

MINUTE ITEM

This Calendar Item No. C55 was approved as Minute Item No. 55 by the California State Lands Commission by a vote of 3 to 0 at its 12/16/98 meeting.

CALENDAR ITEM

C55

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12/16/98
PRC 3051.1
D. Jones

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

Simpson Paper Company
P.O. Box 637
Anderson, California 96007

ASSIGNEE:

Shasta Acquisition, Inc.
P.O. Box 637
Anderson, California 96007

AREA, LAND TYPE, AND LOCATION:

0.634 acre, more or less, of sovereign lands in the Sacramento River, near the town of Anderson, Shasta County.

AUTHORIZED USE:

An effluent outfall line.

LEASE TERM:

Ten years, beginning August 29, 1988.

CONSIDERATION:

\$550 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

OTHER PERTINENT INFORMATION:

1. The proposed Assignee is purchasing the uplands adjoining the lease premises.

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2. Lease No. PRC 3051.1 was issued to Simpson Paper Company, the Assignor/Lessee, for a ten year period commencing on August 28, 1978, and ending on August 28, 1988, with two ten year renewal options for an effluent outfall line to serve Lessee's pulp and paper mill. The lease was renewed for ten years effective August 29, 1988. The lease expired on August 28, 1998, and is currently in holdover status pending Commission approval of the application to renew the lease. Shasta Acquisition, Inc. has agreed to purchase the facilities owned by Simpson Paper Company at this site, including the effluent outfall line. The business transaction requires that the Assignee, Shasta Acquisition, Inc., obtain all rights to the applicable leases and permits held by Simpson Paper Company. The proposed Assignment will be effective upon the closing of the sale, provided, however, this consent to assignment shall and will terminate within 45 days from the date the Commission acts on this matter if such sale is not completed.
3. Staff has informed both the Lessee/Assignor and the proposed Assignee that any action on this assignment does not bind the Commission in any way with respect to the renewal of Lease PRC 3051.1.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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 the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBITS:

- A. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

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CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 3051.1, A GENERAL LEASE - INDUSTRIAL USE, OF SOVEREIGN LANDS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; FROM SIMPSON PAPER COMPANY TO SHASTA ACQUISITION, INC., EFFECTIVE UPON THE CLOSING OF THE SALE FROM SIMPSON PAPER COMPANY, ASSIGNOR, TO SHASTA ACQUISITION, INC., ASSIGNEE. ASSIGNEE, SHASTA ACQUISITION, INC., SHALL NOTIFY LESSOR WITHIN THREE BUSINESS DAYS OF THE COMPLETENESS OF THE SALE. THIS CONSENT TO ASSIGNMENT SHALL EXPIRE WITHIN 45 DAYS FROM THE DATE THE CALIFORNIA STATE LANDS COMMISSION APPROVES THIS ASSIGNMENT UNLESS THE SALE IS COMPLETED.

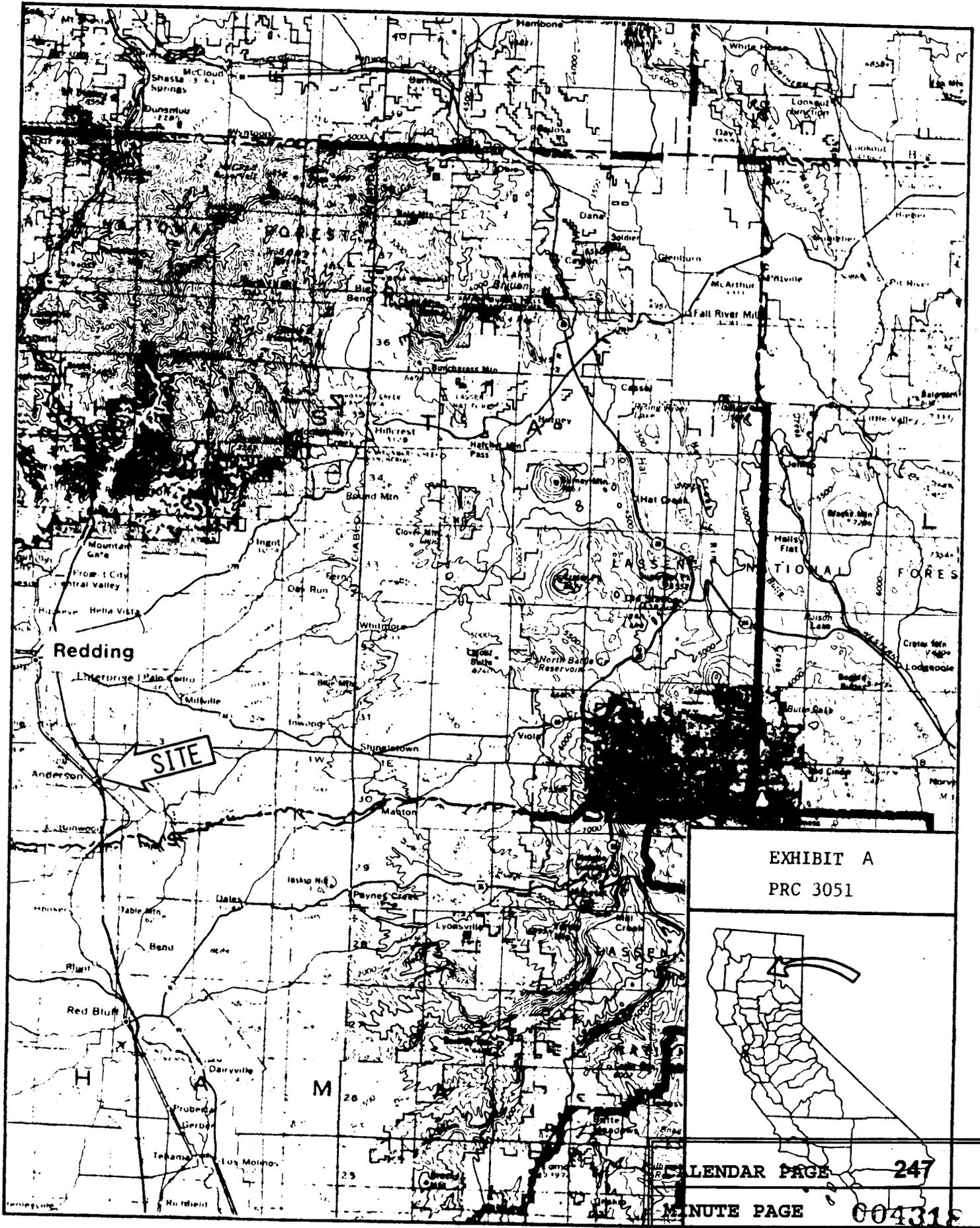
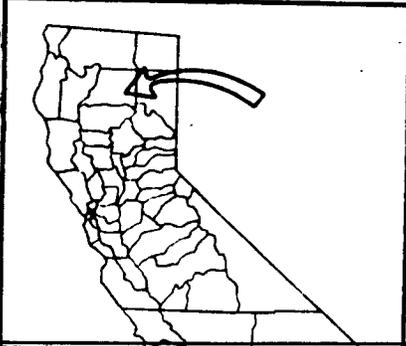


EXHIBIT A
PRC 3051



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