

BOARD OF DIRECTORS' MEETING ANNOUNCEMENT

DATE: Friday, January 18, 2013
TIME: 9:00 AM
PLACE: Carpinteria City Hall, 5775 Carpinteria Ave, Carpinteria, CA. 93013

MEETING AGENDA

1. **Call to Order, Roll Call and Introductions – Chair Sharkey**
2. **Approval of Agenda and Filing of Certificate of Agenda Posting**
Action: Approve and file.
3. **Consideration and Approval of Minutes of the BEACON Meetings held November 9, 2012**
Action: Approve and file.
4. **Public Comment and Other Matters not on the Agenda**
 - a. Receive public comments.
5. **Reports**
 - a. Reports from legislative offices.
 - b. Boating and Waterways.
 - c. Cal Coast.
6. **Technical Advisor Contract Amendment**
Action:
 - a. Approve Amendment No. 1 to the FY 2012-2013 Contract with Dr. James Bailard for Technical Advisor Services in the amount of an additional \$4,000.
7. **Auditor-Controller Recommended Actions**
Actions:
 - a. Receive and file the Budget to Actual report for year ending December 31, 2012.
 - b. Authorize the Auditor-Controller's Office to make budgetary adjustments (requires 8/10th vote).
8. **Kelp Anchor Demonstration Project**
Actions:
 - a. Receive a verbal report on the Kelp Anchor Demonstration Project.
 - b. Approve a resolution authorizing approval of a California State Lands Commission Lease for the Kelp Anchor Demonstration Project.
9. **Executive Director's Report and Communications.**

Adjourn to next regular meeting, March 15, 2013 at 9:00 AM in Carpinteria City Hall



A California Joint Powers Agency

Member Agencies

City of Carpinteria
City of Goleta
City of Oxnard
City of Port Hueneme
City of San Buenaventura
City of Santa Barbara
County of Santa Barbara
County of Ventura

Santa Barbara Address:

105 East Anapamu, Suite 201
Santa Barbara, CA 93101

Ventura Address:

501 Poli St.
P.O. Box 99
Ventura, CA 93001

Telephone:

(805) 662-6890

Facsimile:

(805) 568-2982

Email:

Staff@Beacon.ca.gov

Internet:

<http://www.beacon.ca.gov>

STAFF REPORT

Meeting Date: 1/18/2013
Agenda Item: 3

To: BEACON Board of Directors
From: Brian Brennan
Date 1/18/2013

**Subject: Consideration and Approval of Minutes of the
BEACON Meeting held November 9, 2012**

REQUIRED ACTION:

a. Approve and file.



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Minutes BEACON Board Meeting Nov 9th, 2012
BOARD OF DIRECTORS' MEETING ANNOUNCEMENT

DATE: Friday, November 9, 2012

TIME: 9:00 AM

PLACE: Carpinteria City Hall, 5775 Carpinteria Ave, Carpinteria, CA. 93013

MEETING AGENDA

1. Call to Order, Roll Call and Introductions – Chair Sharkey, Wolf Bennett, Zaragoza, Easton, House, Brennan, Ramirez

2. Approval of Agenda and Filing of Certificate of Agenda Posting

Action: Approve and file.

3. Consideration and Approval of Minutes of the BEACON Meetings held September 21, 2012

Action: Motion- House/Ramirez Sharkey abstain on July & Bennett on Sept

4. Public Comment and Other Matters not on the Agenda

a. Receive public comments.

5. Reports

a. Reports from legislative offices.

b. Boating and Waterways.

c. Cal Coast. Steve Aceti present and spoke on related items

6. 2013 Meeting Schedule Motion Zaragoza/ House Passed

Action: Consider and adopt meeting schedule for Calendar Year 2013

7. Single-Use Bag Reduction

Actions: Motion- House/ Easton Passed

a. Receive Status Report.

b. Authorize Executive Director to execute an agreement with Rincon Consultants for preparation of an Environmental Impact Report (EIR) for a Single-Use Bag Reduction.

8. Rincon Parkway Nourishment Project

Action:

a. Receive verbal report on status of the Rincon Parkway Nourishment Project Grant Application to the California Department of Boating and Waterways.

9. Auditor-Controller Recommended Actions (requires 8/10th vote)

Actions: Motion- Sharkey/ Rameriz Passed

a. Receive and file the Collins Accountancy Company audit engagement letter

b. Authorize the Auditor-Controller's Office to make budgetary adjustments as follows (requires 8/10th vote):

- INCREASE State Aid – CSMMP \$208
- DECREASE State Aid – CRSMP (Ecology Study) \$5,125
- DECREASE State Aid – RSM-FA \$6,700
- INCREASE Attorney Services - County of SB \$5,000
- INCREASE Tech Services - SAIC \$171
- INCREASE CSMMP – Turb Study - SAIC \$208
- DECREASE Lobbyist Svcs – Marlowe & Co \$10,000
- DECREASE Contingency \$6,996.

10. Executive Director's Report and Communications.



B.E.A.C.O.N.

**Beach Erosion Authority for
Clean Oceans and Nourishment**

A California Joint Powers Agency

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STAFF REPORT

Meeting Date: 01/18/13
Agenda Item: 6

To: BEACON Board of Directors
From: Executive Director
Date: 01/09/13

SUBJECT: Technical Advisor Contract Amendment

ACTIONS:

- a. Approve Amendment No. 1 to the FY 2012-2013 Contract with Dr. Bailard for Technical Advisor Services in the amount of an additional \$4,000.

DISCUSSION:

When the BEACON budget for FY 2012-2013 was established in May of 2012, BEACON had begun efforts to pursue funding from the Department of Boating and Waterway for a new project, the Rincon Parkway Nourishment Project. However, the time and effort required to pursue this new project has grown since establishment of the FY12-13 Budget. BEACON has been required by the Department of Boating and Waterways to provide more justification for the proposed project. This justification has included substantial additional work by Dr. Bailard to prepare a coastal model that projects beach width over time assuming a nourishment project at Hobson Beach. This additional effort was not budgeted in Dr. Bailard's contract and requires a \$4,000 contract amendment.

Funds for the contract amendment will be taken for contingency.



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AMENDMENT NO. 1

January 18, 2013

It is mutually agreed the Technical Advisor Services agreement between the Beach Erosion Authority for Clean Oceans and Nourishment (BEACON) and CONTRACTOR (James A. Bailard) is amended as stated below.

» Amend the final sentence of Article 4. of the above referenced agreement to read:

“Total payment for services, including reimbursable expenses under the provisions of this Agreement shall not exceed the sum of \$16,000.00 in any fiscal year, without approval of the Board of Directors of BEACON.”

This amendment is hereby made a part of the Technical Advisor Services Agreement with James A. Bailard.

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IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Technical Advisor Services agreement with James A. Bailard on the day and year below written, but effective as of the day and year first set forth above.

CONTRACTOR

BEACON

By: _____
Name: James A. Bailard
Title: _____
Date: _____

By: _____
Name: Jon Sharkey
Title: Chair
Date: _____

Approved as to Form and Procedure:

County Counsel

By: _____
Senior Deputy County Counsel,
Counsel for BEACON
Date: _____

STAFF REPORT

Meeting Date: 01/18/13
Agenda Item: 7

To: BEACON Board of Directors
From: Ventura County Auditor-Controller’s Office
Date: 01/18/13

**Subject: Auditor-Controller Recommended Actions
(Recommendation b requires 8/10^{ths} vote)**

Recommendations:

- a. Receive and file the Budget-to-Actual report for the year-to-date period ending December 31, 2012.
- b. Authorize the Auditor-Controller’s Office to make budgetary adjustments as follows (requires 8/10^{ths} vote):

| | | |
|----------|---------------------------------------|----------|
| INCREASE | Other Grant Revenue (Bag Ban-Orfalea) | \$ 5,000 |
| INCREASE | Contributions – Bag Ban Donations | \$61,000 |
| INCREASE | Admin/Legal – Bag Ban | \$ 9,905 |
| INCREASE | Rincon EIR Contract | \$56,095 |
| DECREASE | State Aid – RSM-FA | \$ 8,240 |
| DECREASE | RSM-FA – Noble | \$ 9,156 |
| INCREASE | Contingency | \$ 916 |
| INCREASE | Tech Advisor-Bailard | \$ 4,000 |
| DECREASE | Contingency | \$ 4,000 |

Discussion for Recommendation a:

Receive and file report from Ventura County Auditor-Controller’s Office on Budget-to-Actual for FY2012-13 for the period ending December 31, 2012.

Discussion for Recommendation b:

The increase to Other Grant Revenue of \$5,000 and Contributions – Donations of \$61,000 is to reflect projected revenues to fund the single-use plastic bag ban EIR. The increase to the Rincon EIR Contract for \$56,095 is to establish appropriations to pay the Rincon contract for the plastic bag ban EIR.

The decrease to State Aid – RSM-FA of \$8,240 and decrease to RSM-FA – Noble of \$9,156 is to adjust the budget to properly reflect the remaining contract amount.

The increase to Tech Advisor-Bailard of \$4,000 covers additional time and effort with regard to the Rincon Parkway Nourishment Project. Funds for this amendment are transferred from Contingency.

The net effect to Contingency would leave a balance of \$16,170.

**BEACON FUND 7125
YEAR TO DATE BUDGET TO ACTUAL FY 2012-13
FOR THE MONTH ENDING DECEMBER 31, 2012 (50.0% of year)**

| Org | Account Number | Title | BUDGET | | ACTUAL YTD | | | Variance Favorable (Unfavorable) | |
|--------------------------------|----------------|---|----------------|-----------------|-------------------|-------------------|--------------------------|----------------------------------|------|
| | | | Adopted Budget | Adjusted Budget | Actual | Encumbered | Total Revenue/Obligation | | |
| UNASSIGNED FUND BALANCE | | | | | | | | | |
| | | Beginning Balance | 40,316 | 33,027 | 33,026.55 | | 33,026.55 | 0.00 | |
| | | Unassigned Fund Balance | 40,316 | 33,027 | 33,026.55 | | 33,026.55 | 0.00 | |
| REVENUE | | | | | | | | | |
| 9601 | 8911 | Interest Earnings | 700 | 700 | 102.73 | | 102.73 | (597.27) | 15% |
| 9601 | 9372 | Member Dues/Assessments | 103,000 | 103,000 | 103,000.00 | | 103,000.00 | 0.00 | 100% |
| 9601 | 9779 | Other Grant Revenue | 0 | 0 | 5,000.00 | | 5,000.00 | 5,000.00 | 0% |
| 9601 | 9791 | Contributions - Donations | 0 | 0 | 32,000.00 | | 32,000.00 | 32,000.00 | 0% |
| 9608 | 9161 | State Aid - CSMMP | 0 | 208 | 0.00 | | 0.00 | (208.00) | 0% |
| 9613 | 9161 | State Aid - CRSMP (ecological study) | 51,250 | 46,125 | 0.00 | | 0.00 | (46,125.00) | 0% |
| 9614 | 9161 | State Aid - RSM-FA | 67,000 | 60,300 | 4,854.17 | | 4,854.17 | (55,445.83) | 8% |
| | | Total Revenue | 221,950 | 210,333 | 144,956.90 | | 144,956.90 | (65,376.10) | 69% |
| | | TOTAL SOURCES | 262,266 | 243,360 | 177,983.45 | | 177,983.45 | (65,376.10) | 73% |
| EXPENDITURES | | | | | | | | | |
| 9601 | 2072 | Insurance Premiums | 3,000 | 3,000 | 2,899.11 | | 2,899.11 | 100.89 | 97% |
| 9601 | 2141 | Membership Dues (Cal Coast) | 2,000 | 2,000 | 0.00 | | 0.00 | 2,000.00 | 0% |
| 9601 | 2159 | Misc Payments/Pub Ed + Travel | 3,000 | 3,000 | 0.00 | | 0.00 | 3,000.00 | 0% |
| 9601 | 2179 | Misc Office Exp/Public Relations | 1,000 | 1,000 | 0.00 | | 0.00 | 1,000.00 | 0% |
| 9601 | 2180 | Spec Off Exp (Website, Teleph, Pub Info) | 1,000 | 1,000 | 51.48 | | 51.48 | 948.52 | 5% |
| 9601 | 2303 | Accounting Svcs - Co of Ventura | 15,000 | 15,000 | 0.00 | | 0.00 | 15,000.00 | 0% |
| 9601 | 2304 | Tech Advisor Svcs - J Bailard | 8,000 | 8,000 | 5,094.50 | 2,905.50 | 8,000.00 | 0.00 | 100% |
| 9601 | 2305 | Proj Mgmt - COM3 | 45,000 | 45,000 | 24,839.47 | 20,160.53 | 45,000.00 | 0.00 | 100% |
| 9601 | 2306 | Attorney Svcs - Co of Santa Barbara | 10,000 | 15,000 | 980.00 | 9,020.00 | 10,000.00 | 5,000.00 | 67% |
| 9601 | 2307 | Biennial Audit Services - Collins | 3,000 | 3,000 | 0.00 | 2,700.00 | 2,700.00 | 300.00 | 90% |
| 9601 | 2312 | Lobbyist Svcs - Marlowe & Co | 10,000 | 0 | 0.00 | | 0.00 | 0.00 | 0% |
| 9601 | 2313 | Tech Svcs - SAIC | 477 | 648 | 0.00 | | 0.00 | 648.00 | 0% |
| 9601 | 2319 | SCCBEP Permit Renewals | 4,000 | 4,000 | 0.00 | | 0.00 | 4,000.00 | 0% |
| 9601 | 2320 | Kelp Anchor Permits | 5,000 | 5,000 | 0.00 | | 0.00 | 5,000.00 | 0% |
| 9601 | 2321 | Permit/Planning Fees | 0 | 0 | 0.00 | | 0.00 | 0.00 | 0% |
| | | Overhead | 110,477 | 105,648 | 33,864.56 | 34,786.03 | 68,650.59 | 36,997.41 | 65% |
| 9608 | 2313 | CSMMP - Turb Study - SAIC | 0 | 208 | 0.00 | | 0.00 | 208.00 | 0% |
| | | Grant - CSMMP | 0 | 208 | 0.00 | 0.00 | 0.00 | 208.00 | 0% |
| 9613 | 2302 | CRSMP - Noble (ecological study) | 0 | 0 | 0.00 | | 0.00 | 0.00 | 0% |
| 9613 | 2305 | CRSMP - COM3 (ecological study) | 750 | 750 | 50.00 | 750.00 | 800.00 | (50.00) | 107% |
| 9613 | 2316 | CRSMP - King (ecological study) | 50,500 | 50,500 | 0.00 | 50,500.00 | 50,500.00 | 0.00 | 100% |
| | | Grant - CRSMP (ecological study) | 51,250 | 51,250 | 50.00 | 51,250.00 | 51,300.00 | (50.00) | 100% |
| 9614 | 2302 | RSM-FA - Noble | 46,000 | 46,000 | 3,172.80 | 33,671.20 | 36,844.00 | 9,156.00 | 80% |
| 9614 | 2302 | RSM-FA - Contingency | 6,000 | 6,000 | 0.00 | | 0.00 | 6,000.00 | 0% |
| 9614 | 2304 | RSM-FA - Bailard | 4,000 | 4,000 | 0.00 | 4,000.00 | 4,000.00 | 0.00 | 100% |
| 9614 | 2305 | RSM-FA - COM3 | 11,000 | 11,000 | 1,681.37 | 9,318.64 | 11,000.01 | (0.01) | 100% |
| | | Grant - RSM-FA | 67,000 | 67,000 | 4,854.17 | 46,989.84 | 51,844.01 | 15,155.99 | 77% |
| | | Total Overhead, Grant Expenditures | 228,727 | 224,106 | 38,768.73 | 133,025.87 | 171,794.60 | 52,311.40 | 77% |
| 9601 | 6101 | Contingency | 33,539 | 19,254 | 0.00 | | 0.00 | 19,254.00 | 0% |
| | | TOTAL EXPENDITURES | 262,266 | 243,360 | 38,768.73 | 133,025.87 | 171,794.60 | 71,565.40 | 71% |
| | | Ending Unassigned Fund Balance | | (0) | 139,214.72 | | | | |

STAFF REPORT

Meeting Date: 01/18/13

Agenda Item: 8

To: BEACON Board of Directors

From: Gerald Comati

Date 01/09/13

Subject: Kelp Anchor Demonstration Project

REQUIRED ACTION:

- a. Receive a verbal report on the Kelp Anchor Demonstration Project
- b. Approve a resolution authorizing approval of the new California State Lands Commission Lease for the Kelp Anchor Demonstration Project

DISCUSSION:

At the end of 2010, BEACON agreed to perform as the Lead Agency in delivering an innovative project to demonstrate a method to re-establish kelp in Goleta Bay. The method was developed by Mr. Bob Kiel of the Seattle Aquarium and consists of the insertion of 210 three-foot long (2-inch square) granite columns that are water-jetted into the sandy sea bed of Goleta Bay. Four to six inches of the top of the column will protrude providing an immovable and environmentally benign “toe-hold” for kelp spores to attach.

The re-establishment of a kelp bed in Goleta Bay is considered an environmental benefit to marine life as well as a recreational opportunity and is consistent with BEACON’s mission. BEACON staff has been pursuing the necessary permits required for the demonstration project. Permit applications were submitted to the California Coastal Commission and to the California State Lands. Additional permit applications will be submitted to the US Army Corps of Engineers and the Department of Fish and Game. Following receipt of all permits, the project will be brought back to the Board for approval to move forward into the installation phase.

In December 2012 the California State Lands Commission approved a Lease for the Kelp Anchor Demonstration Project. The Commission requires a Resolution by the BEACON Board that approves the terms and conditions of the Lease and grants the Executive Director authority to execute the Lease. Staff is requesting approval from the Board of the attached Resolution.



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**BEACH EROSION AUTHORITY
FOR CLEAN OCEANS AND NOURISHMENT (BEACON)
VENTURA AND SANTA BARBARA COUNTIES, CALIFORNIA**

In the Matter of Approval of the California State
Lands Commission Lease for Kelp Anchor
Demonstration Project

Resolution 2013-1

WHEREAS, The California State Lands Commission has approved a lease to BEACON for purposes of installing the Kelp Anchor Demonstration Project, and;

THEREFORE, the Board of Directors of Beach Erosion Authority for Clean Oceans and Nourishment (BEACON) resolves:

1. The terms and conditions of the California State Lands Lease are approved.
2. The Executive Director is authorized to sign said Lease on behalf of BEACON.

Resolved by the Board of Directors of BEACON, this 18th day of January, 2013.

BEACON Chair

Attest:

Brian Brennan
Executive Director

Approve as to Form and Procedure:

Kevin Ready
Senior Deputy County Counsel

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
California State Lands Commission
Attn: Title Unit
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

County: Santa Barbara

W 26619

LEASE NO. PRC _____

This Lease consists of this summary and the following attached and incorporated parts:

| | |
|-----------|---|
| Section 1 | Basic Provisions |
| Section 2 | Special Provisions Amending or Supplementing Section 1 or 3 |
| Section 3 | General Provisions |
| Exhibit A | Land Description |
| Exhibit B | Location and Site Map |

SECTION 1

BASIC PROVISIONS

THE STATE OF CALIFORNIA, hereinafter referred to as Lessor acting by and through the **CALIFORNIA STATE LANDS COMMISSION** (100 Howe Avenue, Suite 100-South, Sacramento, California 95825-8202), pursuant to Division 6 of the Public Resources Code and Title 2, Division 3 of the California Code of Regulations, and for consideration specified in this Lease, does hereby lease, demise, and let to **Beach Erosion Authority for Clean Oceans and Nourishment (BEACON)**, hereinafter referred to as Lessee, those certain lands described in Exhibit A hereinafter referred to as Lease Premises, subject to the reservations, terms, covenants, and conditions of this Lease.

MAILING ADDRESS: 105 East Anapamu Street, Suite 201
Santa Barbara, CA 93101

LEASE TYPE: General Lease – Public Agency Use

LAND TYPE: Sovereign Tide and Submerged Land

LOCATION: Goleta Bay, as described in Exhibit A and as shown on Exhibit B, attached and by this reference made a part hereof.

LAND USE OR PURPOSE: Habitat Restoration, for the Goleta Bay Kelp Anchor Demonstration Project

TERM: Five years; beginning December 5, 2012; ending December 4, 2017, unless sooner terminated as provided under this Lease.

CONSIDERATION: The public use and benefit with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interest. Subject to modification by Lessor as specified in Paragraph 2(b) of Section 3 - General Provisions.

AUTHORIZED IMPROVEMENTS:

EXISTING: None

TO BE CONSTRUCTED: Placement of 212- 2"x2"x30" granite anchor columns embedded vertically 24" into the floor of Goleta Bay by means of a 'water jet' apparatus within three test sites as described in Exhibit A and as shown on Exhibit B.

CONSTRUCTION MUST BEGIN BY: Within 12 months of receipt of all permits

AND BE COMPLETED BY: Within 6 months of the start of construction

LIABILITY INSURANCE: N/A

SURETY BOND OR OTHER SECURITY: \$5,000 performance bond

**SECTION 2
SPECIAL PROVISIONS**

BEFORE THE EXECUTION OF THIS LEASE, ITS PROVISIONS ARE AMENDED, REVISED, OR SUPPLEMENTED AS FOLLOWS:

1. As described in Lease Section 1, Authorized Improvements, Lessee is authorized to place a total of 212 granite anchor columns measuring 2"x2"x30" at three test sites described in Exhibit A and shown on Exhibit B as follows: Site 1: 188 columns, to include five columns to be removed after

one year to test pull forces required to remove such columns; Site 2: 12 columns; Site 3: 12 columns.

2. Lessee shall monitor the Project for the first three years after initial anchor column installation using a four-month monitoring schedule, and will submit monitoring reports to Lessor within 45 days of each monitoring event.
3. Lessee shall not conduct any water-jetting activities or place any anchor columns within active eelgrass beds.
4. Any vehicles, equipment, or machinery to be used on the Lease Premises are limited to those which are directly required to perform the authorized use and shall not include any vehicles, equipment, or machinery that may cause damage to the Lease Premises or lands subject to Lessor's jurisdiction.
5. All vehicles, equipment, machinery, tools or other property taken onto or placed within the Lease Premises or lands subject to Lessor's jurisdiction shall remain the property of the Lessee and/or its authorized contractors (collectively, Lessee). Such property shall be promptly and properly removed by Lessee, at its sole risk and expense.
6. Lessor does not accept any responsibility for any damages to any property, including any vehicles, equipment, machinery, or tools within the Lease Premises or lands subject to Lessor's jurisdiction.
7. No vehicle or equipment refueling, maintenance, or repairs will be permitted within the Lease Premises or lands subject to Lessor's jurisdiction.
8. All waste material and debris created by Lessee, including all high-density polyethylene descender devices ("whirligigs") employed during anchor column placement, and any columns that become dislodged shall be entirely removed from the Lease Premises and lands subject to Lessor's jurisdiction.
9. Lessee agrees that printed material, such as handouts and signs or other types of printed notices installed to provide notification of the public use and benefit of the project as set forth herein shall contain and reasonably display a statement acknowledging the California State Lands Commission as having contributed lands for the project. The statement may read as follows: "Land required for the BEACON Kelp Demonstration Project was contributed by the California State Lands Commission."
10. Lessee agrees to submit no later than one (1) year prior to the expiration of this Lease either: (a) an application and minimum expense deposit for a new lease for the continued use of the Lease Premises and/or additional impact and use areas for an expanded project, or (b) a plan for the restoration of the Lease Premises to be completed prior to the expiration of the lease term, pursuant to Paragraph 12 of Section 3, General Provisions, of this Lease. Failure to submit the application and minimum expense deposit or the restoration plan shall be deemed a default of the Lease under Paragraph 11(b) of Section 3, General Provisions, of this Lease.
11. Lessee acknowledges and agrees:
 - a. The sites may be subject to hazards from natural geophysical phenomena including, but not

- limited to, waves, storm waves, tsunamis, earthquakes, flooding, erosion, or sea level rise.
- b. To assume the risks of injury and damage to Lessee, its agents, employees, contractors, permittees, invitees and guests and the Leased Lands from such hazards in connection with the development and use of the Leased Lands subject to any Coastal Development Permit.
 - c. To unconditionally waive any claim or damage or liability against the State of California, its agencies, officers, agents, and employees for injury and/or damage from such hazards to Lessee, its agents, employees, contractors, permittees, invitees and guests.
 - d. To indemnify, hold harmless and, at the option of Lessor, defend the State of California, its agencies, officers, agents, and employees, against and for any and all liability, claims, demands, damages, injuries, or costs of any kind and from any cause (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any alleged or actual injury, damage or claim due to site hazards or connected in any way with respect to the approval of any Coastal Development Permit involving the Leased Lands, except for any such liability, claims, damage or injury solely caused by the negligence of Lessor, its officers, agents and employees.

In the event of any conflict between the provisions of Section 2 and Section 3 of this Lease, the provisions of Section 2 shall prevail.

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GENERAL PROVISIONS

1. GENERAL

These provisions are applicable to all leases, permits, rights-of-way, easements, or licenses or other interests in real property conveyed by the State Lands Commission.

2. CONSIDERATION

(a) Categories

(1) Rental

Lessee shall pay the annual rental as stated in this Lease to Lessor without deduction, delay, or offset, on or before the beginning date of this Lease and on or before each anniversary of its beginning date during each year of the Lease term.

(2) Non-Monetary Consideration

If the consideration to Lessor for this Lease is the public use, benefit, health, or safety, Lessor shall have the right to review such consideration at any time and set a monetary rental if the State Lands Commission, at its sole discretion, determines that such action is in the best interest of the State.

(b) Modification

Lessor may modify the method, amount, or rate of consideration effective on each fifth anniversary of the beginning date of this Lease. Should Lessor fail to exercise such right effective on any fifth anniversary it may do so effective on any one (1) of the next four (4) anniversaries following such fifth anniversary, without prejudice to its right to effect such modification on the next or any succeeding fifth anniversary. No such modification shall become effective unless Lessee is given at least thirty (30) days notice prior to the effective date.

(c) Penalty and Interest

Any installments of rental accruing under this Lease not paid when due shall be subject to a penalty and shall bear interest as specified in Public Resources Code Section 6224 and the Lessor's then existing administrative regulations governing penalty and interest.

3. BOUNDARIES

This Lease is not intended to establish the State's boundaries and is made without prejudice to either party regarding any boundary claims which may be asserted presently or in the future.

4. LAND USE

(a) General

Lessee shall use the Lease Premises only for the purpose or purposes stated in this Lease and only for the operation and maintenance of the improvements expressly authorized in this Lease. Lessee shall commence use of the Lease Premises within ninety (90) days of the beginning date of this Lease or within ninety (90) days of the date set for construction to commence as set forth in this Lease, whichever is later. Lessee shall notify Lessor within ten (10) days after commencing the construction of authorized improvements

and within sixty (60) days after completing them. Lessee's discontinuance of such use for a period of ninety (90) days shall be conclusively presumed to be an abandonment.

(b) Continuous Use

Lessee's use of the Lease Premises shall be continuous from commencement of the Lease until its expiration.

(c) Repairs and Maintenance

Lessee shall, at its own expense, keep and maintain the Lease Premises and all improvements in good order and repair and in safe condition. Lessor shall have no obligation for such repair and maintenance.

(d) Additions, Alterations, and Removal

(1) Additions - No improvements other than those expressly authorized in this Lease shall be constructed by the Lessee on the Lease Premises without the prior written consent of Lessor.

(2) Alteration or Removal - Except as provided under this Lease, no alteration or removal of improvements on or natural features of the Lease Premises shall be undertaken without the prior written consent of Lessor.

(e) Conservation

Lessee shall practice conservation of water, energy, and other natural resources and shall prevent pollution and harm to the environment. Lessee shall not violate any law or regulation whose purpose is to conserve resources or to protect the environment. Violation of this section shall constitute grounds for termination of the Lease. Lessor, by its executive officer, shall notify Lessee, when in his or her opinion, Lessee has violated the provisions of this section and Lessee shall respond and discontinue the conduct or remedy the condition within 30 days.

(f) Toxics

Lessee shall not manufacture or generate hazardous wastes on the Lease Premises unless specifically authorized under other terms of this Lease. Lessee shall be fully responsible for any hazardous wastes, substances, or materials as defined under federal, State, or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported on the Lease Premises during the Lease term and shall comply with and be bound by all applicable provisions of such federal, State, or local law, regulation or ordinance dealing with such wastes, substances, or materials. Lessee shall notify Lessor and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances, or materials.

(g) Enjoyment

Subject to the provisions of paragraph 5 (a) (2) below, nothing in this Lease shall preclude Lessee from excluding persons from the Lease Premises when their presence or activity constitutes a material interference with Lessee's use

and enjoyment of the Lease Premises as provided under this Lease.

(h) **Discrimination**

Lessee in its use of the Lease Premises shall not discriminate against any person or class of persons on the basis of race, color, creed, religion, national origin, sex, age, or handicap.

(i) **Residential Use**

No portion of the Lease Premises shall be used as a location for a residence or for the purpose of mooring a structure which is used as a residence. For purposes of this Lease, a residence or floating residence includes but is not limited to boats, barges, houseboats, trailers, cabins, or combinations of such facilities or other such structures which provide overnight accommodations to the Lessee or others.

5. **RESERVATIONS, ENCUMBRANCES, AND RIGHTS-OF-WAY**

(a) **Reservations**

- (1) Lessor expressly reserves all natural resources in or on the Lease Premises, including but not limited to timber and minerals as defined under Public Resources Code Sections 6401 and 6407, as well as the right to grant leases in and over the Lease Premises for the extraction of such natural resources; however, such leasing shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.
- (2) Lessor expressly reserves a right to go on the Lease Premises and all improvements for any purposes associated with this Lease or for carrying out any function required by law, or the rules, regulations, or management policies of the State Lands Commission. Lessor shall have a right of reasonable access to the Lease Premises across Lessee owned or occupied lands adjacent to the Lease Premises for any purpose associated with this Lease.
- (3) Lessor expressly reserves to the public an easement for convenient access across the Lease Premises to other State-owned lands located near or adjacent to the Lease Premises and a right of reasonable passage across and along any right-of-way granted by this Lease; however, such easement or right-of-way shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.
- (4) Lessor expressly reserves the right to lease, convey, or encumber the Lease Premises, in whole or in part, during the Lease term for any purpose not inconsistent or incompatible with the rights or privileges of Lessee under this Lease.

(b) **Encumbrances**

This Lease may be subject to pre-existing contracts, leases, licenses, easements, encumbrances, and claims and is made without warranty by Lessor of title, condition, or fitness of the land for the stated or intended purpose.

6. **RULES, REGULATIONS, AND TAXES**

- (a) Lessee shall comply with and be bound by all presently existing or subsequently enacted rules, regulations, statutes or ordinances of the State Lands Commission or any other governmental agency or entity having lawful authority and jurisdiction.
- (b) Lessee understands and agrees that a necessary condition for the granting and continued existence of this Lease is that Lessee obtains and maintains all permits or other entitlements.
- (c) Lessee accepts responsibility for and agrees to pay any and all possessory interest taxes, assessments, user fees or service charges imposed on or associated with the leasehold interest, improvements or the Lease Premises, and such payment shall not reduce rental due Lessor under this Lease and Lessor shall have no liability for such payment.

7. **INDEMNITY**

- (a) Lessor shall not be liable and Lessee shall indemnify, hold harmless, and, at the option of Lessor, defend Lessor, its officers, agents, and employees against and for any and all liability, claims, damages or injuries of any kind and from any cause, arising out of or connected in any way with the issuance, enjoyment or breach of this Lease or Lessee's use of the Lease Premises except for any such liability, claims, damage or injury solely caused by the negligence of Lessor, its officers, agents and employees.
- (b) Lessee shall notify Lessor immediately in case of any accident, injury, or casualty on the Lease Premises.

8. **INSURANCE**

- (a) Lessee shall obtain and maintain in full force and effect during the term of this Lease comprehensive general liability insurance and property damage insurance, with such coverage and limits as may be reasonably requested by Lessor from time to time, but in no event for less than the sum(s) specified, insuring Lessee and Lessor against any and all claims or liability arising out of the ownership, use, occupancy, condition, or maintenance of the Lease Premises and all improvements.
- (b) The insurance policy or policies shall name the State of California, its officers, employees and volunteers as insureds as to the Lease Premises and shall identify the Lease by its assigned number. Lessee shall provide Lessor with a certificate of such insurance and shall keep such certificate current. The policy (or endorsement) must provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to Lessor. Lessor will not be responsible for any premiums or other assessments on the

policy. The coverage provided by the insured (Lessee) shall be primary and non-contributing.

(c) The insurance coverage specified in this Lease shall be in effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved, by Lessor, or restored by Lessee as provided elsewhere in this Lease.

9. SURETY BOND

(a) Lessee shall provide a surety bond or other security device acceptable to Lessor, for the specified amount, and naming the State of California as the assured, to guarantee to Lessor the faithful observance and performance by Lessee of all of the terms, covenants, and conditions of this Lease.

(b) Lessor may require an increase in the amount of the surety bond or other security device to cover any additionally authorized improvements, alterations or purposes and any modification of consideration.

(c) The surety bond or other security device shall be maintained in full force and effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved, by Lessor, or restored by Lessee as provided elsewhere in this Lease.

10. ASSIGNMENT, ENCUMBRANCING OR SUBLETTING

(a) Lessee shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Lease Premises, in whole or in part, or allow any person other than the Lessee's employees, agents, servants and invitees to occupy or use all or any portion of the Lease Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

(b) The following shall be deemed to be an assignment or transfer within the meaning of this Lease:

(1) If Lessee is a corporation, any dissolution, merger, consolidation or other reorganization of Lessee or sale or other transfer of a percentage of capital stock of Lessee which results in a change of controlling persons, or the sale or other transfer of substantially all the assets of Lessee;

(2) If Lessee is a partnership, a transfer of any interest of a general partner, a withdrawal of any general partner from the partnership, or the dissolution of the partnership.

(c) If this Lease is for sovereign lands, it shall be appurtenant to adjoining littoral or riparian land and Lessee shall not transfer or assign its ownership interest or use rights in such adjoining lands separately from the leasehold rights granted herein without the prior written consent of Lessor.

(d) If Lessee desires to assign, sublet, encumber or otherwise transfer all or any portion of the Lease Premises, Lessee shall do all of the following:

(1) Give prior written notice to Lessor;

(2) Provide the name and complete business organization and operational structure of the proposed assignee, sublessee, secured third party, or other transferee; and the nature of the use of and interest in the Lease Premises proposed by the assignee, sublessee, secured third party or other transferee. If the proposed assignee, sublessee, or secured third party is a general or limited partnership, or a joint venture, provide a copy of the partnership agreement or joint venture agreement, as applicable;

(3) Provide the terms and conditions of the proposed assignment, sublease, or encumbrance or other transfer;

(4) Provide audited financial statements for the two most recently completed fiscal years of the proposed assignee, sublessee, secured party or other transferee; and provide pro forma financial statements showing the projected income, expense and financial condition resulting from use of the Lease Premises; and

(5) Provide such additional or supplemental information as Lessor may reasonably request concerning the proposed assignee, sublessee, secured party or other transferee.

Lessor will evaluate proposed assignees, sublessees, secured third parties and other transferees and grant approval or disapproval according to standards of commercial reasonableness considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors.

(e) Lessor shall have a reasonable period of time from the receipt of all documents and other information required under this provision to grant or deny its approval of the proposed party.

(f) Lessee's mortgage or hypothecation of this Lease, if approved by Lessor, shall be subject to terms and conditions found in a separately drafted standard form (Agreement and Consent to Encumbrancing of Lease) available from Lessor upon request.

(g) Upon the express written assumption of all obligations and duties under this Lease by an assignee approved by Lessor, the Lessee may be released from all liability under this Lease arising after the effective date of assignment and not associated with Lessee's use, possession or occupation of

or activities on the Lease Premises; except as to any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises.

(h) If the Lessee files a petition or an order for relief is entered against Lessee, under Chapters 7,9,11 or 13 of the Bankruptcy Code (11 USC Sect. 101, et seq.) then the trustee or debtor-in-possession must elect to assume or reject this Lease within sixty (60) days after filing of the petition or appointment of the trustee, or the Lease shall be deemed to have been rejected, and Lessor shall be entitled to immediate possession of the Lease Premises. No assumption or assignment of this Lease shall be effective unless it is in writing and unless the trustee or debtor-in-possession has cured all defaults under this Lease (monetary and non-monetary) or has provided Lessor with adequate assurances (1) that within ten (10) days from the date of such assumption or assignment, all monetary defaults under this Lease will be cured; and (2) that within thirty (30) days from the date of such assumption, all non-monetary defaults under this Lease will be cured; and (3) that all provisions of this Lease will be satisfactorily performed in the future.

11. DEFAULT AND REMEDIES

(a) Default

The occurrence of any one or more of the following events shall immediately and without further notice constitute a default or breach of the Lease by Lessee:

- (1) Lessee's failure to make any payment of rental, royalty, or other consideration as required under this Lease;
- (2) Lessee's failure to obtain or maintain liability insurance or a surety bond or other security device as required under this Lease;
- (3) Lessee's vacation or abandonment of the Lease Premises (including the covenant for continuous use as provided for in paragraph 4) during the Lease term;
- (4) Lessee's failure to obtain and maintain all necessary governmental permits or other entitlements;
- (5) Lessee's failure to comply with all applicable provisions of federal, state or local law, regulation or ordinance dealing with hazardous waste, substances or materials as defined under such law;
- (6) Lessee's Failure to commence to construct and to complete construction of the improvements authorized by this Lease within the time limits specified in this Lease; and/or

- (7) Lessee's failure to comply with applicable provisions of federal, State or local laws or ordinances relating to issues of Health and Safety, or whose purpose is to conserve resources or to protect the environment.

(b) Lessee's failure to observe or perform any other term, covenant, or condition of this Lease to be observed or performed by the Lessee when such failure shall continue for a period of thirty (30) days after Lessor's giving written notice; however, if the nature of Lessee's default or breach under this paragraph is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default or breach if Lessee commences such cure within such thirty (30) day period and diligently proceeds with such cure to completion.

(c) Remedies

In the event of a default or breach by Lessee and Lessee's failure to cure such default or breach, Lessor may at any time and with or without notice do any one or more of the following:

- (1) Re-enter the Lease Premises, remove all persons and property, and repossess and enjoy such premises;
- (2) Terminate this Lease and Lessee's right of possession of the Lease Premises. Such termination shall be effective upon Lessor's giving written notice and upon receipt of such notice, Lessee shall immediately surrender possession of the Lease Premises to Lessor;
- (3) Maintain this Lease in full force and effect and recover any rental, royalty, or other consideration as it becomes due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Lease Premises; and/or
- (4) Exercise any other right or remedy which Lessor may have at law or equity.

12. RESTORATION OF LEASE PREMISES

(a) Upon expiration or sooner termination of this Lease, Lessor upon written notice may take title to any or all improvements, including fills, or Lessor may require Lessee to remove all or any such improvements at its sole expense and risk; or Lessor may itself remove or have removed all or any portion of such improvements at Lessee's sole expense. Lessee shall deliver to Lessor such documentation as may be necessary to convey title to such improvements to Lessor free and clear of any liens, mortgages, loans or any other encumbrances.

(b) In removing any such improvements Lessee shall restore the Lease Premises as nearly as possible to the conditions existing prior to their installation or construction.

STATE OF CALIFORNIA - STATE LANDS COMMISSION

LEASE NO. _____

This Lease shall become effective only when approved by and executed on behalf of the State Lands Commission of the State of California and a duly executed copy has been delivered to Lessee. The submission of this Lease by Lessor, its agent or representative for examination by Lessee does not constitute an option or offer to lease the Lease Premises upon the terms and conditions contained herein, or a reservation of the Lease Premises in favor of Lessee. Lessee's submission of an executed copy of this Lease to Lessor shall constitute an offer to Lessor to lease the Lease Premises on the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date hereafter affixed.

LESSEE:

**BEACH EROSION AUTHORITY FOR
CLEAN OCEANS AND NOURISHMENT
(BEACON)**

LESSOR:

**STATE OF CALIFORNIA
STATE LANDS COMMISSION**

By: _____
Title: _____
Date: _____

ACKNOWLEDGEMENT

This Lease was authorized by the
California State Lands Commission on

(Month Day Year)

EXHIBIT A

W 26619

LAND DESCRIPTION

Three parcels of submerged land in the Pacific Ocean between the westerly side of the Goleta Pier and Goleta Point, said Goleta Point shown in the Recorded Map of the Kelp Beds in Miscellaneous Maps Book 41, Page 85 in the Office of the County Surveyor, County of Santa Barbara, State of California, more particularly described as follows:

PARCEL ONE (Test Site One)

COMMENCING at Control Monument Number 2000, as shown on that certain map filed in Book 170 of Records of Surveys at Page 47, Santa Barbara County Records, and having CCS83, Zone 5 coordinates: Northing (y) = 1981389.34 feet and Easting (x) = 6003200.13 feet; said monument bears S49°07'53"W from Control Monument Number 2002, shown on said map, having CCS83, Zone 5 coordinates: Northing (y) = 1984717.43 feet and Easting (x) = 6007046.44 feet; thence from said point of commencement, S 40°35'12" E 9,010.06 feet to the POINT OF BEGINNING; thence from said point of beginning the following twelve (12) courses:

- 1) N 01°02'39" E 620.00 feet,
- 2) N 88°57'21" W 100.00 feet,
- 3) N 01°02'39" E 220.00 feet,
- 4) S 88°57'21" E 100.00 feet,
- 5) N 01°02'39" E 620.00 feet,
- 6) S 88°57'21" E 20.00 feet,
- 7) S 01°02'39" W 620.00 feet,
- 8) S 88°57'21" E 100.00 feet,
- 9) S 01°02'39" W 220.00 feet,
- 10) N 88°57'21" W 100.00 feet,
- 11) S 01°02'39" W 620.00 feet, and
- 12) N 88°57'21" W 20.00 feet to the point of beginning.

Described parcel containing 1.68 acres more or less.

PARCEL TWO (Test Site Two)

A 10 foot wide strip of land, the center line of said strip more particularly described as follows:

COMMENCING at Control Monument Number 2000, as shown on that certain map filed in Book 170 of Records of Surveys at Page 47, Santa Barbara County Records, and having CCS83, Zone 5 coordinates: Northing (y) = 1981389.34 feet and Easting (x) = 6003200.13 feet; said monument bears S49°07'53"W from Control Monument

Number 2002, shown on said map, having CCS83, Zone 5 coordinates: Northing (y) = 1984717.43 feet and Easting (x) = 6007046.44 feet; thence from said point of commencement, S28°28'29"E 7699.60 feet to the POINT OF BEGINNING; thence from said point of beginning, N01°02'54"E 240.00 feet to the terminus of said 10 foot wide strip in the Pacific Ocean, from which control monument Number 2002 bears N00°59'38"E.

The sidelines of said 10 foot wide strip shall be lengthened or shortened so as to terminate at lines perpendicular to the beginning and terminus of said centerline.

Described parcel containing 0.06 acres more or less.

PARCEL THREE (Test Site Three)

A 10 foot wide strip of land, the center line of said strip more particularly described as follows:

COMMENCING at Control Monument Number 2000, as shown on that certain map filed in Book 170 of Records of Surveys at Page 47, Santa Barbara County Records, and having CCS83, Zone 5 coordinates: Northing (y) = 1981389.34 feet and Easting (x) = 6003200.13 feet; said monument bears S49°07'53"W from Control Monument Number 2002, shown on said map, having CCS83, Zone 5 coordinates: Northing (y) = 1984717.43 feet and Easting (x) = 6007046.44 feet; thence from said point of commencement, S23°01'21"E 7835.66 feet to the POINT OF BEGINNING; thence from said point of beginning, N01°02'58"E 240.00 feet to the terminus of said 10 foot wide strip in the Pacific Ocean, from which control monument Number 2002 bears N04°19'00"E.

The sidelines of said 10 foot wide strip shall be lengthened or shortened so as to terminate at lines perpendicular to the beginning and terminus of said centerline.

Described parcel containing 0.06 acres more or less.

Bearings are based on the California Coordinate System of 1983, Zone 5 (1991.35). All distances are grid distances.

END OF DESCRIPTION



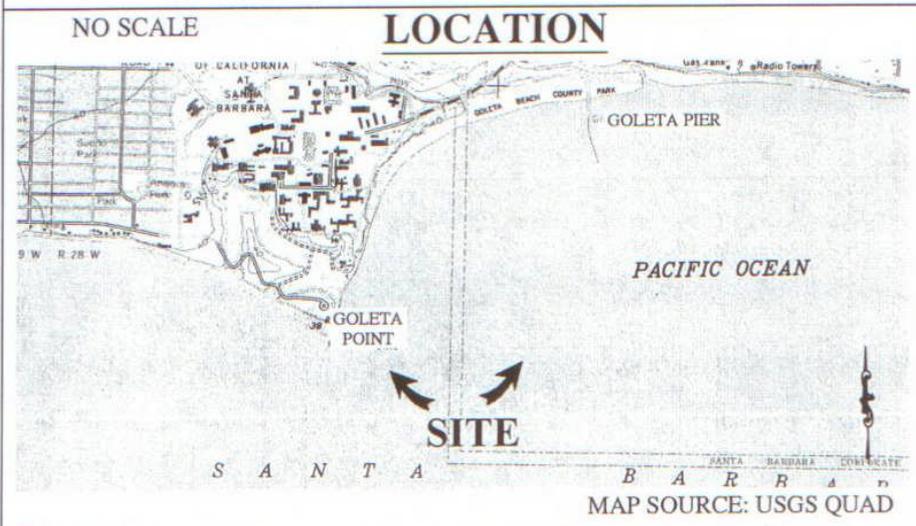
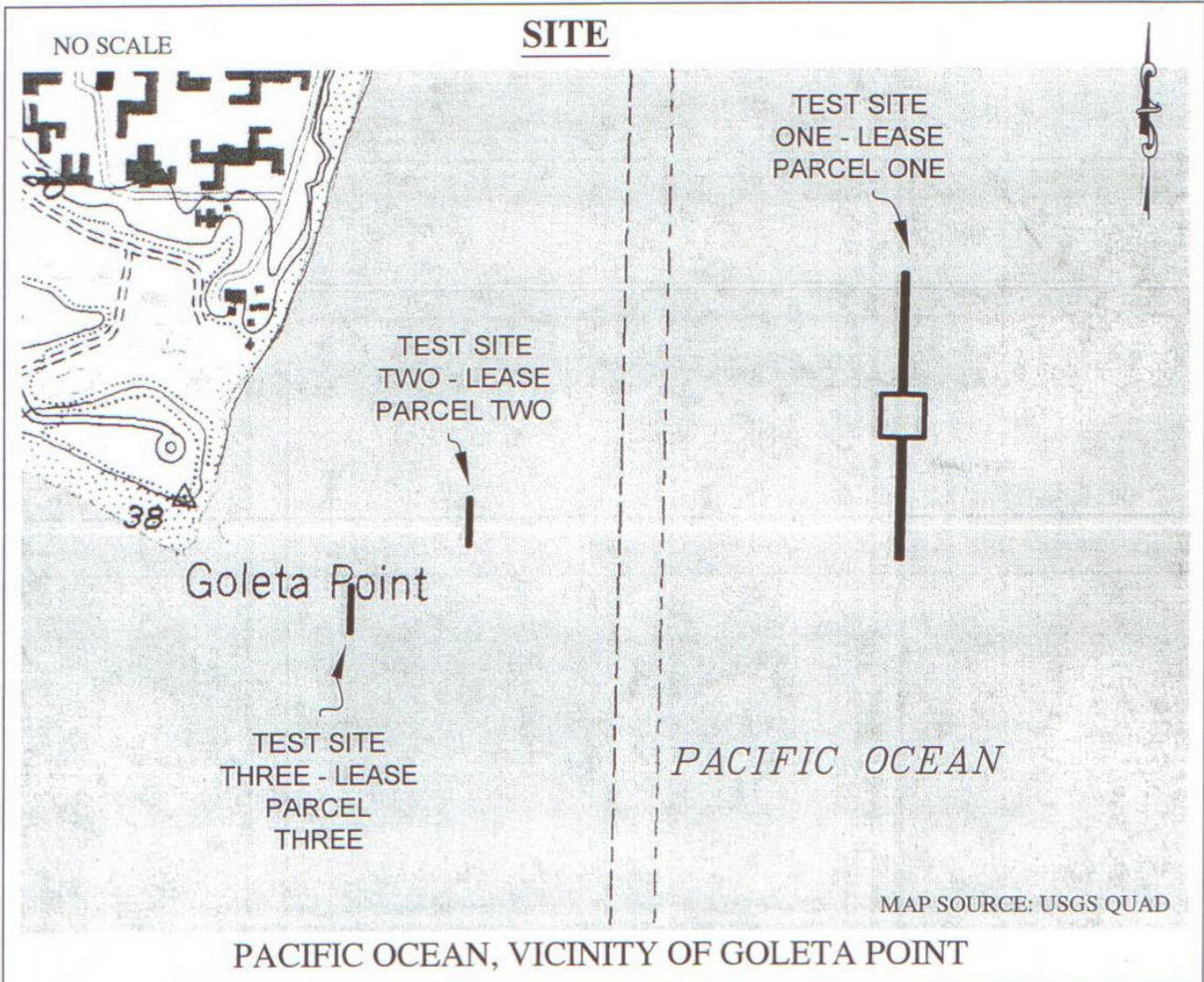


Exhibit B

W 26619
 BEACON KELP
 DEMONSTRATION PROJECT
 GENERAL LEASE - PUBLIC
 AGENCY USE
 SANTA BARBARA COUNTY

SITE

JWP 11/14/12

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties 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.