A PROPOSED PLAN FOR THE ADMINISTRATION OF TIMBER SALES
BY THE
OREGON STATE BOARD OF FORESTRY
by
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A PROPOSED PLAN FOR THE ADMINISTRATION OF TIMBER SALES
BY THE
OREGON STATE BOARD OF FORESTRY

PURPOSE AND IMPORTANCE OF THE STUDY

The purpose of this study was to formulate a comprehensive plan for the administration of timber sales on lands owned by or under the administration of the Oregon State Board of Forestry. Such a plan of the scope as presented in this dissertation did not previously exist.

This plan, if adopted, should increase the uniformity of procedures, improve the soundness of work techniques, aid in the clarification of work responsibilities and provide a level of timber sale administration more closely correlated with sustained yield forest management.

The timber sale procedures used by United States Forest Service (15) and Bureau of Land Management (21) were reviewed in addition to those used by the Oregon State Board of Forestry. State laws relating to the advertisement and sale of timber and other property were studied to determine the statutory authorization or limitations involved (7, 8 and 12).

State forests under the administration of the Oregon State Board of Forestry now comprise nearly 800,000 acres. Establishment of the state forests has occurred entirely within the past three decades with the major acquisition resulting from donation of tax-reverted lands by the western Oregon counties during the middle and late 1940's. Records of the State Forester indicate that both the revenue
from timber sales and number of employees hired for timber sale work have increased nearly tenfold within the past 10 years. Timber is now being sold at a rate in excess of $2,000,000 annually and sale personnel approximates 70 in number.

This demonstrated increase in timber sale activities, coupled with the known complexities of placing the state forests under a sustained yield management program, will require a more comprehensive delineation and standardization of procedures if a progressive timber management program is to be maintained by the Oregon State Board of Forestry.
PROPOSED PLAN FOR ADMINISTRATION OF TIMBER SALES

This chapter contains the proposed plan for administration of timber sales by the State of Oregon, Board of Forestry, which was the result of a study of the Board's existing procedures and review of procedures used by two federal agencies selling public timber (15 and 21).

The existing procedures of the Board were augmented by incorporation of: (1) amendments for improvement, (2) more thorough coverage of subject material, (3) standardization of terms used, (4) needed background material, (5) work standards, (6) designation of work responsibilities, and (7) other controls necessary for efficient administration of the state forests all confined within the structure of Oregon law and Board policy.

The objective of the plan was to delineate the principal procedures necessary for effective administrative control of the sale of timber and to provide for the harvest of timber in accordance with recognized methods of good forest practices. No attempt was made to incorporate instructions for routine work techniques. These are sufficiently controlled by existing instructions and the use of selected references.

The proposed timber sale plan is developed under four principal headings. These include: (1) Authority and Policy, (2) Definition of Terms, (3) Advertised Timber Sales, and (4) Unadvertised Timber Sales.
The heading entitled "Advertised Timber Sales" constitutes the major portion of the proposal and covers all phases of competitive timber sale procedure.

Each heading is subdivided by subject matter into parts. The parts are further subdivided into sections consisting of one or more paragraphs. Each section is given an Arabic numeral which properly identifies the respective heading, part and section. As an example, the section number 204.6 would be: heading 2, part 4, section 6. This identifying number provides a quick and positive reference to any section of the proposed plan and should be invaluable from the standpoint of the future intended use as an administrative guide. Such numbers were used for cross reference within the text of the plan for purposes of clarity and to minimize duplication of explanation.

The proposed plan was premised on timber being sold on a cash or cash-installment basis for not less than the predetermined appraised value of such timber. This is in accord with present sale policies of the State Board of Forestry.

I - AUTHORITY AND POLICY

PART 1 - STATUTORY AUTHORIZATION

BOARD ORIGIN

101.1 State Board of Forestry Created

The statute creating the Oregon State Board of Forestry and giving the broad scope of its authority is found in ORS 526.010, as
amended by chapter 654, Oregon Laws 1957, which reads in part:

"(1) There shall be a State Board of Forestry consisting of eleven voting members and three non-voting members. The voting members shall consist of the Governor, the Dean of the School of Forestry of Oregon State College and nine other members appointed by the Governor. * * *

"(d) The Regional Forester of the United States Forest Service, the Administrator of the Bureau of Land Management and the president of the Oregon Forest Fire Association or their designated representatives shall be non-voting members of the board and shall act in an advisory capacity. * * *

"(2) The board shall supervise all matters of forest policy and management under the jurisdiction of the state, and * * * ."

101.2 State Forester Appointed - Duties

The Oregon statute that provides for the appointment of the State Forester is ORS 526.020 which reads in part:

"(1) The State Board of Forestry shall appoint a State Forester. * * * (2) He shall * * * (a) Under the supervision of the State Board of Forestry, execute all matters pertaining to forestry. * * * (d) Direct the improvement and protection of state forest lands * * * (k) Act as secretary of the State Board of Forestry. * * *

101.3 Authorized Officers Designated by State Forester

The State Forester receives his authority to act as administrator of state forest activities by: (1) Oregon statutes, and (2) common law procedures recognized and accepted for all elected or appointed public officers, as the right to "do all things" necessary in carrying out the duties of their particular office. Under these powers the State Forester may designate subordinate state employees as "authorized officers" to act in his behalf in carrying out the duties and responsibilities of his office.
FOREST LAND MANAGEMENT

101.4  State Forest Development Act

Various statutes enacted by the Oregon Legislature authorize the Board and the State Forester to manage certain forest lands and sell the forest products therefrom. The State Forest Development Act, cited as ORS 530.010 through 530.170, authorizes the Board of Forestry to acquire forest lands for the creation of state forests and to develop and manage such lands for the greatest permanent value to the people of Oregon.

The scope of land management is well illustrated by subsection 1 of ORS 530.050 which reads:

"(1) The board shall manage the lands acquired pursuant to ORS 530.010 to 530.040 so as to secure the greatest permanent value of such lands to the state, and to that end may:

(a) Protect the lands from fire, disease and insect pests, cooperate with the counties and with persons owning lands within the state in such protection and enter into all agreements necessary or convenient therefor.

(b) Sell forest products from the lands, and execute mining leases and contracts as provided for in ORS 517.410.

(c) Permit the use of the lands for grazing, recreation and other purposes when, in the opinion of the board, such use is not detrimental to the purposes of this section.

(d) Grant easements and rights of way over, through and across the lands.

(e) Reforest the lands and cooperate with the counties, and with persons owning timberlands within the state, in such reforestation, and make all agreements necessary or convenient therefor.

(f) Require such undertakings as in the opinion of the board are necessary or convenient to secure performance of
any contract entered into under the terms of this section, or ORE 517.410.

(g) Do all things and make all rules and regulations, not inconsistent with law, necessary or convenient for the management, protection, utilization and conservation of the lands."

101.5  Land Board Forest Management Act

An act of the 1957 Oregon Legislature, designated as chapter 210, Oregon Laws 1957, provides for certain lands under the jurisdiction of the State Land Board to be designated and dedicated to forest crop production. Upon designation and dedication by both Forestry and Land Boards, such forest lands are placed under the jurisdiction of the State Board of Forestry for management and sale of the forest growth thereon. The statute provides for dedication of the Elliott State Forest Lands and Common School Forest Lands.

PART 2 - TIMBER SALE POLICY

GENERAL POLICY

102.1  Timber Sale Objective

The objective of all timber sales shall be the maximum recovery of mature, dead or damaged timber, and prompt regeneration of desirable species, giving due consideration to the maintenance and protection of secondary forest values. The goal of all forest management procedures on state forests shall be the sustained yield of forest

1Unless otherwise indicated, the policy listed under sections 102.1 through 102.25 consists of policy adopted by the Oregon State Board of Forestry on date of June 9, 1954 (13).
products.

102.2 State Land Inventory

The inventory of State owned forest land shall progress as rapidly as possible. Inventories shall include the collection of all the data necessary to establish and maintain a progressive forest management program.

102.3 Counties Advised

The county courts shall be provided with full information pertaining to all sales of timber within the counties. At all times the forestry department personnel shall cooperate with the county courts in all matters involving state forest lands. Periodic meetings with the county courts shall be held to inform them of the plans and progress of the forestry department.

102.4 Management Agreements With Public Agencies

The State Board of Forestry may enter into cooperative forest management agreements with public land owners other than the counties. Preference shall be given to management agreements based on a 75-25% distribution of returns. Where such agreements are made, the public agency concerned shall make to the State Forester in advance, annual payments sufficient to cover the current management costs.

102.5 Budgeted Cutting

In all sales of timber where a county has an interest in the revenues from such sales, the economy of the county shall be a primary concern. Where live timber is involved, the cutting budget
should be adjusted to provide as nearly as possible a uniform income over a period of years. In counties where sustained yield capacity has not been calculated, the cutting of live timber shall be of a uniform rate based on an estimate of the mature timber and future growth of immature timber. Because of rapid deterioration, dead timber is to be harvested as rapidly as sales can be processed and markets become available.

102.6 Timber Sale Priorities

In compliance with the general policy statement of the Board, timber sales shall be processed in the following order:

1. Timber classified as dead, down, dying or threatened by an immediate epidemic attack of insects or disease.

2. Overmature, defective timber and stands threatened by windthrow due to removal of adjacent timber.

3. Timber of poor quality and minor, low value species.

4. Timber of good quality, either in stagnated stands or in stands which have reached economic maturity.

5. Stands of vigorous, good quality second growth timber.

Such timber shall not be cut prior to attainment of rotation age, except for salvage and stand improvement.

CLASSIFICATION OF SALES

102.7 Timber Sale Areas

In processing timber sales, the proposed area must be examined in conjunction with surrounding unsold state timber which, because of
topographic features, access roads or for other reasons, may be made a logical part of an extended sales area. Where a combining of sale areas will result in a more logical sale unit from the standpoint of the interests of the state, the area shall be so processed.

102.8 Types of Sales

The board recognizes two types of timber sales: namely, advertised and unadvertised.

102.9 Advertised Sales

All sales in excess of $1,000 in value and those sales under $1,000 in which there is a likelihood of competition, shall be advertised and made on the basis of competitive bidding. Such sales will be made either on a cash basis or on log scale recovery. Special emphasis will be given to making sales on a cash basis. Where it is impractical to estimate the volume of timber or where the best interests of the state will be served, recovery sales will be approved.

102.10 Unadvertised Sales

Sales of this type shall not exceed the statutory limitation of $1,000 in value and will be made only when the best interests of the state will be served, or where some special objective can be obtained. Such sales will be made only on the basis of an accurate estimate of the timber within the sale area and the timber will be sold for cash upon the approval of the State Forester. The State Forester may authorize resident foresters or other forest officials to execute minor sales in an amount not to exceed $500.00 in value and to accept
payment therefor only in the form of a check made payable to the State Forester.

PREPARATION OF SALES

102.11 Method of Bidding

Advertised sales shall be on the basis of either oral bidding or sealed bids. The former shall constitute the general policy of the state. Sales through sealed bidding shall be held only upon the approval of the State Forester. No modification of terms of sale shall be made after sale is advertised.

102.12 Advertising

All competitive timber sales shall be advertised for a period of at least four successive weeks in a newspaper of general circulation in the county in which the timber is located and the sale shall not be held within a period of less than seven days following the final publication of the sale notice. Wherever it is deemed advisable by the State Forester the sale may also be advertised in other papers or periodicals not necessarily confined to those published within the county.

102.13 Prospectus

A prospectus shall be prepared for all sales which are to be advertised for competitive bidding. In general, the prospectus shall contain all the major provisions of the final contract. Lists shall be kept of prospective bidders and notifications of sales shall be mailed to such interested parties.
Access for Advertised Timber Sales

Permanent Access. Prior to advertising any state timber for sale, every effort shall be made to acquire permanent rights of way or equitable road-use agreements to provide as nearly equal access opportunity as practical for all prospective bidders. In the event that payment for road-use rights is deemed advisable by the State Forester, an agreement will be reached prior to advertising and the amount of payment and terms of the agreement shall be referred to in the published notice of sale. A copy of said agreement shall be attached to each copy of the sample sale contract available for review by all prospective bidders. Written authorization of the State Forester shall be required prior to advertising any state timber for sale for which equal access is not provided for all prospective bidders.

Short-term Access. In compliance with the foregoing policy, a temporary or short-term access agreement is acceptable if such agreement is of a duration sufficient for the orderly removal of all state timber being offered for sale. Furthermore, short-term access shall be considered logical if such access is:

1. For the removal of a small volume of salvage timber.
2. For the removal of timber from small isolated state ownership of insufficient acreage to justify a high-standard road.

1Recommended policy.
3. For the removal of timber from lands scheduled for exchange.

4. Over lands in public ownership or other ownership wherein demonstrated policy assures reciprocal road-use rights upon request.

5. A last resort when negotiations for permanent rights have failed.

102.15 Investments on Temporary Access Roads

Road construction or road improvement investments on temporary rights of way shall be confined to the minimum necessary for feasible removal and transportation of state timber to market.

SALE CONTRACTS

102.16 Duration and Renewals

A reasonable length of time shall be granted in each contract for the orderly harvesting of the timber. Renewal of a contract for a period not to exceed one year may be granted by the State Forester, only, under extraordinary circumstances.

102.17 Financial Responsibility

When necessary in the judgment of the State Forester, any applicant or bidder may be required to submit, before expense is incurred in acting on the application or before award is made in response to a bid, a satisfactory showing of financial ability and bidder may be

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1Recommended policy.
required to show that he has or can obtain equipment and supplies suitable for logging and manufacturing the timber and for meeting the fire precautionary terms of the agreement.

102.18 Bonds and Insurance

Adequate performance bonds and property damage insurance shall be required of all timber purchasers in advance of cutting and in an amount sufficient to protect the interests of state, but within the economic limits of the timber sale contract.

102.19 Assignment of Contracts

Contracts shall not be assigned without prior written approval of the State Forester.

102.20 Advance Payments

It shall be the policy of the Board to require payments in advance of cutting to insure full payment for all timber sold.

102.21 Schedule of Requirements

The State Forester shall prepare schedules of minimum requirements to be used as a guide in determining the amount of initial payments submitted with bid, performance bond and payment in advance of cutting.

102.22 Log Brands Required

All timber sold by the state shall be branded with a log brand registered with the Public Utilities Commissioner of the State of Oregon. The State Forestry Department shall adopt a standard log brand of a suitable design to be recorded in accordance with the statute.
102.23  Scaling Policy

When recovery sales are made the services of a scaling bureau or of a scaler approved by the State Forester shall be used in determining the volume removed. Copies of all scale sheets covering volume and grade of all timber removed from the timber sale area shall be mailed direct to the State Forester from the scaling bureau or authorized scaler performing scaling service.

102.24  Hazard Reduction

Timber sale agreements shall require purchaser to dispose of slash in accordance with Oregon law and under the instructions given by the State Forester.

102.25  Seed Source Reservations

All timber sales agreements shall, where feasible, provide for seed source reservations adequate to insure prompt regeneration of desirable species.

II - DEFINITION OF TERMS

PART 1 - SCOPE AND USE

201.1  Terminology

A definition of various terms used in this proposed plan was deemed advisable for reasons of clarity, brevity and increase of reader understanding. Such terms when used in the text, and unless the text indicates otherwise, shall have the meaning as given under part 2 and part 3 hereof.
201.2 Use of Standard Terminology

The definition of terms listed under parts 2 and 3 hereof, shall be used as standard terminology for oral and written communications relative to timber sale and other timber management activities of the State Forestry Department. Exceptions may be contracts or other legal documents.

PART 2 - DEFINITION OF ADMINISTRATIVE TERMS

202.1 Board

The State of Oregon, Board of Forestry.

202.2 Forestry Board Timber

Timber having the title thereof vested in the name of the State of Oregon, Board of Forestry.

202.3 Land Board Timber

Timber managed by the State of Oregon, Board of Forestry pursuant to chapter 240, Oregon Laws 1957, but title of the land is vested in name of the State Land Board of the State of Oregon.

202.4 County Timber

Timber owned by a county but managed by the State of Oregon, Board of Forestry in accordance with written agreement between such county and Board of Forestry. Title to the land may or may not be vested in the name of the Board of Forestry.

202.5 State Timber

Trees, logs or forest products of any form or type owned or managed by the State of Oregon, Board of Forestry.
202.6  Timber

Trees, logs or forest products of any form or type.

202.7  State

The State of Oregon, Board of Forestry (commonly used in sale contracts).

202.8  State Forester

The State Forester of the State of Oregon, secretary of the Board of Forestry, and pursuant to ORS 526.020, is authorized by the Board of Forestry to act in its behalf on such matters as the Board may designate.

202.9  Deputy

The Deputy State Forester of Oregon.

202.10  Assistant State Forester

The Assistant State Forester in charge of the State Forests Division.

202.11  Director

Timber Management Director of the Timber Management Section of the State Forests Division.

202.12  Supervisor

Timber Sales Supervisor of the Timber Management Section.

202.13  Office Manager

The Office Manager of the Timber Management Section and, in addition, includes such responsibilities as the Assistant State Forester may designate.
202.14  **Unit Forester**

The state employee designated to supervise the sale of timber and certain other land management activities for a defined district or "unit" of the state forest.

202.15  **Assistant Unit Forester**

The state employee designated to act as the assistant to the Unit Forester and is usually responsible for certain activities within a subdivision of the Unit.

202.16  **Salem Office**

The Office of the Timber Management Director, c/o State Forester, Salem, Oregon; and should not be confused with the office of certain Unit Foresters located within the same building.

202.17  **Unit**

The primary unit of forest management, with well defined boundaries, usually based on topography, large enough to furnish a sustained yield of forest products sufficient to support dependent industries or communities. Such Unit is usually under the supervision of one Unit Forester. The term "Unit" is synonymous with the term "Working Circle".

202.18  **Unit Office**

The office of the Unit Forester.

202.19  **Attorney**

The Assistant Attorney General with the State Forester, Salem, Oregon.
202.20 **Purchaser**

The person, firm or corporation entering into a written contract of sale with the State of Oregon, Board of Forestry after having purchased State Timber offered for sale.

202.21 **ORS**

Oregon Revised Statutes, a reference to the Oregon statutes.

**PART 3 - DEFINITION OF OTHER TERMS**

203.1 **Access**

Access will be considered as the most direct and economically feasible route to the nearest public road suitable for transporting timber to the nearest market, railroad, or other form of transportation equally available to all prospective bidders of State Timber offered for sale.

203.2 **Annual Cut (2, p. 24)**

The quantity of forest products cut on a given forest area in one year.

203.3 **Allowable Annual Cut (22, p. 16)**

The average volume that may be harvested annually from a given forest unit which will result in the eventual attainment and perpetuation of an approximately normal distribution of age classes, normal stocking, and a sustained yield. The allowable annual cut may be revised as changes in basic data warrant.

203.4 **Clearcutting (2, p. 25)**

Removal of the entire stand in one cut or an area on which the
entire stand has been so removed.

203.5 **Cruise** (2, p. 24)

A survey of forest land to locate timber and estimate its quantity by species, products, size, quality, or other characteristics; the estimate obtained in such a survey.

203.6 **High-lead Logging** (2, p. 49)

A cable-donkey engine method of skidding or yarding logs wherein the main lead block is placed on a spar tree, generally 100 to 125 feet above the ground, giving a lifting effect to the incoming logs.

203.7 **Improvement Cutting** (2, p. 25)

A cutting made in a stand past the sapling stage for the purpose of improving its composition and character, by removing trees of less desirable species, form and condition in the main crown canopy.

203.8 **Landing** (2, p. 47)

A place where logs are assembled for transportation in loads or rafts.

203.9 **Merchantable Trees or Stands** (2, p. 52)

Trees or stands of a size and quality suitable for marketing and utilization.

203.10 **Partial Cutting** (2, p. 25)

A cutting by which only a part of the stand is removed. It usually implies a series of such cuttings.

203.11 **Regeneration Cutting** (2, p. 25)

Any cutting intended to encourage or facilitate regeneration, or make regeneration possible.
The period of years required to establish and grow timber crops to a specified condition of maturity.

Applies to trees that have been killed or are dying because of wind, fire, insects, disease or defective trees or logs remaining from a previous logging operation.

A cutting made to remove trees killed or injured badly to utilize merchantable material before it becomes worthless.

A cutting made to remove trees killed or injured by fire, insects, fungi, or other harmful agencies (and sometimes trees susceptible to such injuries), for the purpose of preventing the spread of insects or diseases.

Removal of mature timber, usually the oldest or largest trees, either as single scattered trees or in small groups at relatively short intervals, commonly 5 to 20 years, repeated indefinitely, by means of which the continuous establishment of natural reproduction is encouraged and an uneven-aged stand is maintained.

The temporary station of a portable sawmill, yarding engine, or other machine used in logging. The ground within the yarding distance of a spar tree.
Silviculture (2, p. 75)

The art of producing and tending a forest; the application of the knowledge of silvics in the treatment of a forest; the theory and practice of controlling forest establishment, composition and growth.

Sustained Yield (22, p. 17)

Continuous production with the aim of achieving, at the earliest practicable time, an approximate balance between net growth and harvest, either by annual or somewhat longer periods.

Sustained Yield Capacity (22, p. 16)

The highest uniform yield that may be sustained on a given forest unit under a specified intensity of management, and with an age class distribution that is approximately normal.

Tractor Logging or "Cat" Logging (2, p. 50)

Any system of logging in which a tractor or "cat" operating as a mobile unit furnishes the motive power for skidding or yarding logs.

Working Circle (2, p. 19)

The primary unit of forest management, with well defined boundaries, usually based on topography, large enough to furnish a sustained yield of forest products sufficient to support dependent industries or communities.
III - ADVERTISED TIMBER SALES

PART 1 - AUTHORIZATION TO MAKE SALES

301.1 Approval and Signature

All contracts and agreements affecting the disposal of State Timber (202.5) advertised for sale and such contracts and agreements for disposal of unadvertised timber as the State Forester may designate shall be approved and executed by signature of the State Forester.

301.2 Designated Responsibility of Unit Forester

Under the supervision of the Director, Unit Foresters have the designated authority and responsibility for effecting the following phases of the timber sale work: (1) sale layout, (2) timber cruise and appraisal, (3) preparation of the request for sale writeup, (4) conducting sales for receipt of bids, (5) field administration of the sale contract, and (6) making recommendations for the silvicultural treatments necessary to maintain high post-sale land productivity.

301.3 Employee's Scope of Authority

As a public forester, the state employee is not a free agent to do as he pleases. His actions are controlled by the state laws, the regulations of the administrator and the stipulations of the sale contract he helps to administer. It is the forester's responsibility and duty to confine his activities to the respective scope of his authority.
PART 2 - CLASSES OF SALES

302.1  Sale Class by Method of Advertising

Advertised sales are any timber sales made after inviting competitive bidding through publication for a minimum of four consecutive weeks and the submission of either sealed or oral bids. Sections 307.1 through 307.19 fully explain the advertising requirements.

Unadvertised sales are non-competitive transactions not exceeding $1,000 in appraised value, except for sale of timber from certain rights of way or for approved research projects as cited in ORS 530.050. An unadvertised sale usually includes a small volume of low-value timber; is usually made upon application of the purchaser; and involves use of the Special Sale Permit (Fig. 23).

302.2  Sale Class by Method of Bidding

Sealed bid sale is an advertised sale for which the prospective purchasers submit their bids in sealed envelopes at a specified place prior to a specified sale date and hour. The highest valid sealed bid received is usually awarded the sale (21, IV-A-1).

Oral bid sale is an advertised sale in which the highest bidder is determined by an oral auction held at the place, date and time specified in the advertisement of sale (21, IV-A-1).

302.3  Sale Class by Type of Timber

Green timber sale means any sale of live trees or any sale of both live and dead or dying trees wherein the salvage of the dead or
dying trees is only incidental to the sale.

**Salvage timber sale** means any sale processed solely for the purpose of removing timber damaged or killed as a result of wind, fire, insects, etc., together with only such undamaged green timber as may be necessary to make its removal economically possible.

302.4 **Sale Class by Method of Payment**

**Cash sale** is a sale of appraised timber for cash. The entire purchase price for timber is required to be paid prior to a set date or prior to commencement of logging activity on the sale area, whichever date occurs first.

**Cash installment sale** is a sale of appraised timber for cash, but payment is made in equal installment payments in advance of cutting a specified percentage of the timber sold or prior to certain predetermined dates.

**Recovery sale** is a sale in which the payment for timber is based upon a predetermined price per unit of measurement of the products removed. This usually consists of a set stumpage price per thousand board feet by tree species and log grade actually scaled and removed from the sale area. Payments in advance of cutting are a standard requirement.
303.1 Timber Management Plan Required

A management plan (15, p. 18-24) for state timber shall be prepared and revised, as needed, for each working circle or other practical unit of the state forest. The minimum requirements of the management plan are:

1. A clear statement of the objectives to be served.
2. A sound forest inventory including a forest cover type map with accompanying tabulations to indicate the condition of the land and timber resource.
3. To establish and prescribe silvicultural practices to be followed for keeping the land producing maximum growth of the most desirable species.
4. Estimation of present growth and growth expected to result from application of prescribed silvicultural practices.
5. Calculation of sustained yield and allowable annual cut.
6. A list indicating the amount and location of timber to be cut within the next 5 years.
7. A map of each working circle showing the existing and proposed access road network necessary for transportation of timber to logical markets.
8. Provision for correlation with other land uses within
each working circle.

9. Provision for sufficient flexibility to meet changing conditions and indication of the conditions under which the plan should be revised.

Detailed instructions for preparation of the management plan will be furnished by the Director. (Only general management plan information needed as a background for timber sale planning work is included in this dissertation).

303.2 Sustained Yield Principle

The principle of sustained yield (15, p. 19-21) is that timber will be cut from a working circle or other unit of forest land in amounts equal to, but not in excess of its replacement by attainable growth. The policy is to manage each state forest Unit (202.17) so that it will produce a maximum sustained yield of the forest products it is best suited to grow. This can be accomplished by selecting a rotation which coincides with the culmination of the mean annual increment for the desired products and regulating the cut so as to achieve, as soon as practicable, the maximum attainable mean annual increment per acre for every acre of commercial forest land in the Unit.

303.3 Forest Inventory

An intensive inventory of all state forest lands will be completed and shall be revised periodically as changing conditions warrant. The inventory will include the collection of all data necessary for the development of progressive timber management plans.
The forest type classification as devised by the Pacific Northwest Forest and Range Experiment Station (16) shall be adopted for standard use by the Board of Forestry for forest inventory and other timber management purposes.

Maps showing forest cover and planimetric detail shall be prepared for each township using modern photogrammetric methods. A map having a scale of 1" = 1,000' is the preferred standard scale for timber management purposes.

The basic inventory data consisting of species, stand age, stand density, site class and volumes of mature and overmature timber are summarized in both tabular and map form. The inventory data will be kept current by annual correction of timber type changes resulting from depletion and increase of stocking by reforestation.

303.4 Allowable Cut Determined

The allowable cut will be based on the sustained yield principle (303.2). The allowable cut (15, p. 20) is expressed as an annual volume limitation with provisions for fluctuation of volume based on a 5-year moving average. Not more than twice one year's allowable cut for each Unit may be offered for sale during any one year of the 5-year period. Where the regulation of cut is achieved by area control, the allowable cut is the number of acres scheduled for cutting multiplied by the average estimated volume per acre.

Upon determination of the allowable cut for any forest Unit the personnel, operating facilities, access road development and cutting plans of the Unit will be geared for attainment of the
allowable cut at the earliest feasible date.

If the allowable cut has not been calculated for any Unit, an allowable cut shall be assumed on the basis of the best estimation of timber volume available. Cutting plans based on unreliable data should be conservative to avoid any possibility of overcutting the sustained yield capacity or depleting mature and overmature timber urgently needed to maintain a uniform allowable cut at a later date.

303.5 Working Circle

The working circle (15, p. 21) is the primary unit of forest management. An allowable cut will be calculated for each working circle and each working circle must be capable of producing a significant sustained yield of timber. The working circle shall be a feasible administrative unit, usually under the administrative responsibility of one Unit Forester. Topography, transportation routes, marketing and, in some cases, county boundaries are factors for consideration in the establishment of working circle boundaries.

SALE PLANS

303.6 Annual Timber Sale Plan

Annual Plan Required. The Unit Forester shall annually prepare a plan for the timber proposed for competitive sale within his respective Unit for each calendar year. Such plan shall be presented to the Director during the month of January of each calendar year.

Sales to List. Timber listings for the annual sale plan will be obtained from the forest inventory tabulations of mature and overmature timber. Such listings shall be on the basis of species or
acreage of the major forest type class involved as indicated by the inventory. No attempt should be made to stratify each stand type into its component species; however, two or more stands having different major species may occur in the same sale area.

All timber listed shall be in conformance with the timber sale priorities explained under section 102.6. Dead or other unsold salvage timber should be promptly listed for sale. The factors of sale desirability, accessibility, layout time, clear title, markets and requests for timber by prospective purchasers shall be given consideration in priority of listing sales on the annual plan.

**Plan Form and Contents.** The plan shall be prepared on the form entitled "Annual Timber Sale Plan" (Fig. 1). The following information for each proposed sale will be listed on such annual sale plan:

1. The identifying Unit sale number.
2. The tentative date of sale by month only.
3. The sale location by township, range and section.
4. The estimated volume to be cut in terms of millions of board feet or decimal fractions thereof. Such estimated cut will be classified and listed by (a) species volume within the allowable annual cut and (b) species volume outside the allowable annual cut. (All green timber included in the volume and growth calculations for determination of the allowable cut shall be considered as being within the allowable annual cut. Green timber killed since time of calculating allowable cut shall be considered as being within the allowable cut).
5. Estimated cut in terms of area or acres to be cut over will be classified as being either "within" or "outside" the allowable annual cut on basis of acres of major species to be cut. (See preceding paragraph for explanation of timber "within" the allowable cut).

6. The total volume and area estimated to be cut for all species combined.

Purpose of Plan. The purpose of the plan is to: (1) provide efficient advance planning of timber sales within the limits of the allowable cut designated for each Unit; and (2) provide the necessary information for keeping the administrators of the Forestry Department properly informed relative to the annual sales plans within each Unit. As the sales are made each year, the actual volumes sold will be posted to a timber depletion control ledger used for the purpose of checking the sale plan estimates and control of allowable cut. The depletion record is also used for annual correction of inventory data.

Objective. The eventual objective of the annual sale plan is to provide information necessary for the preparation of annual lists of proposed sales for mailing to prospective bidders. Advance notification to timber operators of the timber sales scheduled for each year will permit such operators to better plan their individual operations and provide desirable advance advertisement of state sales.
303.7 Five-Year Timber Sale Plan

Required Plan and Contents. The Unit Forester shall prepare a "Five-Year Timber Sale Plan" (Fig. 2). This plan should list by sale name or number the legal description and rough estimate of volumes planned for sale during the coming 5-year period. The inventory tabulations will be the source of information for determining what sales to make. The same considerations for determining sale priority shall be used as listed under the annual sales plan in section 303.6.

Plan Revision. The 5-year sale plan will be checked and revised during January of each year. One additional year will be added to increase it to the required 5-year period.

Plan Purpose. One of the principal purposes of the 5-year sale plan is the promotion of efficient long-range timber sale planning. Sales should be planned well in advance to provide ample time for working out the details of sale layout, access road development, acquisition of rights of way, title clearance, property line establishment and other engineering requirements. Sales requiring the least amount of pre-sale preparation are usually given the higher priority for listing on the sale plan.

303.8 Plan for Biennial Budget Income Estimate

The Unit Forester shall prepare a biennial estimate of the income which is anticipated from existing and planned sales of timber within his respective Unit. The estimate will be forwarded to the Director on or before July 1 of each even-numbered year. The estimate will be prepared in accordance with instructions furnished by the Director.
The estimate will be for a 3-year period, including the one remaining year of each current biennium and the two years of the coming biennium. An example of such 3-year period is July 1, 1958 to June 30, 1961. Separate estimates shall be prepared for Forestry Board Timber (202.2) and Land Board Timber (202.3).

PART 4 - SALE LAYOUT

GENERAL CONSIDERATIONS

30h.1 Meaning and Scope of Sale Layout

Sale layout is that phase of preparing timber for competitive sale which commences at time of decision to make the sale and covers all actions up to time of making the timber cruise, preparatory to sale writeup and advertising.

30h.2 Methods of Cutting

West of the Cascade Mountains the cutting will be planned primarily on a clear-cut basis. The species involved are primarily Douglas-fir and western hemlock which grow in even-aged stands. The sale layout method of clearcutting staggered settings will be used in the larger ownership blocks of the state forest.

East of the Cascade Mountains the cutting will be planned primarily on a tree-selection basis with highest priority on overmature trees and high-risk trees from standpoint of loss from insects or disease.

30h.3 Sales in Relation to Management Plan

Timber prepared for sale shall be in accordance with the approved
annual sale plan (303.6) and the timber management plan (303.1). In large holdings, where the staggered-setting method of cutting is used, it is vitally important that a plan of logical development be established prior to making the first cut. A properly prepared plan will minimize long corners, leaving of inaccessible tracts, absence of seed source, errors in road location and risk from fire. Proper long-range planning will result in a better state forest and the maximum return to the people of Oregon.

Sales a Logical Economic Unit

Each proposed sale of State Timber (202.5) shall be planned to represent a logical, economically feasible logging show; consistent with the inventory, good silvicultural practices and the cutting priority policy of removing the most decadent timber first.

Size of Sales - Approval

The objective in planning the sale of State Timber shall be to confine timber volumes to a size sufficient for maintaining maximum competition of prospective bidders consistent with the cost of access road development, silvicultural practices or other projects deemed logical mandatory requirements of such sale.

The size of sales should be confined to timber volumes which can be harvested under normal conditions of logging within a duration of one to three years of time. Sales of small to medium size minimize purchaser's risk of loss from fire, increased labor costs, drop in market price, etc., to a point wherein reappraisal of stumpage price during period of the contract is not considered necessary. Large sales
tend to minimize competition from the small independent operators. Sales ranging in volume from one to 5 million board feet are considered optimum size. All sales estimated to be in excess of 6 million board feet shall require the approval of the Assistant State Forester prior to posting of the sale boundaries.

304.6 Familiarity with Contract Provisions

It shall be the responsibility of each forester to familiarize himself with the standard provisions and requirements of the state timber sale contract. Efficiency in planning and laying out the sale can be obtained only if the forester has full knowledge of the final written form into which his recommendations are to be incorporated.

SALE LAYOUT PROCEDURE

304.7 Pre-Sale Field Examination

Prior to offering timber for sale the area will be examined to confirm and supplement the general information contained in the management and sale plans. The first action is to confirm the timber type designated in the inventory, decide if the timber conforms to priority requirements and should logically be sold. Upon making the decision to sell, the forester shall review the sale to determine the most feasible access routes and cutting boundaries. Information of a general nature will be gathered on the recommended method of logging, marking, regeneration and appraisal. A quick check will be made of property corners and of timber volumes to be cut. Aerial
photos can be of considerable help and should be used by sketching the sale layout on the face of the photo with grease pencil.

304.8 Proposed Sale Folder for Unit

Upon deciding to sell a particular tract of timber, the Unit Forester will prepare a "proposed sale" folder for filing thereafter all data pertaining to the sale. Each proposed sale shall be assigned a sale name and sale number. A written record of the pre-sale field examination (Fig. 3), together with a sketch map of the sale layout, will be the initial items filed in the proposed sale folder.

304.9 Land and Timber Status

Immediately following completion of the pre-sale field inspection (304.7), the Unit Forester shall determine the ownership and income distribution status (311.5 and 311.6) for the land and timber involved in the proposed sale. A request for title clearance on both timber and land will be forwarded to the Land Assistant on forms supplied for that purpose. A copy of the request will be forwarded to the Director. Verification of clear title on both timber and land is required prior to any additional field layout work. It is possible for various land parcels within a proposed sale area to have more than one income distribution status, or such lands could be located in more than one county. Knowledge of this fact would, in most cases, affect the method of cruise layout and perhaps the posting of sale boundaries. Each parcel within the sale area having the same land status will be cruised as a separate unit to facilitate the pro rata distribution of income after the sale is
Access for Timber Removal

The need for access over other than state ownership should be recognized well in advance of the proposed date of sale. A written request, with attached map showing location of the road, shall be forwarded to the Land Assistant (copy to Director) promptly upon obtaining the basic data. The access requirements for advertised sales are explained under section 102.1h.

In the event roads need to be constructed or improved, the Unit Forester will make the formal request for engineering assistance in accordance with the instructions applicable to the Unit involved. The Unit Forester shall indicate to the engineer the general location and construction standards desired for each project. The engineer shall then be responsible for the layout work and proper marking for easy recognition of details by prospective bidders.

All primary access roads to be constructed shall be located by State and the center line, grade and alignment controlled by proper indication on the ground and construction specifications written into the contract. The road location shall be logical from the standpoint of furnishing access for the timber being sold. Furthermore, the construction standards and location of the road shall be consistent with the timber values and transportation needs of the entire geographical area to be served by such road.

The standard of road maintenance should be indicated for each road used for removal of timber from the sale area. The maintenance
provisions for primary and secondary roads will be found under section 310.13.

30h.11  Property Boundaries

A vital phase of the sale layout work is verification of state ownership by proper ties to legal property corners or other corners of the public land survey. Sale boundaries abutting on other than state ownership and involving considerable timber values shall be determined by proper land survey by qualified persons prior to final posting of the sale boundary.

30h.12  Logging Plan

A formal logging plan is not required to be submitted with the Request for Sale Writeup (206.2). However, the Unit Forester is responsible for a logical sale layout and will comply with the minimum requirement of checking the logic of each sale on the aerial photographs. This is particularly important for timber located on rough and steep topography necessitating the use of high-lead logging. For high-lead shows the roads, landing locations and setting boundaries shall be sketched on the photo and yarding distances scaled from the photo. Yarding distances scaling more than 1,000 feet on the photo could be near or beyond the critical yarding distance on steep ground when converted to slope-distance measurement. Considerable volumes of timber beyond 1,200 feet slope-distance may require "swinging" the logs by either a tractor or cable system of logging, if not otherwise accessible (k, sec. 16, p. 43-48).
The logging plan should also take into consideration timber reserved for seed source. Check to determine if such seed source is properly located and can logically be protected from damage during logging and slash burning activities.

30h.13 Marking of Timber and Sale Boundaries

The timber and boundaries of timber being offered for sale shall be sufficiently marked, or otherwise designated, so there can be absolutely no doubt as to the identity of the timber being offered for sale. Posters, paint, aluminum foil, etc. will be furnished with instructions for use.

30h.14 Map of Sale Area and Vicinity

A map of the proposed sale area shall be prepared by the Unit Forester for attachment to Request for Sale Writeup (Fig. 14). This map shall be of sufficient scale to show clearly the following details: the proposed sale area; access roads and their status of use; seed blocks or other timber reserved from cutting; basic planimetric map details such as roads, streams, ridges, prominent peaks or other landmarks. The map should further show the name, number and location of special construction projects planned for the sale. Upon submission to the Salem office, such map will be marked "Exhibit A" and will be checked for conformance to the sample contract. It will then be redrafted by the engineering section and become the "vicinity map" for the proposed contract of sale.
Fire Hazard Reduction and Prevention

Logging Slash Disposal. Board policy (13, p. 7) requires the purchaser of State Timber to dispose of his logging slash in accordance with Oregon law and instructions given by the State Forester.

In western Oregon the objective will be to dispose of all heavy concentrations of logging slash by spot burning, insofar as it is consistent with good silvicultural practices.

Most clear-cut logging in heavy stands of conifer timber results in accumulations of logging slash which require disposal by burning to reduce fire hazards and prepare the site for regeneration purposes. Burning in some instances is desirable to reduce brush competition preparatory to seeding or planting. If burning of slash is anticipated and construction of fire trails desirable, the contract provisions listed under subsections 8, 9 and 10 of section 310.10 shall be considered for inclusion in the contract. The desirability of burning and construction of fire trails should be discussed with the local fire protection personnel and their recommendations solicited prior to advertising the timber for sale.

In eastern Oregon the slash disposal method employed will be piling and burning, with emphasis on roadside cleanup. It is sound policy to follow the recommendation of the local protection agency for slash disposal requirements to be incorporated into a sale contract.

Snag Felling. The mandatory felling of snags for fire hazard reduction and timber utilization purposes is a common provision (310.10) in sale contracts. Each proposed sale will be inspected to
determine the feasibility of felling all snags within the sale area. If the cost of felling all snags is not consistent with the values involved, the felling of only snags located along ridge tops, roads or other natural firebreaks should be considered. If the clearcutting method of logging is employed, the contract usually provides for felling all standing trees over 15 feet in height and over 8 inches in diameter at breast height. Oregon law now requires snag felling in western Oregon logging operations. A discussion of this law and the contract provision are found under subsection 3, section 310.10.

Fire Prevention Measures. In planning sales in high fire hazard areas, consideration shall be given to the requirement of fire fighting equipment or fire precautionary measures to supplement the requirements of state law. The required construction of water-holding basins for emergency fire pump shows is highly desirable and should be considered where such construction is feasible. See section 310.14 for other fire prevention and suppression provisions of the sale contract.

30h.16 Regeneration Considered

Sale layout should make provision for prompt restocking of the sale area by either natural or artificial means. Natural stocking is preferred. Seed source will be provided by use of staggered settings, reserve seed blocks and seed trees for western Oregon. Seed source in eastern Oregon will be provided for the most part by employing the selection (203.16) method of cutting.
Recognized regeneration problem areas are considered as (1) areas with desirable seed source lacking, or (2) areas having a heavy fern, brush or alder cover which precludes satisfactory reproduction of the desired species. Regeneration problem areas confronted during sales layout shall be referred to the Reforestation Director for his recommendations and establishment of a post-sale reforestation plan.

304.17 Other Land Use Considered

The sales layout should give consideration to other forms of land use including protection of watersheds, wildlife, recreation and grazing.

Recognition of water use rights of domestic or public users may require placing restrictions on logging to the extent of taking reasonable precautions to protect the water rights of such users.

Provisions for prevention of stream pollution by logging and erosion shall be included in the contract. On all fish producing streams, special care shall be taken to keep bank disturbance at a minimum and channels free of logging debris. Stream clearance is further necessary for the prevention of damage to bridges and culverts from drifting logs and debris during heavy runoff periods. Tractor logging on steep terrain will require cross ditching of "cat" roads to minimize erosion.

304.18 Timber Sale Check List

The Timber Sale Check List (Fig. 3) is a general check list, by chronological sequence, of the principal procedures to be performed during the entire history of any particular advertised timber sale.
Use of the check list begins with the pre-sale field examination (301.7) and ends with a post-sale check of the regeneration on the cutover area. The check list will be kept in the proposed sale folder by the Unit Forester and transferred to the sale contract folder upon sale of timber. The check list will be of assistance in preparation of the Request for Timber Sale Writeup (306.2).

PART 5 - STUMPAGE APPRAISAL

305.1 Statutory Requirements and Policy

The Oregon statutes (307.3) and Board policy (102.9 and 102.10) make appraisal of timber a mandatory procedure prior to advertising or otherwise offering any state timber or other state property for sale. Timber shall not be sold for less than its appraised value. Such appraisal shall consist of a competent estimate of the fair market value of the products being sold. The timber will be appraised for the marketing of products having the greatest value and to obtain the greatest utilization consistent with markets available. Each proposed sale shall be appraised or reappraised immediately preceding its advertisement.

305.2 Appraisal Objective

"The primary objective of stumpage appraisal is to determine as accurately as possible the monetary value of standing timber to be converted into commercial products such as lumber or pulpwood."

(4, sec. 15, p. 17).

The first step in stumpage appraisal is the timber cruise. The
timber cruise includes an estimation of timber quantity, quality and costs of logging.

305.3 Quality Timber Cruising

Familiarity with utilization standards. The cruiser shall know and be familiar with the utilization requirements of State and the local marketing standards commonly used under good forest practices for the species of timber he will be expected to cruise. The Director will furnish the Unit Forester and cruiser with complete instructions, forms and reference material necessary for the timber appraisal work.

Quality cruising in western Oregon. In high value old-growth stands an accurate estimate of the timber quality is equally as important as an estimate of the volume. In second-growth stands a differential of $10 per M b.f. between sawlog grades could have considerable bearing on the final appraised value.

All timber proposed for sale in western Oregon will be quality cruised except for low grade minor species or for stands of timber valued only for pulpwood. Such quality cruise shall be a sample of at least 25 percent of the total sample population.

The log grades used by the State in western Oregon are those officially adopted by recognised log scaling and grading bureaus (1).

Quality cruising in eastern Oregon. Ponderosa pine is the primary species required to be quality cruised in eastern Oregon. The log grade descriptions used for ponderosa pine shall be the 6-grade rule (17) developed by the U. S. Forest Service. Minor species containing high grade logs will be quality cruised.
Factors Affecting Cruise Intensity

Stand variation. "The more variable the stand, the greater the intensity of cruise required for a given percent of accuracy. If it were possible for a stand to be perfectly uniform throughout, the volume of the entire timbered area could be determined by measuring any one acre within the area. As the stand becomes less uniform, the number of samples has to be increased to make sure all conditions are sampled." (3, p. 139).

Size of area. "The larger the area to be sampled, the lower the intensity of cruise required for a given accuracy. Sampling is based on the law of averages. Errors tend to compensate for each other, therefore the greater the number of samples, the better the chance of the average of the sample volume approaching the true average of the entire stand." (3, p. 139).

Value of stand. Stands having a noticeable quantity of high grade peeler or select logs will require a higher intensity of cruise.

Cruise Intensity Requirements

Unless otherwise designated in advance by the Director, cruising of State Timber shall be in conformance with the following limitations and instructions:

1. Acceptable sampling error. The minimum acceptable sampling error of timber cruised shall be plus or minus 5 percent to one standard deviation.

2. Minimum percent of cruise. All proposed timber sales on a cash or cash-installment basis shall have a minimum cruise
sample of 20 percent and all proposed sales of 40 acres or less shall have a 100 percent cruise. Old-growth stands containing a high percentage of high grade logs will usually require a 100 percent cruise, but in no event shall the percent of cruise be less than 40. Occasional high value old-growth trees found interspersed in low value stands shall be excluded from the percentage cruise sample and cruised on separate tally sheets on a 100 percent quality cruise basis.

3. **Area determination.** Area determination is vitally important when a cruise is made only on a percentage sample of the entire sale area. The boundaries of the area sampled should be accurately determined on aerial photo and cruiser's map. The area of the sale shall be determined by either (a) staff compass and chain, closed traverse survey, or (b) radial line method using aerial photography—if boundaries of sale areas cruised can be properly identified on photo and if topography is not too broken to give undue distortion.

305.6 **Timber Volume and Log Grade Computation**

When tallying of all trees has been completed for the cruise, the Unit Forester will forward the tally cruise cards to the Salem Office for processing through the IBM machine. This machine produces an electronic calculation of the log grade volumes by species by means of having the Girard's form class formula (5) wired into the machine. The speed of machine computation eliminates any further need for hand computation.
305.7 Costs to Purchaser Considered

The appraisal of State Timber shall consider all costs to the Purchaser by deducting from the value of timber to be sold the: (1) estimated cost of his logging activity, (2) the estimated cost of all extra requirements such as snag felling, fire trails, etc., and (3) the estimated cost of special construction projects such as construction of roads. The cost estimate of construction projects will be furnished by the engineering section.

305.8 Method of Stumpage Appraisal Used

The overturn method of appraisal is explained by Matthews (6, p. 298) as follows: "Where the total investment called for is small, margin (profit and risk) can more reasonably be calculated as a percentage of the total production cost at the time of sale. Such a procedure really rates the margin against working capital rather than fixed investment, and as working capital is the chief investment made in a small operation, it is clearly more equitable."

The State uses a modified form of the overturn appraisal method for determination of the minimum acceptable value of stumpage it offers for sale. This method can be expressed by use of the following formula:

\[ Sv = Pv - [(Lc + 0.15 Lc) + (Cc + 0.25 Cc)] \]

where \( Sv \) = stumpage value.

\( Pv \) = total pond value of timber.

\( Lc \) = cost of normal logging.

\( Cc \) = cost of extensive construction projects.

0.15 and 0.25 = margin for profit and risk.
Determination of Minimum Stumpage Value

The following procedure is used for obtaining the minimum acceptable stumpage value of State Timber offered for sale:

1. Quality timber cruise. A quality cruise of the timber is made to determine the total net board-foot volume for each log grade by species.

2. Total pond value determined. The total net volume of each log grade by species is multiplied by the selling price per M b.f. of such log grade to determine the pond value of each. The sum of the pond values for all log grades by species is total pond value of the timber. The pond value of logs is obtained by periodic solicitation of price quotations from buyers of logs on the open market. Such quotations are averaged for the respective geographical marketing area in which the timber being offered for sale is located. Confidential reports of the average selling price for logs are used as a control check (14 and 15).

3. Normal logging costs. An estimate of logging costs is made, based on the average cost of an operation having average logging efficiency. The logging costs considered are: felling and bucking; yarding and loading; hauling; spur road construction; road maintenance; general operating expenses; miscellaneous expenses such as snag felling, fire protection, fire trails, etc. An allowance for Purchaser's profit and risk amounting to 15 percent of his normal logging costs is added as an "extra cost" and
is considered a part of the total normal logging costs.

4. Special construction costs. If considerable financial outlay is involved in required Purchaser construction of access roads, bridges, etc., the costs will be treated as special construction costs in excess of normal logging requirements. The allowance for profit and risk will be 25 percent of the estimated cost of special construction. Such profit and risk shall be considered a part of the total special construction costs.

5. Stumpage value determined. With reference to the foregoing items, the total pond value less the combined sums of normal logging costs and special construction costs equals the stumpage value of the timber.

305.10 Appraisal Not Guaranteed

The volume of timber, quality of timber and appraised value of timber are not guaranteed by State as being correct. The advertisement and contract of sale shall emphasize this fact. Each bidder is to make his own independent appraisal and bid accordingly.

PART 6 - PREPARATION OF THE SALE WRITEUP

SCOPE AND INITIATION OF SALE WRITEUP

306.1 Scope

"Sale writeup" will include all actions following appraisal of the timber and prior to publication of the sale in the newspaper. Such actions shall consist of a final review of the timber appraisal, road construction, access agreement, silvicultural requirements and
other recommended terms of the proposed sale to determine their accuracy, feasibility and conformance to timber management objectives. Sale writeup also includes the preparation of the proposed sale folder, sample contract, sale notice and legal advertisement.

306.2 Request for Sale Writeup

Upon completion of sale layout and timber appraisal, the Unit Forester initiates the action for final written preparation of the proposed timber sale for advertising by completing and forwarding to the Director's office the form entitled "Request for Timber Sale Writeup" (Fig. 1). This form serves as a check list containing all the pertinent facts relating to a proposed sale and constitutes the Unit Forester's recommendation for terms and conditions of the sale to be included in the sale contract.

306.3 Proposed Sale Folder

A proposed sale folder shall be prepared for each sale upon receipt of "Request for Timber Sale Writeup" (Fig. 1) from the Unit Forester.

The proposed sale folder shall be used for filing all data pertaining to the sale with the exception of rights-of-way, which may be incorporated by reference only. Such folder shall be identified by sale name, sale number and county; then placed in the proposed sale file.

Upon final execution of sale contract the information contained in the proposed sale folder shall be transferred to and become a part of the sale contract file.
THE SAMPLE SALE CONTRACT

306.4 Definition and Contents

The sample sale contract is a preliminary form of the proposed timber sale contract. Such sample contract shall contain essentially the same provisions and supplements as the intended final timber sale contract with the exception that the Purchaser's name, date of contract, amount of payment and signatures are left blank pending results of bidding and final execution of contract.

306.5 Purpose and Use

The sample contract, in addition to providing the basis for the final written contract, is referred to in both the sale notice (307.14) and the legal advertisement of sale (307.6) as being available for inspection by prospective bidders. Prospective bidders should be encouraged to inspect the sample contract and discuss the conditions of sale.

Changes in the sample contract, after commencement of legal advertising, may necessitate readvertising the sale. Changes, other than very minor ones, shall require prior approval of the Assistant State Forester.

306.6 Form and Preparation

The sample contract shall be prepared in accordance with instructions given under Timber Sale Contract (310.1 through 310.17).

306.7 Work Responsibility

The Office Manager, under the supervision of the Timber Sale Supervisor, shall be responsible for preparation of a "dummy" sample
contract of sale. The Office Manager and Unit Forester will work in close cooperation to prepare a sample contract properly correlated with the desired objectives of the sale.

The "dummy" sample contract shall be reviewed and approved by the Timber Sale Supervisor or Director. Such sample contract is then submitted to the Attorney for legal review, correction and drafting of final sample contract.

PRE-ADVERTISING REQUIREMENTS

306.8 Preparation of Sale Notice Mailing List

There shall be prepared and continuously maintained an alphabetical list of the names and mailing addresses of prospective bidders and other persons or agencies indicating interest in receiving notices of State Timber (202.5) being advertised for sale. The annual mailing of inquiries to all names appearing on the mailing list, requesting such persons to indicate their desire to remain on the list, shall be the means of keeping the list up to date. The names of administrative heads of the State Forestry Department shall be included on such list and shall remain continuously thereon.

The sale notice mailing list shall be segregated into two distinct lists as follows:

1. A general mailing list for any person indicating a desire to receive notice of all sales being advertised within the entire state or any major portion thereof.

2. A unit mailing list consisting of a separate list for
each administrative Unit (202.17) of the state forest. Each Unit list shall contain the names of persons who have indicated an interest in the purchase of State Timber being offered for sale within the confines of a local geographical area. This may require listing in more than one Unit. Inclusion of the same name on both Unit and general mailing lists should be avoided to prevent duplication in the mailing of sale notices (307.13 through 307.16).

306.9 Preparation of Sale Notice

Prior to publication of the legal advertisement, a sale notice shall be prepared having the form and contents as described in section 307.13.

306.10 Preparation of Legal Advertisement

Prior to publication, the legal advertisement shall be prepared and approved in accordance with sections 307.5 through 307.9.

PART 7 - ADVERTISING THE SALE

DEFINITION, PURPOSE AND LEGAL REQUIREMENTS

307.1 Definition of Advertising

Advertising as used in this proposal means the published advertisements and the timber sale notices prepared to inform prospective bidders and the public of the pertinent data concerning forthcoming competitive sales of State Timber.
307.2 Purpose of Advertising

The advertising of State Timber for competitive bidding serves the following purposes:

1. It provides all timber operators equal opportunity to examine and bid on the offered timber.

2. Advertisement followed by either sealed or oral bids, removes any possibility of favoritism in disposal of State Timber.

3. Publication in newspapers informs the public that sale of State Timber is planned.

4. Timber sale notices to administrative heads of the State Forestry Department and to other interested parties keeps them informed of the timber sale program.

5. Public advertisement, at competitive bid, is the best means of obtaining full value for public timber.

307.3 Statutory Requirements for Advertising

Forestry Board Timber (202.2) shall be advertised in accordance with the provisions of two specific non-conflicting laws. The first law cited hereunder is the specific statute used for selling Forestry Board Timber. However, if no bids are received, disposition of the timber without benefit of bid is pursuant to the provisions of ORS 273.090 (See last paragraph under heading of Forestry Board Timber).

1. Subsection 2 of ORS 530.050 reads:

"(2) Any sale of forest products in excess of the value of $1,000 shall be made only after opportunity for competitive bidding is given by notice of
the proposed sale by advertisement of not less than once a week for four successive weeks by publication in one or more newspapers published and of general circulation in the county in which such products are situated; however, competitive bidding shall not be required:

"(a) In connection with any experimental or research project for the promotion of forest management under the direction of the State Forester and when authorized by the State Board of Forestry and approved by the county court or board of county commissioners of the county in which such project is located.

"(b) In connection with any grant of right of way or permit to use a right of way over said lands, which grant or permit involves the removal, injury or destruction of forest products; for the purposes of this section, such removal, injury or destruction shall not be deemed a sale, but shall be considered as damages to be paid for at the fair market value for such products."

2. The provisions of ORS 273.060 through 273.090, as cited below, are specific laws detailing procedures for the sale of any real property owned by the State of Oregon and are applicable in the absence of other specific statutory procedures relating to sale or disposal of state property:

ORS 273.060: "Before offering for sale any real property or equitable interest therein owned by the State of Oregon, the state agency acting for and on behalf of the state in such transaction shall cause it to be appraised by one or more competent and experienced appraisers. Notwithstanding any other provision of law, if such property has an appraised value exceeding $1,000, it shall not be sold to any private person, firm or corporation except after competitive bids and after notice calling for such bids as specified by ORS 273.070."

ORS 273.070: "The state agency acting for the state in the transaction shall give the notice referred to in ORS 273.060 for not less than once
a week for four successive weeks by publication in one or more newspapers of general circulation published in the county in which such real property is situated, and in such other newspaper or newspapers as the agency deems advisable. The notice shall describe generally and by legal subdivision such property, the minimum price for which it will be sold, and a brief statement of the terms of the sale. The state agency shall reserve the right to accept or reject any bid.

ORS 273.080: "(1) Where more than one bid has been received, or in case of doubt as to which of a number of bids is the highest and most advantageous for the state, the decision of the state agency on such question shall be final and conclusive, and shall not be subject to review by any court."

"(2) Each bid shall be accompanied by a certified check on some bank, or by a good and sufficient bond furnished by a surety company authorized to do business in the state, in favor of the state, in a sum not less than 10 percent of the total amount of such bid."

ORS 273.090: "If the provisions of ORS 273.060 and 273.070 have been complied with and no satisfactory bid has been received, the state agency may, at any time during a period of six months after the advertised date of sale, sell property administered by it in such manner as it deems appropriate. The sale price shall not be less than the minimum terms offered in the notice of sale or the highest bid received, whichever is the larger amount."

Land Board Timber (202.3) shall be advertised in accordance with the provisions of subsections 2 and 3 of section 6, chapter 210, Oregon Laws 1957 which reads:

"(2) Any sale of forest products in excess of the value of $1,000 shall be made only after opportunity for competitive bidding has been given by notice of the proposed sale by advertisement of not less than once a week for four successive weeks by publication in one or more newspapers
published and of general circulation in the county in which such products are situated, and in such other newspaper or newspapers or medium of communication as the State Forester may deem advisable; the notice shall describe generally the forest products to be sold and designate the location of the sale area, the minimum price for which it will be sold, and a brief statement of the terms of the sale; the State Forester shall reserve the right to reject all bids.

"(3) If the provisions of subsections (1) and (2) of this section have been complied with and no satisfactory bid has been received, the State Forester may, at any time during a period of six months after the advertised date of sale, sell the forest products in such manner as he deems appropriate. The sale price shall not be less than the minimum terms offered in the notice of sale or the highest bid received, whichever is the larger amount. Each bid shall be accompanied either by a certified check on some bank, or by a good and sufficient bond furnished by a surety company authorized to do business in the state, in favor of the state, in a sum not less than 10 percent of the total amount of such bid."

307.4 Sales Which Require Advertising

All timber owned by or under the administration of the Board of Forestry meeting the following conditions shall be advertised for competitive bidding:

1. If the appraised value of timber is in excess of $1,000, except timber from rights of way and forest research sales as provided in subsection 2, ORS 530.050 (307.3).

2. When timber offered for sale in connection with rights of way and forest research, pursuant to subsection 2, ORS 530.050, is deemed by the State Forester to be in the public interest.
3. If the appraised value of timber is reduced to less than $1,000 as a result of allowance in appraisal for special requirements, when such special requirements are deemed by the State Forester to be in excess of standards normally required to harvest such timber.

4. When one or more proposed sales, having an appraised value of less than $1,000, can logically be combined with other timber being offered in the same geographical area to form an extended sale area.

5. When a previous advertisement has resulted in no valid bids being received for timber offered for sale and, since the date of calling for bids, one or more of the following conditions has occurred: (a) changes in the general level of stumpage values; (b) changes in competitive conditions in sale vicinity; (c) material changes in terms and conditions of sale; and (d) if more than six months time has elapsed (207.3).

6. When informal bidding, on timber appraised for less than $1,000, has resulted in a price being offered which is in excess of $1,000—reject informal bid and proceed with legal advertisement (307.5).

7. If material changes have been made in the conditions of sale after the commencement of legal advertising or if material errors were made in the legal advertisement (307.12).
307.5 Definition

The legal advertisement is a newspaper advertisement of the proposed sale conforming to the statutory requirements (307.3) of subsection 2, ORS 530.050 and subsection 2 of section 6, chapter 2140, Oregon Laws 1957.

307.6 Form and Contents

The legal advertisement shall be typed using the standard form and text as shown in Figure 5. Such advertisement shall contain the following minimum information:

1. Date, time and place of publicly opening sealed bids, or commencement of oral auction bidding.

2. Location of the timber offered by legal land description.

3. Species and estimated quantities of timber offered for sale.

4. Minimum acceptable stumpage value.

5. Place or places where complete information on the proposed sale can be obtained. The advertisement will invite prospective bidders to inspect the sample contract (306.4) on file at the State Forester's office, Salem and at the office of the Unit Forester conducting the sale.

6. The publication dates.

7. Additional requirements for advertising as may be necessary when accepting sealed bids as a prerequisite for oral
bidding (308.16) and for sale of reserved timber (309.9).

307.7 Place of Publication

All legal advertisements shall be placed in at least one newspaper published and of general circulation within the county in which the timber offered for sale is located.

307.8 Period of Advertising

The legal advertisement shall be published on the same day of the week for five consecutive weeks. The sale can be held immediately following the date of fifth publication. Some newspapers are published only weekly. A check should be made of the publication dates for each newspaper involved prior to setting final publication dates.

The period of advertising shall be of sufficient duration to permit prospective bidders to examine the sale area, appraise the timber offered and become acquainted with the conditions of sale prior to the date of bidding. At least two additional weeks of elapse time between date of fifth publication and sale date shall be allowed for any proposed sale which, because of unusual size or inaccessibility, can not logically be appraised by prospective bidders within the usual advertising time. Timber shall not be advertised at a time of year when such timber is inaccessible for inspection due to heavy snows or impassable roads.

307.9 Approval for Publication

First the Director and then the Assistant State Forester shall review the provisions of any proposed competitive sale of State Timber and approve in writing the legal advertisement for such sale prior to
its publication.

307.10 Publication Order

The order for publication shall be in the form of a letter (Fig. 6) mailed to the newspaper in which the legal advertisement is to be published. The letter shall be prepared for the signature of the Timber Sale Supervisor or Timber Management Director with a carbon copy for the Unit Forester. Such letter shall be by certified mail with return receipt requested and shall include:

1. A request for the enclosed timber sale advertisement to be published as a legal notice on designated dates.

2. A request for the newspaper to mail to the State Forester each issue which contains the legal advertisement, on each day the advertisement is published.

3. Instructions to the newspaper to submit their bill for payment in triplicate to the State Forester, 2600 State Street, Salem, Oregon, with affidavit of publication.

4. Enclosures consisting of the Legal Timber Sale Advertisement and the vendor's copy of the Field Purchase Order.

The order for publication should be received by the newspaper at least two days prior to the date set for the first publication. If it is determined that the advertisement will not reach the newspaper within such time, a telephone call will be made to confirm ability to meet the publication deadline. Personal delivery should be relied upon; rather than mail, if time is short. Such emergencies should be held to a minimum.
307.11 Checking the Publication

The Office Manager and the Unit Forester shall be jointly responsible for checking the publications of the legal advertisements to ascertain the accuracy of each publication and proper number of publications for each advertised sale. Copies of issues containing the advertisement are requested upon publication (307.10). For action on errors found in the legal advertisement see section 307.12.

307.12 Errors in Advertising

If material errors occur in the published legal advertisement they shall be corrected. To comply with legal requirements (307.8), the advertising will have to be started over again from the first published corrected advertisement. A material error is one which incorrectly states the amount, kind or location of the timber; the appraised price; the date and place of receipt of bids; or any other major condition of sale. Typographical errors of non-essential items should be corrected in forthcoming publications, but need not cause the commencement of readvertisement.

THE SALE NOTICE

307.13 Definition

The sale notice (Fig. 7) is a summarized statement designed to attract interest in State Timber advertised for sale and to furnish sufficient information, in addition to that contained in the legal advertisement, to enable prospective bidders to decide if further investigation is warranted.
Form and Contents

The sale notice shall be prepared on mimeographed sheets having the basic form and content as shown in Figure 7.

The sale notice shall contain the following minimum information relative to the timber offered for sale:

1. Time and place of calling for bids.
2. Indication that bidding will be on basis of sealed bids, oral bids or both.
3. Legal description of proposed sale area.
4. Amount of deposit with bid.
5. High bidder required to complete Status of Purchaser form.
6. Estimated volume by species and the minimum acceptable stumpage price.
7. A statement that the volumes and values are estimates only and the State does not guarantee the quantity or quality of the timber offered for sale.
8. A statement as to how payment for the timber is to be made; whether cash in full, cash installments or scale recovery.
9. The required amount of performance bond and property damage insurance.
10. A statement as to the status of access for removal of timber.
11. A statement summarizing special construction projects required, if any.
12. Completion date of contract.

13. Information relative to time and place of meeting for state-conducted "show-me-trip" of proposed sale areas, if any.

14. A statement requesting prospective bidders to examine the sample sale contract (306.4 through 306.6) on file for inspection at designated locations.

15. A statement as to the availability of extra vicinity maps for the use of persons interested in examining the sale area.

307.15 Mailing and Use

The timber sale notice should be previously prepared and ready for mailing immediately upon commencement of legal advertisement (307.5 through 307.10). Such notice shall be mailed to all prospective bidders and other interested parties who have indicated a desire to have their names placed on the general or unit timber sale notice mailing lists (306.8).

The name of the county court or board of county commissioners shall arbitrarily be placed on the mailing list of each Unit containing state forest lands located within such county.

Extra copies of the sale notice shall be prepared and available for distribution at both the Salem Office and office of the respective Unit involved.

Posting of sale notices on the bulletin board in all offices maintained by the State Forester is recommended.
307.16 Approval

The timber sale notice shall be approved, in writing, by the Director and the Assistant State Forester prior to mailing.

OTHER ADVERTISING

307.17 Paid Advertisements

In addition to the preceding formal advertising requirements, proposed sales of unusual size or of high public interest may be advertised in such other newspapers, periodicals or trade journals as may be deemed advisable by the State Forester. Such publications may be paid advertisements and are usually published not more than twice. Payment for publication shall be handled similarly to the procedure described in section 307.10, except proof of publication and copies of issues are not required.

307.18 News Release

News releases should be prepared for distribution to newspapers, trade journals, etc. for all sales having interest to the public. Such releases are usually prepared by Departmental publicity personnel and should include articles on the results of bidding as well as data on proposed sales of timber. Extreme care should be taken regarding the accuracy and completeness of information released for publication.

307.19 Personal Contact

Formal advertising should be further supplemented by verbal or written notification to known prospective bidders, and by interviews with the editors of newspapers or other interested parties.
PART 8 - CONDUCTING THE SALE

SCOPE AND POLICY

308.1 Scope

Conducting the sale includes actions preparatory to the opening of bids, the actual mechanics of the sale and the post-sale procedures on the day of sale.

308.2 Policy

Board policy (102.11) states that "advertised sales shall be on the basis of either oral bidding or sealed bids. Oral bidding shall constitute the general policy of the state. Sales through sealed bidding shall require approval of the State Forester. * * * ."

The location or place designated for receiving of bids on State Timber offered for sale shall be reasonably confined to the general geographical area or county in which the timber being offered for sale is located.

Prior to the receipt of bids, the forester conducting the sale shall make such announcements to the assembled prospective bidders as he feels are necessary to provide an orderly and businesslike sale before an informed audience (21, IV-D-1).

The attendance of State Forestry employees at state timber sales shall be confined to the minimum necessary for proper efficiency and supervision of the sale. In the eyes of the public, overcrowding of sales by state employees leaves an impression of high inefficiency. Alternate use of persons helping to conduct sales will give each the
opportunity of viewing the sale procedure and gaining the experience he should have.

**ORAL AUCTION SALES**

308.3 Definition

Oral auction sale is an advertised sale in which the high bidder is determined by an oral auction held at the place, date and time as specified in the sale advertisement.

308.4 Place for Accepting Bids

The preferred place for conducting competitive sales of State Timber shall be the office of the Unit Forester in whose Unit the timber being offered for sale is located. Convenience for attendance at sales by prospective bidders shall be given proper consideration. In some instances it may be desirable to make advance arrangements for use of a room in a county court house or forest protection office for place of accepting bids. The place selected for accepting bids should provide ample space for seating the anticipated attendance. Payment for rental of office space for conducting oral sales shall require prior approval of the State Forester.

308.5 Equipment and Items for Auction Sale

Sale-room equipment. The following equipment is desirable for an orderly arrangement of the sale-room:

1. Chairs of sufficient number for anticipated attendance.

2. Table or tables to provide ample working space for recording sale data and placement of sale materials.
3. Blackboard for posting of qualified bidders and bids. It should be placed where it can be plainly seen by the audience. Chalk and eraser should be on hand.

4. Ash trays and coat racks are desirable.

Items needed by sale officer: The following items, necessary for proper performance of the auction, shall be available for use in sufficient supply to meet anticipated needs:

1. Forms and records: Bid Record (Fig. 8); Status of Purchaser (Fig. 10); Oral Bid Confirmation (Fig. 9); Receipt for deposit with bid; the Sample Sale Contract; extra copies of Sale Notice for distribution at sale and the proposed Sale Folder for respective sales involved.

2. Supplies: Pen, pencils, paper, carbon paper, desk stapler, paper clips and blank envelopes for bid deposits to be placed in.

3. Other items: Stop watch or other watch having a sweeping second hand; basic sale data listed on heavy paper strips for attaching to top of blackboard. The strips should be prepared in advance for each sale and list the sale name, sale number, legal description, estimated timber volume by species and the minimum appraised price acceptable.

308.6 Sale Personnel

The Unit Forester is the officer responsible for conducting the oral auction sale. Prior to the sale he shall assign the personnel he needs for efficient conduct of the sale. Usually three or four
persons at the most are needed for processing the actual mechanics of the sale. These consist of: (1) the auctioneer who presides over the sale and makes the announcements; (2) the sale clerk who receives the deposits, keeps the bid record and assists in filling out forms required of highest bidder; (3) the blackboard recorder who posts the qualified bidder’s name and bids as given on the blackboard; (4) the timekeeper who calls out the seconds remaining between bids. In some instances the auctioneer also serves as the timekeeper.

308.7 Oral Auction Sale Procedure

The forester in charge of conducting the sale shall announce the sale opening promptly on the hour as specified in the advertisement. The announcements to make and the procedure to follow are prepared prior to the sale date by completing the form entitled Oral Auction Sale Procedure. Such form shall outline the procedure substantially as follows:

**Opening statement.** "Your attention please! We will commence the sale that you now see posted on the blackboard by reading the opening statement." (Auctioneer will read) "Pursuant to the state timber sale advertisement which appeared in the (dates of publication of legal advertisement) issues of the (name of newspaper) oral bids will be received for an estimated (volume by species) located on (legal description of sale area), (county), Oregon. The minimum price which will be considered is $_______. Upon completion of bidding the highest bidder will be required to fill out a Status of Purchaser form (Fig. 10) and an Oral Bid Confirmation form.
The sample sale contract, which has been available for your inspection, contains the terms and conditions to be included in the final contract of sale." The auctioneer will then ask "Are there any questions?" (Short period for questions and answers).

Deposit for bidding. Announce—"Prior to bidding, each bidder shall deposit a certified or cashier's check payable to the State Forester in the amount of $_____. The name under which you qualify for bidding shall be the same as will appear on the sale contract of the successful bidder. Upon completion of bidding, checks of the unsuccessful bidders will be returned. We will now accept the deposits from those who wish to qualify for bidding. Bring your checks to the table, please."

Instructions for receiving the deposits are as follows:

1. Sale clerk will receive the deposits. Inspect each check for proper qualifications and place same in an individual envelope with bidder's name written thereon. Have each bidder verify the name under which he intends to enter bids. Certified or cashier's checks not made in favor of State Forester but properly endorsed on back to State Forester are acceptable. Reject deposit if not a cashier's or certified check.

2. Write the name of each qualified bidder on blackboard. Opposite the name have space available for posting the bids when given.

3. Sale clerk enters names of qualified bidders on the Bid Record (Fig. 8).
4. The auctioneer will announce the names of all qualified bidders when all names have been posted on blackboard.

5. When the checks of all apparent bidders have been received, announce—"Is there anyone else who wishes to qualify for bidding? You will not be permitted to qualify after the sale is opened for bidding."

Rules of bidding. Announce—"The time limit between bids will be one minute. Bidders will be notified when 30 seconds are remaining to bid, 15 seconds remaining and 5 seconds remaining. Bidding will be declared closed if the minimum bid or a raise bid thereafter has not been received prior to the expiration of the one minute."

"When placing your oral bid, please state the name of the qualified bidder you represent and then the full amount of your bid. If your bid was not clearly understood, you will be asked to repeat it. If your bid is incorrectly posted on the blackboard, you should immediately call out the correct bid."

"Bidding will be on the basis of the total lump sum price for all species. This will start with the minimum acceptable price of $______. Are there any questions prior to start of bidding?"

Oral bidding

1. Upon completion of questions and answers, the auctioneer will announce—"The sale is now declared open for bidding."

2. Start timing and call off seconds remaining.

3. Each bid is posted on blackboard opposite bidder's name. Erase all bids except last high bid given.
4. Each bid is entered chronologically on Bid Record (Fig. 8) under bidder's name. Such form to be completed in duplicate.

5. As each bid is given, the auctioneer will repeat orally the bidder's name and the amount bid. This permits everyone in the room to clearly hear the bid, including those recording the bids.

6. If bids are coming too fast to record, the auctioneer will announce—"Please wait until the last bid given is posted on the blackboard before placing your next bid. The bids are coming too fast for proper recording."

7. If no bids have been received upon expiration of the one minute limit of time, the auctioneer will announce—"Are there any final bids?" If no bids are entered within the next two seconds, the auctioneer will announce—"Bidding is declared closed." If bids were entered, he will then announce the name of the highest bidder and amount of highest bid.

8. The full one minute limit of time shall expire prior to declaring the sale closed. The only exception being, if all qualified bidders—not including highest bidder—clearly state they are through bidding.

Post-sale procedure

1. Following close of bidding return deposit checks to unsuccessful bidders.

2. Give highest bidder written receipt for amount of deposit
tained by State.

3. Have highest bidder sign, in duplicate, the Oral Bid Confirmation (Fig. 9).

4. Require highest bidder to complete Status of Purchaser form (Fig. 10). Clerk should immediately review form for accuracy and completeness.

5. Complete and recheck all information required on Bid Record (Fig. 8).

6. Mail to Salem Office the deposit with bid and one signed copy each of the Bid Record, Oral Bid Confirmation and Status of Purchaser forms. For sales held in Salem, the deposit and forms will be presented to the Office Manager for processing.

Procedure for consecutive sales. In the event of several tracts of timber being consecutively offered for sale, the foregoing oral auction sale procedure shall be used for each sale with the following exceptions:

1. The rules of bidding may be omitted on the second and subsequent sales if all the bidders qualifying were present at time of first sale when the rules were read.

2. A short recess will be declared following each sale to provide time for highest bidder to complete required forms.

SEALED BID SALES

308.8 Definition

A sealed bid sale is an advertised sale for which the prospective
purchasers submit their bids in sealed envelopes at a specified place prior to a specified sale date and hour (21, IV-A-1).

308.9 **Use of Sealed Bids**

The use of sealed bids for sale of State Timber requires the prior written approval of the State Forester (13, p. 4).

The use of sealed bids may be desirable for some sales if the competition for bidding is limited due to such factors as poor market conditions, possible collusion by bidders and monopolistic tendencies of timber operators in the area. The use of sealed bids puts the bidder at a disadvantage for he has no way of knowing if he must meet competition in bidding. He is therefore more inclined to make a careful appraisal of the timber offered for sale and bid what he believes to be his maximum price.

308.10 **Sealed Bid Form**

A sealed bid form shall be prepared and available for distribution to prospective bidders for each proposed competitive timber sale by the sealed bid method of bidding. Such bid form shall:

1. Be addressed to the State Forester at the office location where bids are to be received.

2. List the dates and place of publication of the legal advertisement of sale.

3. List the legal description of the land on which timber being offered for sale is located.

4. Describe the timber being sold by species, estimated unit volume and minimum price acceptable.
5. Include a statement whereby the bidder, upon notification by State Forester of sale award, agrees to enter into a written contract to accept and perform all terms and conditions as stated in the sample contract of sale.

6. Include a statement that the State Forester reserves the right to waive minor technicalities and the right to reject any or all bids.

7. Include a statement indicating the amount and form of the required deposit with bid.

8. Include a statement to the effect that the deposit with bid shall be applied as part of purchase price of successful bidder, returned to unsuccessful bidders or retained as liquidated damages should successful bidder fail to qualify under terms of the sample contract of sale.

9. List the date and hour prior to which sealed bids are to be submitted to State Forester.

10. Provide a place for bidder to list the amount he bids.

11. Provide a place for firm name, address, signature and date of signature.

12. Include as an attachment the Status of Purchaser form (Fig. 10).

308.11 Sealed Bid Envelope

An envelope shall be prepared for the bidder's use in submitting his sealed bid form to the State Forester. This envelope shall be capable of being sealed and shall have the dimensions of approximately
Prior to distribution to prospective bidders, the envelope shall have plainly marked on the outside thereof the following:

1. The complete mailing address of the place where bids are to be received.

2. The bid information listed below shall be typed on the lower left face of each envelope:

SEALED BID

(Sale name or number)
State Timber Sale Bid
To be opened
(Date and hour of bid opening)

308.12 Place for Accepting Sealed Bids

Instructions relative to place for accepting sealed bids shall be the same as listed under section 208.4.

308.13 Presentation, Amendment and Recall of Sealed Bids

Sealed bids may be presented either by mail or by personal delivery. Bids received not enclosed in the sealed envelope shall be accepted, promptly placed in an envelope and the envelope sealed. The face of such envelope shall contain notations identifying the sale for which the bid was submitted.

Sealed bids may be recalled or amended any time prior to date and hour specified for opening of bids. Such recall or amendments must be made by the bidder either in writing or by telegraph.

One person in each office where sealed bids are received will be designated as responsible for the custody of bids presented. Such
custodian will keep a written record showing hour and date of arrival of each bid and he will also record such information on the face of bid envelope. The bids will then be placed under lock and key for safekeeping. Arrangements should be made with the mail clerk to intercept sealed bid envelopes to eliminate placement in the letter opening machine or making the "rounds" of the office. Envelopes inadvertently processed by letter-opening machine shall be immediately resealed and a notation made thereon for reason of opening. At the time set for bid opening all sealed bid envelopes will be presented unopened to the person in charge of the sale.

308.14 Bid Information Confidential

Under no circumstance will the custodian of the sealed bids, or any other state employee having knowledge of bid data, divulge to anyone information as to the number of sealed bids received, or whether any sealed bids have been received, prior to time set for opening bids. Verbal statements by prospective bidders of an intent to bid are subject to the same confidential treatment (15, p. 108).

308.15 Opening Sealed Bids

Sale procedure. The designated sale officer and at least one assistant shall open the sealed bid envelopes on the date and hour and at the place as designated by the legal advertisement of sale. The date and time of opening will be noted on each bid form and each will be signed by the sale officer and his assistant. A summary of the bids will be prepared on the Bid Record (Fig. 8) listing the name of bidder, amount of bid, date and time of opening and signatures of
persons conducting the sale. The bids and deposits should be carefully scrutinized for proper qualifications and error. Bids rejected should be announced, giving reason for rejection.

Interested parties may be present at the bid opening. The bidders' names and the amounts bid will be announced to those present and the bids shall be open for public inspection.

Disposition of bid deposits. If the outcome of the bidding is reasonably certain, the deposit required to be submitted with each sealed bid shall be returned immediately following close of sale to all but the highest bidder. Deposit checks will be returned by means of a letter of transmittal to each bidder. Such letter shall also inform the bidder of the name of highest bidder and the amount of highest bid received. The deposits of low bidders present at the bid opening may be returned to them by hand upon execution of a written receipt. If there is reasonable doubt as to the highest bidder qualifying, or if a tie of high bids exists, the deposits of at least the two highest bidders shall be retained until a final decision is reached and the deposit checks shall be submitted to the accounting section for safekeeping.

Transmittal of sale records. All bids, deposits, bid record forms and other pertinent information relative to the sale shall be carefully checked and be forwarded to the Salem Office. Mailing should be by certified mail.
Sealed Bids as Prerequisite to Oral Bidding

Under certain circumstances of limited competition the State Forester may approve the use of sealed bids as a prerequisite to oral bidding. In this event oral bidding at the auction is a continuation of sealed bidding, but oral bidding is restricted to only those participants who have entered an acceptable sealed bid prior to the specified date and hour set for commencement of oral bidding.

The sale procedure for sealed bids as a prerequisite for oral bidding (15, p. 109 and 21, IV-D-1 to 13) shall be the combined procedures of both sealed bid and oral auction sales with the following exceptions:

1. The sale advertisements shall clearly specify: "Only those bidders submitting acceptable sealed bids will be permitted to participate in oral auction bidding; and such sealed bids submitted shall bind the bidder to the amount of his bid, irrespective of oral bids being entered."

2. The person who conducts the oral auction sale should make an announcement at about five minutes prior to sale time and again at about one minute prior to sale time as follows: "Sealed bids are being required as a prerequisite for entering oral bids. If any person has not entered his sealed bid, forms are available here for that purpose." At the hour set for oral bidding a formal announcement will be made stating: "The time for submitting sealed bids has now expired."

3. When the sealed bid of any bidder who is present at the
auction is opened, if it is determined that such bidder has failed to bid the minimum price or has made errors on the bid form, the bidder may be permitted to correct his sealed bid prior to the announcing or posting of bids on the blackboard. **No reduction in price bid will be permitted** after a sealed bid has been opened.

4. All sealed bids shall be opened, inspected for proper qualifications and entered in the Bid Record (Fig. 8) prior to making any public announcement or posting of bids on blackboard. If all bids are found to be in order, the bidders’ names and the amounts bid will be posted on the blackboard. An announcement will be made by reading the bid results posted on the blackboard. Oral bidding shall start with the price of the highest sealed bid received. Immediately prior to calling for oral bids, erase from the blackboard all prices bid except the highest bid.

PART 9 - SALE AWARD AND EXECUTION OF CONTRACT

309.1 **Oral Auction Sale Awards**

Advertised timber sold by oral auction bidding shall be awarded to the bidder placing the highest oral bid if such bidder otherwise conforms with the conditions of the sale offer.

309.2 **Sealed Bid Sale Awards**

Advertised timber sold by sealed bidding shall be awarded to the bidder submitting the highest sealed bid if such bidder otherwise
conforms with the conditions of the sale offer. In the event two or more equal highest sealed bids (tie bids) are received for the same sale offer (15, p. 113), the matter of award shall be promptly referred to the State Forester for his decision on the following options:

1. He may settle the tie by the drawing of lots.

2. He may reject all bids and readvertise the sale, in which case the minimum price acceptable is usually set at the amount of the highest sealed bid.

3. He may decide the award on the basis of the best highest bidder, if deemed in the public interest. The best highest bidder will be determined upon consideration of the bidder's ability to conform to conditions of the proposed contract, the experience record on past timber sale contracts, trespass history, past experience for compliance with fire regulations, effect on local industry or other factors having decisive bearing. This is the least desirable method of determining sale award and should be used only in the event of one bidder being highly undesirable from standpoint of his being notoriously disrespectful of State law, careless or untrustworthy.

Awards if High Bidder Disqualified

If the high bidder does not qualify under terms of the proposed contract of sale, and if all bids are not rejected, the award will be offered to the other bidders who have qualified in order of their bids, from highest to lowest, until the award is accepted by one or
rejected by all bidders (15, p. 113).

The matter of forfeiture of bid deposit for disqualified bidders shall be referred to the State Forester for his decision or reference to the Attorney for counsel and possible legal action.

The bidder entering the highest sealed bid may claim he made an error (21, IV-D-7) in the amount he bid due to misunderstanding of conditions of sale or due to an error in arithmetic. He may further claim that such errors will cause him substantial financial loss if he is to continue under terms of the proposed contract. The bidder making such claims has the following options:

1. He may enter into the contract on the basis of the total consideration bid.

2. He can forfeit his bid deposit and avoid his bid commitments.

3. He can present evidence to the State Forester to show that the amount of consideration was in error. If he successfully proves that an unintentional error has been committed, the State Forester may, upon counsel from the Attorney, refund the amount of the bid deposit. Refund of deposit shall be considered as a disqualification and the award will be offered in accordance with instructions found in the first paragraph of this section.

309.4 Award if No Bids Received

In the event no bids were entered for timber advertised for sale the State Forester may:

1. Reappraise the timber and readvertise the sale for the
full legal advertising time as provided in section 307.3.

2. Award the sale at any time during a six-months period after the advertised date of sale, to the bidder making the highest offer, for no less than the minimum acceptable price as designated in the legal advertisement of sale. For such sales the bidder is required to deposit with bid a certified or cashier's check in an amount not less than 10 percent of the total price he bids. The statutory requirements for advertising, sale and the disposition of timber when no bids have been received are listed under section 307.3.

309.5 Preparation of Sale Contract

Upon determination of the highest bidder and sale award, the Office Manager shall forward to the Attorney: (1) the amount of highest bid; (2) the Status of Purchaser form as completed by the highest bidder; and (3) the Sample Contract for the sale involved. The Attorney will prepare not less than five copies of the final contract, complete except for date and signatures; approve as to legal form the "duplicate originals" in the space provided thereon; and return to the Office Manager. The "duplicate originals" shall be presented to the State Forester for signature at the time of signing the Notice of Sale Award (309.6).

309.6 Notice of Sale Award

The sale award shall be made promptly following determination of the highest bid. The Notice of Sale Award will be delivered by letter of transmittal (Fig. 12) prepared and signed by the Office Manager.
Such letter shall be sent by certified mail and will contain:

1. Enclosure of completed Notice of Sale Award signed by the State Forester. Such notice shall be of the substance and form as shown on the sample Notice of Sale Award (Fig. 11).

2. Enclosure of six blank copies of Performance Bond (Fig. 13). (For Purchaser's use in obtaining his surety bond).

3. Enclosure of three copies of the Timber Sale Contract, dated same as award letter, signed by the State Forester and complete except for signature by Purchaser. (One copy for bond surety, one copy signed and returned to State Forester and one copy signed and retained by Purchaser).

4. Instructions for signing contract and disposition of copies; instructions for securing the required surety bond and property damage insurance; and notice that within 30 days of date of contract the bond, insurance and certain payment requirements have to be complied with.

309.7 Acceptance of Bond and Insurance

The highest bidder will not be permitted to start logging operations of any sort prior to final execution and conformance with the specified conditions for contract execution. The Sale Notice (307.1A) and the instructions with Notice of Sale Award should contain substantially the following: "The successful bidder shall furnish the required bond and insurance to the State Forester within 30 days of date of contract, and no operation shall be started on the timber sale area prior to written notification by the State Forester of acceptance.
of the bond and insurance."

Upon receipt of certificate of insurance and the completed surety bond, they will be referred to the Attorney for review and approval. If found satisfactory, the Acceptance of Insurance and Performance Bond form (Fig. 11) will be completed. Such form shall be approved by the Attorney, signed by the State Forester and mailed to the successful bidder.

309.6 Payments Required for Execution

A common condition of sale execution is the requirement that the first installment on large sales, and full payment on small sales, be paid within 30 days following notification of sale award. If payment is not made with reasonable promptness, the high bidder shall be given written notice to comply within 10 days of date of mailing letter or be disqualified (309.3) for sale award.

309.9 Quitclaim Deed in Lieu of Contract

As a result of State reserving timber for equalization of value in land exchange transactions, a situation may occur whereby State Timber is being sold from lands deeded to others. If such landowner is also a prospective purchaser of the timber being offered, the advertisement will carry substantially the following statement: "State is not the owner of the land described herein. In the event the landowner is the high bidder and awarded the sale, State may quitclaim all right, title and interest of said timber to the landowner upon his full payment of bid price." In this case full payment of purchase price upon notice of sale award would permit State to quitclaim all
title to the timber, thereby obviating necessity for entering into the usual sale contract.

309.10 Timber Sale Contract Check List

The procedures required from the time of determination of highest bid through setting up the records for operation of sales under each contract are varied and many. To assist the Office Manager in performance of these duties a Timber Sale Contract Check List as shown in Figure 15 is used as a guide for each sale contract executed. This check list will be filed with the respective contract.

PART 10 - THE TIMBER SALE CONTRACT

CONTRACT FORM

310.1 Present Form and Use of Contract

The present form of timber sale contract used for all advertised sales is shown and described in the following sections 310.3 through 310.17. These sections list each standard provision or paragraph of the contract. Each is followed by an explanation or by instructions for completion or adaptation of the provision for use in the contract.

A separate timber sale contract is prepared and typed for each individual sale of timber. The required standard provisions of the contract, as indicated herein, are inserted in every contract. Special provisions, together with the necessary exhibits, are prepared for each sale to meet the individual needs or requirements of such sale.
310.2 Form of Contract for Proposed Plan

Preparation of a revised sale contract is a legal matter by the very nature of its contents. Revision of the present contract is considered as being outside the scope of this proposed plan. This proposal will therefore be confined to recommendations of a general nature only.

Standardization of the timber sale contract can be achieved and considerable duplication in the work of preparing sale contracts will be eliminated by use of a standard printed contract form.

The printed contract form should provide for optional signatures of either an individual, partnership or corporation. The contract should have printed thereon all the standard contract stipulations which will apply equally to all sales of timber. Many provisions can be adapted to the printed form by leaving a blank space for items subject to variation between contracts.

The printed contract shall further provide for special provisions to be written in or included by proper contract reference and attachment.

Proper correlation for use would require the printed standard contract form to be supplemented by a list of approved special contract stipulations. Such stipulations would encompass all the usual conditions encountered in timber sale administration and each stipulation would be properly identified by code number. Such code number will be used in the various phases of timber sale preparation work as a reference for indicating the particular provision selected for use in
the contract.

TITLE AND PREAMBLE

310.3 Contract Title and Number

The title of the contract is simply the words TIMBER SALE CONTRACT having the contract number written below:

TIMBER SALE CONTRACT

No. TM-57-19

Explanation: The timber sale number is assigned by the Office Manager prior to advertisement of sale. The sale number consists of three separate parts: (1) abbreviation for county involved, (2) year of sale and (3) chronological order of sale. For example, in the above contract No. "TM-57-19", the "TM" indicates a timber sale in Marion County, the "57" indicates the timber was sold in the year 1957 and the "19" indicates this sale was the 19th advertised sale of timber in 1957.

310.4 Date and Designation of Parties

THIS CONTRACT, Made in duplicate and entered into this (a) day of (b), 19 (c), by and between the STATE FORESTER, acting for and on behalf of the State of Oregon-Board of Forestry (hereinafter called "STATE"), and (d) (hereinafter called "PURCHASER");

Explanation: The date of contract, consisting of the day (a), month (b) and year (c), is inserted in the second line. The contract is usually dated by State Forester upon notice of sale award. The name and address of the Purchaser is inserted in blank (d).
1. Sale authorization and advertising

WITNESSETH:

WHEREAS, Pursuant to the State Forester published notice of the sale of timber and requested bids be received from the general public at the Oregon, at , Oregon, for all timber located with the posted timber sale boundary as hereinafter described; and

Explanation: The first line indicates the statutory authorization for selling timber. The law reference "ORS 530.030 and 530.050" will be inserted in blank (a) for sale of Forestry Board Timber (202.2); and the reference "chapter 210, Oregon Laws 1957," inserted for sale of Land Board Timber (202.3).

Insertions for the remaining blanks are: the place (c), hour (d) and date (e) of calling for oral or sealed bids (b) and the type of timber sold (f). The type of timber usually refers to: all merchantable green timber; all dead and down; only marked timber; etc.

2. Amount of bid and bid deposit

WHEREAS, Public bids were received by STATE on said date for the designated timber, and PURCHASER entered the highest oral bid for such timber in the amount of Dollars and accompanied such bid with a deposit in the amount of Dollars to be applied to the purchase price of the timber as herein stated, or as liquidated damages should PURCHASER fail to qualify under the terms of the timber sale sample contract.

Explanation: The amount of the highest price bid or amount the sale was awarded for will be inserted in blank (a), both in
written and numerical form.

The amount of Purchaser's deposit with bid will be inserted in blank (b). The amount of deposit required is explained under section 310.7.

3. Recital of agreement to perform

NOW, THEREFORE, STATE and PURCHASER, Parties hereto, in consideration of the mutual promises and other considerations hereinafter set forth, do covenant and agree as follows:

Explanation: This recital immediately precedes the contract text and emphasizes that the provisions of the text are agreed upon and performance is equally binding on the part of both Purchaser and State.

TEXT OF CONTRACT

310.6 The Sale Area and Timber Sold

1. Sale of designated timber

ARTICLE I

TIMBER SALE AREA

1.01 Sale of Designated Timber; STATE hereby sells to PURCHASER and PURCHASER hereby buys from STATE, under the terms and conditions of this contract, (a) timber within the timber sale boundaries of the timber sale area situated on all or parts of the following described land in (b) County, Oregon, to-wit:

(legal description)

Explanation: The description of the timber sold is entered in blank (a), county involved in blank (b) and legal description
of land upon which timber sold is located is entered in blank (c).

2. **The sale map**

1.02 **Vicinity Map:** The timber sale area, described in Paragraph 1.01, hereof, is shown on the vicinity map marked Exhibit "A", attached hereto and by this reference made a part hereof, such sale area to be hereinafter called "timber sale area".

**Explanation:** The vicinity map (30l.1h) is attached to each contract. Indicated on this map is: the sale area; access roads; seed block reserved from cutting; basic planimetric detail; location of special construction projects; and in some sales, the properties adjacent to the sale area, if needed to show access road construction projects or roads required to be used and maintained.

3. **Sale boundary**

1.03 **Boundary Lines:** The timber sale area boundary lines are posted and marked with "Timber Sale Boundary" signs.

(Required contract provision)

4. **Timber not guaranteed**

1.04 **No Guarantee:** The timber designated in Paragraph 1.01, hereof, is estimated to be as follows:

(Volume of timber by species)

STATE makes no guarantee to PURCHASER as to the quantity or quality of the timber sold under the terms of this contract.

(Required contract provision)
5. Purchaser to make independent appraisal

1.05 Independent Inspection: It is understood that PURCHASER has determined by independent inspection, survey, cruise or otherwise, the kind, quality, and quantity of timber purchased by PURCHASER, and that in entering into this contract, PURCHASER does not rely upon any information obtained from or furnished by STATE or any representative thereof which PURCHASER has not corroborated by such independent inspection, survey, cruise or investigation.

(Required contract provision)

6. Access rights in sale area

1.06 Ingress and Egress: PURCHASER shall have the right of ingress and egress over, in and through the timber sale area for the purpose of removing the purchased timber, which right includes the construction and use of logging roads necessary to carry out such purpose. STATE shall approve the location of all roads prior to construction. No interest in the land herein described is granted or conveyed by this contract other than the right to cut and remove the purchased timber within the time and upon the conditions prescribed by this contract.

(Required contract provision)

310.7 Payment for Timber

1. Purchase price

ARTICLE II

PAYMENT FOR TIMBER

2.01 Purchase Price: PURCHASER hereby agrees to pay to STATE the amount of (insert full purchase price) Dollars ($ ) as the full purchase price for the timber designated in Paragraph 1.01, hereof.

(Required contract provision)
2. When full payment required

2.02 Full Payment: The purchase price stated in Paragraph 2.01, hereof, shall be paid in full within thirty (30) days following written notification of bid award or prior to the commencement of any operation, whichever date occurs first.

Explanation: This is alternate payment provision No. 1 providing for full payment. Full payment is required for all advertised sales having an appraised value less than $5,000.

3. When installment payments required

2.02 Installment Payments: PURCHASER shall make payment to STATE for the timber purchased under Article I, hereof, in four (4) equal installments. Each installment shall be equal to twenty-five percent (25%) of the total purchase price and installment payments shall be made as follows:

First installment within thirty (30) days following notification of bid award or prior to the commencement of any operation, whichever date occurs first.

Second installment within six (6) months of the date of this contract or prior to the commencement of log hauling operation, whichever date occurs first.

Third installment within five (5) days following notification by STATE that the value of timber removed equals an estimated twenty-five percent (25%) of the total purchase price or prior to 19 , whichever date occurs first.

Fourth and final installment within five (5) days following notification by STATE that the value of timber removed equals an estimated fifty percent (50%)
of the total purchase price or prior to 19, whichever date occurs first.

For purposes of this Paragraph 2.02, the value of timber shall be that which is based upon the purchase price set forth in Paragraph 2.01, hereof.

Explanation: This is alternate payment provision No. 2 providing for installment payments. The foregoing provision is a sample of the requirements of a 4-installment payment. A date is inserted in the third and fourth installments to require payment on or before a certain specified time, prior to termination date of contract, in the event logging activity does not progress as anticipated. In larger sales the installments may be increased from not less than four to not more than ten. In such case the 4-installment provision is adjusted to correspond to the proper number of installments required.

Unless otherwise designated by the Director, the following installment schedule will be used to determine the number of installment payments for each sale based upon the minimum acceptable appraised price of the timber being sold:

<table>
<thead>
<tr>
<th>Appraised Price</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $5,000</td>
<td>Cash in full</td>
</tr>
<tr>
<td>$5,000 to $20,000</td>
<td>4 installments</td>
</tr>
<tr>
<td>$20,000 to $40,000</td>
<td>5 installments</td>
</tr>
<tr>
<td>$40,000 to $60,000</td>
<td>6 installments</td>
</tr>
<tr>
<td>$60,000 to $80,000</td>
<td>8 installments</td>
</tr>
<tr>
<td>Over $80,000</td>
<td>10 installments</td>
</tr>
</tbody>
</table>
4. **Bid deposit applied to payment**

2.03 **Bid Deposit Applied:** The bid deposit of $ [amount of deposit], as required by the sample contract of sale, shall be retained and applied by STATE against the purchase price set forth in Paragraph 2.01, hereof.

**Amount of bid deposit determined:** All bids shall be accompanied by a certified or cashier's check payable to the State Forester. The amount of such deposit shall be not less than:

(a) ten percent of the appraised stumpage value, for receipt of oral bids; and (b) ten percent of the amount of each sealed bid submitted. The State Forester may increase the amount of deposit required with bid when deemed to be in the interest of State.

5. **Payments relative to timber ownership**

2.04 **Title to Timber:** The ownership of and title to the trees and timber, which are the subject matter of this contract, shall pass to PURCHASER from time to time as and when PURCHASER makes payment for such trees and timber as required by this ARTICLE II.

(Required contract provision)

6. **Purchaser's summary of timber volumes removed**

2.05 **Summary Statement:** PURCHASER shall submit to STATE, on or before the 15th of each month, a summary statement listing the net board foot volume by species and log grade of all logs and timber removed and scaled by PURCHASER during the preceding calendar month. STATE shall have the right, at any convenient time, to examine the books and records of PURCHASER in order to check the accuracy of the summary statement.

**Explanation:** The reporting of timber volumes removed aids in determination of "due date" of installment payments and in
checking accuracy of timber appraisals.

310.8 Performance Bond and Insurance

1. Performance bond

ARTICLE III

SECURITY

3.01 Performance Bond: PURCHASER shall provide STATE with a performance bond in the amount of Dollars ($ ) as a guarantee to STATE that PURCHASER shall fulfill the terms and conditions of this contract and shall comply with the provisions of the Oregon statutes and regulations of the State Forester applying thereto; such bond shall be issued by a surety company authorized to do business in the State of Oregon. Should PURCHASER fail to perform the terms of this contract or fail to comply with provisions of the Oregon statutes or the regulations of the State Forester applying thereto, the guarantee shall be forfeited in the amount of the damages as determined by STATE. If the damages exceed the guarantee, PURCHASER hereby acknowledges liability for such excess. Upon the satisfactory performance of this contract by PURCHASER, the obligation of the surety on such bond shall be released. STATE shall notify the surety in writing of the completed performance of this contract by PURCHASER.

Amount of bond: A performance bond shall be furnished by the Purchaser of all advertised sales of State Timber (202.5) having a value in excess of $1,000. Bonds may be required on sales of less than $1,000 if damage to State could result or if considered to be in the interest of State.

Unless otherwise designated by the State Forester, the performance bond shall consist of a surety bond of not less than $1,000 or more than $50,000. The amount of bond shall be not less than 10 percent of the appraised value of the timber offered
for sale and under no circumstance shall be less than a sum equal
to one cash installment payment of the proposed contract of sale.
For sales requiring performance of road construction etc., the
amount of bond shall be further increased by an amount equal to
at least 50 percent of the estimated cost of all special con-
struction projects when such projects are not required to be com-
pleted by Purchaser prior to commencement of log hauling opera-
tions.

2. **Property damage insurance**

3.02 **Insurance:** During the period of this
contract, PURCHASER shall have in effect third party
property damage insurance coverage issued by an
insurance company acceptable to STATE in an amount not
less than One Hundred Thousand Dollars ($100,000) and
based on not more than Two Hundred Fifty Dollars ($250)
deductible. Such insurance shall cover loss or damage
to property, including loss or damage by fire, which
loss or damage resulted from the activities of PURCHASER
or the activities of employees, agents, or subcontractors
of PURCHASER. The insurance policy shall not exclude
STATE as a claimant for property loss.

3.03 **Policy or Certificate:** In order to
show compliance with Paragraph 3.02, hereof, PURCHASER
shall provide STATE with a copy of the insurance policy
or certificate of insurance, such to be signed by
official representatives of the insurance company;
attached to such copy of policy or certificate shall be
an endorsement whereby the insurance carrier agrees to
give ten (10) days' prior written notice to STATE of any
intended or proposed cancellation of the insurance.

(Required contract provisions)

3. **Bond and insurance approved by State**

3.04 **Acceptance of Bond and Insurance:** The
bond and insurance required by Paragraphs 3.01 and 3.02,
hereof, shall be furnished to STATE within thirty (30) days of the date of this contract, and no operation shall be started on the timber sale area prior to written acceptance of said bond and insurance by STATE.

(Required contract provision)

310.9 Indemnity Provision

ARTICLE IV

INDEMNITY

1.01 Indemnity. PURCHASER shall indemnify and save harmless the State of Oregon and all employees of the State of Oregon from all suits or actions of every name and description brought for or on account of any damage, injury, loss, expense, inconvenience, or delay received or sustained by any person, or damage caused to any property, which damage, injury, loss, expense, inconvenience, or delay may have been caused by or may have resulted from the carrying out of the work to be done under this contract, or from any act, omission, or neglect of PURCHASER, or agents, representatives or contractors of PURCHASER.

(Required contract provision)

310.10 Logging Operations

1. Logging plan required

ARTICLE V

LOGGING OPERATIONS

5.01 Logging Plan. Prior to the commencement of logging operations PURCHASER shall prepare a logging plan. The plan shall be prepared in conjunction with and approved by STATE. Logging operations shall follow the logging plan unless revisions are first approved by STATE.

(Required contract provision)

2. Progressive and continuous logging
5.02 Continuous Logging: PURCHASER shall progressively log the timber sale area in order to remove all merchantable timber and logs sold hereunder from each natural logging area or setting before proceeding to the next logging area or setting. Any deviation in such logging shall be in accordance with the approved logging plan. Logging shall be continuous unless prevented by acts of God, strikes or weather conditions making it impossible to carry out logging operations, but in such event PURCHASER shall resume logging operations as soon as the cause is removed.

(Required contract provision)

3. Required felling of timber

5.03 Felling: PURCHASER shall fell all within the boundaries of the posted timber sale area which are over in total height and over in diameter when measured outside bark at a point four and one-half feet above the ground.

Explanation: This provision is used for mandatory snag or tree felling in western Oregon which is in addition to the felling of the merchantable timber being sold. Indicate in blank (a) whether "dead timber only", "all trees" or only "marked trees" are to be felled. Blanks (b) and (c) are for indication of the height in feet and diameter in inches of the trees or snags to be felled.

It is emphasized that snag felling is mandatory for operations west of the Cascade Mountains. Section 5 of chapter 32, Oregon Laws 1957, reads in part: " * * * the operator shall fall all dead trees and snags over 15 feet in height and 12 inches in diameter within the operation area currently with the felling of the merchantable timber; provided, * * * ."
4. The merchantability of timber and logs

5.04 Merchantable Timber Defined: PURCHASER shall remove all merchantable logs and timber sold pursuant to this contract. Merchantable timber shall mean and include the following:

(1) Any standing tree which, as determined by STATE, contains one or more merchantable logs having a total net scale of twenty-five percent (25%) or more of the total volume of the tree.

(2) Any down timber, portions of trees, or trees felled by PURCHASER containing merchantable logs.

5.05 Merchantable Logs Defined: For the purposes of Paragraph 5.04, hereof, a merchantable log is any log meeting the requirements of a No. 3 sawmill grade or better.* Log grade definitions shall be those currently in use by the Columbia River Log Scaling and Grading Bureau. No log having less than ___ bd. ft. net scale shall be considered merchantable.

*If exception, enter here.

(Both above provisions required)

5. Payment for timber damaged in logging

5.06 Damage to Trees: PURCHASER, in logging the timber sale area, shall take reasonable precautions to protect adjacent and reserved STATE timber from damage by logging; any such trees damaged in the course of normal logging shall be marked by STATE and PURCHASER shall remove and pay for such trees at the appraised value as determined by STATE; any damage to such trees deemed by STATE to be excessive or unnecessary shall be paid for by PURCHASER at double the appraised value as determined by STATE. Intentional cutting or damaging of such trees shall be paid for by PURCHASER at treble the appraised value as determined by STATE.

(Required contract provision)
6. Preservation of property corners

5.07 Survey Markers: Any legal land subdivision survey corner, or witness objects thereto, disturbed or destroyed by PURCHASER, or by employees, agents, representatives, or contractors of PURCHASER, shall be re-established by PURCHASER or at the expense of PURCHASER.

Explanation: This is a required provision of the contract.

In fairness to the Purchaser, all corners and monuments in sale vicinity should be clearly marked during sale layout period with posters, aluminum foil or paint to provide easy and unmistakable recognition of such corners.

7. Identification of State timber

5.08 Log Branding: All logs removed from the timber sale area by PURCHASER shall be branded in accordance with chapter 532 of Oregon Revised Statutes which relates to the branding and identification of forest products. PURCHASER shall use only the brand or brands approved by and acceptable to STATE.

Explanation: For all cash sales the Purchaser is permitted to use his own registered log brand. Such brand shall be acceptable to State and is indicated on each field inspection report made during operation of contract.

For log scale recovery sales (302.14) the Purchaser shall be required to use only a registered state shield brand which will be furnished by State upon Purchaser's payment of the required deposit on each branding hammer assigned to him.

8. Disposal of logging slash

5.09 Disposal of Slashings: Slashings resulting
from the activity of PURCHASER in cutting and removing timber from the timber sale area shall be disposed of pursuant to the laws and regulations of the State of Oregon and the instructions of STATE.

(Required contract provision)

9. Construction of fire trails

5.10 Fire Lines: PURCHASER shall construct fire lines not to exceed ______ mile in length. Such fire trails shall be not less than three feet (3') in width, cleared to mineral soil, and shall be constructed and located in accordance with instructions from STATE. The fire line shall be completed prior to ten (10) days after completion of logging, or prior to the expiration date of the contract, whichever date occurs first.

Explanation: This optional provision will be used for all sales if burning of logging slash is planned or if fire lines are deemed advisable from a fire control standpoint. The length of fire lines required to be constructed in miles or fractions thereof will be inserted in the above blank space.

10. Fire trails around landings

5.11 Trail Landings: Upon completion of logging operations at each setting and prior to moving to a new setting, PURCHASER shall construct a fire trail at least three feet (3') in width, cleared to mineral soil, around the heavy accumulation of debris and waste in the immediate vicinity of the landing. The fire trail shall be cleared of heavy accumulations of debris and waste for a distance of twenty feet (20') from the inside perimeter of the fire trail.

Explanation: This optional provision may be used when spot-burning of slash is planned or may serve the purpose of confining fire within the perimeter of trailed landing areas.
310.11 Access to Timber Sale Area

Explanation of access provisions. The contract provisions under ARTICLE VI entitled ACCESS TIMBER SALE AREA are written up for each sale to conform with the particular requirements of such sale. The status of road use for Purchaser's removal of timber shall be clearly written in the contract and indicated upon the contract vicinity map, "Exhibit A". The access provisions should indicate one or more of the following:

1. Access by existing State forest road or public road.
2. Access by road to be constructed.
3. Access by road use agreements or rights of way obtained by State for Purchaser's use. Cost to Purchaser, if any, should be clearly stated. Rights of way and road use agreements are usually included by reference as a part of the sale contract, particularly if there is required performance of terms as a condition of the agreement or use rights.
4. Access by permit or license from federal landowners.
This usually consists of a letter of understanding obtained prior to sale advertisement, which indicates willingness to issue license or permit to Purchaser of State Timber.

310.12 Improvement and Construction Projects

Explanation of provisions under ARTICLE VII entitled IMPROVEMENT - CONSTRUCTION PROJECTS. The contract provisions are written for each sale to conform with the particular sale requirements. All required improvements or construction projects shall be clearly described in
contract by written instructions and exhibits showing specifications. Such projects shall further be clearly indicated by marking on the ground the location and necessary specifications at the point of installation or construction. The major part of the field layout and cost appraisal on this phase of the work are responsibilities of the engineering section.

Some examples of construction and improvement projects are:

1. Construction of primary access roads to specified standards.

2. Improvement of existing primary access roads including: widening, ditching, surface rockling, installation of culverts, replacement or repair of bridges, installation of gates and cattleguards, etc.

3. Construction of water-holding basins for pump shows in fire suppression work.

ARTICLE VIII

ROAD USE AND MAINTENANCE

8.01 Primary Road Maintenance: Should PURCHASER be the only user of any of the following primary roads, PURCHASER shall be responsible for the entire maintenance thereof; however, should PURCHASER and other authorized parties jointly use any of such roads, then each party shall be responsible for a proportionate part of the entire maintenance, which part shall be based upon the ratio of party use to total road use.
The primary roads designated above are shown or indicated on said Exhibit "A".

Explanation: This provision shall be used if primary roads are involved which should require continuous maintenance by one or more users. Primary roads are roads that will be kept in constant repair and constitute a part of the permanent road network for protection and other forest management activities. Such roads may be located on either State land or that of other forest landowners over which State has acquired road use rights.

2. Definition of primary road maintenance

8.02 Maintenance Defined: Maintenance of the primary roads described in Paragraph 8.02, hereof, shall be inclusive of: (a) grading of rough road surfaces; (b) opening ditch lines and culverts and constructing cross drainage ditches to prevent undue erosion to cut banks, fills and road surfaces; (c) repairing washouts; (d) removal of slides, down timber or other debris; (e) clearance of stream channels when drift or other obstructions are endangering or causing damage to roads, bridges, or culverts; (f) additional rocking of rock roads as necessary to prevent the road surface from rutting or puddling under wet weather use; and (g) repairing bridges if bridge damage results from activities of PURCHASER.

(Required maintenance provision for primary roads)

3. Definition of secondary road maintenance

8.03 Secondary Road Clearance: Roads on STATE-owned land, other than those described in Paragraph 8.01, hereof, constructed or used by PURCHASER, shall be maintained free of obstructions and left after use in a condition to permit travel by truck or standard passenger vehicles.
310.14 Prevention and Suppression of Fire

1. Statutory requirements

**ARTICLE IX**

**PREVENTION AND SUPPRESSION OF FIRE**

9.01 Statutory Requirements: PURCHASER shall take adequate measures for the prevention and suppression of fire on the timber sale area; such measures shall be in conformance with the requirements of the Oregon statutes and the regulations promulgated by the State Forester.

(Required contract provision)

2. Additional fire precautions

9.02 Additional Precautions: During periods of high fire danger, PURCHASER shall take such additional fire precaution measures, including the stoppage of operations, as are necessary or may be required by STATE. During periods of east winds over the timber sale area creating fire hazard conditions, PURCHASER, upon notice from STATE, shall close down any part or all of the logging operations on the timber sale area.
3. Immediate action required on fires

9.03 Immediate Fire Control: In the event of a fire originating on or spreading to the timber sale area, PURCHASER shall, without notification from STATE, immediately exert every reasonable effort to control, extinguish and prevent the spread of such fire.

(Required contract provision)

310.15 Breach - Default - Reversion

ARTICLE X

BREACH - DEFAULT - REVERSION

10.01 Notice - Breach or Default: In case a breach or default shall be made by PURCHASER in the performance or observance of any of the terms or conditions of this contract, STATE shall have the right to suspend any part or all of the operations of PURCHASER required or being done under this contract after first giving written notice to PURCHASER.

10.02 Notice of Termination: If PURCHASER fails to comply with the terms and conditions of this contract within ten (10) days following the date of the notice required by Paragraph 10.01, hereof, then STATE in its discretion may elect to terminate all rights of PURCHASER under this contract; notice of such termination shall be served personally or by registered mail upon PURCHASER and shall be final.

(Both required contract provisions)

310.16 Assignment and Duration

ARTICLE XI

ASSIGNMENT - DURATION

11.01 Assignment of Contract: This contract shall be binding upon and enforceable by the successors
and assigns of PURCHASER, but it shall not be assigned by PURCHASER without the prior written consent of STATE.

(Required contract provision)

11.02 Duration of Contract: PURCHASER shall complete this contract on or before __________, 19________. Time in all respects shall be of the essence of this contract, and unless the same shall in all respects be complied with by PURCHASER at the respective times and in the manner limited and declared by this contract, PURCHASER shall lose and be debarred from all rights, remedies or actions, either at law or in equity, upon or under this contract.

Explanation: The date for completion of contract will be entered in the above blank space. Board policy (102.16) requires that a reasonable length of time shall be granted in each contract for the orderly harvesting of the timber. A reasonable length of time indicates consideration in time shall be given in the contract for: the normal logging season; volume to be removed; logging conditions; orderly completion of required construction projects and allowance for normal operation shutdowns due to weather, access or market conditions.

310.17 Contract Signatures

The signature page of the contract is adjusted for each timber sale to correspond with the business status of the Purchaser (Fig. 10). Such signature page may be prepared for signature by either an individual, a partnership or the officers of a corporation.
PART 11 - ADMINISTRATION OF CONTRACT

311.1 Scope of Contract Administration

Contract administration will include all actions relative to effective enforcement of the contract for the full duration of time the contract is in effect and may include disposal of slash following expiration or termination of the contract.

311.2 Contract Area Inspection

Examination of timber sale contract areas for the effective enforcement of the contract shall be the responsibility of the Unit Forester or his assistants as he may designate. Contract enforcement shall be carried out in a firm but cooperative manner. The inspection forester should exercise good judgment and fairness in his contacts with the Purchaser.

Prior to commencement of any operations the Unit Forester should make a summary of all the requirements of the contract which will require supervision and then discuss such requirements with the Purchaser. The Purchaser should have full understanding of the requirements. The logging plan will be prepared in company with the Purchaser at the first opportunity of jointly visiting the area. Forms for preparation of the logging plan should be furnished to the Purchaser. Upon completion of an acceptable logging plan it should be signed by both the Purchaser and Unit Forester. A copy of the logging plan shall be furnished the Purchaser, the Unit Forester and the State Forester.
The frequency of inspections at the commencement of logging operations will depend upon the rate of cutting or other activities requiring supervision. However, the contract area shall be inspected not less than once each month during any period of active operation. Such inspection shall consist of review of all contract requirements for degree of compliance and a report of the logging progress. A written record of the inspection shall be prepared on the "Timber Sale Inspection" report (Fig. 16). One completed copy of such report shall be mailed to the Director. For a sale requiring installment payments special emphasis will be placed on the progress of logging to determine the due date of the next installment payment.

311.3 Contract Modification

Written authorization of the State Forester shall be required for any deviation from, or any amendment to, the provisions of the sale contract. Such modification will be made only by means of a properly executed written supplement which shall be attached to and made a part of the contract.

Amendment of contract may be desirable under certain conditions. Any amendments affecting payment, appraised value or other basic considerations which could have resulted in a higher bid being entered at time of sale will not be considered.

Sale of additional timber or sale of timber cut in trespass will not be considered for contract modification. Recommendations for contract amendment may be initiated on the part of either Purchaser or State, dependent upon whose interests are being served. Such
recommendations shall be presented, in writing, to the State Forester for his consideration.

311.b. Contract Violation

Immediate action shall be taken to correct any violation of the contract as soon as it is discovered. Compliance is obtained by either written instructions to comply or by suspension of operation. A written notice will usually be given the Purchaser instructing him to promptly comply with any provision of the contract he may have violated.

A notice for suspension of Purchaser's operation (Fig. 18) may be issued by the Unit Forester if the contract violation is of serious nature or if Purchaser has disregarded previous written instructions for contract compliance. Authorization for suspension of operation shall be obtained from the Director or Assistant State Forester prior to issuance. Suspension of operation is a serious action and will usually cause Purchaser financial loss. If suspension is issued without good cause, the Purchaser may have recourse against the State for damages (21, VIII-E-3). The surety of the respective contract and performance bond shall be immediately notified of any action in connection with contract violation, suspension and conformance following suspension.

Suspension of only the trucking operations may be sufficient to obtain compliance if violations are of a less serious nature, such as failure to perform road maintenance.

If violation is the result of unauthorized cutting or damaging of
reserved timber, the violation shall be considered a trespass. Settlement for such violations shall be made in accordance with the Oregon trespass statutes, ORS 105.810 and ORS 105.815 (7, p. 121). Timber damaged in logging operations shall be appraised and a request for payment submitted to Purchaser under provisions of the damage clause (310.10) contained in each contract. Failure by Purchaser to comply with contract damage requirements within the time specified shall be referred to the State Forester.

Resumption of logging operations, following suspension of operation, will not be permitted: (1) prior to Purchaser's full compliance with the provisions of the contract, and (2) without the Purchaser first having received a Notice of Compliance letter (Fig. 19) signed by the State Forester.

311.5 Distribution of Land Board Timber Revenue

All revenue from sale of Land Board Timber shall be distributed in accordance with chapter 240, Oregon Laws 1957. This law, summarized briefly, is: (1) income from sale of forest products is credited to the State Board of Forestry Account; (2) the costs for administration of the lands and timber sales are deducted from this income; (3) each quarter of the year all moneys, in excess of $50,000, are transferred to the Common School Fund.

311.6 Distribution of Forestry Board and County Timber Revenue

The distribution of revenue from this source is quite complex and may vary in certain respects from time to time. The only positive way of determining the distribution of revenue is to ascertain the origin
or "ownership status" of the land and timber and then refer to the Oregon statute cited under ORS 530.110. A general resume of this citation indicates the following distribution of revenue based upon the status of ownership:

1. For lands and timber acquired by State without cost, the gross revenue is distributed 75 percent to the county in which the lands are situated and 25 percent to State.

2. For lands purchased by State, an amount equal to the purchase price thereof is first retained by State and thereafter all revenues in excess of the land purchase price are distributed on a 75-25 basis as described in item (1) above.

3. For lands owned by State but having the timber thereon reserved by the county, and provided such timber is under written agreement for management by State, the revenue from timber sold is distributed 90 percent to the county and 10 percent to the State. Revenue from sources other than the timber reserved by the county is distributed 75 percent to county and 25 percent to State.

4. All of the above lands may be subject to an additional 10 percent distribution, from gross receipts, for disposition in a special fund for Board use in paying costs incurred in the suppression of fires on Forestry Board lands; provided, such fund should become less than the $300,000 statutory limit.

To further complicate the income distribution there may be obligations placed upon State Forest lands for the recovery of costs in-
curred for planting, seeding or other land rehabilitation work as cited in ORS 530.280 and ORS 530.300 (8, p. 28-29). Lists showing the legal descriptions of all such obligated lands and date of their obligation shall be maintained in the Salem Office and in each Unit Office.

311.7 Ownership Status Record

An ownership status record consisting of maps and supporting records of deeds, agreements and timber reservations shall be maintained at all times to accurately indicate the ownership status of all forest property owned or administered by the State Board of Forestry.

Such ownership records shall be maintained in both the Salem Office and the Unit offices. The ownership status record is the source record for determination of income distribution and is, in addition, a basic reference record for all timber management work.

311.8 Receipt of Payments

The Purchaser of State Timber should be instructed to forward his payments directly to the State Forester, Salem, Oregon. Payments will be received by the accounting section. The accounting section will handle all payments and will maintain the necessary contract payment records, issue receipts and process the distribution of funds. The accounting section will advise the Office Manager, by interoffice memo, of the receipt of each payment and will identify the payer and contract number. The Office Manager will check the ownership status record to determine the proper distribution status.
Such status is recorded on the interoffice memo and returned to the accounting section.

The Office Manager will maintain the necessary check lists of payments to establish control on payment dates and to ascertain that full payments are being made in accordance with contract provisions. This will include a check list for all monthly summary statements (Fig. 17) of timber volumes removed by the Purchaser.

311.9 Contract Termination

Pre-termination field inspection. A comprehensive field inspection shall be made of the contract area just prior to completion of logging operations or before expiration of cutting rights. The examination for contract compliance should be made immediately prior to removal of logging equipment from the area in the event the equipment may be needed for area cleanup, road maintenance or construction of fire trails.

The Purchaser will be given his final instructions for completing all the required terms of the contract. If slash burning is planned, the local fire warden should be contacted for a joint review of burning instructions and plans for slash disposal.

Final inspection for termination. Following the termination of logging or cutting rights, the Unit Forester will make a final examination of the sale area to determine if the Purchaser's compliance is sufficient for release of surety bond. The findings and recommendations of the Unit Forester will be indicated on the Contract Status Report (Fig. 20).
Release of performance bond. When all provisions of the contract have been completed to the satisfaction of State, an authorization for termination of the performance bond, signed by the State Forester, will be promptly forwarded to the Surety (Fig. 21). The Purchaser is advised of the termination by letter (Fig. 22) in which is enclosed a copy of the letter authorizing termination of performance bond.

IV - UNADVERTISED TIMBER SALES

401.1 Scope

Unadvertised timber sales are noncompetitive transactions not exceeding $1,000 in appraised value (307.4 and 307.5) which result from negotiations with only the Purchaser. Such sales usually include a small volume of timber having an evident lack of competitive interest due to small value, inaccessibility or limited market (15, p. 70). Competitive bidding may not be required for sales having timber in excess of $1,000 value, if such sales are in connection with rights of way or forest research activities as cited in ORS 530.050 (307.3).

Competitive sales of timber having less than $1,000 appraised value will follow the same advertising procedure as required for advertised sales (307.1 through 307.19).

401.2 Sale Authorization

The Assistant State Forester will be given written authorization by the State Forester to make sales of State Timber not exceeding $500 in appraised value.
Unit Foresters will be given written authorization by the State Forester to make sales of State Timber not exceeding $100 in appraised value. Such authorization may be changed or revoked at any time. The authorization will apply equally to changing personnel unless otherwise designated in writing by the State Forester.

401.3 Sale Considerations

Unadvertised sales will be made by use of the Special Sale Permit (Fig. 23). Additional requirements may be added by means of attachments to the permit. All timber sold will be clearly marked for positive identity. A written report of sale considerations involved will be forwarded to the Salem Office.

Permit sales should be made at a time of year when fire hazard is low. Sales during fire season usually require the standard property damage insurance. A performance bond is not usually required unless the possibility of considerable damage to roads or other property is evident.

Payment for products sold shall be only in the form of a check or money order made payable to the State Forester. Repetition of sales to the same party, directly or indirectly, will not be permitted.

Periodic inspection of sale areas may be necessary for needed control; however, all special sales should have at least one inspection during or promptly following completion of activities.

401.4 Free Use Permit

The Unit Forester will be authorized to issue free use permits for disposal of very small volumes of forest products having a value
not in excess of ten dollars ($10). Free use permits should usually be confined to local residents cutting fuel wood or cedar products for their personal use. Free use permits shall not be issued to a permittee cutting state forest products for purpose of resale.

The Special Sale Permit form may be used for a free use permit by writing the word "none" for amount of payment required. (A free use permit form should be prepared specifically for free use).

Free use permit areas should be checked during the activity, particularly so, if there is opportunity for the permittee to materially exceed the quantities of products granted for removal by his permit. If this condition exists, care should be taken to clearly mark or otherwise designate such products.
SUMMARY

The purpose of this study was to formulate a comprehensive plan for the administration of timber sales on lands owned by or under the administration of the Oregon State Board of Forestry. Such a plan of the scope as presented in this dissertation did not previously exist.

The timber sale procedures used by the United States Forest Service and the Bureau of Land Management were reviewed in addition to those used by the Oregon State Board of Forestry. State laws relating to the advertisement and sale of timber and other property were studied to determine the statutory authorization or limitations involved.

The existing procedures of the Board were augmented by incorporation of: (1) amendments for improvement, (2) more thorough coverage of subject material, (3) standardization of terms used, (4) needed background material, (5) work standards, (6) designation of work responsibilities, and (7) other controls necessary for efficient administration of the state forests all confined within the structure of Oregon law and Board policy.

The plan for administration of timber sales is developed under four principal headings consisting of Authority and Policy, Definition of Terms, Advertised Timber Sales and Unadvertised Timber Sales.

Authority and Policy includes a resume of Oregon statutes pertaining to creation of the Board of Forestry, appointment of the State Forester and the various authorizations for management of
state forests. It further includes the timber sale policy of the Oregon State Board of Forestry.

Definition of Terms consists of a definition of administrative terms and technical forestry terms commonly used throughout the text of the plan. Such terms were used to promote clarity and brevity of text.

Advertised Timber Sales constitutes the major portion of the proposal and covers the following phases of competitive timber sale procedure: (1) persons authorized to sell state timber; (2) recognized classes of timber sales; (3) the long-term timber management phase of sale planning and preparation of current sale plans properly correlated with a predetermined allowable annual cut; (4) layout of sale areas and marking timber proposed for competitive bid sale; (5) methods and standards for appraisal of the current fair market value of timber offered for sale; (6) office phase of preparing the contract of sale; (7) the legal advertising requirements and other methods of advertising used for the competitive sale of state timber; (8) conducting oral auction bid and sealed bid timber sales; (9) sale award and execution of the sale contract; (10) content and explanation of provisions of the sale contract; and (11) the administration and enforcement of the sale contract.

Unadvertised Timber Sales is the last heading. It includes the instructions and limitations for selling timber on a noncompetitive basis.
This plan, if adopted, should increase the uniformity of procedures, improve the soundness of work techniques, aid in the clarification of work responsibilities and will provide for the State of Oregon a level of timber sale administration more closely correlated with sustained yield forest management.
BIBLIOGRAPHY


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Grand Total for Year: 1.0 17.8 0.75 19.55 0.2 2.9 3.1 20 445 75 540 4.72 5.4 76.5 22.65 616.5

ANNUAL TIMBER SALE PLAN
January 1, 1957 through December 31, 1957
Forestry Board Timber

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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-59</td>
<td>NW 27</td>
<td>750 H</td>
<td>750 H</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7-59</td>
<td>NW 18</td>
<td>650 RA</td>
<td>650 RA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-59</td>
<td>NW 16</td>
<td>5,900 H</td>
<td>5,900 H</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-59</td>
<td>NW 16</td>
<td>1,100 H</td>
<td>1,100 H</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-61</td>
<td>NW 21</td>
<td>7,200 H</td>
<td>7,200 H</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-61</td>
<td>NW 17</td>
<td>3,700 H</td>
<td>3,700 H</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-61</td>
<td>NW 15</td>
<td>1,200 D</td>
<td>1,200 D</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-61</td>
<td>NW 33</td>
<td>4,700 H</td>
<td>4,700 H</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5-61</td>
<td>NW 22</td>
<td>1,200 RA</td>
<td>1,200 RA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-61</td>
<td>NW 22</td>
<td>1,000 H</td>
<td>1,000 H</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL VOLUME—ALL SPECIES**

- 22,650
- 19,600
- 19,100
- 22,500
- 18,100

*Figure 2.*
TIMBER SALE CHECK LIST

1. County _______Tillamook______ 2. Name of sale _______Cook Creek Salvage #1________


5. Preliminary examination made (date) _______May 1955________

6. Timber reservation date _______none________

7. Rehabilitation schedule dates _______Spring 1958________

8. Volume by species:

<table>
<thead>
<tr>
<th>A: Species</th>
<th>B: Estimated</th>
<th>C: Cruised</th>
<th>D: Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas fir</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cedar</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

E. Approx. value

$ _______20,000________

9. Timber priority class _______1________

10. Winter show _______11. Summer show______

12. General condition of timber _______fire-killed old-growth - 1916 kill________

13. Title clearance: (Form No. _____)

a. Request for title clearance forwarded to _______Salem________ date _______December 1, 1955________

b. Title clearance obtained (date) _______January 10, 1956________

14. Access: (Form No. _____)

a. Available _______yes______ (yes or no)

b. Request for R/W acquisition forwarded to _______Salem________ date _______December 1, 1955________

c. R/W acquired (date) _______December 10, 1955________

Figure 3.
15. Engineering: (Form No. _____)
   a. Property line survey not required ________________________
   b. Request for survey forwarded to ___________ date __________
   c. Survey work completed (date) ____________________________
   d. New road construction required ____________________________
      Improvement of existing roads required x
   e. Request for assistance forwarded to ___________ date __________
   f. Work completed (date) __________ date __________

16. Posting:
   a. Timber sale boundary (date) __________ date __________
   b. Seed Block or Seed Trees (date) __________
   c. How posted: Paint __________ Boundary Posts __________
      Aluminum tag __________

17. Stumpage appraisal: (Form No. _____) Forwarded to __________
    date __________

18. Request for sale writeup (Form No. _____) Forwarded to __________
    date __________

19. Sale advertised (date) __________

20. Notices mailed out (date) __________

21. Sale made (date) __________

22. Successful bidder ____________

23. Contract No. ____________

24. Contract expiration date ____________

25. Slash status ____________

26. All contract requirements met and sale completed ____________

27. Posted to regeneration check file ____________

28. Planting or seeding ____________

Figure 3 (continued).
REQUEST FOR TIMBER SALE WRITEUP

1. Name of Sale: Cook Creek Salvage #1  County: Tillamook

2. Sale No.  TT-56-10  Sale to be held at Tillamook on June 15, 1957  Time 1:30 p.m. (Approx. date)

3. Timber Sale Area: Fr. SW1/4, SE1/4, NW1/4 of Section 15, T. 2 N.

R. 8 W.

(Attach vicinity map showing timber sale area, seed blocks, access roads, streams, etc.)

4. Timber to be sold: All dead timber within boundary

<table>
<thead>
<tr>
<th>Species</th>
<th>Volume B.F.</th>
<th>Appr. Price/MBF</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas-fir, dead</td>
<td>2,500 M</td>
<td>$15.50</td>
<td>$46,250.00</td>
</tr>
<tr>
<td>Cedar, dead</td>
<td>50 M</td>
<td>7.00</td>
<td>350.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,550 M</td>
<td></td>
<td>$46,600.00</td>
</tr>
</tbody>
</table>

Attach Cruise Report

5. Timber to be sold is designated and marked by: "Timber Sale Boundary" signs

6. Amount of payment with bid: $5,000

7. Payment:
   Payment in full ________ Installment payments 6

8. Security:
   Amount of Performance bond $10,000
   Amount of Property Damage Insurance $100,000
   Amount of Public Liability & Property Damage Insurance (Vehicle) $10,000 / $20,000
   $10,000 Public Liability
   $10,000 Property Damage

Figure 4.
9. Logging Operations: (attach sheet showing any requirements in addition to standard contract provisions.)

a. Merchantability of logs
   No log will be considered merchantable which contains less than 200 bd. ft. net scale.

b. Seed source reservations. Show reserve areas on sale map.

c. Purchaser shall fall all snags over _____ feet in height and over _____ inches DBH.

d. Purchaser shall fall all standing trees and snags which are over 15 feet in height and over 12 inches DBH.

e. Slash disposal recommendations.

10. Access by: State road ___ County road ___ R/W Agreement ___
    No access ___. (Make separate report on agreements and access details.)

11. Road Use and Maintenance: Attach map showing location and names of primary and secondary roads to be maintained. Fully explain any required deviation from standard provisions.

12. Improvements: Attach specifications for road improvements, road construction or other required construction.

13. Prevention and suppression of fire:
   Additional equipment and/or fire protection facilities to be required: ______ none

   Fire lines to be constructed: not to exceed 1 _____ miles.

14. Recommended expiration date of contract December 31, 1958

   Signed: Unit Forester

   Date: March 15, 1957

Figure 4 (continued).
STATE TIMBER SALE

Bear Creek - Sale No. TLC-57-46

Oral Bids will be received by the State Forester at 2600 State Street, Salem, Oregon, at 2 p.m., October 11, 1957, for the timber located in the following described sale area in Lincoln County, Oregon, to wit:

TLC-57-46: Portion of Section 18, Township 11 South, Range 9 West, W.M.

Estimated volume is 1,257 MBF of Douglas-fir and a negligible volume of maple and alder.

The minimum bid that will be considered is $19,860.60.

Prospective bidders should obtain a notice of proposed sales and examine a copy of the proposed contracts at the office of the State Forester, 2600 State Street, Salem, Oregon.

Publication dates: September 12, 19, 26 and October 3 and 10, 1957.

Figure 5. Sample legal advertisement for timber sale.
Gentlemen:

Enclosed is Notice of Timber Sale which we would like you to publish as a legal notice in your issues of September 12, 19, 26 and October 3 and 10, 1957.

It is hereby requested that each week, on the day of publication, you mail to this office a copy of the issue which contains the Notice of Sale.

Please submit your bill in triplicate to the State Forester, 2600 State Street, Salem, Oregon, with affidavit of publication.

Very truly yours,

D. L. PHIPPS, State Forester

By

Office Manager

Initials
Enclosures (2)

cc: Unit Forester

Figure 6. Sample publication order for legal advertisement.
STATE OF OREGON - BOARD OF FORESTRY
TIMBER SALE NOTICE
BEAR CREEK - SALE NO. TIC-57-46

Time: 2 p.m., October 11, 1957.

Place: Office of State Forester, 2600 State Street, Salem, Oregon.

Area: Portion of the SE 1/4 NW 1/4 and SW 1/4 NE 1/4 of Section 18, Township 11 South, Range 9 West, W.M., Lincoln County, Oregon.

Qualifications for Bidding: Submit at time of sale to qualify for oral bidding.

1. Certified or cashier's check made payable to the State Forester in the amount of $3,000, to be applied to the purchase price, returned to the unsuccessful bidders, or retained as liquidated damages, if successful bidder fails to qualify under the terms of the timber sale contract.


Minimum Stumpage Price:

<table>
<thead>
<tr>
<th>Species</th>
<th>Amount</th>
<th>Price per M</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas-fir</td>
<td>1,257 MBF</td>
<td>$15.80</td>
<td>$19,860.60</td>
</tr>
<tr>
<td>Maple and Alder</td>
<td>negligible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,257 MBF</td>
<td></td>
<td>$19,860.60</td>
</tr>
</tbody>
</table>

Bid award will be made on the basis of the largest total lump sum bid. The State makes no guarantee as to the quantity, quality or value of the timber to be sold.

A portion of the timber consists of three marked trees outside of the timber sale boundary adjacent to the road to be improved.

Payment: Four equal installments.

Bond: $5,000 Surety Bond.

Insurance: $100,000 Third Party Property Damage Insurance

Access: State Forest Road

Figure 7. Sample timber sale notice.
SPECIAL PROJECTS:  
1. Improve approximately 2000 feet of road.  
2. Install 48' x 56' concrete culvert (pipe furnished).  
3. Install three concrete or metal pipe culverts, 12" x 30' each (purchaser supplies pipe).  
4. Construct approximately 50 feet of ditch for channel change.

Completion Date of Contract: December 31, 1959.

"SHOW-ME-TRIP"; A State conducted field trip over the sale area will be held at 1 p.m., September 16, 1957. Place of meeting will be the Eddyville General Store.

Prospective bidders should examine a copy of (1) the proposed contract, and (2) an agreement for use of private road and rock pit, said copies are on file at the office of the State Forester, 2600 State Street, Salem, Oregon.

Vicinity maps are available for persons interested in examining the sale area.

D. L. PHIPPS  
State Forester

Figure 7 (continued).
**STATE OF OREGON—BOARD OF FORESTRY**

**Bid Record**

**Name of Sale:** Cook Creek Salvage #1  
**County:** Tillamook  
**Held at:** Tillamook  
**Date:** June 10, 1956  
**Time:** 1:30 p.m.  
**Area:** Fr. S.W. 3/4 of Section 15, T. 2 N., R. 8 W.

<table>
<thead>
<tr>
<th>Species</th>
<th>Volume MBF</th>
<th>Appraised Price /M</th>
<th>Total Appraised Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas-fir</td>
<td>2,500</td>
<td>$18.50</td>
<td>$46,250.00</td>
</tr>
<tr>
<td>Cedar</td>
<td>50</td>
<td>7.00</td>
<td>350.00</td>
</tr>
</tbody>
</table>

**Total**  
2,550  
**Minimum Price Acceptable**  
$46,600.00

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>$46,600</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td>$46,700</td>
</tr>
<tr>
<td>3</td>
<td>$46,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>$46,900</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>$47,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>$47,100</td>
<td></td>
</tr>
</tbody>
</table>
ORAL BID CONFIRMATION

For

STATE TIMBER SALE

<table>
<thead>
<tr>
<th>Name of Sale</th>
<th>Bear Creek</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Number</td>
<td>TLC-57-46</td>
</tr>
<tr>
<td>Date of Sale</td>
<td>October 11, 1957</td>
</tr>
</tbody>
</table>

The undersigned hereby proposes and agrees to accept and perform all of the terms and conditions as stated in the sample contract for the above cited timber sale.

I (We) bid and will pay $33,000.00

Name: John Doe Lumber Company

Signed by /s/ John Doe

/s/ John Brown  Address  610 First Avenue

Corvallis, Oregon

Date: October 11, 1957

Telephone No. Corvallis 649R

Figure 9.
OREGON STATE BOARD OF FORESTRY

STATUS OF PURCHASER ON STATE TIMBER SALE CONTRACT

Name of Purchaser  G. W. Logging Co.  Contract No.  TT-56-9

1. Status of Purchaser:  Check

( ) Corporation:  Complete Items 2 and 3.
( ) Partnership:  Complete Items 2 and 5.
( ) Assumed Business Name:  Complete Items 2, 4, and 5.
( ) Individual:  Complete Item 2.
( ) Other:  Complete Item 2.

2. Address of Purchaser:

Local Address  Rt. 2, Box 270, Tillamook, Ore.  Tel. VI-2-6960
Home Address  Same  Tel.  

3. If Purchaser is a CORPORATION, give the following information:

President  
Secretary  
Incorporated in the State of  
Is the Corporation authorized to do business in Oregon?  ( ) Yes  ( ) No

4. If the Purchaser is doing business under an ASSUMED BUSINESS NAME, in what County has the name been filed?  Tillamook  
County, State of  Oregon  

5. List the names of all persons doing business under the PARTNERSHIP or ASSUMED BUSINESS NAME.

Glenn W. Wilks  

For Use of State Forester:

Date of Sale  
Signed this 12th day of April, 1957  
Area  

Type  Exp.  Purchaser  G. W. Logging Co.
Bid  
Bond  By  /s/ Glenn W. Wilks  

Figure 10.
NOTICE OF SALE AWARD

To: John Doe Lumber Company

Date: 10/11/57 (Note: The date of contract and date of bid award (or sale award) are the same)

Contract No. TLC-57-46

WHEREAS, Pursuant to Oregon statutes and published notice, bids were received by the State Forester on October 11, 1957, at Salem, Oregon, for certain designated timber, situated on state-owned lands in Lincoln County, Oregon; and,

WHEREAS, John Doe Lumber Company, Corvallis, Oregon, did enter the highest bid for stumpage, being a bid of Thirty-three Thousand Dollars ($33,000) and did accompany such bid with a certified check made payable to the State Forester in the amount of Three Thousand Dollars ($3,000) to be applied to the purchase price of the timber, or as liquidated damages should John Doe Lumber Company fail to qualify under terms of the proposed timber sale contract.

NOW, THEREFORE, the State Forester, acting on behalf of the State of Oregon-Board of Forestry, does hereby accept such bid of Thirty-three Thousand Dollars ($33,000) for the purchase of the designated timber on Sec1/2, SW1/4NE1/2 of Section 18, Township 11 South, Range 9 West, W.M., as stated in the sample timber sale contract.

STATE OF OREGON - BOARD OF FORESTRY

/s/ Dwight L. Phipps
State Forester

Figure 11.
Enclosed please find notice of sale award, three copies of timber sale contract No. ________, and bond forms which are acceptable to this department. One copy of the contract is for the bonding company, one copy for your files, and the original copy is to be signed and returned to this office with your performance bond, certificates of insurance, and the balance of $________ due on the first installment of the contract.

As stated in your timber sale contract, the bond and insurance are to be furnished to State within 30 days of the date of the contract and no operation is to be started on the sale area prior to written acceptance of said bond and insurance.

Very truly yours,

D. L. PHIFFS, State Forester

By

Title

Initials

Enclosures

cc: Unit Forester

Figure 12. Sale award transmittal letter.
Performance Bond

State Contract No. .................................................  Road Use Permit No. .................................................

KNOW ALL MEN BY THESE PRESENTS:

That We, .................................................................................................. of the city of ................................................., county of ................................................., state of ................................................., (hereinafter called the principal) as principal, and

................................................., a corporation, organized and existing under the laws of the state of ................................................., and authorized to transact a surety business in the State of Oregon, (hereinafter called the Surety) as Surety, are held firmly bound unto the State of Oregon, for the use and benefit of its Board of Forestry (hereinafter called the obligee) in the sum of ................................................. DOLLARS for the payment whereof to the obligee, the principal and the surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents,

WHEREAS, the principal and the obligee have entered into a certain written instrument dated the .......... day of ................................................., 19......, covering ................................................. by the obligee to the principal, a copy of which instrument is attached hereto, and is hereby referred to and made a part hereof.

NOW, THEREFORE, the condition of this obligation is such that if the principal shall indemnify the obligee against loss or damage directly caused by the failure of the principal faithfully to perform the terms, conditions and provisions of said instrument, then this obligation shall be null and void; otherwise remain in full force and effect.

IN WITNESS WHEREOF, the said principal and the said surety have caused these presents to be executed on this .......... day of ................................................., 19......

PRINCIPAL:

....................................................... (SEAL)

SURETY:

....................................................... (SEAL)

Countersigned:

By ...................................................., Resident Agent

By ...................................................., Attorney in Fact

Address:

Address:
ACCEPTANCE of INSURANCE & PERFORMANCE BOND

Contract No: TLC-57-46  Expiration Date: 12/31/59
Purchaser: John Doe Lumber Company
Address: Corvallis, Oregon

The following insurance policies and performance bond have been reviewed and hereby are accepted as in accordance with the terms of State Contract No. TLC-57-46.

I. Insurance

(1) Public Liability and Primary Property Damage

Company ____________________________________________________________
Address ___________________________________________________________
Policy No. __________________________________________________________
Amount of Public Liability ___________________________________________
Amount of Primary Property Damage __________________________________
Effective from ____________________ to ____________________

(2) Excess Property Damage

Company Pacific Indemnity Company
Address c/o Swett & Crawford Insurance Co.
1515 Yeon Bldg., Portland 4, Oregon
Policy No. LOOL 00000  Amount $100,000/excess of $250.
Effective from 7/1/50 to 7/1/60

II. Performance Bond

Company American Casualty Company of Reading, Pa.
Address c/o Martin Knutsen & Son
P.O. Box 657, Astoria, Oregon
Bond No. 1234567  Amount $5,000

This acceptance is conditioned upon the Purchaser keeping in continuous effect the required insurance for the duration of the contract period.

Approved as to form:
Date October 21, 1957  Dated this 21st day of October, 1957

/s/ Thomas C. Stacer  /s/ Dwight L. Phipps
Assistant Attorney General  STATE FORESTER, Acting for and on behalf
with State Forester  of the State of Oregon-Board of Forestry

Figure 14.
## TIMBER SALE CONTRACT CHECK LIST

*(Post Sale Procedure)*

<table>
<thead>
<tr>
<th>Contract No.</th>
<th>CHECKED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Date</td>
</tr>
</tbody>
</table>

1. Contract numbered and recorded in ledger
2. Record form prepared and copies distributed
3. Deposit with bid posted
4. Platted in plat book and on map of Unit
5. Contract approved by Attorney
6. Sale award typed
7. Contract and sale award signed and dated
8. Sale award, 3 copies contract, bond forms, and instructions mailed to purchaser
9. Mail Unit Forester copy of contract and sale award
10. Entered on inspection report check list
11. Entered on summary statement mailing list
12. Bond-Insurance acceptance form typed and approved by Attorney
13. Acceptance form signed by State Forester
14. Payment (or 1st installment) posted
15. Acceptance of bond-insurance mailed to purchaser
16. Mail Unit copy of acceptance
17. Contract and insurance expiration dates entered on tickler
18. Contract filed - vault and office copies

*Figure 15.*
1. Purchaser  
2. Contract No.  
3. Expiration Date  
4. Report for month of  
5. Contract Compliance  
7. Logs Delivered to:  
8. Logging Operation:  
9. Plat area of operation during month.  
10. Type of Contract  
11. Recovery Contract  
12. Installment Contracts:  
Remarks:  
Date of Inspection  
Signed  

STATE OF OREGON—BOARD OF FORESTRY
Timber Sale Inspection Report

Logging Operation:
Operator

<table>
<thead>
<tr>
<th>Type of Contract</th>
<th>% of School</th>
<th>% of District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

<table>
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<th></th>
<th></th>
<th></th>
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<tr>
<td>John Doe Lumber Co.</td>
<td>JD</td>
<td>1</td>
<td>541</td>
<td>15</td>
<td>21</td>
<td>64</td>
</tr>
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<table>
<thead>
<tr>
<th>Land Status (Check)</th>
<th>Legal Subdivision</th>
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</thead>
<tbody>
<tr>
<td>90-10</td>
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</tr>
<tr>
<td>75-25</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>% of Value</th>
<th>School District</th>
</tr>
</thead>
<tbody>
<tr>
<td>% from</td>
<td>90-10</td>
</tr>
<tr>
<td>% from</td>
<td></td>
</tr>
<tr>
<td>% from</td>
<td></td>
</tr>
<tr>
<td>% from</td>
<td></td>
</tr>
</tbody>
</table>

Road maintenance: Purchaser was instructed to grade a section of the primary forest road which was badly rutted due to hauling in wet weather.

Purchaser was instructed to fall 2 snags in the felled and bucked area.

July 1, 1957

A. L. Cook
STATE OF OREGON
BOARD OF FORESTRY

Purchaser: Summit Lumber Co.

Contract No. TT-56-10

Address: Tillamook, Oregon

For the Month of June, 1957

The above designated timber sale contract requires that the PURCHASER shall submit to STATE on or before the 15th of each month a summary statement listing the net board foot volume by species and log grade of all logs and timber removed and scaled by PURCHASER during the preceding calendar month.

<table>
<thead>
<tr>
<th>Species and Grade</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Fir</td>
<td></td>
</tr>
<tr>
<td>No. 1 Peeler</td>
<td></td>
</tr>
<tr>
<td>No. 2 Peeler</td>
<td>8,500</td>
</tr>
<tr>
<td>No. 3 Peeler</td>
<td></td>
</tr>
<tr>
<td>No. 1 Peeler Blk.</td>
<td></td>
</tr>
<tr>
<td>No. 2 Peeler Blk.</td>
<td>1,500</td>
</tr>
<tr>
<td>No. 3 Peeler Blk.</td>
<td></td>
</tr>
<tr>
<td>No. 1 Mill</td>
<td>250</td>
</tr>
<tr>
<td>No. 2 Mill</td>
<td>23,200</td>
</tr>
<tr>
<td>No. 3 Mill</td>
<td>30,250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Species and Grade</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spruce</td>
<td></td>
</tr>
<tr>
<td>Select</td>
<td></td>
</tr>
<tr>
<td>No. 1 Mill</td>
<td></td>
</tr>
<tr>
<td>No. 2 Mill</td>
<td></td>
</tr>
<tr>
<td>No. 3 Mill</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Species and Grade</th>
<th>Gross Volume (Include if available)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hemlock</td>
<td></td>
</tr>
<tr>
<td>No. 1 Mill</td>
<td>78,600</td>
</tr>
<tr>
<td>No. 2 Mill</td>
<td></td>
</tr>
<tr>
<td>No. 3 Mill</td>
<td></td>
</tr>
<tr>
<td>Cedar</td>
<td>3,500</td>
</tr>
<tr>
<td>No. 1 Mill</td>
<td></td>
</tr>
<tr>
<td>No. 2 Mill</td>
<td></td>
</tr>
<tr>
<td>No. 3 Mill</td>
<td></td>
</tr>
<tr>
<td>Spruce</td>
<td></td>
</tr>
</tbody>
</table>

| Total Net Volume        | 64,950                              |
| Total Gross Volume      | 82,100                              |

Remarks: Did not receive scale on one load hauled out on October 29 in time to make this report. Will include in next month's report.

Signed: John Doe
Title: President
Date: July 11, 1957

Mail the white and blue copies to State Forester, Salem, Oregon
Retain the pink copy for your file.
SUSPENSION OF OPERATION NOTICE

To Bruno Logging Co.

260 High Street

Stayton, Oregon

You are hereby directed to suspend all logging operations on the area described in Timber Sale Contract No. TM-57-1, dated February 4, 1957, by and between Bruno Logging Co. and State of Oregon due to failure to comply with the following provisions of said contract:

Paragraph 2.02. Failure to pay installment payment due in amount of $5,000.

You are hereby directed to comply with the said provisions within ten (10) days following date of this notice.

No further logging operations shall be conducted prior to receipt of a written Notice of Compliance signed by the State Forester.

Dated this 20th day of September, 1957.

State Forester
Dwight L. Phipps

Copies to: State Forester

Unit File

Surety

Figure 18.
This notice is in reference to Timber Sale Contract No. _______, dated ________________ 19__, by and between Board of Forestry and State of Oregon.

I have been informed by (Name) (Title), that you have complied with the requirements as stated in the Suspension of Operation Notice dated ____________________.

The Suspension Notice hereby is revoked and authorization is granted for resumption of your logging operations.

Very truly yours,

D. L. Phipps
State Forester

Figure 19. Notice of compliance to purchaser.
STATE TIMBER SALE CONTRACT
STATUS REPORT

Purchaser: Cross Tie Lumber Co.  Sale Class: Installment
Contract No.: TT-55-ID  Type of Bond: Surety Amount: $5,000.00
County: Tillamook  Expiration date: 12-31-60

FIELD REPORT on progress or status of:

1. Logging (Merchantability): Complete
2. Road and bridge construction and maintenance: Complete
3. Stumpage payments: Complete
4. Snag falling: Two snags to be felled
5. Conservation act compliance: O.K.
6. Slash disposal: None required.
7. Compliance with forest laws not described above: O.K.
8. Compliance with contract provisions not described above: O.K.
9. If timber is not completely removed, is a contract renewal recommended? If yes, state approximate volume and value of remaining timber and reasons for non-completion.

10. Are the provisions of the contract satisfied to the extent that the bond (if any) may be released or cancelled? No.

11. Remarks and recommendations: Retain bond until snags are felled.

Date: October 1, 1957
Signature: A. Cook
Title: Unit Forester

OFFICE MEMO:
Status: ( ) Active ( ) Pending ( ) Completed
( ) Bond disposed ( ) Office file ( ) Plat Book ( ) Accounting
( ) Bond file ( ) Vault file ( ) Record
Date: Initial

Figure 20.
STATE OF OREGON
STATE BOARD OF FORESTRY
OFFICE OF STATE FORESTER
SALEM

Date

File Designation
County

Name of Surety
Address of Surety

Salutation:

Reference is made to your Surety Bond, No._______, in the amount of $___________, which applies to Oregon State Timber Sale Contract No._______, between the State and______ (Name and Address of Purchaser).______

Please be advised there is no further obligation on the part of the surety under the terms of said timber sale contract. This letter shall be considered as your authorization for termination of the above cited performance bond.

Very truly yours,

D. L. Phipps
State Forester

Initials

cc: Purchaser
Unit Forester

Figure 21. Letter authorizing termination of surety bond.
STATE OF OREGON
STATE BOARD OF FORESTRY
OFFICE OF STATE FORESTER
SALEM

Date

File Designation
County

Name of Purchaser
Address of Purchaser

Salutation:

Enclosed please find copy of letter to Name of Surety, which authorizes the company to terminate surety bond, No.______, in the amount of $_________ which applies to Oregon State Timber Sale Contract No.__________ between the State and (Name and Address of Purchaser); however, release of the performance bond shall not be considered by (Name of Purchaser) as a release of any obligations required by Oregon laws pertaining to logging slash and fire fighting.

Very truly yours,

D. L. Phipps
State Forester

Initials
Enclosure

cc: Unit Forester

Figure 22. Notice to purchaser of surety bond termination.
The STATE FORESTER, acting for and in behalf of the State of Oregon-Board of Forestry, hereby grants to Brown Logging
Co. P.O. Box 15h Tillamook Oregon, hereinafter called "Permittee", permission to cut and remove 11,832 bd. ft., more or less, of dead Douglas-fir. (9 snags)

Located on the following described State-owned or managed land located in fr. NW\SE\ of Sec. 26, T. 2 N., R. 8 W., W.M., Tillamook County.

The products sold hereunder shall be cut from only those trees as designated and marked with red paint and branded at base with shield 6 brand.

This permit is subject to the following conditions and provisions:

1. Full payment in the amount of $130.00 shall be made to the State Forester, Salem, Oregon, prior to cutting or removing any of the products described above.

2. The above payment shall not be refunded in the event products sold hereunder are not removed.

3. This permit shall not be assigned or transferred unless approved in writing by the State Forester.

4. Permittee shall comply with all the regulations of the State of Oregon-Board of Forestry and with the Oregon Forest Laws.

5. The State Forester or his agent shall have the right to inspect and estimate the products cut, either

Figure 23.
before or during hauling, and to require such provisions for inspection as are deemed necessary.

6. Roads in the area shall not be blocked at any time.

7. Any debris resulting from the activity of Permittee shall be removed or disposed of as directed by the State Forester or his representative.

8. Fire shall not be used unless authorized by the State Forester.

9. The Permittee shall be held liable for payment of any damage to State property resulting from negligent acts of said Permittee.

10. Other provisions.

Violation of any of the provisions of this permit shall be sufficient cause for the cancellation hereof.

This permit expires December 31, 1957

Signed this 20th day of August, 1957.

STATE OF OREGON - BOARD OF FORESTRY

By /s/ D. L. Phipps
State Forester

Recommended by:

/s/ R. D. Powers Date 8/12/57

/s/ W. S. Phelps Date 8/12/57

Figure 23 (continued).