

MINUTE ITEM

This Calendar Item No. 32
was approved as Minute Item
No. 32 by the State Lands
Commission by a vote of 3
to 0 at its 3/26/87
meeting.

CALENDAR ITEM

32

A 58

S 37

03/26/87
BLA 137
PRC 4960
PRC 4735
Louie
Fossum
Kaufmann

**APPROVE THE EXECUTION AND RECORDATION OF
MEMORANDUM OF AGREEMENT**

PARTIES:

Signal Bolsa Corporation
Signal Landmark, Inc.
Signal Landmark Properties, 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.

The lease and option period in the original 1973 Agreement has been extended twice. The most recent extension will expire April 17, 1987.

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. At its meeting on February 17, 1987, the Commission authorized the execution of a reimbursement agreement with Signal Landmark, Inc. to provide funding to the Commission for costs incurred as the local sponsor of a "Work for Others Program". The Program will be conducted by the United States Army Corps of Engineers Waterways Experiment Station to study physical and environmental effects of a proposed ocean entrance system at Bolsa Chica.

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(ADDED 03/23/87)

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CALENDAR ITEM No. 32 (CONT'D)

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 August 17, 1988 and also extend the construction completion date to August 17, 1991.

AB 884: N/A.

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. APM. 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 ACTIONS OF MAY 31, 1983, MINUTE ITEM NO. 26 AND NOVEMBER 29, 1986, MINUTE ITEM NO. 36. THE TERMS OF THE OPTION TO ACQUIRE AS DESCRIBED IN PARAGRAPH 3(a) OF THE LEASE SHALL BE EXTENDED FOR AN ADDITIONAL YEAR AND FOUR MONTHS FROM APRIL 17, 1987 TO AUGUST 17, 1988, TO PROVIDE FOR ADDITIONAL TIME TO OBTAIN THE "APPROPRIATION", AND FROM AUGUST 17, 1987 TO AUGUST 17, 1991 TO COMPLETE CONSTRUCTION OF A NAVIGABLE OCEAN ENTRANCE.

(ADDED 03/23/87)

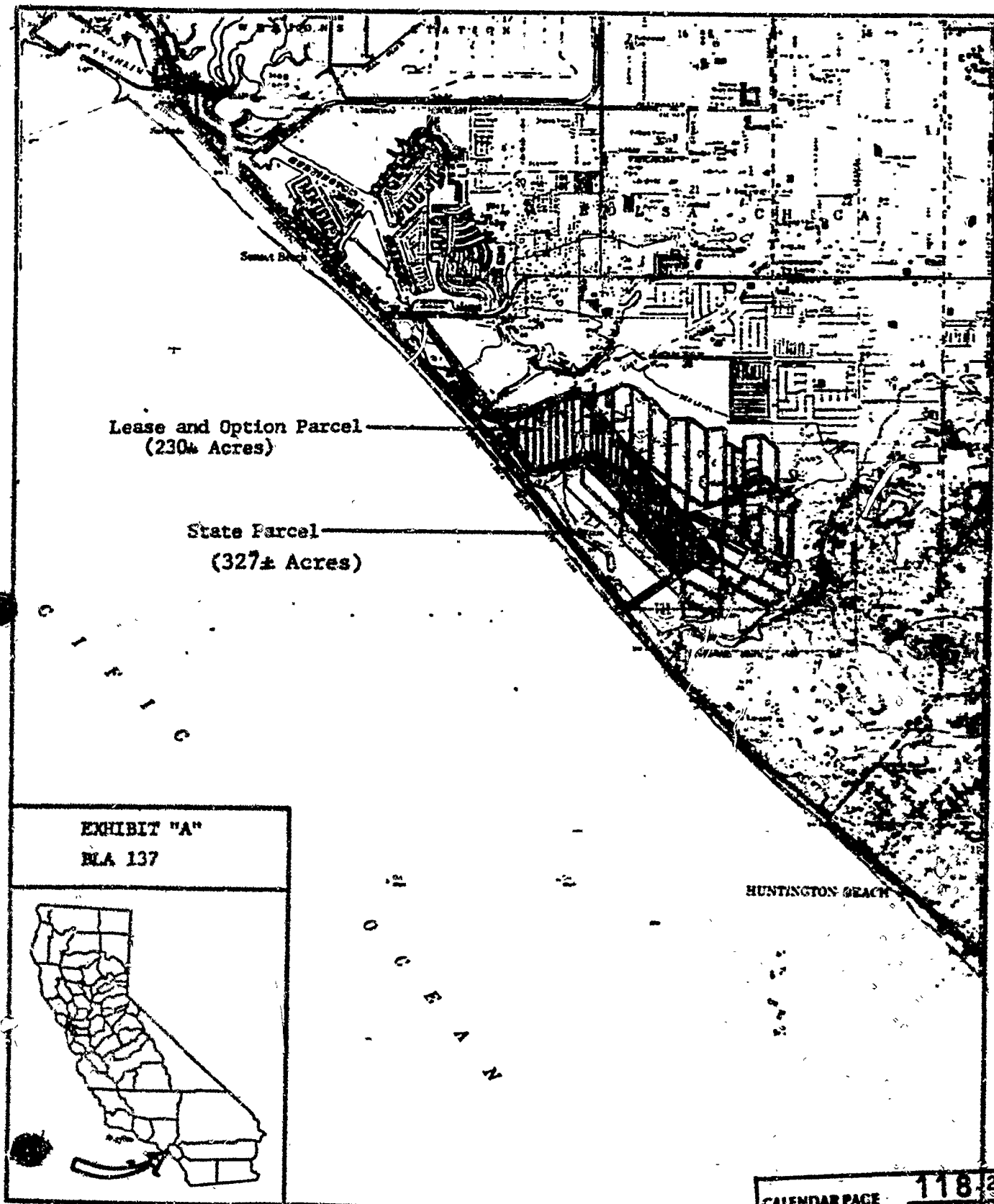


EXHIBIT "A"
 NLA 137



HUNTINGTON BEACH

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EXHIBIT B

(State of California Official Business
Document Entitled to Free Recordation
Pursuant to Government Code Section 6103)

THIS DOCUMENT RECORDED AT THE REQUEST OF,
AND WHEN RECORDED RETURN TO:

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

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into as of the _____ day of April, 1987 by and among the State of California, acting by and through the California State Lands Commission, as Lessee and Optionee ("SLC"), the State of California, acting by and through the California Department of Fish and Game, as Sublessee ("DFG"), Signal Bolsa Corporation, a California Corporation, and Signal Landmark, Inc., a California Corporation, as Lessor and Optionor (hereinafter collectively referred to as "Signal").

RECITALS

A. Signal and the State of California, acting by and through SLC, entered into a Lease of Right of User and Option to Acquire Real Property, dated January 25, 1973 ("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.

B. Paragraph 3 of the Lease/Option grants to SLC 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. One

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such condition requires SLC 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"). Under the terms of the Lease/Option, the Option was to have expired on August 17, 1983.

C. Pursuant to Commission action of May 31, 1983, Minute Item No. 26, the parties hereto on August 15, 1983, entered into and recorded on August 14, 1983, in the Official Records of Orange County, as No. 83-355937, a Memorandum of Agreement, (the "1983 Memorandum of Agreement"), as evidence and notice of the agreement to amend the Lease/Option by extending until August 17, 1986 the period in which Lessee may obtain an Appropriation.

D. Pursuant to Commission action of November 20, 1986, Minute Item No. 36, the parties hereto entered into on December 2, 1986 and recorded on January 28, 1987, in the Official Records of Orange County, as No. 87-048842, an Agreement (the "1986 Agreement"), as evidence and notice of the agreement to amend the Option by extending until April 17, 1987 the period in which the State may obtain an Appropriation.

E. Pursuant to Commission action of March 26, 1987, Minute Item No. 32, the SLC has authorized the execution of this agreement.

NOW, THEREFORE, for and in consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. The Lease/Option, the Settlement Agreement, the 1983 Memorandum of Agreement, and the 1986 Agreement are hereby amended to provide that the time permitted to Lessee to comply with the Option to obtain an Appropriation is extended until August 17, 1988 and the period of the Lease of Right of User (Lease) shall be extended to August 17, 1991. Nothing in this Agreement shall amend any other provision or term set forth in

Agreement shall amend any other provision or term set forth in the Lease/Option, the Settlement Agreement, the 1983 Memorandum of Agreement, or the 1986 Agreement.

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

CALIFORNIA STATE LANDS COMMISSION

Dated: _____

By: _____
Claire T. Dedrick
Executive Officer

CALIFORNIA DEPARTMENT OF FISH AND GAME

Dated: _____

By: _____
Jack Parnell
Director

SIGNAL BOLSA CORPORATION,
A CALIFORNIA CORPORATION

Dated: _____

By: _____
Jeffrey B. Holm
President

SIGNAL LANDMARK, INC.,
A CALIFORNIA CORPORATION

Dated: _____

By: _____
Jeffrey B. Holm
Senior Vice President

STATE OF CALIFORNIA)
COUNTY OF _____) ss.

On this _____ day of April, in the year of 1987, before me, Jeffrey B. Holm, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as Senior President of Signal Landmark, Inc., a California Corporation, on behalf of the corporation therein named and acknowledged to me that Signal Landmark, Inc., executed it.

IT WITNESS WHEREOF, I have herunto set my hand and affixed my seal in the County of _____, State of California, the day and year in this certificate first above written.

Notary Public
My Commission Expires:

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STATE OF CALIFORNIA)
COUNTY OF _____) ss.

On this _____ day of April, in the year of 1987, before me, Jeffrey B. Holm, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as Senior President of Signal Landmark, Inc., a California Corporation, on behalf of the corporation therein named and acknowledged to me that Signal Landmark, Inc., executed it.

IT WITNESS WHEREOF, I have hereunto set my hand and affixed my seal in the County of _____, State of California, the day and year in this certificate first above written.

Notary Public

My Commission Expires:

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On this _____ day of April, in the year of 1987, before me, Jack Parnell, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as Director of the California Department of Fish and Game, and acknowledged to me that the California Department of Fish and Game executed it.

IT WITNESS WHEREOF, I have hereunto set my hand and affixed my seal in the County of _____, State of California, the day and year in this certificate first above written.

Notary Public

My Commission Expires:

STATE OF CALIFORNIA)
COUNTY OF _____) ss.

On this _____ day of April, in the year of 1987, before me, Claire T. Dedrick, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as Executive Officer of the California State Lands Commission, and acknowledged to me that the California Department of Fish and Game executed it.

IT WITNESS WHEREOF, I have hereunto set my hand and affixed my seal in the County of _____, State of California, the day and year in this certificate first above written.

Notary Public
My Commission Expires: _____
