

MINUTE ITEM

This Calendar Item No. 64 was approved as
Minute Item No. 64 by the California State Lands
Commission by a vote of 2 to 0 at its 10-20-03
meeting.

**MINUTE ITEM
64**

10/20/03
BLA #1
PRC 310.9
LSE CH 402/31-23
LSE CH 402/31-24

BLA #272
PRC 8465
PRC 8466
PRC 8467
C. Fossum
S. Young

**BEL AIR BAY CLUB
(APPLICANT)**

Regular Calendar Item 64: Staff made a presentation to
Commissioners requesting consideration of approval of a title settlement
and boundary line agreement in Los Angeles County. The item was
approved by a 2-0 vote.

CALENDAR ITEM

64

A 41

10/20/03

S 23

BLA #1

PRC 310.9

LSE CH 402/31-23

LSE CH 402/31-24

BLA #272

PRC 8465

PRC 8466

PRC 8467

C. Fossum

S. Young

**CONSIDER APPROVAL OF A TITLE SETTLEMENT AND
BOUNDARY LINE AGREEMENT, INCLUDING ISSUANCE OF THREE LEASES
INVOLVING REAL PROPERTY IN AND ADJACENT TO THE PACIFIC OCEAN,
CITY OF LOS ANGELES, LOS ANGELES COUNTY**

PRIVATE PARTY:

Bel-Air Bay Club, Ltd.
16801 Pacific Coast Highway
Pacific Palisades, CA 90272

The Bel Air Bay Club, Ltd. (BABC) operates a private beach club on property located between Pacific Coast Highway and the Pacific Ocean in the Pacific Palisades district of the City of Los Angeles (photo of the club appears on Exhibits A and B). The BABC is currently in the planning and permitting stage of a major renovation to the club facilities. As part of the California Coastal Commission permitting process, all beachfront development projects require a jurisdictional letter from the California State Lands Commission (CSLC) staff prior to processing an application for development. The CSLC staff began a status determination analysis that concluded substantial questions required further investigation before conclusions on jurisdiction could be reached. The following information sets forth the results of the investigation.

CALENDAR ITEM NO. 64 (CONT'D)

BACKGROUND: Beginning in 1927, the Los Angeles Mountain Park Company erected four groins on or adjacent to the property that is the subject of the proposed agreement. The Company designated these groins as Groin #1, Groin #2, Groin #3 and Groin #4. Thereafter, the Company conveyed the uplands located adjacent to Groin #1 and Groin #2 to Mountain Park Associates. Mountain Park Associates conveyed its interest to Alphonzo E. Bell Corporation. Bel-Air Bay Club (BABC) subsequently acquired title to the Bel-Air Bay Club record title lands from Mountain Park Associates and the Alphonzo E. Bell Corporation after construction of the four Groins. Today, only Groins 1 and 2 are on BABC property, and are shown as groin "A" and "B" on Exhibit B. A third groin was constructed by the BABC in the 1947 – 1953 period, pursuant to lease PRC 310.9 and is designated Groin "C" on Exhibit B.

On May 27, 1930, suits were filed in Los Angeles County Superior Court by the California Attorney General and the Los Angeles District Attorney against the Los Angeles Mountain Park Company, and six other defendants, alleging that the private groins were a public nuisance and asking that they be abated. On June 20, 1930, a conference of the parties to the lawsuit and other interested parties (including state, county and city representatives) met. Following this meeting, an Advisory Board on Beach Protection was formed. Following nearly six months of study, a report was issued recommending that, if properly designed, constructed and maintained, groins could serve a beneficial purpose to both public and private property. The Report also recommended that the Legislature provide proper authority to a state agency to review and, where appropriate, permit such structures. The lawsuits were eventually dismissed.

Within months, the Legislature enacted Chapter 402, Statutes of 1931 (Political Code section 690.10) authorizing the Department of Finance, through its Division of State Lands, to accept applications and, where appropriate, issue permits for maintenance of the groins. In 1932 the Los Angeles Mountain Park Company applied to maintain Groins 1 through 4, designated by State application files as 23, 24, 25, and 26 respectively (23 and 24 – shown as "A" and "B" on Exhibit B remain on BABC lands). For a number of years engineers involved in the permit approval process for these groins analyzed and discussed with representatives of the Company the most appropriate length, height, materials, signage and other details related to the effectiveness and safety of these structures.

Evidence indicates that the construction of the groins in 1927 had an immediate impact on the configuration of the shoreline. As a result of sand accretions to the uplands caused by Groins 1 through Groin 4 and other nearby groins, the question arose as to the location of the ordinary high water mark, the legal boundary between the sovereign lands of the State and uplands owned by BABC.

In April 1935, a quiet title action was filed in Los Angeles County Superior Court (#385942) by the City of Los Angeles against the Residential Land Corporation, the County of Los Angeles, Mountain Park Associates, Los Angeles Mountain Park Company, Bel Air Bay

CALENDAR ITEM NO. 64 (CONT'D)

Club, Alphonzo E. Bell and others claiming that the land waterward of the 1923 mean high tide meander line involved filled and unfilled tide and submerged lands granted to the City by the Legislature pursuant to Chapter 115, Statutes of 1917. The Attorney General had opined in 1932 that Chapter 115 did not grant these lands to the City and that they remained state lands. The trial court ruled against the City. The Attorney General participated as *Amicus Curiae* on behalf of respondents. Governor Merriam vetoed legislation granting the State's tidelands to the City in 1937. The decision of the trial court granting defendants' motion for judgment on the pleadings was upheld by the Court of Appeal in 1940 in *The City of Los Angeles v. Pacific Land Corporation, Ltd., et al.* 41 C.A.2d 223. A petition to hear the appeal was denied by the Supreme Court on December 16, 1940.

On April 5, 1937, pursuant to Political Code Section 675, the Department of Finance entered into a 25-year lease (designated a "Right of Way Easement") with the BABC, with rent in the amount of \$50 paid in advance. This lease of lands lying waterward of the 1923 mean high tide line allowed construction and use of recreational facilities and utilities by the BABC. The lease also provided that it would be modified or extinguished depending on resolution of the boundary with the State. On July 21, 1937, Alphonzo E. Bell, either as President of Mountain Park Associates, the Los Angeles Mountain Park Company, the Bel-Air Bay Club, Ltd., and/or Alphonzo E. Bell Corporation, applied to alter Groins 1 and 2 and to enter into "an agreement with applicant and all other persons and corporations having an interest in the beach frontage affected by said groins, for the establishment of the ordinary high water of such beach frontage."

BOUNDARY LINE AGREEMENT # 1: Pursuant to Political Code Section 690.10 (as amended by Chapter 914, Statutes of 1933) Carl B. Sturzenacker, Chief of the Division of State Lands, and representatives of BABC and other parties entered into an Arbitration Agreement, dated October 29, 1937, for the purpose of establishing, by arbitration, the ordinary high water mark of such lands. In 1941 Political Code Section 690.10 was restated and renumbered as Section 6357 of the Public Resources Code, which provides the CSLC with authority to establish the ordinary high-water mark by agreement, arbitration or quiet title action.

An arbitration panel consisting of Arthur H. Alexander, state petroleum production inspector, and J. McLane Tate, private civil engineer representing the upland owners, was formed. Pursuant to a written determination, "ARBITRATION OF ORDINARY HIGH WATER MARK OF CERTAIN LANDS AFFECTED BY GROINS", dated November 2, 1937, the arbitrators found and determined that the line, shown on Exhibit A as 1937 BLA 1 Line, was "the present location of the ordinary high water mark of said uplands" ("Arbitration Decision").

To implement the Arbitration Decision, the State of California, by the Chief of the Division of State Lands, BABC and other parties entered into an Agreement dated November 8,

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1937, executed and notarized November 9, 1937 (the actual designation of this agreement as "BLA #1" was done by CSLC filing clerks in 1962). BLA #1 was recorded on November 23, 1937, in the Official Records of Los Angeles County in Book 15482, pages 23, *et seq.* Pursuant to BLA #1, the various parties thereto agreed to "the present location of the ordinary high water mark" as described in the Arbitration Decision and that "said ordinary high water mark [the 1937 Boundary Line] is and shall be the line fixed and determined by said arbitrators as hereinabove set forth. It is further understood and agreed that said line of ordinary high water is and shall constitute the boundary line between the property of the State of California and the uplands in which Second Parties [other parties including BABC] have an interest."

CALIFORNIA STATE LANDS COMMISSION: Governor Merriam convened an Extraordinary Session of the Legislature on March 7, 1938. Item 1 on his agenda was "To consider and act upon an act relating to lands owned by the State, creating a State Lands Commission and prescribing its duties and powers with respect to such lands...." The State Lands Act passed, was approved by the Governor on March 24, 1938 and became effective on June 11, 1938.

On June 16, 1938, the State Personnel Board began an investigation of Charles B. Sturzenacker and Arthur H. Alexander. On August 13, 1938, a complaint was filed with the State Personnel Board alleging improper discharge of duties by Sturzenacker and Alexander, one count of the complaint involved the establishment of the 1937 Boundary Line at the "Belle Aire Bay Club." On August 23, 1938, the CSLC suspended Sturzenacker and Alexander. On April 6, 1939, Sturzenacker and Alexander were dismissed from office, by the State Personnel Board, for misfeasance based on various findings; no findings regarding the 1937 boundary line at the club were made. Sturzenacker and Alexander appealed their dismissals, which dismissals were ultimately upheld by the California Supreme Court on May 10, 1943.

On May 3, 1939, the CSLC, by Minute Item #5, voted to "Deny the application of the Bel-Air Bay Club, Ltd. for modification and approval of plans, heretofore given, to enable the applicant to substitute materials and to repudiate line of ordinary high water mark alleged to have heretofore established by arbitration agreement executed on the 5th of April, 1938, by Carl B. Sturzenacker, Chief of the Division of State Lands." April 5, 1937 was the date of the Right of Way Easement described above. The agreement establishing the ordinary high water mark executed by Sturzenacker (BLA #1) was executed on November 9, 1937.

On March 26, 1942, the CSLC approved a minute item, which provides "Consideration was given to certain piers located immediately north of Santa Monica adjacent to the Bel Air Bay Club. From the information available, it appeared advisable that before any action was taken in regard to such structures, an effort be made to effect a readjustment with the Bel

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Air Bay Club of the line of ordinary high water. The Commission issued instructions that a program to that effect be instituted.”

The BABC contends that based on BLA #1 and the Arbitration Decision, the BABC constructed, repaired and modified various physical improvements within the Bel-Air Club record title lands including dining areas, locker rooms, kitchens and various recreational facilities.

Section 6341 of the Public Resources Code states:

“Any boundary line agreement entered into pursuant to Section 6336 or 6357, or any consent recorded pursuant to subdivision (b) of Section 6339, or any exchange of land made pursuant to Section 6307, shall be conclusively presumed to be valid unless held to be invalid in an appropriate proceeding in a court of competent jurisdiction to determine the validity of such boundary line agreement or consent or exchange commenced prior to January 1, 1977, or within one year after the execution and recording of such boundary line agreement or such consent or exchange, whichever is later.”

Neither on or before January 1, 1977, nor on or before the date of this Agreement, has any action been filed in court to challenge the validity of BLA #1 or the Arbitration Decision. CSLC staff contends that BLA #1 was not entered into pursuant to PRC Section 6357. All agreements entered into pursuant to Section 6357 are approved by the CSLC at a lawfully noticed public meeting and require the Governor’s signature pursuant to Public Resources Section 6107.

PRESENT SITUATION: On February 11, 2002, a representative of the BABC requested a jurisdictional determination by the staff of CSLC for a proposed renovation project by the BABC to be brought before the California Coastal Commission. Because of the direction given by the CSLC to its staff in 1939 and 1942, the staff of the CSLC responded to the inquiry by requesting additional information from the BABC and initiated an investigation of the background and status of BLA #1.

As a result of its subsequent investigation of the facts and the law involved, CSLC staff determined they should follow the 1942 CSLC directive that there should be a “readjustment” of the 1937 line of ordinary high water (BLA#1).

BABC, in response to the CSLC’s staff position on BLA #1 and the Arbitration Decision, raised a number of rebuttal arguments, some of which include the following:

- Repudiation has no legal significance and did not nullify nor terminate BLA #1 or the Arbitration Decision.

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- Since no action has been commenced within the time limitations imposed by Section 6341 of the Public Resources Code, Section 6341 prohibits the CSLC from challenging the validity of BLA #1 regardless of any grounds.
- The doctrine of *res judicata* applies based on the Arbitration Decision.
- The doctrines of estoppel and laches apply based on subsequent actions by the SLC that indicate that the CSLC had accepted the existence and effect of BLA #1 and the Arbitration Decision.

Both the CSLC and BABC have undertaken a comprehensive search to determine the basis of the arbitrators' determination of the 1937 Boundary Line. There has been no direct evidence located in the files of the CSLC or BABC regarding the basis of the arbitration decision. CSLC staff and BABC have reached different and conflicting conclusions regarding the basis of the 1937 Boundary Line. Due to the quality, quantity and availability of maps, surveys, and other evidence relating to the area, uncertainty exists as to the exact nature, time, location and extent of natural and artificial influences that have over time affected the common boundary along the BABC. The existing evidence and applicable law are not agreed to between the Parties and therefore uncertainty exists as to the precise location of the boundary line separating the private uplands of BABC from the sovereign lands of the State to the extent the 1937 Boundary Line is excluded from application. A bona fide dispute has thus arisen regarding the boundary line between the State and the BABC concerning their respective rights and interests in the subject property.

LEASES: Several other transactions involving the BABC and CSLC transpired involving removal of portions of the groins and extension of the groins during the 1940s and 1950s. There currently exists three groins or similar structures (Groins "A" through "C") that extend from the BABC lands into the sovereign lands of the State. A fourth structure (formerly Groin #3 or CH LSE 402/331-25) lies directly upcoast of the BABC lands and now is under lease to the City of Los Angeles as PRC 271.9). Based on the age of the BABC groins and the inadequate documentation relating to such improvements, there is a need to address such improvements in terms of location and maintenance. The proposed action for Commission consideration will terminate PRC 310.9 and any remaining contractual relationship arising from CH LSE 402/31-23 and 24 and initiate a new 20-year protective structure lease, PRC 8465, with an initial annual rent of \$13,423.

The BABC has in the past utilized lands seaward of the 1937 Boundary Line for recreational purposes. In 1952, the CSLC leased (PRC 723) to the BABC 3.42 acres seaward of the 1937 Boundary Line (BLA #1) for a term of five years, at \$50 per year, extended by a five-year renewal option. The 1937 Right of Way Easement lease and lease PRC 723 both expired in 1962. Portions of the area continued to be utilized by the BABC and its members following expiration of the lease. In consideration of CSLC authorization to construct temporary sand berms for storm protection (as approved by the California Coastal Commission), the BABC is willing to provide lifeguard services and clean and

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maintain certain lands for public use that are, or will by this agreement, be state lands. This area is shown on Exhibit B as Beach Maintenance Lease lands (proposed lease PRC 8467). The BABC also desires to continue to utilize a 0.298 acre portion of State lands for recreational purposes, which is shown on Exhibit "B" as Beach Recreation Lease lands (proposed lease PRC 8466), and to resolve any State and CSLC claims regarding past use. As an element of the proposed lease agreements the BABC will remove any existing fences or other obstructions on the Beach Maintenance Lease area within 30 days. This removal includes any fencing, structures, boats, etc. that are presently located on the Beach Maintenance lease area. In addition, the BABC, prior to next summer season, will construct a stairway or other facility that will allow public access across the Los Angeles City maintained groin (PRC 271.9) directly adjacent to BABC property, thereby facilitating public access between the public beaches to the east and west.

CSLC staff received comments from two neighbors of the BABC facilities on the bluff above the beach and across Pacific Coast Highway. Both individuals oppose BABC plans for expansion. One individual offered suggestions that would help assure the public clearly understand their right to use the public beach that is to be maintained by the BABC for the public. Staff has presented those suggestions to the BABC and they have agreed to implement them. These additional conditions will more clearly identify the beach as public and set time frames for implementing improvements.

Staff also contacted the California Department of Parks and Recreation, which owns the adjoining Will Rogers State Beach, to determine if they were willing to maintain the beach. They declined due to lack of funding and the distance from any operational center. Los Angeles County Department of Beaches and Harbors, which operates Will Rogers State Beach, was also contacted to determine their willingness to maintain the beach. The County likewise declined to take on additional management responsibilities.

CSLC staff and BABC representatives have negotiated the proposed settlement and recommend resolving the boundary line dispute by entering into the Agreement as described herein and depicted on the attached Exhibits and as set forth in the Agreement, a copy of which is in the files of the Commission. The purposes of the Agreement are to: settle forever the location of the seaward boundary of lands owned by the BABC; set the permanent and fixed boundary at the line shown on Exhibit A as New Boundary Line (BLA #272) between state owned sovereign lands (tide and submerged lands of the Pacific Ocean) and the lands owned by the BABC; restrict, limit and prohibit forever the ability of the State to challenge or dispute the validity of the New Boundary Line; enter into a Lease covering the Beach Maintenance Lease area to permit the BABC to provide lifeguard services to the public, to clean and maintain the beach for public use, and construct temporary (24 hours before a storm surge and removed within 8 hours after high tides have passed) sand berms to protect the BABC Property from storm waters, as authorized by Coastal Commission permits; enter into a Protective Structure Lease for groins "A", "B", and "C"; and enter into a Lease covering club use of the Beach Recreation Lands.

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Annual rental rates for the three proposed leases are as follows:

PRC 8465	Groin A	\$ 2,242/yr
	Groin B	\$ 7,702/yr
	Groin C	\$ 3,479/yr
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PRC 8466	Beach Recreation Lands	\$50,596/yr (yrs 1-3)
		\$56,921/yr (yrs 4-5)
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PRC 8467	Beach Maintenance Lands	rent free - public use & benefit
Total annual rent		\$64,019 (yrs 1-3)
		\$70,344 (yrs 4-5)

All rent subject to CSLC review after five years.

The proposed Groin Lease also requires that the BABC conduct an engineering study of the physical conditions of the three groins, report its findings to the CSLC staff and remediate any hazardous conditions. In the event CSLC staff determine that the groins or portions thereof have been removed, the lease descriptions will be amended and a reduction or increase in rent depending on square footage of the area the groins occupy will be made.

BOUNDARY LINE: Based on Division 6 of the Public Resources Code the CSLC's jurisdiction and authority over tide and submerged lands includes the power to enter into boundary line agreements, exchanges and settlements of title disputes in lieu of litigation and to establish the nature and extent of such sovereign State fee or public trust easement interests with respect to specific parcels of real property, to lease the use of sovereign lands for public trust purposes and to enter into agreements for the location of groins within sovereign lands and the maintenance of such groins.

Public Resources Code Section 6332 contains specific considerations, which the CSLC shall take into account in determining boundaries. Such consideration includes:

- "Consideration shall also be given to the confirmation of title boundaries of lands claimed to be in private or public ownership, which lands support improvements of long standing authorized by governmental action." (Public Resources Code Section 6332(a)(4).
- "Boundary lines so established and surveyed shall take into consideration any statutes of limitations applicable to the validity of patents, and the finality of boundary line agreements and boundary and exchange agreements adopted prior to, or on or after, January 1, 1976, and whether entered into pursuant to Section 6307 or 6357, or any other statutes of this state, or otherwise." (Public Resources Code Sections 6332(a)(5).

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The parties, in negotiating this Title Settlement and Boundary Line Agreement, have taken into account and implemented these considerations. CSLC staff and the BABC have independently investigated, researched, and exchanged information, negotiated their respective claims, taken into account a number of considerations in determination of boundary lines, such as the factors set forth in Public Resources Code Section 6332, and determined that the proposed New Boundary Line, described in Exhibit C, is a reasonable and good faith attempt to settle, compromise, and resolve their respective claims and to locate and fix a new legal boundary. The new boundary line as shown in green on Exhibit A will result in the BABC conveying over three-quarters of an acre (33,137 square feet) of sandy beach to the State, previously claimed by the club under BLA #1. This 780+ foot stretch of beach will provide continuous public access and use of a beach from which the public has been excluded for over 75 years.

Section 6342 of the Public Resources Code states:

“The commission may enter into boundary line agreements with any person or public entity, describing and defining the boundary line between ungranted tidelands and adjacent uplands owned by such person or public entity. Such boundary line agreements shall be executed on behalf of the commission, and upon recordation shall be binding and conclusive as between the state and all persons and public entities executing such agreements, and the provisions of subdivision (a) of Section 6339 shall be applicable thereto.”

It is the intention of the parties hereto that this Agreement shall be a boundary line agreement entered into pursuant to Public Resources Section 6342.

This Agreement, among other things, provides for the establishment of a permanently fixed fee boundary line, an exchange of quitclaim deeds, an agreement not to challenge the validity of the 1937 and New Boundary Line and the lease of state land for Beach Maintenance, Beach Recreation, and three Protective Structures involving existing groins. By virtue of this Agreement settling title and boundary matters, it is exempt from the provisions of the Subdivision Map Act (Government Code § 66412 (e)), the California Coastal Act (Public Resources Code § 30416 (c)), and the California Environmental Quality Act (Public Resources Code § 21080.11).

OTHER PERTINENT INFORMATION:

1. The State, acting by and through the Commission, is authorized under Division 6 of the Public Resources Code, and specifically pursuant to sections 6342 of such code, to enter into boundary line agreements.
2. Pursuant to Section 6501.1 of the Public Resources Code, the CSLC has the authority to lease Sovereign Lands for specified purposes.

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3. Pursuant to Section 6303 and Section 6321 of the Public Resources Code, the CSLC has the right to grant privileges and authority to utilize sand on beaches for the construction of temporary sand berms.
4. Pursuant to Section 6321 of the Public Resources Code the SLC has the authority to grant rights for the construction, alteration and maintenance of groins on sovereign lands.
5. 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 statutorily exempt project. The project is exempt because it involves settlements of title and boundary problems.
Authority: Public Resources Code section 21080.11.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code of Regs.: Title 2, Div. 3; Title 14, Div. 6.

PERMIT STREAMLINING ACT DEADLINE:

N/A

EXHIBITS:

- A. Site Map of Title Settlement and Boundary Lines
- B. Site Map of Lease Areas
- C. BLA 212 – New Boundary Line Legal Description

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A STATUTORILY EXEMPT PROJECT PURSUANT TO PUBLIC RESOURCES CODE SECTION 21080.11, SETTLEMENT OF TITLE AND BOUNDARY PROBLEMS.
2. FIND THAT, WITH RESPECT TO THE PROPOSED TITLE SETTLEMENT AND BOUNDARY LINE AGREEMENT, INCLUDING, IN ORDER TO EFFECTUATE THE AGREED NEW BOUNDARY LINE, THE QUITCLAIM BY THE BEL AIR BAY CLUB TO THE STATE OF ANY INTEREST OF THE BEL AIR BAY CLUB WITHIN THE AREA LYING SEAWARD OF THE LINE DESCRIBED IN EXHIBIT C (BLA 272 NEW BOUNDARY LINE AND AS SHOWN FOR REFERENCE PURPOSES ONLY ON EXHIBIT A) AND THE QUITCLAIM BY THE STATE LANDS COMMISSION TO THE BEL AIR BAY CLUB OF ANY INTEREST UNDER THE JURISDICTION OF THE STATE LANDS COMMISSION OVER

CALENDAR ITEM NO. 64 (CONT'D)

THE LANDS LYING LANDWARD OF THE LINE DESCRIBED IN EXHIBIT C (BLA 272 NEW BOUNDARY LINE AND SHOWN FOR REFERENCE PURPOSES ONLY ON EXHIBIT A):

- A. THE AGREEMENT IS IN THE BEST INTERESTS OF THE STATE AND CONSISTENT WITH PUBLIC TRUST NEEDS.
 - B. THE AREA OF INTERESTS IN LANDS BEING QUITCLAIMED TO THE BEL AIR BAY CLUB TO EFFECTUATE THE AGREED NEW BOUNDARY LINE HAS BEEN EXCLUDED FROM THE PUBLIC CHANNELS AND IS NO LONGER AVAILABLE OR SUSCEPTIBLE OF BEING USED FOR NAVIGATION OR FISHERIES AND IS NO LONGER IN FACT TIDE OR SUBMERGED LANDS IN THE BED OF THE PACIFIC OCEAN.
 - C. THE NEW BOUNDARY LINE AND QUITCLAIMS TO EFFECTUATE THE NEW BOUNDARY LINE PROPOSED BY THE AGREEMENT WILL NOT INTERFERE WITH BUT RATHER ENHANCE THE PUBLIC'S TRUST RIGHTS OF COMMERCE, NAVIGATION, FISHERIES, RECREATION, OPEN SPACE AND ACCESS TO THE PACIFIC OCEAN.
 - D. THE PARTIES HAVE A GOOD FAITH AND BONA FIDE DISPUTE AS TO THEIR RESPECTIVE INTERESTS AND CLAIMS WITHIN THE AGREEMENT AREA.
 - E. THE TITLE SETTLEMENT AND BOUNDARY LINE AGREEMENT CONSTITUTES A COMPROMISE OF THE CONTESTED ISSUES OF LAW AND FACT UPON WHICH THE DISPUTE IS BASED.
 - F. THE TITLE SETTLEMENT AND BOUNDARY LINE AGREEMENT IS IN LIEU OF THE COSTS, DELAYS, AND UNCERTAINTIES OF TITLE LITIGATION, AND IS CONSISTENT WITH AND IS AUTHORIZED BY THE REQUIREMENTS OF LAW
3. APPROVE AND AUTHORIZE THE EXECUTION, ACKNOWLEDGMENT, AND RECORDATION, ON BEHALF OF THE CALIFORNIA STATE LANDS COMMISSION, OF THE BEL AIR BAY CLUB TITLE SETTLEMENT AND BOUNDARY LINE AGREEMENT (BLA #272) IN SUBSTANTIALLY THE FORM OF SUCH AGREEMENT WHICH IS ON FILE WITH THE COMMISSION.
 4. APPROVE AND AUTHORIZE ISSUANCE OF A TWENTY-YEAR LEASE, PRC 8465, TO THE BEL AIR BAY CLUB, LTD. FOR MAINTENANCE OF THREE

CALENDAR ITEM NO. 64 (CONT'D)

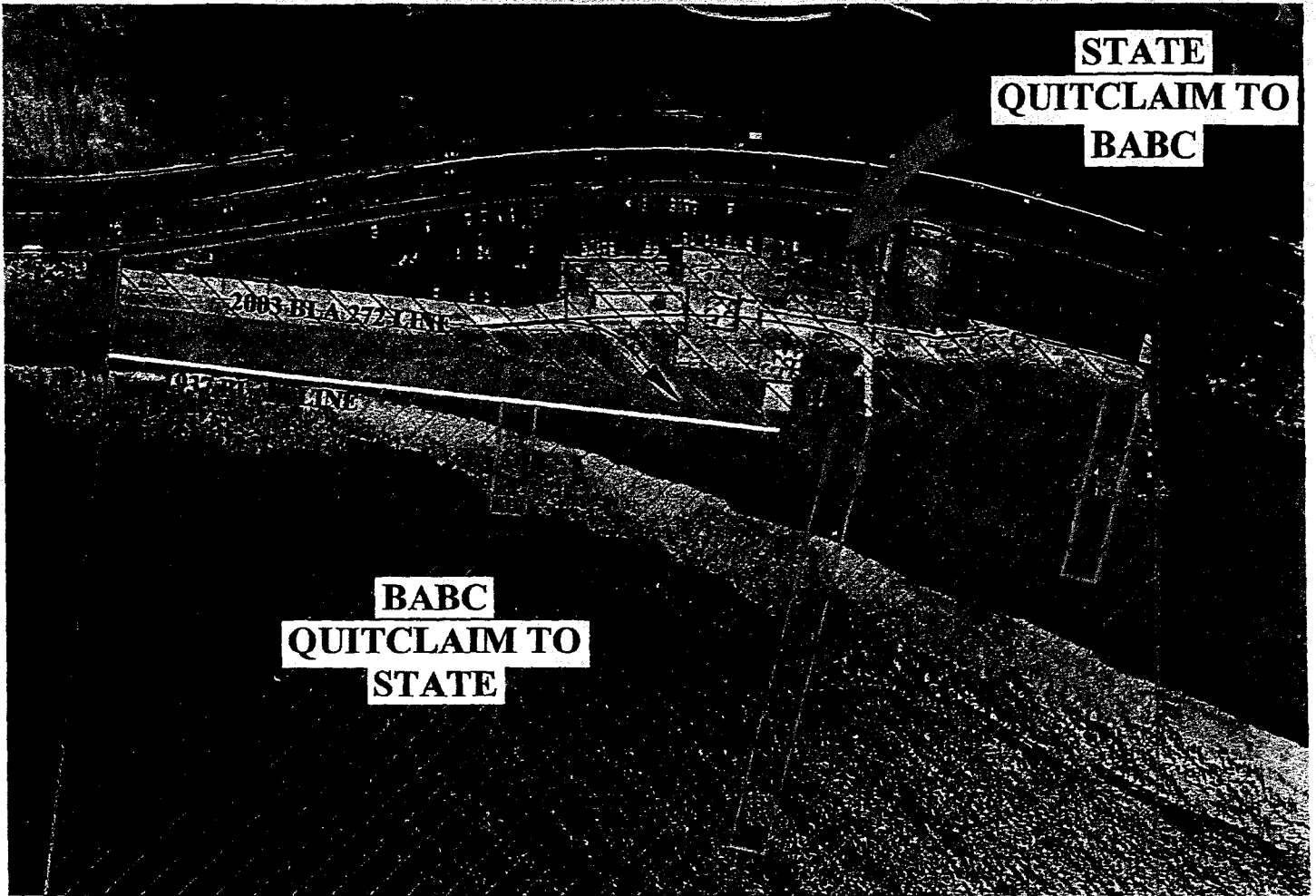
PROTECTIVE STRUCTURES (GROINS) IN THE FORM OF THE LEASE ON FILE WITH THE COMMISSION.

5. APPROVE AND AUTHORIZE ISSUANCE OF A TWENTY-YEAR LEASE, PRC 8466, TO THE BEL AIR BAY CLUB, LTD. FOR BEACH RECREATION LANDS IN THE FORM OF THE LEASE ON FILE WITH THE COMMISSION.
6. APPROVE AND AUTHORIZE ISSUANCE OF A TWENTY-FIVE YEAR LEASE, PRC 8467, TO THE BEL AIR BAY CLUB, LTD. FOR BEACH MAINTENANCE LANDS IN THE FORM OF THE LEASE ON FILE WITH THE COMMISSION.
7. TERMINATE PRC 310.9 AND ANY REMAINING CONTRACTUAL RELATIONSHIP ARISING FROM CH LSE 402/31-23 AND 24, BETWEEN THE BEL AIR BAY CLUB AND THE COMMISSION.
8. AUTHORIZE AND DIRECT THE STAFF OF THE CALIFORNIA STATE LANDS COMMISSION AND/OR THE CALIFORNIA ATTORNEY GENERAL TO TAKE ALL NECESSARY OR APPROPRIATE ACTION ON BEHALF OF THE CALIFORNIA STATE LANDS COMMISSION, INCLUDING THE EXECUTION, ACKNOWLEDGMENT, ACCEPTANCE, AND RECORDATION OF ALL DOCUMENTS AND PAYMENTS AS MAY BE NECESSARY OR CONVENIENT TO CARRY OUT THE TITLE SETTLEMENT AND BOUNDARY LINE AGREEMENT; AND TO APPEAR ON BEHALF OF THE CALIFORNIA STATE LANDS COMMISSION IN ANY LEGAL PROCEEDINGS RELATING TO THE SUBJECT MATTER OF THE MODIFIED AGREEMENT.

NO SCALE

SITE MAP

**STATE
QUITCLAIM TO
BABC**



**BABC
QUITCLAIM TO
STATE**

PLAT OF TITLE SETTLEMENT PARCELS

PHOTO DATE - 5/17/98

NO SCALE

LOCATION MAP

Malibu Coast

Exhibit A
 BLA 1/BLA 272
 APN 4415-036-001
 Malibu Coast
 LOS ANGELES CO.



This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as a waiver or limitation of any State interest in the subject or any other property

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NO SCALE

SITE MAP



PROTECTIVE STRUCTURE
 LEASE PARCELS
 PRC 8465

PLAT OF LEASE PARCELS

PHOTO DATE - 5/17/98

NO SCALE

LOCATION MAP

Malibu Coast



Exhibit B
 BLA 272
 PRC 8465, 8466 & 8467
 APN 4415-036-001
 Malibu Coast
 LOS ANGELES CO.



This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as a waiver or limitation of any State interest in the subject or any other property

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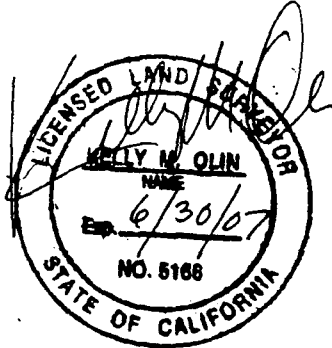
SCL 8-5-03

**EXHIBIT C
BLA 272 AGREED BOUNDARY LINE**

An agreed boundary line situated in the City of Los Angeles, County of Los Angeles, State of California described as follows:

BEGINNING at the southeasterly terminous of that line as described in Book 15482, Official Records, Page 23, Los Angeles County Records; thence along said line South 82° 58' 38" West, 441.01 feet; thence leaving said line North 75° 17' 29" West, 399.96 feet; thence North 83° 59' 09" West, 384.00 feet to the easterly boundary of Parcel No. 1 described in that certain lease and option between Residential Land Corporation and the County of Los Angeles, recorded in Book 14750, Page 148, Official Records of said county.

END OF DESCRIPTION



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