MINUTE ITEM
This Calendar Item No. C20 was approved as Minute Item No. 20 by the California State Lands Commission by a vote of 3 to Ø at its 06/28/07 meeting.

CALENDAR ITEM
C20

A 15, 8

S 5, 2

06/28/07
PRC 6108 WP 6108.1
V. Caldwell

ASSIGNMENT AND AMENDMENT OF LEASE

LESSEE/ASSIGNOR:

River Islands Land Company
33 N. Front Street
Rio Vista, California 94571

ASSIGNEE:

Robert P. Vallier and Mable R. Vallier, Trustees of the Vallier Living Trust, dated July 10, 1996
5140 W. Sherman Island Road
Rio Vista, California 94571

AREA, LAND TYPE, AND LOCATION:

3.063 acres, more or less, of sovereign lands in Mayberry Slough, near the city of Antioch, Sacramento County.

AUTHORIZED USE:

The operation and maintenance of a 42-berth commercial marina, a gangway for handicapped access, a 100-foot wooden breakwater, and parking used for vehicles and travel trailers.

LEASE TERM:

25 years, beginning April 1, 1995.

CONSIDERATION:

A minimum annual rental of $1,620, against the sum of the following income from operations on State land, whichever is greater, with the State reserving the right to fix a different rent if the Commission finds such action to be in the State's best interest:

1. 5% of gross income for the berthing, docking, mooring or launching of boats
2. 1.5% of gross income from the operation of the restaurant and bars

3. 25% of gross income from the operation of coin operated vending and electronic game machines
4. 1.5 cents per gallon for fuel sales up to 100,000 gallons and 2 cents per gallon for fuel sales over 100,000 gallons
5. 10% of all other gross income generated from the lease premises

PROPOSED AMENDMENT:

Remove the 125-foot long vessel to be used as a floating restaurant and the gas pump from the Authorized Improvements and add lease provisions that the Lessee must implement the Commission's "Best Management Practices (BMPs) for Marina Owners/Operators", incorporate the Commission's "BMPs for Berth Holders and Boaters" into Assignee/Lessee's berth rental agreements, and include the additional BMPs the Commission subsequently deems appropriate for either of the above categories. In addition to the inclusion of the BMPs for Berth Holders and Boaters into the berth rental agreements, the Lessee shall post such publication in prominent places within the lease premises. The Lessee shall provide the Commission, on the first anniversary of the lease amendment and on each successive third anniversary thereafter, a report on compliance with all BMPs.

All other terms and conditions of the lease shall remain in effect without amendment.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance with a coverage of no less than $1,000,000

Bond:

$20,000

OTHER PERTINENT INFORMATION:

1. Assignee owns the uplands adjoining the lease premises.

2. On October 17, 1995, the Commission terminated Lease No. PRC 6108.1, the existing 20-year General Lease - Commercial Use, and authorized a new General Lease - Commercial Use, for a term of 25 years to Allan and Peggy Martin for the existing and expanded marina facility. On December 7, 1995, the Commission authorized an Amendment of the lease which authorized a payment plan for back rent owed and established a quarterly payment plan for the minimum annual rent. Subsequently, on December 16, 1998, the Commission approved an

assignment of the lease from Alan and Peggy Martin to River Islands Land Company.

3. The authorized expansion of the marina was to include the removal of 11 berths from the 131-foot dock and construction of a 300-foot guest dock to be completed by December 31, 1996. The construction never took place.

4. The adjoining upland property was purchased by Robert P. Vallier and Mable R. Vallier, Trustees of the Vallier Living Trust dated July 10, 1996, and the Lessee is now requesting that the Commission approve the assignment of Lease No. PRC 6108.1 to the Applicants.

5. In addition, staff recommends that the lease will be amended to remove the 125-foot long vessel to be used as a floating restaurant and the gas pump from the existing Authorized Improvements and to contain provisions that will implement the Commission's "Best Management Practices for Marina Owners/Operators" and incorporate the Commission's "Best Management Practices for Berth Holders and Boaters" into Assignee/Lessee's berth rental agreements, and include the additional Best Management Practices (BMPs) the Commission subsequently deems appropriate for either of the above categories. Lessee shall post "BMPs for Berth Holders and Boaters" in prominent places within the lease premises. The Lessee shall provide the Commission, on the first anniversary of the lease amendment and triennially thereafter, a report on compliance with all BMPs.

6 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.

7 This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 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.

EXHIBITS:

A. Site and Location Map
B. Land Description

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.

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

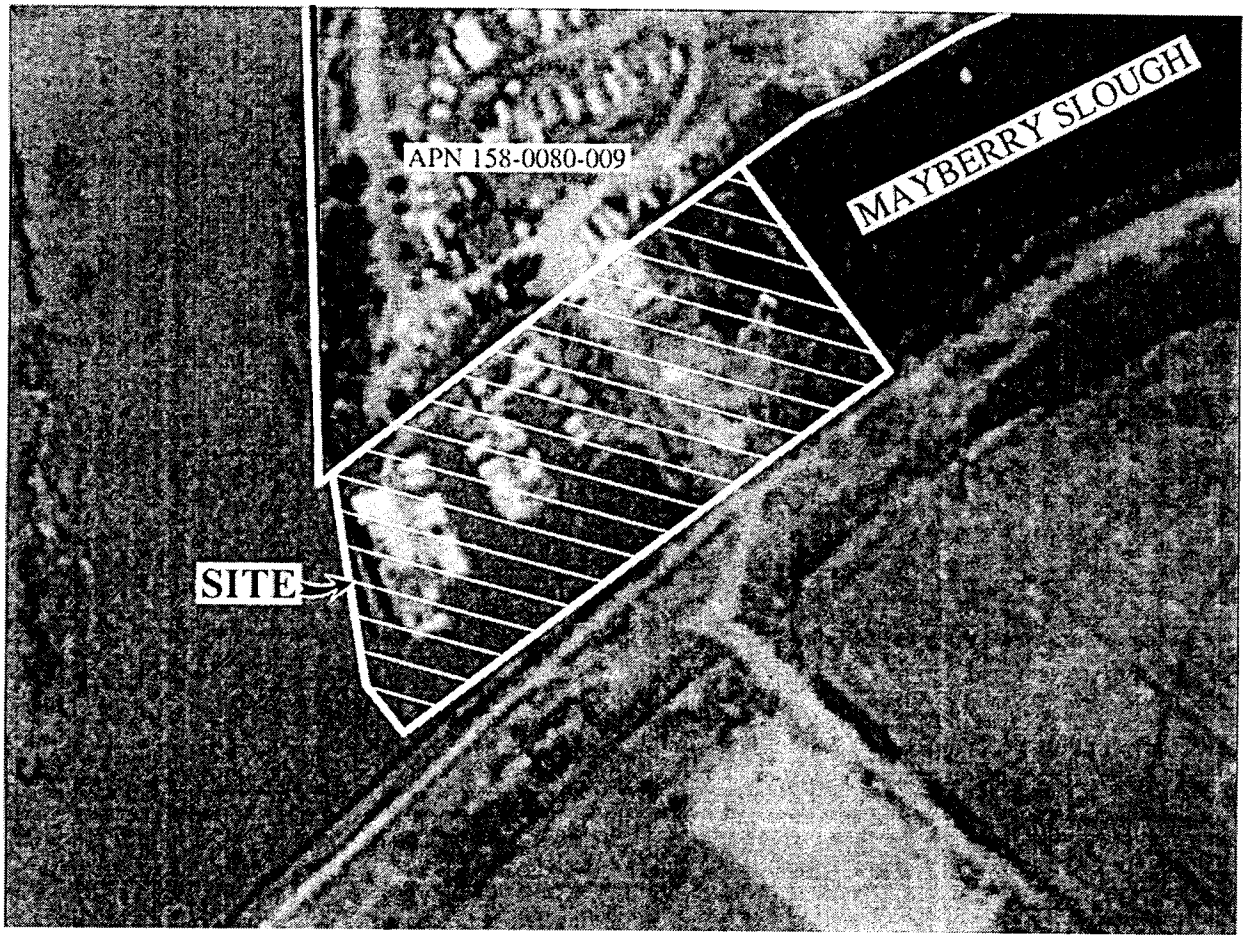
AUTHORIZATION:

1. AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 6108.1, A GENERAL LEASE - COMMERCIAL USE, OF SOVEREIGN LANDS AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, FROM RIVER ISLANDS LAND COMPANY TO ROBERT P. VALLIER AND MABLE R. VALLIER, TRUSTEES OF THE VALLIER LIVING TRUST DATED JULY 10, 1996, EFFECTIVE APRIL 9, 2007.

2. AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 6108.1, A GENERAL LEASE – COMMERCIAL USE, OF SOVEREIGN LANDS AS SHOWN ON EXHIBIT A ATTACHED AND BY REFERENCE MADE A PART HEREOF, EFFECTIVE APRIL 9, 2007, TO REMOVE THE 125-FOOT LONG VESSEL TO BE USED AS A FLOATING RESTAURANT AND THE GAS PUMP FROM THE AUTHORIZED IMPROVEMENTS AND INCLUDE PROVISIONS INVOLVING BEST MANAGEMENT PRACTICES; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

NO SCALE

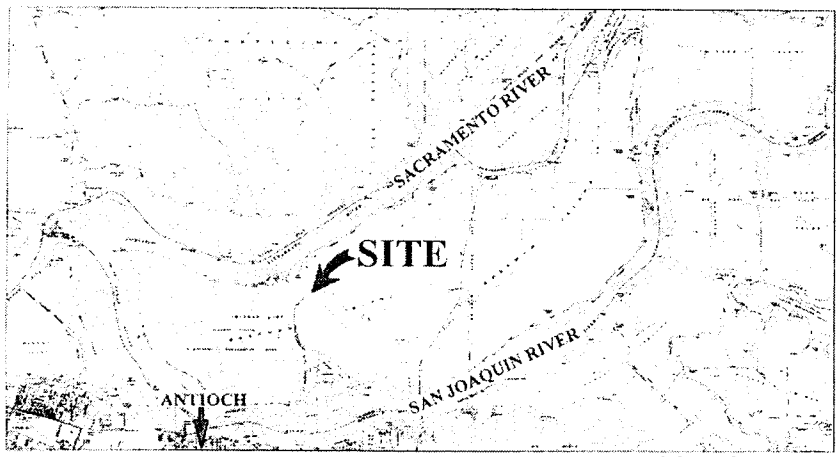
SITE



5140 W. SHERMAN ISLAND ROAD
MAYBERRY SLOUGH, SACRAMENTO COUNTY

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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

Exhibit A

PRC 6108.1
SHERMAN LAKE MARINA
APN 158-0080-009
COMMERCIAL LEASE
SACRAMENTO COUNTY

EXHIBIT B

PRC 6108.1

LAND DESCRIPTION

THAT PORTION OF THE NORTHWEST 1/4 SECTION 5 AND THE SOUTHWEST 1/4 SECTION 6 TOWNSHIP 2 NORTH AND RANGE 2 EAST, M.D.B.& M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE NORTHEAST CORNER OF SWAMP LAND SURVEY NO. 537, LOCATED IN SECTION 5, T.2 N., R.2 E. M.D.B.& M. BEARS NORTH 00° 53'29" WEST 3427.50 FEET, NORTH 50° 01'31" EAST 98.40 FEET, NORTH 55° 24'31" EAST 255.60 FEET, NORTH 60° 02'31" EAST 377.60 FEET, NORTH 60° 49'31" EAST 414.00 FEET, NORTH 61° 13'31" EAST 303.00 FEET, NORTH 64° 33'31" EAST 588.40 FEET, THENCE NORTH 61° 53'31" EAST, 935.00 FEET; SAID POINT OF BEGINNING ALSO BEING ON THE NORTH BANK OF MAYBERRY SLOUGH; THENCE FROM SAID POINT OF BEGINNING ALONG THE NORTH BANK OF MAYBERRY SLOUGH NORTH 51° 34'31" EAST 145.29 FEET AND NORTH 53° 54'31" EAST 164.90 FEET; THENCE LEAVING NORTH BANK OF SAID SLOUGH SOUTH 36° 05'29" EAST 244.00 FEET; THENCE SOUTH 52° 49'05" WEST 580.19 FEET; THENCE NORTH 38° 25'29" WEST 58.71 FEET; THENCE NORTH 9° 16'49" WEST 205.20 FEET TO THE NORTH BANK OF SAID SLOUGH; THENCE NORTH 51° 34'31" EAST 180.00 FEET ALONG THE NORTH BANK OF SAID SLOUGH TO THE POINT OF BEGINNING, CONTAINING 3.063 ACRES.

END OF DESCRIPTION