Report to the California State Legislature on the Status of School Land Consolidation Efforts in the California Desert

Introduction and Purpose

In September 2011, the Executive Officer of the California State Lands Commission (Commission), with authority from the Commission, executed a memorandum of understanding with the four agencies comprising the Renewable Energy Action Team (REAT) expressing the agencies’ intent to coordinate and cooperate on development of the Desert Renewable Energy Conservation Plan (DRECP or Plan) in the Mojave and Colorado Desert regions of the State. The goal of the DRECP is to provide for effective protection and conservation of desert ecosystems while allowing for the appropriate development of renewable energy projects. In addition to the REAT agencies and the Commission, the planning process involves several other state and federal agencies, including the California Public Utilities Commission, California Department of Parks and Recreation, National Parks Service, and the Department of Defense, as well as interested stakeholders including cities, counties, tribal interests, industry and utilities, and non-governmental environmental organizations.

Assembly Bill 982 (Skinner), enacted as Chapter 2 of the School Land Bank Act, Land Exchanges for Renewable Energy-Related Projects (Chapter 485, Statutes of 2011 and codified in California Public Resources Code §§ 8720-8723), builds on this ongoing cooperative relationship. Pursuant to the requirements of Chapter 485, Commission staff is submitting this report on its school land consolidation efforts in the California desert, including the status of the memorandum of agreement (MOA) between the Commission and the United States Department of the Interior, Bureau of Land Management (BLM) described in subdivision (a) of section 8722.

Background

School lands were granted to the State of California by the federal government in 1853 and consisted of the 16th and 36th sections of land in each township. A supplementary act in 1927 extended the grant of mineral lands to the State. Today, the Commission manages approximately 468,000 acres of school lands held in fee ownership by the State, and the reserved mineral interests on approximately 790,000 acres of school lands where the surface estate has been sold.

School lands were placed into a statutory trust in 1984 when the State Legislature approved the School Land Bank Act, creating the School Land Bank Fund and designating the Commission as trustee of the Fund. In enacting the School Land Bank Act, the Legislature directed the Commission to “take all action necessary to fully develop school

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1 The REAT was established pursuant to a memorandum of understanding among the California Energy Commission, the California Department of Fish and Wildlife, the U.S. Department of Interior Bureau of Land Management, and the U.S. Fish and Wildlife Service, dated November 17, 2008.
2 The “California desert” in this report means the California Desert Conservation Area as described in Section 1781 of Title 43 of the United States Code.
3 The School Land Bank Fund was created pursuant to section 8711 of the California Public Resources Code.
lands, indemnity interests, and attendant mineral interests into a permanent and productive resource base” to provide economic support of the public school system (California Public Resources Code § 8701). Today, all net revenue derived from the use of school lands (i.e., royalties, rents, and interest generated from promissory notes) must be deposited into the State Treasury to the credit of the Teachers’ Retirement Fund, which benefits the California State Teachers’ Retirement System.

The majority of the over 340,000 acres of school land under the jurisdiction of the Commission in the California desert are fragmented and isolated, and the size of the individual parcels is insufficient for development of renewable energy projects. In addition, significant portions of these parcels are located within national parks, preserves, monuments, and forests. Although these lands retain significant conservation value, their location and physical characteristics limit development potential.

Generally, the Commission’s objective in participating in the development of the DRECP is to ensure that DRECP goals for renewable energy and environmental protection are accomplished in a manner that is consistent with and advances the statutory responsibilities described above for management of school lands in the California desert area. Assembly Bill 982 supports this effort because it articulates the important role of land consolidation efforts in achieving a successful DRECP and improving revenue generation on school lands. Specific activities and accomplishments related to this objective and the provisions of Assembly Bill 982 are described below.

Memorandum of Agreement

The new provisions of the School Land Bank Act (via Assembly Bill 982) direct the Commission to consolidate school lands through exchanges with the Department of Interior, represented by the BLM, in the California desert area, which includes the DRECP Plan Area. Section 8722, subdivision (a) requires the Commission to enter into an MOA with the BLM by April 1, 2012, to facilitate and prioritize these exchanges such that the resulting contiguous school land holdings are suitable for large-scale renewable energy projects. Commission staff coordinated with BLM staff on the MOA to ensure the commitments made therein meet both agencies’ needs and policies, and the resultant MOA was signed by the Commission’s Executive Officer and the California Director of the BLM on May 21, 2012 (copy enclosed). The MOA formalizes the working relationship between the two agencies and provides a process for cooperation to prioritize, enter into, and complete one or more mutually beneficial land exchanges.

The MOA sets forth the objectives and commitments of the Commission and the BLM, including information sharing, minerals evaluation and appraisal, streamlining of the land exchange process, and commitments to prioritize completion of exchanges. As discussed below, through its participation in the DRECP development process, Commission staff is already engaged in discussions with the BLM, California Department of Fish and Wildlife (CDFW), and other state and federal agencies that will assist in developing a successful land exchange proposal.
Exchange Proposal

Assembly Bill 982 directed the Commission to prepare and submit, within 240 days from the execution of the MOA, “…a proposal for land exchanges that consolidate school land parcels in the California desert into contiguous holdings that are suitable for large-scale renewable energy-related projects.” (California Public Resources Code, § 8723, subdivision (a)) Consistent with this direction, Commission land management and environmental management and planning staffs have been working with BLM and DRECP staffs to identify parcels to include in an initial exchange.

On August 14, 2012, the California Director of the BLM provided a preliminary list of BLM-owned lands, totaling approximately 5,800 acres, for the Commission staff’s consideration and possible inclusion in the land exchange proposal. Generally, the offered BLM lands are located adjacent to or near existing school lands; one parcel has an existing BLM right-of-way (ROW) authorizing use of the lands for renewable energy purposes, and several others have pending applications for renewable energy ROWs. Commission staff is reviewing these offered lands for consistency with the School Land Bank Act’s statutory provisions and preliminary configuration of the DRECP development and conservation areas. Commission staff is also preparing a prioritized list of school land parcels to include in the exchange proposal, with an emphasis on the scattered inholdings located within federally protected areas, such as wilderness and national parks. The State parcels are also prioritized according to whether mineral resource evaluations have been conducted.

The Commission’s proposal will be submitted to the BLM on or before January 16, 2013, in order to meet the statutory requirement in Assembly Bill 982. However, it is expected, as memorialized in the MOA, that school land consolidation will involve multiple discrete land exchange agreements carried out over time as the DRECP is finalized and implemented, as a means of ensuring land consolidation is carried out in a manner that maximizes development potential.

DRECP Development and CDFW consultation

The DRECP Planning Area contains extensive school lands under the Commission’s jurisdiction, and the development of the DRECP will affect these lands and the potential to generate revenue benefiting the State Teachers’ Retirement System. Commission staff has been actively participating in the DRECP planning process to ensure the Commission’s interests and mandated school land development responsibilities are adequately represented in the Plan. As part of this effort, staffs from the Commission’s Land Management and Environmental Planning and Management Divisions participate on inter-agency committees and working groups to develop conservation actions, define development boundaries, ensure scientific integrity, and write and review draft material for consistency with the School Land Bank Act, the MOA, and other Commission policies and practices. Importantly, as required by Assembly Bill 982, participation on these groups provides Commission staff the opportunity to consult with CDFW staff to ensure land exchanges and subsequent development of school lands will be consistent with the proposed or adopted provisions of the Plan, either for their development potential or their
conservation value. The exchange proposal discussed above reflects these coordination efforts and can be refined and adjusted as the DRECP moves forward to ensure this provision is satisfied.

The Commission’s Mineral Resources Management Division staff has also provided expertise and guidance on the Commission’s authorities and constraints related to mineral resources, including geothermal resources, that may exist in the California desert to ensure the DRECP and the land exchanges proceed in a manner consistent with Commission jurisdiction and revenue responsibilities. Finally, Commission Geographic Information Systems (GIS) and Title staffs have been able to refine and improve the Commission’s mapping of school land parcels in coordination with GIS staffs from other participating agencies (see http://www.slc.ca.gov/GIS/GIS_Downloads.html). This improved mapping will not only benefit the School Land Bank generally, but will also assist in developing proposals for sale or exchange of parcels to consolidate school land ownership, consistent with the provisions of Assembly Bill 982.

Staff resources and accounting

Assembly Bill 982 allows the Commission to use School Land Bank Fund monies for costs and expenses attributable to the exchange process, and allows the Legislature to appropriate funds to reimburse the School Land Bank Fund from revenues derived from future project development. In addition, the 2012-13 Budget Act authorized six (6) additional staff positions to implement the provisions of Assembly Bill 982. These new positions will provide the Commission with the staff necessary to coordinate with the BLM, CDFW, and other agencies as appropriate to ensure the completion of land exchanges in compliance with the new sections of the School Land Bank Act. As of December 2012, expenditures from the School Land Bank Fund attributable to developing the exchange proposal and conducting the necessary coordination with CDFW are $224,591. Revenues resulting from leasing existing and consolidated school lands for purpose of renewable energy projects are expected to well exceed the initial costs to the School Land Bank Fund and would be deposited into the State Treasury to benefit the State Teachers’ Retirement Fund. Commission staff estimates that with successful completion of the DRECP in 2014, and depending on the duration of any additional permitting and environmental review processes, within 5 to 7 years revenues benefitting the State Teachers’ Retirement Fund could realize a significant increase.
MEMORANDUM OF AGREEMENT
RELATING TO LAND EXCHANGES TO CONSOLIDATE LAND PARCELS
BETWEEN THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF
LAND MANAGEMENT, AND THE CALIFORNIA STATE LANDS COMMISSION

INTRODUCTION

This Memorandum of Agreement ("MOA") is between the United States Department of the Interior ("DOI"), Bureau of Land Management ("BLM"), and the California State Lands Commission ("CSLC") (collectively referred to as "Parties", and each individually as a "Party"). The purpose of this MOA is to facilitate the exchange of selected California School Lands under the jurisdiction of the CSLC for selected federal lands under the jurisdiction of the DOI, BLM consistent with each Party’s land tenure objectives, including, but not limited to, consolidating lands held by the State of California into contiguous parcels suitable for developing renewable energy projects.

I. PARTIES

The following officials are executing this MOA as representatives of their respective agencies:

A. James G. Kenna, California State Director, Bureau of Land Management
B. Curtis L. Fossum, Executive Officer, California State Lands Commission

II. AUTHORITY

A. BLM’s authority to enter into this MOA is section 307b of the Federal Land Policy and Management Act of 1976 (FLPMA) (43 U.S.C. 1737). Exchanges contemplated in this MOA would be completed under the authority of section 206 of the FLPMA (43 U.S.C. 1716) and/or section 707(a) of the California Desert Protection Act of 1994 (16 U.S.C. 410aaa-77).
B. California State Lands Commission: Chapter 2 of Division 7.7 of the Public Resources Code.

III. DEFINITIONS

“School Lands” means lands, or interests in lands, granted to the state of California by an Act of Congress, March 3, 1853 (Ch. 145, 10 Stat. 244), for the specific purpose of providing support for the public schools, and acts related thereto.
IV. BACKGROUND

In 1994, Congress passed the California Desert Protection Act of 1994 (Public Law 103-433) (CDPA). The following sections of the CDPA direct the Secretary of the Interior to:

1. Section 702 (16 U.S.C. 410aaa-72): “In preparing land tenure adjustment decisions with the California Desert Conservation Area, of the Bureau of Land Management, the Secretary shall give priority to consolidating Federal ownership within the national park units and wilderness areas designated by this Act.”

2. Section 707(a) (16 U.S.C. 410aaa-77a): “Upon request of the California State Lands Commission the Secretary shall enter into negotiations for an agreement to exchange Federal lands or interests therein on the list referred to in subsection (b)(2) of this section for California State School lands or interests therein which are located within the boundaries of one or more of the wilderness areas or park system units designated by this Act. The Secretary shall negotiate in good faith to reach a land exchange agreement consistent with the requirements of section 206 of the Federal Land Policy and Management Act of 1976.”

The Governor of the State of California issued Executive Order S-14-08 (November 17, 2008), establishing a state policy goal of producing thirty-three percent of California’s electrical needs with renewable energy resources by 2020. In 2011, the California Legislature enacted and the Governor signed legislation (SBX2-Simitian, Chapter 1, Statutes of 2011) adopting the thirty-three percent by 2020 standard. A substantial number of renewable energy projects are required for California to meet this directive, as well as to achieve the state’s climate change goals of reducing greenhouse gases in the atmosphere.

The Secretary of the Interior’s Secretary’s Order 3285A1, amended February 22, 2010, establishes a policy encouraging the production, development and delivery of renewable energy as one of the Department’s highest priorities. The Secretary directed agencies and bureaus within the Department to work collaboratively with each other, and with other Federal agencies, departments, states, local communities, and private landowners to encourage the timely and reasonable development of renewable energy and associated transmission while protecting and enhancing the nation’s water, wildlife, and other natural resources. On January 27, 2012, the Secretary of the Interior and the Governor of the State of California entered into a Memorandum of Understanding which directs California agencies and Department of the Interior agencies to take the necessary actions to further the implementation of Assembly Bill 32 and SBX2 and the Secretary’s Order 3285A1 in a cooperative, collaborative, and timely manner.

Concurrent with the Governor’s Executive Order S-14-08, The California Department of Fish and Game (“CDFG”) and the California Energy Commission (“CEC”) created the Renewable
Energy Action Team ("REAT") through the "Memorandum of Understanding Between the California Energy Commission and the California Department of Fish and Game Regarding the Establishment of the Renewable Energy Action Team" (November 17, 2008). Additionally, CDFG, CEC, BLM, and the United States Fish and Wildlife Service ("USFWS") (collectively, "REAT Agencies") have committed to a cooperative relationship to achieve shared energy policy goals through the "Memorandum of Understanding Between the California Department of Fish and Game, the California Energy Commission, the Bureau of Land Management, and the U.S. Fish and Wildlife Service Regarding the Establishment of the California Renewable Energy Action Team (November 17, 2008). In signing the second Memorandum of Understanding, the state and federal agencies sought, among other things, to develop renewable energy projects in an environmentally responsible manner within the Mojave and Colorado Desert Regions, and to establish the Desert Renewable Energy Conservation Plan ("DRECP"). The DRECP is scheduled to be completed in 2013, and will guide renewable energy project siting in the DRECP Planning Area to ensure the optimum development of renewable energy resources while providing maximum protection of California’s environment.

The CSLC has management jurisdiction of approximately 322,000 acres of School Lands within the DRECP Planning Area; therefore, the CSLC’s extensive holdings in the DRECP Planning Area provide unique opportunities for the REAT Agencies to simplify land acquisitions for both renewable energy projects, as well as mitigation efforts. Recognizing that the renewable energy development and environmental protection goals of the REAT Agencies and the DRECP were compatible with, and furthered the management objectives of the CSLC for School Lands within the DRECP Planning Area, the CSLC signed a Memorandum of Understanding with the REAT Agencies in September 2011 (Memorandum of Understanding Between the California Department of Fish and Game, The California Energy Commission, The Bureau of Land Management, The U.S. Fish and Wildlife Service, and The California State Lands Commission Regarding Participation and Engagement in The California Renewable Energy Action Team and The Desert Renewable Energy Conservation Plan).

In October, 2011, the California Legislature enacted, and the Governor signed working legislation (Ch. 485 Statutes of 2011, AB 982-Skinner (commencing with Public Resources Code Section 8700)). This legislation directs the CSLC to engage in a cooperative effort with the DOI through the BLM to exchange fragmented School Lands with existing federal lands in the state of California to consolidate School Land parcels into contiguous holdings suitable for the development of renewable energy-related projects. The majority of the approximately 322,000 acres under the jurisdiction of the CSLC in the DRECP Planning Area are fragmented and isolated such that the size of the individual parcels is insufficient for development of renewable energy projects. In addition, a significant portion of these parcels are located within national parks, preserves, monuments, and forests. Although such lands retain significant conservation value, their location limits development potential.
V. PURPOSE AND AGENCY OBJECTIVES

The purposes of this MOA are to:
1. Describe each Party’s objective(s) in completing land tenure adjustments.
2. Describe a process to develop, process and complete land exchanges which accomplish the Parties’ objectives.
3. Assist the federal and state agencies in meeting AB 32 and SBX2 and the Secretary’s Order 3285A1 in a cooperative collaborative manner.

Generally, the CLSC’s objective, as provided in AB 982, is to consolidate School Lands into contiguous holdings suitable for renewable energy related projects. To accomplish this, the CSLC desires to acquire federal lands which are suitable for siting large-scale renewable energy projects, or suitable for mitigation efforts linked to large-scale renewable energy projects or which otherwise have potential to generate revenue for the State Teachers’ Retirement System. In exchange for the federal lands described above, the CSLC general objective is to convey School Lands which have limited potential to produce revenue.

The BLM’s objective is to acquire School Lands within the national park units and wilderness areas designated by the CDPA and within other designated areas identified for acquisition based on BLM’s approved land use plans and plan amendments. In exchange for the School Lands described above, the BLM’s general objective is to convey federal lands which are not considered suitable for long term management as public lands.

In addition to using the exchange process described in this MOA, the Parties may also, at their sole discretion, use their respective authority under state and federal law to process sales and acquisitions to accomplish the land tenure objectives described above.

VI. PRINCIPLES OF AGREEMENT

The Parties mutually agree:

A. To work together to develop exchange proposals which meet each Party’s respective exchange objectives.

B. Either Party may develop and submit exchange proposals for further consideration.

C. That, generally, future conveyances under this agreement would include all of the Parties’ respective interests in the lands, including the mineral estates.

D. To make available for review and inspection any record relating to conditions which may affect the value or desirability of lands to be exchanged. Such conditions include, but are not limited to: mineral potential, hazardous materials or conditions,
unexploded ordinance, and existing leases or other known encumbrances on lands to be exchanged.

E. To cooperate to the highest degree practical to streamline the land exchange process pursuant to this agreement. In so doing the Parties agree to share information including, but not limited to School Land mapping, information concerning areas with high conservation value, information concerning land with strong potential for development of alternative energy projects. The Parties may also utilize existing data promulgated by the REAT Agencies in connection with the DRECP where necessary or useful for the purposes of this MOA.

F. The CSLC agrees to prepare and submit to the BLM, within 240 days of the execution of this MOA, a proposal for one or more land exchanges consistent with the objectives of this MOA and Chapter 2 of Division 7.7 of the Public Resources Code, and that further the policies and directives of the CSLC. The BLM agrees to give priority to this proposal and streamline the exchange process to the extent practical and reasonable. The BLM, to the extent practical, will provide CSLC with a list of federal lands (consistent with the list identified in 16 U.S.C. 410aaa-77(b)) under BLM’s jurisdiction offered for exchange to facilitate the CSLC’s proposal. Such list may be populated with parcels selected by the BLM which may otherwise further federal policies, directives, or similar agendas. Although the CSLC will not be obligated to choose parcels only from such a list, it is understood and agreed the purpose of such a list is to offer federal lands which BLM has made a preliminary determination are suitable for exchange to the CSLC.

G. Although AB 982 directs the CLSC to propose acre-for-acre exchanges the BLM currently has no legal authority to exchange lands on an acre-for-acre basis. Therefore, the Parties agree to propose and process exchanges consistent with section 206 of the FLPMA (43 U.S.C. 1716), and, if applicable, consistent with section 707 of the CDPA (16 U.S.C. 410aaa-77(a)), unless future federal legislation allows otherwise. BLM is required by section 206 of FLPMA (43 U.S.C. 1716(b)) to ensure that: "...values of the lands exchanged ...shall be equal, or if they are not equal, the values shall be equalized by the payment of money .... so long as payment does not exceed 25 per centum of the total value of the lands or interests transferred out of Federal ownership. When appraising the values of the lands in any exchange, the Parties shall comply with applicable state and federal appraisal standards, including those found at 43 Code of Federal Regulations 2201.3. The Parties shall cooperate in the preparation of appraisal instructions and review of contract appraisals. The completion of any specific exchange is dependent on the Parties reaching an
agreement on the value of the lands to be exchanged based on appraisals of the lands involved.

H. The Parties agree to use the DRECP and any other additional pertinent data sources including other planning documents to identify federal lands suitable for exchange to the CSLC.

VII. PROCESSING OF MUTUALLY ACCEPTABLE EXCHANGE PROPOSALS (THE DESCRIPTION BELOW IS SHORT SUMMARY OF THE EXCHANGE PROCESS AND IS NOT INTENDED TO SUPERSEDE SPECIFIC PROCESSING REQUIREMENTS UNDER APPLICABLE STATE AND FEDERAL LAW OR REGULATION)

A. If, after due consideration, the Parties mutually agree to proceed with a specific exchange proposal, they shall enter into a nonbinding agreement to initiate a land exchange, as required and described at 43 Code of Federal Regulations (CFR) 2201.1. The agreement shall include a description of the lands being considered for exchange, a description of the appurtenant rights, authorized uses, title defects or encumbrances, a time schedule for completing the exchange, an assignment of responsibilities and costs for processing the exchange, and a notice of any known hazardous substances on the lands and any commitments for remedial actions. Exchanges which would involve the acquisition of School Lands by the U.S. which are within an area under the administrative jurisdiction of a federal agency other than the BLM (National Park Service, the U.S. Fish and Wildlife Service or the U.S. Forest Service), would be subject to the consent and agreement of the other federal agency.

B. Upon completion of all exchange processing steps, including but not limited to environmental analyses, appraisals, and all other supporting studies and requirements to determine if a proposed exchange is in the public interest and in compliance with applicable law and regulations, the Parties shall have full discretion to decide whether to approve an exchange proposal. CSLC staff will present the proposed exchange, along with the staff’s recommendation, to the CSLC for its consideration at a properly noticed public meeting. If BLM approves an exchange, a notice of the availability of the decision approving the exchange must be published and distributed consistent with 43 CFR 2201.7.

C. After the CSLC and BLM approve an exchange, the Parties may enter into a legally binding exchange agreement as provided by 43 CFR 2201.7-2. The binding exchange agreement shall include, but not be limited to the following items:
1. A description of the lands and interests to be exchanged and all reserved and outstanding interests, the amount of any necessary cash equalization, and other terms and conditions of the exchange;

2. Responsibility for removal, indemnification ("hold harmless" agreement), or other remedial actions concerning any hazardous substances on the involved lands and with regard to the federal lands, the applicable language required by 42 U.S.C. 9620(h):

3. A description of the costs, if any, which the noncomplying party is liable in the event of failure to perform or to comply with the terms of the exchange agreement; and

4. The agreed upon values of the involved lands.

VIII. GENERAL PROVISIONS

A. Nothing in this MOA is intended to, or shall be construed to limit or affect in any way the authority or legal responsibilities of BLM or CSLC. Specifically, nothing in this MOA shall imply that any signatory is in any way abrogating or ceding any responsibility or authority inherent in its control or trusteeship over land or natural resources. CSLC’s approval authority or discretion over any proposal or development affecting its School Lands shall not be limited by this MOA.

B. Nothing in this MOA binds BLM or CSLC to perform beyond their respective authorities.

C. Nothing in this MOA requires BLM or CSLC to assume or expend any funds in excess of available appropriations authorized by law.

D. The mission requirements, funding, personnel, and other priorities of BLM or CSLC may affect their respective abilities to fully implement all of the provisions identified in this MOA.

E. Nothing in this MOA is intended to or shall be construed to restrict BLM, or the State of California, whether through CSLC or other agencies or departments, from participating in similar activities or arrangements with other public or private agencies, organizations, or individuals.

F. Any information furnished between the Parties under this MOA is potentially subject to the Freedom of Information Act, 5 U.S.C § 552, et seq. ("FOIA") and the California Public Records Act, Gov. Code §6250, et seq. ("CPRA"). The Parties agree to consult one another prior to releasing potentially privileged or exempt
documents and to cooperate in good faith to assert all such privileges and exemptions permitted by FOIA and CPRA.

G. Each and every provision in this MOA is subject to the laws of the State of California, the laws of the United States of America, and to the delegated authority assigned in each instance.

H. All cooperative work under the provision s of the MOA will be accomplished without discrimination against any employee because of race, sex, creed, color, or national origin.

I. Amendments or supplements to the MOA may be proposed by any Party to this MOA, and shall become effective upon written approval of all Parties.

J. This MOA shall become effective upon signature by the Parties. This MOA may be executed in one or more counterparts, each of which will be considered an original document. The effective date shall be the date of the last signature as shown below, excepting subsequent amendments and addition of counterparts.

K. This MOA shall be in effect from the date of execution until terminated by one or both of the Parties. If one of the Parties terminates the agreement, that Party shall give the other Party at least 30 days advance written notice of termination. At any time that the Parties determine that the purposes set forth in this MOA have been satisfied, the MOA may be terminated. In the event either Party withdraws from the MOA, such withdrawal will result in termination of the agreement.

L. This MOA is intended to facilitate cooperation among the Parties. It is not a contract for acquisition of supplies or services; it is not legally enforceable; and it does not create any legal obligation of or between any of the Parties or create any private right or cause of action for by any person or entity.

M. Nothing in this MOA may be the basis of any third party challenges or appeals. Nothing in this MOA creates any rights or causes of action in persons not parties to this agreement.

This MOA supersedes and replaces in their entirety, the following, and only the following agreements between the BLM and the CSLC executed following passage of the CDPA in 1994:

1. Agreement to exchange lands (10/26/95)

2. Memorandum of Understanding (MOU) re: appraisal (10/26/95)
IX. CONTACTS

The primary points of contact for carrying out of the provisions of this MOA are:

A. United States Department of the Interior, Bureau of Land Management:
   Karen Montgomery
B. California State Lands Commission: Jennifer DeLeon,

X. APPROVALS

BUREAU OF LAND MANAGEMENT
CALIFORNIA STATE OFFICE

[Signature]
MAY 21 2012
James G. Kenna
State Director

CALIFORNIA STATE LANDS COMMISSION

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