MINUTE ITEM
This Calendar Item No. C27
was approved as Minute Item
No. 27 by the State Lands
Commission by a vote of 3
to 0 at its 2/6/89
meeting.

CALENDAR ITEM

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PRC 706
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TAHOE BOAT COMPANY MARINA -
APPROVAL OF SECURED-PARTY LENDER

LESSEE:

K & C Marine, a California limited
partnership
John V. Kearns and Barbara J. Kearns
General Partners, dba Tahoe Boat Company
P.O. Box 45
Tahoe City, California 95730

SECURED-PARTY LENDER:

Bank of the West
East Bay Corporate Banking
Attn: John Rooney, Vice President
7677 Oakport Street, Suite 565
Oakland, California 94621

BACKGROUND:

In June of 1980, the Commission approved the issuance of a General Lease - Commercial Use (PRC 706) to the Roundhouse Limited Partnership, John V. and Barbara J. Kearns, General Partners, dba Tahoe Boat Company, in Tahoe City, California. At that time, the Commission also authorized the Lessee to morgage or encumber their lease for financing purposes and approved the form of an Agreement and Consent to Encumbrancing of Lease to be used for such purpose. Subsequently, in September 1982, the Commission consented to the assignment of the lease (PRC 706) from the Roundhouse Limited Partnership to K and C Associates, a General Partnership, with John & Barbara Kearns and Lloyd Canton as general partners, and approved the

Bank of America as a Secured-Party Lender. Because the name K & C Associates had already been selected by another business entity in California, the parties had to take the name K & C Marine. The previously approved K & C Associates and K & C Marine are one in the same.

The Applicant is currently in the process of reorganizing and refinancing their marina operation. Under their plan, the third general partner, Lloyd Canton, would be bought out and K & C would be converted to a limited partnership with John & Barbara Kearns continuing their role as general partners and one or more of their children becoming limited partners. The Applicant is seeking approval of Bank of the West, a California State chartered bank, as a Secured-Party Lender to help implement this reorganization and refinancing goal.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

   Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

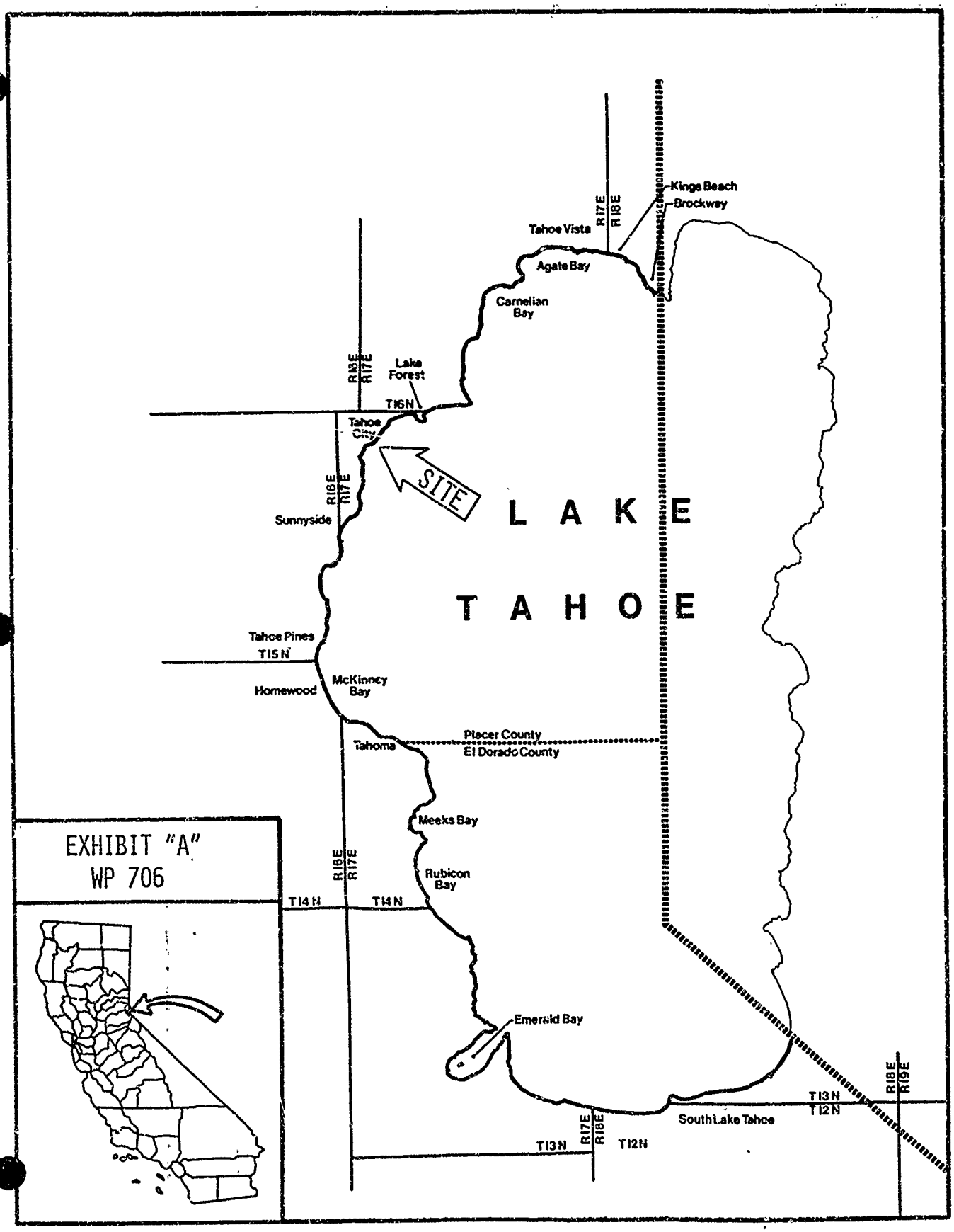
AB 884: N/A

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.

2. APPROVE THE BANK OF THE WEST AS SECURED-PARTY LENDER UNDER THE AGREEMENT AND CONSENT TO ENCUMBRANCING OF LEASE PREVIOUSLY APPROVED, AS TO FORM, IN JUNE 1980.



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