

STATE OF CALIFORNIA - STATE LANDS COMMISSION

LEASE NO. PRC 532.1

Section 3

CONSIDERATION:

- (a) The annual rental shall be computed by multiplying the number of tons of bulk commodities (sand and gravel) passing over the State's land by \$0.05.
- (b) The minimum annual rental shall be \$450.00 and shall be paid in advance by lessee prior before each anniversary of this lease.
- (c) Lessee shall, with each rental payment under Paragraph (b) above, furnish Lessor with a full and complete statement, signed and certified, specifying the nature, quantity and ownership of commodities passing over the State's land; Lessee shall maintain for audit of statements and shall furnish of ten (10) days' written notice, source documents for such statements such as bills of sale, bills of lading, invoices, and other pertinent documents, sufficient to determine the nature, quantity, and ownership of commodities passing over the State's land. Lessor shall maintain and retain the above-mentioned statements for a period of not less than five (5) years.

/
/
/
/
/
/
/
/
/
/

RECORD PAGE	105.3
OF PAGE	131

0. 1977

STATE OF CALIFORNIA - STATE LANDS COMMISSION

LEASE NO. PRC 532.1

Section 4

LAND DESCRIPTION

WP 532

A parcel of tide and submerged land located in the State owned bed and along the right bank of the Petaluma River, County of Sonoma, State of California, said parcel being immediately beneath and extending 40 feet from all sides of an existing pier; said pier being immediately adjacent to that land described as PARCEL 1 in a deed recorded in Book 2861, pages 662 to 665 of the Official Records of Sonoma County.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of Petaluma River.

END OF DESCRIPTION

Prepared

M. S. Graf

Checked

R. L. Blake

Reviewed

J. A. Bunncke
2/3

Date

7/29/76

CALENDAR PAGE 105₃₈
MINUTE PAGE 132

Section 5

STANDARD COVENANTS - STATE LANDS COMMISSION LEASE

1. AGREEMENT DEFINED: For the purposes of this lease, the terms "lease," "right of way," "easement," "permit," and "license" are interchangeable; where one term is used, it shall be deemed to include any one of the other terms, where appropriate.

2. MONETARY CONSIDERATION:

(a) Lessee agrees to pay the annual rental stated in Section 3 hereof to Lessor without deduction, delay or offset, at such place as may be designated by Lessor from time to time, in advance on or prior to the beginning date of this lease and anniversary of such beginning date during each year of the term hereof, except that Lessor, effective on each fifth anniversary of the beginning date of this lease, and at such other times as are hereinafter specified, may from time to time elect to change the amount of annual rental to be paid by Lessee hereunder. Any such change in rate shall be to the applicable rate, or by following the procedure for determining the applicable rate, of rental set forth in Title 2, California Administrative Code (now contained in Section 2006) at the time notice of any such change is given to Lessee. Such changed rate shall not become effective unless Lessor shall cause written notice of such change and of the new rate to be given to Lessee on or before ninety (90) days before the effective date of such rental rate change. Should Lessor fail to effect a change of such annual rental effective on any such fifth anniversary of the beginning date of this lease, the annual rental shall remain the same as the rental payable for each year during the immediately preceding five-year period, provided that for any years remaining before the next five-year anniversary of the beginning date of this lease the Lessor on written notice not less than ninety (90) days before the next rent becomes due, may fix a different rate of annual rental, which rate

CALENDAR PAGE	105.39
MINUTE PAGE	1133

shall be determined in the manner hereinbefore set forth, which rental at such new rate, unless thereafter changed in the manner herein provided, shall be payable each year thereafter by Lessee. Any change in the rate of rental effective on a date other than any fifth anniversary of the beginning date of this lease shall be without prejudice to Lessor's right to change said rental rate on each succeeding fifth anniversary of the beginning date of this lease as above provided. It is specifically agreed that in the event of the termination of this lease prior to its expiration date from any cause whatsoever, no portion of rental paid in advance shall be refundable.

(b) In the event that the parties to this lease are unable to agree upon a firm annual rental, quarterly royalty or other consideration at the expiration of the lease period agreed herein, and the Lessee remains in possession of the leased lands and continues to pay an interim rental, royalty or other consideration until a firm rental, royalty or other consideration is agreed upon by the parties, then at such time when the Lessee submits payment for any or all retroactive rentals, the State shall collect interest on said retroactive payments at the rate specified in Public Resources Code Section 6224. This shall not be construed as a limitation upon any other remedy which the State may have against a holdover Lessee.

(c) It is agreed by the parties hereto that any installments of rental, royalty or other monetary consideration accruing under the provisions of this lease that shall not be paid when due shall be subject to a penalty and shall bear interest at the specified rate from the date when the same was payable by the terms hereof, as provided in Public Resources Code Section 6224 and Sub-section (d) of Paragraph 2 of this lease, until the same shall be paid by the Lessee.

(d) The failure to pay the rentals, royalties or other consideration specified in this lease shall subject the Lessee to a ten (10) percent penalty on the accrued and unpaid balances, for the rental, royalty or other consideration:

CALENDAR PAGE	105.40
MINUTE PAGE	1134

payable after January 1, 1976.

3. ROYALTY: Lessee shall pay to Lessor, in addition to the annual rental or other consideration as stated herein, a royalty in the amount per cubic yard per ton, or other unit of measurement as set forth in Section 3 hereof for all materials removed from the land subject to this agreement and placed on lands not owned by Lessor, if authorized herein, according to the following schedule:

Within twenty-five (25) days following the end of each quarter ending on March 31, June 30, September 30 and December 31, Lessee shall pay said royalty for all materials removed from land subject to this agreement during the preceding quarter. Each payment shall be accompanied by a detailed statement subscribed and sworn to by Lessee or his agent attesting to the accuracy of the payment.

4. OTHER CONSIDERATION: Lessee agrees to pay other consideration in the amount, method and manner as provided for in Sections 2 and 3.

5. NON-MONETARY CONSIDERATION: If a monetary rental, royalty or other consideration is not shown in Section 3 of this Agreement, the sole and entire consideration to Lessor for the within lease or permit shall be the public use, benefit, health or safety, as appropriate. However, the Lessor reserves the right to review the consideration at any time and to set a monetary rental if the State Lands Commission shall at its sole discretion determine that such action is in the best interest of the State;

6. BOUNDARIES: The description of the land in Section 4 herein has been made without a survey and without a determination of boundaries of the land subject to this agreement. This lease is not intended to constitute the establishment of the State's boundaries and is made without prejudice to any boundary claims which may be asserted in the future;

7. LAND USE: Lessee agrees to use the land described in Section 4 only for the purpose or purposes stated in Section 1 or 2 and

CALENDAR PAGE	105.41
MINUTE PAGE	1135

construction, operation and maintenance of the improvements listed in Sections 1 or 2, as appropriate. If such use is not commenced by Lessee on the land subject to this agreement within ninety (90) days of the beginning date of this lease or within ninety (90) days of the beginning construction limiting date, if such date is authorized in Section 1, or if such use on said land shall be discontinued for a period of ninety (90) days, this lease and the term thereof shall terminate upon notice to Lessee. No additional improvements shall be added without written consent of Lessor first had and obtained.

8. ADEQUACY OF CONSTRUCTION: All improvements shall be constructed and installed consistent with all applicable code requirements.

9. MARINA SANITARY FACILITIES: If this lease covers the operation of marinas, launching ramps or other like-facilities which are used by the public, whether for profit or not, Lessee shall provide on-shore sanitary facilities.

10. FLOATING RESIDENCE: The structure authorized by this lease shall not, at any time in the future, be converted for use as a residence, nor be used for the purpose of mooring a floating residence or ark.

11. REPAIRS:

(a) Lessee shall maintain and keep in good sound repair all improvements upon the property. The removal of, or substantial alteration to, any existing structure shall not be undertaken without prior written permission of Lessor first had and obtained. The failure to obtain the written permission of the Lessor shall be grounds for termination of this lease.

(b) If at any time subsequent to the beginning date of this lease the improvements authorized herein shall fall into a state of disrepair or otherwise become an environmental or aesthetic degradation, as determined

CALENDAR PAGE	105.42
MINUTE PAGE	1136

by Lessor, then upon written notice by Lessor, Lessee shall have sixty (60) days to repair and correct the conditions cited by Lessor. Failure to comply with the written notice of Lessor shall be grounds for termination of this lease and Lessee shall at the option of the Lessor remove all structures and fill located on lands covered by this lease;

12. RIGHT OF INSPECTION: Lessor through its authorized agents shall have the right at all reasonable times to go upon lands owned by the Lessee and upon the leased land for the purpose of inspecting the land and improvements or carrying out any function required by statutes or the rules and regulations of the State Lands Commission;

13. EXISTING ENCUMBRANCES: This lease is subject to existing contracts, leases, licenses, easements, encumbrances and claims which may affect the leased land, and this lease is made without warranty by Lessor of title, quiet enjoyment, condition or fitness of the land subject to this agreement for the intended use, or any other warranty or representation whatever, except that Lessee faithfully keeping all the terms, provisions and conditions of this lease on Lessee's part to be performed, Lessor agrees not to interfere with Lessee's possession of the land subject to this agreement, except as herein may otherwise be provided;

14. RESERVATION OF NATURAL RESOURCES: Unless the use or purpose of this agreement provides otherwise, there are hereby reserved to the State all natural resources, including but not limited to, timber, minerals, sand and gravel, geothermal resources, oil, gas and hydrocarbon products in or upon the land subject to this agreement, and the right to grant in, over, and across said lands, leases to extract or remove such natural resources, as provided by law and the rules and regulations of the State Lands Commission and without compensation to the Lessee;

CALENDAR PAGE	105.43
MINUTE PAGE	1137

15. OTHER RESERVATIONS: Lessor expressly reserves the right to grant crossings in, upon and under the demised premises. Nothing herein contained shall be construed as limiting the powers of the State to lease, convey or otherwise transfer or encumber, during the life of this agreement, the hereinbefore described lands subject to this agreement for any purpose whatsoever not inconsistent or incompatible with the rights of privileges granted to the Lessee by this agreement; provided, however, that nothing herein shall preclude the Lessee from excluding unauthorized persons from the lands subject to this agreement during any period where Lessee reasonably deems such exclusion necessary or desirable in connection with its authorized use of land subject to this agreement;

16. RULES AND REGULATIONS:

(a) Lessee shall observe and comply with all rules and regulations now or hereafter promulgated by any governmental agency having authority by law, including, but not limited to State Water Quality Control Board, State Department of Fish and Game, U. S. Army Corps of Engineers and the State Lands Commission.

(b) Lessee recognizes and understands in accepting this lease that his interest therein may be subject to a possible Possessory Interest Tax that the city or county may impose on such interest, and that such tax payment shall not reduce any rent due the Lessor hereunder and any such tax shall be the liability of and be paid by the Lessee.

(c) Lessee covenants that all reasonable precautions will be taken to prevent pollution and contamination of the environment.

17. MODIFICATIONS AND REMOVALS: Any modifications of natural or existing features of the real property described in this lease, including but not limited to the removal of timber and other flora, which are inconsistent with the authorized uses under this lease are expressly

CALENDAR PAGE	105.44
MINUTE PAGE	1138

prohibited without the prior written consent of the Lessor;

18. ACCESS TO OTHER STATE LANDS: If the leased premises abut or adjoin any other State-owned lands which do not have a right of access for ingress and egress, Lessee shall provide adequate public vehicular and pedestrian access across, over and upon the lease premises for the benefit of said lands.

19. RIGHTS-OF-WAY:

(a) If the lease is for a right-of-way covering one or more pipelines or conduits, the property right granted herein applies only to land actually underlying the pipelines or conduits, and there is hereby granted a non-exclusive right to go into and upon the land subject to this agreement on either side of said lines or conduits and within the parcel described in Section 4 as reasonably necessary for installation, inspection and maintenance of the pipeline or conduits.

(b) Reasonable passage across and along any right of way granted by this agreement shall be reserved to the public.

20. INDEMNITY, BOND AND INSURANCE:

(a) Whether or not a bond or insurance as described herein is required, Lessee shall indemnify, save harmless and at the option of the State, defend, the State of California, its officers, agents and employees against any and all claims, demands, loss, action or liability of any kind which State of California, or any of its officers, agents or employees may sustain or incur or which may be imposed upon them or any of them arising out of or connected with the issuance of this lease, including, without in any way limiting the generality of the foregoing, any claim, demand, loss, or liability arising from any failure of title or any alleged violation of the property or contractual rights of any third person or persons in the leased lands.

CALENDAR PAGE	105.45
MINUTE PAGE	1139

(b) If so specified in Section 1 or 2, Lessee shall file with Lessor and maintain in full force and effect at all times during the term of this lease or any extension thereof, and an additional period of one hundred twenty (120) days or until the State has accepted a quitclaim deed and sufficient evidences of removal of improvements requested to be removed, whichever is longer, a good and sufficient surety bond drawn in favor of the State of California in the penal sum stated in Section 1 or 2 hereof, to guarantee to Lessor the faithful performance and observance by the Lessee of all of the covenants and conditions implied or specified in this lease, and which specified or implied covenants and conditions are mandatory upon and are to be kept and performed by the Lessee.

(c) If so specified in Section 1 or 2, Lessee shall obtain at his own expense and keep in full force and effect during the term of this lease, for the protection of Lessee and the State in an insurance company acceptable to Lessor, comprehensive public liability insurance covering the leased premises and their surrounding area with limits of not less than the amounts stated in Section 1 or 2 hereof. The policy or policies shall specifically name the State as an insured party as to the land under lease; and the policy or policies shall specifically identify the lease by number, and a certificate or certificates of insurance must be provided by the Lessee to Lessor. Upon any increase in rental as provided in Paragraph 2, Lessor reserves the right to increase the sum of the penal bond.

(d) Lessee agrees that the liability insurance coverage herein provided for shall be in effect at all times during the term of this lease, and until said leased land is restored as nearly as possible to the condition existing prior to erection or placement of the improvements thereupon or until Lessor, in writing, elects to accept the leased land or any portion thereof as then improved with structures, buildings, pipelines, machinery,

CALENDAR PAGE	105.46
MINUTE PAGE	1140

facilities and fills in place. If Lessor elects to accept only a portion of the leased land as then improved, Lessee's responsibility to insure the premises shall terminate as to those portions that the Lessor accepts intact, but shall continue in the remaining portions until said portions are restored as nearly as possible to the condition existing prior to the erection or placement of improvements thereupon. In the event said insurance coverage expires at any time or times during the term of this lease, Lessee agrees to provide at least fifteen (15) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for a period of not less than one (1) year, or for not less than the remainder of this lease, and until the leased land is restored or until Lessor, in writing, elects to accept the leased land or any portion thereof as then improved as provided for herein. New certificates of insurance are subject to the approval of the State Lands Division, and Lessee agrees that no construction, improvements, additions, work or services shall be performed prior to the giving of such approval. In the event Lessee fails to keep in effect at all times insurance coverage as herein provided, State may, in addition to any other remedies it may have, terminate this lease upon the occurrence of such event.

21. ASSIGNMENT, TRANSFER OR SUBLETTING:

(a) Lessee shall not assign, transfer, or sublet this agreement without the prior written approval of the Commission first had and obtained. Such written approval of the assignment, transfer or sublease shall be subject to any and all conditions required by the Commission, including, without limitation by reason of specification herein, the altering, changing or amending of this lease as deemed by the Commission to be in the best interests of the State.

CALENDAR PAGE	105
MINUTE PAGE	114

(b) The leasehold interest hereby described is created as an appurtenance to littoral land. The leasehold interest is not severable from the rights and interest of the Lessee in the littoral land without the express written approval of the State Lands Commission first had and obtained. Any such severance without State Lands Commission approval shall be grounds for termination of the lease by the State Lands Commission.

22. TERMINATION BY LESSEE: Lessee may terminate this agreement upon giving Lessor not less than sixty (60) days written notice prior to the date of such termination. Lessee agrees that on the day selected by lessee for termination of this agreement under this paragraph, to peaceably and quietly leave, surrender and yield up to Lessor the land subject to this agreement in good order, condition, and repair, reasonable use and wear thereof and damage by act of God and the elements excepted, and execute and deliver to Lessor a good and sufficient release of all rights under this lease. Should Lessee fail or refuse to deliver the release as aforesaid, a written notice by Lessor reciting the failure or refusal of the Lessee to execute and deliver said release as herein provided shall from the date of recordation of such notice be conclusive evidence against Lessee and all persons claiming under Lessee of the termination of this lease and any claims and rights of Lessee in the land and improvements subject to this lease. In the event Lessee elects to terminate this agreement, such termination does not release Lessee from any unpaid but accrued rent, royalty payments or equivalent consideration which may be owed to the Lessor;

23. CANCELLATION BY STATE: If this lease covers land obtained by Lessor from the United States as or in lieu of school lands, Lessor reserves the right and power to cancel this lease at any time during the term hereof upon notice in writing to the Lessee of not less than ninety (90) days next prior to

CALENDAR PAGE	105
MINUTE PAGE	48
	1142

the date such cancellation shall become effective, and Lessee hereby agrees, upon receipt of such written notice, that Lessee will vacate the demised premises on or before such cancellation date;

24. TERMINATION UPON SALE OR EXCHANGE: If this is a Grazing or Agricultural Lease, such lease is terminated by Lessor upon sale or exchange of the land subject to this agreement without advance notice to the Lessee as provided for by law and by the rules and regulations of the State Lands Commission;

25. PUBLIC AGENCY PERMITS: Where the sole and entire consideration to the Lessor for the within lease shall be the public use, benefit, health and safety, Lessee agrees and covenants to notify Lessor within ten (10) days in the event any monetary charge is made to the public for use of the leased land, either directly or indirectly.

26. OIL SPILL EMERGENCY: In the event of a spill or leak of oil or other liquid pollutants into waters over State lands, Lessee shall immediately notify the State Office of Emergency Services by telephone (800) 852-7550. Lessee shall subsequently send the State Lands Division a complete written report within thirty (30) days stating the source, cause, size of spill and action taken.

27. MARINE TERMINAL/WHARF OPERATIONS: If this lease is for a marine terminal or wharf operation handling petroleum, petroleum products, or any other potential pollutant, Lessee shall provide Lessor with an approved Oil Spill Contingency Plan/Spill Prevention Control and Countermeasure Plan and a Terminal Operations Manual in the form required by Federal and State Regulations and guidelines. Lessee shall periodically review such plans and advise Lessor of any changes to such plans.

CALENDAR PAGE	105 ⁴⁹
MINUTE PAGE	1143

1989

28. RESTORATION OF PREMISES: Upon expiration or sooner termination of this lease, Lessor may elect to accept the leased land or any portion thereof, as then improved with structures, buildings, pipelines, machinery, facilities and fills in place or Lessor may elect to have any such improvements or any portion thereof, removed by Lessee at Lessee's expense. All such improvements to be removed shall be salvaged and removed by Lessee at Lessee's sole expense and risk within ninety (90) days after the expiration or sooner termination of this lease. If Lessee fails to remove such improvements or portion thereof designated by Lessor, and restore the leased land as hereinafter provided, within ninety (90) days after the expiration date or sooner termination of the lease or notice by Lessor of his intention to accept a portion of the premises as then improved, whichever is shorter, Lessor may remove or have removed all or a portion of the improvements and charge the expense of such removal to Lessee. In making such removals, Lessee shall restore said leased land as nearly as possible to the condition existing prior to erection or placement of the improvements thereupon;

29. HOLDING OVER: Any holding over after the expiration of the term of this lease by the Lessee, with the consent of the State, shall be construed to be a tenancy from month to month, and shall otherwise be on the terms and conditions herein specified as far as applicable with rental at the rate of 1/12 of the annual rental stated in Section 3 payable in advance on the first day of each month;

30. REPOSSESSION: In the event of failure of the Lessee to pay rental, or in the event of a breach of any of the other covenants contained within this agreement, or failure of Lessee to observe the terms, conditions, restrictions or time limitations herein contained, to be kept, performed and observed, it shall be lawful for Lessor to re-enter into and upon the demised

CALENDAR PAGE	105.50
MINUTE PAGE	1144

premises, and to remove all persons and property therefrom, and to repossess and enjoy the herein described demised premises as in the first and former estate of the State;

31. QUITCLAIM: Upon the natural expiration or termination of this lease by Lessor, in addition to any other remedy which Lessor may have, as provided by law or the terms of this lease, Lessee shall within ninety (90) days of the natural expiration or sooner termination of this lease by Lessor execute and deliver to Lessor a good and sufficient release of all rights under this lease. Should Lessee fail or refuse to deliver the release as aforesaid, a written notice by Lessor reciting the failure or refusal of the Lessee to execute and deliver said release as herein provided, shall from the date of recordation of such notice be conclusive evidence against Lessee and all persons claiming under Lessee of the termination of this lease and any claims and rights of Lessee in the lands and improvements subject to this lease.

32. RENEWAL: Lessee or his heirs or assigns, or any successor in interest thereto, shall have the right to renew this agreement for the additional periods and years stated in Section 1 hereof upon such reasonable terms and conditions as the Lessor, or any successor in interest thereto, might impose. Such option to renew must be exercised by Lessee by giving written notice to Lessor at least six (6) months prior to the termination date of the lease, or such option is waived by Lessee;

33. WAIVER OF BREACH: The waiver by Lessor of any default or breach of any term, covenant or condition shall not constitute a waiver of any other default or breach whether of the same or any other term, covenant or condition, regardless of Lessor's knowledge of such other defaults or breaches. The subsequent acceptance of monies hereunder by Lessor shall not constitute a waiver

CALENDAR PAGE	105
MINUTE PAGE	1145

of any preceding default or breach of any term, covenant or condition, other than the failure of Lessee to pay the particular monies so accepted, regardless of the Lessor's knowledge of such preceding default or breach at the time of acceptance of such monies, nor shall acceptance of monies after termination constitute a reinstatement, extension, or renewal of the lease or revocation of any notice or other act by Lessor.

34. **NOTICES:** All notices herein provided to be given shall be deemed to have been fully given when made in writing and deposited in the United States mail with postage prepaid and addressed to the principal office or headquarters of the State Lands Commission, or to the Lessee as addressed on Section 1 hereof, as appropriate;

35. **CHANGES:** This agreement may be terminated or the provisions changed, altered, or amended by mutual agreement of the parties hereto;

36. **TIME - SUCCESSOR'S LIABILITY:** Time is the essence of each and all the terms and provisions of this agreement, and the terms and provisions of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, successors and assigns of the respective parties hereto; if more than one Lessee is named herein, the obligations of said parties herein contained shall be joint and several;

37. **CAPTIONS:** The captions of this lease are for convenience only and are not a part of this lease and do not in any way limit or amplify the terms and provisions of this lease.

38. **SEVERABILITY:** If any provision herein is judicially determined to be invalid, it shall be considered deleted herefrom, and shall not invalidate the remaining provisions.

CALENDAR PAGE	105
MINUTE PAGE	1146

