STATE LAND BOARD

April 12, 2022
10:00 am – 12:00 pm
In-Person & Zoom Video/Audio Meeting
The meeting video will be livestreamed on the Department of State Lands YouTube Channel

Note: A ceremonial bill signing for Senate Bill 1546 will be held following the April 12 State Land Board meeting. The ceremony will also be livestreamed to the Department of State Lands YouTube Channel.

AGENDA

Consent Items

1. Request for approval of the minutes of the February 8, 2022, State Land Board Meeting.

Action Items

2. Stevens Road Tract incorporation into the City of Bend. *Public testimony will be accepted on this item.*

3. Request for final approval to sell 15.35 acres of subsurface mineral and geothermal rights, located at Cordon Road and State Street, in the City of Salem. *Public testimony will be accepted on this item.*

4. Request for authorization to purchase 0.56 acres at the primary public entrance to South Slough National Estuarine Research Reserve. *Public testimony will be accepted on this item.*

Continued on next page
**Informational Items**

5. 2022 Legislative Session Update  
   *No public testimony will be taken on this item*

6. Elliott State Forest Update  
   *No public testimony will be taken on this item*

7. Other  
   *No public testimony will be taken on this item*

Meeting video will be livestreamed, and the video recording available after the meeting, on the DSL YouTube Channel: [https://www.youtube.com/channel/UCQA7FHTWwl-gjJkQeYPJ1IA](https://www.youtube.com/channel/UCQA7FHTWwl-gjJkQeYPJ1IA)

**Attending the State Land Board Meeting**

This meeting will be held in a facility that is accessible for persons with disabilities. If you need assistance to participate in this meeting due to a disability, please notify Arin Smith at arin.n.smith@dsl.oregon.gov at least two working days prior to the meeting.

Visitors are **NOT permitted to bring backpacks, bags, or large purses** into the State Lands building prior to, during, or following Land Board meetings. Purses, medical bags, and diaper bags are permitted, but may be subject to inspection by the Oregon State Police.

*Public testimony information can be found on the next page.*
Providing Public Testimony

The State Land Board places great value on information received from the public. The public may provide written or spoken testimony regarding consent and action agenda items, time permitting and at the discretion of the Chair.

- **Providing Written Testimony**: Written testimony may be submitted at landboard.testimony@dsl.oregon.gov. Testimony received by 10 a.m. the day before the meeting is provided to Land Board members in advance and posted on the meeting website. Testimony received after this deadline may not be provided to the Land Board prior to a vote. Please indicate the agenda item your testimony relates to.

- **Providing Spoken Testimony by Video/Phone or In Person**: The signup deadline to provide spoken testimony during meetings is 10 a.m. the day before the meeting. You may sign up to provide testimony by video/phone or in person. Signup information is posted on the Land Board Meetings website one week prior to the meeting. After signing up, you will receive a confirmation email containing additional information.

Additional Testimony Information

- Testimony on action items is taken during the item’s presentation, before the Land Board votes. Please review the meeting agenda and be present and prepared to provide testimony at the appropriate time.
- The Board typically accepts testimony on consent and action items only.
- The standard time limit is three minutes for each individual; the actual time available for testimony during Land Board meetings is at the discretion of the Chair.
- Be aware that there may not be time for everyone who signs up to provide testimony.
- The Board may not be able to accept testimony on items for which a formal comment period has closed, such as a rulemaking comment period. The meeting agenda indicates whether testimony will be accepted on an item.
The State Land Board (Land Board or Board) met in regular session by teleconference on February 8, 2022. The meeting audio and video was livestreamed on the DSL YouTube channel.

Present were:
Kate Brown     Governor
Shemia Fagan    Secretary of State
Tobias Read    State Treasurer

Land Board Assistants
Jason Miner    Governor’s Office
Molly Woon    Secretary of State’s Office
Ryan Mann    State Treasurer’s Office

Department Staff
Vicki Walker    Bill Ryan    Lani Ahmadian    Ted Bright
Arin Smith    Jean Straight    Ali Ryan Hansen    Liane O’Neill

Department of Justice
Matt DeVore

Governor Brown called the meeting to order at 10:00 a.m. The topics discussed and the results of those discussions are listed below. To view the Land Board (Board) meeting in its entirety, please visit our YouTube page: February 8, 2022 Land Board Meeting

Consent Items

1. Minutes
   Secretary Fagan made a motion to approve the minutes for the December 14, 2021, Land Board meeting. Treasurer Read seconded the motion.
   The item was approved at 10:02 a.m.

2. Proposed Legislative Concepts
   The Department recommended that the Board authorize DSL to pursue and file a legislative concept regarding a sustainable fee structure for the Aquatic Resource Management Program

   Treasurer Read made a motion to approve the consent item. Secretary Fagan seconded the motion.
   The item was approved at 10:10 a.m.
Informational Item

3. Common School Fund Audit Report
   Director Walker invited Lealan Miller with audit firm Ide Bailey to give an overview of the Common School Fund Audit for FY 2021.

4. Oregon Department of Forestry Annual Report
   Director Walker invited ODF State Forester, Cal Mukumoto and Interim Division Chief Kate Skinner, to give an overview of their report for FY 2021.

5. Common School Fund Real Property Annual Report
   Bill Ryan, Deputy Director of Department of State Lands presented the Real Property Annual Report for FY 2021.

   The primary purpose of this report was to provide the State Land Board a year-end summary of the financial performance of the Common School Fund (CSF) trust lands under the Department of State Lands’ oversight. Included in the summary were the overall revenues and expenditures associated with these lands, which were the result of a broad range of real property management activities including leases, easements, licenses, special uses, and land sales and exchanges. This annual report presented outcomes from the 2021 fiscal year (July 1, 2020 to June 30, 2021) and included discussion of future real property management direction and priorities.

   10:50 a.m.
   Questions were taken from Treasurer Read and Governor Brown.

6. Other
   - Elliott State Forest Update

   The meeting was adjourned at 11:05 a.m.

_____________________________________
Kate Brown, Governor

_____________________________________
Vicki L. Walker, Director
Incorporating the Stevens Road Tract into the City of Bend

Whether the State Land Board should enable the implementation of House Bill 3318 (2021) by: (1) submitting a letter to the Department of Land Conservation and Development giving consent for the City of Bend to pursue the process of incorporating the remaining 261 acres of the Stevens Road tract into its urban growth boundary; and (2) approving the direct sale and transfer of a 20-acre portion of the tract, designated for affordable housing, to the City of Bend.

House Bill 3318 (2021); relating to the process to expand the City of Bend urban growth boundary to include the Stevens Road tract.

Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the director of the Department of State Lands.

Passed in June 2021, House Bill 3318 offers a unique path to incorporate the remaining 261 acres of the Stevens Road Tract into the City of Bend’s urban growth boundary (UGB). This opportunity would add much-needed affordable residential housing to the
community and enhance the value of school lands for the future benefit of the Common School Fund.

The Stevens Road tract is located east of Bend, near the intersection of 27th Avenue and Stevens Road. The Department acquired the original 643-acre tract as in-lieu land from the Bureau of Land Management in 1997 to partially satisfy the federal government’s obligation to provide Oregon with the remaining acres of federal land owed in lieu of school lands not granted at statehood. In 2016, the western 382 acres of the property were brought into the Bend UGB. These acres were sold by the Department of State Lands in 2020 and are currently in the process of being developed into a complete community with a mix of housing and employment uses.

Today, 261 acres of the Stevens Road Tract remain in state ownership. A property map is included as Appendix A.

**HOUSE BILL 3318 (2021)**

HB 3318 outlines a process that directs the incorporation of the 261-acre Stevens Road tract into the Bend UGB for the eventual development of a “complete community” that would include deed-restricted affordable, workforce, and market-rate housing, as well as parks and areas for mixed and commercial uses. The development would also have transportation options for walking, biking, and transit use.

To ensure the development of affordable housing, HB 3318 requires the designation of 20 acres of land to be deed-restricted for the use of households that make less than the area median income. Additionally, in an innovative approach tied to the Common School Fund’s mission to support public education, a seven-acre portion of the housing will be “made available, to the extent permitted by law, in a manner that gives a priority to households in which at least one individual is employed by an education provider.”

**Development of the Stevens Road Tract Concept Plan.** As part of the process outlined in HB 3318, the City of Bend is developing the Stevens Road Tract Concept Plan, which explains future planning amendments and intended uses and zoning for the site. Work on the plan, which began in October 2021, has included a public engagement process with multiple open houses and public meetings to review and approve the concept plan. The City intends to present the plan to Bend's Planning Commission and City Council for approval in the Spring of 2022. HB 3318 requires an approved plan be submitted to the Oregon Department of Land Conservation and Development by July 1, 2022.
REQUESTED ACTION
To enact the next step of the process, DSL is required to submit a letter of support to the Department of Land Conservation and Development giving its consent for the City of Bend to pursue incorporating the Stevens Road tract into the Bend UGB. The letter should also note that DSL has established an agreement with the City of Bend regarding the terms of conveying land for affordable housing to the City. DSL is currently drafting this agreement with the City of Bend.

For this reason, DSL is also requesting the State Land Board’s approval for the direct sale of the 20-acre portion of the tract designated for affordable housing to the City of Bend. The City of Bend and DSL collaborated to obtain an appraisal for the 20 acres; that appraised value is $35,000 per acre. If the City is able to legally provide a housing preference to education employees, a seven-acre portion of the 20 acres will be made available for that use and transferred to the City at no cost. The exact location of these acres within the tract will be determined as part of the development of the area by a future owner, guided by the planning requirements created by the City as part of the expansion of the UGB.

NEXT STEPS
After the City of Bend submits its Stevens Road Tract Concept Plan to the Department of Land Conservation and Development, the City will continue to engage with the public on planning amendments that will provide the land-use structure and requirements for the development of the tract.

Assuming a successful completion of this step, DSL will return to the Land Board, with a process for the marketing and sale of the remaining 261-acre Stevens Road Tract.

RECOMMENDATION
The Department recommends the State Land Board (1) approves submittal of a letter by DSL to the Department of Land Conservation and Development giving its consent for the City of Bend to pursue incorporating the remaining 261 acres of the Stevens Road tract into the Bend UGB; and (2) authorizes DSL to enter into an intergovernmental agreement for the sale and transfer of 20 of those acres for affordable housing land to the City of Bend at the appraised value.

APPENDICES
A. Map of the 261-Acre Stevens Road Tract
SUBJECT
Request for final approval to sell 15.35 acres of subsurface mineral and geothermal rights within the Salem city limits.

ISSUE
Whether the State Land Board should authorize the sale of 15.35 acres of subsurface minerals and geothermal rights, located at Cordon Road and State Street in the City of Salem; Township 7 South, Range 2 West, Section 29C, Tax Lots 200, 300 and 400.

AUTHORITY
- Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.
- ORS 273.055; relating to the power to acquire and dispose of real property.
- ORS 273.171; relating to the duties and authority of the Director.
- ORS 273.775 – 273.790; relating to mineral and geothermal resource rights
- OAR 141-067-0320; relating to procedures for the sale, exchange, or release and transfer of mineral and geothermal resources.
- Real Estate Asset Management Plan (REAMP), adopted by the Land Board; February 2012.

SUMMARY
On January 6, 2022, the Department of State Lands received an application from East Park LLC to purchase the subsurface minerals and geothermal rights for a property located northwest of the Cordon Road and State Street intersection in the Salem city limits.
East Park LLC owns the surface lands of the property, which they are developing with single-family homes. The City of Salem requires the applicant to own the subsurface mineral rights to dedicate right-of-way to satisfy the city’s development codes.

The proposed sale was posted for a two-week public comment period. One comment was received from the Confederated Tribes of Grand Ronde Historic Preservation Office requesting to be contacted prior to issuance of any permits related to the project activities. The Department’s archaeologist, Gary Curtis, contacted that office to inform them there would be no permitting from DSL, and that they should contact the City of Salem regarding permitting and project questions.

It is a standard policy of the Department of State Lands to retain mineral and geothermal resource rights (OAR 141-067-0155). However, under OAR 141-067-320, the State Land Board may approve the release and transfer of mineral and geothermal resources when evaluation reveals there is no, or limited, resource potential in the land being considered for sale and the State Land Board deems the sale is in the best long-term interest for the people of the state. The City of Salem’s zoning ordinance, 511.005 does not allow mining of residentially zoned land within city limits. Additionally, in a previous mineral release within City of Salem limits, the Department acquired a mineral potential review which covered a 10-mile radius and determined there are no minerals of significant value. The property reviewed in the mineral potential report was only three miles from the subject property of this request and the Department is confident the report provides adequate information regarding this sale. Therefore, there is limited potential to generate income from mined resources. Selling the mineral rights will enable the development of the property for housing and will provide the greatest benefit to the people of Oregon.

The sale price for this transaction is $250, the minimum transaction fee.

RECOMMENDATION
The Department recommends the State Land Board approve the sale of the subsurface minerals and geothermal rights for the property located northwest of the intersection of Cordon Road and State Street in the City of Salem; Township 7 South, Range 2 West, Section 29C, Tax Lots 200, 300 and 400.

APPENDIX
A. Site Map
Appendix A

63648-LS Mineral Sale
T07S, R02W Section 29C,
Tax Lots 200, 300 and 400
15.18 acres
Marion County

DSL Minerals
Tax Lots
City Limits 2017

This map depicts the approximate location and extent of a Department of State Lands minerals sale. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.
SUBJECT
Request for authorization to purchase 0.56 acres at the primary public entrance to South Slough National Estuarine Research Reserve.

ISSUE
Whether the State Land Board should authorize the acquisition of 0.56 acres adjacent to the entrance of the South Slough Reserve’s Visitor Center (Appendix A). The land is located off of Seven Devils Road in Coos County at Township 26 South, Range 14 West, Section 26, Tax Lot 500.

AUTHORITY
- Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.
- ORS 273.055; relating to the power to acquire and dispose of real property.
- ORS 273.171; relating to the duties and authority of the Director.
- ORS 273.553; relating to the South Slough National Estuarine Research Reserve agreement between Oregon and federal government rules.
- ORS 273.554; relating to the powers, membership and procedures of the South Slough National Estuarine Research Reserve Management Commission.
- OAR 141-067; relating to the sale, exchange and purchase of state land.
- Real Estate Asset Management Plan, adopted by the Land Board; February 2012.
SUMMARY
In June of 2020, the State Land Board approved initial due diligence for the purchase of two key properties totaling 1.7 acres located at the entrance of South Slough National Estuarine Research Reserve (SSNERR) near Charleston (Appendix B). The properties are adjacent to a driveway off Seven Devil’s Road. The driveway serves as a primary access point for South Slough Reserve’s Visitor Center, a key facility for Reserve visitors and staff.

The acquisition of both properties will secure state ownership of the entrance of South Slough Reserve and allow Reserve staff to improve the health, safety, and appearance of the Reserve’s entryway.

History of Acquisitions and Current Purchase
The first of the two properties was purchased from Coos County Department of Forestry in October 2021, following approval from the Land Board in February 2021. The 1.14-acre property was purchased for $85,000, funded by a federal grant from the National Oceanic and Atmospheric Administration and a donation from the Friends of South Slough Reserve, Inc.

South Slough Reserve is requesting permission to acquire the second property, which is 0.56 acres. An option agreement (See Appendix C) to purchase the property from the owner, Rolin Block, for $40,000 was signed in January 2022, subject to final Land Board approval. Funding for the sale will be provided by Friends of South Slough Reserve, Inc.

Once acquired, the property will be managed by the Reserve on behalf of DSL as special stewardship lands, and the Reserve will initiate efforts to improve the overall condition of both properties; for example, removing any remaining infrastructure, clearing downed and dead vegetation, and planting native species. These efforts will help manage wildfire risk and address visual concerns expressed by the community. The Reserve will also work with the community to identify the best use of the property, such as establishing an additional parking area to maximize accessibility. It is expected that once approved for purchase, these lands will eventually be brought into the official boundary of the South Slough National Estuarine Research Reserve.

Reviewing Due Diligence
In May of 2020, Reserve staff requested input on the proposed acquisition from cultural and natural resources staff of the Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians; the Coquille Indian Tribe; and the Confederated Tribes of Siletz Indians. All replied with no concerns.

The property was recently appraised to estimate its fair market value. Additionally, DSL’s archaeologist has conducted a cultural resources review of the property and concluded the property is a low risk for cultural resources. Public notice of the potential
acquisition was sent to adjacent property owners, local government agencies and tribal authorities. The Friends of South Slough wrote a letter in support of the acquisitions and confirmed their commitment to provide $40,000 for the project (Appendix D). No other public comments were received.

An environmental phase I report is in process for completion. If environmental damage is found, the sale contract requires the owner to repair or pay for any damage prior to the sale and purchase of the property.

RECOMMENDATION
The Department recommends the Land Board approve the purchase of tax lot 500, containing 0.56 acres of land adjacent to the entrance of South Slough Reserve’s Visitor’s Center.

APPENDIX
A. Map of Property
B. June 9, 2020, Agenda Item 3
C. Option Agreement
D. Letter of Support from the Friends of South Slough Reserve
E. Land Evaluation Form
APPENDIX A

SSNERR Acquisition Properties
T24S, R11W, Sections 26 & 27
Tax Lot 100: 1.14 acres
Tax Lot 500: 0.56 acres
Coos County

Acquisition Tax Lots
SSNERR Ownership
Sections

This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet

State of Oregon
Department of State Lands
775 Summer St NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 5/5/2020

Map Producer: amckernan
SUBJECT

Request for approval to initiate review and determination for the purchase of 1.7 acres at the primary public entrance to the South Slough National Estuarine Research Reserve. The purchase includes two properties: a 1.14-acre parcel owned by the Coos County Forest Department and an adjacent 0.56-acre property that is privately owned. Both properties are located adjacent to the entrance driveway to the South Slough Reserve Visitor Center.

ISSUE

Whether the Land Board should authorize the review and determination of the acquisition of properties adjacent to the South Slough Reserve Visitor Center entrance.

AUTHORITY

Oregon Constitution, Article VIII, Sections 2 and 5; relating to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the Director.

ORS 273.553; relating to the South Slough National Estuarine Research Reserve agreement between Oregon and federal government rules.

ORS 273.554; relating to the powers, membership and procedures of the South Slough National Estuarine Research Reserve Management Commission.
OAR 141-067; relating to the sale, exchange and purchase of state land.

**SUMMARY**

The South Slough National Estuarine Research Reserve (South Slough Reserve) is requesting permission to initiate due diligence for the purchase of two key properties at the entrance to the reserve’s visitor center, which is the primary public access point to the Reserve (Appendix A).

The two properties include the following:

**Parcel 1** is located in Coos County, Oregon, at Township 26 South, Range 14 West, Section 27, Tax Lot 100. This 1.14-acre property is owned by Coos County and crosses the existing driveway to the South Slough Reserve Visitor Center.

**Parcel 2** is located in Coos County, Oregon, at Township 26 South, Range 14 West, Section 26, Tax Lot 500. This 0.56-acre property that is privately owned and located between Parcel 1 and the South Slough Reserve.

Both owners are supportive of the Reserve purchasing their respective properties.

**Project Goal**

The goal of this project is to secure state ownership of the entrance to the South Slough Reserve Visitor Center by acquiring 1.7 acres located between Seven Devils Road and the driveway to the Visitor Center. Access to the Visitor Center is currently established through a legal right-of-way easement across the proposed acquisition property.

**Expected Results**

As a result of this acquisition, the South Slough Reserve will own the entire driveway accessing its visitor center, which is a core facility of the Reserve and the primary public access point for visitors. This will allow the Reserve to implement immediate actions to improve the property, such as removing any remaining infrastructure from the residence, clearing downed and dead vegetation, and planting native plants and shrubs. These cleanup activities will improve the overall condition of the property, reduce wildfire risk, and address visual concerns expressed by the local community.

**Intended Benefits and Outcomes**

Ownership of the property will put the Reserve in a position to submit future grant proposals to create a welcoming and fully accommodating entrance that will likely include a new parking area and trail connection to the Visitor Center. Once acquired the property will be managed by the Reserve on behalf of DSL as special stewardship lands.
and will eventually be brought into the official boundary of the South Slough National Estuarine Research Reserve.

**Partners and Professional Networks That Will be Leveraged**

The Reserve was recently awarded $60,000 in federal funds to support the acquisition of Parcel 1. This funding comes from a competitive grant program through the National Oceanic and Atmospheric Administration (NOAA) that supports construction and land acquisition projects at National Estuarine Research Reserves.

This federal grant funding requires a 1:1 cost-share from non-federal sources. Funds in the amount of $25,000 is generously being provided by the Friends of South Slough, Inc. to cover a portion of this match requirement (Appendix B). The remaining match requirement will be covered by in-kind staff time and cash from the Department of State Lands, which can include funds used to purchase Parcel 2.

Reserve staff will work closely with staff in the Real Property Program of the Department of State Lands to follow all state-required procedures for due diligence and the eventual purchase of the properties.

Reserve staff will also work with the Coos County Forester and support staff, under the direction of the Coos County Board of Commissioners, to purchase Parcel 1 and transfer legal ownership from the county to the Department of State Lands (Appendix C).

**Approvals**

On November 15, 2019, the Reserve received approval from the South Slough Reserve Management Commission to move forward with submitting a funding proposal to NOAA for this acquisition.

On November 20, 2019, the Reserve received approval from the State Legislature through the Joint Committee on Ways and Means Subcommittee on Natural Resources to submit a federal funding proposal to NOAA for this acquisition.

The Reserve is currently coordinating with staff from Coquille Indian Tribe; the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians; and the Confederated Tribes of Siletz Indians to request tribal support for this acquisition.

**RECOMMENDATION**

The Department recommends that the Land Board authorize the South Slough National Estuarine Research Reserve through the Department of State Lands’ Real Property staff to complete due diligence reports in support of acquiring two tax lots totaling 1.7 acres adjacent to the entrance of the South Slough Reserve Visitor Center.
APPENDICES

Appendix A – Map of Proposed South Slough Reserve Entrance Parcel Acquisition
Appendix B – Letter of Support and Match Commitment from Friends of South Slough Reserve (from NOAA grant proposal)
Appendix C – Letter of Support from Coos County Forester (from NOAA grant proposal)
OPTION AGREEMENT
AND
AGREEMENT OF PURCHASE AND SALE

DATE: 12/28/21 ("Effective Date")
FROM: Mr. Rolin H. Block ("Owner")
TO: The State of Oregon,
acting by and through its Oregon Department of State Lands ("Optionee")

RECITALS

Owner owns fee-simple title to the real property described in Exhibit A attached hereto, together with all improvements situated on it. The real property and improvements, together with all other rights, hereditaments, and appurtenances appurtenant to the real property and improvements, are collectively referred to herein as the "Property."

Optionee desires to acquire an option to purchase the Property on the terms and conditions herein stated. Owner has agreed to grant Optionee an exclusive option to purchase the Property, and the parties desire to evidence their agreement regarding the option.

AGREEMENT

Section 1. Grant of Option

Owner, in consideration of the sum of $4,000 paid to Owner by Optionee in cash, receipt of which is acknowledged by Owner, grants to Optionee the sole and exclusive option to purchase the Property (the "Option") in the manner and for the price stated in this Agreement.

Section 2. Option Terms

2.1 Term. The term of the Option (the "Term") commences on the Effective Date and will continue through October 31, 2022.

2.2 Exercise of Option. The Option must be exercised, if at all, by written notice (the "Exercise Notice") given by Optionee to Owner at any time during the Term, stating that Optionee has elected to exercise the Option. The Option may be exercised only with respect to the entire Property, and nothing contained herein will be construed as permitting Optionee to purchase less than all of the Property under this Agreement. Upon exercise of the Option, Optionee will be obligated to purchase the Property from Owner, and Owner will be obligated to sell the Property to Optionee, for the price and in the manner herein set forth.

2.3 Failure to Exercise Option. If Optionee fails for any reason to exercise the Option in the manner set forth herein, Optionee will have no further claim against or interest in the Property or any of the Option-Money Payments, unless Optionee is entitled to a refund of the Option-Money Payments under another provision of this Agreement. In the event of the failure to exercise the Option, Optionee will provide Owner with any instruments that Owner reasonably deems necessary for the purpose of removing from the public record any cloud on title to the Property that is attributable to the grant or existence of the Option.

Section 3. Option Money

In payment for Owner's grant of this Option, Optionee has paid or will pay Owner the following sums (the "Option-Money Payment"): 
Contemporaneously with the execution of this Agreement, Optionee has paid Owner the cash sum of $4,000 as stated in section 1, the receipt of which is acknowledged by Owner. No other Option-Money Payments are due or payable during the Term.

If the Option is exercised and the Property is acquired by Optionee, then the Option-Money Payment paid by Optionee will be credited against the Purchase Price (defined in section 5) at Closing (defined in section 9).

Section 4. Amount of Acreage

Although Owner believes that the Property contains approximately 0.56 acres of land, neither party considers the precise amount of acreage contained in the Property to be material to the purchase or sale of the Property except for the limited purpose of determining the purchase price as set forth in section 5.

Section 5. Purchase Price

5.1 Purchase Price. The purchase price for the Property (the “Purchase Price”) is $40,000.

5.2 Payment of Purchase Price. The Purchase Price for the Property will be payable as follows:

5.2.1 Optionee will be given credit for the Option-Money Payment actually paid by Optionee to Owner.

5.2.2 The entire balance of the Purchase Price will be paid in cash at Closing.

Section 6. Remedies

6.1 Optionee. If Owner breaches any term or provision of this Agreement, regardless of whether the breach occurs before or after Optionee notifies Owner of the exercise of the Option, then Optionee may, after first giving Owner written notice of such breach (1) terminate this Agreement and obtain the return of the Option-Money Payment previously paid to Owner as its exclusive remedy and in lieu of any other relief, or (2) tender performance of the obligations of Optionee and specifically enforce all obligations of Owner under this Agreement, or (3) Cure Owner’s breach prior to Closing, deduct the reasonable costs of such cure from the Purchase Price, and amend this Agreement as necessary to accomplish the foregoing; or (4) amend this Agreement to deduct the reasonable anticipated costs from the Purchase Price for Optionee to cure Owner’s breach after Closing, and otherwise specifically enforce all obligations of Owner under this Agreement.

6.2 Owner. If Optionee breaches any term or provision of this Agreement, regardless of whether the breach occurs before or after Optionee notifies Owner of the exercise of the Option, then Owner, as its exclusive remedy and in lieu of any other relief, will be entitled to terminate this Agreement by giving Optionee written notice of termination and to retain the Option-Money Payment paid by Optionee. Owner acknowledges (1) the adequacy of this exclusive remedy, and (2) that this limitation of remedies is an essential part of this Agreement from the perspective of Optionee. Except as noted in section 6.3 and any specific remedies reserved elsewhere in this Agreement, Owner expressly waives the right to pursue any other right or remedy at law or in equity other than the remedy specified above, including the right of specific performance and the right to sue for damages, in the event of a default by Optionee. Optionee and Owner have established the foregoing remedy in favor of Owner because of the difficulty and inconvenience of ascertaining the actual damages Owner may suffer as a result of a breach of this Agreement by Optionee.

6.3 Other Remedies. The limitations on remedies set forth in this section do not apply to any cause of action accruing after Closing or preclude either party from seeking or
obtaining injunctive relief or from seeking recovery against the other under any contractual indemnity set forth herein or for causing physical damage or injury to persons or property.

Section 7. Conditions Precedent to Closing

In addition to any other conditions contained in this Agreement, set forth below are certain conditions precedent for the benefit of Optionee (the "Conditions"). The Conditions are intended solely for the benefit of Optionee and Optionee will have the right to waive, by written notice, any of the Conditions, at its sole discretion; giving the Exercise Notice will not constitute such a waiver. If any Condition is not satisfied or waived on or before the deadline for satisfaction specified herein, then Optionee will have the right to terminate this Agreement, at its sole election, by giving Owner notice of termination before the deadline expires, to obtain the return of the Option-Money Payment paid, and to exercise any remedy available to Optionee if the subject Condition was not satisfied by reason of a breach of this Agreement by Owner. If Optionee does not give Owner notice of termination before the applicable deadline, then Optionee will be deemed to have waived the termination privilege with respect to the Condition in question. The Conditions specifically delineated in this section are the following:

7.1 On or before the Closing Date, Optionee will have received funding, appropriations, limitations, allotments, or other expenditure authority sufficient to pay the Purchase Price.

7.2 On or before the Closing Date, Optionee will have obtained all necessary approvals to acquire the Property under the laws of the State of Oregon, including but not limited to final approval of the sale by the Land Board.

7.3 On or before the Closing Date, Optionee will have approved the condition of the Property, as shown by any assessment or inspection required by Optionee, including but not limited to the Environment Audit described in section 7.6.

7.4 On the Closing Date, the Title Company (defined in section 9.1) will be ready, willing, and able to issue, and will issue to Optionee on recordation of the Owner's deed mentioned below, the title insurance policy required by section 9.6.

7.5 On or before the Closing Date, Owner will have performed all of the covenants, conditions, agreements, and promises to be performed by it under this Agreement.

7.6 On or before October 31, 2022, Optionee will have conducted an environmental review and audit (the "Environmental Audit") of the Property, indicating to the satisfaction of Optionee that the Property does not contain, either on its surface or in its subsurface or underlying water table, any Hazardous Substances (defined in section 14). The Environmental Audit may include a historical review of the use of the Property, review of all regulatory agency permits and compliance and enforcement files and records, soil tests, the acquisition of core samples and water table samples by drilling conducted on the Property, and such other tests and studies as Optionee may deem appropriate. All tests and studies will be conducted by agents selected by Optionee and performed as Optionee directs, and the provisions of section 12. Optionee will pay for the cost of all tests and studies undertaken. The presence of Hazardous Substances on the surface, subsurface or underlying water table of the Property will be deemed a breach of this Agreement, entitling Option to pursue any of the remedies under section 6.

Section 8. Title

Within 15 days following the Effective Date, Owner will deliver to Optionee, at Owner's expense payable at closing, a preliminary title report (the "Title Report") covering the Property. The Title Report will be issued by the Title Company (defined in section 9.1). The
Title Report will be accompanied by any exceptions to title referenced in the Title Report (the "Exceptions"). Within 45 days of receiving the Title Report and the Exceptions, Optionee will give written notice (the "Initial Notice") to Owner of the Exceptions that Optionee will require Owner to remove of record at or before Closing (the "Unacceptable Exceptions"). If Optionee fails to give Owner the Initial Notice, then Optionee will be deemed to have approved the Title Report. Owner has 10 days following receipt of the Initial Notice to give written notice (the "Reply Notice") to Optionee of those Unacceptable Exceptions that Owner concludes, in good faith, that Owner cannot or will not remove at or before Closing. Owner will not have any obligation to institute litigation or spend any sum of money to cure or remove any Exceptions, but Owner will be obligated to remove, at or before Closing, any Exception created, or suffered to be created, by Owner that is security for payment of a sum of money (including mortgages, deeds of trust, tax liens, contractor's liens, and judgment liens) and any Exception created, or suffered to be created, by Owner. Owner agrees to remove all Unacceptable Exceptions not referenced in a duly given Reply Notice. If one or more of the Unacceptable Exceptions cannot be removed at or before Closing and Owner so states in a duly given Reply Notice, then Optionee may exercise any of the following rights by giving written notice to Owner within 15 days of receiving the Reply Notice: (1) Optionee may terminate this Agreement, in which event the Option-Money Payment will be refunded to Optionee and neither party will have any further liability; (2) Optionee may accept title to the Property subject to the Unacceptable Exceptions and deduct from the Purchase Price any costs incurred by Optionee to cure the Unacceptable Exceptions. (3) Optionee may accept title to the Property subject to the Unacceptable Exceptions; or (4) Optionee may attempt to cure the Unacceptable Exceptions or any of them without cost or liability to Owner (but Owner will be obligated to cooperate with the cure efforts and to join in the execution of any curative instruments that will operate to remove the Unacceptable Exceptions). The foregoing rights of Optionee will not be deemed waived by giving the Exercise Notice. Exceptions that are shown on the Title Report and to which Optionee does not object or to which Optionee agrees, in writing, to waive objection, are referred herein to as the "Permitted Exceptions."

Owner will not cause, permit, or suffer any matter to be recorded with respect to the Property during the Term, except (1) the Memorandum referenced in section 15, and (2) any other matter that Optionee approves, in writing and at its sole discretion, before recordation.

Section 9. Closing

9.1 Time and Place. Closing of the sale and purchase of the Property (the "Closing") will occur on a date (the "Closing Date") selected by Optionee, but in all events the Closing will occur within 60 days after the date that the Exercise Notice is given. The escrow for the Closing will be established at the office of Ticor Title (the "Title Company"), at 300 Anderson Ave, Coos Bay, OR 97420.

9.2 Closing Obligations. On the Closing Date, Owner and Optionee will deposit the following documents and funds in escrow, and the Title Company will close escrow in accordance with the instructions of Owner and Optionee.

9.2.1 Owner will deposit the following:

(1) The conveyance documents described in section 10, duly executed and acknowledged;

(2) A duly executed affidavit certifying that Owner is not a foreign person, trust, partnership, or corporation in compliance with the requirements of IRC section 1445(b) and any documents required to comply with Oregon income tax withholding obligations;
(3) Original counterparts or legible photocopies of all documents, feasibility studies, surveys, engineering reports, and other items of a similar nature in the possession of Owner that relate to the Property;

(4) Such documents as Optionee or the Title Company may require to evidence the authority of Owner to consummate this transaction; and

(5) Such other documents and funds, including (without limitation) escrow instructions, that are required of Owner to close the sale in accordance with this Agreement.

9.2.2 Optionee will deposit the following:

(1) The cash payment specified in section 5, minus any credits and deductions due Optionee under the terms of this Agreement;

(2) Any documents that Owner or the Title Company may require to evidence the authority of Optionee to consummate this transaction; and

(3) Any other documents and funds, including (without limitation) escrow instructions, that are required of Optionee to close the sale and purchase of the Property in accordance with this Agreement.

9.3 Costs. Optionee and Owner each will pay one-half of the escrow fee of the Title Company with respect to the Closing. Owner will pay the premium for the title insurance policy that Owner is obligated to provide to Optionee, and Owner will pay all conveyance or excise taxes payable by reason of the purchase and sale of the Property. Optionee will pay the fee (exclusive of any conveyance or excise tax) for recording the conveyance documents referred to herein.

9.4 Prorations. All items of expense incurred by Owner with respect to the Property will be paid by Owner at Closing, without proration. All real property taxes and assessments payable with respect to the tax year in which Closing occurs will be prorated between Owner and Optionee as of the Closing Date.

9.5 Title Insurance Policies. As soon as practicable after Closing, and in any event no later than 20 days after the Closing Date, Owner will cause the Title Company to issue to Optionee its standard form Owner's ALTA Title Insurance Policy, in the amount of the Purchase Price, insuring fee simple title to the Property is vested in Optionee, subject only to the Permitted Exceptions and the standard printed exceptions.

Section 10. Conveyance

At the Closing, Owner will execute, acknowledge, and deliver to Optionee a Statutory Warranty Deed conveying the Property to Optionee, subject only to the Permitted Exceptions.

Section 11. Possession

Optionee will be entitled to exclusive possession of the Property on and after the Closing Date. Owner expressly acknowledges that title to all standing and fallen timber existing at the Property as of the Closing Date passes to Optionee, and that Owner will have no right thereto.

Section 12. Access to Property

Owner grants to Optionee and its agents the right to enter on the Property at any reasonable times before the Closing Date for the purpose of conducting tests or studies that Optionee may deem necessary or appropriate in connection with its acquisition of the Property. Owner will cooperate with Optionee in providing access for the tests and studies. Subject to the limitations of Article XI, § 7 of the Oregon Constitution and the Oregon Tort Claims Act (ORS 30.260 through 30.300), Optionee shall indemnify, within the limits of and subject to the restrictions in the Tort Claims Act, Owner against any liability for personal injury or damage to
life or property arising from Optionee negligently conducting tests or studies on the Property.

Section 13. Covenants of Owner

Owner acknowledges that the covenants of Owner contained in this Agreement, including the covenants contained in this section 13 (the “Covenants”), are material inducements to Optionee to enter into this Agreement. Owner’s failure to adhere to any of Owner’s covenants contained in this section 13 will be deemed a breach of this Agreement, entitling Optionee to pursue any remedies under section 6. The Covenants specifically delineated in this section are the following:

13.1 Information. Owner agrees to deliver to Optionee, within 20 days after the Effective Date, photocopies of all documents related to the use or ownership of the Property that Owner possesses, including (without limitation) all studies, reports, aerial photographs, and other documents of a like nature.

13.2 Maintenance. Before the Closing Date, Owner will maintain the Property in the same condition as it now exists, excepting the fallen timber and accumulated trash/refuse existing as of the Effective Date, both of which Owner shall remove prior to Closing. Owner shall not cut or fall any timber on the Property as of the Effective Date, and Owner shall not cause or permit any waste or remove any timber. Owner shall not allow any personal property or trash/refuse to accumulate on the Property, and Owner shall remove all personal property and trash/refuse prior to the Closing Date.

13.3 Encumbrances. During the Term, Owner will not suffer or permit any liens, security interests, easements, agreements, or otherwise encumber the Property or any part of it.

13.4 Ownership. During the Term, Owner will not sell, contract to sell, assign, lease, or otherwise transfer the Property or any part of it, nor grant an option to any third party to acquire all or any portion of it.

Section 14. Warranties and Representations of Owner

14.1 Warranties. Owner acknowledges that the warranties and representations of Owner contained in this Agreement, including the warranties and representations contained in this section (the “Warranties”), are material inducements to Optionee to enter into this Option Agreement. All Warranties, and Optionee’s right to assert a breach of them, survive execution of this Agreement, the Closing, and the execution and delivery of the Closing documents. If, before Closing, Optionee discovers or is advised that any of the Warranties was untrue when made, then Optionee will have the option to either (1) pursue any remedies available to Optionee under section 6; or (2) continue this Agreement, without waiving any cause of action that Optionee may be entitled to assert against Owner by reason of the breach of the Warranty. If, after Closing, Optionee discovers or is advised that any of the Warranties were untrue when made, then Optionee may pursue any remedy available to Optionee at law or in equity by reason of the breach of the Warranty. Owner warrants and represents to Optionee that the following matters are true and correct:

14.1.1 No Condemnation or Assessment Proceedings. There is no pending or threatened condemnation or similar proceeding or assessment affecting the Property, or any part of it, and, to the knowledge of Owner, no such proceeding is contemplated by any governmental entity.

14.1.2 Litigation; Law. There is no litigation, arbitration, or administrative hearing pending before any governmental authority that concerns or affects the Property and, to the knowledge of Owner, no such proceeding is threatened. To the knowledge of Owner, the Property complies with all laws, ordinances, and governmental approvals that relate to it.
14.1.3 Access and Site Conditions. Owner warrants and represents to Optionee that the Property has unimpeached access to Seven Devils Road, which is believed to be a dedicated public street. Owner has no knowledge of any pending changes in land use designation (comprehensive plan or zoning ordinance) that apply to the Property. To the knowledge of Owner, there are no material encroachments onto the Property.

14.1.4 Hazardous Substances. For purposes of this Agreement, the phrase “Hazardous Substances” has the same meaning attributed to it in ORS 465.200(16). Owner warrants, represents, and covenants as follows:

(1) There are no Hazardous Substances in, on, or buried on or beneath the Property, and no Hazardous Substances have been emitted or released from the Property in violation of any applicable laws;

(2) Owner has not brought onto, stored on, buried on, used on, emitted or released from, or allowed to be brought onto, stored on, buried on, used on, or emitted or released from, the Property any Hazardous Substances in violation of any applicable environmental laws; and

(3) No underground storage tanks are located on the Property, including (without limitation) any storage tanks that contain, or previously contained, any Hazardous Substances, and Owner agrees not to cause or permit any such tanks to be installed in the Property before Closing.

14.1.5 Status of Owner. Owner is not a foreign person, foreign partnership, foreign corporation, or foreign trust, as those terms are defined in IRC section 1445.

14.1.6 Breach of Agreements. Neither the execution of this Agreement, nor the execution, delivery, or recordation of any document or agreement referenced herein, nor the exercise of the Option and closing of the transaction contemplated herein, constitutes or will constitute a default under any other agreement or contract that relates to the Property or to which Owner is a party.

14.1.7 Authority. No consents, documents, or approvals that have not been obtained are necessary to the effectiveness of the grant of the Option by Owner.

14.1.8 Contracts and Leases. There are no lease agreements, maintenance contracts, service agreements, or other contracts of any nature that pertain to, cover, or affect the Property or any part of it which would survive Closing.

14.1.9 Unrecorded Agreements. There are no unrecorded easements, leases, contracts, or agreements of any nature that pertain to, cover, or affect the Property or any part of it.

14.2 Changed Conditions. If Owner discovers that one or more of the Warranties or one of the conditions referred to in the Warranties has changed after this Agreement is executed, Owner will immediately inform Optionee, in writing, of that discovery. If the changed condition or Warranty cannot be cured within 10 days of the date Owner discovers the change, then Optionee may terminate this Agreement (and its exercise of the Option, if any) by giving written notice of termination to Owner within 15 days after receiving the notice from Owner, and the Option-Money Payment previously paid by Optionee will be returned to Optionee. If the changed condition or Warranty can be corrected within 10 days after discovery by Owner, Optionee will not have the right to terminate this Option Agreement under this section and Owner will correct the changed condition or Warranty within 10 days of the discovery. If Optionee does not terminate this Agreement and the changed condition or Warranty can be corrected and is not corrected by the Closing Date, then Optionee will have the right to withhold 150% of the estimated costs of correcting the changed condition or
Warranty until the changed condition is corrected, and Owner will correct the changed condition, at Owner’s sole expense and in an expeditious manner, failing which Optionee may use the withheld sums to make the correction. A change caused by Owner is deemed to be a breach of this Agreement by Owner if the change materially and adversely affects the Property or Optionee’s rights.

Section 15. Recording

On the Effective Date, Owner will execute, acknowledge, and deliver to Optionee a Memorandum in the form attached as Exhibit B. If Optionee fails to exercise the Option before the Term expires, Optionee will execute, acknowledge, and deliver to Owner a statutory quitclaim deed releasing any interest in the Property.

Section 16. Waiver

Failure by Owner or Optionee to enforce any right under this Agreement will not be deemed to be a waiver of that right or of any other right.

Section 17. Successors and Assigns

Subject to the limitations on Owner’s right to convey the Property set forth elsewhere herein, the terms, covenants, and conditions herein contained are binding on and inure to the benefit of the heirs, successors, and assigns of Owner and Optionee. Optionee may assign its interest in this Option Agreement and the Property to any person or entity, without the consent of Owner. If an assignee assumes the obligations of Optionee hereunder, then Optionee will have no further liability with respect to any breach of this Agreement occurring after the date of assignment.

Section 18. Notices

All notices required or permitted to be given will be in writing and will be deemed given and received on personal service or two business days after deposit in the United States Mail, certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

To Owner: Rolin H. Block
           811 Greenwood Ave
           Reedsport, OR 97467
           541-251-2381

To Optionee: Bree Yednock
             South Slough Reserve/Department of State Lands
             P.O. Box 5417
             Charleston, OR 97420
             bree.yednock@state.or.us

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manner set forth above will be effective when received by the party for whom it is intended.

Section 19. Risk of Loss

Owner bears the risk of all loss or damage to the Property from all causes through the Closing Date. If, before the Closing Date, and regardless of whether the Exercise Notice has yet been given or is subsequently given, all or part of the Property is damaged by fire or by any other cause of any nature, or if all or any portion of the Property is taken by condemnation, or if any condemnation is threatened, Owner must give Optionee written notice of such event.
Optionee may terminate this Agreement by giving written notice to Owner within 15 days after receipt by Optionee of written notice from Owner of such casualty or condemnation, and Owner will return to Optionee the Option-Money Payment previously paid. If Optionee does not elect to terminate this Agreement, then this Agreement will continue in force and, if Optionee exercises the Option and the Property is conveyed to Optionee, all interest of Owner in and to any insurance proceeds or condemnation awards that may be payable to Owner on account of the casualty or condemnation will be assigned to Optionee at Closing.

Section 20. Integration, Modification, or Amendments
This Agreement contains the entire agreement of the parties with respect to the Property and supersedes all prior written and oral negotiations and agreements with respect to the Property. Any modifications, changes, additions, or deletions to this Agreement must be approved by Owner and Optionee in writing.

Section 21. Representation
Owner and Optionee may have each been represented by separate legal counsel of choice with respect to this transaction, and each party will be responsible for all attorney fees incurred by it with respect to this Agreement.

Section 22. Counterparts; Pronouns
This Agreement may be executed in one or more counterparts, all of which will be considered one and the same Agreement and will be effective when one or more counterparts have been signed and delivered by Owner and Optionee. With respect to any pronouns used, each gender used includes the other gender and the singular and the plural, as the context may require.

Section 23. Governing Law; Interpretation
This Agreement is governed by the laws of Oregon. If a court of competent jurisdiction holds any portion of this Agreement to be void or unenforceable as written, Owner and Optionee intend that (1) that portion of this Agreement be enforced to the extent permitted by law and (2) the balance of this Agreement remain in full force and effect.

Section 24. Time Is of the Essence
Time is of the essence of this Agreement.

Section 25. Authority to Execute
Each person executing this Agreement on behalf of Owner and Optionee, respectively, warrants his or her authority to do so.

Section 26. Statutory Disclaimer
THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON’S RIGHTS, IF ANY, UNDER ORS 195.300, ORS 195.301, AND ORS 195.305 TO 195.336 AND OREGON LAWS 2007, CHAPTER 424, SECTIONS 5 TO 11, OREGON LAWS 2009, CHAPTER 855, SECTIONS 2 TO 9 AND 17, AND OREGON LAWS 2010, CHAPTER 8, SECTIONS 2 TO 7. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO
VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR ORS 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, ORS 195.301 AND ORS 195.305 TO 195.336 AND OREGON LAWS 2007, CHAPTER 424, SECTIONS 5 TO 11, OREGON LAWS 2009, CHAPTER 855, SECTIONS 2 TO 9 AND 17, AND OREGON LAWS 2010, CHAPTER 8, SECTIONS 2 TO 7.

Executed on the day and year first above written.

OWNER:

[Signature]

Name: Rolin H. Block

OPTIONEE:

Name: Vicki L. Walker
Title: Director, Oregon Department of State Lands

Attachments:
Exhibit A—Property
Exhibit B—Form of Memorandum
EXHIBIT A
Legal Description of Property

Beginning on a point on the section line between Section 26 and 27, Township 26 South, Range 14 West of the Willamette Meridian, Coos County, Oregon, said point of beginning 203.00 feet south of the corner common to Sections 22, 23, 26 and 27 of said Township and Range; thence North 37°29' East 205.00 feet; thence North 20°15' East 32.00 feet, more or less, to the line between Sections 23 and 26 of said Township and Range; thence Westerly along the Section line to the Northwest corner of Said Section 26; thence South along the West line of said Section to the Point of Beginning and being a portion of the Northwest ¼ of Section 26 of said Township and Range.
EXHIBIT B
Memorandum

After recording return to:
Oregon Department of State Lands
Attn. Clara Taylor
775 Summer Street NE, Suite 100
Salem, OR 97301

MEMORANDUM OF OPTION AGREEMENT
AND AGREEMENT OF PURCHASE AND SALE

Rolin H. Block, a single person ("Owner"), and The State of Oregon, acting by and
through its Department of State Lands ("Optionee"), have entered into an Option Agreement
and Agreement of Purchase and Sale dated __________, 2021 (the "Option Agreement"),
wherein Owner has granted to Optionee the sole and exclusive option to purchase the property
described in Exhibit A. The term of the option will expire on __October 31, 2022__, and will be
of no further force or effect after that date.

This Memorandum is being executed and recorded in the Official Records of Coos
County, Oregon, to give notice of the provisions of the Option Agreement and will not be
deeded or construed to define, limit, or modify the Option Agreement in any manner.

Executed effective as of __________, 2021__.

OWNER:

Name: Rolin H. Block
STATE OF __________
County of __________

OPTIONEE:

Name: Vicki L. Walker
Title: Director, Department of State Lands
STATE OF Oregon
County of __________

This instrument was acknowledged before me on __________, 2021, by Rolin H.
Block.

/s/________________________
Notary Public for Oregon
My commission expires: __________

STATE OF Oregon
County of __________

This instrument was acknowledged before me on __________, 2021, by Vicki L.
Walker, as Director of Department of State Lands.

/s/________________________
Notary Public for Oregon
My commission expires: __________
EXHIBIT A
Legal Description of Property

Beginning on a point on the section line between Section 26 and 27, Township 26 South, Range 14 West of the Willamette Meridian, Coos County, Oregon, said point of beginning 203.00 feet south of the corner common to Sections 22, 23, 26 and 27 of said Township and Range; thence North 37°29' thence East 205.00 feet; thence North 20°15' East 32.00 feet, more or less, to the line between Sections 23 and 26 of said Township and Range; thence Westerly along the Section line to the Northwest corner of Said Section 26; thence South along the West line of said Section to the Point of Beginning and being a portion of the Northwest ¼ of Section 26 of said Township and Range.
February 22, 2022

Vicki L. Walker
Director
Oregon Department of State Lands
775 Summer St. NE
Salem, OR 97301-1279

Dear Director Walker:

The Friends of South Slough Reserve, Inc. (FOSS) is an all-volunteer, nonprofit corporation dedicated to protecting the functions, values and processes of estuaries, and enhancing the work of the South Slough National Estuarine Research Reserve (SSNERR).

We are pleased to provide a donation of $40,000 to the Department of State Lands (DSL) to enable purchase the 0.56-acre Block Property as outlined in the Purchase Option Agreement provided to the seller. These funds include the $4,000 option payment paid to the seller to secure the DSL’s option to purchase the property, and a balance of $36,000 paid at the time of final purchase.

We all recognize the property at the entrance to the Reserve’s Visitor Center is an important asset. This entrance is the primary public access to the many trails, and opportunities for education programs and interpretive exhibits of the SSNERR. The purchase of this property will provide an important opportunity to enhance the welcoming environment for all visitors.

Sincerely,

Christine M. Moffitt, President
Friends of the South Slough Reserve, Inc.
fossnerr@gmail.com
LAND EVALUATION FORM

1. Evaluation completed in: Office ☒ Field ☒

2. Parcel Name: South Slough Acquisition 3. County: Coos 4. Map & Tax Lot: 26S 14W, Sec. 26, Tax Lot 500 5. Site #: N/A
6. LAS APP#: 62638 7. GIS Acres: 0.56 8. DSL Land Class: Forestland 9. REAMP Category: 
10. Certified Forest: ☐ Yes ☒ No
11. Leased: ☒ No ☐ Yes Lease #: N/A Type of Use: N/A
14. Adjacent Property Owners & Use: South Slough Reserve to north, east and west; and Charles Lee 61879 Seven Devils Rd to south (residential acreage).
15. Zoning: RR-2-Rural Residential
16. Developable Parcel: ☐ No ☐ Yes *See Comments
17. Minimum acres required for home site N/A
18. Lot of Record: ☐ No ☒ Yes
19. Potential for Zone Change/Partition: N/A
20. Wildlife Overlay: N/A
21. Cultural-Historic: Parcel Reviewed: ☐ No ☒ Yes
22. Previously Field Surveyed: ☒ No ☐ Yes ☐ Partially Date Surveyed: N/A
23. Cultural Resources Identified in field? (if yes, consult with staff archaeo): ☒ No ☐ Yes
24. Probability of Cultural Resources: ☐ None ☒ Low ☐ Medium ☐ High
25. Threatened/Endangered Species: Field Survey Completed: ☐ No/Not Needed ☒ Yes
Species: N/A
26. Water Rights: ☒ No ☐ Yes Water Right Info: N/A
27. Irrigation District: N/A
28. Depth of Nearby Wells: 8’ to 51’
29. On-site/Distance to Existing Electrical Service and what type: On-site hookup
30. Electrical service provider/PUD Name: Pacific Power
31. Potential for Alternative Energy: Low
32. Access: Seven Devils Rd
33. Legal Access: ☐ No ☒ Yes Gov’t Maintained Road: ☐ No ☒ Yes Road Name/# Seven Devils Rd
34. Easements (to/from whom and what type): Access Easement on subject property for primary driveway to provide access to South Slough’s Visitor Center and subject property has easement over SSNERR’s access entrance drive from Seven Devils Road.
35. Interior Roads/Trails/Condition: Gravel Drive
36. Known Property Boundaries/Cornet Survey Markers: Several markers on property
37. Nearest DSL Parcel (direct): Adjacent to the north
38. Topography/Shape of Parcel: Undulating with downward slope to the north
39. Vegetation Cover (dominant species, condition, % coverage): Hemlock, Douglas fir, native grasses
40. Site Structures/Improvements: None
41. View Site/Water Features/Other amenities: Mature trees
42. Evidence of Prior Impacts/Activities (wildfire, crops, historic home site): Has former campfire site
43. Lease History: N/A
44. Current Use: Bare land
45. Agriculture/Timber Potential: N/A
46. Soil Type: 100% Joeney very fine sandy loam with 0% to 7% slopes
47. NRCS Soil Class: Class 4 48. MB & G Forest Rating: N/A
49. Age of Timber: N/A 50. Timber Volume: N/A
51. Estimated Timber Value: $N/A
52. Site Index: N/A 53. Type of Timber: N/A
54. % Annual timber volume increase: N/A
55. Fire District/Protection Area: Charleston
56. Property Expenses (fire protection costs): $N/A 57. Other Holding Costs: $0
58. Assessor’s RMV (Land Only): $57,250 59. Tax Year: 2021-22
60. Estimated Market Value: $40,000 61. Source: Appraisal
62. Known/Proj. AUMs: N/A 63. Annual Lease Amt.: $N/A
64. 20 year Investment Return based on timber/lease income: N/A
65. Rate of Return on Asset Value (%): N/A
66. Present Value based on Current/Projected Income: N/A
67. Potential developments necessary to increase marketability/land value (i.e., access, utilities): N/A
68. Est. Annual Income after Development (Improvements/Land-Use Action): N/A
69. Highest and Best Use Conclusion: Recreational site with potential for home site.
70. Comments: The property has potential as a home site but without a feasibility study for septic completed through DEQ, it is unsure. The well on the adjacent property to the west is very close and could interfere with the approval of a septic system for this property.
71. Originator: Clara Taylor Date: 2/15/2022
72. Reviewer: SHAWN ZUMWALT Date: 02/16/2022
Land Evaluation Form

Instructions

General Instructions: Do not leave a portion of this form blank. If information is unavailable or not applicable, please indicate why. This will ensure that everyone who reviews the information knows that the question was not skipped or overlooked, but there is a reason why the question was not addressed.

1. **Evaluation done in:** __Office __Field: By the time the form is completely filled out, both office and field should be checked and initialed by the staff person(s) who worked on the form. Some of the information on the form comes from DSL records, appraisals, GIS data etc. Some information needs to be completed on site in the field. (Real Property staff)

2. **Parcel Name:** DSL name given to parcel, based on names of nearby topographic features, or named county roads. Parcel names may not be derived from names of previous lessees or any person. Do some research before naming the parcel as it may already have been named. (Property Manager)

3. **County:** What county or counties the parcel is located within? (Property Manager)

4. **Map & Tax Lot** Township Range Section and tax lot number of parcel being evaluated. (Property Manager)

5. **Site #:** In LAS, search and navigate to the Land Parcel page for the parcel being evaluated. The site # is on the first tab called “Land Parcel Site.” (Property Manager)

6. **LAS #** In LAS, search and navigate to the Land Parcel page for the parcel being evaluated. The LAS # is the “parcel Number” at the top of the page. (Property Manager)

7. **GIS Acres** Acreage of parcel. Derived from the DSL Land GIS Layer acreage information. (Property Manager)

8. **DSL Land Class** Land class code found in LAS, this is set up as a drop down menu in the form- (Property Manager)
   - a. AGR – Agriculture
   - b. FORS - Forest
   - c. ICR – Industrial/Commercial/Residential
   - d. MER- Mineral Energy
   - e. RNGL – Rangeland Leased
   - f. RNGU - Rangeland Unleased
   - g. SPEC – Special Stewardship
   - h. SS - Waterway (Submerged/Submersible)

9. **AMP Category** Drop-down Menu in form. Indicate what parcel is/should be listed as under the DSL Real Estate Asset Management Plan (REAMP) Categories. Category 1 indicates parcel has “Long-Term Potential” meaning that the parcel currently or has the potential to generate revenue over the long term. Category 2 indicates that the parcel has the potential to generate revenue over the short-term (5 years or less). Category 3 indicates that the parcel is currently generating revenue (i.e. currently under lease). Category 4 indicates that parcel is not currently generating
revenue, and/or there is minimal potential to generate revenue in the future, either short or long term.

10. **Certified Forest** Oregon Department of Forestry Certified forest. This information is found in LAS. (Property Manager)

11. **Leased** Is the parcel under evaluation currently under a DSL lease? If yes, please provide the Lease number and type of use. (Property Manager)

12. **Ownership Type** DSL ownership of parcel, either Surface only, Subsurface only, or Surface and Subsurface ownership. This information is found in LAS and is set up as a drop down menu on the form. (Property Manager)

13. **Mineral Rights** Does DSL Own the mineral rights to the parcel? Check Clear Lists (Yes or No). (Property Manager, Ownership Specialist)

14. **Adjacent Property Owners & Use** List by cardinal direction the name of the property owner/BLM District/National Forest Name and the predominant use on the adjacent lands (e.g. North Boundary of parcel is Malheur National Forest, East Boundary is BLM-Burns District, South Boundary is privately owned by John Doe at 12345 Road St Bend, OR 97701 (Irrigated agriculture-alfalfa), West boundary is privately owned by Joe Smith at PO Box 000 Pennsylvania, CA 12345 (rock quarry)). (Asset Analyst, Real Property Staff-field work)

15. **Zoning** What is the county zoning for the parcel in question? Must go to the county website/assessor tax lot records to get this information. (Asset Analyst)

16. **Developable Parcel** Use county zoning information, appraisal information to determine if parcel is buildable. Include minimum acreage required for home site. (Asset Analyst)

17. **Minimum Acres required for home site** Note minimum acreage required for a home site based on county zoning. (Asset Analyst)

18. **Lot of Record** Need to work with county to determine this, must be completed prior to sale. (Asset Analyst)

19. **Potential for Zone Change/Partition** Determine this based on zoning and development information from the county. (Asset Analyst)

20. **Wildlife Overlay** This is information that is checked as part of county zoning information. DSL also has some wildlife layers in the GIS files (from ODFW). Need to list all wildlife zones by species here. (Asset Analyst)

21. **Cultural-Historic** Parcel Review is where the Staff Archaeologist has completed a SHPO information request for the parcel in question. (Yes or No) (Archaeologist)

22. **Previously Field Surveyed** Has any Archaeological field survey been completed at any time for any part or the entire parcel? If yes or partially, list the date(s) of the survey(s). (Archaeologist)

23. **Cultural Resources Identified in the Field** During any site visits by DSL staff, was there any cultural or historic resources found on site? If no, check the no box. If yes, check the yes box and consult with DSL staff Archaeologist to determine next steps. Parcel may require full pedestrian survey for cultural resources. (Real Property Staff, Archaeologist)

24. **Probability of Cultural resources** Completed by staff archaeologist, answer None, Low, Medium or High. (Archaeologist)
25. Threatened/Endangered Species: Complete an ORBIC data request, perform field survey if necessary, list species (plant and animal) found on site. If no T & E Species indicate “none.” (Property Manager)

26. Water Rights: Look up water rights information on OWRD Website www.oregon.gov/OWRD, go to Maps, click on Interactive Water Right Maps, click on Oregon Water Resources Web Mapping Program. This will get to the interactive web map. Once there, use the map tools to navigate to the parcel location. If there are water right on the parcel, list type and number (i.e. permit, certificate, etc.), name of water right holder, preference date, type of use, Point of Diversion (POD) or Place of Use (POU) and any other relevant information. (Property Manager)

27. Irrigation District: Name of irrigation district parcel lies within. If parcel is not within an irrigation district indicate “No District.” (Property Manager)

28. Depth of Nearby Wells: Information from the OWRD Website from recorded well logs. Go to OWRD website at www.oregon.gov/OWRD, go to Maps, click on Interactive Water Right Maps, click on Oregon Water Resources Web Mapping Program. This will get to the interactive web map. Once there, use the map tools to navigate to the parcel location and look for wells (POD’s) in the surrounding area (within 2 miles). Click on the Identify tool and scroll down to the well logs. Click on the well logs to determine depth of the well. List well depths on the form. (Property Manager)

29. On site/Distance to existing electrical service and what type: Note where, and in what direction the nearest powerline/transmission line is located from the parcel. Note if the line is a single-phase, three-phase etc. or transmission line. (Real Property Staff-field work)

30. Electrical Service Provider/PUD name: Note who the electrical service provider is for the area. PUD is the Public Utilities District, include this name as well. (Property Manager)

31. Potential for Alternative energy: Check available websites for solar, wind and geothermal energy potential for the parcel being evaluated. List the ratings (if any) for each type here. If no potential for all or any type of alternative energy indicate “no wind potential”, “no geothermal potential”, or “no solar potential.” (Property Manager)

32. Access: Detail any roads (legal or not) that can be used to gain access to the parcel. Include condition of road, type of road, any road names or numbers, or indicate no roads at all. If access is through adjacent private ownership, please indicate that as well. (Real Property Staff-whomever does the field work)

33. Legal Access: Indicate yes or no if there is legal access to parcel. If it is a government maintained road (county, BLM, USFS) list yes or no and include the road name or number. (Real Property Staff-Field Work)

34. Easements (to/from whom and what type): List any easements on the property. Include deed book and page description and indicate if deed book is DSL or County. (Property Manager, Asset Analyst)

35. Interior Roads/trails/condition: if there are any roads within the boundaries of the parcel being evaluated describe them here. (Real Property Staff-Field Work)

36. Known Property Boundaries/Cornet Survey Markers: Indicate and describe the location of any survey markers, brass caps, section corners, witness placards etc. here. (Real Property Staff-Field Work)
37. **Nearest DSL Parcel:** Describe how far away from the parcel being evaluated the next nearest DSL owned parcel is located. Include what direction and indicate the TRS of the nearest parcel. (Property Manager)

38. **Topography/Shape of Parcel:** Describe the shape and topography of the parcel. Indicate any distinguishing features such as natural water, slopes etc. (Real Property Staff-Field work, and office work)

39. **Vegetation Cover:** List the dominant species present in common names, indicate vegetative condition, and percent cover of trees, shrubs and grasses.

40. **Site Structures/Improvements:** Describe any fences, irrigation structures, water developments, agriculture etc. Include location of structures and indicate size, or length and condition of any structures found on site. (Real Property Staff-Field Work)

41. **View Site/Water Features/Other Amenities:** Describe any aesthetically pleasing attributes found within and around the parcel. Anything that would be potentially pleasing to a buyer. (Real Property Staff-Field Work)

42. **Evidence of Prior Impacts/Activities:** Describe the location and condition of any evidence of wildfires, crops, timber/logging, recreation or any other historic use. (Real Property Staff-Field Work)

43. **Lease History:** Was the parcel ever, or is currently leased? Include lease number, Lessee Name, and use. This information can be found in LAS and in old files in Bend and Salem offices. (All Real Property Staff)

44. **Current Use:** Describe any current uses on the property. If known, include the name of who is using the parcel. (All Real Property-Field Work)

45. **Agriculture/Timber Potential:** Describe the potential for agriculture and timber harvest based on conditions on site i.e. topography vegetation. (Real Property Staff-field work)

46. **Soil Type:** Describe the soils on site from the NRCS Soils Web Mapping tool. If parcel is in a county where the soil survey is unavailable, describe the soils from what was observed during the site visit. (Property Manager-Real Property Staff)

47. **NRCS Soil Class:** List the soils class from the NRCS Soils Web Mapping tool. (Property Manager, Asset Analyst)

48. **MB & G Forest Rating:**

49. **Age of Timber:** Average age of timber stand, this information comes from the appraisal and timber cruise. (Asset Analyst)

50. **Timber Volume:** Information comes from the timber cruise. (Asset Analyst)

51. **Estimated Timber Value:** This figure from the timber cruise and appraisal. (Asset Analyst)

52. **Site Index:** Indicate what site index was used for the timber cruise (i.e. either 50 or 100 year indexes). (Asset Analyst)

53. **Type of Timber:** What timber species are found on parcel, and what species were accounted for in the timber cruise? (Asset analyst)

54. **% Annual timber volume increase:** What is the percent annual timber volume increase used in the timber cruise? (Asset Analyst)

55. **Fire District/Protection Area:** Indicate if parcel is under ODF Fire Protection, within the boundaries of a Rangeland Fire Protection Area (RFPA), and/or under the BLM Fire Suppression agreement. List the name of the RFPA if appropriate. (Property Manager)
56. **Property Expenses**: List any property expenses such as fire protection costs (i.e., funds paid to an RFPA or to ODF). Determine this amount by acre. (Property Manager)
   a. For RFPA’s: take full amount paid to RFPA and determine how many DSL acres are within that RFPA boundary. Then determine the per acre rate for fire protection and multiply that amount by the number of acres within the parcel in question.
   b. For ODF fire protection: Determine the rate for protection from the previous full calendar year, multiply this number by the number of acres within the parcel in question.

57. **Other Holding Costs**: This is intended to capture the holding costs to DSL. For example: If the parcel in question is classified as Rangeland Unleased (RNGU), the holding costs to DSL would come out of the Rangeland Program costs. To determine this amount on a per acre basis, take the program expenditure amount from the previous calendar year and divide that amount by the total number of acres classified as Rangeland. That will give you the per acre costs for all lands classified as Rangeland. Then take that amount and multiply it by the number of acres within the parcel being evaluated.

58. **Assessor’s RMV**: This is the county assessor’s Real Market Value. This information must come from the county as it is updated annually. (Asset Analyst)

59. **Tax Year**: Indicate what tax year the Assessor’s RMV value is from. (Asset Analyst)

60. **Estimated Market Value**: This value comes from the appraisal. If marketable timber on parcel, indicate what the total market value would be with the timber and without the timber. (Asset Analyst)

61. **Source**: Indicate the source of the appraisal, i.e. who completed the appraisal? (Asset Analyst)

62. **Known/Projected AUM’s**: List the AUM amount the parcel can support. This information either from appraisal, NRCS Soils web mapping tool, or on site determination. (Rangeland Manager)

63. **Annual Lease amount**: Indicate what the Grazing lease rate would be given the AUM amount, or what the current lease fee is if parcel is under lease. (Rangeland Manager)

64. **20 year Investment Return based on Timber/lease income**:

65. **Rate of Return on asset value (%)**:

66. **Present Value based on Current/Projected Income**:

67. **Potential developments necessary to increase marketability/land value (i.e. access, utilities)**: List what developments DSL could complete prior to sale to increase property value prior to sale, also have an option to say none. (Asset Analyst)

68. **Estimate Annual Income after Development (Improvements/Land use action)**: Answer based on question 31 above. Determine value of property after any developments and improvements. Also, determine what income could be if improvements were completed and DSL leased out the property (i.e. for agriculture use). (Asset Analyst/Property Manager)
69. **Highest and Best Use Conclusion**: What is the overall highest and best use of the property? What action, either lease for a specific purpose, or sale would bring the highest value to the Common School Fund? (All Real Property staff)

70. **Comments**: Note any extra comments or information about the parcel here.

71. **Originator**: Names or initials of any and ALL DSL Staff that contributed information to this evaluation and the date the information was added.

72. **Reviewer**: Filled out once Eastern Region Manager has reviewed the form and is satisfied by the information contained. Include date the form was reviewed and accepted.