

# Timber company sues state over nixed sale of Elliott

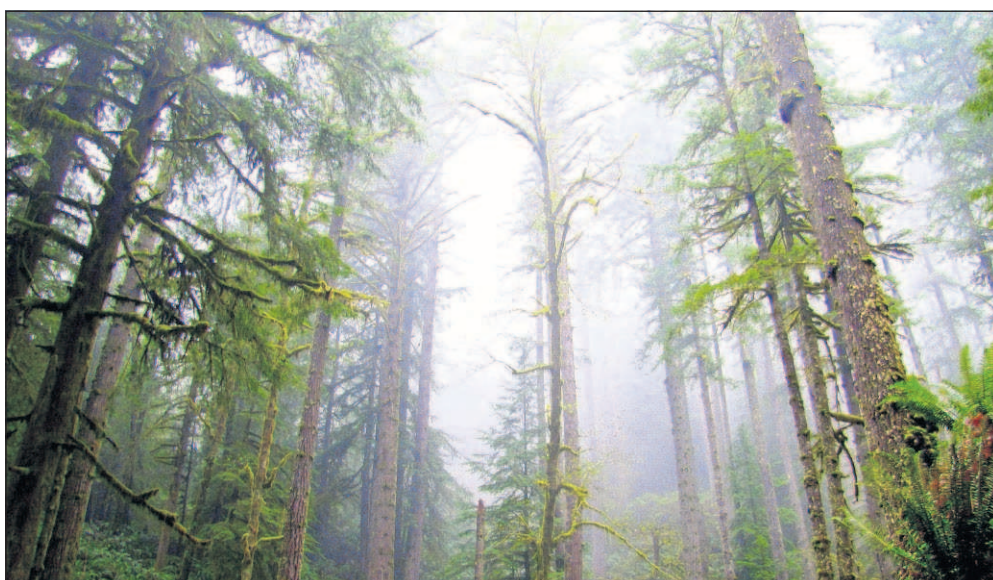
Claims breach of agreement

By **CLAIRE WITHYCOMBE**  
Capital Bureau

SALEM — A Roseburg timber company is suing the Department of State Lands and the State Land Board for about \$3.3 million for backing out of the sale of the Elliott State Forest.

Lone Rock Resources, which until May was positioned to buy an 82,500-acre swath of the state forest near the southwest Oregon Coast for \$220.8 million, claims that when the state canceled its plan to sell the forest, it “materially (breached) the agreement and understandings of the parties.”

The Elliott is a state trust land, which means that the state is required to generate revenue from it for the Com-



Oregon Department of Forestry  
**A Roseburg timber company has filed suit alleging the state breached an agreement with the company when it canceled its plan to sell the Elliott State Forest.**

mon School Fund, an endowment for K-12 education.

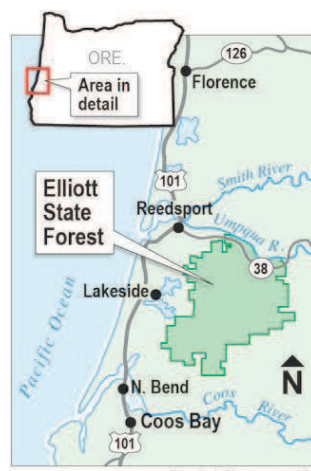
For years, logging on the forest had provided that revenue. But recently, due to more stringent enforcement of envi-

ronmental regulations and protections for endangered species, the state struggled to make money off the land.

So the land board — the governor, secretary of state

and treasurer — sought to sell it to a private or public entity and embarked on a detailed process to try to find a buyer.

Last fall, Lone Rock was the sole company to propose



Capital Press graphic

buying the forest for the price the state set: \$220.8 million.

The company alleges it spent about \$1.3 million to comply with the protocol the state had set up for selling the forest, and seeks that amount in damages, plus interest, as well as lost opportunity damages of \$2 million.

The company also argues that it was reasonable to assume that the state would

comply with its obligations to make money from the Common School Fund land, which are laid out in the state's constitution.

Since Lone Rock submitted a plan for buying the forest last fall, political opposition to the sale mounted until the State Land Board withdrew from the sale process altogether in May.

The Department of State Lands, through a spokeswoman, said that it does not comment on current or possible litigation.

On Friday, the state Legislature approved about \$100 million in bonds to buy a part of the forest and decouple it from its Common School Fund obligations, reflecting the suggestion of Gov. Kate Brown, the chairwoman of the land board.

*The Capital Bureau is a collaboration between EO Media Group and Pamplin Media Group.*

## Thousands flee raging wildfires burning in the US and Canada

Associated Press

OROVILLE, Calif. — Wildfires barreled across the baking landscape of the western U.S. and Canada, destroying a smattering of homes, forcing thousands to flee and temporarily trapping children and counselors at a California campground.

Here's a look at the wildfires blackening the West.

Two major wildfires in California have sent nearly 8,000 people fleeing to safety.

About 4,000 people evacuated and another 7,400 were told to prepare to leave their homes as fire swept through grassy foothills in the Sierra Nevada, about 60 miles north of Sacramento, the California Department of Forestry and Fire Protection said Sunday.



AP Photo/Noah Berger

**Firefighters battle a wildfire as it threatens to jump a street near Oroville, Calif., on Saturday. Evening winds drove the fire through several neighborhoods leveling homes in its path.**

The fire burned nearly 8 square miles, destroyed at least 10 structures and damaged critical infrastructure, leading Governor Jerry Brown to declare a state of emergency to provide assis-

tance to local authorities.

Fire spokeswoman Mary Ann Aldrich said additional homes were destroyed overnight. An inspection team is trying to determine the extent of the damage.

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