

View north
from Stand 7, at
Wilkins Creek



MANAGEMENT HISTORY AND LOG MARKETS

Hood River County purchased both properties in July 2002. A total of 536± MBF has been harvested since that time, with 221± MBF from Desolation Creek and 314± MBF from Wilkins Creek. There has been no other logging activity on the property.

Both Desolation Creek and Wilkins Creek have been managed as commercial tree farms for over sixty years by Georgia Pacific, Louisiana Pacific and Pioneer Resources.

There are sawmills operated by Boise Cascade, Malheur Lumber and Blue Mountain Lumber Products located in Pilot Rock, La Grande, John Day and Pendleton that process pine, Douglas-fir, and white fir logs. Nearby biomass markets are located in John Day, Pilot Rock and La Grande.

LEASES

There are five grazing leases that extend from April 1 to October 31 through 2014, which generate annual income of \$27,327 at a rate of \$12 per AUM, or a total of 2,272 AUMs. The five leases may be terminated or re-negotiated by the new owner upon sale of the property.

Desolation Creek is leased to three ranchers and generates annual income of \$20,232. Wilkins Creek is leased to two ranchers and generates

annual income of \$7,092. Copies of the leases are available in the Supplemental Information Package with Bid Documents.

There are no other leases. The Desolation Creek and Wilkins Creek tracts have not been leased for hunting for the past nine years.

THREATENED OR ENDANGERED SPECIES

The Seller is not aware of any threatened or endangered species within the area of the properties, and anticipates no significant impact concerning future timber harvests on either Desolation Creek or Wilkins Creek.

TAX ASSESSMENT

The properties are classified as forest land for tax assessment purposes in both Umatilla and Grant Counties. 2012-2013 taxes for Desolation Creek are \$9,760 and \$3,060 for Wilkins Creek. The Oregon Department of Forestry Fire Assessment for a new owner is estimated at \$23,000 for Desolation Creek and \$6,630 for Wilkins Creek. Total taxes and assessments are estimated at \$32,760 for Desolation Creek or \$2.43 per acre, and \$9,690 for Wilkins Creek or \$1.82 per acre.

ENVIRONMENTAL SITE ASSESSMENT

A Phase I Environmental Assessment has been prepared by Osprey Environmental LLC, and is available on the data site, or by contacting the Auction Information Office.

MINERALS

All minerals owned by the Seller will be conveyed to the new owner.

CONSERVATION EASEMENTS

There are no conservation easements on the properties.

PRELIMINARY TITLE REPORTS

Preliminary title reports have been prepared, with copies of the exception documents, and all are available on the data site by CD, or by hard copy, by contacting the Auction Information Office.

Land Title of Grant County prepared the title report for Desolation Creek and Pioneer Title Company prepared the title report for Wilkins Creek.