

**BOARD OF DIRECTORS OF THE  
BROAD BEACH GEOLOGIC HAZARD ABATEMENT DISTRICT**

Adopted this Resolution on December 12, 2021 by the following vote:

**AYES:** *Karno, Grossman, Needleman, Kuba*

**NOES:** *1.*

**ABSENT:** *Merine*

**ABSTAIN:** *1.*

**RESOLUTION NO. 2021/05**

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**RESOLUTION RATIFYING AND APPROVING AMENDED LEASE WITH STATE  
LANDS COMMISSION**

**WHEREAS**, on September 12, 2011, the Malibu City Council adopted Resolution No. 11-41, approving and ordering the formation of the Broad Beach Geologic Hazard Abatement District ("BBGHAD"), as a distinct and separate legal entity from the City and appointing an initial five-member Board of Directors ("BBGHAD Board");

**WHEREAS**, the BBGHAD is a political subdivision of the state of California, governed by state law (Pub. Res. Code §§ 26500 *et seq.*), and constitutes a legal entity separate and distinct from the City of Malibu with operations independent of City functions; and

**WHEREAS**, the BBGHAD has enacted a Plan of Control and Engineer's Report, and the property owners of the BBGHAD have approved an assessment, to permit, construct, and maintain a beach nourishment and dune restoration project at Broad Beach ("Project");

**WHEREAS**, a portion of the rock revetment within the BBGHAD was inadvertently constructed on public land owned by the state of California and such inadvertence will be significantly or completely corrected through a future planned relocation of a portion of the rock revetment in accordance with the Project's Coastal Development Permit issued by the California Coastal Commission ("CCC");

**WHEREAS**, California law holds that man-made accreted lands within the state of California are owned by the state of California (through the State Lands Commission ("SLC") and the Project contemplates creating accreted lands;

**WHEREAS**, at its January 2017 meeting and through Resolution No. 2017/01, the BBGHAD Board of Directors, among other things, ratified and approved the BBGHAD's lease with the SLC ("the Lease") and authorized Project Counsel to sign the Lease on the BBGHAD's behalf;

**WHEREAS**, in November 2019, the BBGHAD subsequently sought, and the SLC approved, an Amended and Restated Lease ("Amended Lease"), which, among other

provisions, creates an up to two-year extension of the BBGHAD's rent-free "grace" period in exchange for BBGHAD payments to the SLC of \$50,000 per year; and

WHEREAS, on or about December 8, 2021, the SLC approved another Lease Amendment ("2021 Lease Amendment") which, among other provisions, grants the BBGHAD, at the BBGHAD's discretion, up to three (3) additional years of "grace periods" in exchange for escalating monetary payments as provided in the 2021 Lease Amendment. A true and correct copy of the 2021 Lease Amendment is attached as Exhibit "A".

**THE BBGHAD BOARD OF DIRECTORS HEREBY RESOLVES THAT:**

1. The 2021 Lease Amendment is hereby ratified and approved.
2. Project Counsel is authorized to sign the 2021 Lease Amendment on the BBGHAD's behalf. To the extent that Project Counsel already signed the SLC Lease, such execution is ratified.
3. This Resolution shall become effective immediately upon its passage and adoption.

DATED: December 12, 2021

  
\_\_\_\_\_  
NORTON KARNO, Chair

I, Heike Fuchs, Clerk of the Broad Beach Geologic Hazard Abatement District, certify that the foregoing resolution was duly adopted by the Board of Directors of the District at a regular meeting held on the 12th day of December 2021 by the following vote:

AYES: *Karno, Grossman, Madhavan, Subo*

NOES: *-1-*

ABSENT: *Marice*

ABSTAIN: *-1-*

  
\_\_\_\_\_  
Clerk of the BBGHAD Board

# EXHIBIT "A"

RECORDED AT THE REQUEST OF  
AND WHEN RECORDED MAIL TO:  
STATE OF 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: Los Angeles

**STATE OF CALIFORNIA**  
**STATE LANDS COMMISSION**  
**AMENDMENT OF LEASE NO. PRC 9364.1**

**WHEREAS**, the State of California, acting through the State Lands Commission, hereinafter called Lessor, and, the Broad Beach Geologic Hazard Abatement District hereinafter called the Lessee, have heretofore entered into an agreement designated as Lease No. PRC 9364.1 (Lease), authorized by the State Lands Commission on August 9, 2016 and executed by the State Lands Commission on March 1, 2021, whereby Lessor granted to Lessee a General Lease – Beach Replenishment and Protective Structure Use covering certain State lands situated in Los Angeles County; and

**WHEREAS**, Section 3, Paragraph 16(e) provides that the Lease may be terminated and its terms, covenants and conditions amended, revised or supplemented only by mutual written agreement of the Lessor and the Lessee (hereinafter referred to as the Parties); and

**WHEREAS**, on December 6, 2019, the Commission authorized an amendment and restatement of lease to allow the Lessee the option to extend the grace period described in Section 2, Paragraph 1 (B) for no more than two periods of 1 year each beginning January 1, 2020, provided that the Lessee submitted a \$50,000 option payment (Extension Payment) for each year the grace period is extended; and

**WHEREAS**, by reason of the foregoing, it is now the desire of the Parties to amend the Lease.

**NOW THEREFORE**, the Parties hereto agree as follows:

Amend Section 2, Special Provisions (Restated Lease, Section 2, Paragraph 22) to include the following:

- Lessee has the further option to extend the grace period and to forestall the requirement of retroactive payment of rent, described in Section 2, Paragraph 22, for no more than three periods of

one year each beginning January 1, 2022, provided Lessee submits the option payments (an Extension Payment) for each year the grace period is extended, as follows:

- Lessee may extend the grace period from January 1, 2022, through December 31, 2022, by submitting an Extension Payment of \$100,000 to Lessor's staff on or before December 31, 2021. This first 1-year extension is effective upon receipt and verification of Lessee's Extension Payment by Lessor's staff.
- Provided Lessee exercises its option to extend the grace period through December 31, 2022, Lessee may subsequently exercise its option to extend the grace period from January 1, 2023, through December 31, 2023, by submitting to Lessor's staff written notice of Lessee's intent to extend the grace period along with an Extension Payment of \$200,000 on or before December 31, 2022. This subsequent extension is effective upon receipt and verification of Lessee's Extension Payment by Lessor's staff.
- Provided Lessee exercises its option to extend the grace period through December 31, 2023, Lessee may subsequently exercise its option to extend the grace period from January 1, 2024, through December 31, 2024, by submitting to Lessor's staff written notice of Lessee's intent to extend the grace period along with an Extension Payment of \$329,160 on or before December 31, 2023. This subsequent extension is effective upon receipt and verification of Lessee's Extension Payment by Lessor's staff.
- Exercise of the three grace period extensions is Lessee's sole responsibility. No invoice or other notice will be provided by Lessor.
- Should Lessee elect to exercise its grace period extension options, the deadline date for revetment relocation shown in Lease Section 2, Paragraph 4 will coincide with the new grace period ending date.
- An Extension Payment will not be credited toward any other obligation of the Lessee, with the one exception. The Lessor will credit an Extension Payment made under this paragraph toward retroactive rent if retroactive rent is required by Section 2, Paragraph 1(b)(iii). Crediting of any Extension Payments made under this paragraph towards retroactive rent does not modify or limit Lessor's ability to modify the rent as otherwise contemplated in the Lease, including application of a CPI adjustment.

The effective date of this Amendment to the Lease shall be, December 8, 2021.

This Amendment is a portion of Lease No. PRC 9364.1, with a beginning date of August 9, 2016, consisting of four (4) sections with a total of (67) pages.

All other terms and conditions of the Lease shall remain in full force and effect.

This Amendment will become binding on the Lessor only when duly executed on behalf of the State Lands Commission of the State of California.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the dates hereafter affixed.

LESSEE: BROAD BEACH  
GEOLOGIC HAZARD ABATEMENT  
DISTRICT

STATE OF CALIFORNIA  
STATE LANDS COMMISSION

By: \_\_\_\_\_

By: \_\_\_\_\_  
Robert Brian Bugsch

Title: \_\_\_\_\_

Title: \_\_\_\_\_  
Chief, Land Management Division

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ACKNOWLEDGMENT**

Execution of this document was authorized by  
the California State Lands Commission on  
December 8, 2021.