



Earth
Engineers,
Inc.

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January 12, 2024

Salishan Leaseholders, Inc. (SLI)
100 Salishan Drive
Gleneden Beach, Oregon 97388
Attention: Katie Anderson

Phone: 541.389.3172
E-mail: kanderson@aperionmgmt.com

**Subject: Proposal for Geotechnical Design Report
Proposed Shoreline Protection Structure Beach Access Stairs
Beach Access Between 281 and 283 Salishan Drive
Lincoln City, Lincoln County, Oregon
EEI Proposal No. 24-P013**

Dear SLI,

As requested, **Earth Engineers, Inc.** (EEI) is pleased to submit our proposal to provide geotechnical engineering services for the above referenced project. This proposal outlines our project understanding, proposed scope of services, schedule, fees, and General Conditions that will apply.

PROJECT UNDERSTANDING

Our current understanding of the project is based on a January 5, 2024, meeting between attendees by members of Salishan Leaseholders Inc (SLI), EEI Principal Engineering Geologist Adam Reese, R.G., C.E.G., and EEI Geotechnical Project Manager Jacqui Boyer, as well as subsequent correspondence with structural engineer Mike Field of Field Engineering (Field).

Briefly, we understand that a group of leaseholders at lots 265, 271, 273, 275, 277, 279, 281, and 283 Salishan Drive (see Figure 1 below) are in the process of design and permitting to raise their existing Shoreline Protection Structure (SPS) from an elevation of 25 feet above mean sea level (amsl) to an elevation of 30 feet amsl.

We have issued a Preliminary Geotechnical Investigation Report for the proposed SPS improvements (reference EEI Report No. 23-207-1 dated December 29, 2023). This report included a subsurface investigation on each property, a limited forensic evaluation of the existing SPS on each property, and a general discussion of the feasibility of the proposed project from a geotechnical standpoint. While not yet executed, a scope of work and lump sum fee proposal for the design of the SPS modification has been provided to the leaseholders as scope amendment 23-P241-A1.

We are aware that Oregon Parks and Recreation Department (OPRD) has indicated that they will not permit the raised SPS to an elevation of 30 feet without maintaining beach access. To address this, SLI is interested in proceeding with a design for beach access stairs to be located between 281 and 283 Salishan Drive (the existing beach access point). It is anticipated that the stair design will consist of reinforced concrete stairs embedded into the existing and modified portions of the SPS.

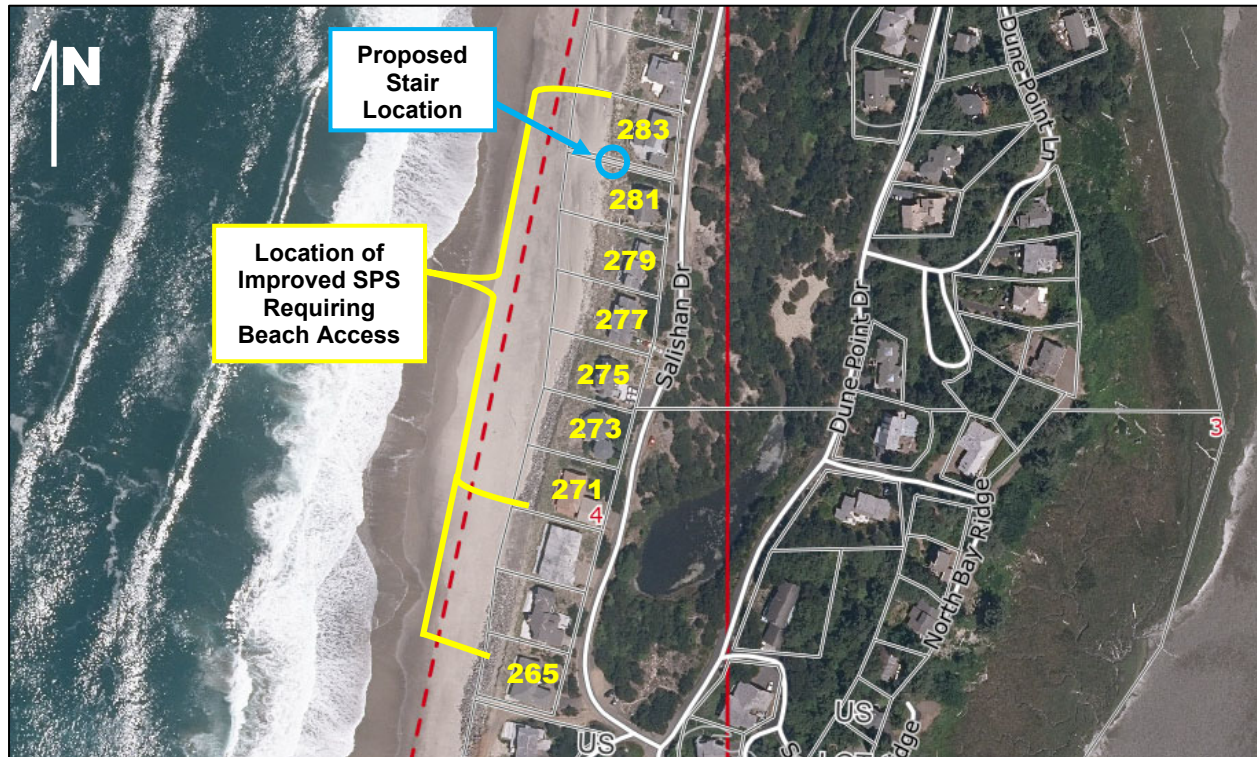


Figure 1: Project vicinity, showing the proposed beach access stair location for the proposed SPS improvements along the extent of the roughly 950-foot shoreline frontage (excluding 267 and 269). Base map source: Lincoln County Webmaps.

SCOPE OF SERVICES

Our current scope of work for this phase of the project is to provide a site-specific design for the proposed access stairs to be located between 281 and 283 Salishan Drive. The outcome of this phase of this project will include a geotechnical report that provides detailed geotechnical design recommendations for the proposed access stairs on the riprap revetment improvement.

Assuming we are authorized to modify our scope and fee to move forward with the access stair design, we will provide one report that can be included as an attachment to each of the future OPRD permit applications for 265, 271, 273, 275, 277, 279, 281, and 283 Salishan Drive

Our site-specific beach access stairs geotechnical report will include the following:

- A discussion of subsurface conditions encountered during our preliminary investigation including pertinent soil and rock properties.
- A brief discussion of the existing conditions of the SPS in the location of the proposed beach access stairs.
- Geotechnical-related recommendations and design for the proposed beach access stairs.
- A quantitative evaluation of slope stability using SLIDE2 computer modeling software, analyzing the existing and proposed conditions under the static and seismic scenarios.
- An evaluation of the increased bearing pressure anticipated at the bottom of the improved structures in relation to the bearing soils.
- Drafted cross-sections and site plans showing the proposed SPS conditions at the stair location, required for permitting. These drafts will be modifications of the as-built cross-sections and plans prepared for the adjacent properties (281 and 283 Salishan Drive) as part of the preliminary investigation phase.
- Discussions on other geotechnical issues that may impact the project.

As previously stated, we have issued a Preliminary Geotechnical Investigation Report for the subject SPS. The data collected during our subsurface investigation and limited forensic evaluation will be used for our site-specific geotechnical analysis and design. It is not a part of our current scope of services to perform any additional explorations. Due to this limitation, our design will be conservative to account for variations in subsurface materials between the locations previously investigated.

Because this stair design project is somewhat of a prototype for additional future beach access stair design at Salishan, we are assuming that several meetings with SLI, OPRD, and/or Field may be required during the course of the design process. **Our current scope of services for this phase of the project includes four (4) virtual meetings of up to 1 hour each during this design phase.**

Please note that this proposal is for the site-specific design phase of the project. Our current proposed scope of services will be concluded upon submittal of our finalized design report. Additional services required to support permitting of the structure (e.g., providing additional information to address OPRD or Lincoln County permit application evaluation criteria, such as assessment of location-specific erosion or coastal processes, hazard avoidance alternatives, detailed alternatives assessment, etc.) are not included in this proposal, but can be provided on a time and materials basis subsequent to submittal of our design report.

We have assumed that SLI will contract the structural engineering services directly with Field Engineering. Field Engineering may also require an additional topographic survey to support their design of the stairs. If surveying services are needed, we have also assumed that SLI will contract directly with a surveyor (we suggest Northstar Surveying, the surveyor used for the recent forensic assessment of the existing revetments). If requested, EEI can subcontract the structural engineering and land surveying (if required), subject to our standard subcontractor mark-up of 10%.

SCHEDULE AND FEE

Our final written report will be submitted within approximately 3 to 4 weeks after we receive written authorization to proceed and the requested deposit below.

Our geotechnical design report will be completed for a lump sum fee of **\$5,850.00**. It should be noted that this fee does not include support during the permitting phase or services during construction. These additional services will be completed on a time and materials (T&M) basis.

Additional fees to attend meetings, support permitting, and construction inspection fees would be charged on a time and material basis according to the following 2024 unit rates:

Principal Engineer/Geologist	\$210.00 per hour
Project Engineer/Geologist	\$160.00 per hour
Engineering or Geology Staff	\$130.00 per hour
Geotechnical Special Inspector	\$120.00 per hour
Sample Pickup	\$95.00 per hour
Mileage	\$0.80 per mile
Proctor Lab Test	\$305.00 each
Nuclear Density Gauge	\$80.00 per day

Note that these rates are applicable through December 31, 2024. After that date, our standard unit rates for the current year will apply.

Construction inspection services have a 3-hour minimum charge. Overtime rates (1.5 times the normal rates) apply to inspection services provided on weekends, holidays and after exceeding 8 hours in a work day. To be clear, our lump sum fee above does not include geotechnical construction inspection services during construction.

WRITTEN NOTICE TO PROCEED

Your written notice to proceed with the work proposed herein is required. Notice to proceed and acceptance of our General Conditions can be made by signing and returning a copy to our office.

It is our sincere hope that we may be of service to you on this project. Should you have any questions, please contact Jacqui Boyer at (360) 567-1806 (office) or (503) 502-2726 (cell).

Sincerely,
Earth Engineers, Inc.



Adam Reese, R.G., C.E.G.
Principal Engineering Geologist



Laura Haigh
Project Geologist

Attachments:

Proposal Acceptance
General Conditions

Distribution:

Dennis Osterlund, Salishan Leaseholders Inc., (dennis.osterlund@gmail.com)
Katie Anderson, Aperion Management Group, LLC (kanderson@aperionmgmt.com)

Proposal Acceptance

**Project: Proposal for Geotechnical Design Report
Proposed Shoreline Protection Structure Beach Access Stairs
Beach Access Between 281 and 283 Salishan Drive
Lincoln City, Lincoln County, Oregon
EEl Proposal No. 24-P013**

Lump Sum Fee: \$5,850.00

By signing below, Client authorizes Earth Engineers, Inc. to proceed in accordance with this proposal, including the General Conditions.

Client Name: _____

Salishan Address: _____

Mailing Address: _____

Telephone: _____

E-mail: _____

Signed By (print): _____

Signature: _____

Title: _____

Date Signed: _____

General Conditions

1. Payment – Client shall pay invoices upon receipt. Invoices not paid within thirty (30) days of the invoice date shall be considered past due and subject to late payment charges of 1-1/2 percent per month. Client agrees to pay all costs incurred with collection of past due accounts, including attorneys' fees. If Client fails to pay an invoice when due, Consultant may, upon five (5) calendar days' notice to client, suspend all Services until paid in full, and may terminate the Agreement without penalty. Client shall furnish to Consultant with fifteen (15) days after receipt of a written request information necessary and relevant for the Consultant to evaluate, give notice of, or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, the name of the Project lender, and the Client and/or Owner's interest therein. If Client fails to pay an invoice within 75 days of the invoice date, then Client agrees not to rely on the work product(s) for which Consultant has not been paid. Client-requested construction inspection final summary reports will be issued by Consultant after all previous invoices have been paid. If Client has had any past due invoices, Consultant reserves the right to request payment for the final summary report prior to issuing the final summary report.

2. Consultant Responsibility – Consultant shall perform the services in a manner consistent with the standard of care and skill ordinarily exercised by members of the profession practicing in the same or similar locality under similar circumstances, and budget at the time the services are performed. This Agreement creates no warranty or guarantee, express or implied, nor does it create a fiduciary responsibility to Client by Consultant.

3. Client Responsibility – Client shall be responsible for jobsite safety. Client shall provide Consultant with all information regarding existing conditions, including the existence of hazardous or dangerous materials and proposed uses of the Project site and shall correctly designate the location of all property lines of the Project site and all subsurface installations, such as pipes, tanks, cables, electrical lines, telephone lines and utilities within the Project site. Client shall immediately provide Consultant with any new information, including any change in plans. Client releases Consultant from liability for any incorrect advice, judgment or decision based on any inaccurate information furnished by Client or others. If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including hazardous materials, encountered on the site by Consultant, Consultant shall, upon recognizing the condition, immediately stop work in the affected area and report the condition to Client.

4. Construction Observation Services – Consultant's construction observation services, if provided, shall be limited to observation of geotechnical construction operations to provide Client with an understanding of the general nature, progress and quality of the earthwork and foundation construction. The Consultant shall not be held responsible for the means and methods of construction, for the safety procedures employed by Client's contractor, or for costs associated with delays of the work arising from the contractor's activities. Client shall hold its contractor solely responsible for the quality and completion of the contracted work, including but not limited to its construction in accordance with the approved plans and specifications and Consultant's engineering recommendations.

5. Scheduling of Professional Services – Client shall notify Consultant at least twenty-four (24) hours in advance of any necessary geotechnical construction observations. If Client assigns this responsibility to a contractor, subcontractor, or other third party, or if Client fails to provide the proper notice, Consultant shall not be responsible for any costs or damages arising from untimely notice.

6. Cuttings/Sample Disposition – When applicable, all excess exploration spoils or drill cuttings will be left on the subject property, and will remain the property of the Client, unless arrangements are made in advance for collection and transport of cuttings to an approved disposal site. Additional fees may apply to collect, contain, remove and lawfully dispose of samples, cuttings and hazardous materials. Unless other arrangements are made, Consultant reserves the right to dispose of samples obtained for the Project sixty (60) days after the issuance of any document that includes the data obtained from those samples.

7. Ownership of Work Products – Consultant's reports, boring logs, maps, field data, drawings, test results and other work product are part of Consultant's professional services, and do not constitute goods or products. Consultants shall have exclusive ownership of copyright and patent rights to any or all such work, and the exclusive right to register copyrights and patents thereon. Any such copyright or patent rights shall neither prohibit nor limit the Client's use of the Services pursuant to this Agreement in connection with the Project.

8. Limits of Liability – The Client agrees that any and all limitations of the Consultant's liability and indemnifications by the Client to the Consultant shall include and extend to those individuals and entities the Consultant retains for performance of the services under this Agreement, including but not limited to the Consultant's officers, partners and employees and their heirs and assigns, as well as the Consultant's subcontractors and their officers, employees, heirs and assigns. Unless Client and Consultant agree in writing for an increase in liability, Client agrees to (1) limit Consultant's liability to the greater of Consultants fee or \$50,000.00, and (2) indemnify and hold Consultant harmless from and against any and all claims, suits, costs and expenses including reasonable attorney's fees and court costs arising out of Client's negligence to the extent of Client's negligence. Consultant shall provide the same protection to the extent of its negligence. Indemnification shall include, in each instance, payment of Consultant's legal fees in defending such claims and tendering or enforcing the right of indemnification. The Client and Consultant waive consequential damages (such as lost profits, revenues, loss of use, and loss of reputation) for claims, disputes, or other matters in question arising out of or relating to this Agreement, whether in tort, contract, or breach of warranty. This mutual waiver includes consequential damages arising out of or relating to the parties' indemnification obligations.

9. Conflict Resolution – All disputes between Consultant and Client, with the exception of non-payment issues, shall first be subject to non-binding mediation. Either party may demand mediation by serving a written notice stating the essential nature of the dispute and demanding that the mediation proceed within sixty (60) days of service of notice. The mediation shall be administered by the U.S. Arbitration & Mediation Services or by such person or organization as the parties may agree upon. No action or suit may be commenced unless (1) the mediation does not occur within ninety (90) days after service of notice, (2) the mediation occurs within ninety (90) days after service of notice but does not resolve the dispute, or (3) a statute of limitation would elapse if suit was not filed prior to ninety (90) days after service of notice. In the event of an alleged breach of contract made by the Client, the Consultant shall have the right to cure the alleged breach of contract after receiving written notice. Should the Client choose to cure the alleged breach of contract on their own or by the use of a third party, without prior written approval of Consultant, then the costs to cure shall be the sole responsibility of the Client. Client shall also give Consultant the opportunity to cure the alleged breach of contract before commencing any litigation against Consultant.

10. Unanticipated Conditions or Findings – If during the course of performance of work under this Agreement, conditions or circumstances are discovered which were not contemplated by Consultant at the commencement of this Agreement, Consultant shall notify Client in writing of the newly discovered conditions or circumstances, and Client and Consultant shall renegotiate, in good faith, the terms and conditions of this Agreement. If amended terms and conditions cannot be agreed upon within thirty (30) days after notice, Consultant may terminate this Agreement and Consultant shall be paid for its services through the date of termination.

11. Entire Agreement – The laws of the state where Project is located shall govern interpretation of this Agreement. If any term of this Agreement is deemed unenforceable, the remainder of the Agreement shall stay in full force and effect. This Agreement, including any Consultant's Addenda and the Schedule of Fees, represents the entire Agreement and understanding between the Consultant and Client, and supercedes any and all agreements, either oral or in writing, including any purchase order, between the parties. Any modification to this Agreement will be effective only if it is authorized in writing and signed by the party to be bound. One or more waivers of any term, condition or covenant by either party shall not be construed as a waiver of any other term, condition or covenant.