

MINUTE ITEM

3/26/70
CRK

28. ASSIGNMENT, HYPOTHECATION, AND AMENDMENT OF NONCOMMERCIAL LEASE P.R.C. 3376.1, TIDE AND SUBMERGED LANDS IN SUNSET BAY, ORANGE COUNTY; FROM CALIFORNIA FEDERAL SAVINGS AND LOAN ASSOCIATION TO DECON CORPORATION, AND FROM DECON CORPORATION TO F-S INVESTMENT COMPANY, A LIMITED PARTNERSHIP - W-9119.

After consideration of Calendar Item 28 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE FOLLOWING ACTIONS RELATING TO LEASE P.R.C. 3376.1, WHICH COVERS A PARCEL OF TIDE AND SUBMERGED LAND IN SUNSET BAY, ORANGE COUNTY:

1. EXECUTION OF AN APPROVAL, ON THE COMMISSION'S STANDARD FORM, OF AN ASSIGNMENT OF THE LEASE FROM CALIFORNIA FEDERAL SAVINGS AND LOAN ASSOCIATION TO DECON CORPORATION.
2. AMENDMENT OF PARAGRAPH 4 OF THE LEASE BY AMENDING THE PROVISION LIMITING THE USE TO ELEVEN DOUBLE BOAT SLIPS AND INCREASING THE USE TO FIFTEEN DOUBLE BOAT SLIPS.
3. AMENDMENT OF PARAGRAPH 5 OF THE LEASE, WHICH REQUIRED CONSTRUCTION TO BE COMPLETED BY AUGUST 1, 1968, TO PROVIDE THAT CONSTRUCTION OF FACILITIES TO BE INSTALLED ON THE LEASED LAND SHALL BE STARTED NOT LATER THAN JANUARY 1, 1971, AND COMPLETED NOT LATER THAN JANUARY 1, 1972.
4. CONSENT TO AND APPROVE, WITHOUT LIMITING THE TERMS OF THE SUBJECT LEASE, THE HYPOTHECATION OF SAID LEASE TO THE FORD FOUNDATION.
5. EXECUTION OF AN APPROVAL, ON THE COMMISSION'S STANDARD FORM, OF AN ASSIGNMENT OF THE LEASE FROM DECON CORPORATION TO F-S INVESTMENT COMPANY, A LIMITED PARTNERSHIP.

Attachment

Calendar Item 28 (2 pages)

CALENDAR ITEM

3/70
W-9119
CRK

28.

ASSIGNMENT, HYPOTHECATION, AND AMENDMENT OF
NONCOMMERCIAL LEASE P.R.C. 3376.1

FIRST ASSIGNOR: California Federal Savings and Loan Association.
FIRST ASSIGNEE: Decon Corporation.
SECOND ASSIGNOR: Decon Corporation.
SECOND ASSIGNEE: F-S Investment Company, a limited Partnership.
LOCATION: A 0.610-acre parcel of tide and submerged lands in Sunset Bay, Orange County.
LAND USE: The construction and maintenance of small-boat slips appurtenant to condominiums or apartments situated on adjacent upland.
TERMS OF LEASE: Initial period: 15 years, from August 1, 1967.
Renewal options: 3 additional periods of 10 years each.
Surety bond: \$2,000.
CONSIDERATION: \$2,197.80 per annum.
STATUTORY AND OTHER REFERENCES:
a. Public Resources Code: Div. 6, Pt. 2, Ch. 1, Secs. 6501-09.
b. Administrative Code: Title 2, Div. 3, Arts. 1 & 2 as amended effective May 10, 1969.

OTHER PERTINENT INFORMATION:

1. On April 28, 1969 (Minute Item 12, page 399), the Commission approved Decon's assignment of all its right, title, and interest in and to the subject lease to California Federal Savings and Loan Association, pursuant to an agreement whereby said Association agreed to accept title to said lease as security for the repayment of funds advanced to Decon by said Association.
2. Decon recently entered into an agreement with The Ford Foundation whereby Ford agreed to assist Decon in financing the development of the water area covered by the subject lease and certain real property upland and adjacent thereto.
3. Pursuant to the terms of said agreement, the parties presently intend, subject to Commission approval, (a) to have Decon hypothecate said real property and the subject lease to Ford to secure the repayment of sums to be advanced by Ford; and (b) that Ford will become a limited partner of F-S Investment Company, which partnership presently is comprised of Decon, as general partner, and Cedric E. Sanders, President of Decon, as a limited partner, at which time the subject lease together with the above-mentioned real property will be assigned to F-S Investment Company.

CALENDAR ITEM 28. (CONTD.)

4. California Federal Savings and Loan Association has released its security interest in the subject lease and accordingly has assigned its right, title, and interest in and to the subject lease to Decon subject to approval by the Commission.
5. Counsel for Decon and F-S Investment Company further request that the lease be amended (1) to change the present restriction as to number (eleven) of small double boat slips that may be constructed on State land and increase the number to fifteen small double boat slips; and (2) to provide that construction of the slips shall be started not later than January 1, 1971, and completed not later than January 1, 1972.

EXHIBIT: A. Location map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE FOLLOWING ACTIONS RELATING TO LEASE P.R.C. 3376.1, WHICH COVERS A PARCEL OF TIDE AND SUBMERGED LAND IN SUNSET BAY, ORANGE COUNTY:

1. EXECUTE AN APPROVAL, ON THE COMMISSION'S STANDARD FORM, OF AN ASSIGNMENT OF THE LEASE FROM CALIFORNIA FEDERAL SAVINGS AND LOAN ASSOCIATION TO DECON CORPORATION.
2. AMEND PARAGRAPH 4 OF THE LEASE BY AMENDING THE PROVISION LIMITING THE USE TO ELEVEN DOUBLE BOAT SLIPS AND INCREASING THE USE TO FIFTEEN DOUBLE BOAT SLIPS.
3. AMEND PARAGRAPH 5 OF THE LEASE, WHICH REQUIRED CONSTRUCTION TO BE COMPLETED BY AUGUST 1, 1968, TO PROVIDE THAT CONSTRUCTION OF FACILITIES TO BE INSTALLED ON THE LEASED LAND SHALL BE STARTED NOT LATER THAN JANUARY 1, 1971, AND COMPLETED NOT LATER THAN JANUARY 1, 1972.
4. CONSENT TO AND APPROVE, WITHOUT LIMITING THE TERMS OF THE SUBJECT LEASE, THE HYPOTHECATION OF SAID LEASE TO THE FORD FOUNDATION.
5. EXECUTE AN APPROVAL, ON THE COMMISSION'S STANDARD FORM, OF AN ASSIGNMENT OF THE LEASE FROM DECON CORPORATION TO F-S INVESTMENT COMPANY, A LIMITED PARTNERSHIP.