MINUTE ITEM
This Calendar Item No. 74
was approved as Minute Item
No. 74 by the State Lands
Commission by a vote of 3
to 0 at its 7/10/89
meeting.

CALENDAR ITEM

74

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07/10/89
WP 2409
Grimmett

ASSIGNMENT OF GENERAL LEASE - COMMERCIAL USE

ASSIGNOR: Harry C. Schilling and Harry W. Schilling
841 W. Brannan Island Road
Isleton, California 95641

ASSIGNEE: Key Lease Corporation, Inc.
P.O. Box 5787
Redwood City, California 94063

AREA, TYPE LAND AND LOCATION:
A 1.36 acre parcel of tide and submerged land in the San Joaquin River at Andrus Island, Sacramento County.

LAND USE: Operation and maintenance of a commercial marina.

TERMS OF ORIGINAL LEASE:

Initial period: 30-years beginning April 1, 1989.

Surety bond: $20,000.

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

Consideration: $3,150 per annum; five-year rent review.

Special: Lease has clause that the rental may be changed to a percentage of gross income at the option of the Lessor.

(REVISED 07/07/89)

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BASIS FOR CONSIDERATION:
Pursuant to 2 Cal. Code Regs. 2003.

APPLICANT STATUS:
Applicant is owner of upland.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:
Filing fees and processing costs have been received.

STATUTORY AND OTHER REFERENCES:
A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

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

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Key Lease Corporation, Inc. is the operator of a commercial marina at Antioch, Contra Costa County, and is expanding its marina holdings by the purchase of this commercial marina.

   The assignor will take back a note secured by the leased premises and the parties hereto request that the Commission approve the Agreement and Consent to Encumbrancing of Lease document of file with the Commission.

2. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

3. 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.

EXHIBITS: A. Location 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. AUTHORIZE ASSIGNMENT OF LEASE PRC 2409 TO KEY LEASE CORPORATION, INC. ALL LEASE TERMS ARE TO REMAIN THE SAME.

3. AUTHORIZE EXECUTION OF THE AGREEMENT AND CONSENT TO ENCUMBRANCING OF LESSEE'S RIGHT, TITLE AND INTERESTS IN THE COMMISSION'S LEASE NO. PRC 2409 TO KEY LEASE CORPORATION, INC., IN FAVOR OF HARRY C. SCHILLING AND HARRY W. SCHILLING FOR FINANCING PURPOSES AND AUTHORIZE THE EXECUTIVE OFFICER OR HER DESIGNEE TO PROVIDE ALL FURTHER STATE APPROVALS OR DISAPPROVALS UNDER THE ENCUMBERANCING AGREEMENT.

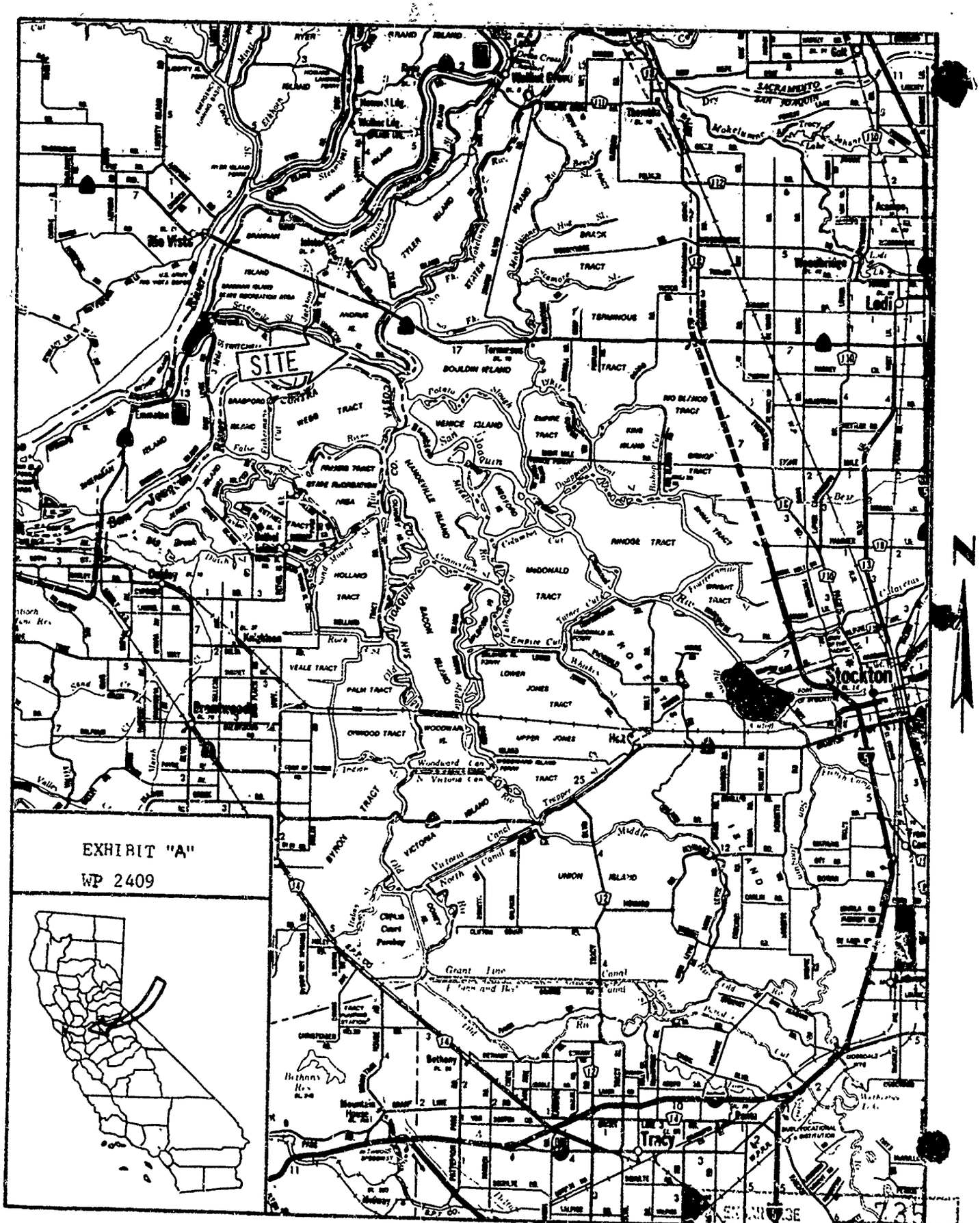

EXHIBIT "A"

WP 2409