

25. ASSIGNMENT OF MINERAL EXTRACTION LEASE P.R.C. 3502.1 FROM UTAH CONSTRUCTION & MINING CO. TO NORTHERN CALIFORNIA AGGREGATES; SONOMA COUNTY - W-7407.

During consideration of Calendar Item 46 attached, the Executive Officer reported that a letter had been received from the Board of Supervisors of the County of Sonoma, stating that they wished to be put on record as having no objection to the proposed assignment.

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE APPROVAL OF THE ASSIGNMENT FROM UTAH CONSTRUCTION & MINING CO. TO NORTHERN CALIFORNIA AGGREGATES OF STATE MINERAL EXTRACTION LEASE P.R.C. 3502.1, WHICH ASSIGNMENT SHALL BE EFFECTIVE DECEMBER 1, 1969, BUT ONLY AFTER THE FOLLOWING CONDITIONS HAVE BEEN MET:

1. RECEIPT OF TITLE INSURANCE POLICIES, SATISFACTORY IN FORM TO THE EXECUTIVE OFFICER OF THE COMMISSION, SHOWING SATISFACTORY MARKETABLE TITLE TO ALL THE LANDS DESCRIBED IN APPENDIX I TO LEASE P.R.C. 3502.1 (OTHER THAN PARCELS 1 AND 2 ALREADY CONVEYED TO THE STATE). IT IS RECOGNIZED THAT THE LANDS DESCRIBED IN APPENDIX I (OTHER THAN THE TWO PARCELS ALREADY CONVEYED TO THE STATE) ARE ENCUMBERED BY A TRUST DEED THAT WILL BE ASSUMED BY THE ASSIGNEE, NORTHERN CALIFORNIA AGGREGATES, AND AS A CONDITION OF THE APPROVAL OF THE ASSIGNMENT, ASSIGNEE WILL AGREE TO RELEASE THE LIEN OF SUCH DEED OF TRUST AS TO ANY PARCEL OF LAND AT THE TIME THE STATE IS ENTITLED TO RECEIVE SUCH PARCEL IN LIEU OF ROYALTIES OR UNDER THE TERMS OF THE LEASE.
2. CONVEYANCE BY DEED, SATISFACTORY IN FORM TO STAFF COUNSEL OF THE STATE LANDS DIVISION, OF TITLE TO LANDS DESCRIBED IN SAID APPENDIX I (OTHER THAN PARCELS 1 AND 2) FROM UTAH CONSTRUCTION & MINING CO. TO NORTHERN CALIFORNIA AGGREGATES, AND, IN THIS CONNECTION, AGREEMENT BY THE ASSIGNEE TO TERMINATE ANY ENCUMBRANCE ON EACH PARCEL TO BE CONVEYED TO THE STATE, AT THE TIME THE STATE BECOMES ENTITLED TO SUCH PARCEL UNDER THE TERMS OF THE LEASE.
3. EXECUTION OF DEEDS, SATISFACTORY IN FORM TO STAFF COUNSEL OF THE STATE LANDS DIVISION, FROM NORTHERN CALIFORNIA AGGREGATES TO THE STATE OF CALIFORNIA OF THE LANDS DESCRIBED IN SAID APPENDIX I (OTHER THAN PARCELS 1 AND 2) AND DEPOSIT OF SAID DEEDS IN ESCROW NO. 98277 OF SONOMA TITLE GUARANTY COMPANY, SANTA ROSA, CALIFORNIA.
4. AMENDMENT OF ESCROW NO. 98277 OF SONOMA TITLE GUARANTY COMPANY, SANTA ROSA, CALIFORNIA, TO SUBSTITUTE NORTHERN CALIFORNIA AGGREGATES FOR UTAH CONSTRUCTION & MINING CO. UNDER SAID ESCROW, SAID AMENDMENT TO BE EXECUTED BY UTAH CONSTRUCTION & MINING CO., NORTHERN CALIFORNIA AGGREGATES, AND THE STATE OF CALIFORNIA. IT IS FURTHER RECOMMENDED THAT THE EXECUTIVE OFFICER OF THE STATE LANDS COMMISSION BE AUTHORIZED TO EXECUTE SAID AMENDMENT TO SAID ESCROW ON BEHALF OF THE STATE.

Attachment  
Calendar Item 46 (2 pages)

46.

PROPOSED ASSIGNMENT OF MINERAL EXTRACTION LEASE P.R.C. 3502.1 FROM UTAH CONSTRUCTION & MINING CO. TO NORTHERN CALIFORNIA AGGREGATES; SONOMA COUNTY - W-7407.

Lease P.R.C. 3502.1 was entered into June 28, 1966, between Utah Construction & Mining Co. and the State, pursuant to Chapter 1858, Statutes of 1965, and amended May 26, 1969. The lease is for the extraction of minerals from the Russian River from its mouth to approximately five miles upstream. A pertinent provision of the lease is that the State of California has the option, which it exercised, to accept in lieu of cash royalties certain parcels of real property in the adjacent area which were offered by the lessee and described in Appendix I of the lease. Said parcels of land were found by the Administrator of the Resources Agency and the Director of Parks and Recreation to be of substantial public benefit as recreational lands. To accomplish the foregoing purpose, Escrow No. 98277 was opened with Sonoma Title Guaranty Company, Santa Rosa, California, in which deeds from Utah Construction & Mining Co. to the State for the parcels described in Appendix I of the lease were deposited. The escrow instructions provided that whenever the total amount of accrued royalties equaled the appraised value of a parcel selected, and the State so certified, the Director of Parks and Recreation would deposit a certificate of acceptance of the grant deed covering the particular parcel, and the deed to the parcel would be delivered to the State. The Director of Parks and Recreation has received Parcel 1, and Parcel 2, in accordance with this procedure. The proposed assignee, Northern California Aggregates, as a condition of the assignment, agrees to perform all of the terms and conditions of the lease, which of necessity must include making available to the State the same parcels of land described in Appendix I of the lease so that the Director of Parks and Recreation may accept lands in lieu of royalties. The assignee has furnished a bond and insurance coverage as provided by the lease and is qualified to hold the lease pursuant to Public Resources Code Section 6801. The Secretary of the Resources Agency and the Director of the Department of Parks and Recreation have no objection to the assignment.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE APPROVAL OF THE ASSIGNMENT FROM UTAH CONSTRUCTION & MINING CO. TO NORTHERN CALIFORNIA AGGREGATES OF STATE MINERAL EXTRACTION LEASE P.R.C. 3502.1, WHICH ASSIGNMENT SHALL BE EFFECTIVE DECEMBER 1, 1969, BUT ONLY AFTER THE FOLLOWING CONDITIONS HAVE BEEN MET:

1. RECEIPT OF TITLE INSURANCE POLICIES, SATISFACTORY IN FORM TO THE EXECUTIVE OFFICER OF THE COMMISSION, SHOWING SATISFACTORY MARKETABLE TITLE TO ALL THE LANDS DESCRIBED IN APPENDIX I TO LEASE P.R.C. 3502.1 (OTHER THAN PARCELS 1 AND 2 ALREADY CONVEYED TO THE STATE). IT IS RECOGNIZED THAT THE LANDS DESCRIBED IN APPENDIX I (OTHER THAN THE TWO PARCELS ALREADY CONVEYED TO THE STATE) ARE ENCUMBERED BY A TRUST DEED THAT WILL BE ASSUMED BY THE ASSIGNEE, NORTHERN CALIFORNIA AGGREGATES, AND AS A CONDITION OF THE APPROVAL OF THE ASSIGNMENT, ASSIGNEE WILL AGREE TO RELEASE THE LIEN OF SUCH DEED OF TRUST AS TO ANY PARCEL OF LAND AT THE TIME THE STATE IS ENTITLED TO RECEIVE SUCH PARCEL IN LIEU OF ROYALTIES OR UNDER THE TERMS OF THE LEASE.
2. CONVEYANCE BY DEED, SATISFACTORY IN FORM TO STAFF COUNSEL OF THE STATE

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LANDS DIVISION, OF TITLE TO LANDS DESCRIBED IN SAID APPENDIX I (OTHER THAN PARCELS 1 AND 2) FROM UTAH CONSTRUCTION & MINING CO. TO NORTHERN CALIFORNIA AGGREGATES, AND, IN THIS CONNECTION, AGREEMENT BY THE ASSIGNEE TO TERMINATE ANY ENCUMBRANCE ON EACH PARCEL TO BE CONVEYED TO THE STATE, AT THE TIME THE STATE BECOMES ENTITLED TO SUCH PARCEL UNDER THE TERMS OF THE LEASE.

3. EXECUTION OF DEEDS, SATISFACTORY IN FORM TO STAFF COUNSEL OF THE STATE LANDS DIVISION, FROM NORTHERN CALIFORNIA AGGREGATES TO THE STATE OF CALIFORNIA OF THE LANDS DESCRIBED IN SAID APPENDIX I (OTHER THAN PARCELS 1 AND 2) AND DEPOSIT OF SAID DEEDS IN ESCROW NO. 98277 OF SONOMA TITLE GUARANTY COMPANY, SANTA ROSA, CALIFORNIA.
4. AMENDMENT OF ESCROW NO. 98277 OF SONOMA TITLE GUARANTY COMPANY, SANTA ROSA, CALIFORNIA, TO SUBSTITUTE NORTHERN CALIFORNIA AGGREGATES FOR UTAH CONSTRUCTION & MINING CO. UNDER SAID ESCROW, SAID AMENDMENT TO BE EXECUTED BY UTAH CONSTRUCTION & MINING CO., NORTHERN CALIFORNIA AGGREGATES, AND THE STATE OF CALIFORNIA. IT IS FURTHER RECOMMENDED THAT THE EXECUTIVE OFFICER OF THE STATE LANDS COMMISSION BE AUTHORIZED TO EXECUTE SAID AMENDMENT TO SAID ESCROW ON BEHALF OF THE STATE.