

MINUTE ITEM

This Calendar Item No. 47
was approved as Minute Item
No. 47 by the State Lands
Commission by a vote of 3
to 0 at its 3-25 CALENDAR ITEM
meeting.

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ASSIGNMENT OF LEASES, ANZA PACIFIC
CORPORATION TO ANZA SHAREHOLDER'S
LIQUIDATING TRUST

Recognizing that the future of San Francisco Bay is a matter of national, State and local concern, the Commission in August 1968 authorized the State Lands Division and the Attorney General's office jointly to begin a study regarding the extent and nature of State ownership in San Francisco Bay. This joint study revealed title and boundary problems within a 146 acre area claimed by the Anza Pacific Corporation.

After exhaustive study and negotiations by the Staff, the Commission approved BLA No. 131, which set a firm boundary in the 146 acre parcel and provided for the issuance of thirteen leases of State property to Anza Pacific Corporation. (Minute Item 26, July 6, 1972). Three of the leases were public purpose oriented for roads and waterways; nine were commercial in nature. Anza Corporation has fully performed under the agreement and leases. Transamerica Title Insurance Company was a party to the agreement, and guaranteed many of the terms and conditions of the agreement.

Due to recent financial developments, namely rising interest rates and balloon payments on Anza's bonded indebtedness, Anza's management has elected to set up a liquidating trust and assign all its assets, including the State leases to the trust.

The Staff has investigated the proposal and has worked out what it believes to be a reasonable agreement of assignment.

Major provisions of the agreement are:

1. A total guarantee of payment of all outstanding Bayside No. 4 Improvement Bonds.
2. Reaffirmation by Anza Pacific Corporation and the liquidating trust of all provisions of BLA No. 131.
3. Agreement by Anza and the liquidating trust that the State leases are "Liabilities" and "Obligations" within the meaning of the trust.
4. The first act of the trustees of the trust will be to ratify the agreement with the State Lands Commission.

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5. Anza and the trust will agree that the State leases will not be distributed as assets of the trust.
6. Transamerica Title Insurance Company will reaffirm the validity of all the provisions of BLA 131.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE AND AUTHORIZE EXECUTION OF AN AGREEMENT ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION ALLOWING THE ASSIGNMENT OF PRC'S 4562.1, 4680.9, 4681.9, 4682.9, 4683.1, 4684.1, 4685.1, 4686.1, 4687.1, 4688.1, 4689.1, 4690.1, 4691.1, FROM ANZA PACIFIC CORPORATION TO ANZA SHAREHOLDER'S LIQUIDATION CORPORATION AND AUTHORIZE THE STATE LANDS DIVISION AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS NECESSARY INCLUDING LITIGATION TO EFFECT THE AGREEMENT.