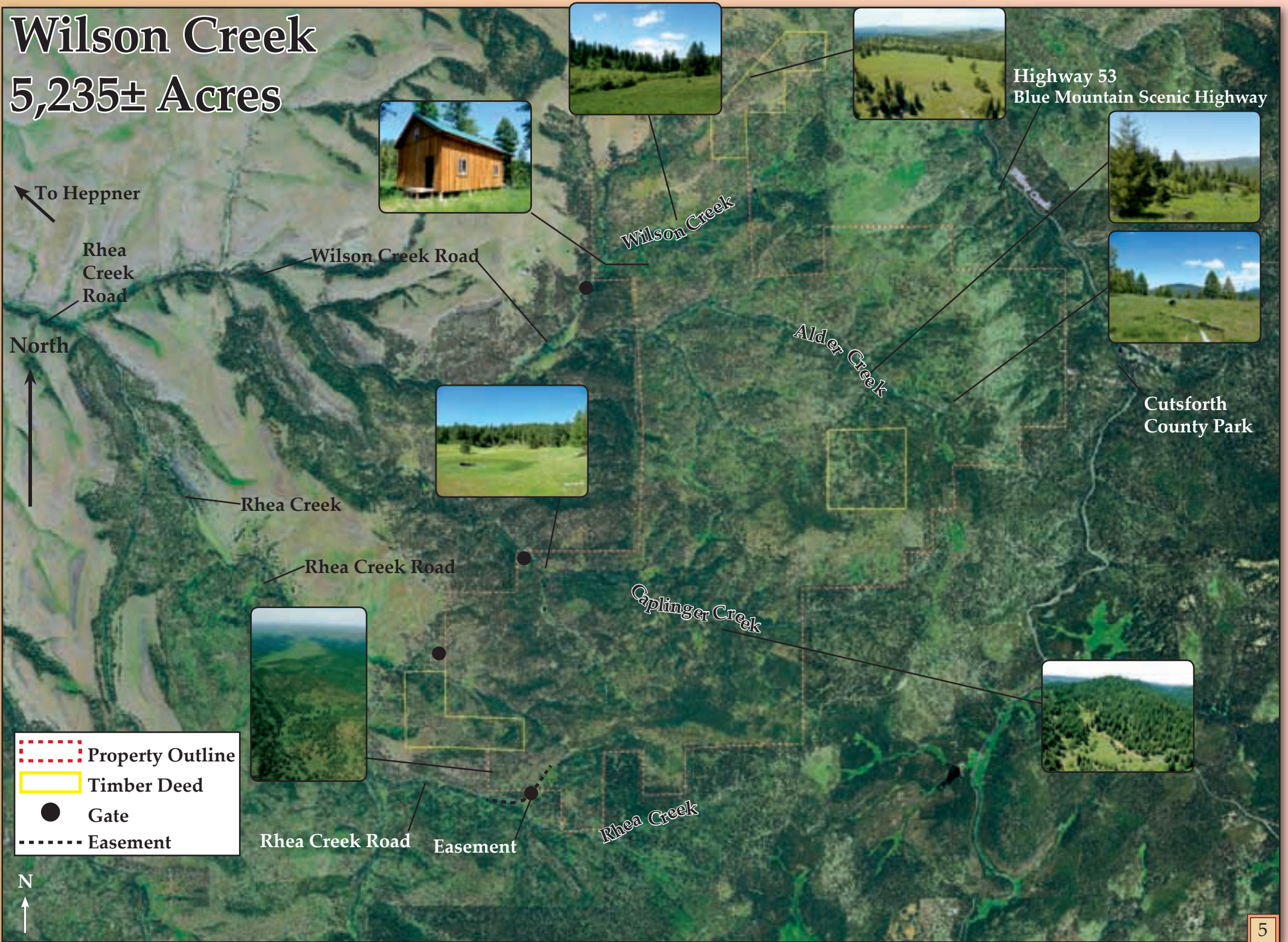
# LAND MANAGEMENT CONCEPT PLAN



Please Note: Sketch plan is conceptual only. Neither the Seller nor its agents have submitted plan or made any applications to a public agency.

# Wilson Creek

5,235± Acres



There is a good system of internal roads, with gated entries in the northwest from Wilson Creek Road, and in the southwest via an easement to Rhea Creek Road, which provide access throughout the Tract. Heppner is approximately a 30 minute drive from the property.

The Umatilla National Forest boundary is along the southeast section and several large private cattle ranches are to the west and southwest.

Grazing rights to the Wilson Creek Tract were exchanged in 1996 for a timber deed which covers 475± acres and are part of the sale. Grazing and timber rights expire in 2061. Thompson Ranches owns the grazing rights and has been a good steward of the property. Grazing from June through early October reduces fire hazard. Additionally, the 12 stock tanks installed by Thompson Ranches have enhanced grazing and wildlife attributes. The cabin and area surrounding it is fenced-off from grazing. The new owner will have the ability to work with Thompson Ranches in further improving the property through additional conservation and restoration projects.

Wilson Creek is within the Heppner Hunt Unit and is an outstanding recreation and hunting property, with excellent habitat for Rocky Mountain elk, mule deer, and turkey. Its proximity to the Umatilla National Forest as well as to meadows along Wilson, Caplinger and Alder Creeks, with open ridge tops, has created a favorable hunting environment. An existing hunting lease expires in December 2014, providing opportunity for the new owner to develop a private hunting preserve.

The Wilson Creek Tract is also an exceptional timber property due to its well-stocked stands of timber which cover an estimated 3,529 acres, an additional 1,538± acres that has residual timber, and some young natural and planted



*View along Wilson Creek by cabin*



*Wildlife and stock tanks are located throughout the property*



*Elk in Section 17 on Timber Deed Tract*



*Meadow north of Caplinger Creek*



*Helicopter landing by Caplinger Creek Meadow in Section 31*



*Stock pond  
in Section 36  
near Caplinger  
Creek*

regeneration. Less than 12% of the property is considered non-timberland, and an estimated 200 acres of riparian area is located along the three creek drainages.

The property has 2,300± acres of north-facing slopes that provide additional productivity as a long-term forestry investment. Pre-commercial thinning of overstocked stands could increase overall productivity for the property.

There is an estimated total of 5± million board feet, with 48% of the volume being ponderosa pine, 22% Douglas-fir, and the balance primarily western larch and true fir.

It is projected that within the next twenty years the volume will exceed 11.3 million board feet, providing both near-term cash flow and long-term asset growth.

The Wilson Creek Tract has nearby domestic pine and fir log markets in John Day, Pilot Rock, Pendleton and La Grande. There are also pellet mills in both John Day and Pilot Rock. In addition, an export facility in Umatilla handles Douglas-fir.

Acquisition of the 5,235± acre Wilson Creek Tract and timber rights to the additional 475± acres provide an exceptional opportunity to own a well-blocked, productive timberland property with the added benefits of hunting and recreation, located at the gateway to the Blue Mountains and proximity to the North Fork John Day River Valley.

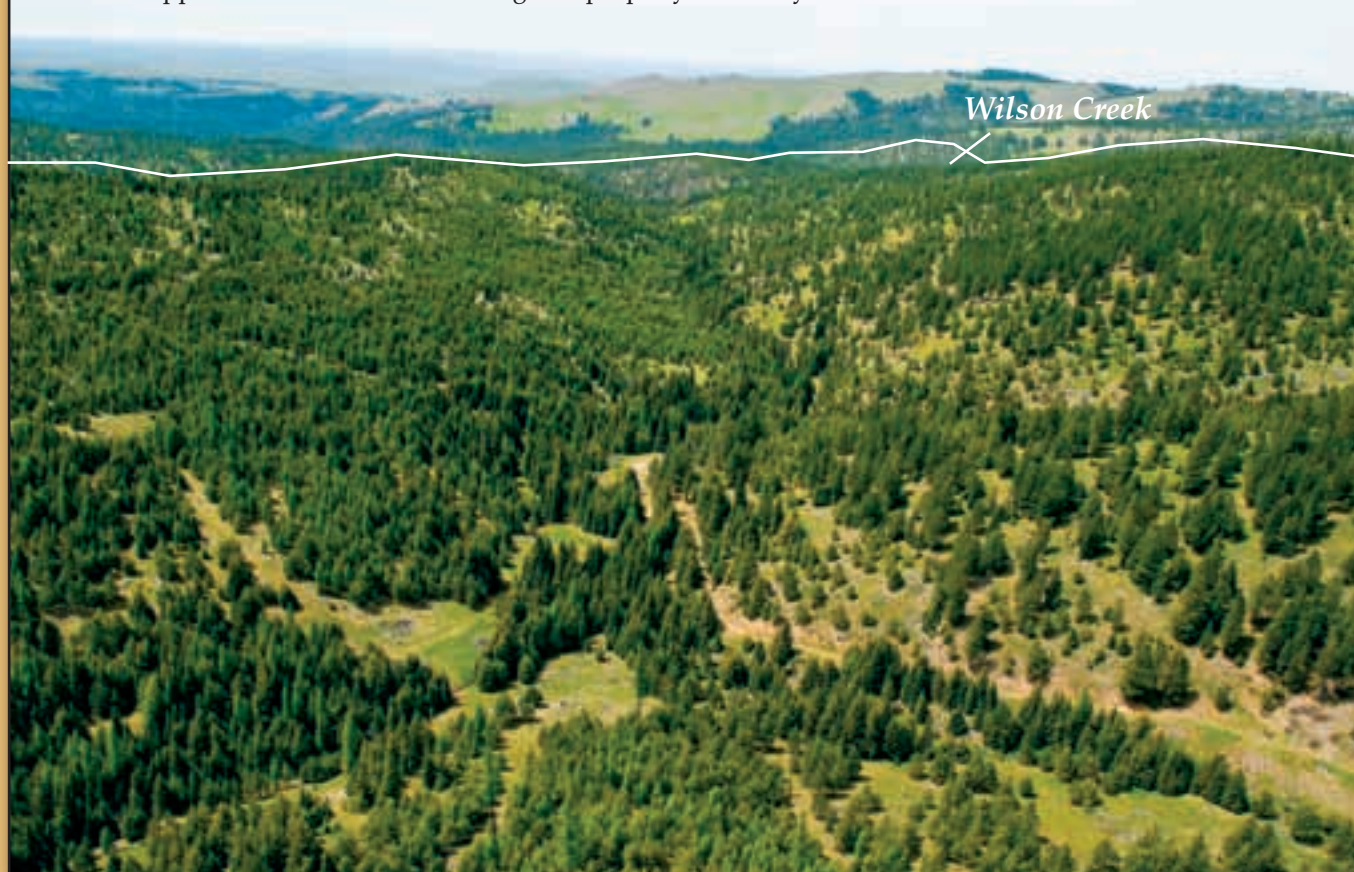
#### **PUBLISHED RESERVE PRICE**

A published reserve price of \$2,250,000 has been established by the Seller for the property. The price is \$430 per acre for the 5,235± acres of fee ownership.

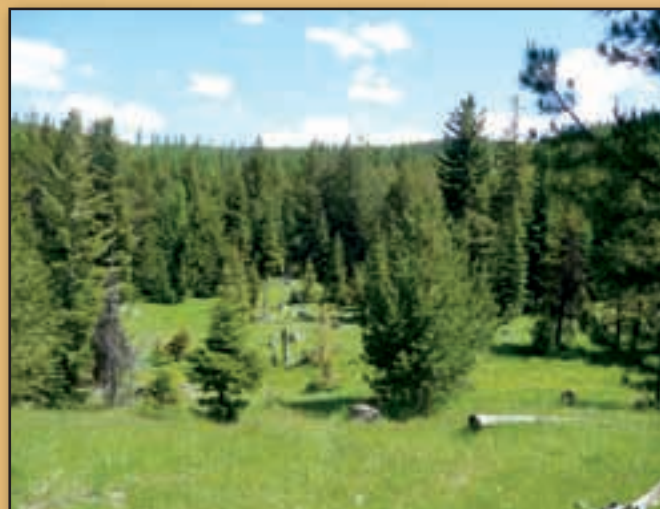
#### **LAST ASKING PRICE**

First time offered by the Seller.

Please see Supplemental Information Package for property boundary detail



*View northeast from Section 29 of meadows and main logging road*



*Well-stocked stand of young regeneration in Section 29*



*Meadow in Section 29*

*Large meadow  
along Caplinger  
Creek in  
Section 31*



*Caplinger Creek*



### FINANCING

None – all cash. Northwest Farm Credit Services may have financing available for qualified parties. Please contact Gina Bryan at 1-800-838-4374 or gina.bryan@northwestfcs.com.

### INSPECTION

Locked gates – entry permit required. Please contact the Auction Information Office at 1-800-845-3524 for entry permit, gate combination, and directions.

### TIMBER INVENTORY

Arrowhead Forestry, LLC, located in Pendleton, Oregon, was retained in order to prepare an update to the timber inventory. Timber inventory is being provided as a courtesy to the bidder, and is in no way warranted or guaranteed by Arrowhead Forestry, LLC, Realty Marketing/Northwest, or the Seller.

### CONTAINED IN SUPPLEMENTAL INFORMATION PACKAGE WITH BID DOCUMENTS:

• Timber map outline shows the stands by the following criteria:

- High volume            3.8+ BF/AC
- Medium volume        1.7+ BF/AC
- Low volume            1.0+ BF/AC
- Scattered volume     .45+ BF/AC
- Non-timber and riparian areas

- Estimated MBF by species
- Projected 20-year growth
- Map with estimated acres of north-facing slopes
- Ortho photo with roads and tour route
- Topographic map
- Adjoining ownership map
- Zoning
- Grazing and timber rights
- Hunting lease
- Preliminary title report
- Bid form and instructions



*Well-stocked stands in section 6*



*Wilson Creek*

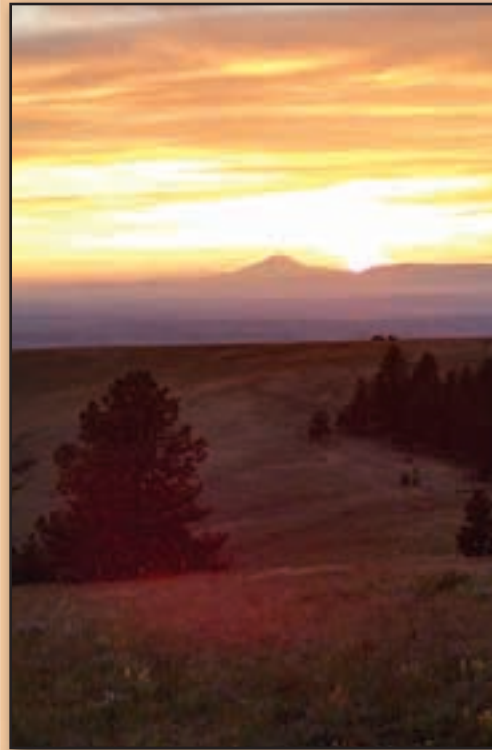
*View southwest from Section 17 to Wilson Creek drainage*



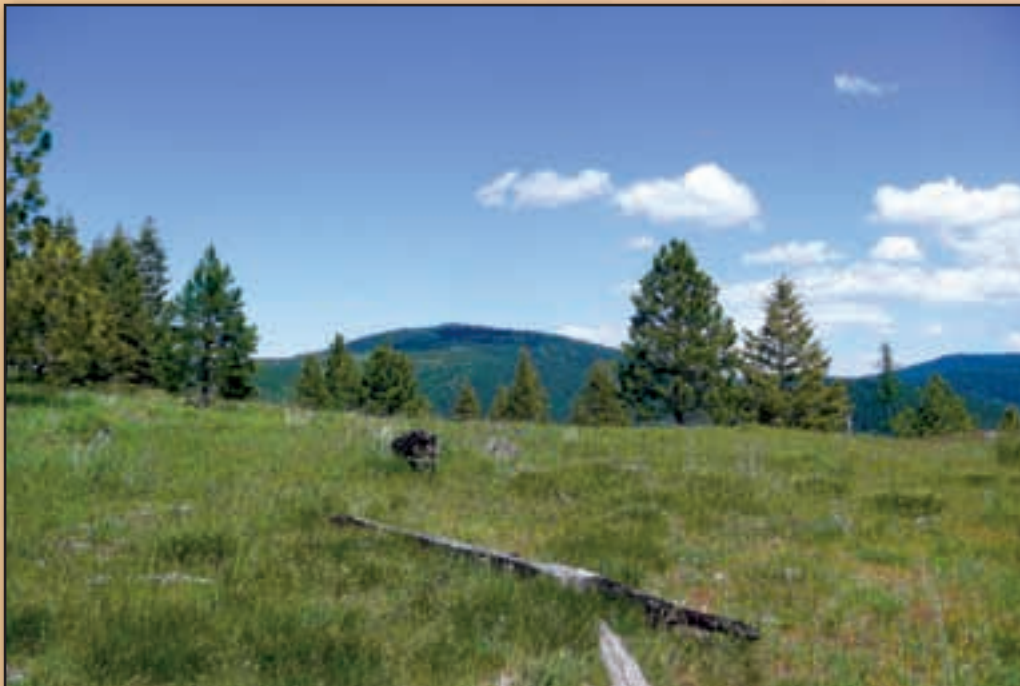
*View of Mt. Hood*



*View west*



*View of Mt. Hood at sunset*



*View from ridgetop to the east*



*View northeast  
from Section  
31 north of  
Caplinger  
Creek*

## THE CABIN

The cabin was recently built, is located in the northwest section of the property, overlooks the meadow along Wilson Creek, and has views west. There is some interior finishing still needed which includes both installation of a wood stove and flooring, and completion of kitchen. The cabin is 30 feet by 25 feet, and has a large sleeping loft. The interior is blue stain pine and the exterior is rough pine siding, with blue metal roof. The cabin is elevated above the ground on concrete piers, and has a covered front porch.

The main level has a two-story great room with antler chandelier and an enclosed bathroom with shower and sink. A portion of the lower level is designed for a kitchen area. The covered deck overlooks the Wilson Creek meadow.

The cabin was designed to use propane cooking and is wired for a generator. Water is available from a spring located on a hillside south of the cabin. An outhouse is located nearby.

An estimated \$20,000 has been invested in the building of the cabin.

## GRAZING LEASE AND TIMBER RIGHTS

A Real Property Exchange Agreement executed in March 1996 between Terry and Karen Thompson, and Pioneer Resources, LLC, exchanged 475± acres of timber rights located within three parcels, for grazing rights, for a term of 65 years. The grazing and timber rights expire in 2061. There is a 160± acre parcel, or inholding, located in Section 31 that has 160± acres at the southwest corner in Sections 1 and 2, and 155± acres in the northwest section by Summerfield Canyon.

There is some residual timber on portions of the timber rights which could provide future harvest income.

The owner of the Wilson Creek property may utilize the lands containing the timber rights for hunting and additional recreation uses.

Please see Supplemental Information Package for property boundary detail



View northwest from Section 3 by Umatilla National Forest



*Kitchen area is ready to be finished*



*Staircase to loft*



*View west from cabin*



*Sleeping loft*



*Antler chandelier*

Thompson Ranches has certain obligations under the grazing rights exchange that are outlined in the agreement and are available in the Supplemental Information Package.

#### HUNTING

The property is located within the Heppner Hunt Unit and the property's size of 5,000± acres provides for up to five land owner preference tags. There is a hunting lease with the Schilling Ranch Hunting Club which will be terminated as of January 1, 2015. A copy of the lease is included in the Supplemental Information Package.

#### ZONING

The Morrow County zoning is FU (Forest Use) which allows, with a conditional use permit, seasonal accommodations for fee hunting or for a dwelling with a minimum parcel size of 240± acres.

#### LEGAL ACCESS

There is legal access via an easement from Rhea Creek Road in Section 12 in the southwest portion of the property. Wilson Creek Road is a private road used by a number of private landowners, and is gated just east of its intersection with Rhea Creek Road. The seller and prior owners have used Wilson Creek Road for a number of years.

#### TAXES

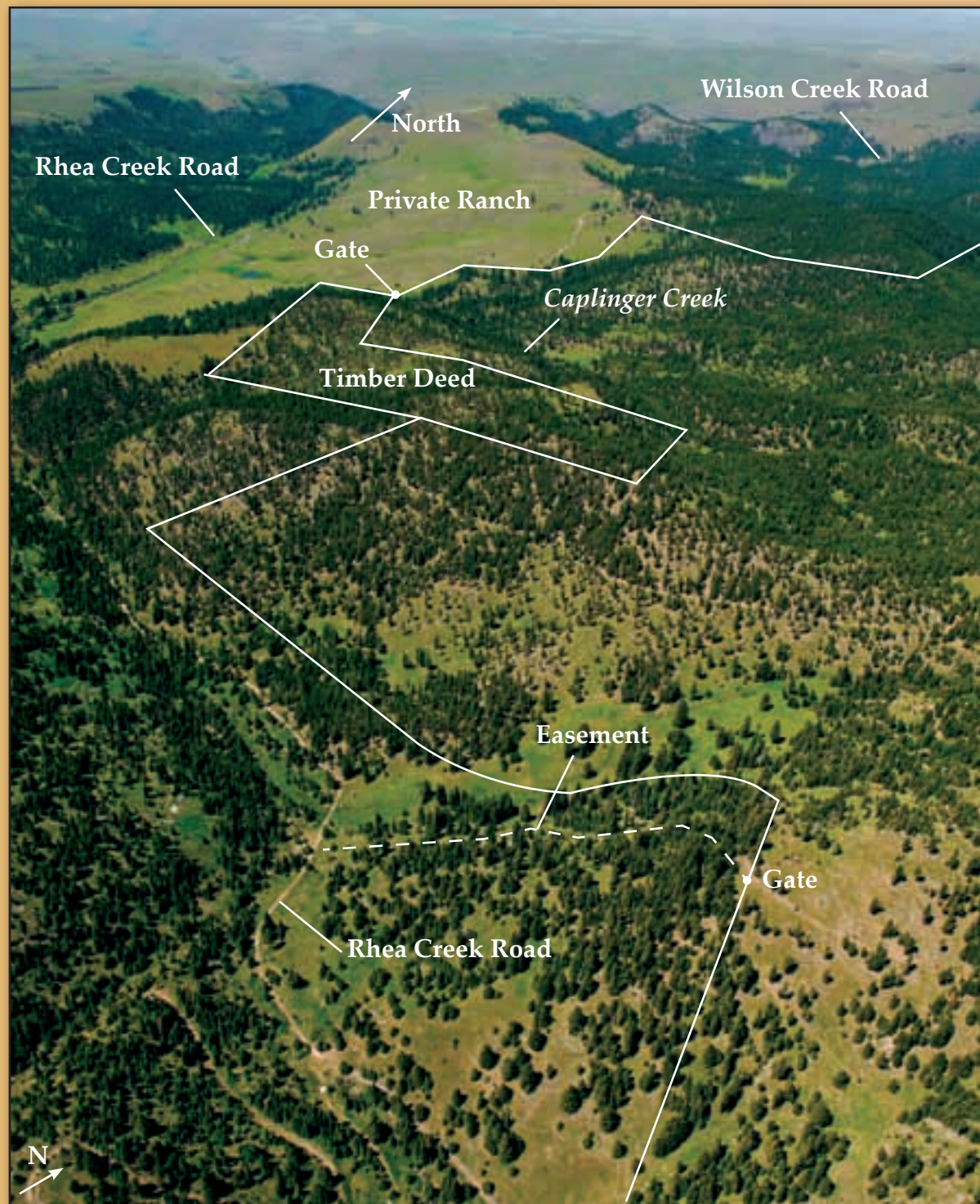
The property is classified as Forestland by Morrow County. Total 2013 -- 2014 taxes are \$13,278, or \$2.53 per acre, and include a special assessment for Fire Patrol Timber District 17.

#### MINERAL RESERVATIONS

All mineral rights owned by the seller will be conveyed to a new owner.

#### CONSERVATION EASEMENTS

There are no conservation easements on the property.



*Rhea Creek Road easement and view east in Section 12*

## THREATENED OR ENDANGERED SPECIES

The seller is unaware of any threatened or endangered species within the area of the Wilson Creek property and anticipates no significant impact concerning future harvests.

## PRELIMINARY TITLE REPORT

A preliminary title report has been prepared by AmeriTitle with copies of the exception documents. The report is available as part of the Supplemental Information Package.

## LOCATION

Township 4 South, Range 27 East, Section 36  
Township 4 South, Range 28 East, Sections 9, 20, 21, 28,  
29, 30, 31, 32 and 33  
Township 5 South, Range 27 East, Section 1 and 12  
Township 5 South, Range 28 East, Sections 5, 6 and 7

## LOCATION – TIMBER RIGHTS

Township 4 South, Range 28 East, Sections 17, 18, 19 and 32  
Township 5 South, Range 27 East, Sections 1 and 2

## CONDITIONS OF THE AUCTION #1407

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### REALTY MARKETING/NORTHWEST AUCTION INFORMATION OFFICE

Oregon Office:

522 SW Fifth Avenue, Suite 725

Portland, Oregon 97204

Telephone: 503-228-3248

Toll Free: 800-845-3524

Fax: 503-242-1814

info@rmnw-auctions.com

### SUPPLEMENTAL INFORMATION PACKAGE, WITH BID DOCUMENTS

More detailed information is available on the property. A Supplemental Information Package, which includes all pertinent data provided by the Seller, is available in both hard copy form, and by email. To request a copy of the Supplemental Information Package, please contact the Auction Information Office at 1-800-845-3524 or info@rmnw-auctions.com

### PUBLISHED RESERVE

The property is being offered at a Published Reserve Price of

\$2,250,000. When bidding reaches, or exceeds, the Published Reserve Price, the Seller is committed to selling the property to the high bidder. Should the bidding fail to reach the amount of the Published Reserve Price, the Seller reserves the right to accept, counter, or reject the high bid no later than five business days following the Sealed Bid due date.

### SEALED BID DUE DATE

Sealed Bids are due no later than 5:00 PM. Wednesday, August 20, 2014.

### FINANCING

Northwest Farm Credit Services is the preferred lender, and financing may be available to qualified parties. Please see Supplemental Information Package for details.

### 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 the 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 commission will be paid only upon close of escrow. Cooperating brokers will not share in any payment of liquidated damages.

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 only upon full and final closing by the Buyer on the conveyance of the property, and upon the receipt of the full purchase price by the Seller.

### CLOSING

Closing must occur within 45 days of the Auction, unless extended by the Seller in writing. Prior to making a bid, refer to the Supplemental Information Package with regard to customary closing costs including, but not limited to, recording fees, normal prorations, title fees, transfer and/or excise taxes (if applicable), sales tax on personal property (if applicable), local improvements and irrigation district assessments (if applicable), and document preparation fees. Buyers will be responsible for any real estate compensation taxes or rollback taxes and penalties as a result of a change in use or designation of the property including, but not limited to, a change from open space, agriculture, forest land or recreation.

### 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, except for the Preliminary Title Report.

(B) Title insurance is available, ensuring title of the property to be in fee simple, subject to no encumbrances except current taxes and assessments, easements, right-of-ways, 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 the property should be inspected prior to the Auction.

(C) To the extent permitted by law, the property 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 close of escrow.

(D) Sizes and square footages set forth are approximations only, based on the best information available, but the actual sizes and square footages may be different. All sketch plans are conceptual in nature and neither Seller nor its agents have submitted plan or made applications to any public agency.

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

(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.

(G) Offer void where prohibited. Catalog will not be mailed to the 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 herein 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 herein.

## Need Help?

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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.

Aerial Photography by Bergman Photographic Services, Inc.  
Graphic Design by Inspiration Point  
Pre-Press Production and Printing by Bridgetown Printing Co.  
Website Design by EmpriseMedia  
Editing by Marti Cohn



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