

MINUTE ITEM

23. PROPOSED MINERAL EXTRACTION LEASE, SUISUN BAY, CONTRA COSTA AND SOLANO COUNTIES; A. G. SCHOONMAKER COMPANY, INC. - W.O. 4615, P.R.C. 3118.1.

After consideration of Calendar Item 8 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE TO A. G. SCHOONMAKER COMPANY, INC., THE HIGHEST QUALIFIED BIDDER, A MINERAL EXTRACTION LEASE FOR APPROXIMATELY 126.33 ACRES OF SUBMERGED LAND LYING IN SUISUN BAY, CONTRA COSTA AND SOLANO COUNTIES, AS DETAILED IN EXHIBIT "A" ATTACHED, SUBJECT TO PAYMENT OF A ROYALTY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

FOR ALL MATERIAL EXTRACTED:

$$R = 0.08 + 0.08 (1.01)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER CUBIC YARD OF MATERIAL EXTRACTED

THE ROYALTY RATE UNDER THE ABOVE SCHEDULE SHALL BE INCREASED AUTOMATICALLY AFTER THE FIRST YEAR OF THE LEASE AT THE RATE OF FIVE PERCENT (5%) PER YEAR FOR EACH OF THE NEXT FOUR YEARS TO THE END OF THE LEASE TERM. FOR EACH SUCCESSIVE LEASE RENEWAL, THE ROYALTY RATE, AND THE RATE OF INCREASE PER YEAR (IF ANY) SHALL BE SUBJECT TO REDETERMINATION BY THE STATE AT THE TIME OF RENEWAL.

A PERFORMANCE BOND IN THE PENAL SUM OF \$10,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL OF THE TERMS AND CONDITIONS OF THE LEASE.

Attachments

Exhibit "A" (1 page)

Calendar Item 8 (2 pages)

EXHIBIT "A"

That certain parcel of submerged land, situate in the Counties of Contra Costa and Solano, State of California, and more particularly described as follows, to wit:

Beginning at a point in Suisun Bay which bears N.  $08^{\circ} 28'$  E. 5,450 feet from the corner common to Sections 4, 5, 8 and 9, T. 2 N., R. 1 W., M.D.B. & M., and proceeding thence S.  $31^{\circ} 33'$  E. 3,000 feet; N.  $54^{\circ} 55'$  E. 1,430 feet; N.  $53^{\circ} 22'$  W. 2,800 feet; S.  $81^{\circ} 30'$  E. 3,830 feet; N.  $54^{\circ} 55'$  E. 1,270 feet; N.  $31^{\circ} 30'$  W. 2,600 feet; and, thence S.  $80^{\circ} 00' 31''$  W. 2,791.1 feet more or less to the point of beginning, containing 126.33 acres more or less.

CALENDAR ITEM

8.

PROPOSED MINERAL EXTRACTION LEASE, SUISUN BAY, CONTRA COSTA AND SOLANO COUNTIES - W.O. 4615.

On February 18, 1964, two bids were received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for the extraction of sand from approximately 126.33 acres of submerged land in Suisun Bay, Contra Costa and Solano Counties.

The high bid, submitted by A. G. Schoonmaker Company, Inc., offered, in addition to the \$0.08 per cubic yard minimum, \$0.0808 per cubic yard for all material extracted. The other bid, the joint bid of Harry Thomsen and John Peterson, offered, in addition to the \$0.08 per cubic yard minimum, \$0.004 per cubic yard for all material extracted.

The office of the Attorney General has advised that the bid of A. G. Schoonmaker Company, Inc., complies with the provisions of the Public Resources Code and of the California Administrative Code and with the conditions set forth in the offer.

IT IS RECOMMENDED THAT, IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO A. G. SCHOONMAKER COMPANY, INC., THE HIGHEST QUALIFIED BIDDER, A MINERAL EXTRACTION LEASE FOR APPROXIMATELY 126.33 ACRES OF SUBMERGED LAND LYING IN SUISUN BAY, CONTRA COSTA AND SOLANO COUNTIES, AS DETAILED IN EXHIBIT "A" ATTACHED, SUBJECT TO PAYMENT OF A ROYALTY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

FOR ALL MATERIAL EXTRACTED:

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THE ROYALTY RATE UNDER THE ABOVE SCHEDULE SHALL BE INCREASED AUTOMATICALLY AFTER THE FIRST YEAR OF THE LEASE AT THE RATE OF FIVE PERCENT (5%) PER YEAR FOR EACH OF THE NEXT FOUR YEARS TO THE END OF THE LEASE TERM. FOR EACH SUCCESSIVE LEASE RENEWAL, THE ROYALTY RATE, AND THE RATE OF INCREASE PER YEAR (IF ANY) SHALL BE SUBJECT TO REDETERMINATION BY THE STATE AT THE TIME OF RENEWAL.

A PERFORMANCE BOND IN THE PENAL SUM OF \$10,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL OF THE TERMS AND CONDITIONS OF THE LEASE.

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That certain parcel of submerged land, situate in the Counties of Contra Costa and Solano, State of California, and more particularly described as follows, to wit:

Beginning at a point in Suisun Bay which bears N.  $08^{\circ} 25'$  E. 5,450 feet from the corner common to Sections 4, 5, 8 and 9, T. 2 N., R. 1 W., M.D.B. & M., and proceeding thence S.  $31^{\circ} 33'$  E. 3,000 feet; N.  $54^{\circ} 55'$  E. 1,430 feet; N.  $53^{\circ} 22'$  W. 2,800 feet; S.  $81^{\circ} 30'$  E. 3,830 feet; N.  $54^{\circ} 55'$  E. 1,270 feet; N.  $81^{\circ} 30'$  W. 2,600 feet; and, thence S.  $80^{\circ} 00' 31''$  W. 2,791.1 feet more or less to the point of beginning, containing 126.33 acres more or less.