

MINUTE ITEM

26. APPROVAL OF ASSIGNMENT OF LEASE P.R.C. 2856.1 FROM GEORGE SPECKMAN AND ANNA G. SPECKMAN, HIS WIFE, TO E. R. HAERTLING AND BERNICE HAERTLING, HIS WIFE, AND OF REASSIGNMENT BACK TO GEORGE SPECKMAN FOR SECURITY PURPOSES - W.O. 4585.

After consideration of Calendar Item 25 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE THE APPROVAL OF THE FOLLOWING ASSIGNMENTS OF LEASE P.R.C. 2856.1:

1. FROM GEORGE SPECKMAN AND ANNA G. SPECKMAN TO E. R. HAERTLING AND BERNICE HAERTLING;
2. FROM E. R. HAERTLING AND BERNICE HAERTLING TO GEORGE SPECKMAN AND ANNA G. SPECKMAN IN TRUST AS SECURITY.

Attachment
Calendar Item 25 (1 page)

CALENDAR ITEM

25.

APPROVAL OF ASSIGNMENT OF LEASE P.R.C. 2856.1 FROM GEORGE SPECKMAN AND ANNA G. SPECKMAN, HIS WIFE, TO E. R. HAERTLING AND BERNICE HAERTLING, HIS WIFE, AND OF REASSIGNMENT BACK TO GEORGE SPECKMAN FOR SECURITY PURPOSES - W.O. 4585.

The business of Windmill Cove has been developed in part on a portion of the old channel of the San Joaquin River in San Joaquin County (now under Lease P.R.C. 2856.1) and in part on certain lands on Chicken Ranch Island and Vulcan Island owned in fee by Mr. and Mrs. George Speckman. The sale of the Windmill Cove enterprise is pending. The prospective purchasers of the business and property, Mr. and Mrs. E. R. Haertling, desire to obtain as much direct control of the business as possible, and to that end have requested Mr. Speckman to assign Lease P.R.C. 2856.1 to them as a part of the business assets. Mr. and Mrs. Haertling will be required to execute a deed of trust in favor of Mr. and Mrs. Speckman for the fee-owned property and to reassign the lease in trust as partial security on the portion of the "Windmill Cove" business operated within the lease area.

The Commission's standard lease assignment procedure does not relieve the assignor of liability under the terms of the lease in case of default by the assignee. Accordingly, Mr. Speckman will remain responsible for performance under the lease in case of default by the assignee and will simultaneously be protected and responsible under the proposed reassignment for security, thus giving the Commission a broader base of protection of the lease terms. These assignments are proposed to be made upon clearance of the pending sale transaction now in escrow. The assignments and consent thereto are only desired if the exchange under S.W.O. 7934 is consummated and Lease P.R.C. 2856.1 is amended in conformance thereto (Calendar Items 23 and 24 of this agenda).

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED, FOLLOWING THE CONSUMMATION OF THE ACTIONS RECOMMENDED ON THIS AGENDA UNDER S.W.O. 7934 (CALENDAR ITEM 23) AND W.O. 4584 (CALENDAR ITEM 24), TO EXECUTE THE APPROVAL OF THE FOLLOWING ASSIGNMENTS OF LEASE P.R.C. 2856.1:

1. FROM GEORGE SPECKMAN AND ANNA G. SPECKMAN TO E. R. HAERTLING AND BERNICE HAERTLING;
2. FROM E. R. HAERTLING AND BERNICE HAERTLING TO GEORGE SPECKMAN AND ANNA G. SPECKMAN IN TRUST AS SECURITY.