MINUTE ITEM
This Calendar Item No. C01 was approved as Minute Item No. 01 by the California State Lands Commission by a vote of 2 to 0 at its 7-12-04 meeting.

# CALENDAR ITEM
# C01

A 15, 17, 26

S 5, 14

07/12/04
PRC 4082 WP 4082.1
D. Jones

## ASSIGNMENT OF GENERAL LEASE – COMMERCIAL USE AND APPROVAL OF AGREEMENT AND CONSENT TO ENCUMBRANCING OF LEASE

**LESSEE/ASSIGNOR:**

Tiki Lagun, Ltd., a California Limited Partnership
101 Central Way, Suite B
Fairfield, California 94534

**ASSIGNEE:**

Tiki Lagun Partners, LLC
6243 Embarcadero Drive
Stockton, California 95219

**AREA, LAND TYPE, AND LOCATION:**

Eight acres, more or less, of tide and submerged lands in Whiskey Slough, near the city of Stockton, San Joaquin County.

**AUTHORIZED USE:**

Continued use and maintenance of approximately 212 berths (four covered boathouses), gas dock and gas pump, and ancillary facilities.

**LEASE TERM:**

35 years, beginning January 1, 1985.

**CONSIDERATION:**

The annual rent consists of a minimum annual rent of $20,054 against a percentage of gross receipts, whichever is greater. The minimum annual rent is paid on a monthly basis.

**SPECIFIC LEASE PROVISIONS**:

Insurance:

$1,000,000 Combined single Limit.

Bond:

$25,000.

**OTHER PERTINENT INFORMATION:**

1. The Commission issued a 35-year General Lease – Commercial Use to Horst Hanf, beginning January 1, 1985, ending December 31, 2020, for a commercial marina. On August 21, 1996, the Commission approved an assignment between Horst Hanf and Tiki Lagun, Ltd., a California Limited Partnership.

2. Tiki Lagun Partners, LLC, is purchasing the marina and has applied to the Commission for approval of an Assignment of the lease. At its April 5, 2004, meeting, the Commission approved the assignment of the lease to Tiki Lagun Partners, LLC, with an effective date of the close of escrow but no later than July 1, 2004. In seeking financing for the loan to purchase the marina facilities, the current lender of Tiki Lagun Partners, LLC, the County Bank, requires that the loan be secured by the State Lands Commission lease. Therefore, County Bank, as secured party lender, the Commission, and Tiki Lagun Partners, LLC propose to enter into an Agreement and Consent to Encumbrancing of Lease in the amount of $2.2 million. Since the authorization approved by the Commission at its April 5, 2004, meeting is void because the July 1st deadline has passed, the proposed transaction will re-approve the assignment, as well as approve the Encumbrancing Agreement.

3. The facility has a Permit to Operate the gasoline dispensing facility and aboveground fuel storage tank, which serves its gasoline dispenser, from the San Joaquin Valley Air Pollution Control District.

4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it 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, sections 15060(c)(3) and 15378.

**EXHIBIT:**

A. Location Map

**PERMIT STREAMLINING ACT DEADLINE:**

N/A

**RECOMMENDED ACTION:**
IT IS RECOMMENDED THAT THE COMMISSION:

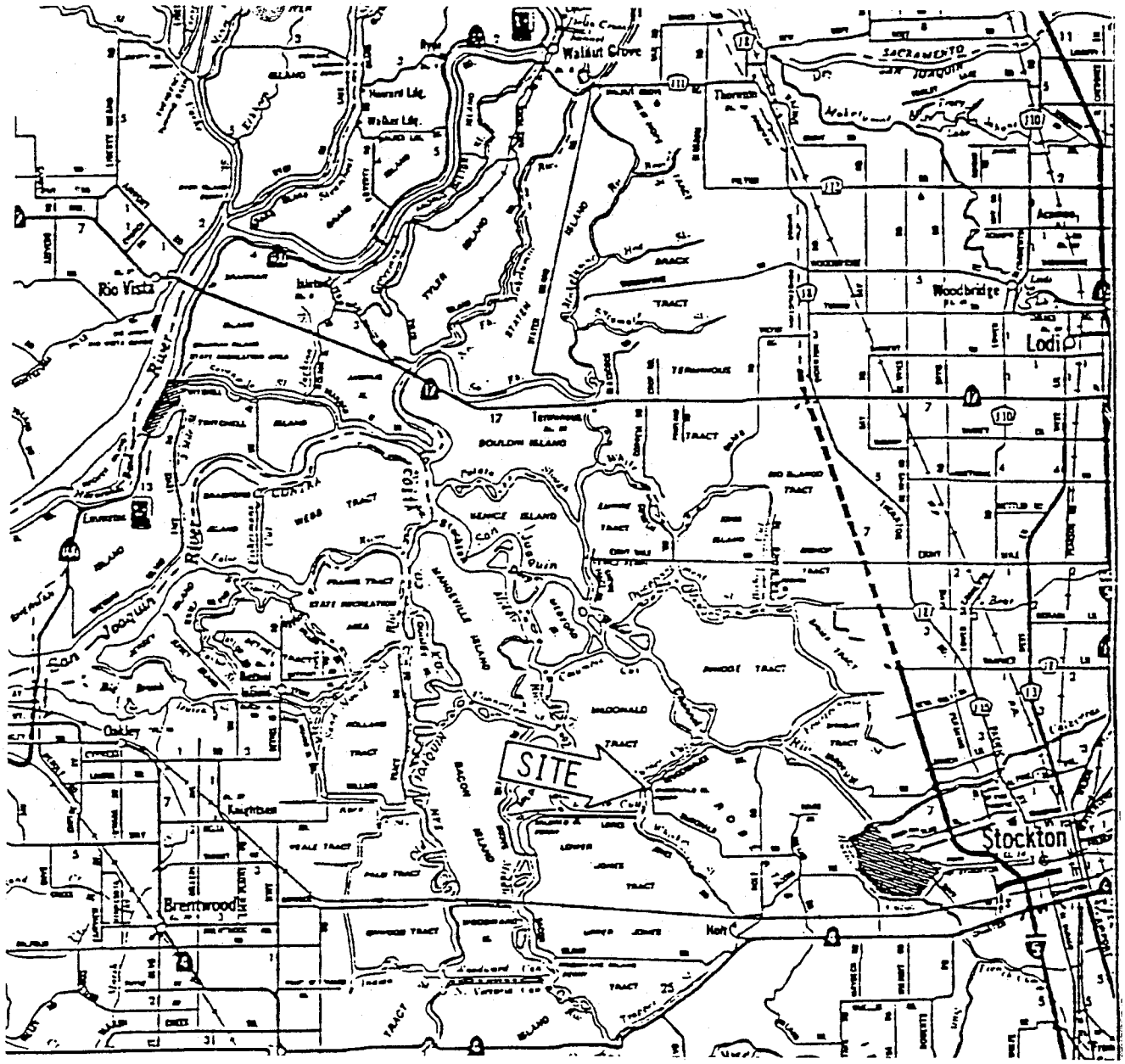
**CEQA FINDING:**

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) 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:**

1. AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 4082.1, A GENERAL LEASE - COMMERCIAL USE, OF TIDE AND SUBMERGED LANDS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, FROM TIKI LAGUN, LTD., A CALIFORNIA LIMITED PARTNERSHIP, TO TIKI LAGUN PARTNERS, LLC; EFFECTIVE ON THE DATE OF THE CLOSE OF ESCROW BUT NO LATER THAN OCTOBER 30, 2004.

2. AUTHORIZE EXECUTION OF THE DOCUMENT ENTITLED "AGREEMENT AND CONSENT TO ENCUMBRANCING OF LEASE' IN THE AMOUNT OF $2.2 MILLION ON FILE IN THE OFFICE OF THE COMMISSION, BETWEEN THE COMMISSION, TIKI LAGUN PARTNERS, LLC, AND COUNTY BANK, EFFECTIVE UPON THE CLOSE OF ESCROW BUT NO LATER THAN OCTOBER 30, 2004.




USGS
DJ

This exhibit is solely for purposes of generally defining the leased premises, is based on unverified information provided by lessee or other parties, and is not intended to be, nor shall it be construed to as a waiver or limitation of any state interest in the subject or any other property.

**Exhibit A**
**PRC 4082.1**