

MINUTE ITEM

This Calendar Item No. C17 was approved as Minute Item No. 17 by the California State Lands Commission by a vote of 3 to 0 at its 02-09-06 meeting.

CALENDAR ITEM
C17

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02/09/06
PRC 3186 WP 3186.1
R. Barham

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

Samoa Pacific Cellulose, LLC
P.O. Box 158, 1 LP Drive
Samoa, California 95564

ASSIGNEE:

Evergreen Pulp, Inc.
1 TCF Drive, P.O. Box 218
Samoa, California 95564

AREA, LAND TYPE, AND LOCATION:

9.045 acres, more or less, of sovereign lands in the Pacific Ocean near Eureka, Humboldt County.

AUTHORIZED USE:

Operation and maintenance of an existing 36-inch inside diameter wastewater discharge pipeline utilized in the processing of woodchips into bleached pulp for commercial purposes as shown on the attached Exhibit A.

LEASE TERM:

30 years, beginning July 22, 1993.

CONSIDERATION:

\$6,314.40 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. Assignee owns the uplands adjoining the lease premises.
2. On July 19, 1993, the Commission authorized a General Lease – Right of Way Use with Louisiana-Pacific Corporation. That lease will expire on July 21, 2023. On July 19, 1998, Louisiana-Pacific Corporation assigned

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the lease to Louisiana Pacific Samoa, Inc. On February 5, 2001, the Commission authorized the assignment of Lease No. PRC 3186.1 from Louisiana Pacific Samoa, Inc. to Samoa Pacific Cellulose, LLC. Samoa Pacific Cellulose, LLC transferred ownership to Stockton Pacific Enterprises, Inc. On August 24, 2005, Stockton Pacific Enterprises, Inc. relinquished ownership through foreclosure proceedings and subsequent trustee sale to CALM Acquisition, Inc. now known as Evergreen Pulp, Inc. Evergreen Pulp, Inc. is now applying for an assignment of General Lease – Right of Way Use No. PRC 3186.1, effective August 24, 2005.

3. A report on the operational and integrity of the wastewater pipeline was conducted in August of 2005 by an independent contractor. The contractor performed all necessary repairs and states that the pipeline is currently in good working order and functioning as required. The North Coast Regional Water Quality Control Board (NCRWQCB) is proposing to revise the existing wastewater discharge permit that is due to expire on June 28, 2006. The revised permit will be amended to include the change of ownership and the deriving of more stringent discharge limitations for the testing of wastewater as required by the National Pollutant Discharge Elimination System (NPDES). Evergreen Pulp, Inc. has submitted a Receiving Water Monitoring Plan and is currently awaiting plan approval by NCRWQCB before commencing sediment and biota sampling.
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. Site and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

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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:

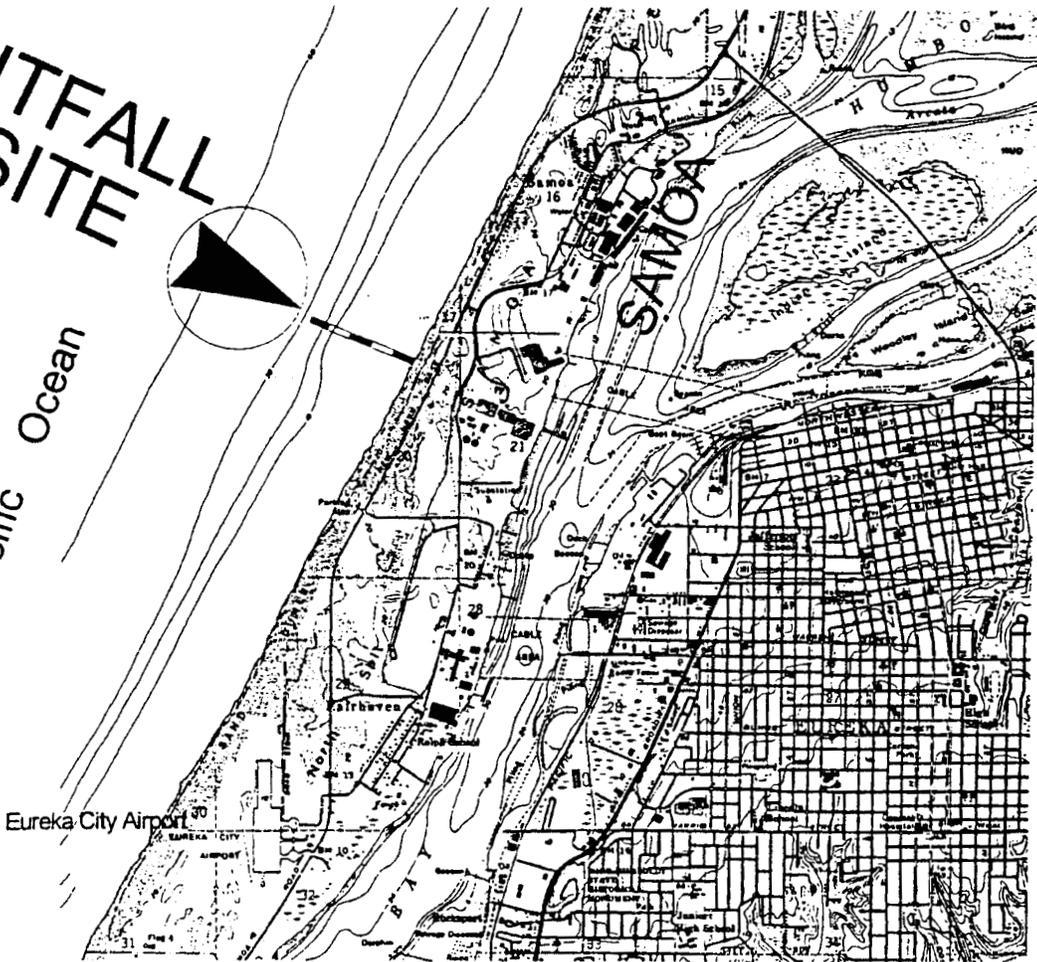
AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 3186.1, A GENERAL LEASE - RIGHT OF WAY USE, OF SOVEREIGN LANDS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, FROM SAMOA PACIFIC CELLULOSE, LLC, TO EVERGREEN PULP, INC.; EFFECTIVE AUGUST 24, 2005.

NO SCALE

SITE MAP

OUTFALL SITE

Pacific Ocean



NO SCALE

LOCATION MAP



Pacific Ocean



Exhibit A
 PRC 3186
 Evergreen Pulp, Inc.
 Outfall Pipeline
 APN 401-111-06
 HUMBOLDT COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, 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.

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RWB 12/05