

MINUTE ITEM

This Calendar item No. C18
was approved as Minute Item
No. 18 by the State Lands
Commission by a vote of 2
0 at its 10-30-80
meeting.

CALENDAR ITEM

C18.

10/80
PRC 5752.1
Gonzalez

AMENDMENT OF LEASE PRC 5752.1

LEASE: Mineral Extraction Lease PRC 5752.1.

LESSEE: Morris Tug and Barge, Inc.
100 East "D" Street
Petaluma, California 94952

LOCATION: South San Francisco Bay, San Mateo and
Alameda Counties.

PERTINENT INFORMATION:

Lease PRC 5752.1 was awarded on December 1, 1979, to Morris Tug and Barge after competitive bid. When Morris applied to the United States Army Corps of Engineers for a Dredging Permit, Ideal Cement and Leslie Properties, Inc. protested issuance of a permit claiming ownership of portions of the lease area. Ideal and Leslie then communicated with State Lands Commission concerning ownership of portions of the lease area.

Rather than become a party to negotiations or litigation involving mineral rights, Morris Tug and Barge agreed to conduct mineral extraction operations on the lease area outside the claims of the two companies. From the original 1,313 acre, the area outside the Ideal and Leslie claims is now approximately 335 acres - A reduction of 75%. Allowing a corresponding reduction in the annual minimum royalty, the minimum royalty shall be reduced to \$1500 annually from \$6000 annually for the first two years and to \$3000 annually from \$12,000 annually for each year thereafter. All other terms and conditions of the lease shall remain in full force.

Amendment of this lease does not constitute any waiver of State ownership claims or an admission by the State of the ownership claims of Ideal or Leslie.

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CALENDAR PAGE	<u>081</u>
MINUTE PAGE	<u>2363</u>

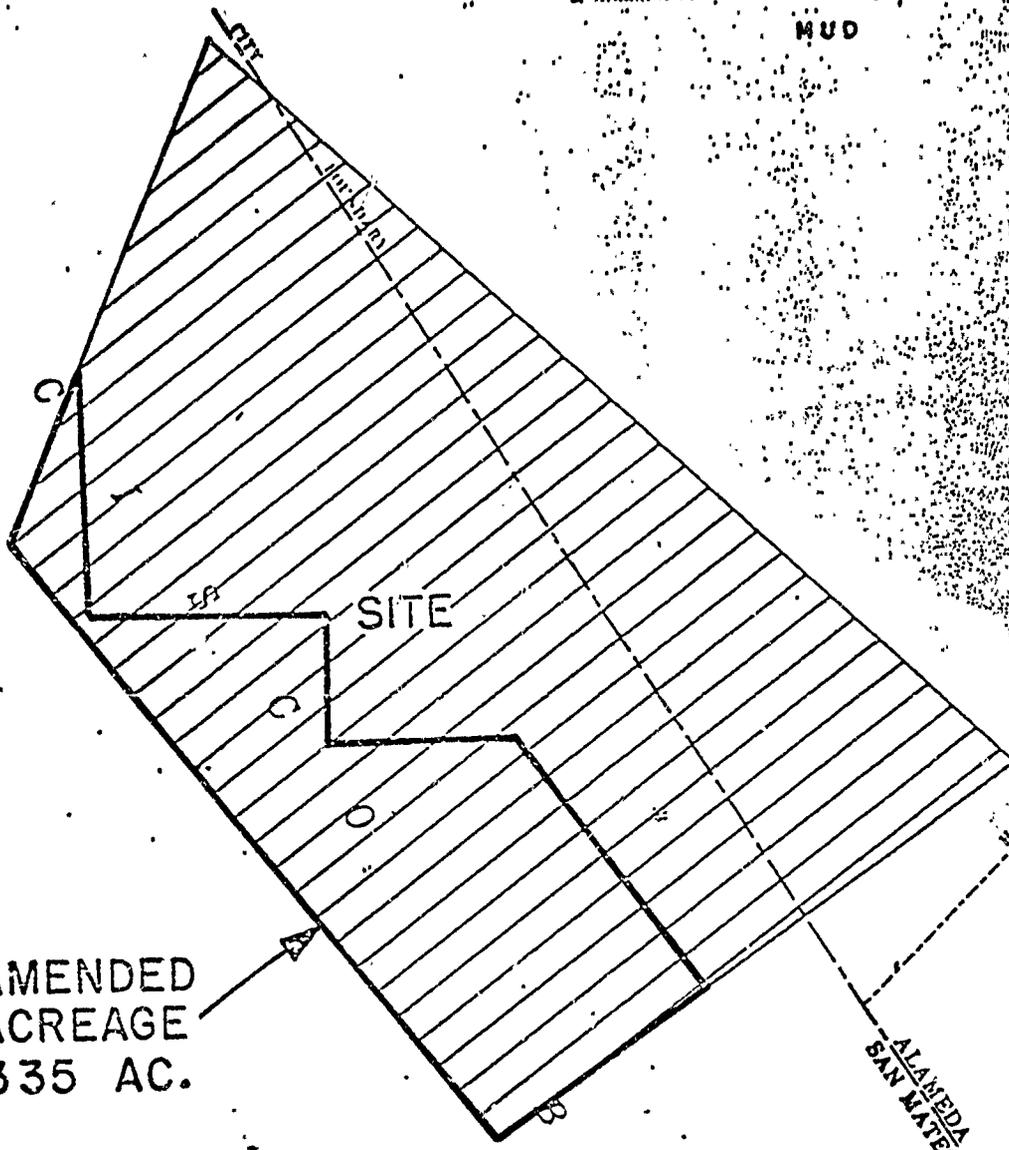
CALENDAR ITEM NO. C18. (CONTD)

Because of delays experienced by Morris Tug and Barge caused by the protest to the issuance of the Dredging Permit, it is recommended that rentals and minimum royalties be waived for the period December 1, 1979 through October 31, 1980, and the lease and new lease terms become effective November 1, 1980.

EXHIBITS: A. Location Map. B. Land Description.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE AMENDMENT OF MINERAL EXTRACTION LEASE PRC 5752.1 ISSUED TO MORRIS TUG AND BARGE, INC. FOR (1) A REDUCTION OF ACREAGE TO 335 ACRES AS SHOWN ON EXHIBIT A, AND MORE PARTICULARLY DESCRIBED IN EXHIBIT B; (2) REDUCTION OF MINIMUM ANNUAL ROYALTY TO \$1500.00 PER YEAR FOR THE FIRST TWO (2) YEARS OF THE PRIMARY LEASE TERM AND \$3000.00 PER YEAR THEREAFTER; COMMENCING NOVEMBER 1, 1980; AND (3) THE WAIVER OF RENTALS AND MINIMUM ROYALTIES FOR THE PERIOD DECEMBER 1, 1979 THROUGH OCTOBER 31, 1980.

CALENDAR PAGE	<u>082</u>
MINUTE PAGE	<u>2364</u>



AMENDED
ACREAGE
335 AC.

← FOSTER CITY 3 1/2 MI.

EXHIBIT "A"
PRC 5752.1



CALENDAR PAGE 083
MINUTE PAGE 2365

EXHIBIT "B"

LAND DESCRIPTION

P 5752.1

A parcel of submerged land within San Francisco Bay, San Mateo County, California, T4S, R3W, MDM, lying partly within unincorporated territory and partly within the City of Hayward, described as follows:

BEGINNING at a point in San Francisco Bay (Zone 3, California Coordinates X = 1,514,720.64 feet and Y = 396,215.16 feet) which bears N 35° 29' 59" E 25,160.81 feet from Leslie Salt Company Monument 23 at the common corner for Sections 5, 6, 7 and 8, T5S, R3W, MDM, as described in the deed for Parcel "H" from Leslie Salt Company to the State of California, recorded in Volume 5426 at page 110, of Official Records of San Mateo County, said point of beginning also bears N 80° 43' 10" W 17,967.24 feet from Leslie Salt Company Monument 149 as described in the deed for Parcel "R" from Leslie Salt Company to the State of California recorded Reel 2119, Image 305 of Official Records of Alameda County; thence from said point of beginning the following four courses:

1. S 47° 46' 45" E 1,407.46 feet;
2. S 55° 30' 23" W 6,674.00 feet;
3. N 39° 24' 20" W 8,075.14 feet;
4. N 22° 42' 41" E 5,643.43 feet to the point of beginning, containing 1,313 acres, more or less.

Bearings, distances, and coordinates used in this description are based upon the California Coordinate System, Zone 3.

EXCEPTING THEREFROM any lands lying within Tideland Location No. 90 (originally Tideland Survey No. 122) recorded 8/8/1901 in Book C of Patents, page 211, Alameda County Recorder's Office, said lands are also located within claims of the Ideal Cement Company and also EXCEPTING THEREFROM those lands located within Tideland Survey No. 109, recorded 10/23/1905 in Book C of Patents, page 342, Alameda County Recorder's Office, said lands are also located within Leslie Salt Property claims.

END OF DESCRIPTION

REVISED BY TECHNICAL SERVICES UNIT, ROY MINNICK, SUPERVISOR.

CALENDAR PAGE	084
MINUTE PAGE	2366