CALENDAR ITEM C28

Α	34	08/20/10
		W 24480
S	18	J. Porter
		J. Frey

CONSIDER THE TRANSFER OF OWNERSHIP OF STATE SCHOOL LANDS TO THE UNITED STATES OF AMERICA PURSUANT TO THE PROVISIONS OF SECTION 707 OF THE CALIFORNIA DESERT PROTECTION ACT (PL 103-433)

PARTIES:

California State Lands Commission 100 Howe Avenue, Suite 100-South Sacramento, CA 95825

U.S. Department of the Interior Bureau of Land Management California Desert District 22835 Calle San Juan De Los Lagos Moreno Valley, California 92553 Attn: Mr. Tom Gey

U.S. Department of the Interior Bureau of Land Management 2800 Cottage Way Sacramento, CA 95825 Attn: Ms. Dianna Storey

U.S. Department of General Services Administration 450 Golden Gate Avenue 4th Floor-East San Francisco, CA 94102-3434 Attn: Mr. Clark Van Epps

AREA, LAND TYPE, AND LOCATION:

38,434.06 acres, more or less, of State school lands located within the California Desert Conservation Area, east and north of Barstow, Inyo and San Bernardino Counties.

LAND USE:

State school lands to be transferred are within the list prepared by the Bureau of Land Management (BLM) and are partially or wholly within areas designated as wilderness areas and/or the Death Valley National Park and the Mojave National Monument pursuant to the California Desert Protection Act (CDPA) of 1994 (Public Law 103-433).

BACKGROUND:

On October 31, 1994, the CDPA was signed into law by the President. The CDPA designated 3.6 million acres in southern California as wilderness to be administered primarily by the BLM, and 4 million acres as additions to the National Park System (NPS).

The purpose of the CDPA is to set aside areas in the California desert to protect the desert's natural, cultural, scenic, and historical values and to provide for public enjoyment. At the time of enactment, of the 3.6 million acres, 266,000± acres (462 parcels) were State school land parcels owned in fee and an additional 65,000± acres (168 parcels) encumbered by the State's reserved mineral interests. The fee and reserved mineral interests are both administered by the California State Lands Commission (CSLC) for the benefit of the State Teachers' Retirement System (STRS).

Section 707 of the CDPA addresses the California State school lands. It provides for the CSLC to enter into negotiations for an agreement to exchange school lands or interests therein, which are located within the boundaries of the wilderness areas or national park system units designated by the CDPA. In exchange, the CSLC will receive title to federal lands or interests therein that the Secretary of the U.S. Department of the Interior (Secretary) determines to be suitable for disposal or has identified as surplus to the needs of the federal government.

At its meeting of November 15, 1994, the Commission approved Item 114, authorizing staff to enter into an agreement with the Secretary to exchange federal lands for State school lands within the area affected by the CDPA and to take all other actions necessary to expeditiously implement the provisions of the Act.

At its meeting of October 17, 1995, the Commission approved Item 97, authorizing the Executive Officer or his designee to enter into and execute four agreements pursuant to the provisions of Section 707 of the CDPA. The first agreement, Agreement to Exchange Lands, executed on October 26, 1995, was a general agreement between the CSLC and the BLM to facilitate the exchange of federal lands or interests for State school lands in accordance with the federal

assembled land exchange process. The second agreement, Memoranda of Understanding (MOU), executed on October 26, 1995, between the CSLC and the BLM, addressed the evaluation of the mineral potential of the lands. The third agreement, executed on October 26, 1995, was an MOU between the CSLC and the BLM. Its purpose was to provide for a cooperative framework for the parties to establish and approve fair market estimates of value for the properties identified for exchange. The fourth agreement, executed on November 7, 1995, was a Memorandum of Agreement between the CSLC, the BLM, and the U.S. General Services Administration (GSA). This Memorandum provided for a process to include the exchange of federal surplus lands.

Through a subsequent series of exchange transactions between the CSLC and the BLM completed in accordance with the above-described four agreements, the CSLC has transferred State school lands to the United States with a total value of \$12,616,316. In exchange, the CSLC has received from the United States a total of \$14,770,991 from the sale of surplus federal lands, resulting in a cumulative imbalance in favor of the United States of \$2,154,675.

CURRENT SITUATION:

Pursuant to the 1995 Memorandum of Agreement, the GSA currently is holding \$7,938,432.71 obtained from the sale of additional surplus federal lands. Ownership of 69 State school land parcels totaling 38,434.06 acres, more or less, with a total appraised fair market value of \$10,149,600, is being proposed for transfer to the United States, acting through the BLM. The proposed exchange is described in the Binding Exchange Agreement (BEA), California State Lands Commission Land Exchange, CACA 36218 (Exhibit C). Under the terms of the BEA, the United States will transfer to the CSLC a payment of \$7,938,432.71 and the current imbalance in favor of the United States of \$2,154,675 will be extinguished. The BLM will pay an additional \$56,492.29 to the CSLC, representing a cash equalization payment to eliminate the resulting cumulative imbalance in favor of the CSLC, as well as a \$500 Patent Fee.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code Division 6, Parts 1 and 2; Division 7.7; Division 13.
- B. California Code of Regulations Title 3, Division 3; Title 14, Division 6.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class

25, Transfers of Ownership of Interest in Land to Preserve Existing Natural Conditions, Title 14, California Code of Regulations, section 15235.

Authority: Public Resources Code, section 21084 and Title 14, California Code of Regulations, section 15300.

2. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq., but such activity will not affect those lands. Based upon staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

- A-1. Site and Location Map
- A-2. Site and Location Map
- B. Land Description
- C. Binding Exchange Agreement

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061, as a categorically exempt project, Class 25, Transfers of Ownership of Interests in Land to Preserve Existing Natural Conditions; Title 14, California Code of Regulations, section 15325.

SIGNIFICANT LANDS INVENTORY FINDING:

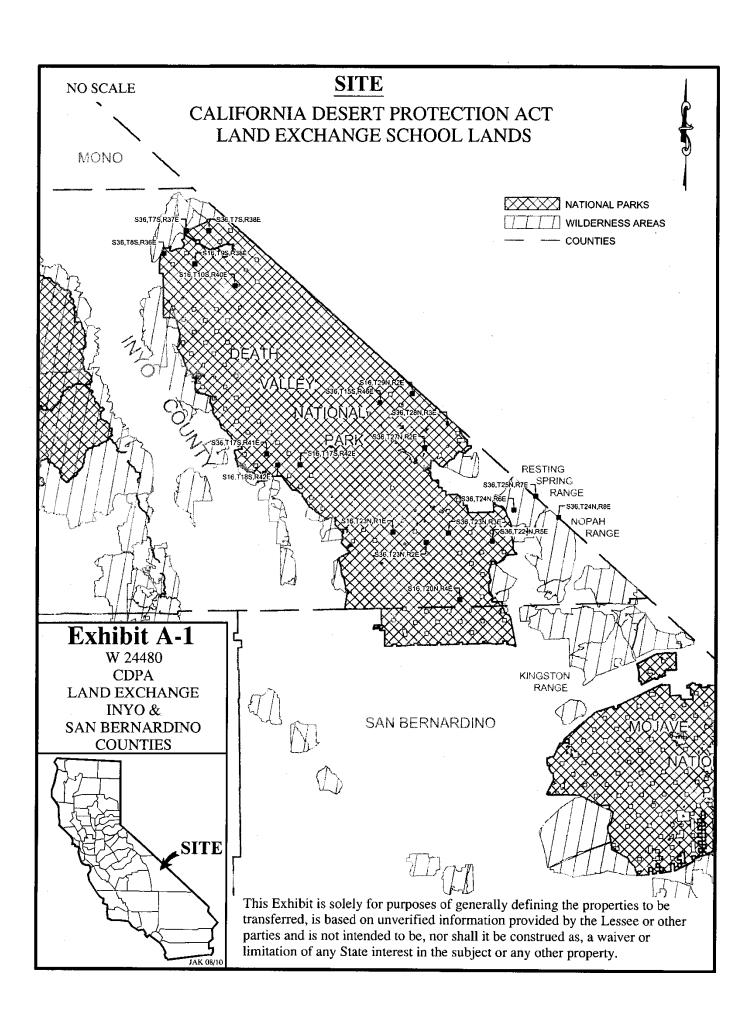
Find that the activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code sections 6370, et seq.

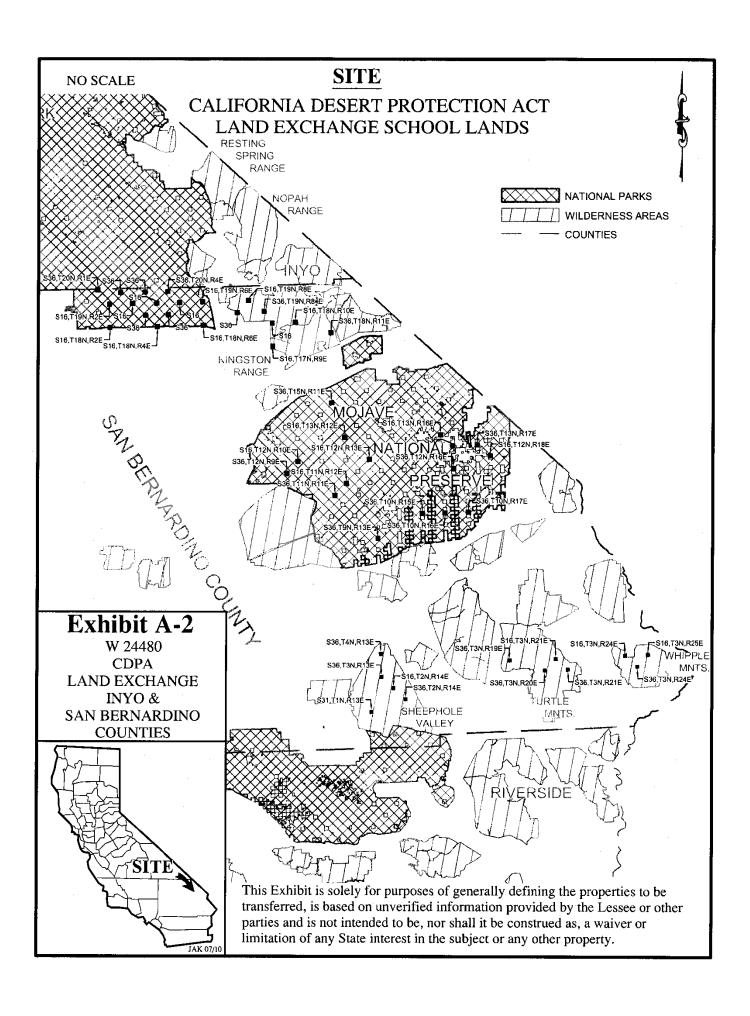
AUTHORIZATION:

Authorize the Executive Officer or his designee to enter into and execute the Binding Exchange Agreement, California State Lands Commission Land Exchange, CACA 36218, between the California State Lands Commission and the United States of America, acting through the Bureau of Land Management, in substantially the same form as shown on Exhibit C, attached and by this reference made a part hereof, for the lands shown on Exhibit A-1 and A-2 and described on Exhibit B, both attached and by this reference made a part hereof.

Authorize the preparation and issuance of a Patent, subject to applicable statutory and constitutional reservations, to the United States of America, acting through the Bureau of Land Management, for the lands shown on Exhibit A-1 and A-2 and described on Exhibit B, both attached and by this reference made a part hereof, and authorize the Executive Officer or his designee to execute such additional documents as may be necessary to facilitate this transaction.

Authorize the deposit of \$7,994,925 into the School Land Bank Fund.





LAND DESCRIPTION

Nineteen (20) parcels of State owned School Land situate in the County of Inyo together with Forty-nine (49) parcels of State owned School Land situate in the County of San Bernardino, State of California, and more particularly described as follows:

Inyo County Parcels

- 147-005 Section 36, Township 7 South, Range 37 East, MDM as shown on that U.S. Government Township Plat of Survey approved March 31, 1880.
- 147-007 Section 36, Township 7 South, Range 38 East, MDM as shown on that U.S. Government Township Plat of Survey approved May 12, 1885.
- 148-006 Section 36, Township 8 South, Range 36 East, MDM as shown on that U.S. Government Township Plat of Survey approved May 12, 1885.
- 149-006 Section 16, Township 9 South, Range 38 East, MDM as shown on that U.S. Government Township Plat of Survey approved March 31, 1880.
- 150-007 NW ¼ Section 16, Township 10 South, Range 40 East, MDM as shown on that U.S. Government Township Plat of Survey approved July 9, 1896.
- 155-013 Lots 2, 3, and 4, the NE ¼ of the SW ¼, and the SW ¼ of the SW ¼ of Section 36, Township 15 South, Range 46 East, MDM as shown on that U.S. Government Township Plat of Survey approved May 10, 1895.
- 157-008 Section 36, Township 17 South, Range 41 East, MDM as shown on that U.S. Government Township Plat of Survey approved September 17, 1857.
- 157-009 Section 16, Township 17 South, Range 42 East, MDM as shown on that U.S. Government Township Plat of Survey approved September 17, 1857.
- 158-016 Section 16, Township 18 South, Range 42 East, MDM as shown on that U.S. Government Township Plat of Survey approved September 17, 1857.
- 207-004 Section 16, Township 20 North, Range 4 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 21, 1857.

- 209-013 Section 36, Township 22 ½ North, Range 5 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 12, 1963.
- 210-001 NW ¼ of the NW ¼ of Section 16, Township 23 North, Range 1 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 19, 1858.
- 210-004 Section 36, Township 23 North, Range 2 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 19, 1858.
- 210-005 SE ¼ of the NE ¼ of Section 36, Township 23 North, Range 3 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 19, 1858.
- 211-011 Section 36, Township 24 North, Range 6 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 19, 1858.
- 211-014 Lots 4, 5, 8, 12, 14, 15, and 17, the W ½ of the SW ¼, and the SE ¼ of the SW ¼ of Section 36, Township 24 North, Range 8 East, SBM as shown on that U.S. Government Township Plat Fractional Resurvey approved March 23, 1920.
- 212-010 Lots 2, 3, 6, 8, and 10, and the SW ¼ of the SW ¼ of Section 36, Township 25 North, Range 7 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 23, 1920.
- 214-002 NW ¼ of the NW ¼ of Section 16, Township 27 North, Range 2
 East, SBM as shown on that U.S. Government Township Plat of
 Survey approved March 19, 1858.
- 215-004 E ½ of Section 36, Township 28 North, Range 3 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 19, 1858.
- 216-003 S ½ of the NE ¼, and the NE ¼ of the NE ¼ of Section 16, Township 29 North, Range 2 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 19, 1858.

San Bernardino County Parcels

- 188-006 Section 16, Township 1 North, Range 13 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 11, 1974.
- 189-003 Section 16, Township 2 North, Range 14 East, SBM as shown on that U.S. Government Township Plat of Survey approved January 10, 1857.

- 189-004 Lots 1, 2, 3, 4, 5, 6, and 7, the W ½ of the NW ¼, the SW ¼ of the SW ¼, and the S ½ of the SE ¼ of Section 36, Township 2 North, Range 14 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 11, 1974.
- 190-013 Section 36, Township 3 North, Range 13 East, SBM as shown on that U.S. Government Township Plat of Survey approved July 15, 1856.
- 190-020 Section 16, Township 3 North, Range 19 East, SBM as shown on that U.S. Government Township Plat of Survey approved January 10, 1857.
- 190-022 Section 36, Township 3 North, Range 20 East, SBM as shown on that U.S. Government Township Plat of Survey approved August 18, 1961.
- 190-023 Section 16, Township 3 North, Range 21 East, SBM as shown on that U.S. Government Township Plat of Survey approved August 18, 1961.
- 190-024 Section 36, Township 3 North, Range 21 East, SBM as shown on that U.S. Government Township Plat of Survey approved August 18, 1961.
- 190-028 Section 16, Township 3 North, Range 24 East, SBM as shown on that U.S. Government Township Plat of Survey approved August 18, 1961.
- 190-029 Section 36, Township 3 North, Range 24 East, SBM as shown on that U.S. Government Township Plat of Survey approved August 18, 1961.
- 190-030 Section 16, Township 3 North, Range 25 East, SBM as shown on that U.S. Government Township Plat of Survey approved July 10, 1895.
- 191-039 Section 36, Township 4 North, Range 13 East, SBM as shown on that U.S. Government Township Plat of Survey approved September 22, 1922.
- 196-014 Lots 1, 2, 3, and 4, the N ½, and the N ½ of the S ½ of Section 36, Township 9 North, Range 13 East, SBM as shown on that U.S. Government Township Plat of Survey approved April 14, 1924.
- 197-023 Section 36, Township 10 North, Range 15 East, SBM as shown on that U.S. Government Township Plat of Survey approved October 6, 1856.
- 197-025 Section 36, Township 10 North, Range 16 East, SBM as shown on that U.S. Government Township Plat of Survey approved October 6, 1856.

- 197-027 Section 36, Township 10 North, Range 17 East, SBM as shown on that U.S. Government Township Plat of Survey approved October 6, 1856.
- 198-006 N ½ and the SW ¼ of Section 36, Township 11 North, Range 11 East, SBM as shown on that U.S. Government Township Plat of Survey approved April 18, 1857.
- 198-007 Section 16, Township 11 North, Range 12 East, SBM as shown on that U.S. Government Township Plat of Survey approved April 18, 1857.
- 199-007 Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, and the SW ¼ of Section 36, Township 12 North, Range 9 East, SBM as shown on those U.S. Government Township Plats of Survey approved September 8, 1856 and August 6, 1959.
- 199-008 Section 16, Township 12 North, Range 10 East, SBM as shown on that U.S. Government Township Plat of Survey approved January 21, 1857.
- 199-013 Section 16, Township 12 North, Range 13 East, SBM as shown on that U.S. Government Township Plat of Survey approved April 18, 1857.
- 199-017 Section 36, Township 12 North, Range 16 East, SBM as shown on that U.S. Government Township Plat of Survey approved May 21, 1857.
- 199-019 Section 16, Township 12 North, Range 18 East, SBM as shown on that U.S. Government Township Plat of Survey approved May 21, 1857.
- 200-011 Section 16, Township 13 North, Range 12 East, SBM as shown on that U.S. Government Township Plat of Survey approved April 18, 1857.
- 200-015 Section 16, Township 13 North, Range 16 East, SBM as shown on that U.S. Government Township Plat of Survey approved May 21, 1857.
- 200-016 Section 36, Township 13 North, Range 16 East, SBM as shown on that U.S. Government Township Plat of Survey approved May 21, 1857.
- 200-017 Section 36, Township 13 North, Range 17 East, SBM as shown on that U.S. Government Township Plat of Survey approved May 21, 1857.
- 202-019 Section 36, Township 15 North, Range 11 East, SBM as shown on that U.S. Government Township Plat of Survey approved April 18, 1857.

- 204-012 Section 16, Township 17 North, Range 9 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 21, 1857.
- 205-002 Section 16, Township 18 North, Range 2 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 13, 1958.
- 205-006 N ½ of Section 16, Township 18 North, Range 4 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 21, 1857.
- 205-012 Section 16, Township 18 North, Range 6 East, SBM as shown on that U.S. Government Township Plat of Survey approved December 5 1856.
- 205-018 Section 16, Township 18 North, Range 9 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 21, 1857.
- 205-020 Section 16, Township 18 North, Range 10 East, SBM as shown on that U.S. Government Township Plat of Survey approved May 6, 1857.
- 205-023 Section 36, Township 18 North, Range 11 East, SBM as shown on that U.S. Government Township Plat of Survey approved May 6, 1857.
- 206-003 Section 16, Township 19 North, Range 2 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 13, 1958.
- 206-005 Section 16, Township 19 North, Range 3 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 21, 1857.
- 206-006 Section 36, Township 19 North, Range 3 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 13, 1958.
- 206-007 Section 16, Township 19 North, Range 4 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 21, 1857.
- 206-008 Section 36, Township 19 North, Range 4 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 21, 1857.
- 206-009 Section 16, Township 19 North, Range 5 East, SBM as shown on that U.S. Government Township Plat of Survey approved December 5, 1856.

- 206-011 Section 16, Township 19 North, Range 6 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 25, 1958.
- 206-014 Lots 1, 2, 3, and 4, the S ½ of the NW ¼, the NE ¼, and the N ½ of the S ½ of Section 36, Township 19 North, Range 7 East, SBM as shown on those U.S. Government Township Plats of Survey approved December 5, 1856 and March 25, 1958.
- 206-015 Section 16, Township 19 North, Range 8 East, SBM as shown on that U.S. Government Township Plat of Survey approved March 25, 1958.
- 206-016 Lots 1, 2, 3, and 4, the E ½ of the W ½, and the E ½ of Section 36, Township 19 North, Range 8 ½ East, SBM as shown on that U.S. Government Township Plat of Survey approved July 1, 1958.
- 207-001 S ½ and the S ½ of the N ½ of Section 36, Township 20 North, Range 1 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 13, 1958.
- 207-002 Section 36, Township 20 North, Range 2 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 13, 1958.
- 207-003 Section 36, Township 20 North, Range 3 East, SBM as shown on that U.S. Government Township Plat of Survey approved February 13, 1958.
- 207-005 W ½ of Section 36, Township 20 North, Range 4 East, SBM as shown on that Government Township Plat of Survey approved February 21, 1857.

This description is based on the federal rules of Subdivision of Sections as outlined in Sections 3-99 through 3-130 of the U.S. BLM Manual of Surveying Instructions 2009.

END OF DESCRIPTION

Prepared August 9, 2010 by the California State Lands Commission Boundary Unit.



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EXHIBIT C

BINDING EXCHANGE AGREEMENT California State Lands Commission Land Exchange CACA 36218

THIS LAND EXCIIANGE AGREEMENT (Agreement) is made this ______ day of ______, 2010, pursuant to Section 206 of the Act of October 21, 1976 (90 Stat. 2756) and Section 707 of the California Desert Protection Act of October 31, 1994 (Public Law 103-433) between the UNITED STATES OF AMERICA, acting through the authorized officer of the Bureau of Land Management, hereinafter styled the "BLM", and the STATE OF CALIFORNIA, acting through the executive officer of the California State Lands Commission, hereinafter called the "State".

The parties have entered into this Agreement in connection with the October 26, 1995, "AGREEMENT TO EXCHANGE LANDS PURSUANT TO THE CALIFORNIA DESERT PROTECTION ACT" and the 1995 "MEMORANDUM OF AGREEMENT BETWEEN CALIFORNIA STATE LANDS COMMISSION, GENERAL SERVICES ADMINISTRATION AND THE DEPARTMENT OF THE INTERIOR REGARDING: IMPLEMENTATION OF THE CALIFORNIA DESERT PROTECTION ACT" (1995 MOA). These agreements are attached as Attachments 1 and 2.

Whereas, in prior exchange transactions completed pursuant to Section 707 of the California Desert Protection Act, the State has conveyed to the United States of America, State School Lands with a total value of \$12,616,316. In exchange, the State has received Federal lands with a total value of \$14,770,991. As a result of these prior exchange transactions, the ledger established between the BLM and the State shows a cumulative value imbalance in favor of the United States of America \$2,154,675.

Whereas, the United States General Services Administration (GSA) is currently holding \$7,938,432.71 generated from sales of surplus Federal property desired by the California State Lands Commission pursuant to the 1995 MOA. Pursuant to the 1995 MOA, these funds are to be transferred to the State upon verification that the United States of America has received acceptable title to State School Lands of equivalent value.

In consideration of the mutual agreements contained herein, the parties agree as follows:

- 1. The State will convey to the United States of America, and its assigns, by State Patent, free of lien or encumbrance, except as otherwise provided herein, the State School Lands and all interest therein, as described in Attachment 3 consisting of three (e) pages attached hereto and made a part hereof. For purposes of this agreement, the value of the State School Lands involved is \$10,149,600 and will remain fixed at that value so long as this agreement is in effect. Upon receipt of the State Patent, the BLM will pay the State a patent preparation fee of \$500.
- 2. In exchange, the United States of America agrees to transfer to the State, \$7,938,432.71 currently held by the GSA. The BLM will request the GSA complete a wire transfer of these funds immediately upon receipt of the State Patent.

- 3. Upon completion of this exchange transaction, the value imbalance on the ledger will be reduced to \$0.00 and the ledger will be closed. The BLM will transfer an additional \$56,492.29 to the State, representing a cash equalization payment to eliminate the cumulative value imbalance in favor of the State which will result at the completion of this transaction.
- 4. The transfer of the title to the State School Lands and the funds identified above will be in accordance with procedures to be prepared and approved by both parties in writing prior to closing.

The parties agree that the State will be responsible, if necessary, for removal, indemnification, or other remedial actions concerning any hazardous substances found on the involved State land prior to the close of this transaction; provided, however, that State reserves the right to withdraw any contaminated parcel from the exchange in lieu of pursuing a remedial action. This provision is not intended to impose on the State any responsibility or liability for the removal, indemnification or other remedial action for unexploded military ordnance or other conditions resulting from past military use of the State lands by the United States or for naturally occurring hazardous minerals and substances.

Conditions

This Agreement is legally binding on both the State and the BLM subject to the terms and conditions herein identified and provided:

- 1. Acceptable title can be conveyed to the United States of America.
- 2. No loss or damage occurs to the State School Lands from any cause.
- 3. No undisclosed hazardous substances are found on the State School Lands prior to conveyance.
- 4. The decision to approve an exchange is upheld in the event of a protest or appeal.
- 5. This agreement is not terminated at any time upon the mutual written consent of both parties.
- 6. No objections are raised during any required Congressional oversight.
- 7. The decision of the California State Lands Commission is not set aside or modified as a result of any judicial or administrative action.

Failure to Perform

In the event of failure to perform or comply with terms set forth in this Agreement, the non-complying party will not be liable for any costs borne by the other party.

Duration of Agreement

This agreement is binding for twelve (12) months after execution or until six months after the resolution of any third party protests, appeals or litigation, whichever is greater.

Execution	
IN WITNESS WHEREOF, the parties here	to have signed their names.
The UNITED STATES OF AMERICA Department of the Interior Bureau of Land Management	
By	Date
James Wesley Abbott Acting State Director, California	
California State Lands Commission	
By	
Paul D. Thayer	
Executive Officer, California State Land	is Commission

ATTACHMENT 1

AGREEMENT TO EXCHANGE LANDS PURSUANT TO PROVISIONS OF THE CALIFORNIA DESERT PROTECTION ACT

This Agreement between the Bureau of Land Management (BLM) and the California State Lands Commission (Commission) is entered into pursuant to the provisions of Section 707 of the California Desert Protection Act (CDPA) (PL 103-433).

PURPOSE. The purpose of this Agreement is to implement the requirements of Section 206 of the Federal Land Policy and Management Act of 1976 (FLPMA) as amended by the Federal Land Exchange Facilitation Act of 1988. Exchanges under this Agreement shall comply with provisions of the regulations at Title 43 CFR part 2200.

OFFER OF STATE SCHOOL LANDS. The Commission offers to transfer to the Secretary those State School lands owned by the Commission within the wilderness areas and National Park system units designated by the CDPA as set forth in the list submitted to the Commission by BLM on June 26, 1995, pursuant to Section 707(b)(1). The National Park Service and the Bureau of Land Management will review the State School Lands offered by the Commission for compliance with the requirements of the Act. Immediately after the Commission agrees to exchange the lands on the list, the Commission may transfer surface management authority and/or possession of all or a portion of those lands to the Secretary to facilitate protection and management of the lands as envisioned in the CDPA. Surface Management would be by the agency of the Department of Interior, responsible for the management of the surrounding Federal lands.

It is anticipated under this Agreement that the Commission will convey to the United States, subject to title acceptance by the BLM, the State School Lands identified and agreed to by the DOI (BLM, NPS) and the Commission. The BLM agrees to accept title to lands owned by the Commission in compliance with the Assembled Land Exchange Agreement provisions of 43 CFR 2200 regulations.

BLM will convey Federal lands to the Commission so long as the approved appraised value of the conveyed lands does not exceed 125% of the approved appraised value of the non-Federal lands conveyed by the Commission and accepted by BLM; provided, that at the end of each two-year interval during the term of this Agreement, the Commission agrees to eliminate any outstanding cumulative credit balance in favor of the United States by conveying additional non-Federal lands. In the event there is a cumulative credit balance in favor of the Commission, BLM has the option of conveying additional Federal lands or providing a cash equalization payment to the Commission.

An assembled land exchange master file and ledger will be established by BLM to track the balances of the exchange transactions and determine equalization needs under this Agreement. At the end of each transaction completed under this Agreement, the Commission and BLM will concur in the cumulative balances reflected in the ledger.

Agreement to Exchange Lands
Pursuant to Provisions of
The California Desert Protection Act
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VALUE DETERMINATIONS. The Commission and the BLM agree to complete appraisals on the lands offered by the Commission. Both parties agree at this time that the bulk of the lands will be appraised by contract issued under BLM's contracting authority. The appraisal will be completed in accordance with Federal Appraisal Standards, and in compliance with BLM contract specifications, and will be reviewed jointly by the Commission and the BLM state office review appraiser to insure compliance with appraisal standards. The decision of the BLM state office appraiser will be final. Agreement on the agreed upon values for lands may be under provisions of the previously cited regulations. Both parties also agree that the Commission's lands will be appraised on a parcel by parcel basis utilizing an area-wide approach, i.e. land of similar characteristics will be valued similarly.

If agreed to by both parties to this agreement, individual exchange projects may be appraised under a separate contract and all interests appraised on a project basis.

Federal lands or interests in lands will be appraised by the same methods identified above, except in the event where a proposed exchange involves transfer of Federal interests presently under control of the Government Services Administration (GSA). The Federal interests being offered by the GSA will be conveyed at the market value determined by GSA. If the interests will be transferred by GSA through BLM to the Commission, agreement by all parties shall be obtained regarding the value of the Federal interests.

NATURE OF TITLE TO BE CONVEYED. Conveyance of Commission owned lands will be fee simple, meaning that all interests will be conveyed including the mineral estate. The value of the mineral estate will be determined under the terms of the MOU between BLM and the Commission, regarding the determination of mineral values.

The Commission will convey to the United States of America by patent or Quit Claim Deed, free of liens or encumbrances, except as otherwise approved by BLM, specific State School Lands and all interest therein, situated in the State of California. In exchange therefor, the United States of America agrees to convey or cause to be conveyed to the Commission, or to such third party(ics) as may be designated by agreement between BLM, GSA and the Commission, by patent or Quit Claim Deed, free of liens or encumbrances, such real property and all interest therein, as may hereafter be determined by BLM.

APPROVAL BY COMMISSION. All acquisitions of Federal land by the Commission shall not be final until presented to and approved by the Commission as provided in California statute.

LIMITATIONS ON PARCELS TO BE EXCHANGED. It is agreed by the parties that certain lands offered by the BLM or the Commission potential exchange parcels, may not be considered for exchange for reasons of standing commitments and/or management prerogative. Standing commitments shall be defined as any parcel or parcels having a cash deposit or application submitted

Agreement to Exchange Lands
Pursuant to Provisions of
The California Desert Protection Act
Page 3

to either of the parties, prior to November 1, 1994. In addition, Federal parcels impacted by rare, threatened or endangered species, old growth timber, toxic contamination, military ordinance, hazardous waste, lack of legal access, clouded title, and or historical or archaeological sites shall not be considered for exchange. As required by the CDPA, Federal lands or interest in lands may be offered to the Commission for exchange. The Commission may not elect not to accept these lands in exchange and agrees to notify BLM within 60 days, but no later than required by the CDPA. In the event this occurs, the Commission agrees to allow those Federal lands or interests to be disposed of in accordance with Federal regulations.

PROJECT MANAGERS. For purposes of implementing the provisions of the CDPA and this Agreement, the parties hereto appoint the following project managers who shall act on behalf of their agency. The project managers shall be: David McIlnay, Bureau of Land Management and Steven J. Sekelsky, State Lands Commission. All communications concerning this agreement and its provisions shall be addressed to the respective project managers. Either party may change its project manager by giving written notice to the other.

<u>DISAGREEMENTS</u>. Should the project managers be unable to agree on any aspect of the provisions of this Agreement, they shall submit the facts pertaining to the disagreement to the Secretary or his designee and the Executive Officer of the Commission for resolution.

It is agreed by both parties that each provision of this Agreement is subject to the laws of the State of California, the laws of the United States, and to the delegated authority assigned to each party of this Agreement.

This Agreement shall become effective when signed and shall remain in force until: 1) completion of the exchange of State Lands within the areas designated by the CDPA, 2) termination by mutual agreement, or 3) by notification in writing by the other party and subject to equalization of the values transferred under this agreement. Amendments may be proposed by either party consistent with the laws, regulations and policies in effect at the time of the proposed change and will become effective when approved by both parties.

Nothing in this Agreement shall be construed as obligating either party hereto to the expenditure of funds, or for the future payment of funds, in excess of appropriations authorized by law.

Agreement to Exchange Lands
Pursuant to Provisions of
The California Desert Protection Act
Page 4

For The Bureau of Land Management,

ED HASTEY

State Director

Bureau of Land Management

2800 Cottage Way

Sacramento, California 95825

Date: 10/26/45

For The Commission,

ROBERT C. HIGHT

Executive Officer

California State Lands Commission 100 Howe Avenue, Suite 100 South Sacramento, California 95825

Date: 10-26-95

ATTACHMENT 2

MEMORANDUM OF AGREEMENT BETWEEN CALIFORNIA STATE LANDS COMMISSION, GENERAL SERVICES ADMINISTRATION AND THE DEPARTMENT OF INTERIOR REGARDING: IMPLEMENTATION OF THE CALIFORNIA DESERT PROTECTION ACT

The purpose of this Memorandum of Agreement ("Agreement"), executed by the General Services Administration ("GSA"), the Department of Interior ("DOI"), and the California State Lands Commission ("Commission"), is to memorialize certain agreements reached by the parties to implement the California Desert Protection Act of 1994 (Public Law 103-433 or "Act"), in a manner that minimizes costs and maximizes efficiency through the coordination of the parties.

Whereas, the purpose of the Act was to designate certain lands in the California desert as wilderness, to establish the Death Valley and Joshua Tree National Parks, and to establish the Mojave National Reserve. Section 707 of the Act directs the Secretary of the Interior to enter into negotiations for an agreement to exchange Federal lands or interests for California State School lands or interests which are located within the areas designated by the Act; and

Whereas, no Federal surface lands or interests within the State of California may be relinquished from Federal ownership until all State School Lands identified consistent with Section 707 of the Act have been acquired, and

Whereas, DOI is required, within six months of enactment, to submit a list of all affected State School Lands, all land in California under DOI's jurisdiction, and any other Federal surplus land to Congress and the Commission; and

Whereas, the Act prohibits the disposal of Federal surplus land or interests therein ("Surplus Property") located in the State of California until all affected State School Land is acquired unless: (1) DOI is notified of the availability of the property; (2) DOI has notified the Commission of such availability; and (3) the Commission has failed to notify DOI within six months that it wishes to consider entering into an exchange for such lands or interests therein; and

Whereas, GSA is authorized and responsible for disposing of Federal surplus property under the Federal Property and Administrative Services Act of 1949; and

Whereas, DOI is authorized and responsible for disposing of certain real property pursuant to the Federal Land Policy Management Act;

Whereas, the parties desire in a timely manner to efficiently, and economically implement the requirements of the Act by permitting the sale of Surplus Property, provided the proceeds of desired property, as such term is hereafter defined, are transferred to the State in fulfillment of the Act.

MOA Regarding Implementation of The California Desert Protection Act Page 2

Accordingly, the parties to this Agreement, in consideration of the above, have reached agreement with respect to the implementation of the Act, subject to the terms and conditions set forth below:

I. AGREEMENT OF THE PARTIES

- A. Each party to this Agreement shall use every effort to facilitate the timely acquisition of the affected State School Lands. GSA shall submit its list of Federal surplus property to DOI and DOI shall transfer its compiled list ("Suitable Surplus Property") to the Commission. The Commission shall review the Suitable Surplus Property List and notify DOI of any desired property ("Desired Property").
- B. Notwithstanding the requirements of the Act, the Commission hereby agrees that the Federal Government may dispose of Desired Property provided: (1) the Commission, through its staff, approves of the disposal; and (2) the net proceeds, if any, are used to facilitate the exchange for State School Lands.
- C. GSA will transfer the administrative control of Desired Property to BLM. GSA will dispose of the property as further discussed in Section II unless otherwise advised by BLM.
- D. The parties agree that all property disposed of pursuant to this Agreement shall be deemed to be a transfer in compliance with the Act. The parties further acknowledge that the Commission has approved the disposal of Surplus Property more particularly described in Exhibit A.
- E. GSA, BLM and the Commission agree that any Surplus Property with a known interest from a political subdivision within the State of California shall be excluded from the list of Suitable Surplus Property within the terms of this Agreement. Rather, GSA shall notify the Commission and BLM of the property and the known interest and immediately shall commence the required public body and homeless screening process pursuant to applicable Federal laws to determine the full extent of interest in the property for public purposes. GSA will proceed with public benefit conveyance if any applications for such conveyance are received and approved by the sponsoring agencies. The balance of the property, if any, will be placed on the list of Suitable Surplus Property for consideration by the Commission.

II. SALE OF DESIRED PROPERTY BY GSA FOR BLM

A. Once the MOA is signed, the BLM will, consistent with Section 707(c)(3) of the Act, take administrative jurisdiction over the Federal lands or interests in lands identified as Desired Property. GSA will dispose of these properties under the Economy Act pursuant to BLM's delegation of its authority under FLPMA and consistent with this Agreement. Any like value received for the lands will be held by GSA in an administrative account until notified by BLM to convey the values to the Commission. GSA will issue the necessary conveyance documents to the parties acquiring the Desired Property.

If GSA disposes of the Desired Property by sale to a party other than the Commission, the value received for that property will be deposited in an account established at either a private title company or the GSA Finance division (Account) except as provided below. Any account established with the GSA Finance division shall not bear any interest. GSA understands that any funds held on the Account are for the benefit of implementation of Section 707 of the Act. Funds will not be withdrawn from the Account without the express approval of BLM except as otherwise provided in the Agreement.

The conveyance of the Desired Property or values to the Commission by GSA will be contingent upon BLM notifying GSA that BLM has received acceptable title to Commission lands within the areas designated by the Act. Once BLM has determined that acceptable title has been received, BLM will notify GSA to convey the values of or title to the Desired Property to the Commission.

- B. BLM shall compensate GSA for all actual costs (Cost of Sale) incurred in the sale of Desired Property under this Agreement in accordance with the provisions of the Economy Act. All such costs will be compensated from the proceeds associated with the sale.
 - Since costs are difficult to estimate, as each sale is unique, GSA and BLM
 agree that the costs of the sale will not exceed five percent of the proceeds
 associated with the sale of the Desired Property unless otherwise
 negotiated.
 - 2. The Cost of Sale starts on the date of selection of the property by the Commission as Desired Property.

MOA Regarding Implementation of The California Desert Protection Act Page 4

- GSA will pay the costs incurred for appraisals which have been ordered or prepared prior to the execution of this Agreement. All other appraisal costs shall be paid to GSA from the proceeds of sale.
- C. GSA shall prepare and execute the deeds of conveyance for the Desired Properties at the direction of BLM consistent with this Agreement.
- D. Each of the parties agrees that the Federal government may proceed with the disposal of Surplus Property, which is not Desired Property, upon receipt of notification by the Commission and BLM that they are not interested in the property.

III. PROTECTION AND MAINTENANCE OF THE DESIRED PROPERTIES

A. Reasonable costs necessary to protect and maintain the Desired Property by GSA, on behalf of BLM, shall be deducted from the proceeds of the sale.

IV. TERM AND AMENDMENT OF AGREEMENT

- A. This Agreement shall become effective when signed by the last party hereto and shall remain in force until: 1) completion of the exchange of State School Lands within the areas designated by the Act, or 2) termination by mutual agreement of the parties.
- B. Amendments consistent with the laws, regulations and policies in effect at the time may be proposed by any of the parties. Such amendments will become effective when approved by the parties to this Agreement.

MOA Regarding Implementation of The California Desert Protection Act Page 5

IN WITNESS WHEREOF, the Commission, DOI and GSA have executed this Agreement.

CALIFORNIA STATE LANDS COMMISSION

ROBERT C. HIGHT

Executive Officer

California State Lands Commission 100 Howe Avenue, Suite 100 South Sacramento, California 95825 Date: 10-26-95

UNITED STATES DEPARTMENT OF INTERIOR

ED HASTEY

State Director

Bureau of Land Management

2800 Cottage Way

Ed Hunter

Sacramento, California 95825

UNITED STATES GENERAL SERVICES ADMINISTRATION

CLARK VAN EPPS

Director, Property Disposal

United States General Services Administration

525 Market Street

San Francisco, CA 94105

ATTACHMENT 3 NON-FEDERAL LANDS TO BE CONVEYED

State Lands Commission Parcel #	Wilderness Area or Park Unit	Land Description	Acres	Appraised Value	Authorized Uses ⁱ
	Partly in Death				
	Valley National Park				
	(DVNP) &				
	partly in Piper				
	Mtns. Wilderness				
147-005	Area	T.7S., R.37E., Sec 36, MDM	640	\$172,800	
147-007	DVNP	T.7S., R.38E., Sec 36, MDM	640	\$153,600	
148-006	DVNP	T.8S., R.36E., Sec 36, MDM	640	\$153,600	
149-006	DVNP	T.9S., R.38E., Sec 16, MDM	640	\$153,600	
150-007	DVNP	T.10S., R.40E., Sec. 16, NW¼, MDM	160	\$24,000	
155-013	DVNP	T15S., R.46E., Sec 36, lots 2- 4, NE4SW4, SW4SW4, MDM	163.67	\$49,100	
157-008	DVNP	T.17S., R.41E., Sec 36, MDM	640	\$134,400	
157-009	DVNP	T.17S., R.42E., Sec 16, MDM	640	\$172,800	
158-016	DVNP	T.18S., R.42E., Sec 16, MDM	640	\$172,800	
188-006	Sheephole Valley	T.1N., R.13E., Sec 16, SBM	640	\$153,600	
189-003	Sheephole Valley	T.2N., R.14E., Sec 16, SBM	640	\$153,600	
189-004	Sheephole Valley	T.2N., R.14E., Sec 36,Lots 1- 7, W½NW¼, SW¼SW¼, S½SE¼, SBM	477.6	\$114,600	
100 012	Sheephole	T 23 I D 125 0 27 0D34	640	£172.600	
190-013	Valley	T.3N., R.13E., Sec 36, SBM	640	\$172,800	
190-020	Turtle Mtns.	T.3N., R.19E., Sec 16, SBM	640	\$172,800	
190-022	Turtle Mtns.	T.3N., R.20E., Sec 36, SBM	640	\$172,800	
190-023	Turtle Mtns.	T.3N., R.21E., Sec 16, SBM	640	\$134,400	
190-024	Turtle Mtns.	T.3N., R.21E., Sec 36, SBM	640	\$172,800	
190-028	Whipple Mtns.	T.3N., R.24E., Sec 16, SBM	640	\$134,400	
190-029	Whipple Mtns.	T.3N., R.24E., Sec 36, SBM	640	\$115,200	
190-030	Whipple Mtns. Sheephole	T.3N., R.25E., Sec 16, SBM	640	\$96,000	
191-039	Valley	T.4N., R.13E., Sec 36, SBM	640	\$153,600	· -
196-014	Mojave National Preserve (MNP)	T.9N., R.13E., Sec 36, lots 1 to 4, N½ and N½S½, SBM	638.27	\$172,300	

197-023	MNP	T.10N., R.15E., Sec 36, SBM	640	\$230,400	Transmission Line ⁱⁱ & Natural Gas Pipeline ⁱⁱⁱ
197-025	MNP	T.10N., R.16E., Sec 36, SBM	640	\$172,800	1100000
197-023	MNP	T.10N., R.17E., Sec 36, SBM	640	\$172,800	
198-006	MNP	T.11N., R.11E., Sec 36, N½ and SW¼, SBM	480	\$144,000	
198-007	MNP	T.11N., R.12E., Sec 16, SBM	640	\$153,600	
199-007	MNP	T.12N., R.9E., Sec 36, lots 1 to 12, inclusive, and SW¼, SBM	666.54	\$180,000	
199-008	MNP	T.12N, R.10E., Sec 16, SBM	640	\$230,400	
199-013	MNP	T.12N., R.13E., Sec 16, SBM	640	\$172,800	
199-017	MNP	T.12N., R.16E., Sec 36, SBM	640	\$211,200	
199-019	MNP	T.12N., R.18E., Sec 16, SBM	640	\$230,400	
200-011	MNP	T.13N., R.12E., Sec 16, SBM	640	\$172,800	
200-011	MNP	T.13N., R.16E., Sec 16, SBM	640	\$192,000	
200-015	MNP	T.13N., R.16E., Sec 36, SBM	640	\$192,000	
200-017	MNP	T.13N., R.17E., Sec 36, SBM	640	\$172,800	
202-019	MNP	T.15N., R.11E., Sec 36, SBM	640	\$172,800	
202-019	Kingston	1.1311., 11.112., 500 30, 52.11	0.10	Φ172,000_	
204-012	Range	T.17N., R.9E., Sec 16, SBM	640	\$172,800	
205-002	DVNP (part)	T.18N., R.2E., Sec 16, SBM	640	\$172,800	
205-006	DVNP	T.18N., R.4E., Sec 16, N½, SBM	320	\$86,400	
205-012	DVNP (part)	T.18N., R.6E., Sec 16, SBM	640	\$268,800	
205-018	Kingston Range	T.18N., R.9E., Sec 16, SBM	640	\$172,800	
205-020	Kingston Range	T.18N., R.10E., Sec. 16, SBM	640	\$153,600	
205-023	Kingston Range	T.18N., R.11E., Sec 36, SBM	640	\$230,400	
206-003	DVNP	T.19N., R.2E., Sec 16, SBM	640	\$153,600	
206-005	DVNP	T.19N., R.3E., Sec 16, SBM	640	\$153,600	
206-006	DVNP	T.19N., R.3E., Sec 36, SBM	640	\$96,000	
206-007	DVNP	T.19N., R.4E., Sec 16, SBM	640	\$172,800	
206-008	DVNP	T.19N., R.4E., Sec 36, SBM	640	\$211,200	
206-009	DVNP	T.19N., R.5E., Sec 16, SBM	640	\$172,800	
206-011	DVNP	T.19N., R.6E., Sec 16, SBM	640	\$96,000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
206-014	Kingston Range	T.19N., R.7E., Sec.36, lots 1 to 4, S½NW¼, NE¼, N½S½, SBM	558.08	\$200,900	
206-015	Kingston Range	T.19N., R.8E., Sec 16, SBM	640	\$115,200	
206-016	Kingston Range	T.19N., R.8.5E., Sec 36, lots 1 to 4, E½ and E½W½, SBM	577.6	\$156,000	

		T.20N., R.1E., Sec 36, S½N½			
207-001	DVNP	and S½, SBM	480	\$86,400	
207-002	DVNP	T.20N., R.2E., Sec 36, SBM	640	\$115,200	
207-003	DVNP	T.20N., R.3E., Sec 36, SBM	640	\$115,200	,
207-004	DVNP	T.20N., R.4E., Sec 16, SBM	640	\$268,800	
207-005	DVNP	T.20N., R.4E., Sec 36, W½, SBM	320	\$86,400	
209-013	DVNP	T.22.5N., R.5E., Sec 36, SBM	640	\$172,800	
210-001	DVNP	T.23N., R.1E., Sec 16, NW¼NW¼, SBM	40	\$50,000	
210-004	DVNP	T.23N., R.2E., Sec 36, SBM	640	\$96,000	
210-005	DVNP	T.23N, R.3E., Sec 36, SE¼NE¼, SBM	40	\$40,000	
211-011	Resting Springs	T.24N., R.6E., Sec 36, SBM	640	\$172,800	
211-014	Nopah Range	T.24N., R.8E., Sec 36, lots 4, 5, 8, 12, 14, 15, and 17, W½SW¼, and SE¼SW¼, SBM	256.07	\$69,100	
212-010	Resting Springs	T.25N., R.7E., Sec 36, lots 2, 3, 6, 8, and 10, and SW4SW4, SBM	136.23	\$36,800	
214-002	DVNP	T.27N., R.2E, Sec 16, NW¼NW¼, SBM	40	\$40,000	
215-004	DVNP	T.28N., R.3E., Sec. 36, E½, SBM	320	\$86,400	
216-003	DVNP	T.29N., R.2E., Sec 16, NE¼NE¼, S½NE¼, SBM	120	\$21,600	
Totals:			38434.06	\$10,149,600	

The conveyance to the United States will contain the following reservation: "There is hereby reserved to the Grantor, in all the lands described herein, the absolute right of the people to fish thereupon, as provided by Section 25 of Article 1 of the Constitution of the State of California."

Lease # 4025.2 to Southern California Edison Company for an electric transmission line.

Lease # 2532.3 to Southern California Gas Company for a natural gas pipeline.