

MINUTE ITEM

This Calendar Item No. 36
was approved as Minute Item
No. 36 by the State Lands
Commission by a vote of 4
to 0 at its 11/20/86
meeting.

CALENDAR ITEM

A 58

36

11/20/86
BLA 137
PRC 4960
PRC 4735
Louie
Fossum
Kaufmann

S 37

APPROVE THE EXECUTION AND RECORDATION OF
MEMORANDUM OF AGREEMENT

PARTIES: Signal Bolsa Corporation
 Signal Landmark, Inc.
 California Department of Fish and Game
 California State Lands Commission

The State and Signal are parties to the 1973 Boundary Settlement and Exchange Agreement (BLA 137) regarding lands in the Bolsa Chica Area, Orange County, dated January 25, 1973.

On May 31, 1983 the Commission approved an amendment to the original 1973 Agreement authorizing the extension of the lease and option period for three years. The option expired August 17, 1986.

The State, Orange County, Signal and other interested parties have been involved in the preparation and approval of a Local Coastal Program for the subject area as well as encouraging the completion of the United States Army Corps of Engineers Sunset Harbor Study. While these processes are still continuing - progress has been made. In order to provide additional time in which to complete these processes and obtain an appropriation to complete an ocean entrance channel an extension of the option period is essential. Therefore, the parties wish to further extend the option period in which to obtain an appropriation to April 17, 1987.

AB 884: N/A.

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CALENDAR ITEM NO. 36 (CONT'D)

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The staff believes there is no possibility that this project may have a significant effect on the environment.

Authority: 14 Cal. Adm. Code 15061(b)(3).

EXHIBITS:

- A. Site Map.
- B. Memorandum of Agreement.

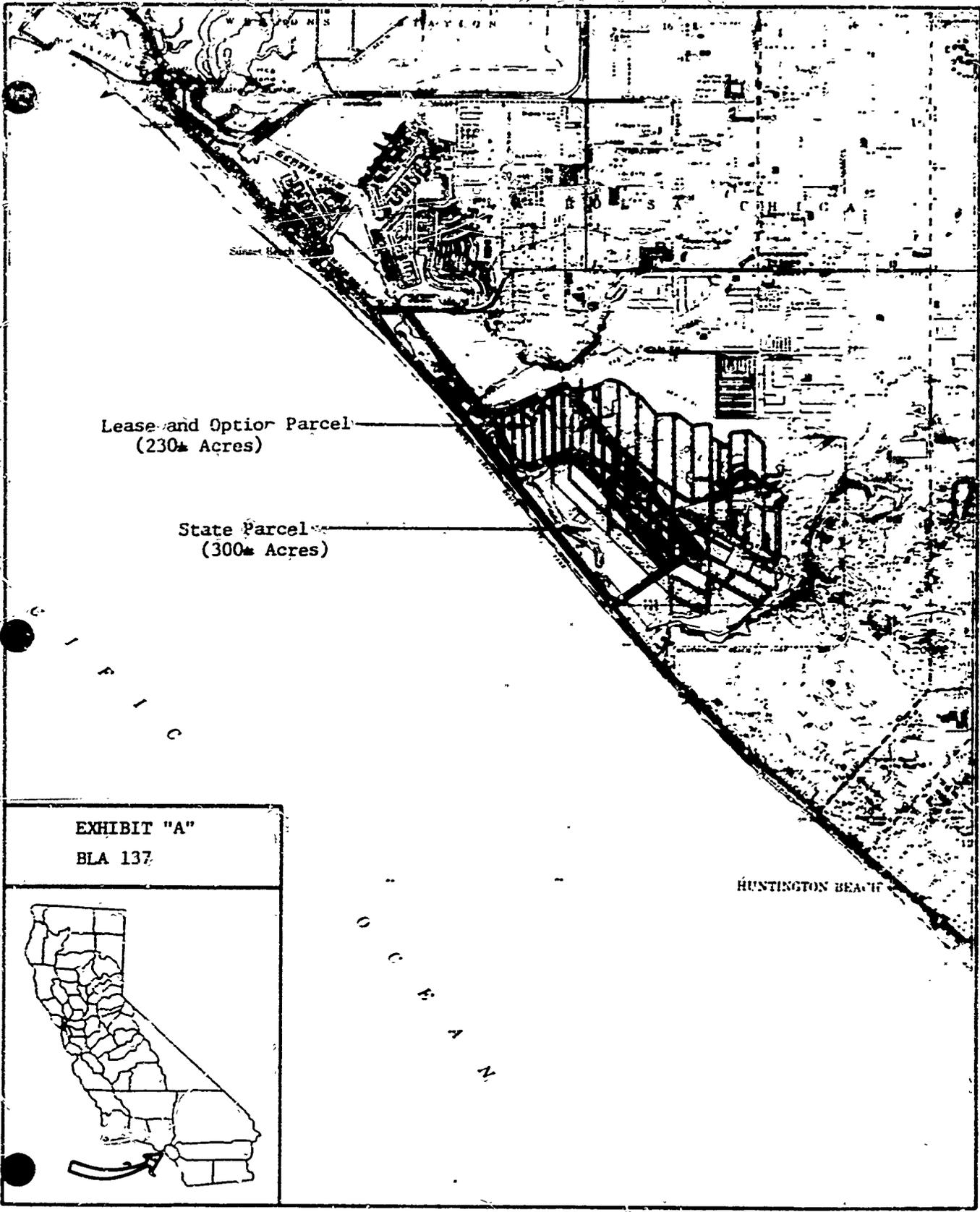
IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THERE IS NO POSSIBILITY THAT THE ACTIVITY MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT. (14 CAL. ADM. CODE 15061(b)(3))
2. AUTHORIZE THE EXECUTION AND RECORDATION OF THE "MEMORANDUM OF AGREEMENT" SUBSTANTIALLY IN THE FORM ATTACHED AS EXHIBIT "B" WHICH AMENDS THE "LEASE OF RIGHT OF USER AND OPTION TO ACQUIRE REAL PROPERTY" BEING ARTICLE 8 OF THE "BOUNDARY SETTLEMENT AND LAND EXCHANGE AGREEMENT WITH SIGNAL COMPANIES" APPROVED AS MINUTE ITEM 14, BY THE COMMISSION ON JANUARY 26, 1973, AS AMENDED PURSUANT TO THE COMMISSION ACTION OF MAY 31, 1983, CALENDAR ITEM NO. 26. THE TERMS OF THE OPTION TO ACQUIRE AS DESCRIBED IN PARAGRAPH 3(a) OF THE LEASE SHALL BE EXTENDED FOR AN ADDITIONAL EIGHT MONTHS, FROM AUGUST 17, 1986 TO APRIL 17, 1987, TO PROVIDE FOR ADDITIONAL TIME TO OBTAIN THE "APPROPRIATION".

(ADDED 11/20/86)

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Lease and Option Parcel
(230* Acres)

State Parcel
(300* Acres)

HUNTINGTON BEACH

EXHIBIT "A"
BLA 137



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EXHIBIT B

THIS DOCUMENT RECORDED
AT REQUEST OF:

State of California
N. Gregory Taylor, Esq.
Assistant Attorney General
3580 Wilshire Boulevard
Los Angeles, California 90010

WHEN RECORDED. RETURN TO:

State of California
N. Gregory Taylor, Esq.
Assistant Attorney General
Office of the Attorney General
3580 Wilshire Boulevard
Los Angeles, California 90010

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is entered into as of the _____ day of _____, 1986 by and among the California State Lands Commission, California Department of Fish and Game (hereinafter collectively referred to as "Lessees"), Signal Bolsa Corporation and Signal Landmark, Inc. (hereinafter collectively referred to as "Signal").

1. Signal and the State of California acting by and through Lessee State Lands Commission entered into a Boundary Settlement and Exchange Agreement dated January 25, 1973, an element of which included a Lease of Right of User and Option to Acquire Real Property ("Lease/Option"), the date of recordation and effective date of which was August 17, 1973. The term of the Lease is for a period of fourteen (14) years commencing on said effective date.

2. Paragraph 3 of the Lease/Option grants to Lessee State Lands Commission the exclusive right and option to acquire ("Option") all of Signal's right, title and interest in and to the lands subject to the Lease/Option upon the satisfaction of certain conditions. Paragraph 3(c) of the Lease/Option requires

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Lessee State Lands Commission to obtain within ten (10) years from the Effective Date of the Lease/Option, an "Appropriation" as that term is defined in Section 1.1 of the Boundary Settlement and Land Exchange Agreement Regarding Lands in the Bolsa Chica Area, Orange County, California, dated January 25, 1973 ("Settlement Agreement") for the purposes of completing the Ocean Entrance System as that term is defined in the Settlement Agreement. Under the terms of the Lease/Option, the Option was to have expired on August 17, 1983.

3. On August 15, 1983, the parties hereto entered into and recorded on August 16, 1983 in the Official Records of Orange County, California, as No. 83-355937 a Memorandum of Agreement as evidence and notice of the agreement to amend the Lease/Option by extending the period in which Lessees may obtain an Appropriation by three (3) years. The Option, as amended, expired on August 17, 1986.

4. For and in consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby amend the Lease/Option by extending the time permitted for Lessees to obtain an Appropriation from August 17, 1986 until April 17, 1987.

5. It is the intent of all of the parties that nothing in this Memorandum of Agreement shall affect any other provision or term set forth in the Lease/Option or Settlement Agreement which shall continue in full force and effect.

IN WITNESS WHEREOF, the undersigned being duly authorized to sign on behalf of their respective agencies, hereby execute this Memorandum of Agreement, effective as of the date first set forth above.

CALIFORNIA STATE LANDS COMMISSION

Dated: _____

By: _____
CLAIRE DEDRICK
Executive Officer

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CALIFORNIA DEPARTMENT OF FISH AND GAME

Dated: _____

By: _____
Jack Parnell
Director

SIGNAL BOLSA CORPORATION

Dated: _____

By: _____
Jeffrey B. Holm
President

SIGNAL LANDMARK, INC.

Dated: _____

By: _____
Jeffrey B. Holm
Senior Vice President