

Bay City Partners, LLC

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BAY CITY PARTNERS, LLC CHALLENGES CITY PROJECT

SEAL BEACH, CA – April 20, 2010 -- Bay City Partners, LLC (BCP) has announced that it has reluctantly filed litigation challenging the City of Seal Beach's certification of a mitigated negative declaration and approval of the River's End Staging Area (RESA) and San Gabriel River Trail Enhancements. The RESA project is a plan to landscape and improve the public beach parking lot at First Street and Ocean Avenue and enhance the adjacent San Gabriel River Trail that extends from the parking lot to the 405 freeway. Portions of the proposed RESA project encroach upon land owned by BCP. Specifically, the RESA encroaches on a driveway to the beach at First Street and Ocean Avenue and the San Gabriel River Trail as it passes through BCP's property. BCP brought this issue to the City's attention and requested the City address this and other issues prior to approving the RESA project. The City refused, which left BCP no alternative but to file litigation against the City to protect its property rights and to remedy defects in the environmental documents prepared by the City in connection with the RESA project.

BCP acquired its property located at First Street and Marina Drive in 2003 for the purpose of pursuing a development project consistent with community standards. As part of its project, significant portions of BCP's property will be set aside for open space purposes. Since acquiring the property in 2003, BCP has repeatedly advised the City that it is willing to donate the land impacted by the RESA project at no cost to the City once BCP's development plans are approved. In the interim, BCP has even offered the City use of BCP's property, at no cost, to allow the City to complete the RESA project. The City has rejected all of BCP's overtures to work cooperatively with BCP. Instead, the City filed an eminent domain action in September 2009 for the purpose of taking the driveway property owned by BCP. The City filed the eminent domain action to seize BCP's driveway, citing the potential that BCP could restrict public access despite BCP's public assurances that it would not do so. In defense of its rights in the eminent domain proceedings, BCP

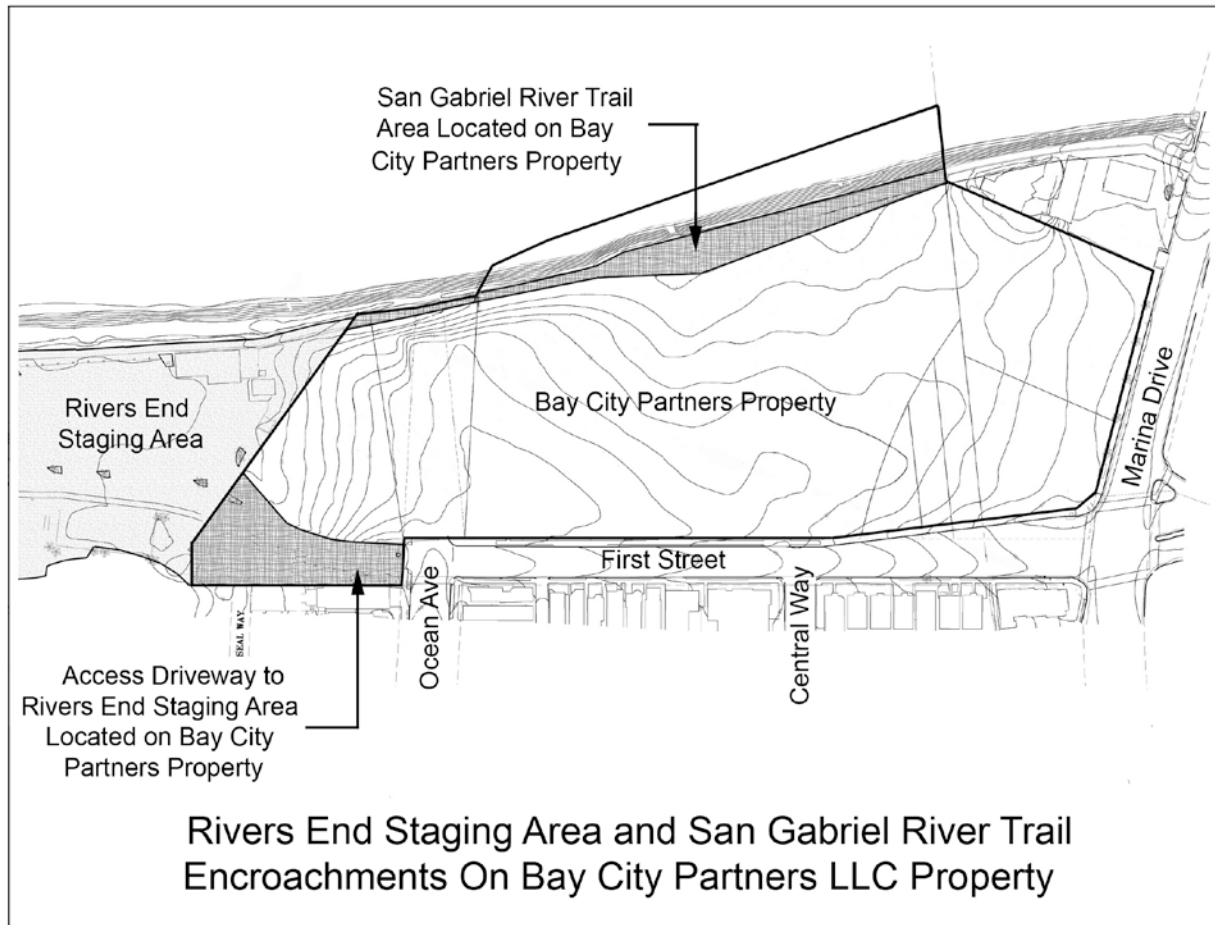
contends that the City failed to perform various environmental studies that are required prior to filing an action to take private property. BCP has been in negotiations with the City to resolve the eminent domain proceeding, but settlement discussions have been unsuccessful to date. October 4, 2010 is the scheduled trial date of the eminent domain proceeding.

Prior to filing the eminent domain action, the City offered to purchase the driveway for \$2.30 per square foot. The City's offering price is significantly below the fair market value, pointing to unwarranted abuse by the City of the power of eminent domain. BCP has challenged the City to provide any documentation of the sale of any southern California oceanfront property at such a dramatically reduced price, but has yet to receive a response. Ironically, the City's eminent domain lawsuit against BCP could result in the City paying significant legal fees and other costs.

BCP has now filed a separate lawsuit against the City challenging the City's approval of the RESA project. The RESA project was approved by the Planning Commission on March 18, 2010 despite BCP's objections. BCP has appealed the Planning Commission decision to the City Council. This appeal is set for hearing April 26. Unfortunately, rather than waiting until the appeal period to the City Council expired, City staff hurriedly filed a "Notice of Determination" on March 22 which triggered a shortened 30-day period in which BCP could legally challenge the City's action. Due to the City's actions, BCP has been forced to file the CEQA (California Environmental Quality Act) lawsuit to protect its property rights and remedy defects associated with the City's approval of the RESA project. Had the City waited until the appeal period to the City Council expired prior to filing the Notice of Determination, BCP's CEQA lawsuit and mounting costs to both parties could have possibly been avoided.

BCP continues to believe there is a clear opportunity for BCP and the City to work together to achieve common goals beneficial to both parties and the community. So far negotiations with the City to bring this about have failed – which resulted in the City filing an eminent domain action to take BCP's property and BCP in turn filing the CEQA litigation. BCP is continuing discussions with the City and is hopeful that a mutual solution can be found to end all litigation which is not only costing BCP significant sums, but is also costing the residents of Seal Beach unnecessary taxpayer dollars. This could eventually cost the City dearly, as the City will have to pay constitutional just compensation to BCP for land BCP is willing to give the City at no cost, if BCP is able to successfully negotiate

the processing of its development application. With the eminent domain trial set for this October, time is running out for the City to resolve this issue.



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About Bay City Partners, LLC

Bay City Partners, LLC is a group of local businessmen who purchased the property referenced in this press release with the intent of improving the property for the betterment of the City of Seal Beach's residents and visitors. For further information please contact Edward Selich, Project Development Manager at 949-723-6383 or edselich@roadrunner.com.