

MINUTE ITEM

This Calendar Item No. 37 was approved as Minute Item No. 37 by the State Lands Commission by a vote of 7 to 0 at its 12-20-79 meeting.

CALENDAR ITEM

37.

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REVISION OF STANDARD COVENANTS AND LEASE FORMAT  
PROPOSED SECTION 1  
BASIC PROVISIONS AND SECTION 4  
GENERAL PROVISIONS

The Commission's standard lease provisions have been substantially rewritten to achieve the following objectives:

1. Simplification of language and elimination of excess verbiage in the spirit of achieving "plain English" and brevity while still retaining the degree of sophistication required in a commercial lease.
2. Elimination of unnecessary or outdated provisions, addition of new provisions and modification of existing provisions to reflect changes in law, policy and leasing practices.
3. Consolidation and reorganization of lease provisions to present a more intelligible and logical sequence.

Several drafts of the new proposed "Basic" and "General" lease "Provisions" have been submitted for comment to all sections of the Commission staff. Numerous suggestions were submitted in response and many of them are incorporated in the new proposed "Provisions". In the process of revision a net reduction of nearly 1,500 words was achieved and the number of paragraph headings has been cut by more than one half.

The proposed lease format would set forth fundamental terms and conditions (such as the rental and lease term) in Section 1, Basic Provisions. Terms and conditions common to a majority of the Commission's leases would be incorporated in Section 4 - General Provisions; and those that are found in only a minority of leases or which are unique to a particular lease would be presented in Section 2 - Special Provisions. Section 3 would contain the legal description.

The proposed lease format and revised Sections 1 (BASIC PROVISIONS) and 4 (GENERAL PROVISIONS), have been reviewed

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and approved by the Commission's Chief Counsel and the Attorney General's Office.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE AND ADOPT THE PROPOSED LEASE FORMAT AND NEW SECTIONS 1 (BASIC PROVISIONS) AND 4 (GENERAL PROVISIONS) ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.

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