



SEALED BID AUCTION



FOLEY BUTTE BLOCK 32,475± ACRES

Prineville, Oregon

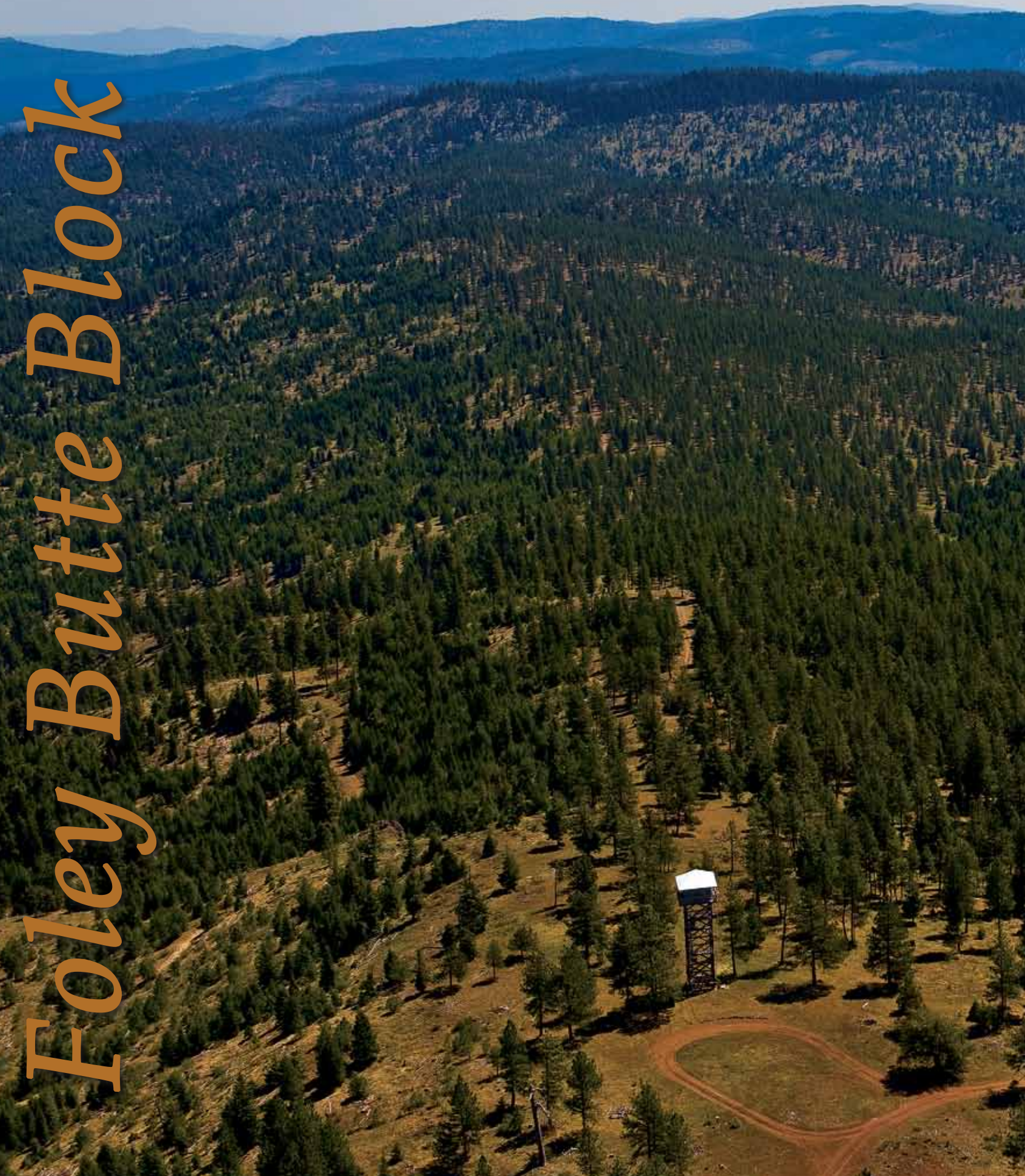
SEALED BIDS DUE JULY 25, 2013

PONDEROSA PINE CAPITAL OF THE WORLD, WITH EXCELLENT ACCESS TO CENTRAL OREGON GOLF AND SKI RESORTS

HIGH-QUALITY, WELL-STOCKED PONDEROSA PINE TREE FARM WITH 80 MILLION BOARD FEET OF TIMBER AND VOLUME PROJECTED TO TRIPLE WITHIN 25 YEARS

EXCEPTIONAL OPPORTUNITY TO OBTAIN WORKING FOREST CONSERVATION EASEMENT

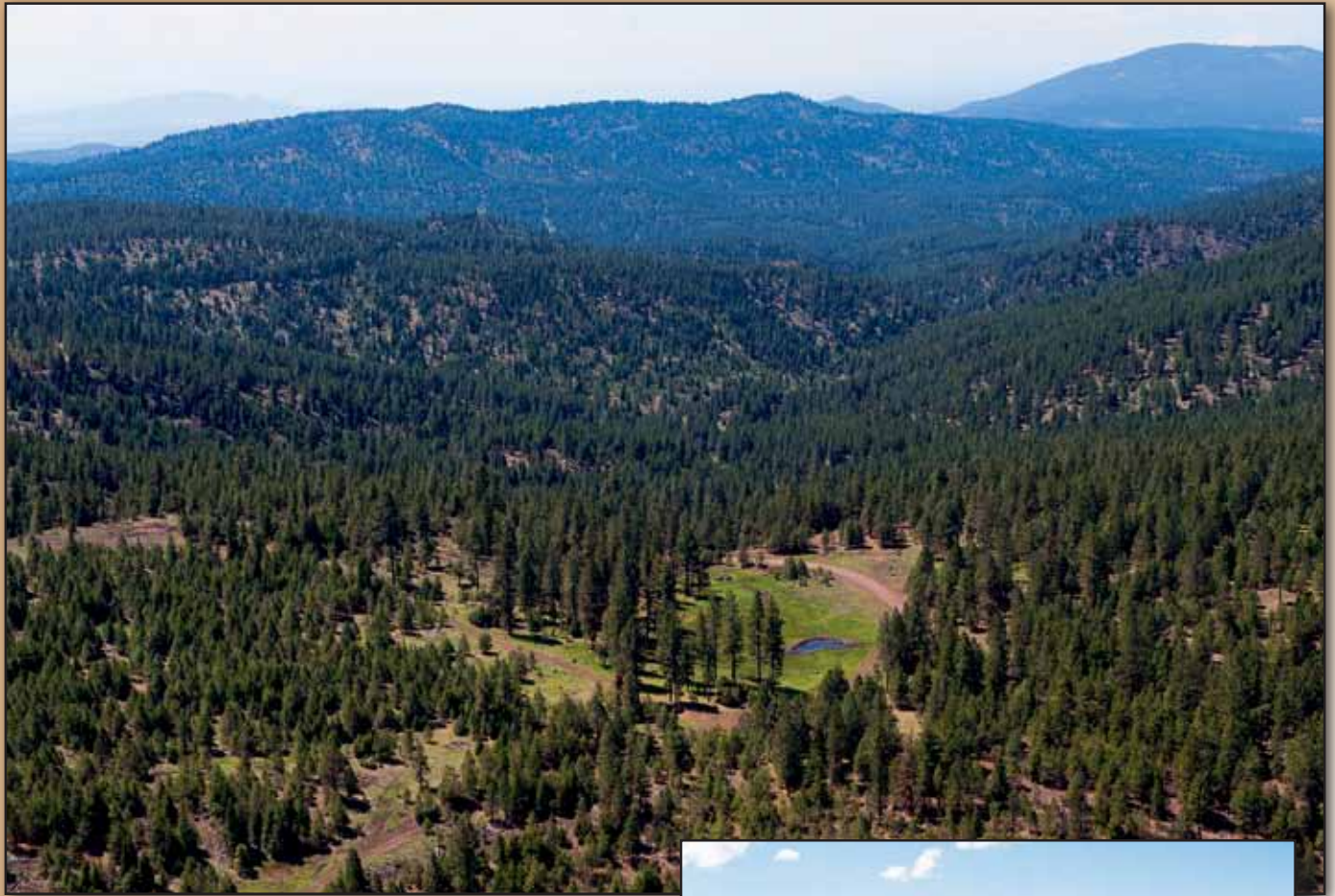
Foley Butte Block



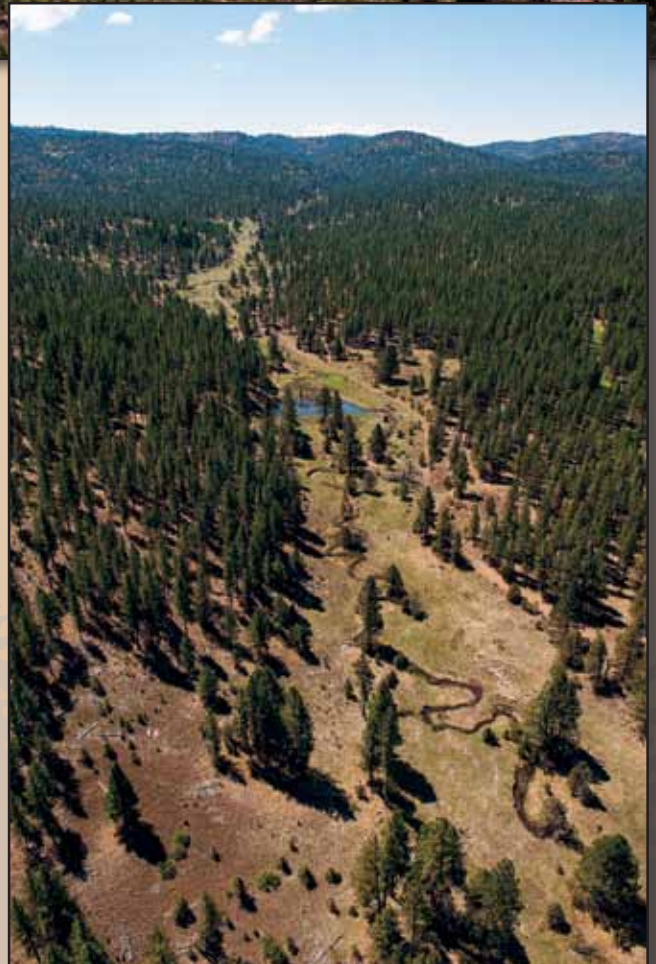
*POTENTIAL FOR PRIVATE RETREAT HAVING FOUR-SEASON RECREATION USES
SECLUDED MEADOWS, PONDS AND 147 MILES OF CREEKS
20-MINUTE DRIVE TO PRINEVILLE AIRPORT WHICH CAN ACCOMMODATE PRIVATE JET
AIRCRAFT, AND 45-MINUTES TO CITY OF BEND*



The Opportunity

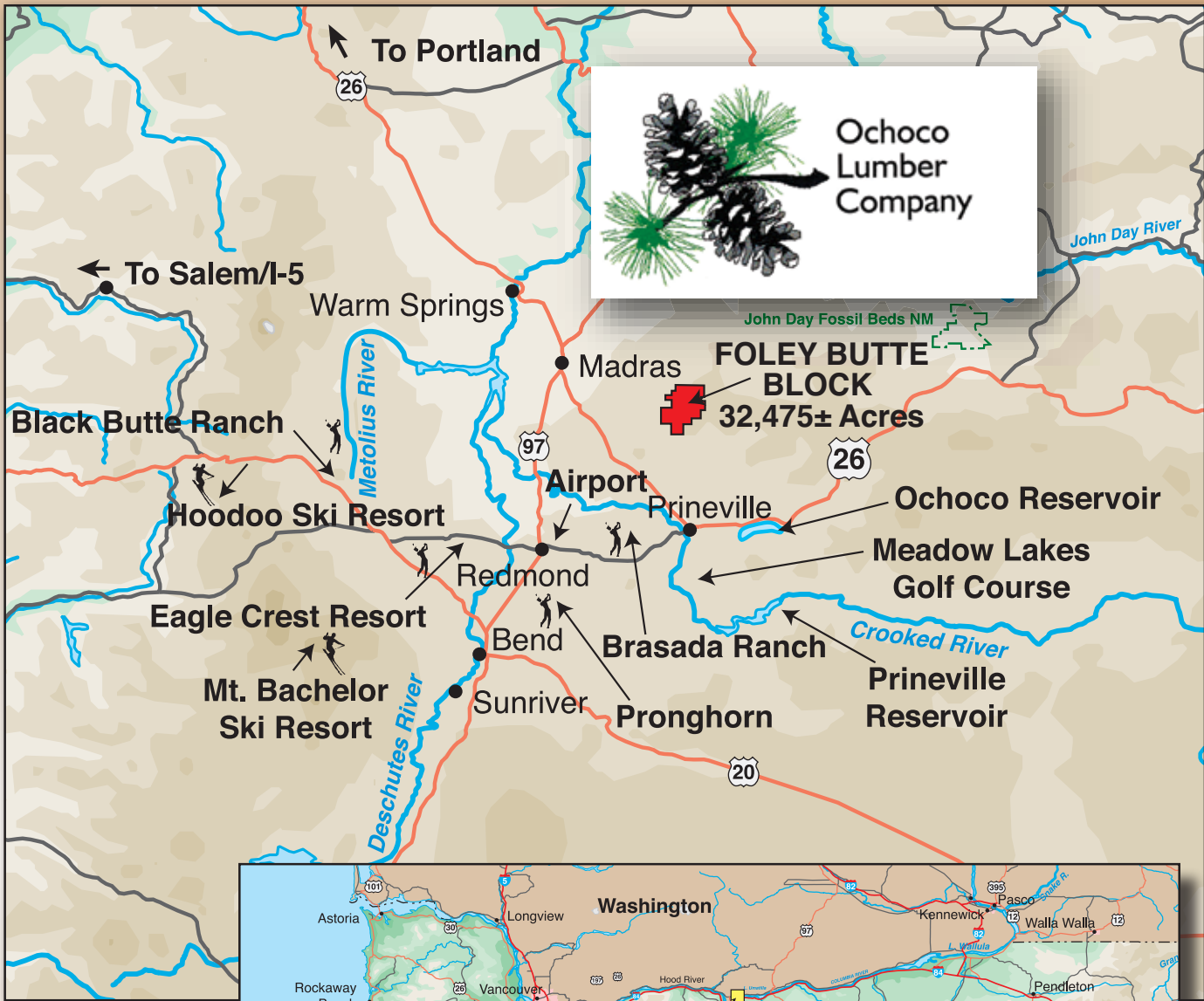


The 32,475± acre Foley Butte Block, being offered by Ochoco Lumber Company, is one of the largest contiguous private ownerships of a well-stocked commercial ponderosa pine tree farm available for sale in the Pacific Northwest. Located in the heart of Central Oregon's resort markets, it has a combination of timber, recreation, conservation, and development values. The Foley Butte Block contains an estimated 80 million board feet of primarily ponderosa pine, with some Douglas-fir and grand fir, and is projected to triple in volume to over 261 million board feet within 25 years, due in part to Ochoco Lumber Company's land stewardship and reforestation investments made throughout its twenty-two year ownership.



*Top: Spring near Foley Creek in Section 10
Bottom: Martin Creek Drainage*

Strategic Location



The 32,475± acre Foley Butte Block has a location strategic to domestic log and chip markets, and to central Oregon golf and ski resorts



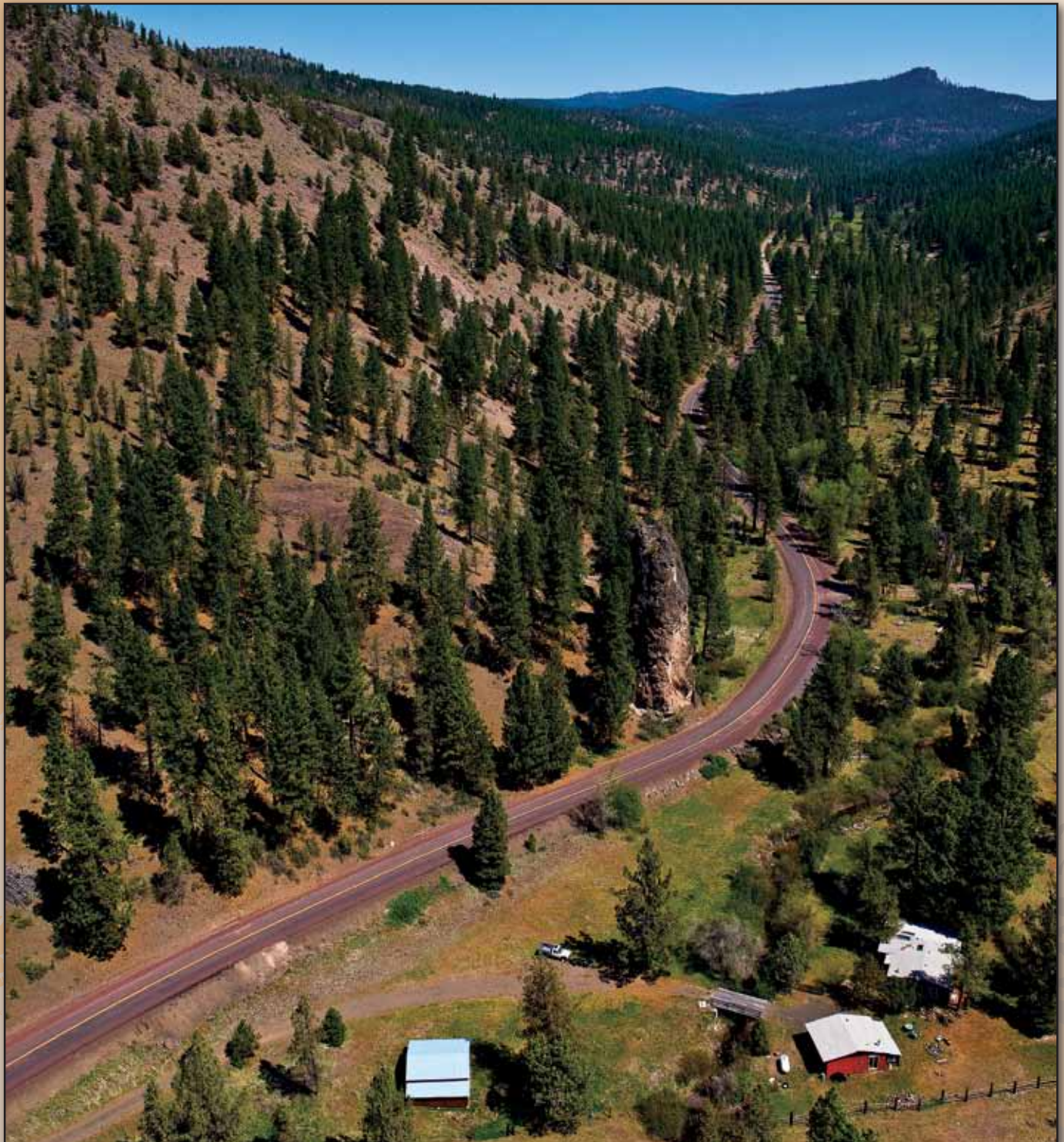
An estimated 1.3 million seedlings were planted by the Seller from 1992 through 2003, making Foley Butte Block one of the largest reforestation projects to take place on private lands in central Oregon. The replanting of 3,000 acres, and a program of pre-commercial thinning and limited harvesting, has significantly increased the long-term productivity and asset growth of the tree farm.

The property has a location strategic to year-round recreation. *Outside Magazine* recently rated central Oregon as one of the top fifteen sports and recreation communities in North America.

The Foley Butte Block has limited public access. It extends nine miles north to south, seven miles east to west, and is located along the slopes of the Ochoco Mountains, at elevations that range from 3,100±

5,484± feet, with a lookout tower maintained by the Oregon Department of Forestry, providing added fire protection. There are over 147 miles of creeks that contain the headwaters of Willow, Foley and Martin Creeks, all tributary to the Deschutes River Basin and Fall, Allen and Lofton Creeks, all tributary to the Crooked River. The 141 miles of logging roads provide access for hiking, mountain biking, horseback riding, and cross country skiing and snowmobiling in the winter. There are exceptional locations along Foley and Martin Creeks in the northeast corner, along Fall and Allen Creeks and by Martin Lake in the eastern section, and along Willow Creek in the western section, that could all be developed as a base camp or seasonal retreat. There is an existing two-bedroom cabin that overlooks a meadow along Willow Creek at the western entry to the property. The property

Year-round
access from
Allen Creek
Road





Meadow Lakes Championship 18-hole golf course is owned by the city of Prineville and is located along the Crooked River. It is one of the first-ever recipients of Golf Digest's National Environmental Leaders Award



Ochoco Reservoir is located 6 miles east of Prineville and is used for boating and fishing. A county park has a boat ramp



Left: View of Cascades from Foley Butte Block

IronHorse

Ochoco Point

CALL 1-800-845-3524

IronHorse, a mixed-use community being developed by Brooks Resources, and Ochoco Point by Palisch Homes, are both in Prineville

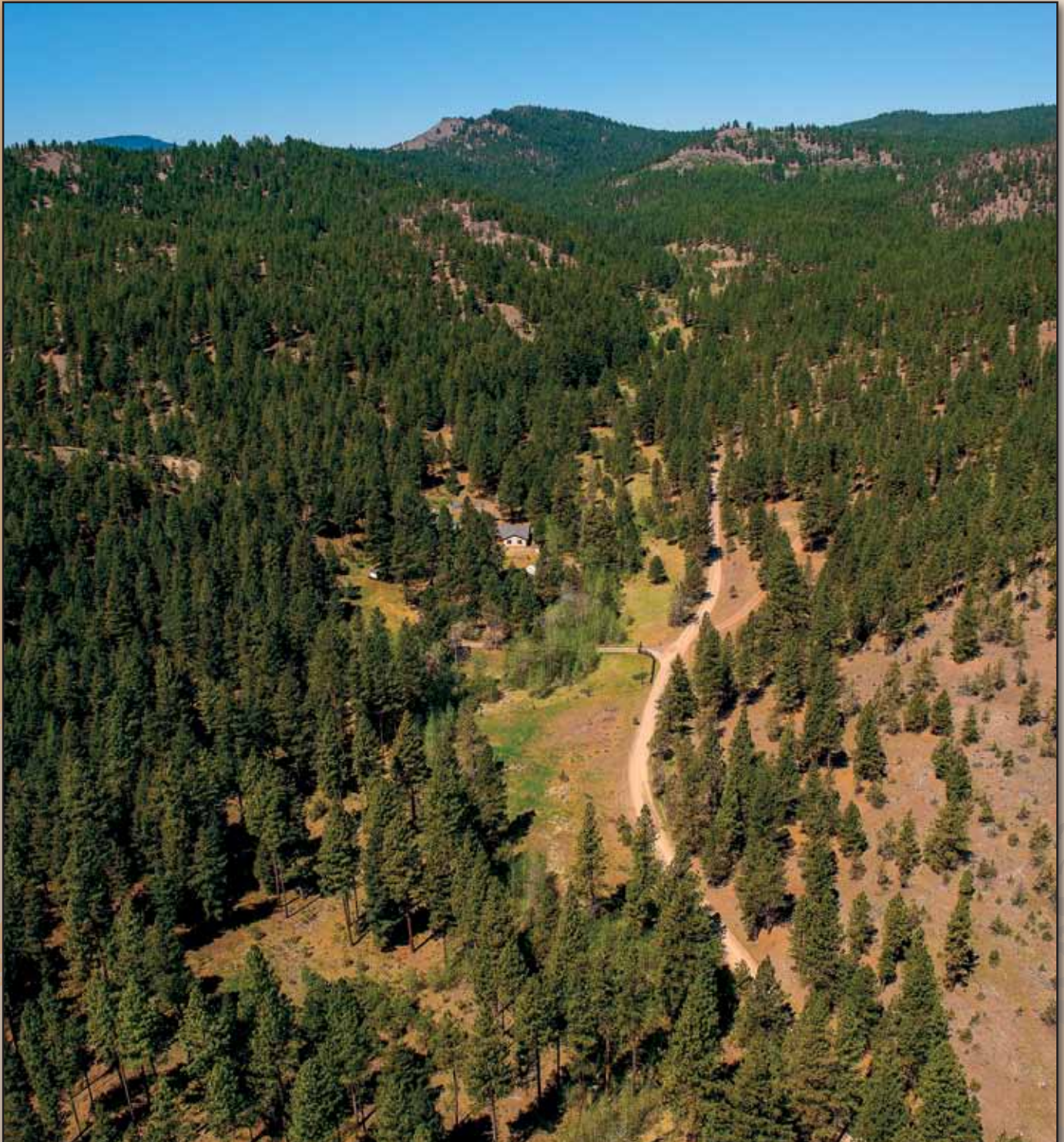
has not been leased for commercial hunting, providing a new owner with options to lease, or retain as a private hunting preserve, for both mule deer and Rocky Mountain elk.

The property is located only twelve miles north of Prineville, which provides year-round access, and secondary access is from the west to Highway 26, all within a 2.5 hour drive of Portland.

Prineville is central Oregon's third largest city and has a frontier legacy from logging, mining and ranching. The Crooked River Roundup, with rodeo and horse races, is part of the area's heritage, and Prineville has been called the Cowboy Capital of Oregon. The Rodeo Roundup and Horse Races will be held June 28 – 30 and July 10 – 13, 2013, at the Crook County Fairgrounds. Additionally, Prineville is the birthplace of

Les Schwab – the second largest private tire retailer in the United States – and is home to two data centers, one owned by Facebook, and one owned by Apple, due to climate, access to low-cost power, and an excellent work force. Both data centers are near the Prineville Airport, which can accommodate private jet aircraft. IronHorse – a new master-plan community being developed by Brooks Resources – is located in the eastern section of Prineville. The Redmond Airport, located a 25 minute drive from Prineville, has direct flights to San Francisco, Los Angeles, Denver, Salt Lake City, Seattle and Portland. Mt. Bachelor Ski Resort is within a ninety-minute drive of Prineville, and there is near-by fly fishing along the Deschutes and Crooked Rivers, with boating at Ochoco and Prineville Reservoirs. The city of Prineville has the 18-hole Meadow Lakes Golf Course, located along the Crooked River. The 1,800±

*The 1,714±
acre Lofton
Creek Tract
is adjacent
to existing
residences, and
shares an access
road from Allen
Creek Road*





Left: Crook County Courthouse was built in 1909



Right: Prineville is known as the Cowboy Capital of Oregon



Foley Butte Block may be one of the largest contiguous blocks of private ownership near Prineville, which is home to Facebook and Apple Data Centers

acre Brasada Ranch Golf Resort at Powell Butte is a thirty-minute drive from the property, and was rated in 2012 as Oregon's best destination resort by The Oregonian.

The Foley Butte Block has exceptional conservation opportunity due to its location within the Deschutes River Basin, the second largest river basin in Oregon,

and its containment of Foley, Martin and Willow Creek headwaters, all tributary to the Deschutes River.

Ochoco Lumber Company in 2003 provided the initial planting site for restoration of seven miles of Foley and Martin Creeks as part of the Deschutes Riparian Restoration Carbon Sequestration Project, in partnership with Deschutes Resources Conservancy, Climate Trust and Wy'east Resource Conservation and Development. Foley and Martin Creeks are part



of the headwaters of upper Trout Creek, and account for 25 – 33% of the total wild summer steelhead production within the Deschutes River Basin. A 52-Year Conservation Easement to restore this key steelhead breeding ground was provided by Ochoco Lumber to the Deschutes Resources Conservancy. Fencing of Foley and Martin Creeks and planting of 72,000 native plants was completed on 257 acres.

Additional conservation opportunity that would include restoration of remaining riparian areas along approximately 135 miles of Allen, Lofton, Turner, Kuisman, Bogue, Fall, Higgins, Willow, Coon, Awbrey and East Foley Creeks may be available to a new owner. Additionally, capturing carbon sequestration value from the projected 300% timber volume increase within the



Foley Creek is part of Deschutes Riparian Restoration Carbon Sequestration Project with Deschutes Resources Conservancy

next 25 years may also increase conservation values. A working forest conservation easement to incorporate these objectives, while accommodating a certain amount of harvest to improve the health and productivity of the forest, plus provide limited income, could be an option.

The Pacific Forest Trust, based in San Francisco, has been the pioneer in developing this type of easement on lands within Oregon and California. Prospective buyers may contact Constance Best, co-CEO, at 415-561-0700 extension 19, or cbest@pacificforest.org

There is some development potential near existing residences for four or five 320± acre ranchettes along Lofton and Kuiman Creeks, in the southeast section of the property. Access would be from Allen Creek Road. Additional opportunity for a year-round residence or

ranch is along Allen Creek near the property entry gate, which was historically a homestead.

The 32,475± acre Foley Butte Block Sealed Bid Auction has been structured with the option for bids to be submitted on the property either in its entirety, or in three parcels: the Ochoco Main Block of 30,324± acres, Lofton Creek Tract of 1,714± acres, Willow Creek Tract with cabin of 437± acres. Northwest Farm Credit is the preferred lender, and is offering attractive financing terms to a qualified buyer.

This Sealed Bid Auction of Ochoco Lumber Company's Foley Butte Block provides opportunity to acquire a well-stocked high-quality ponderosa pine tree farm having exceptional growth potential with a combination of recreation, development and conservation values, at a price of less than \$570 per acre.

PUBLISHED RESERVE PRICES:

Foley Butte Block	32,475± acres	\$18,500,000
A – Ochoco Main Block	30,324± acres	\$17,020,000*
B – Lofton Creek Tract	1,714± acres	\$ 995,000*
C – Willow Creek Cabin Tract	437± acres	\$ 485,000*

* The sale of A, B, or C is subject to combined total accepted bids in the aggregate to equal, or exceed, \$18,500,000

LAST ASKING PRICE: First Time Offered



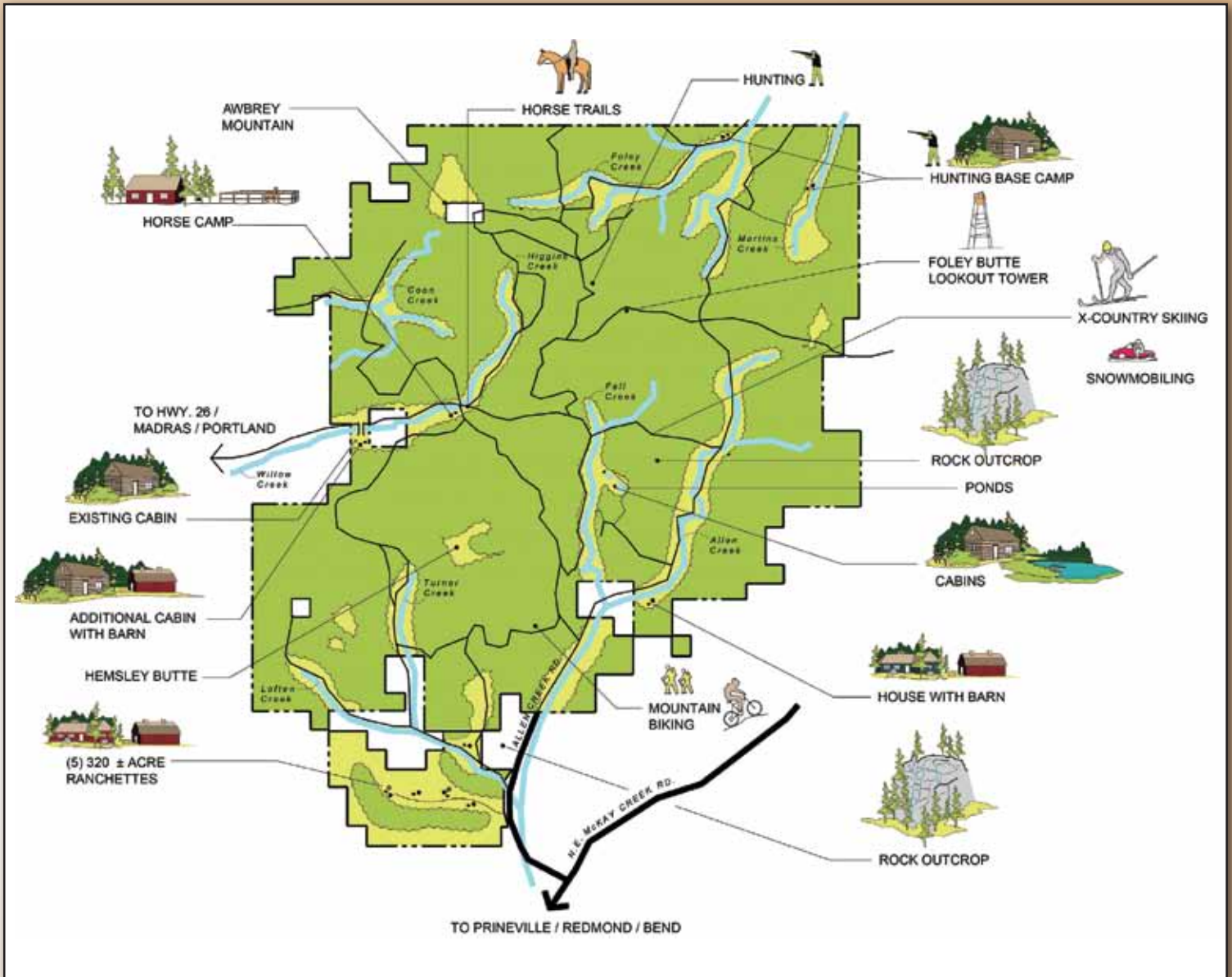
FINANCING: None -- All Cash. Northwest Farm Credit Services may have financing available for qualified parties by contacting: Gina Bryan at 1-800-838-4374 or Gina.Bryan@NorthwestFCS.com

INSPECTION: Locked Gates – Inspection is by Appointment, only. Please contact Auction Information Office at 1-800-845-3524 for entry permit.

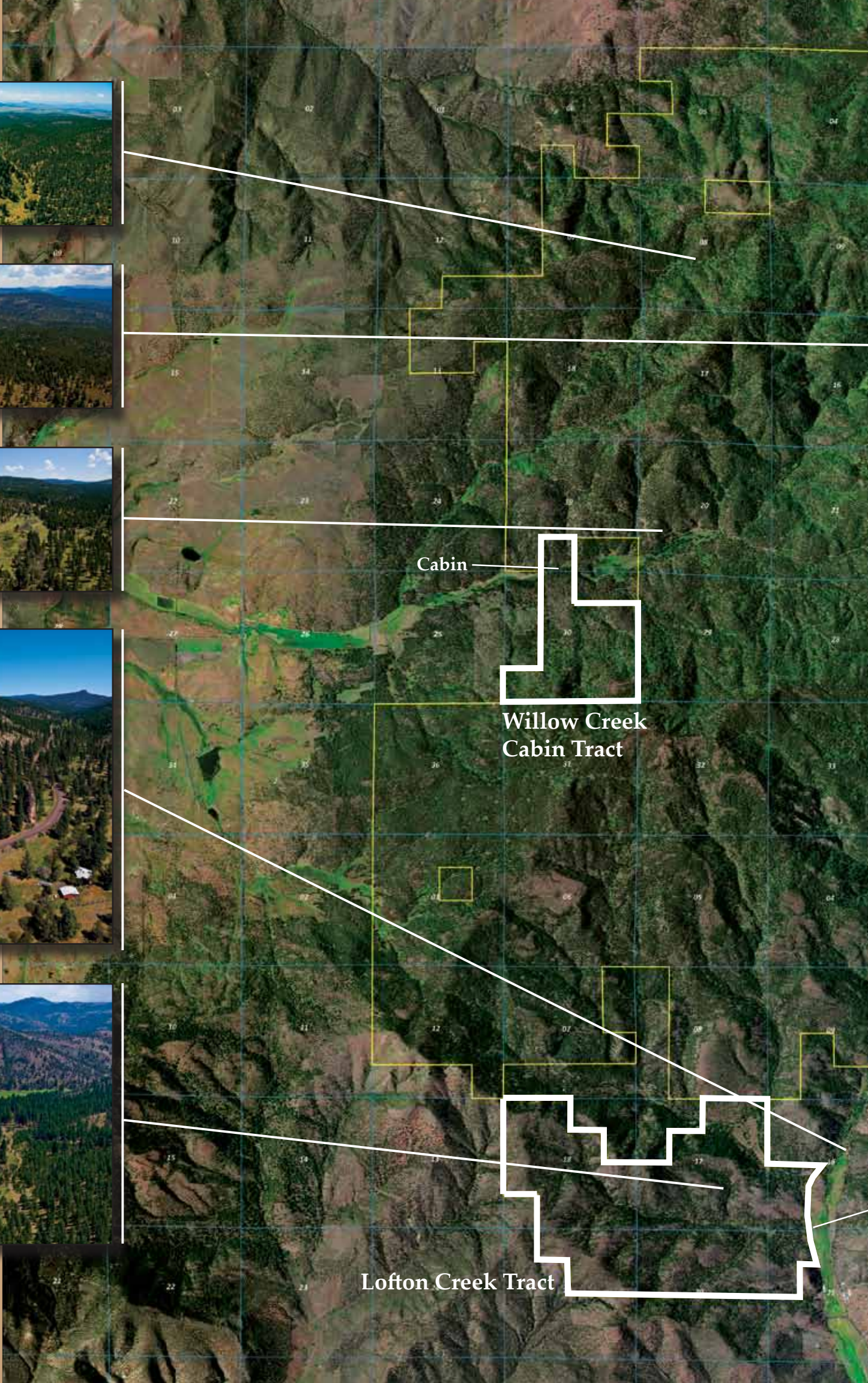
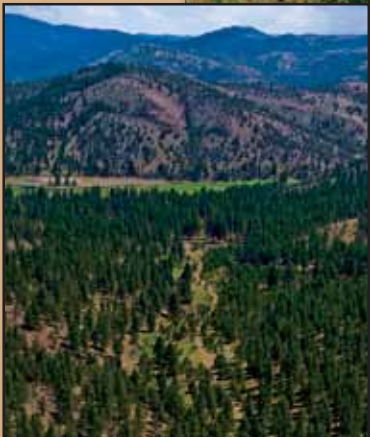
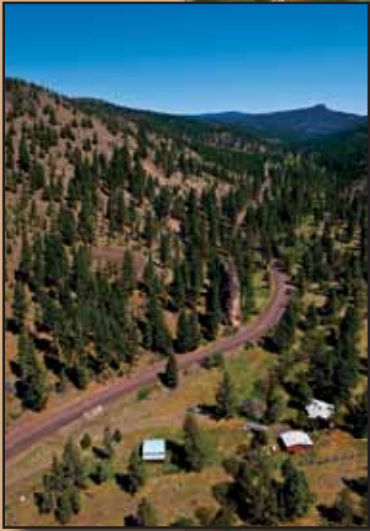


FOR SUPPLEMENTAL INFORMATION

Potential Four-Season Recreation Uses



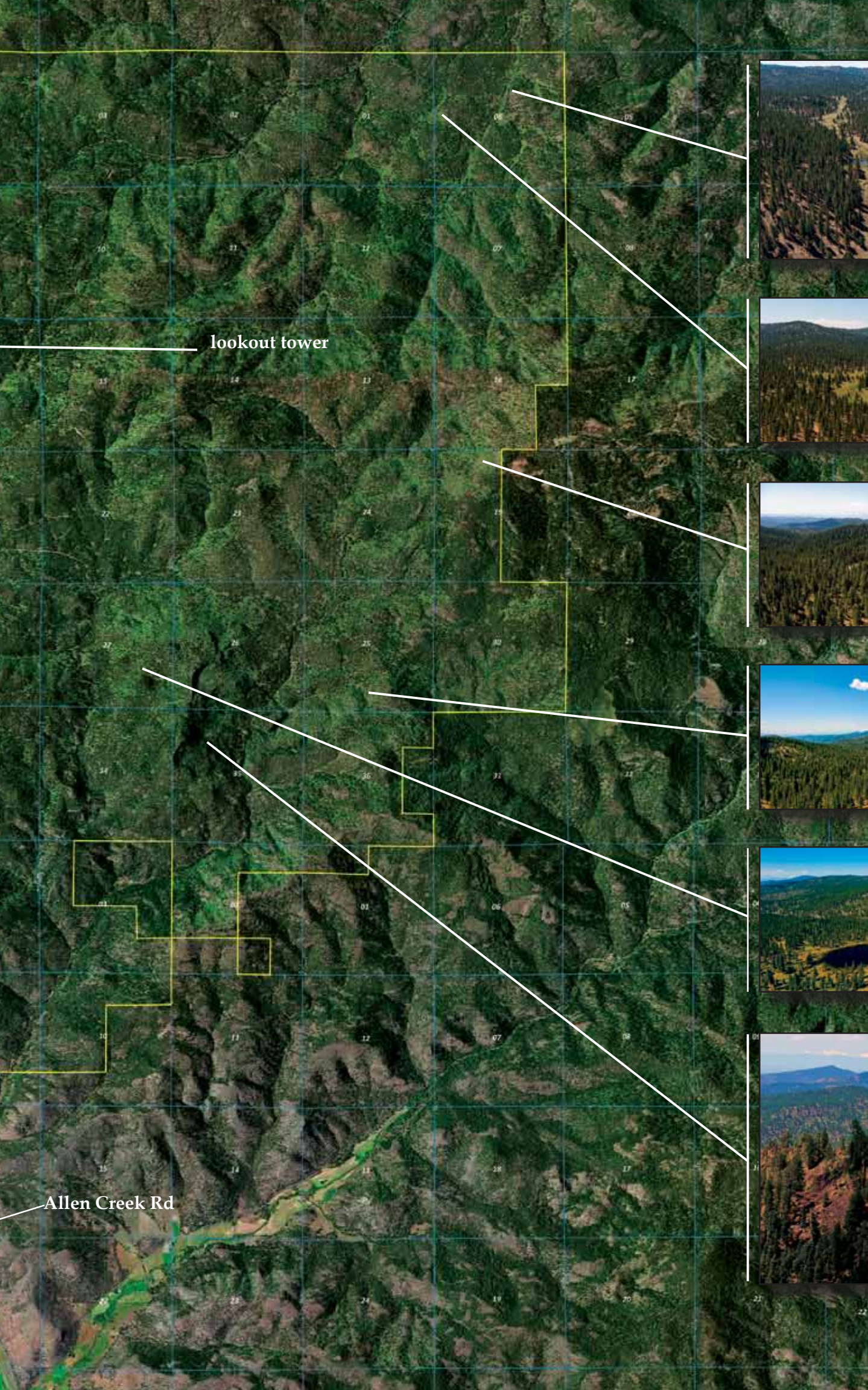
Please Note: Sketch plan is conceptual only. Neither the Seller nor its agents have submitted plan or made any applications to a public agency.



Cabin

Willow Creek
Cabin Tract

Lofton Creek Tract



lookout tower

Allen Creek Rd

Timber on the Foley Butte Block was cruised by Atterbury Consultants, Inc. from April 3 to May 7, 2013.

Cruise Procedures

A total of 1,261 variable radius sample plots were measured at an average sample intensity of 1 plot per 23 acres. Plots were cruised using a basal area factor of 10, sighting the trees at dbh. Tree heights, diameters and form factors were measured at each plot location. Each sample tree log was sorted and graded for wood quality. A nested fixed radius plot of 11.78 feet was in-

stalled at the same sample point to tally trees 6 inches in diameter and smaller.

Timber volumes were calculated using SuperACE, a variable bole height, variable log length timber cruise program, which utilizes various taper equations to predict log diameters.

Overall, 10,600 trees were recorded and measured yielding a net Bf/Acre sample error of 2.7% at one standard deviation. Logs were cruised in 32-foot maximum lengths according to eastside grading rules. Minimum

Timber Inventory



log dimension is five-inch diameter inside bark (DIB) by twelve feet (5" x 12').

Inventory information is being provided as a courtesy to the bidder, and is in no way warranted or guaranteed by Atterbury Consultants, Inc., Realty Marketing/Northwest, or the Seller. Prospective bidders are encouraged to complete their own inspection, cruise and additional acts of due diligence, prior to submitting a bid.

A data site has been established by Realty Marketing/Northwest. A signed Confidentiality Agreement is required to access the data site. Inventory data, GIS mapping, and additional reports will be available from the data site in electronic form, cd or printed copy by contacting the Auction Information Office at 800-845-3524 or info@rmnw-auctions.com.

CONTAINED IN DATA SITE SUPPLEMENTAL INFORMATION PACKAGE:

- Entry permit and tour route map
- Cruise reports*
 - Species and volumes by species
 - Size class by species
 - Project statistics
 - Sort grade board foot volume, with table
 - Stand table summary
 - Species summary logs and volume
 - Non-stocked and timbered acreage
- Maps and ortho aerial*
 - Stand outlines on ortho aerial
 - Timber stand key map
 - Land cover map
 - Topographic map
 - Ownership map
 - Land aspect map
 - Net board feet per acre map
- Twenty-five year growth projection*
- Harvest history 2003 – 2013
- Phase I Environmental Site Assessment
- Zoning
- Copies of leases
- Preliminary title report
- Bid form and instructions
- Purchase and sale agreement



Young pine reproduction located in Stand 7 between Higgins and Coon Creeks

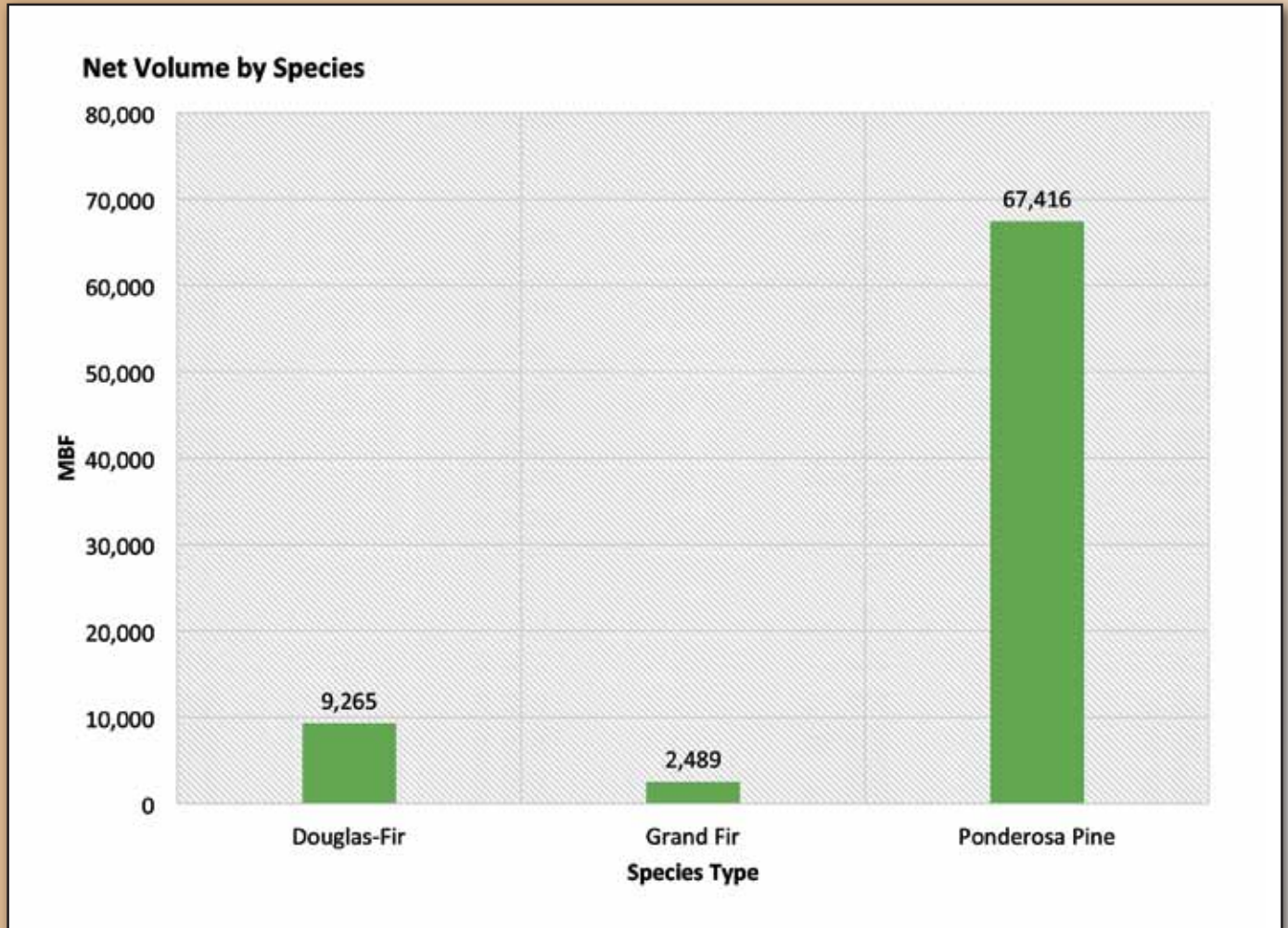


Timber located in Stand 10 that has an average of 3,251 net BF/acre

* All reports provided by Atterbury Consultants, Inc. Acres are GIS and not legal in reports and on maps.

Net Volume By Species

There is a total of 79,833± MBF with 84% ponderosa pine, 12% Douglas-fir, 3% grand fir and the balance is other species.

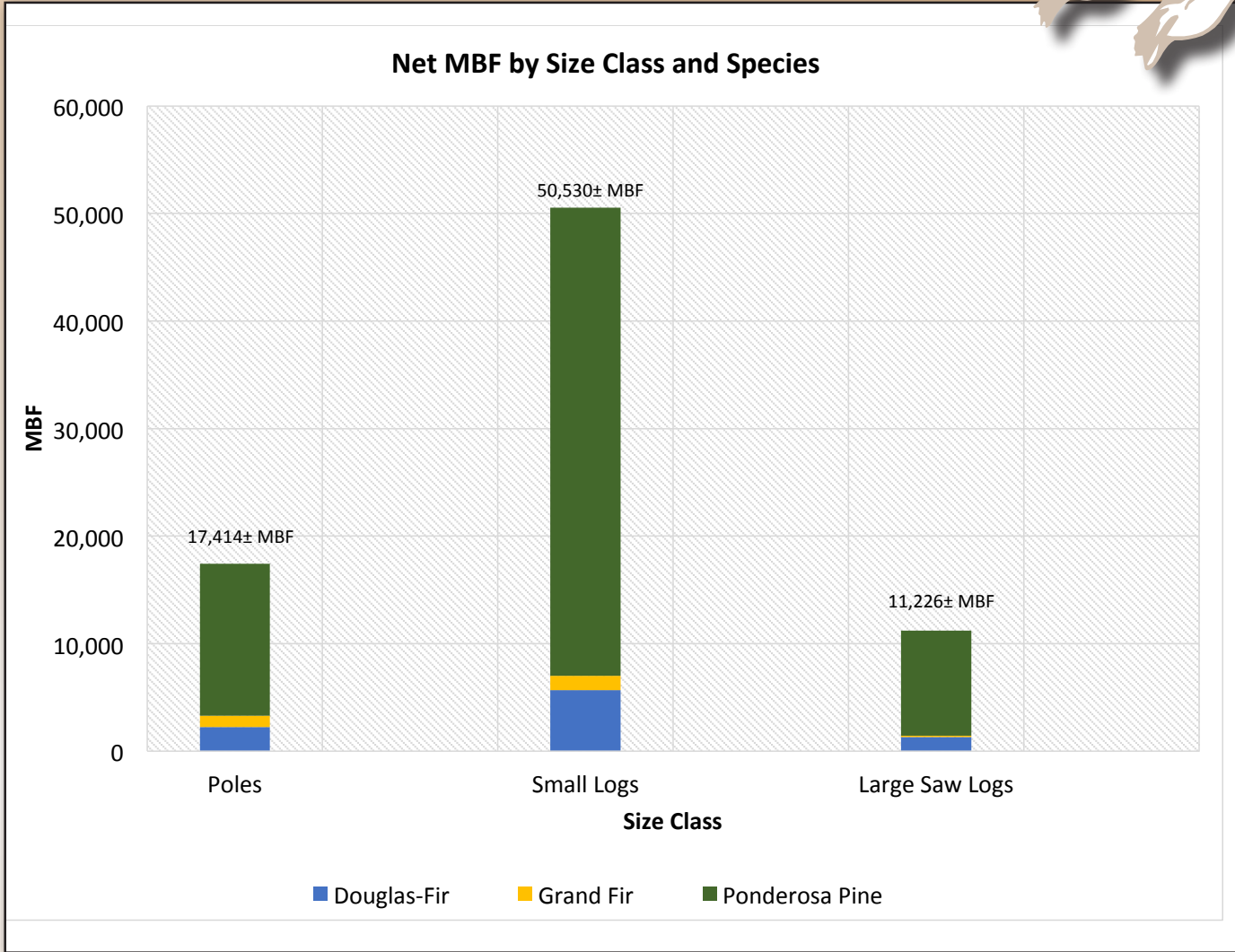


Foley Butte Block Size Class by Species

Species	Percent of trees per acre				Net BF/AC	Total Net MBF
	Seedlings	Saplings	Poles	Saw Logs		
Douglas-Fir	70%	19%	7%	4%	324	9,265
Grand Fir	30%	65%	4%	1%	87	2,489
Ponderosa Pine	45%	47%	5%	3%	2,361	67,416
other	66%	12%	9%	12%	12	664
Total					2,796 BF/AC	79,833± MBF

Size Class By Species

63% of the volume is small saw logs, 22% poles and 14% large saw logs.

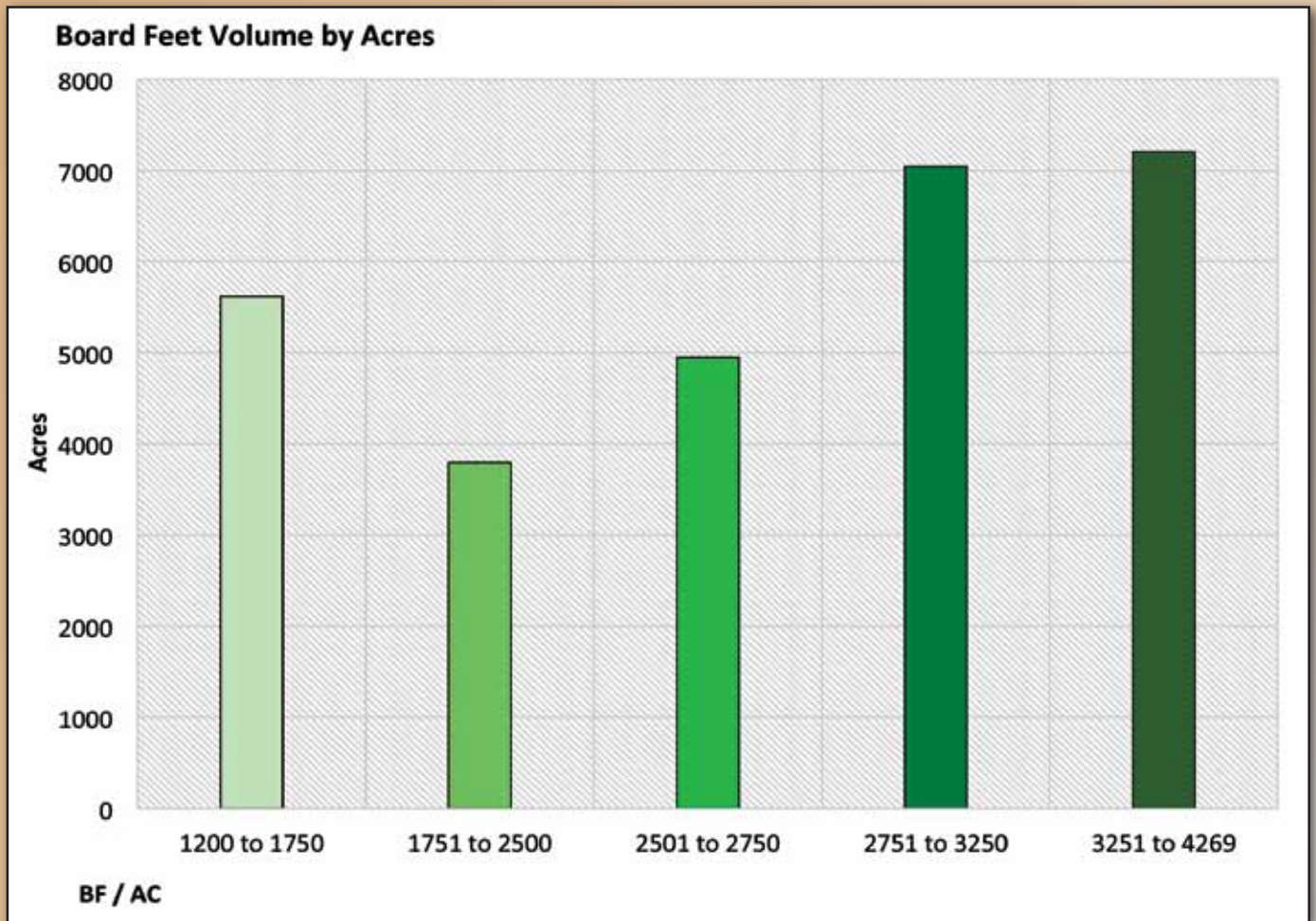


Net MBF by Size Class and Species

Size Class (DBH Range)	Net MBF by Species				Total
	Douglas-Fir	Grand Fir	Ponderosa Pine	other	
Poles (6.5-11.5 in)	2,242 (24%)	1,071 (43%)	14,101 (21%)	135	17,549
Small Saw Logs (11.5-21.5 in)	5,695 (62%)	1,312 (53%)	43,523 (65%)	454	50,984
Large Saw Log (21.5 in)	1,327 (14%)	106 (4%)	9,793 (14%)	76	11,267
Total	9,265	2,484	67,416	664	79,833

Timber Volume By Acre

Timber volumes range by stand from 1,231 MBF per acre to 4,269 MBF per acre, with an average for the entire Foley Butte Block of 2,796 MBF per acre. The bulk of the timber volume is located in the southwest section of the property, along north-facing slopes.



Left: View of Stand 9 in Section 30

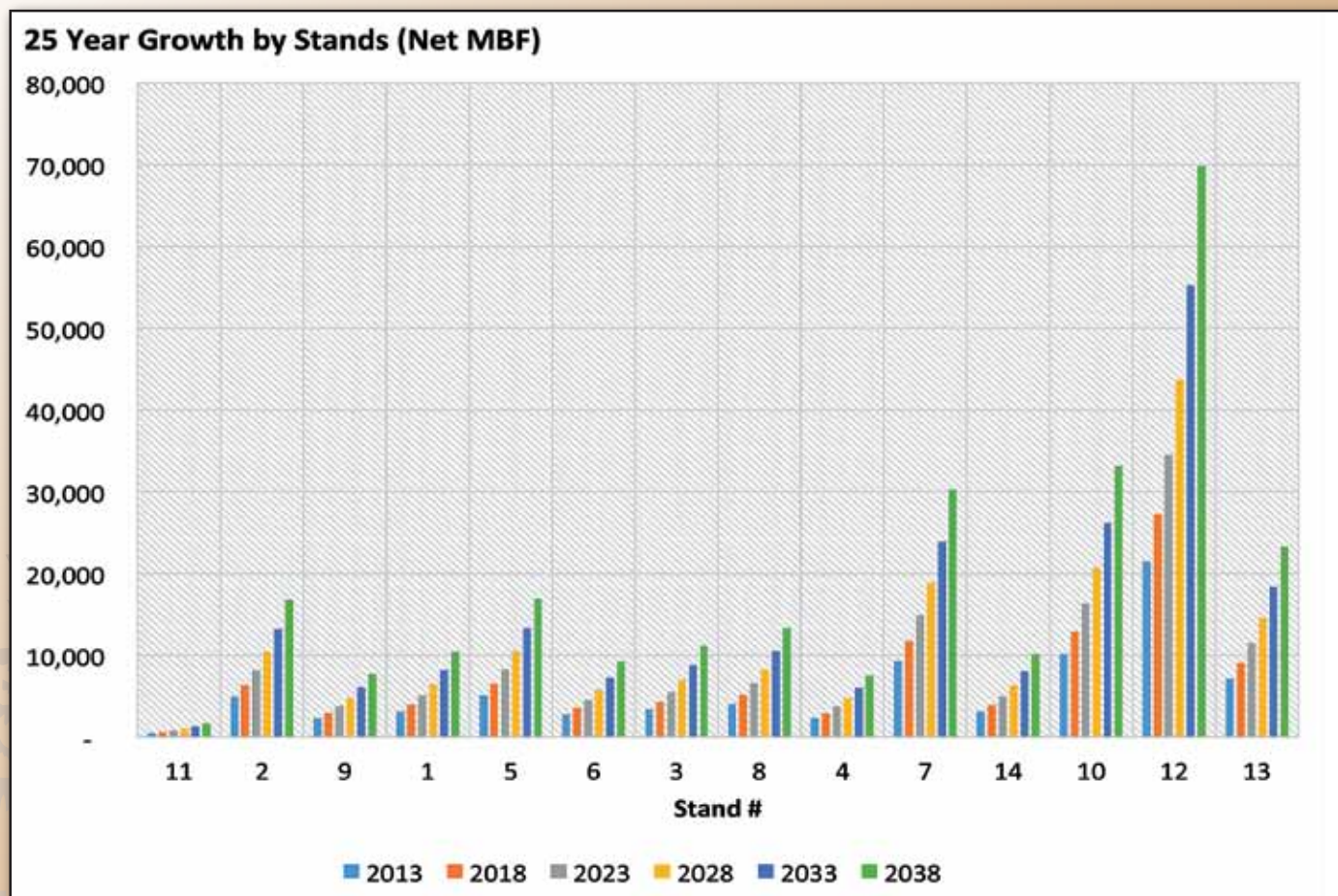
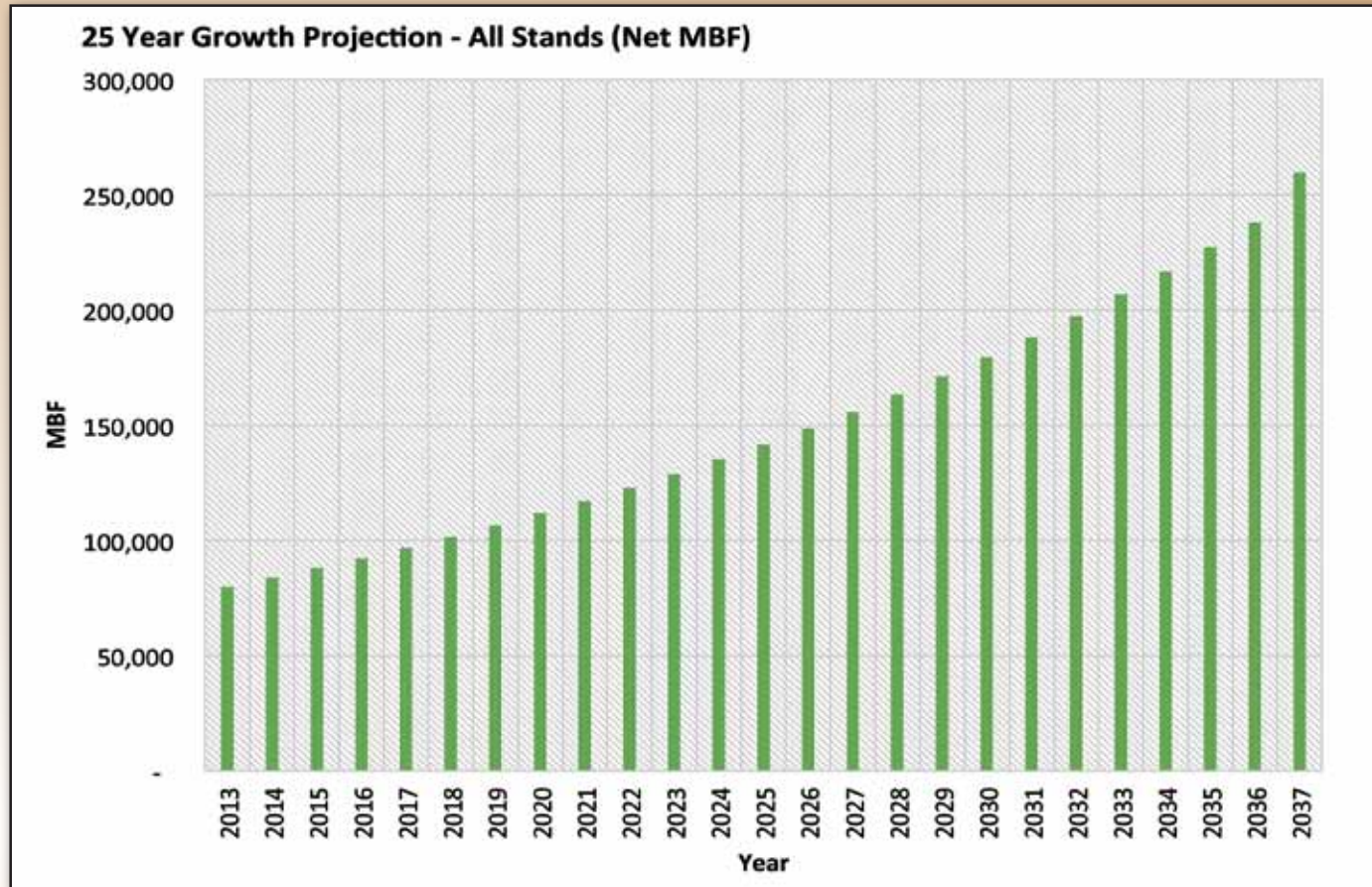


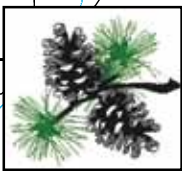
Right: Stand 4 is located in northwest section of the property, with average net 2,716 board feet per acre



Twenty-Five Year Growth Projections

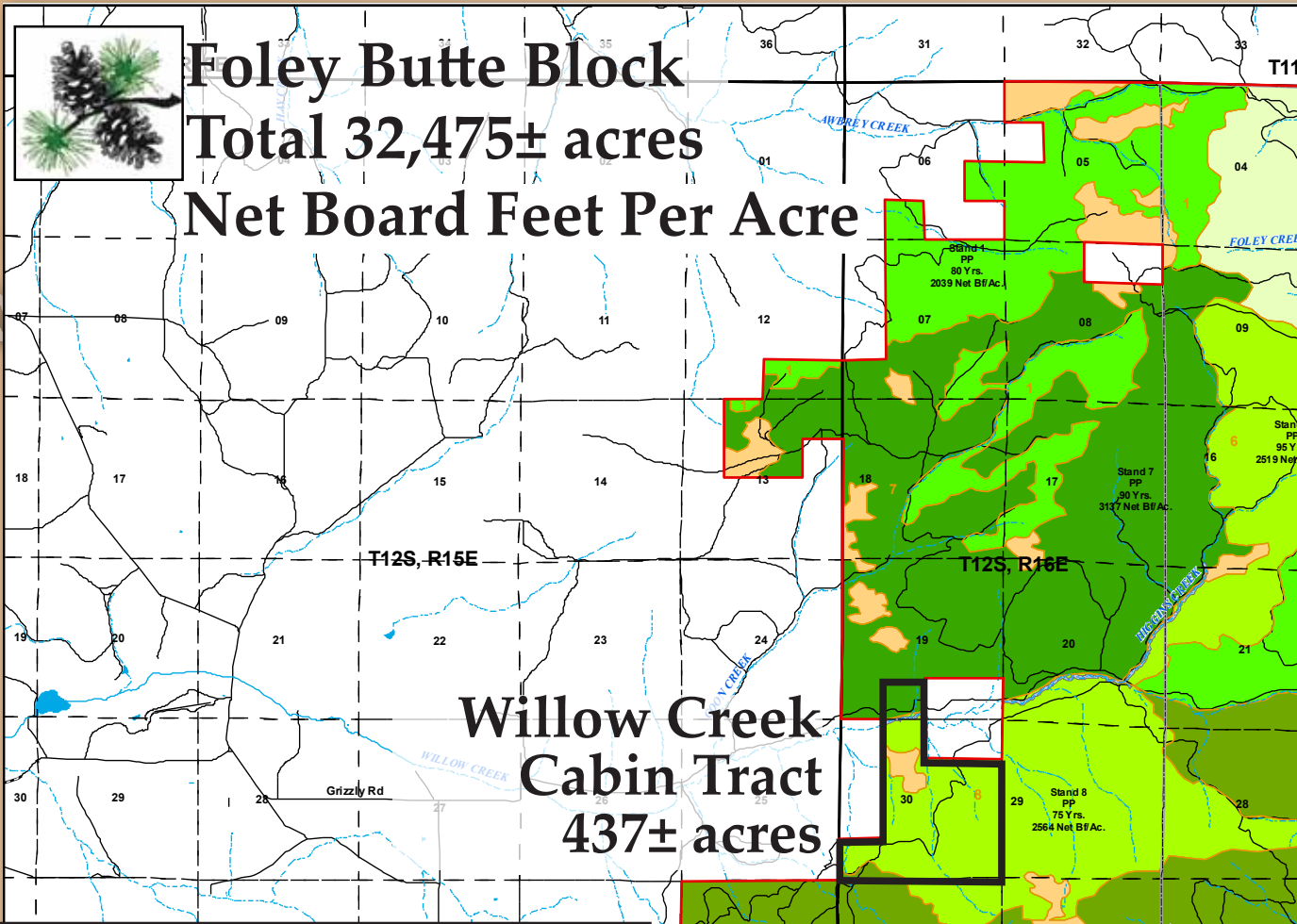
Atterbury and Consultants has prepared a twenty-five year growth projection, assuming no harvest, to illustrate the significant asset growth of over 300% in overall timber volume to be achieved from 79,882± MBF to 261,456± MBF by the year 2038. This growth is due in part to: the existing well-stocked quality level of saplings, poles and saw timber, particularly of ponderosa pine; the Seller's modest harvest volumes throughout the last ten years; the impact of pre-commercial thinning which has improved productivity of the property.





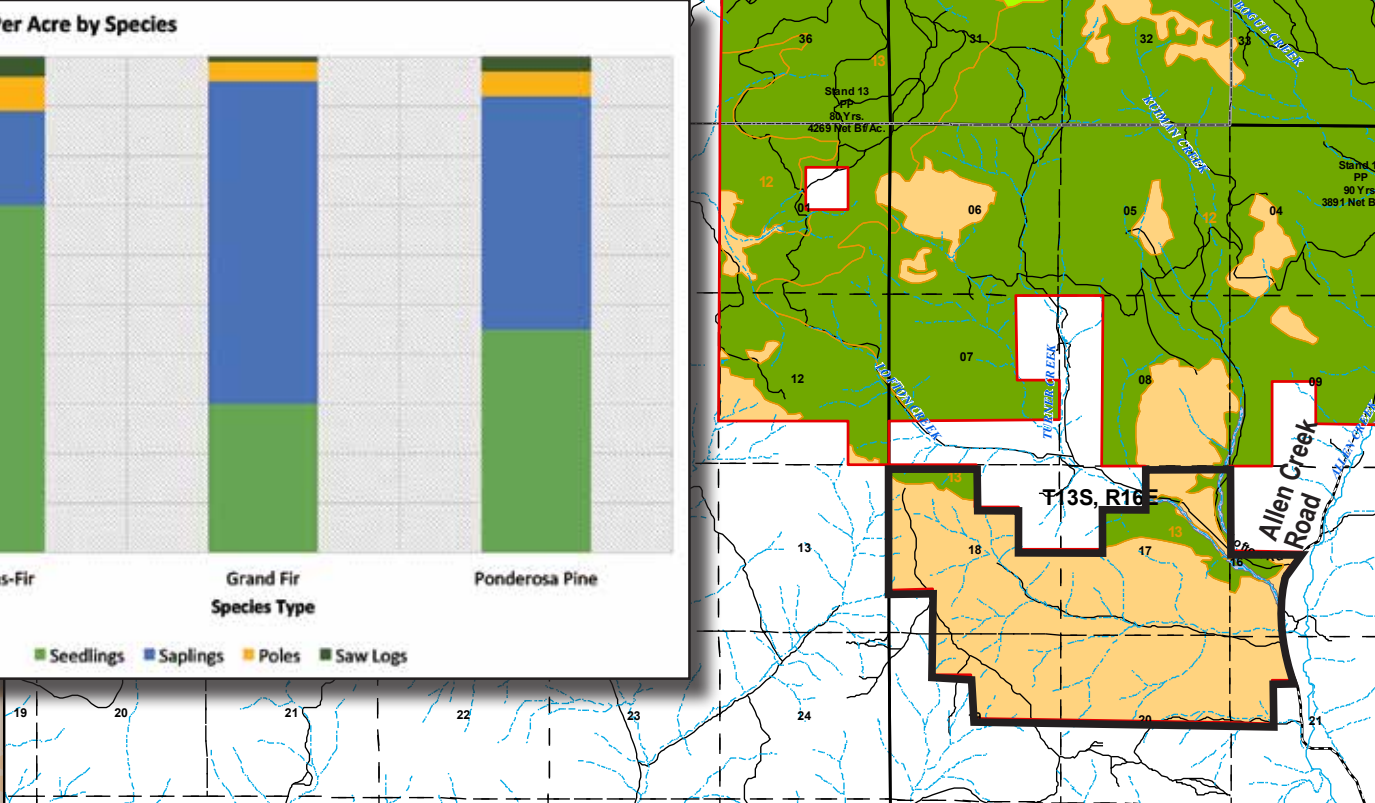
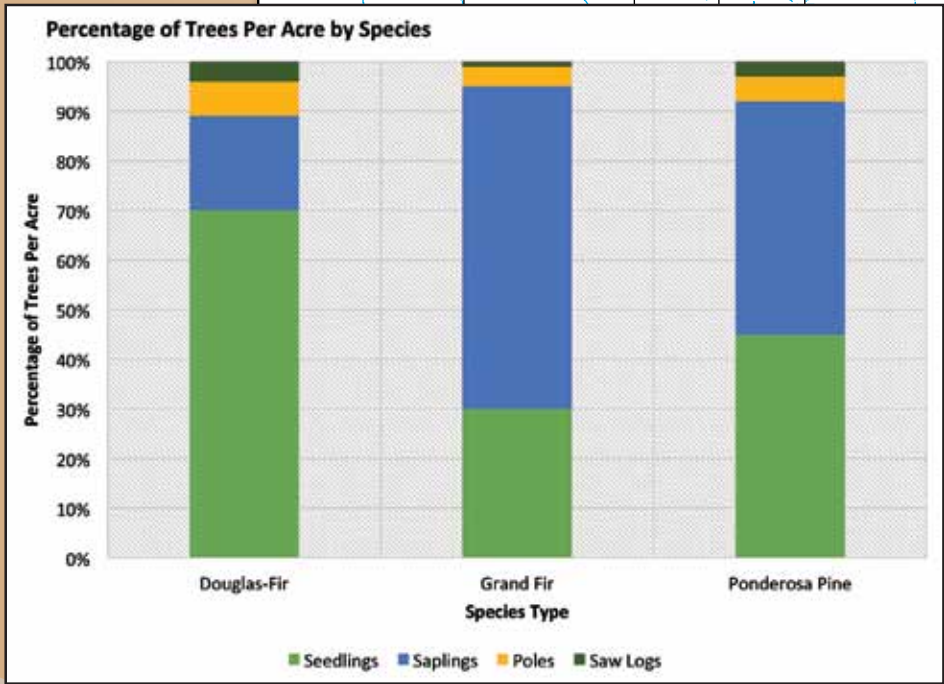
Foley Butte Block

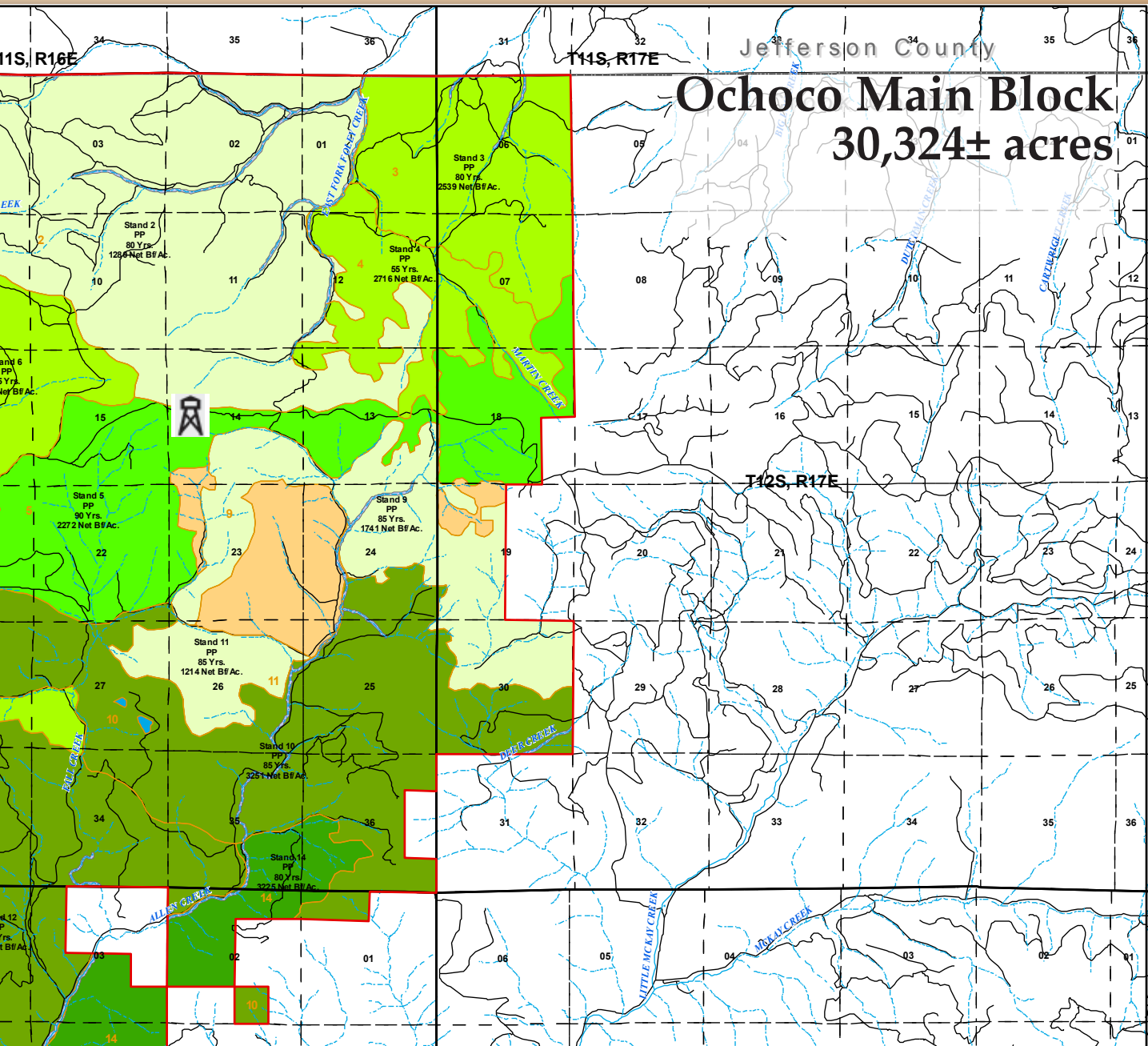
Total 32,475± acres
Net Board Feet Per Acre



Willow Creek Cabin Tract

437± acres





Ochoco Main Block

30,324± acres

Jefferson County

Lofton Creek Tract

1,714± acres

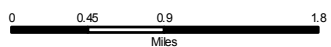
NE McKay Road

Ochoco Lumber Company - Foley Tract -

- Ownership
- Stand
- Grassland
- Lake/Pond
- County
- ⊠ LO Tower

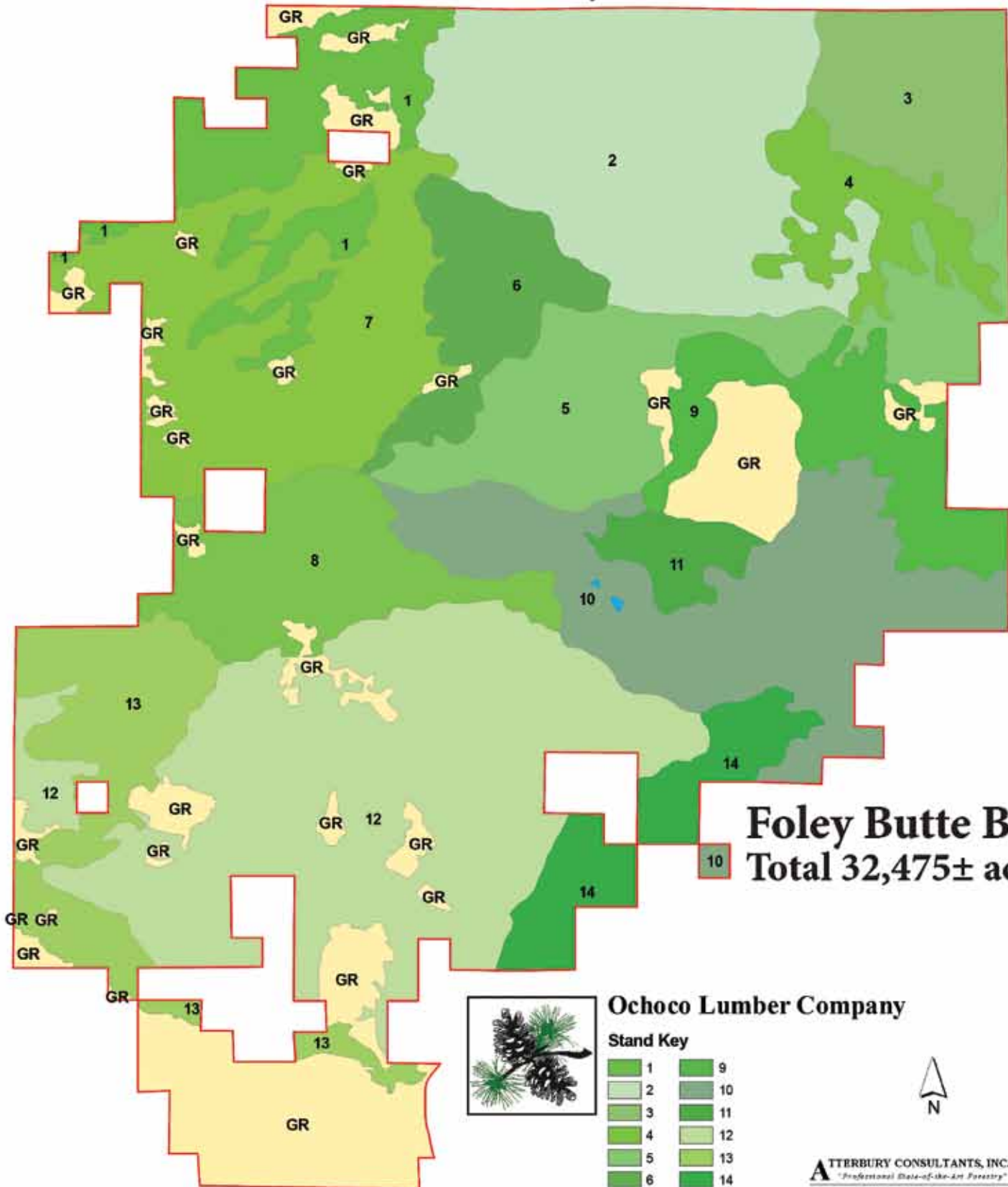
Net Bf/Ac	
	1200 - 1750
	1751 - 2500
	2501 - 2750
	2751 - 3250
	3251 - 4269

- County Road
- Road
- Large Stream
- Medium Stream
- Small Stream
- RMZ



ATTERBURY CONSULTANTS, INC.
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 Beaverton, Oregon 97005
 (503) 644-1292 • Fax (503) 644-1282
<http://www.atterbury.com>

Stand Key



Foley Butte Block
Total 32,475± acres



Ochoco Lumber Company

Stand Key

	1		9
	2		10
	3		11
	4		12
	5		13
	6		14
	7		Grass
	8		



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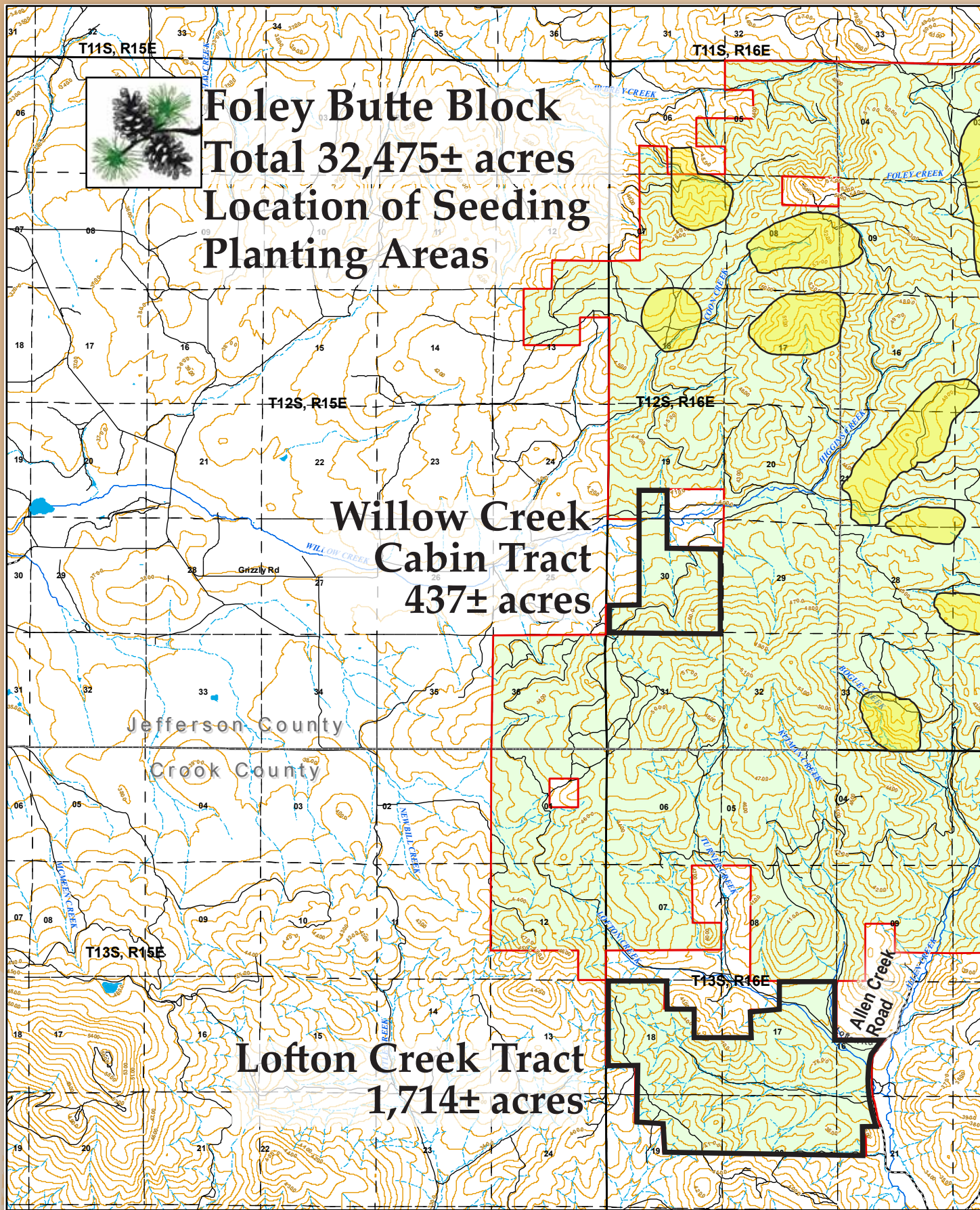


View southwest of Stand 10 in Section 25



Stand 4 in Section 12, near East Foley Creek





Foley Butte Block
Total 32,475± acres
Location of Seeding
Planting Areas

Willow Creek
Cabin Tract
437± acres

Lofton Creek Tract
1,714± acres

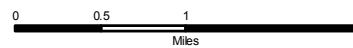
Jefferson County
Crook County










Ochoco Main Block

30,324± acres

1993 - 2003 total of
1.3 million seedlings
planted on 3,082±
acres - primarily north
facing slopes.
Source: Seller

Ochoco Lumber Company - Foley Tract -



- | | |
|---|---|
|  Ownership |  County Road |
|  County |  Road |
|  Lake/Pond |  Large Stream |
|  LO Tower |  Medium Stream |
| |  Small Stream |

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The Foley Butte Block has been managed for commercial timber production since the early 1900s, when it was part of the Alexander-Yawkey Timber Company, one of three major forest products companies to make Crook County and Prineville the ponderosa pine capital of the world. In the 1930s, Alexander-Yawkey made the decision to build several small sawmills in the woods in order to facilitate year-round operations. One of the sites that had mill-worker housing was along Willow Creek, in the western section of the property.



Sawmill along Willow Creek in the 1930s. Source: Crook County Historical Society

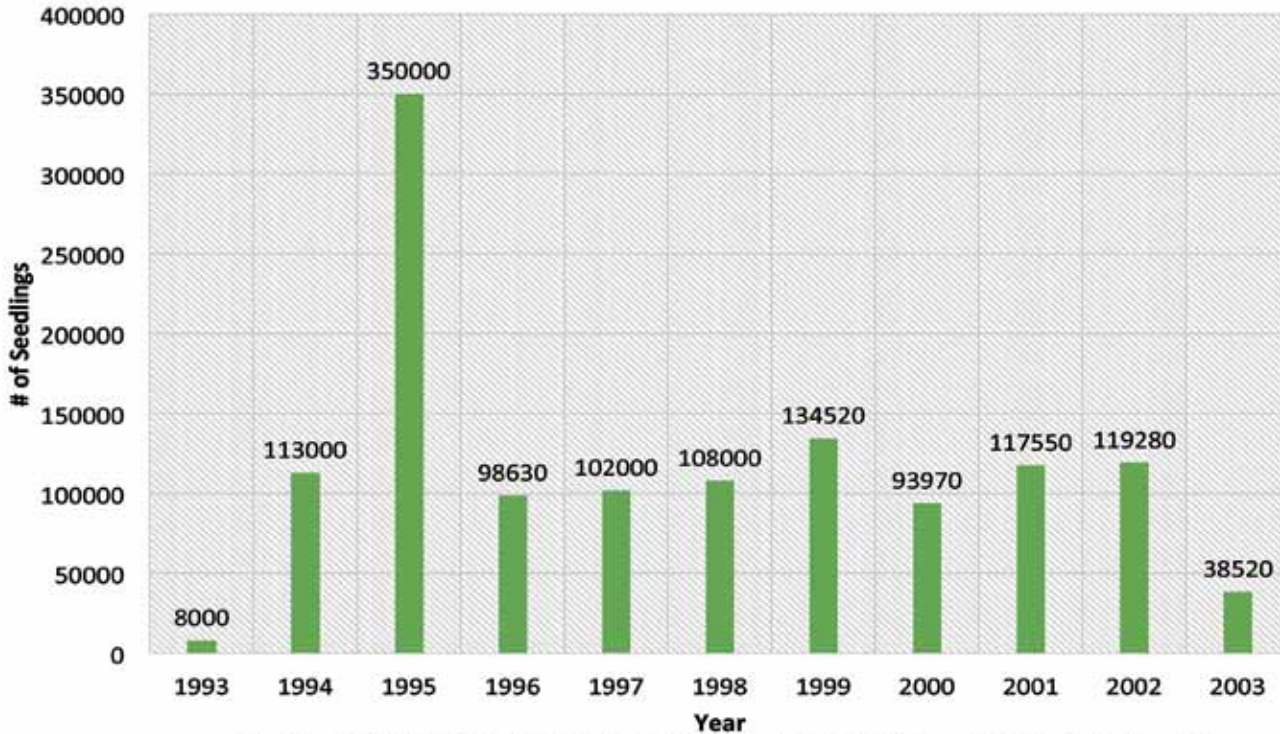


Stand 7 in Section 20, along Willow Creek

Ochoco Lumber Company acquired the Foley Butte Block property through a series of acquisitions, with the largest in 1991 - 1992 from Crown Pacific. From 1992 to 1996, 85% of the Douglas-fir and white fir that had been impacted by tussock moth and spruce budworm was harvested, and one of the largest reforestation efforts on private lands in Central Oregon was undertaken by Ochoco Lumber Company. Over 1.3 million ponderosa pine seedlings were planted from 1993 to 2003 on 3,082± acres of north-facing slopes on the north half of the property, contributing significantly to the stocking and productivity of the Foley Butte Block.



Planting History at Foley Butte Block (1993-2003)



Total of 1.3 million seedlings were planted on a total of 3,082± acres. Over 50% of the seedlings were planted between 1993 - 1998.

Ten Year Harvest History*

Year	Net MBF	By Species (MBF)				Chip Materials by Ton
		PP	DF	WF	Other	
2003	760	511	242	6	8	3,119
2004	261	216	30	15	3	1,533
2005	970	562	212	195		25
2006	3,059	2,550	488	19	1	4,029
2007	2,668	2,475	175	13	2	8,399
2008	982	981				194
2009	981	845	68	67		1,647
2010	484	369	51	61	2	3,073
2011	597	537	18	10	1	1,494
2012	1,329	1,140	148	37	3	12,898
2013	324	292	22	7	3	1,036
Totals	12,415	10,478	1,454	430	23	37,447

*Source: Seller

Additional investments were made by replacing culverts to promote upstream fish passage to enhance spawning along Willow and Higgins Creeks, plus improvements to the 141 mile overall road system in order to reduce sediment runoff into streams.

In 2003, Ochoco Lumber conveyed a conservation easement to Deschutes Resources Conservancy as part of the Deschutes Riparian Restoration Carbon Sequestration project along 257± acres of Martin and Foley Creeks.

Total annual harvests over the last ten years have averaged 1,241± MBF and 3,700 tons of chips, which has generated only modest annual income, but has improved stocking levels in younger stands of ponderosa pine and Douglas-fir.

The growth projection by Atterbury Consultants, Inc., assuming no harvest, is estimated that in ten years the total volume will be 128.8 million board feet on Foley Butte Block, with an average board foot volume of 5,983 per acre.

A new owner will have opportunity to benefit from this projected growth in the upcoming ten to twenty-five years, plus have the option for some near-term harvest without impacting overall health and productivity of

this growing ponderosa pine tree farm.

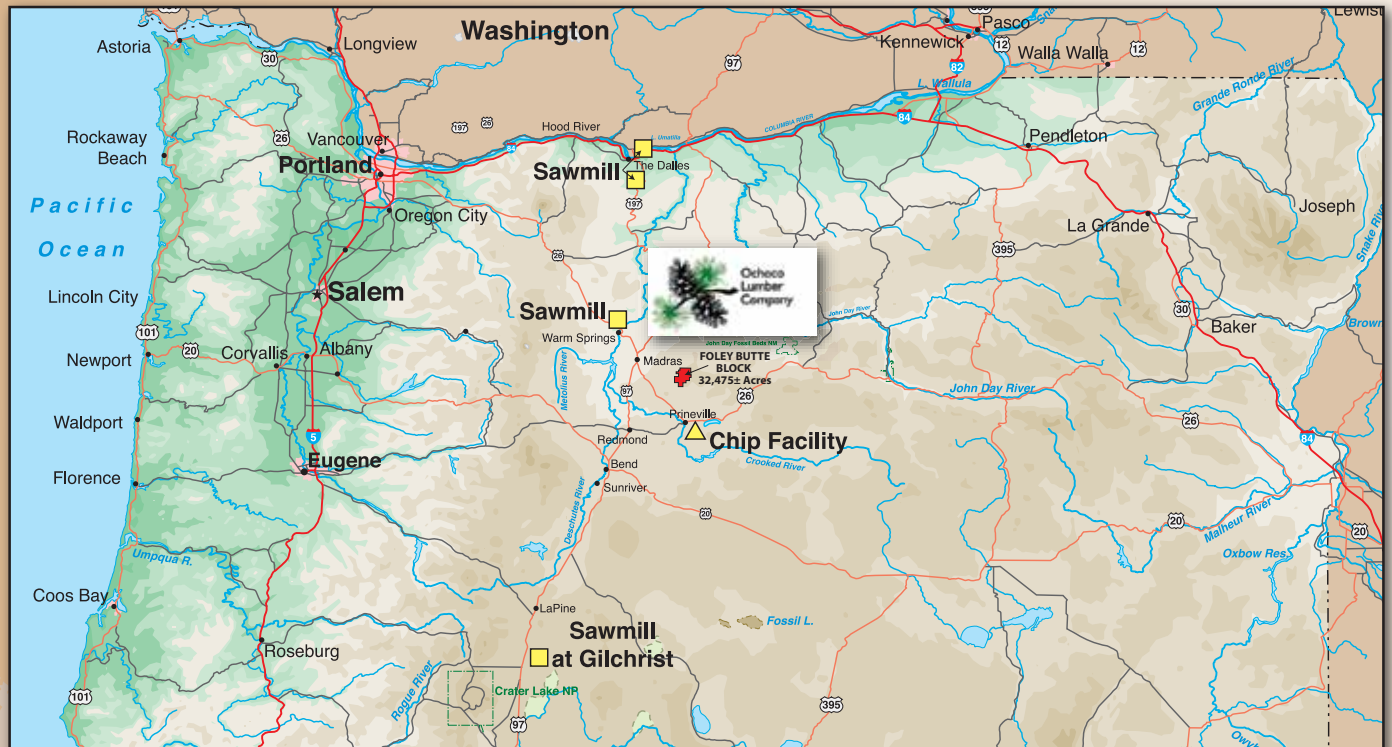
LOG MARKETS

Ochoco Lumber Company has sold logs to a number of sawmills located in Central Oregon, Eastern Oregon, and the Columbia Gorge near Hood River that are all within easy hauling distance. Warm Springs Forest Products, in Warm Springs, Oregon, is within 45 miles, and processes Douglas-fir, white fir and ponderosa pine at its mill, owned by the Confederated Tribes of Warm Springs which has been a respected manufacturer of quality lumber products for over 40 years.

Interfor Pacific Sawmill in Gilchrist, Oregon is 90 miles south of the property, has primarily purchased ponderosa pine and white fir logs from Ochoco Lumber Company, and is part of a publically-owned Canadian company headquartered in Vancouver, B. C. that has additional mill operations in Oregon and Washington.

Additional sawmills that have purchased logs include Malheur Lumber Company in John Day, owned by Ochoco, and Mt. Hood Forest Products, owned by High Cascade.

Nearby biomass markets are located in Prineville and Warm Springs.



Annual harvest for last ten years has averaged 1,241± MBF



Warm Springs Forest Products sawmill

The Property

The 32,475± acre Foley Butte Block is located twelve miles north of the city of Prineville, with year-round access to the southeast section from NE McKay and Allen Creek Roads. Additionally, there is access from Highway 26 and Ramms Road to the western section, by Willow Creek. The 50.75± square miles of contiguous ownership is bounded in the northeast section by Ochoco National Forest, with private timberland to the north and primarily ranchland to the west and south. There are only five inholdings within the entire property, with four being private, and the fifth being US Forest Service.

There are locked gates that control access to the property, with easements-only allowed the adjoining owners. The sole public access road is along Willow Creek, and is gated at the Crook County line in Section 20, Township 12 south, Range 16 east.

The elevations range from 3,100± feet in the southeast to 5,480± feet at Foley Butte, location of the lookout tower owned by Oregon Department of Forestry that has been part of Foley Butte Block since 1934.

An estimated 88% of Foley Butte Block is forestland, and only 10% is non-stocked.

A total of 13,664± acres, or 47% of the forestland, has north-facing aspect which contains the most productive timberland. The other 15,364± acres are primarily south-facing slopes. The balance of the property having non-stocked, or mainly grasslands, is a mix of both north- and south-facing slopes. Topography overall is rolling to moderate. It is estimated that over 85% of the timberland may be harvested using ground-based or tractor logging, with only a nominal amount of cable yarding.

Total road miles on the property are 141, and a system of gravel roads provides access throughout. There is a rock source on the property for road maintenance.

The property has over thirty-six springs, and 147 miles of creeks. Major creeks on the property are Foley, East Foley, Martin, Higgins, Willow, Coon, Allen, Fall, Kuisman, Lofton and Turner, which are tributary to Deschutes and Crooked Rivers.

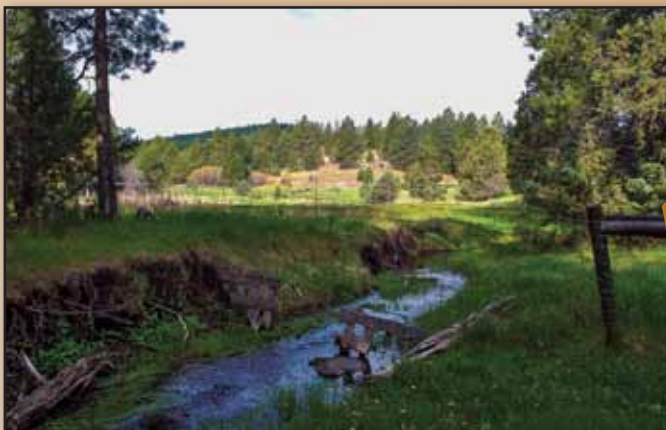
Two large ponds are located in Section 27, just east of the Fall Creek drainage and near the rock palisades and outcrops that contribute to the beauty of the Foley Butte Block.

There are a number of meadows along Foley, East Foley, Martin, Fall, Allen and Willow Creeks, all excellent locations for a base camp, cabins, or seasonal retreat. Views of the Cascades and Crooked River Valley are available from the higher elevations of Foley Butte Block.

Additionally, the hauling of logs from the Foley Butte Block is along private and county roads, and does not require any road use agreements with USFS.



Numerous meadows provide excellent sites for cabins or a base camp



Over 147 miles of creeks throughout the property



Willow Creek is a tributary to Deschutes River



1.3 million seedlings have been planted since 1993

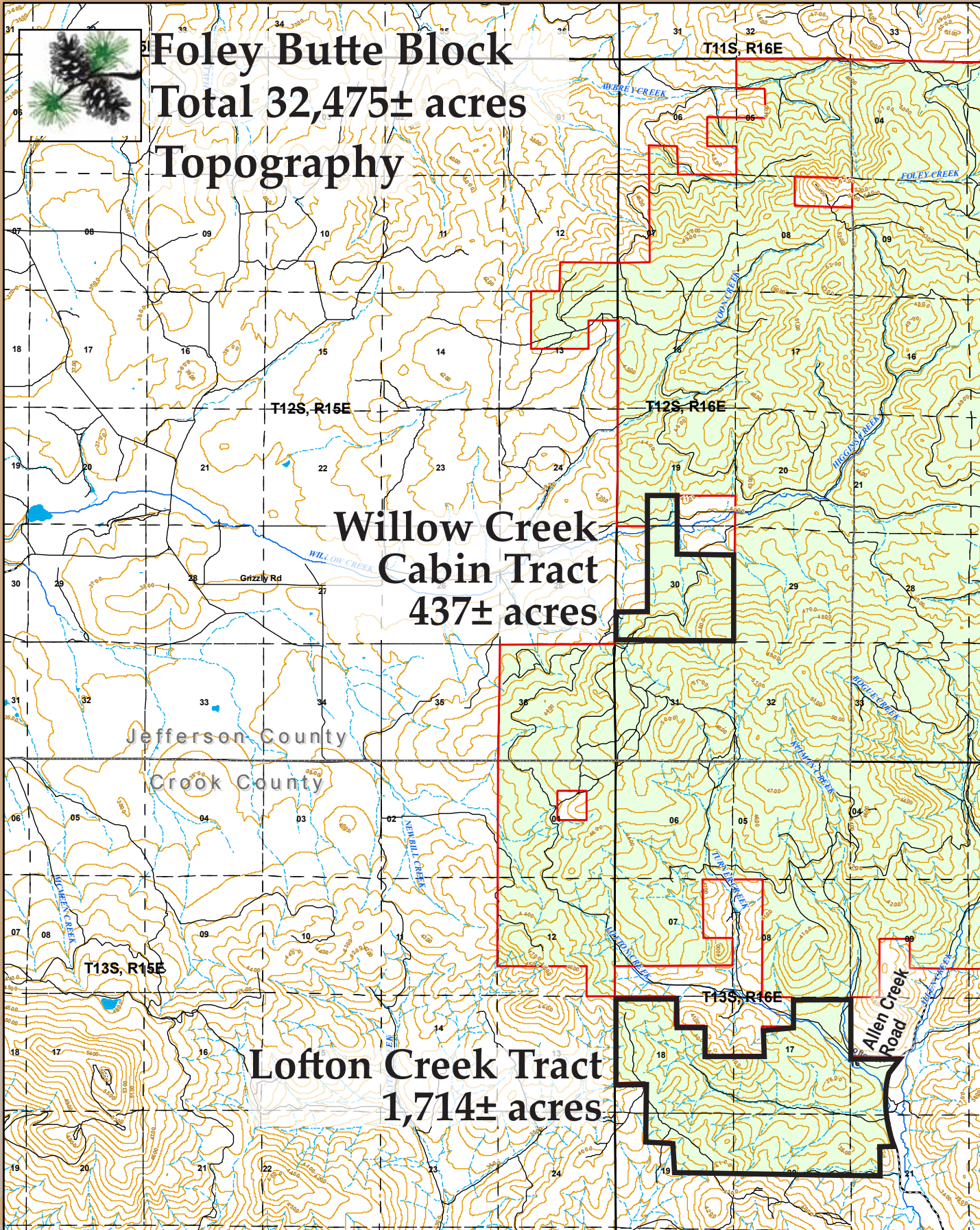
Two ponds are located in Section 27, between Fall and Allen Creeks, and provide excellent sites for a cabin or base camp. Logging roads are used for cross country skiing

Three Sisters





Mt. Jefferson

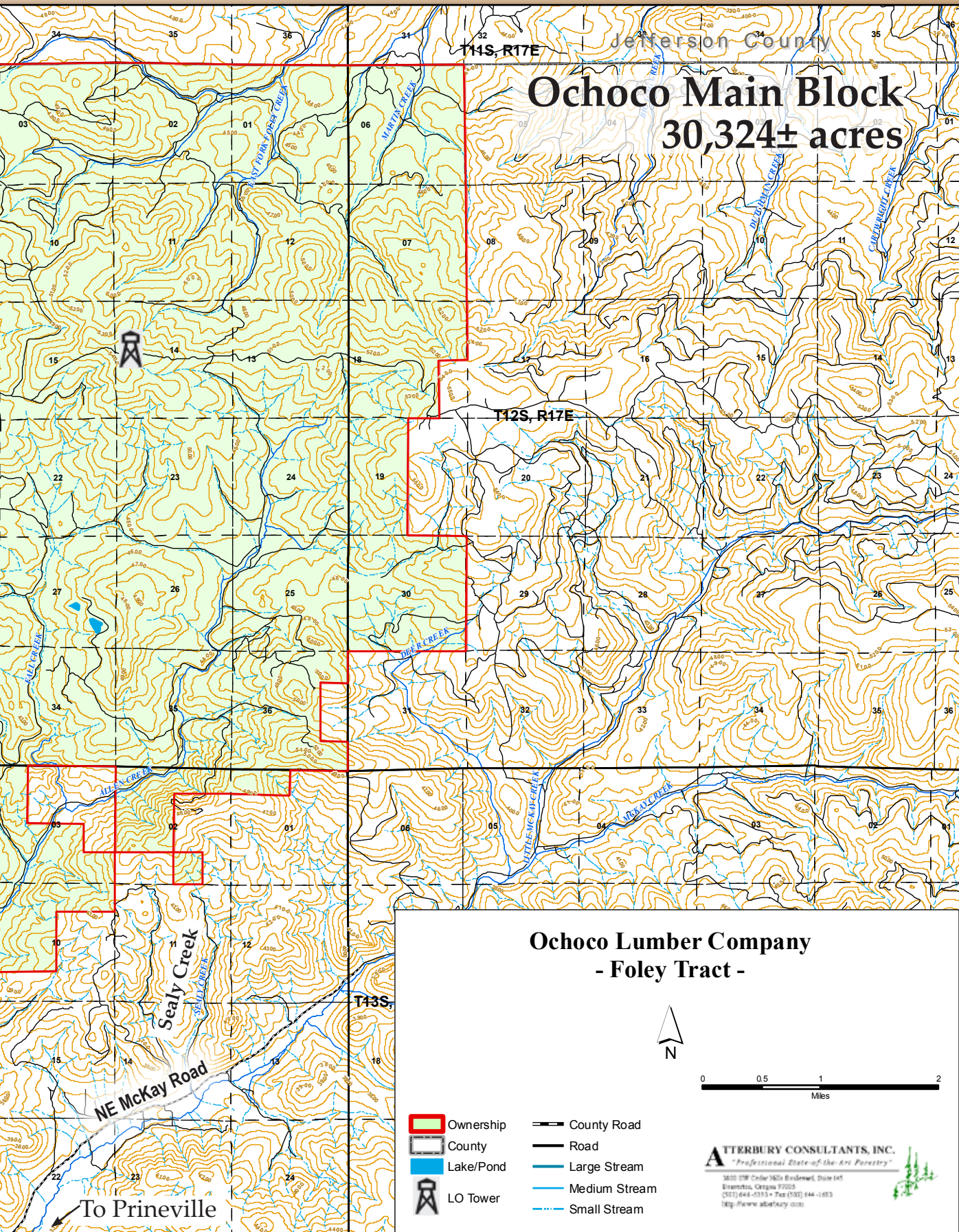


Foley Butte Block
Total 32,475± acres
Topography

Willow Creek Cabin Tract
437± acres

Lofton Creek Tract
1,714± acres

Jefferson County
Crook County





*View south
along Fall
Creek
drainage*



The Palisades



Fall Creek area is used for cross-country skiing



Over 141 miles of logging roads are available for snowmobiling



The Palisades are located in the southeast section of Foley Butte Block



The property has not been leased for hunting, providing a new owner with opportunity for use as a private hunting preserve or commercial outfitter lease, for deer and elk

Aspen grove near cabin, along Willow Creek



Foley Butte Block

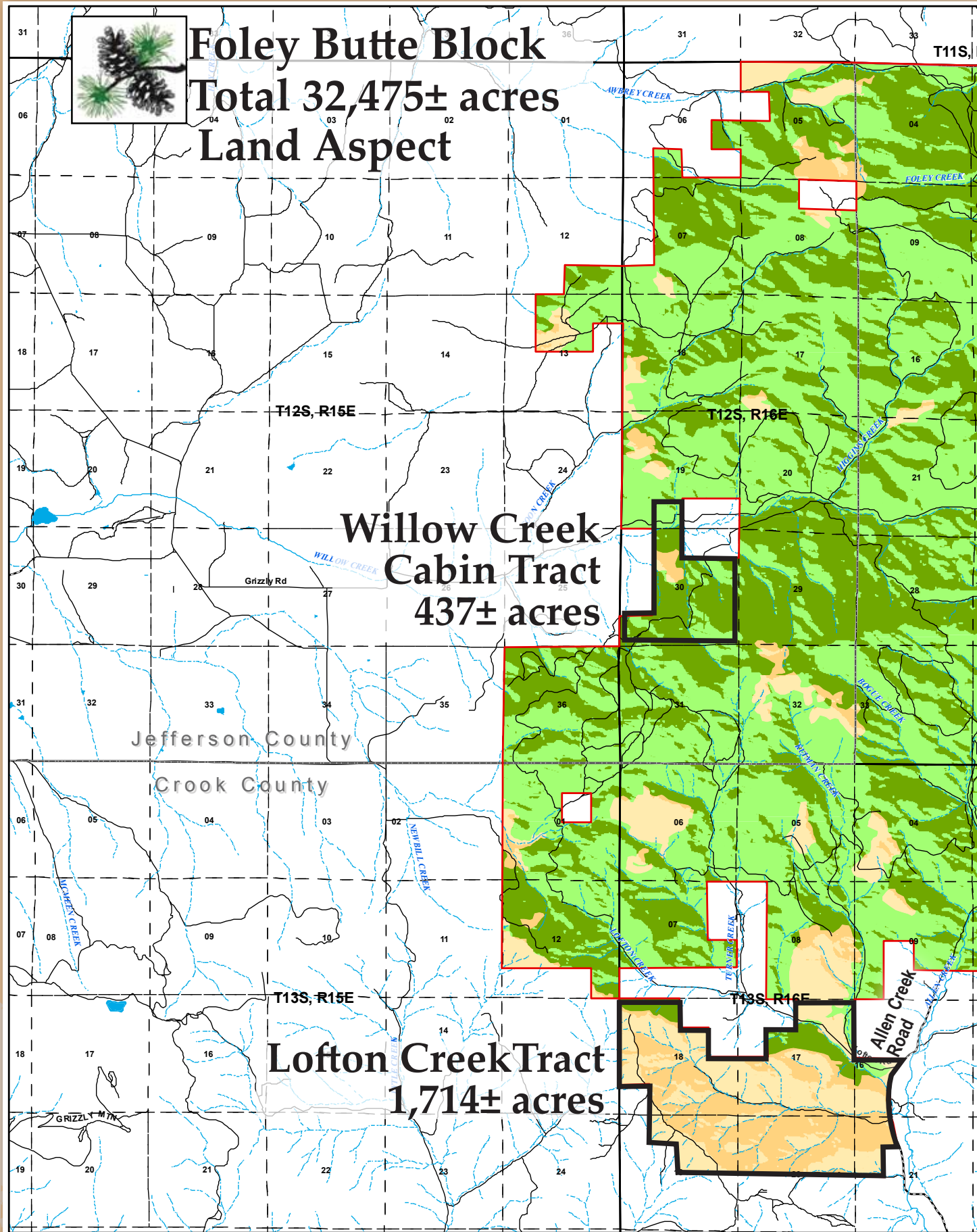
Total 32,475± acres
Land Aspect

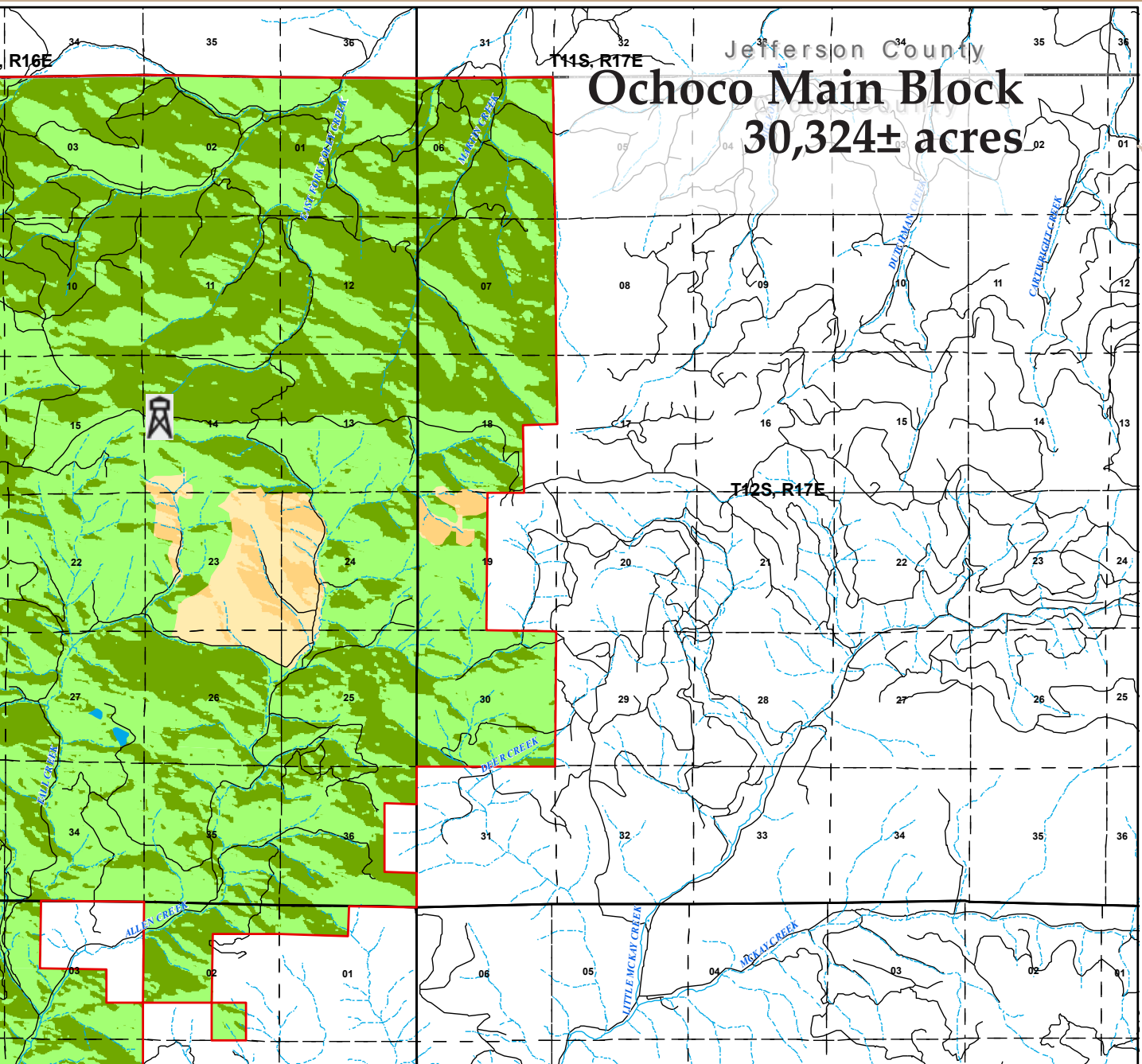
Willow Creek Cabin Tract

437± acres

Lofton Creek Tract

1,714± acres



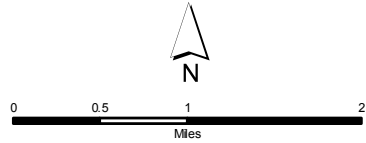


Ochoco Main Block

30,324± acres

Ochoco Lumber Company - Foley Tract -

- Ownership
- Forestland North to East Aspect
- Forestland South to West Aspect
- Grassland North to East Aspect
- Grassland South to West Aspect
- Lake/Pond
- County
- LO Tower
- County Road
- Road
- Large Stream
- Medium Stream
- Small Stream



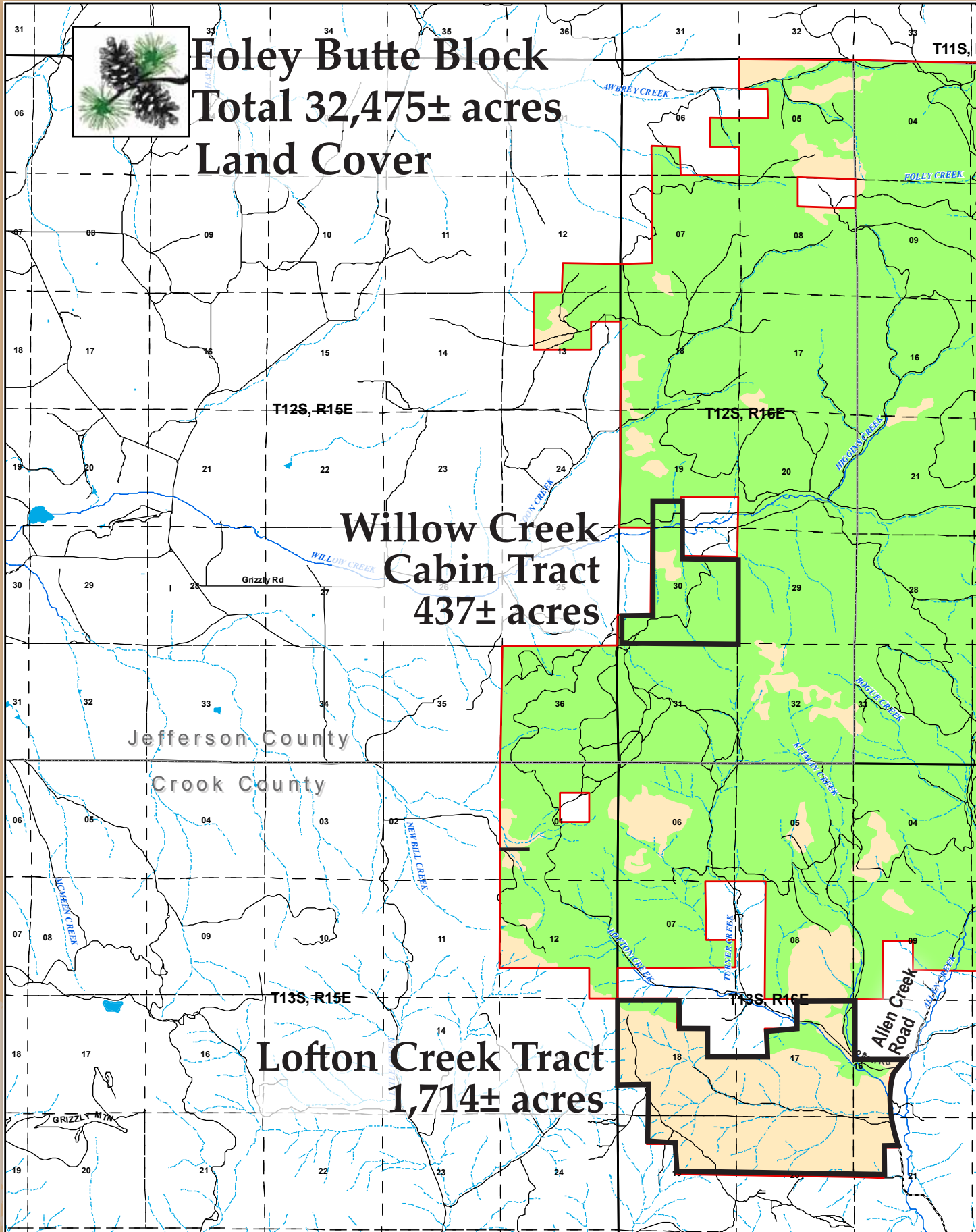
ATTERBURY CONSULTANTS, INC.
"Professional State-of-the-Art Forestry"
 3133 SW Cedar Hills Boulevard, Suite 145
 Beaverton, Oregon 97005
 (503) 444-0333 • Fax (503) 444-1453
<http://www.atterbury.com>

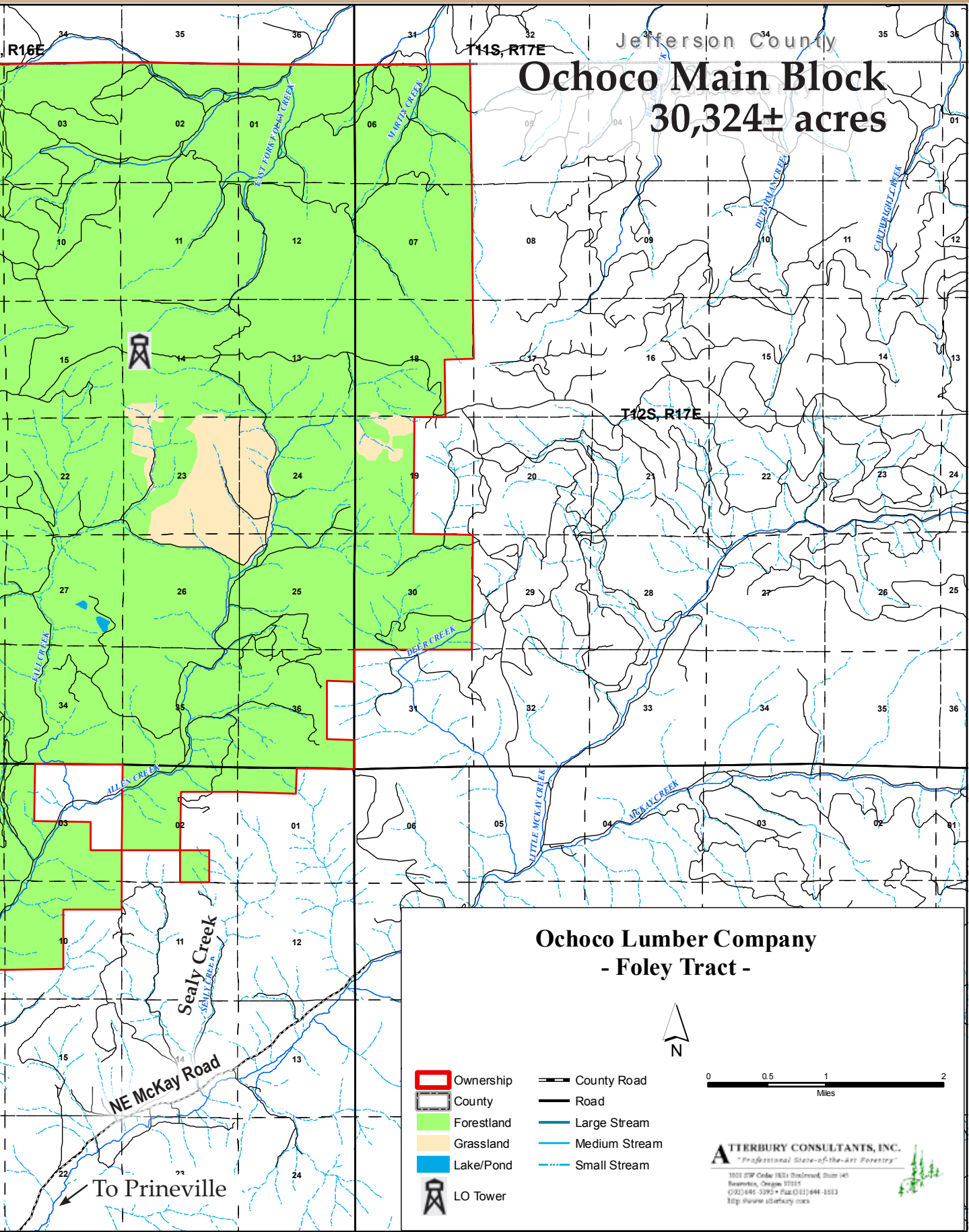


Foley Butte Block
Total 32,475± acres
Land Cover

Willow Creek Cabin Tract
437± acres

Lofton Creek Tract
1,714± acres

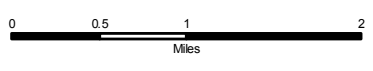




Ochoco Main Block 30,324± acres

Ochoco Lumber Company - Foley Tract -

- Ownership
- County
- Forestland
- Grassland
- Lake/Pond
- LO Tower
- County Road
- Road
- Large Stream
- Medium Stream
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Ochoco Main Block - 30,324± acres

Published Reserve: \$17,020,000

The Main Block of the Foley Butte Block contains all the land being offered, with the exceptions of 2,151± acres being offered in two different tracts, as the Lofton

Creek Tract and as the Willow Creek Cabin Tract.

The Ochoco Main Block timber inventory has an estimated 78 million board feet or 98% of the total volume, and breaks-out as follows:

Grizzly Mountain

View southwest from Section 8 of Coon Creek drainage

Ochoco Main Block

Species

Volume

ponderosa pine	65,773 MBF
Douglas-fir	9,065 MBF
grand fir	2,461 MBF
other	664 MBF

There are 27,970± acres of forestland and 1,877± acres of non-stocked lands within the Ochoco Main Block.

Timber inventory is detailed in the Data Site, and there are individual timber reports for both the Lofton Creek and the Willow Creek Cabin Tracts.

Three Sisters

Black Butte

Highway 26 → To Madras



Lofton Creek Tract

Lofton Creek Tract - 1,714± acres

Published Reserve: \$995,000

The 1,714± acre Lofton Creek Tract is in the southern portion of the Foley Butte Block, has year-round access from Allen Creek Road, and has potential for division in to up to five 320± acre ranchettes, subject to approvals from Crook County.

Residences are located adjacent to the northern boundary and share a public access road that runs along Lofton Creek from Allen Creek Road.

An estimated 179 acres of the tract has 758± MBF of ponderosa pine and Douglas-fir, located primarily along the north-facing slopes, by Lofton Creek. Kuisman Creek is along a portion of the northeast section

of the property. The balance of the land is primarily grassland along Rail Hollow, which bisects the midsection of the property. There is a logging road from Allen Creek Road that provides access along the Rail Hollow Drainage.

The topography is rolling to moderate, and ranges from 3,100± to 4,300± feet. Power and telephone service are available from Allen Creek Road.

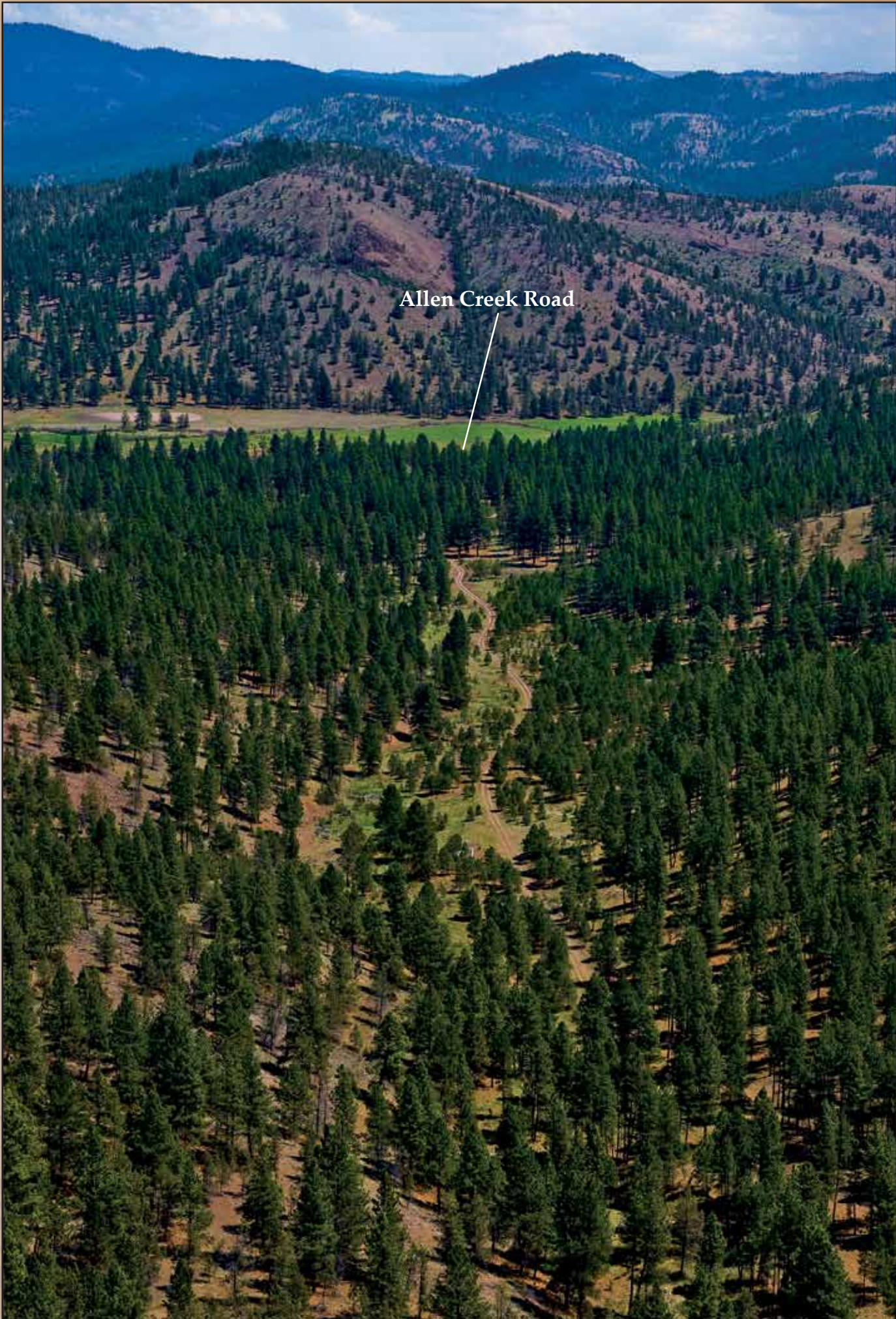
The sale of Lofton Creek Tract will be subject to a partition approval from Crook County.

LOCATION: Township 13 south, Range 16 east. Sections 18, 17, 14, 22 and 23



Above: View from Lofton Creek Tract to Prineville

Left: View south from Lofton Creek across road of potential home site



*View of entry
from Allen
Creek Road
to adjacent
residences
and to Lofton
Creek Tract*

Willow Creek Cabin Tract – 437± Acres

Published Reserve: \$485,000

The 437± acre Willow Creek Cabin Tract is located at the southwest entry to the property in Section 19, Township 12 south, Range 16 east, and has one quarter mile of Willow Creek frontage. There is a cabin on this tract, and it has been used by Ochoco employees and customers.

The cabin is a two-bedroom, one-bathroom structure, located above the creek and meadow area, and is being sold fully-furnished. The cabin is approximately 500 square feet, with a living area heated by a wood stove, and a kitchen with sink and propane range. The bathroom has a combination bathtub/shower and propane hot water tank. Non-potable water is supplied from a gravity-fed spring on the property. Propane is stored in a large outdoor tank nearby. The cabin is wired so that an on-site generator could provide power for lights.

There is a gated entry from an extension of Ramms Road, with a trail that crosses both the meadow and

small bridge over Willow Creek. The meadow could easily accommodate a horse barn and corral. The existing cabin is located on a small ridge above the creek, and additional cabins could be constructed nearby.

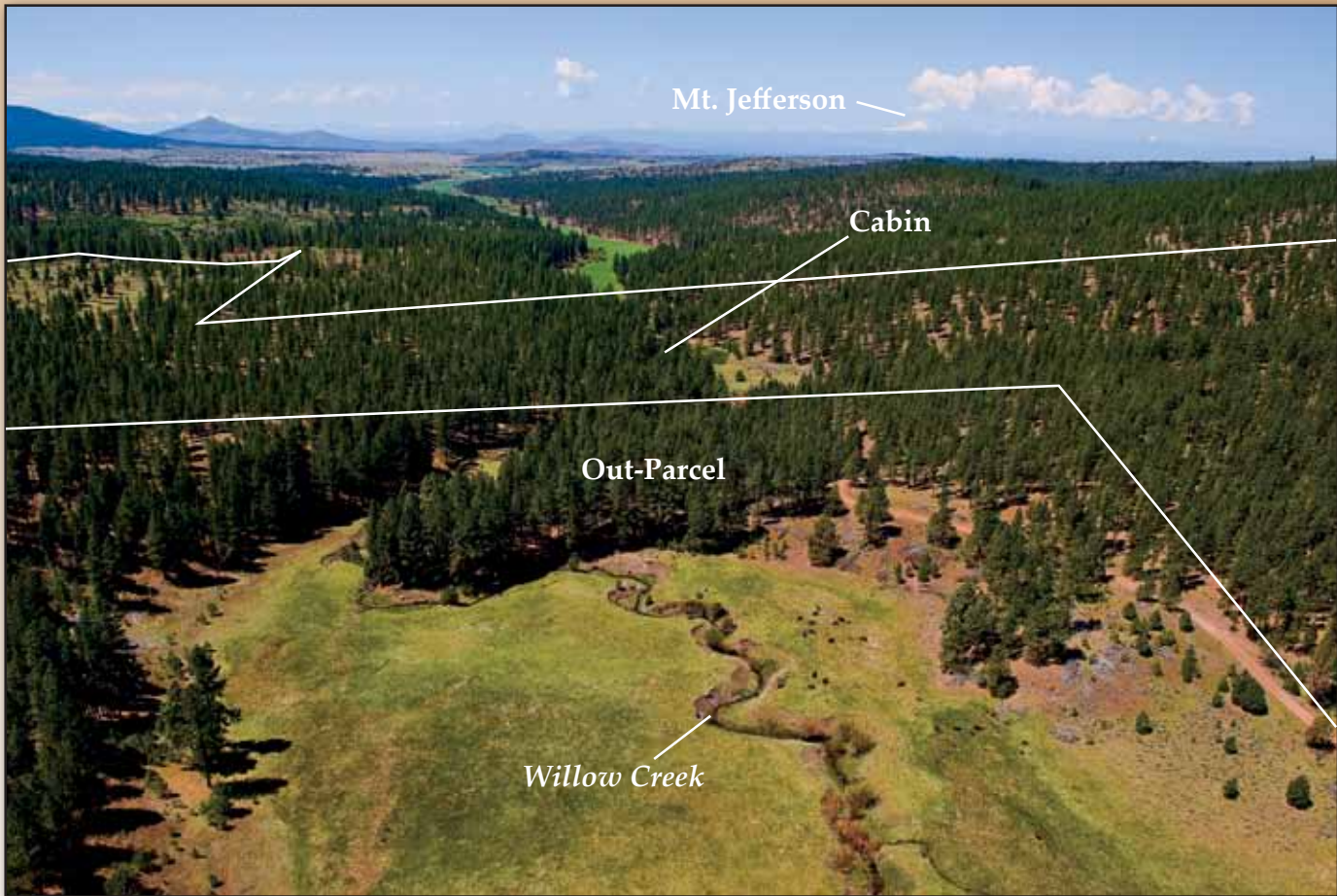
There is an estimated 1,065 MBF of primarily ponderosa pine, with a nominal amount of Douglas-fir and grand fir on the property. The topography ranges from 4,000± to 4,400± feet, and access in winter will require a snowmobile. The road is not plowed.

There is private land ownership to both the east, and west.

The sale of the Willow Creek Cabin Tract is subject to partition approval by Jefferson County.



View of western entry to Foley Butte Block along Willow Creek



View west of 437± acre Willow Creek Cabin Tract



Two bedroom cabin overlooks Willow Creek



Living room heated by wood stove

Kitchen is fully-equipped, including propane stove

CALL 1-800-845-3524

ZONING

Foley Butte Block is located in both Crook and Jefferson Counties, as outlined on the ownership map.

Crook County: All Crook County ownership of Foley Butte Block is zoned Forest Zone -- F-1, with the exception of an estimated 1,195± acres located within the Lofton Creek Tract. Those 1,195± acres are zoned Exclusive Farm Use -- EFU-2.

Jefferson County: All Jefferson County ownership of Foley Butte Block is zoned Forest Management -- F-M.

Wildlife Range Overlays exist in both Crook and Jefferson Counties and have conditions for sitings of any improvements. Copies of pertinent zoning regulations, with permitted and conditional uses, are contained in the Supplemental Information Package. Please see SIP for details.

HUNTING

The entire property is located in the Grizzly Wildlife Management Unit, administrated by the Oregon Department of Fish and Wildlife. A total of eight Landowner Preference Tags are allowed for each contiguous ownership of 20,000 to 40,000 acres.



FOLEY BUTTE LOOKOUT TOWER

The Oregon Department of Forestry maintains the Foley Butte Lookout Tower during fire season, and has a 99-year-lease which will expire in 2057. A lookout tower has been on the property since 1934, and is one of three active lookout towers within the Sisters/Prineville District.

CONSERVATION EASEMENT

There is a conservation easement with Deschutes Resources Conservancy that is part of the Deschutes Riparian Restoration Project and covers 257± acres along seven miles of Foley and Martin Creeks. The easement was signed in 2003 and has a term of 52 years. Ten miles of fence were installed, 72,000 native plants and trees were planted, and two off-site watering facilities were constructed. Copies of all documents are part of the Supplemental Information Package, which includes landowner agreement, site management plan and conservation easement agreement.

EASEMENTS

For access, there are a number of road use agreements with adjoining owners that are outlined in the Preliminary Title Report. (Please see Supplemental Information Package.)

LEASES

There are four grazing leases for a total of up to 356 AUMS that extend from June 1 to September 30, 2013. Total income from those four leases is \$10,000. There are no other leases. The Foley Butte Block has not been leased for commercial hunting.

MINERALS

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

ENVIRONMENTAL SITE ASSESSMENT

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

PRELIMINARY TITLE REPORT

A Preliminary Title Report for the Foley Butte Block in its entirety has been prepared by AmeriTitle, with copies of the exception documents, and is available on the data site, by CD, or hard copy, by contacting the Auction Information Office at 1-800-845-3524. Revised Preliminary Title Reports will be prepared for the Ochoco Main Block, Lofton Creek and Willow Creek Cabin Tracts prior to close of escrow if sold individually.

TAX ASSESSMENT

The entire property is classified as forest land for tax assessment purposes in both Crook and Jefferson Counties. Total taxes are \$83,038, or \$2.55 per acre, with \$57,076 allocated to Fire Assessment and \$25,962 for other taxes.

RIGHT OF FIRST REFUSAL

An adjoining owner has a Right of First Refusal to purchase 477± acres which have 1,178± MBF in the southwestern portion of Foley Butte in Sections 1 and 12, Township 13 south, Range 15 east. A sale has been ne-



Ochoco Lumber is a partner in the Willow Creek Watershed

gotiated and those proceeds will be assigned to either the new owner of the Ochoco Main Block or the new owner of the Foley Butte Block if it is purchased in its entirety.

Also, there is a 40± acre tract in the southwestern quarter of the southeastern quarter of Section 2, Township 13 south, Range 16 east, that has no physical access to the main block, and only nominal timber which is on the south-facing slopes. It will be purchased by the adjoining owner at the average per acre sales resulting

from this Sealed Bid Offering, and the proceeds will be assigned to the new owner.

THREATENED OR ENDANGERED SPECIES

The Seller is not aware of any threatened or endangered species in the area of the property and anticipates no significant impact concerning future timber harvesting of the property. There is an identified eagle nest located in the northwest corner, Section 4.



*Foley Butte
Lookout
Tower*

*Photo taken
May, 2013*



*Photo taken
February,
2013*

FOLEY BUTTE BLOCK

PUBLISHED RESERVE PRICES



Foley Butte Block	32,475± Acres	\$18,500,000
A – Ochoco Main Block	30,324± Acres	\$17,020,000*
B – Lofton Creek Tract	1,714± Acres	\$ 995,000*
C – Willow Creek Cabin Tract	437± Acres	\$ 485,000*

SEALED BIDS DUE JULY 25, 2013

*The sale of A, B, or C is subject to combined total accepted bids
in the aggregate to equal, or exceed, \$18,500,000



CONDITIONS OF THE AUCTION #1301

REALTY MARKETING/NORTHWEST AUCTION INFORMATION OFFICE

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

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

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

SUPPLEMENTAL INFORMATION PACKAGE, WITH BID DOCUMENTS

More detailed information is available on the Foley Butte Block. A signed Confidentiality Agreement is required in order to obtain a Supplemental Information Package, which includes all pertinent data provided by the Seller, and is available in either hard copy form, or by email. To request a copy of the Supplemental Information Package, please contact the Auction Information Office at 1-800-845-3524 or info@rmnw-auctions.com

PUBLISHED RESERVE

The property is being offered with a Bulk Published Reserve Price of \$18,500,000. When bidding reaches, or exceeds, the amount of \$18,500,000, the Seller is committed to sell the property to the high bidder in either its entirety, or in the aggregate of total accepted bids on Ochoco Main Block, Lofton Creek and Willow Creek Cabin Tracts. Should the bidding fail to reach the amount of the Published Reserve Price, the Seller reserves the right to accept, counter or reject the high bid no later than five business days following the Sealed Bid due date of July 25, 2013.

SEALED BID DUE DATE

Sealed Bids are due no later than 5:00 PM. Thursday, July 25, 2013.

FINANCING



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

COOPERATING BROKERS

Broker cooperation is invited. A commission of 1% will be paid to the real estate agent whose Buyer closes on the purchase of the Property. The real estate agent must be a broker currently licensed by his/her state of residence, or a salesperson licensed under such broker. Cooperating broker commission will be paid only upon close of escrow. Cooperating brokers will not share in any payment of liquidated damages.

No commission will be paid to any real estate agent participating as a principal in the purchase of the property. The commission will be earned and paid only upon full and final closing by the Buyer on the conveyance of the property and the receipt of the full purchase price by Seller.

CLOSING

Closing must occur no later than September 16, 2013, unless extended by the Seller in writing. Prior to making a bid, refer to the Supplemental Information Package with regard to customary closing costs including, but not limited to, recording fees, normal prorations, title fees, transfer and/or excise taxes (if applicable), sales tax on personal property (if applicable), local improvements and irrigation district assessments (if applicable), and document preparation fees. Buyers will be responsible for any real estate compensation taxes or rollback taxes and penalties as a result of a change in use or designation of the property including, but not limited to, a change from open space, agriculture, forest land or recreation.

ADDITIONAL CONDITIONS

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

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

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

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

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

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

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

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

Need Help?

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

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



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PORTLAND, OREGON 97228

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