MINUTE ITEM
This Calendar Item No. C12
was approved as Minute Item
No. 12 by the State Lands
Commission by a vote of 2
to 2 at its 12-16-80
meeting.

CALENDAR ITEM

C 12

12/80
WP 3265
Louie

ASSIGNMENT AND AMENDMENT
OF LEASE PRC 3265.1

ASSIGNOR: Shell Oil Company
P. O. Box 4848
Anaheim, California 92803

Attn: Real Estate Department

ASSIGNEE: Mr. Ron Schirmer
16196 Mt. Craig Circle
Fountain Valley, California 92708

AREA, TYPE LAND AND LOCATION:
0.115-acre of tide and submerged land, Sunset Bay, Orange County.

LAND USE: Marine fueling facility.

TERMS OF EXISTING LEASE:

Initial period: 10 years from April 1, 1980.

Renewal options: 2 successive periods of 10 years each.

Surety bond: $1,000.

Public liability insurance: Combined single limit coverage of $1,000,000.

Consideration: $0.01 per gallon of fuel sold during the yearly reporting period to a maximum of 100,000 gallons, and $0.015 per gallon for each additional gallon

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sold thereafter. The minimum annual rental is $3,600. The State reserves the right to fix a different rental on each fifth anniversary of the lease.

Special: Lessee is authorized to sublease to any operators under contract to the Lessee during the life of the lease, subject to advance written notice to the State Lands Commission of each sublet, and provided that Lessee continues to assume all obligations of the lease.

TERMS OF ASSIGNMENT AND AMENDED LEASE:

1. Surety bond is increased to $7,500.

2. Sublease of the lease premises requires prior written consent of the State Lands Commission.

3. The State releases Shell Oil Company from any future obligation or liability under the subject Lease.

BASIS FOR CONSIDERATION:

Volumetric (gallonage) rental pursuant to 2 Cal. Adm. Code 2005 and 2006.

PREREQUISITE TERMS, FEES AND EXPENSES:

Processing costs have been received.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 & 2; Div. 13; Div. 20.

B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

OTHER PERTINENT INFORMATION:

1. An EIR is not required. This transaction is within the purview of 2 Cal. Adm. Code 2907, Class 1(B), which exempts an existing structure or facility that is in an acceptable state of repair and there is no evidence of record to show injury to adjacent property, shoreline erosion, or other types of environmental degradation.

2. This project is situated on land identified as possessing environmental values in that the State Lands Commission stated all waterways under the Commission's jurisdiction have environmental significance. Staff finds this project to be compatible with Commission policy.

3. The staff was contacted by Shell Oil Company expressing their desire that they, as assignor, not be held liable under the terms of the assigned lease.

   The assignee has provided the staff with a copy of personal and business financial statements which have been reviewed. The assignee has leased the upland and the marine fueling facility from Shell Oil Company since December 1972.

   Upon review of this situation, the staff considers the assignee to be fully capable of meeting the terms of this lease, and recommends that the assignor be released from liability.

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

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21084, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907.

2. FIND THAT THIS PROJECT IS SITUATED ON LAND IDENTIFIED AS POSSESSING ENVIRONMENTAL VALUES IN THAT THE STATE LANDS COMMISSION FOUND ALL WATERWAYS UNDER THE COMMISSION'S JURISDICTION HAVE ENVIRONMENTAL SIGNIFICANCE, BUT THAT THIS PROJECT IS COMPATIBLE WITH THAT FINDING AS IT APPLIES TO THE SUBJECT LAND.

3. DETERMINE THAT THIS LEASE IS EXEMPT FROM THE REQUIREMENTS OF ARTICLE 6.5 OF 2 CAL. ADM. CODE AS IT IS NOT A DEVELOPMENT PROJECT WITHIN THE MEANING OF SAID REGULATIONS.

4. AUTHORIZE THE ASSIGNMENT OF LEASE PRC 3265.1 TO MR. RON SCHIRMER FROM SHELL OIL COMPANY, EFFECTIVE JANUARY 1, 1981, AND THE AMENDMENT OF SAID LEASE ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION.

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EXHIBIT "A"

A parcel of submerged land in Sunset Bay, Orange County, State of California, situate adjacent to tide land location No. 141 and being further described as follows:

Beginning at the terminal point of the last course recited in that boundary line agreement between the State of California and the Lincoln Fidelity Corporation, said agreement being on file with the State Lands Commission as "Boundary Line Agreement No. 46", said last course having a bearing of N. 52° 45' 00" W. and a length of 850.25 feet; thence from said point of beginning proceeding into Sunset Bay N. 37° 15' E. 50 feet, S. 52° 45' E. 100 feet; thence S. 37° 15' W. 50 feet to the aforementioned agreed boundary line; thence along said line N. 52° 45' W. 100 feet to the point of beginning; containing 0.115 acre more or less.

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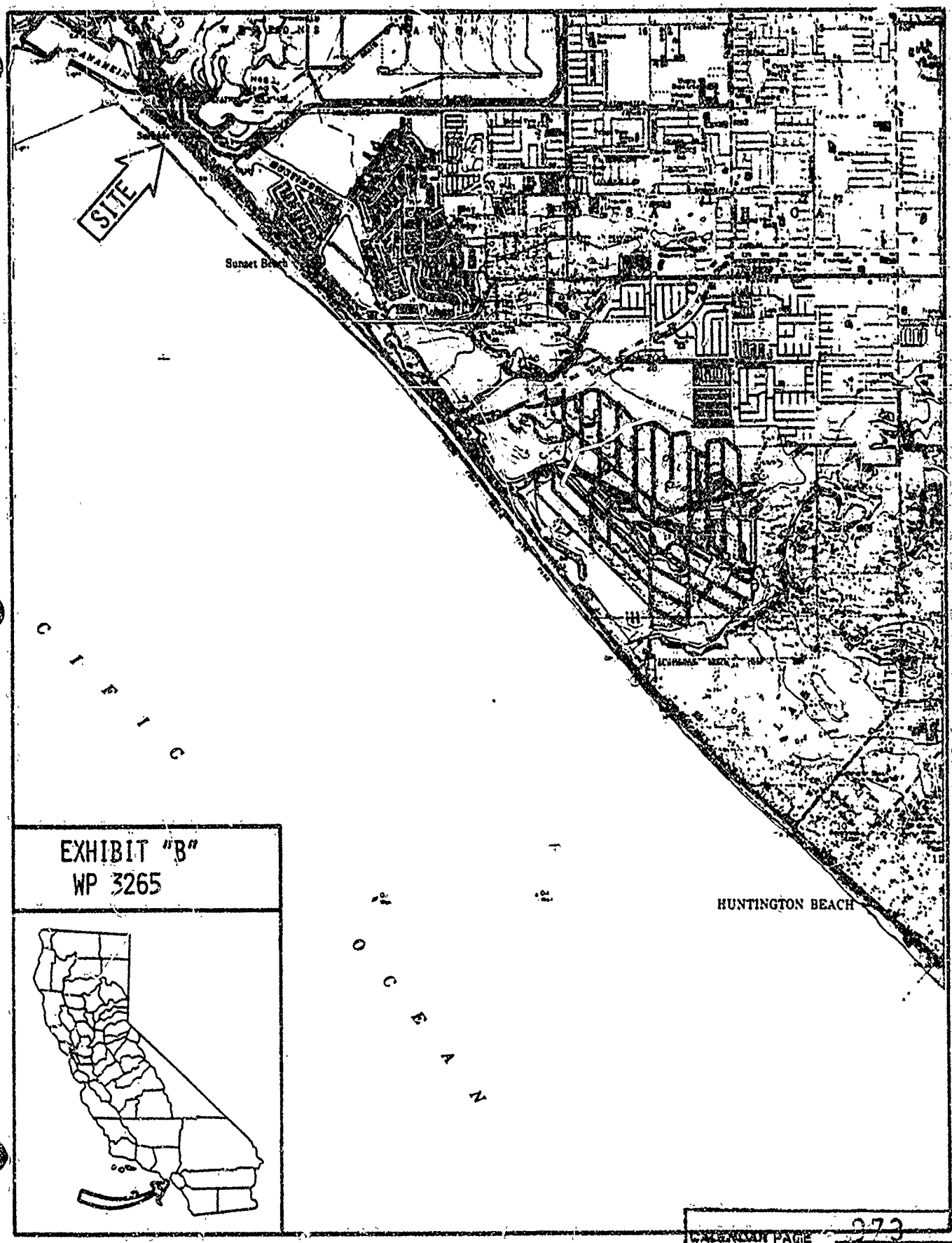

EXHIBIT "B"
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