

SEABRIDGE MEMORANDUM OF UNDERSTANDING

WHEREAS, the County of Ventura ("County"), acting by and through its Harbor Department Director, the City of Oxnard ("Oxnard"), acting by and through its Development Services Director, and OLY Mandalay Bay General Partnership ("OMB"), acting by and through its authorized agent, have met and discussed a potential resolution of the issues raised by OMB's application for approval of Tentative Subdivision Map No. 5266 and Coastal Development Permit No. TZ00-5-85 (the "Seabridge Project"), and the Final Supplemental Environmental Impact Report (the "FSEIR") regarding the Seabridge Project; and

WHEREAS, pursuant to the California Environmental Quality Act ("CEQA"), Oxnard is currently using the FSEIR as the environmental document for the Seabridge Project; and

WHEREAS, Oxnard is processing the application for the Seabridge Project, consisting of the development of 135.3 acres within an area known as Mandalay Bay Phase IV Specific Plan area, as a mixed use residential, commercial, and recreational project; and

WHEREAS, County and Oxnard have previously entered into a Memorandum of Understanding (Settlement Agreement) dated and effective on June 6, 2000 (the "Westport Settlement Agreement"), resolving certain issues between County and Oxnard regarding the development of a 58.3 acre parcel immediately to the west of the land involved in the Seabridge Project, and comprising the balance of the Mandalay Bay Phase IV Specific Plan area (the "Westport Project"); and

WHEREAS, upon the execution of this Memorandum of Understanding/Settlement Agreement ("MOU") by the governing bodies of County and Oxnard as well as by the authorized agents of OMB, the parties shall thereby be deemed to have settled all issues between them that are raised by the Seabridge Project and its FSEIR, as approved by the Oxnard Planning Commission, on the basis of this MOU.

NOW, THEREFORE, BE IT RESOLVED, that County, Oxnard, and OMB, having each considered the provisions hereinbelow, by executing this MOU do agree to the following, effective as of September 10, 2002;

1. To incorporate applicable provisions of the Westport Settlement Agreement regarding patrol of the waterway areas in the Channel Islands Harbor, Existing Mandalay Bay, and the Westport Waterways, as defined in the Westport Settlement Agreement, into this MOU in order to provide for patrol of the additional waterways to be created for the Seabridge Project (the "Seabridge Waterways") (a copy of a map depicting the Channel

Islands Harbor, Existing Mandalay Bay Waterways, Westport Waterways, and the Seabridge Waterways is attached as Exhibit A attached hereto and incorporated herein), as follows:

(a) The terms of the service agreement that is to be made between Oxnard and County pursuant to paragraph 1(a) of the Westport Settlement Agreement (the "Service Agreement") shall be expanded so that OMB is a party and the service agreement governs the Seabridge Waterways, as well as the Westport Waterways, or a separate service agreement will be made by County, Oxnard and OMB, that will apply to the Seabridge Waterways and will establish OMB's rights and obligations, on the same terms.

(b) Additionally, OMB agrees to reserve for the exclusive use of the County a finished parcel of land of an area, and at a location mutually agreeable to OMB and County, adjacent to the Seabridge Waterways, together with a minimum of two, well maintained adjacent boat docks, to be provided by OMB to County, for use of County as part of its remote Harbor Patrol station to serve the Mandalay Bay, Westport and Seabridge Waterways (the "North Harbor Patrol Station"). OMB also agrees to provide County with a well maintained slip lift and a fully outfitted office, with a floor area of approximately 500 square feet, to be located in Building No. 1 of the Seabridge Project.

(c) OMB shall provide County with various equipment, fixtures and furniture for the boat docks and the North Harbor Patrol Station office space as specified in Exhibit B attached hereto and incorporated herein. The boat docks, slip lift and equipment, fixtures and furniture for the North Harbor Patrol Station shall be maintained and replaced, as the County reasonably determines is needed, by and at the cost of the CFD referred to in paragraph 5, below. All costs of utilities, including the fresh water source, shall be paid by the CFD.

(d) Oxnard and OMB also agree that the CFD will provide County with all funds reasonably needed for County to hire and continuously employ three Harbor Patrol Officers (Level II, top range) and one Sergeant, Harbor Patrol Officer III, and to provide the County with funds sufficient to purchase, maintain, repair, and replace every five years, if reasonably needed (or, sooner, if beyond repair), the following items: a suitable motor vehicle, two Harbor patrol boats, a boat trailer, the size of and equipment for each of which is specified in Exhibit B, and the other items specified in Exhibit B hereto.

2. Oxnard agrees to require and OMB agrees to cooperate in the formation of a Community Facilities District ("CFD"), or more than one CFD, with respect to the Seabridge Project to fund certain costs of this MOU, as provided in this MOU.

3. To ensure that the entrance to the Channel Islands Harbor ("Harbor Entrance") is properly maintained, Oxnard and OMB agree to cause the CFD to contain a provision for the

annual payment to the County Harbor Department of an amount equal to the "Seabridge Pro Rata share" (as defined in Paragraph 5(e) of this MOU) of the reasonably estimated cost of dredging the Harbor Entrance ("Dredging Cost") that will be undertaken by the County if (a) the United States Army Corps of Engineers ("Corps") stops dredging the Harbor Entrance due to (1) over construction and related wear and tear on the Harbor Entrance, or (2) an inadequate ratio of commercial vessels relative to recreational vessels using the Harbor Entrance, and (b) either of such conditions is determined by the Corps to have resulted from the incremental increase in vessel traffic caused by the Seabridge Project, or the combination of the Westport and Seabridge Projects. The obligation of the CFD to pay any Dredging Cost is conditioned upon the occurrence of the events described in clauses (a) and (b) of the preceding sentence of this paragraph 3.

4. (a) An environmental study (the "Study") has been conducted for the County to determine the environmental effects, if any, of the potential cessation of operations at the Mandalay Power Generation Plant ("Mandalay Plant") on the water flow and water quality (1) in the Channel Islands Harbor south of the Channel Islands Boulevard Bridge (the "Channel Islands Harbor South"), and (2) in the Existing Mandalay Bay Waterways, and was expanded by the FSEIR for the Seabridge Project to include the Seabridge Waterways. The Study, as expanded by the FSEIR, has estimated the effect that cessation of operation of the Mandalay Plant would have on the maintenance of the current Channel Islands Harbor water quality within the waterways described in the Westport Settlement Agreement, and this MOU, and has determined the percentage of water quality degradation, if any, that would occur as each of the Westport and Seabridge waterway systems is added to the Study's system (which includes the channel leading from the Westport Waterways northward to the Mandalay Plant), starting with the Channel Islands Harbor South ("County Percentage Share"), then adding to Study's system the Existing Mandalay Bay Waterways ("Oxnard Percentage Share"), then adding to both of the above waterway systems, the Westport Waterways ("Westport Percentage Share"), and finally adding to all of these systems the Seabridge Waterways ("Seabridge Percentage Share"). In addition, the Study has determined the most efficient alternative for remediating such water quality degradation ("Remediation Measure") and the cost of implementing such remediation ("Remediation Cost").

(b) The Study, as expanded by the FSEIR, shows that, following closure of the Mandalay Plant, the water flows or water quality within the Channel Islands Harbor South, the Existing Mandalay Bay Waterways, the Westport Waterways, or the Seabridge Waterways could be degraded. If such degradation occurs and is below generally accepted State standards in place at that time, then, in order to achieve water flows and water quality consistent with such standards, the County and Oxnard agree to implement the Study's Remediation Measure at the time of closure of the Mandalay Plant to the extent that such water quality and water flow remediation is not otherwise required and satisfied by conditions placed by regulatory agencies on the owners or operators of the Mandalay Plant

at the time of its closure. As used in this MOU, "generally accepted state standards" means standards promulgated by the State of California or its appropriate State agency, with respect to water flows and quality for coastal harbors such as Channel Islands Harbor. Such remediation shall be accomplished in the following manner:

(1) As a condition of approval of the Seabridge Project, Oxnard shall require OMB to include provisions for funding by the CFD of the Seabridge Percentage Share of the Remediation Cost, if any, of implementing the Remediation Measure; provided, however, that the County and Oxnard agree that the Seabridge Percentage Share of such cost shall not exceed 40 percent of the overall Remediation Cost of the entire Channel Islands Harbor South, Existing Mandalay Bay Waterways, Westport Waterways, and Seabridge Waterways ("Seabridge 40 Percent Cap"), as shall be identified by the Updated Study, which is defined in paragraph 4(b)(4), below.

(2) The County agrees to pay the County Percentage Share, if any, and in addition to pay a portion of the Seabridge Percentage Share that exceeds the Seabridge 40 Percent Cap and a portion of the Westport Percentage Share that exceeds the Westport 20 Percent Cap, if any. The County shall pay the percentage of each of said excess shares determined by taking the County Percentage Share and dividing it by the sum of the Oxnard Percentage Share and the County Percentage Share, as such shall be identified by the Updated Study, which is defined in paragraph 4(b)(4), below.

(3) Oxnard agrees to pay the Oxnard Percentage Share, if any, and in addition to pay a portion of the Seabridge Percentage Share that exceeds the Seabridge 40 Percent Cap and a portion of the Westport Percentage Share that exceeds the Westport 20 Percent Cap. Oxnard shall pay the percentage of each of said excess shares determined by taking the Oxnard Percentage Share and dividing it by the sum of the Oxnard Percentage Share and the County Percentage Share, as shall be identified by the Updated Study, which is defined in paragraph 4(b)(4), below.

(4) The County and Oxnard further agree to have the Study updated ("Updated Study") at the time closure of the Mandalay Plant is approved and to implement such Updated Study's remediation measure in lieu of the Remediation Measure identified in the (initial) Study, defined above.

5. (a) The CFD special tax shall be subject to and shall include a two percent annual escalator each and every year after the first year it is imposed. The CFD special tax shall be set at a rate sufficient to raise funds to pay: (1) One Hundred Thousand Dollars (\$100,000) per year from and after the year of formation of the CFD, but no later than four (4) years after the date of final City approval of the Tentative Map for Tract No. 5266, which sum shall be paid annually from the CFD to County in consideration of the added value to the Seabridge

Project that the Channel Islands Harbor and related facilities provide; (2) the Seabridge Pro Rata Share of the Dredging Cost (the initial value for such cost shall be set at zero (0), because the Corps currently dredges the Harbor Entrance), which sum shall be paid to County or such other entity that provides or contracts for dredging services; (3) the Seabridge Percentage Share of the Remediation Measure cost described in paragraph 4, above (the initial value for such cost shall be set at zero (0), because the Mandalay Plant is currently in operation in a manner that provides adequate water circulation), which sum shall be paid to County or such other entity that provides or contracts to provide the Remediation Measure; and (4) the cost of all items described in paragraph 1, above, which sum shall be paid to County each year commencing with the first year that the waterways for the Seabridge Project shall be open for navigation by water vessels within the Seabridge Waterways. This listing of sums to be paid to County or others by the CFD shall not be interpreted as a limit on the amount of special tax or expenditures by the CFD for other purposes.

(b) The County agrees to pay the County Share and Oxnard agrees to pay the Oxnard Share of any Dredging Cost should the Corps cease dredging the Harbor Entrance for the reasons stated in paragraph 3, above. For the purpose of the calculations in subparagraphs 5(c), (d), and (e) each boat slip in the shallow bay portion of the Seabridge Waterways, which shall accommodate a boat no more than 18' in length, shall be counted as $\frac{1}{2}$ of a boat slip.

(c) The County Share of any Dredging Cost shall be equal to the product of the annual cost of dredging the Harbor Entrance times a fraction, the numerator of which is the total number of boat slips within the Channel Islands Harbor South and the denominator of which is the aggregate number of boat slips in the Channel Islands Harbor South, the Existing Mandalay Bay Waterways, the Westport Waterways, and the Seabridge Waterways, as such waterways may be expanded by the annexation to such waterways of additional waterways from time to time.

(d) The Oxnard Share of any Dredging Cost shall be equal to the product of the annual cost of dredging the Harbor Entrance times a fraction, the numerator of which is the total number of boat slips within the Existing Mandalay Bay Waterways and the denominator of which is the aggregate number of boat slips in the Channel Islands Harbor South, the Existing Mandalay Bay Waterways, the Westport Waterways, and the Seabridge Waterways, as such waterways may be expanded by the annexation to such waterways of additional waterways from time to time.

(e) The Seabridge Pro Rata Share of any Dredging Cost shall be equal to the product of the annual cost of dredging the Harbor Entrance times a fraction, the numerator of which is the total number of boat slips within the Seabridge Waterways and the denominator of which is the aggregate number of boat slips in the Channel Islands Harbor

South, the Existing Mandalay Bay Waterways, the Westport Waterways, and the Seabridge Waterways, as such waterways may be expanded by the annexation to such waterways of additional waterways from time to time.

(f) In the event of additional project development that includes boat slips connected to the waterways covered by this MOU, or the addition of boat slips to such waterways, the numerators and denominator for all four dredging cost shares, defined above, shall be deemed increased (or decreased) at that time and any subsequent payment of the percentage shares shall be adjusted accordingly. The Seabridge Project's current (estimated) percentage of all such slips is 12.05 percent. The current numbers of slips in Channel Islands Harbor South, the Existing Mandalay Bay Waterways, and the planned numbers of slips in the Westport Waterways and the Seabridge Waterways are shown on Exhibit C attached to and incorporated into this Agreement.

(g) The parties currently estimate that the annual Seabridge Pro Rata Share, prior to the two percent yearly escalator, would be approximately \$180,750 (that is, 12.05 percent of the estimated \$3,000,000 biannual cost of dredging the Harbor Entrance) and that the annual Seabridge Percentage Share of the Remediation Cost, prior to the two percent yearly escalator, would be approximately \$27,836.00 (that is, 12.05 percent of the \$231,000 estimated annual cost of running pumps at the Mandalay Plant sufficient to maintain current water quality and water flows, assuming that the Mandalay Plant was closed without any regulatory conditions requiring operation of the pumps). Based on the same estimated costs, the 40 percent maximum biannual Seabridge Pro Rata Share of the dredging cost would be \$1,200,000, and the annual Seabridge 40 percent Cap for the Remediation Cost would be \$92,400.

(h) The CFD shall provide notice of the amount of the special tax to the County tax assessor before July 1 of each year, and shall provide notice to the owners of each affected property within the Seabridge Project before July 1 of each year during which the rate for the Seabridge Pro Rata Share or Seabridge Percentage Share component of the CFD special tax is altered.

6. Oxnard further agrees that County's Harbor Department shall have review authority as to all new dock and slip plans in the Seabridge Waterways before Oxnard issues any dock construction permit. The Harbor Department's review shall be prior to issuance of any dock construction permits issued by Oxnard, but shall be limited to the County's obtaining information regarding dock and slip location only.

7. Oxnard agrees to require, as a condition of Seabridge Project approval, that OMB reimburse the County for the reasonable costs of retaining an engineer to review construction drawings for the earthen levee to remain between the existing canals in the Existing

Mandalay Bay Waterways and the proposed canals for the Seabridge Project and to permit such engineer to review such drawings before Oxnard issues any permits to dig any canals in the Seabridge Project area.

8. (a) To mitigate environmental impacts (other than transportation impacts) and other impacts on the Channel Islands Harbor infrastructure that are expected to result from the Seabridge Project, Oxnard agrees to require as a condition of approval of the Seabridge Project that OMB, or OMB's successor in interest, pay a harbor mitigation fee of \$400,000, the first half of which (\$200,000) shall be required to be paid directly to the County within ninety (90) days after final City approval of the Tentative Map for Tract No. 5266, and the second half of which (\$200,000) shall be required to be paid at the time of recording the final map for the final phase of Tract No. 5266 or on the fourth anniversary of the date on which payment of the first half was due, whichever occurs first. This harbor mitigation fee payment represents prepayment of the first four (4) years annual \$100,000 payment as required by paragraph 5(a). To the extent that the CFD is operating and making the annual payment, OMB will be relieved of its obligation to make this harbor mitigation fee payment.

(b) For the purposes of maintaining water quality levels within generally accepted State standards in the Existing Mandalay Bay Waterways, Westport Waterways, and Seabridge Waterways and providing adequate boater-related facilities for the future occupants of the Seabridge Project, the County will provide information gathered from the Department of Boating and Waterways, the experience of Southern California harbor masters, and other relevant sources to Oxnard concerning the standards and practices regarding boater-related facilities. Such facilities may include, but may not be limited to, boat pumpout stations, guest docks, and restroom facilities. Based upon these materials, the County will recommend to Oxnard the appropriate numbers and types of boater-related facilities needed to be incorporated into the construction of the transient docks within the Seabridge Project for the purposes of water quality maintenance and adequate boat operator support.

9. Oxnard agrees to adopt, maintain, and enforce conditions for the Seabridge Project prohibiting, within the Seabridge Project area, any of the following: (a) the use or rental of private boat slips by anyone who is not already an owner of property within the Seabridge Project, with the exception of the commercial slip operation; (b) any commercial boating vessels; and (c) fueling operations of any kind.

10. (a) Within the Seabridge Waterways, Oxnard and the CFD, as they agree between themselves, shall be responsible for (1) providing land based security at all boat launches; (2) cleaning-up any and all spills, including but not limited to spills of petroleum or other toxic substances; (3) salvaging any and all sinking or derelict vessels; (4) providing a water testing program, specifically including regular testing of all areas near beaches and

storm drain outfalls; and (5) providing lifeguards at all beaches from, at a minimum, Memorial Day through Labor Day. (b) County shall not have any responsibility for parking enforcement or maintenance of any public areas or docks within the Seabridge Project area; but County may provide appropriate first responder coverage, in its sole discretion, but shall not thereby assume any financial liability. (c) Oxnard and the CFD agree to defend, indemnify, and hold County harmless for any suits, disputes, appeals, or other legal or administrative actions related to County's assumption of any responsibilities set forth in this paragraph, including but not limited to those related to navigational hazards or spills, of whatever kind or nature. This defense and indemnification applies regardless of any dispute(s) between Oxnard, OMB, or any owners of property within the Westport or Seabridge Projects areas concerning the actual responsibility for any damages related to such responsibilities.

11. To address the concerns of other County departments, Oxnard and OMB agree to incorporate into the terms of the Seabridge Project and Oxnard's approval thereof, if any, the following:

(a) as to transportation: (1) *Intersection of Victoria Avenue and Gonzales Road* -- the project shall incorporate the design of sufficient improvements to this intersection, including signal modifications, and additional turn and through lanes, as needed to maintain County General Plan LOS C with existing, currently approved, and Seabridge Project traffic; (2) *Intersection of Victoria Avenue and Olivias Park Drive* -- the project shall incorporate the design of sufficient improvements to this intersection, including signal modifications, and additional turn and through lanes, as needed to maintain County General Plan LOS C with existing, currently approved and Seabridge Project traffic; (3) *Mitigation Fees* -- the project shall mitigate its cumulative impact on the County's regional road network by paying, at the time of issuance of the first building permit(s) traffic impact fees of \$653,230.63 to the County, as determined by the current County Ordinance Code Section 8601-0; provided that County shall use the traffic impact fees, which shall be paid by OMB, only for improvements in the Oxnard Traffic Impact Zone, as determined by Section 8601-0 of the Ventura County Ordinance Code and the Traffic Impact Fee Resolution dated November 6, 2001; and

(b) as to agricultural: by providing a "vegetative shelter belt" as described in and consistent with the understanding described in the letter from the County's Agricultural Commissioner, W. Earl McPhail, to Oxnard Planner Sue Martin, dated July 26, 2002, a copy of which is attached as Exhibit D hereto and incorporated herein, to the extent that such vegetative shelter belt can be installed within the right of way for Wooley Road, on the North Side of the travel way for Wooley Road. If it is not feasible to provide such a vegetative shelter belt on the North Side of the travel way for Wooley Road, then a substantially equivalent vegetative shelter belt shall be provided, subject to review of the County's

Agricultural Commissioner for substantial effectiveness, using a combination of one or all of the North Side, the Center Median, and the South Side of Wooley Road.

12. (a) The parties agree not to appeal or otherwise challenge the approval of the Seabridge Project, provided if proposed, adopted, and approved by Oxnard in full accordance with the terms of this MOU. The parties further agree that this MOU is specifically enforceable and that the only remedy available for breach of this MOU shall be an action for specific performance.

(b) Notwithstanding paragraph 12(a), above, nothing in this MOU shall be construed to limit the right of County to pursue any otherwise available legal remedies County may otherwise have for a failure by Oxnard to enforce a mitigation measure or any other condition adopted in connection with Oxnard's approval of the Seabridge Project, including but not limited to seeking relief in court.

13. (a) Oxnard reserves the right to deploy police and fire emergency response teams including, but not limited to, dive and swift water rescue teams and equipment as well as emergency response boats and personnel in the Existing Mandalay Bay Waterways, in the Westport Waterways, and the Seabridge Waterways. (Under no circumstances shall Oxnard provide police and fire first response services, or respond "at code" in County's Channel Islands Harbor Waterways.) (b) Further, the County and Oxnard agree to cooperate in cross-training programs for harbor patrol, police, and fire personnel as well as in the acquisition of boats and equipment to augment Oxnard's services in the Existing Mandalay Bay Waterways, Westport Waterways, and the Seabridge Waterways. The foregoing notwithstanding, if Oxnard intends to establish a facility for fire and rescue services or police services boat docking, to provide first response fire or police, water-based services to the Existing Mandalay Bay Waterways, the Westport Waterways, or the Seabridge Waterways, then Oxnard shall provide County with one year prior written notice and County reserves the right to withdraw all such services from any or all of those waterways and to confine its delivery of such services to the Channel Islands Harbor South Waterways, to avoid problems of overlapping jurisdiction. Such withdrawal shall be without liability to County. (c) The terms of the Service Agreement shall be amended by mutual agreement between County and Oxnard to reallocate the payments to be made to County under this MOU to account for the services to be withdrawn by County; provided that the total amount of payments for such services shall not increase, by reason of the reallocation. The reallocation shall begin three (3) years after the notice is given to the County by the City. Notwithstanding the foregoing, if the County exercises its withdrawal option, the minimum Harbor Patrol staffing to be paid for by the CFD shall be one Patrol Officer II, plus one Sergeant.

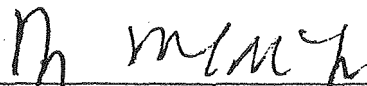
14. (a) This MOU supersedes any and all other agreements, either oral or in writing, between the County, Oxnard, and OMB with respect to the Seabridge Project and its related

approvals. County and Oxnard acknowledge and agree that no representations, inducements, promises, or agreements, other than as specifically set forth herein, have been made by either party, or anyone acting on behalf of any party with respect to the subject matter hereof. This MOU shall run with the land and shall bind, benefit, and burden any and all successors in interest of the parties to the fullest extent permitted by law.

(b) Any and all amendments hereto must be made in a writing signed by the authorized agents of OMB, as well as the chair of the Ventura County Board of Supervisors and the Mayor of the City of Oxnard, after each receives approval of the governing body of said public entity. The parties agree that this MOU was drafted by all of the parties and shall not be construed for or against any party as a result thereof.

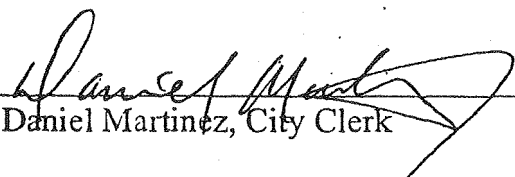
15. This MOU is deemed executed and effective this 10th day of September, 2002.

CITY OF OXNARD



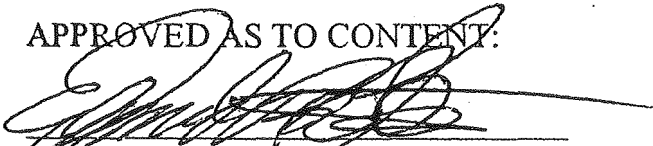
Dr. Manuel M. Lopez, Mayor

ATTEST:



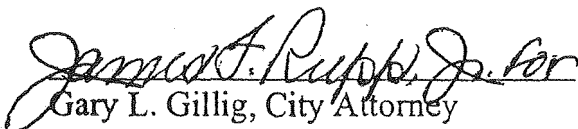
Daniel Martinez, City Clerk

APPROVED AS TO CONTENT:



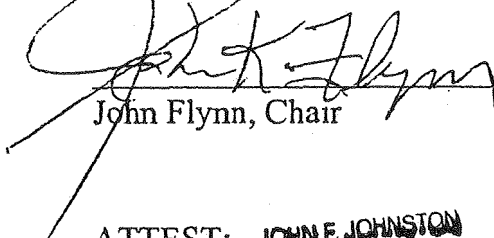
Edmund F. Sotelo, City Manager

APPROVED AS TO FORM:



Gary L. Gillig, City Attorney

COUNTY OF VENTURA
BOARD OF SUPERVISORS

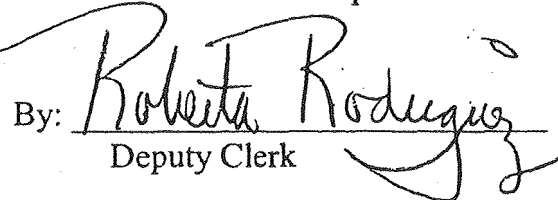


John Flynn, Chair



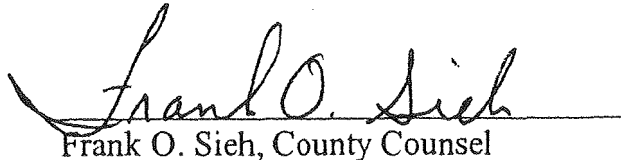
ATTEST: JOHN F. JOHNSTON

Clerk of the Board of Supervisors

By: 

Deputy Clerk

APPROVED AS TO FORM:



Frank O. Sieh, County Counsel

OLY MANDALAY BAY GENERAL
PARTNERSHIP, a Delaware general partnership

By: OLY Calvest Mandalay General Partnership,
a Delaware general partnership, its Managing Partner

By: Oly Mandalay III, L.P., a Delaware limited
partnership, its Managing Partner

By: Oly Deal GP III, LLC, a Delaware limited
liability company, its general partner

By: _____
Name: Robert P. Landin
Title: Vice President

By: GRANITE/MANDALAY BAY, LLC, a California limited liability
company, its Partner

By: Mandalay Bay Partners, LLC, a California limited
liability company, its Member

By: _____ Kenneth W. Brindley, Member

By: _____
John C. Kelterer, Member

By: _____ William H. Wynne, Member

By: Granite Land Company, a California corporation,
its Member

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

OLY MANDALAY BAY GENERAL
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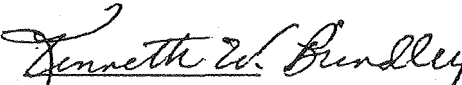
By: Oly Mandalay III, L.P., a Delaware limited
partnership, its Managing Partner


By: Oly Deal GP III, LLC, a Delaware limited
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By: _____
Name: _____
Title: _____

By: GRANITE/MANDALAY BAY, LLC,
a California limited liability company, its Partner

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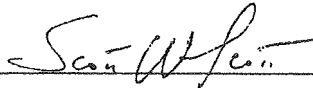
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By: _____
John C. Kelterer, Member

By: _____
William H. Wynne, Member

By: Granite Land Company, a California
corporation, its Member

By: 
Name: GRANITE LAND COMPANY
Title: President

By: _____
Name: _____
Title: _____

OLY MANDALAY BAY GENERAL
PARTNERSHIP, a Delaware general partnership

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a Delaware general partnership, its Managing Partner

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Kenneth W. Brindley, Member

By: _____
John C. Kelterer, Member

By: _____
William H. Wynne, Member

By: Granite Land Company, a California
corporation, its Member

By: 
Name: Scott Wolcott
Title: GRANITE LAND COMPANY
President

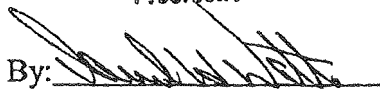
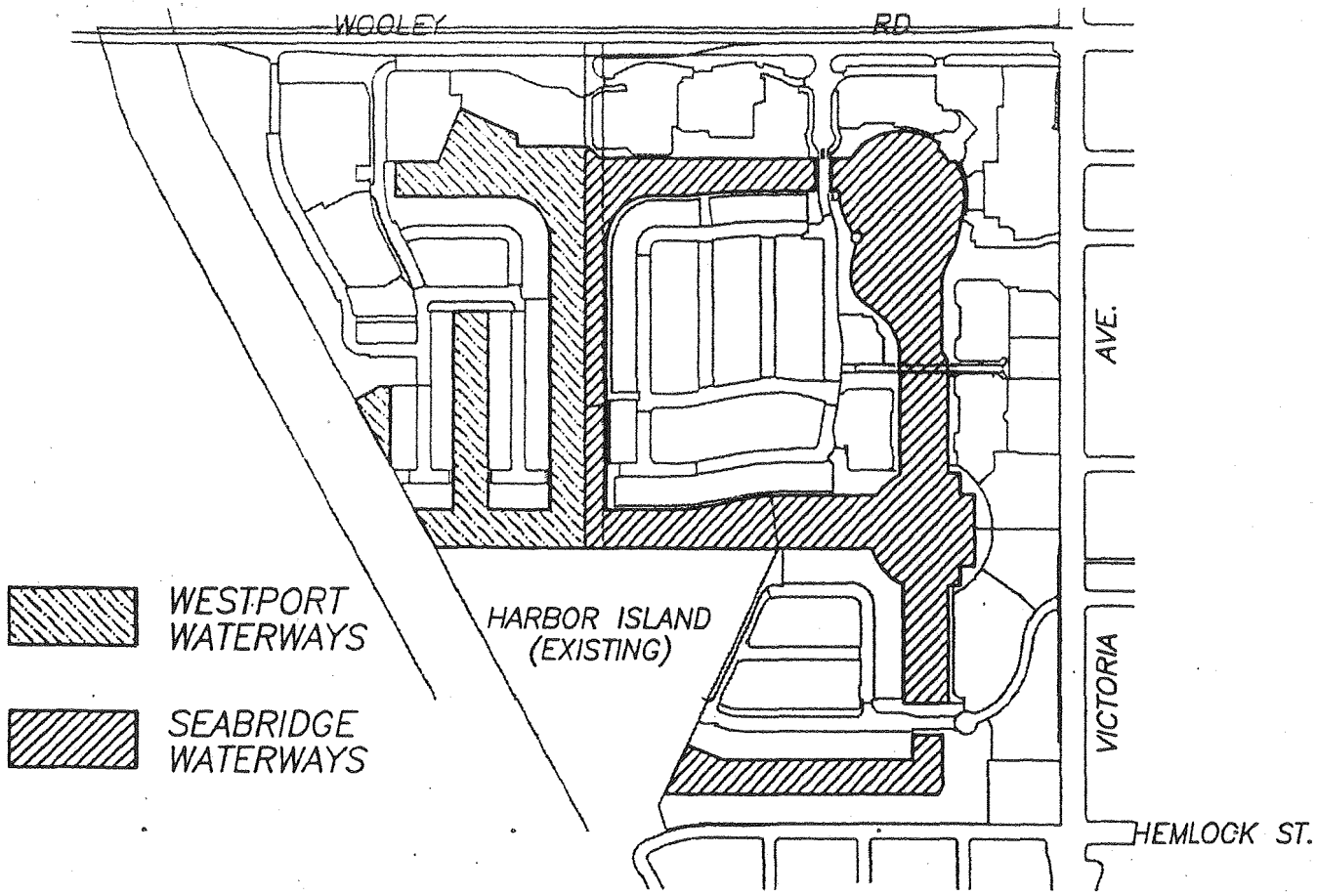
By: 
Name: David H. Watts
Title: Chairman, President & CEO
Granite Construction Incorporated

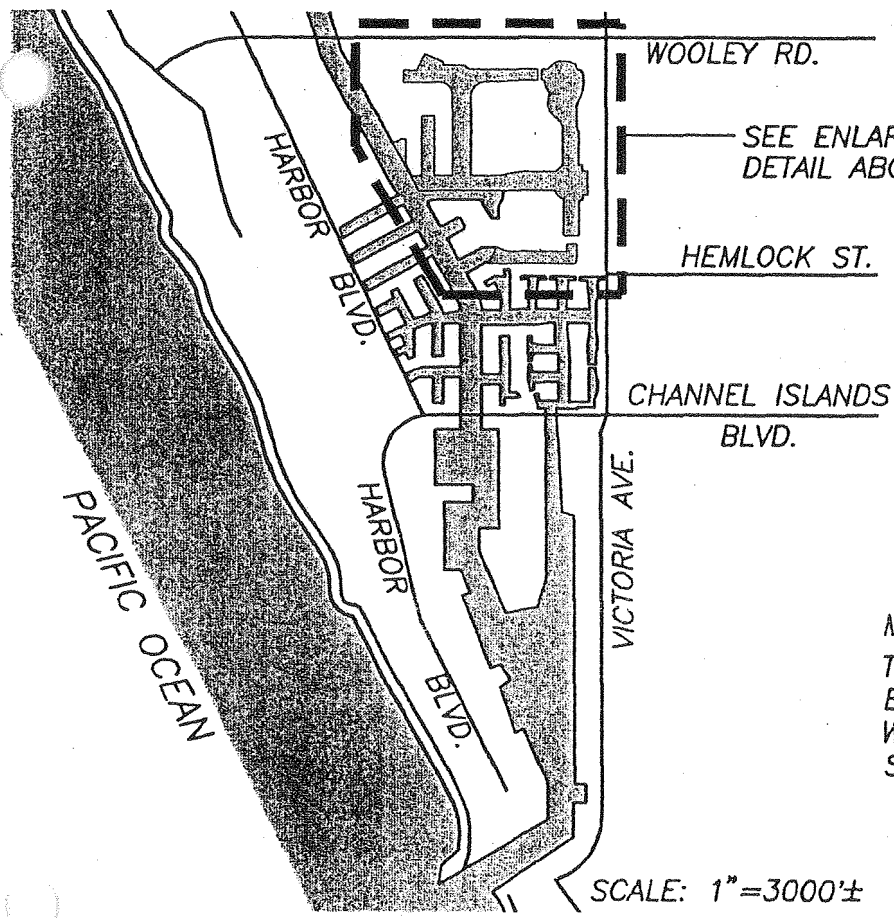
EXHIBIT A

**Copy of Map Depicting the Channel Islands Harbor,
Existing Mandalay Bay Waterways, Westport Waterways,
and the Seabridge Waterways**

c:\bent\315\1\entative\Exhibits\3157exhibit-a.dwg Sep 05, 2002, 10:11am ccook



SCALE: 1"=800'



MAP DEPICTING THE CHANNEL ISLANDS HARBOR, EXISTING MANDALAY BAY WATERWAYS, WESTPORT WATERWAYS AND THE SEABRIDGE WATERWAYS.

SCALE: 1"=3000'±

Oly-Mandalay Bay General Partnership
 800 VICTORIA AVE #A600 PHONE (805) 382-9244
 OXNARD, CA 93035 FAX (805) 382-9245

EXHIBIT A

EXHIBIT B

Specification for Seabridge Harbor Patrol Station Equipment & Furnishings

Dock Equipment

No.	Description	Qty.	Units	Unit Cost	Total
1	Bench locker	1	EA	\$200.00	\$200.00
2	Storage Container	1	EA	\$50.00	\$50.00
3	Fire box	1	EA	\$250.00	\$250.00
4	Dewatering pumps	2	EA	\$500.00	\$1,000.00
5	Suction discharge hoses	2	EA	\$50.00	\$100.00
6	75' hose	1	EA	\$50.00	\$50.00
7	Slip lift	1	EA	\$2,500.00	\$2,500.00
				SUBTOTAL	\$4,150.00

Office Furniture, Fixtures and Equipment

No.	Description	Qty.	Units	Unit Cost	Total
1	Showers	2	EA	\$500.00	\$1,000.00
2	Indoor lockers	6	EA	\$100.00	\$600.00
3	Computers & Printers	2	EA	\$3,000.00	\$6,000.00
4	Base radio w/ 4 handhelds	1	EA	\$1,000.00	\$1,000.00
5	Telephones/Fax/Cell phones	1	LS	\$600.00	\$600.00
6	Emergency Medical Supplies	1	EA	\$300.00	\$300.00
7	General office supplies	1	LS	\$500.00	\$500.00
				SUBTOTAL	\$10,000.00

Capital Equipment

No.	Description	Qty.	Units	Unit Cost	Total
1	Harbor Patrol Boats*	2	EA	\$50,000.00	\$100,000.00
2	Boat Trailer	1	EA	\$2,500.00	\$2,500.00
3	Motor Vehicle**	1	EA	\$17,500.00	\$17,500.00
				SUBTOTAL	\$120,000.00

*- Boat Specification: Boston Whaler 19 foot justice w/ 150 XL OptiMax Mercury engine with Small Craft deluxe gauge package and stainless steel propeller

** - Motor Vehicle Specification: Ford Ranger XL light pick-up truck with tow package

EXHIBIT C

COUNTY OF VENTURA, EXISTING MANDALAY BAY, HARBOUR ISLAND CONDOMINIUMS, WESTPORT AT MANDALAY BAY, AND SEABRIDGE CHANNEL ISLANDS HARBOR BOAT SLIPS

MARINA	NUMBER OF SLIPS
Anacapa Isle Marina (P*)	429
Anacapa Marine Services (P)	22
Bahia Cabrillo Yacht Landing (P)	84
Channel Islands Boat Yard (P)	36
Channel Islands Landing (P)	58
Channel Islands Marina (P)	523
Cisco Sportfishing	32
Fisherman's Wharf (P)	8
Pacific Corinthian Marina (P)	147
Peninsula Yacht Anchorage (P)	361
Ventura County Commercial Fishing Marina (C*)	67
Ventura County Small Boat Marina (C)	72
Vintage Marina (P)	379
Yacht Broker (P)	8
Marine Emporium (P)	32
PCYC (P)	6
H C (P)	4
Public Docks (C)	69
Finger Ties (C)	111
COUNTY HARBOR SUBTOTAL	2,458
Existing Mandalay Bay Slips (P)	500
Harbour Island Condominiums (P)	127
Westport at Mandalay Bay (P)	165
SEABRIDGE Channel Islands Harbor	400
SEABRIDGE Shallow Bay	40 ¹ (80 slips counted as ½ slip each)
TOTAL	3,650

C* - County Operated Facility; P - Privately Operated

1. Slips in the Shallow Bay are restricted use and counted at ½ slip per slip

MOU Ratios: (1) SEABRIDGE Share = (SEABRIDGE Channel Islands Harbor Slips + SEABRIDGE Shallow Bay)/TOTAL (or 12.05%)
(2) Oxnard Share = Existing Mandalay Bay Slips/TOTAL (or 13.7%)
(3) County Share = County Harbor Subtotal/TOTAL (or 67.3%)

EXHIBIT D

**Letter From Earl McPhail to Sue Martin
Regarding Required Vegetative "Shelter Belt"**



Office Of
AGRICULTURAL COMMISSIONER

P.O. Box 889, Santa Paula, CA 93061
815 East Santa Barbara Street
Telephone: (805) 933-3185
(805) 647-5931
FAX: (805) 625-8922

Agricultural Commissioner
W. Earl McPhail

Chief Deputy
David B. Buettner

July 26, 2002

Sue Martin
City of Oxnard
Planning and Environmental Services Division
305 West Third Street
Oxnard, CA 93030

SUBJECT: VEGETATIVE "SHELTER BELT" FOR TENTATIVE TRACT 5266

Dear Ms. Martin:

This letter is to confirm our understanding of the commitment made by the applicant for Tentative Tract 5266 at the July 18 Planning Commission Final SEIR certification hearing to provide a vegetative "shelter belt", in conjunction with the proposed 200-foot setback between the project structures and agricultural operations to the north. The vegetative "shelter belt" would be located along the north side of Woolley Road adjacent to the agricultural property, and consist of two staggered rows of native California trees/bushes characterized by foliage that extends from the base of the plant to the crown, 50 to 75 percent porosity (i.e., approximately 50 to 75 percent of the vegetation is air space) and a mature height of 15 feet or more. A mix of native California plants such as Toyon (*Heteromeles arbutifolia*), Sugarbush (*Rhus ovata*), Laurel Sumac (*Malosma laurina*) or other native species with the indicated characteristics would reduce irrigation needs and facilitate maintenance. However, non-native species with the indicated characteristics such as Italian cypress (*Cupressus sempervirens*) also would be appropriate for the "shelter belt". We recommend that to provide adequate coverage, the two staggered rows be planted 5 feet apart and consist of a minimum 5 gallon plants planted 10 feet on center.

It is our understanding that the requirement for the vegetative "shelter belt" will be imposed as a condition of approval for the subdivision and coastal development permit. We would appreciate receiving a copy of the conditions of approval for the development as soon as they are available so that we may have the opportunity to review them prior to the Planning Commission hearing on the project.

Thank you for your attention to this matter. We very much appreciate the incorporation of both the setback and the "shelter belt" in the project design so that potentially significant agricultural/urban interface conflicts are avoided. Please contact Julie Bulla of my staff at (805) 933-2095 if you have any questions regarding this letter.

Sincerely,

W. Earl McPhail
Agricultural Commissioner

WEM:jb

