

MINUTE ITEM

This Calendar Item No. 25
was approved as Minute Item
No. 25 by the State Lands
Commission by a vote of 3
to 0 at its 2/6/91
meeting.

CALENDAR ITEM

- 25

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02/06/91
BLA 137
PRC 4734
PRC 4735
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AUTHORIZE THE EXECUTION OF
A "NOTICE OF TERMINATION OF OPTION" AND A "QUITCLAIM DEED"
INVOLVING THE OPTION FOR AND LEASE OF
230 ACRES OF LAND FROM SIGNAL LANDMARK AND
SIGNAL BOLSA CORP. TO THE STATE LANDS COMMISSION -
THE OPTION AND LEASE BEING ELEMENTS OF THE 1973 BOLSA CHICA
SETTLEMENT AGREEMENT

APPLICANT:

The Koll Company
c/o Susan K. Hori
Paone, Callahan, McHolm, & Winton
19100 Von Karman - 8th floor
Irvine, California 92715

BACKGROUND:

The California State Lands Commission (SLC) together with Signal Bolsa Corporation and Signal Landmark (collectively Signal) entered into the "Boundary Settlement and Land Exchange Agreement Regarding Lands in the Bolsa Chica Area, Orange County, California", dated January 25, 1973 which was recorded and became effective August 17, 1973.

An element of that agreement provided for a "Lease" and "Option to Acquire Real Property" by the State of 230 acres of Signal's lands adjacent to the 327.5 acres the State obtained in fee as part of the Settlement Agreement. The Lease of the 230 acres was subleased by the SLC to the Department of Fish and Game to be included as part of the Bolsa Chica Ecological Reserve also being leased from the SLC.

The initial Lease and Option were intended to allow for the implementation of the State Resources Agency's "Bolsa Bay, A

Conceptual Plan for Resources and Recreation", dated January 4, 1973. That plan provided for an initial 300 acres to be restored as functioning wetland to be included in an ecological reserve and the eventual expansion of the first phase 300-acre Ecological Reserve by adding an additional 100 acres of wetlands located in the Lease/Option area. In addition, a navigable ocean entrance, public fishing access and a public marina, along with ancillary facilities, were to be constructed to generate revenues to support the restoration of the wetlands and operation of the Ecological Reserve.

The Option required that the State obtain funding for the creation of the navigable ocean entrance within ten (10) years of the effective date of the agreement and construction be completed within 14 years. These periods were extended in 1983, 1986, and 1987 by mutual agreement of the parties. The Lease and Option were subsequently unilaterally extended by Signal to provide for termination of the Option if the ocean entrance was not funded by December 31, 1989 and termination of the Lease nine (9) months after the expiration of the Option (September 30, 1990).

On May 22, 1989, the Bolsa Chica Planning Coalition (consisting of representatives of the County of Orange, City of Huntington Beach, Amigos de Bolsa Chica, Signal, and the SLC agreed on a new "Concept Plan" as an alternative to the navigable ocean entrance plan which was conditionally certified by the California Coastal Commission in January 1986. The new "Concept Plan" does not include a navigable ocean entrance.

Although the Coastal Commission has not reviewed or approved the new plan, the parties to the original Settlement Agreement Lease and Option have eliminated the navigable ocean entrance concept from their plans and thus the Option was allowed to expire by its own terms. The Department of Fish and Game has been notified that the Option expired on December 31, 1989 and the Lease and sublease on September 30, 1990.

The Koll Company, on behalf of the Signal companies, has requested, through its counsel, that the Commission execute a "Notice of Termination of Option" and Lease "Quitclaim Deed"

CALENDAR ITEM NO. 25 (CONT'D)

which reflect the termination of the State's rights under the Lease and Option as amended.

AB 884: N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: PRC 21065 and 14 Cal. Code Regs. 15378

EXHIBITS:

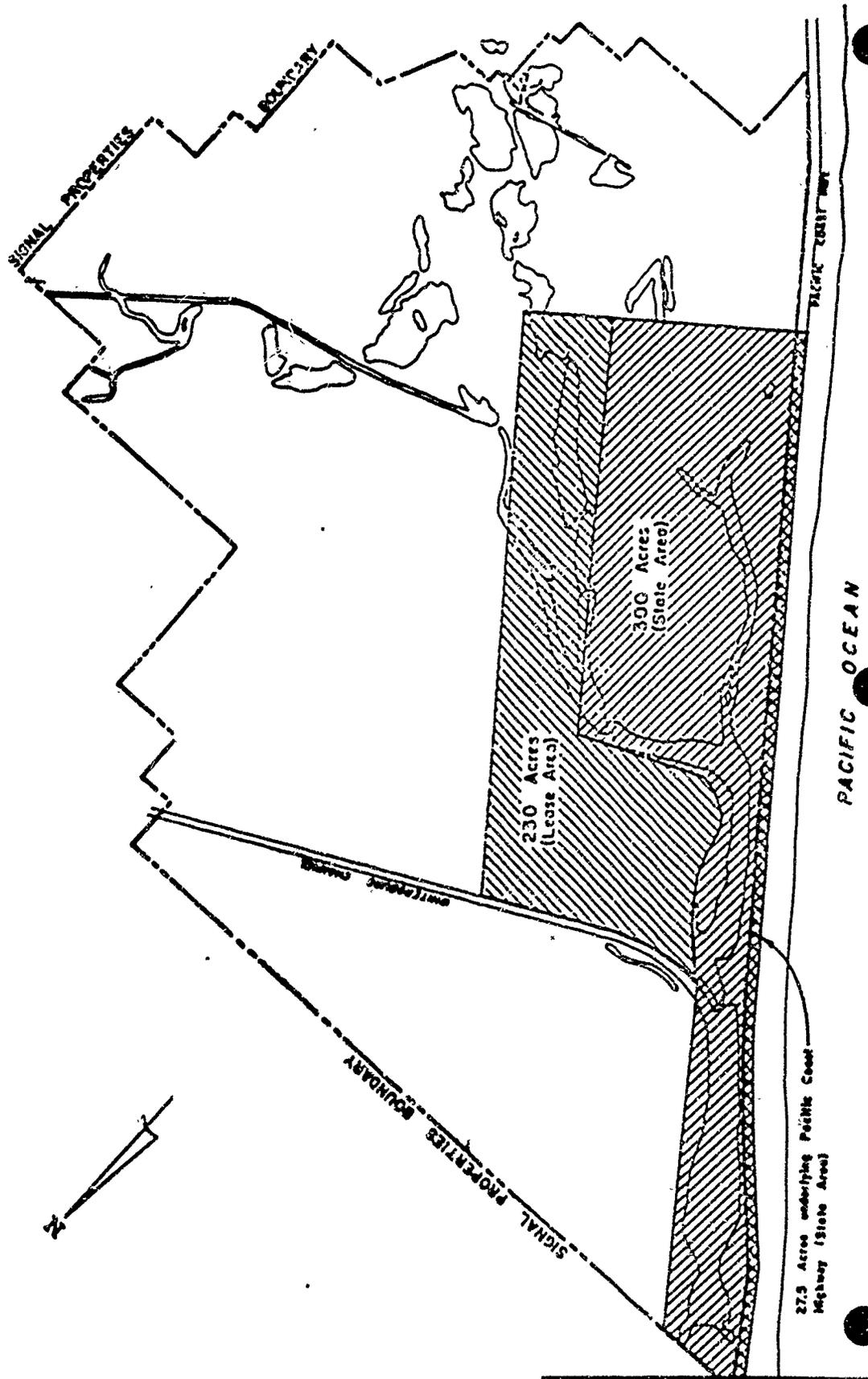
- A. Site Map
- B. Notice of Termination of Option
- C. Quitclaim Deed

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PRC 21065 AND 14 CAL. CODE REGS. 15378.
2. AUTHORIZE THE STAFF OF THE COMMISSION TO TAKE ALL ACTION NECESSARY, INCLUDING EXECUTION OF DOCUMENTS SUBSTANTIALLY IN THE FORM AS PROVIDED IN EXHIBITS "B" AND "C" OF THIS CALENDAR ITEM, TO RECOGNIZE AND EFFECTUATE THE TERMINATION OF THE LEASE AND OPTION OF 230 ACRES FROM THE SIGNAL COMPANIES TO THE STATE OF CALIFORNIA AS PROVIDED FOR IN THE 1973 "BOUNDARY SETTLEMENT AND LAND EXCHANGE AGREEMENT REGARDING LANDS IN THE BOLSA CHICA AREA, ORANGE COUNTY, CALIFORNIA" AS AMENDED.

EXHIBIT A

BOLSA BAY
LAND OWNERSHIPS



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EXHIBIT B

RECORDING REQUESTED BY, AND)
WHEN RECORDED, RETURN TO:)
Paone, Callahan, McHolm & Winton)
19100 Von Karman, 8th Floor)
Irvine, California 92715)
Attention: William R. Devine)

(Space Above for Recorder's Use Only)

NOTICE OF TERMINATION OF OPTION

Signal Bolsa Corporation, a California corporation, and Signal Landmark, Inc., a California corporation, as Lessor and Optionor (together, "Signal") hereby notifies the State of California, acting by and through the California State Lands Commission, as Lessee and Optionee ("SLC"), that SLC's option to acquire Signal's property as originally described in the document dated January 25, 1973, is hereby terminated, effective December 31, 1989, on the basis of the following facts, intentions and understandings.

1. Signal, as lessor, and the State of California, acting by and through SLC, as lessee ("Lessee") entered into a Lease of Right of User and Option to Acquire Real Property, dated January 25, 1973 ("Lease/Option"), the date of recordation and effective date of which was August 17, 1973. The term of the "Lease" was for a period of 14 years beginning on August 17, 1973. Paragraph 3 of the Lease/Option granted to Lessee the exclusive right and option to acquire ("Option") all of Signal's right, title and interest in and to the land subject to the Lease/Option (the "Option Property") upon the satisfaction of certain conditions. One such condition requires Lessee to obtain within 10 years from the effective date of the Lease/Option (i.e. August 16, 1983), an "Appropriation" as that term is defined in Section 1.1 of the

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Boundary Settlement and Land Exchange Agreement Regarding Land in the Bolsa Chica Area, Orange County, California, dated January 25, 1973 ("Settlement Agreement"). Upon the terms of the Lease/Option, the Option was to have expired on August 17, 1983. By mutual agreement of SLC and Signal, and later, by the unilateral action of Signal, the Option period was extended to December 31, 1989, and the Lease was extended until September 30, 1990. As of December 31, 1989, the required Appropriation had not been obtained so the Option terminated.

2. The Option is terminated effective December 31, 1989, and neither the Lessee nor any other entity shall have any further right to acquire the Property under the terms of the Lease/Option.

3. The Lease expired as of September 30, 1990, and all rights of the Lessee under that Lease, and its lessee, the State Department of Fish and Game, terminated as of that date.

SIGNAL BOLSA CORPORATION, a
California corporation

By: THE KOLL COMPANY, a
California corporation,
managing agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SIGNAL LANDMARK, INC., a
California corporation

By: THE KOLL COMPANY, a
California corporation,
managing agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CERTIFICATE OF ACKNOWLEDGMENT

The California State Lands Commission, by and through its authorized representative, hereby acknowledges termination of its Option to the Property effective December 31, 1989.

CALIFORNIA STATE LANDS COMMISSION

By: _____
Name: _____
Title: _____

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STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 1990, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument as the President and Secretary, respectively, of The Koll Company, a California corporation, managing agent for Signal Bolsa Corporation, the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Notary Public

(SEAL)

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument as the President and Secretary, respectively, of The Koll Company, a California corporation, managing agent for Signal Landmark, Inc., the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Notary Public

(SEAL)

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STATE OF CALIFORNIA)
) ss.
County of _____)

On this _____ day of _____, 1990, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Assistant Executive Officer of the California State Lands Commission, and acknowledged to me that the California State Lands Commission executed it.

Witness my hand and official seal.

Notary Public

(SEAL)

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EXHIBIT C

RECORDING REQUESTED BY AND)
WHEN RECORDED RETURN TO:)
Paone, Callahan, McHolm & Winton)
P.O. Box 19613)
Irvine, CA 92713-9613)
Attn: William R. Devine)

(Space above for Recorder's Use)

QUITCLAIM DEED

For valuable consideration, receipt of which is acknowledged, the State of California, acting by and through the California State Lands Commission, Optionee under that certain Lease of Right of User and Option to Acquire Real Property (the "Lease/Option") dated January 25, 1973, and recorded August 17, 1973, in the Official Records of Orange County, does hereby remise, release, and forever quitclaim to Signal Bolsa Corporation, a California corporation, and Signal Landmark, Inc., a California corporation, Optionors under the Lease/Option, all of its right, title, and interest in the real property located in the City of Huntington Beach, Orange County, California, described in the Lease/Option.

This deed is given to relinquish and release any right, title and interest the Optionee may have by virtue of the Lease/Option.

Executed on _____, 199__, at _____, California.

CALIFORNIA STATE LANDS COMMISSION

By: _____
Name: _____
Title: _____

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STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, before me, the undersigned, a
Notary Public in and for said State, personally
appeared _____, personally known to me or
proved to me on the basis of satisfactory evidence to be the
person whose name is subscribed to the within instrument and
acknowledged that he executed the same as _____ of the
California State Lands Commission.

WITNESS my hand and official seal.

Notary Public

(SEAL)

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