

**MINUTE ITEM**

This Calendar Item No. 26  
was approved as Minute Item  
No. 6 by the State Lands  
Commission by a vote of 3  
to 0 at its 2/17/87  
meeting.

**CALENDAR ITEM**

A 10

C 06

02/17/87  
PRC 4306  
Maricle

S 5

**APPROVAL OF FINANCING DOCUMENT ENTITLED,  
"AGREEMENT AND CONSENT TO ENCUMBRANCING OF LEASE"**

**LESSEE:** Horst Hanf  
P. O. Box 3178  
San Rafael, California 94912

**SECURED-PARTY LESSEE:**  
Bank of Alex Brown, a State  
Banking Corporation  
1425 River Park Drive  
Sacramento, California 95815

**AREA, TYPE LAND AND LOCATION:**  
A 10.86-acre parcel of tide and submerged land,  
located in the Mokelumne River, at  
Andrus Island, Sacramento County.

**LAND USE:** Commercial Marina.

**TERMS OF EXISTING LEASE:**  
Initial period: 25 years beginning January 1,  
1978.  
Renewal options: Two successive periods of  
ten years each.  
Surety bond: \$5,000.  
Public liability insurance: \$500,000/\$1,000,000  
per occurrence for bodily  
injury and \$500,000 for  
property damage, or combined  
single limit coverage of  
\$1,000,000.

CALENDAR ITEM NO. C 06 (CONT'D)

CONSIDERATION: \$7,500 as rental for the period July 1, 1976 through December 31, 1977. Beginning January 1, 1978, five percent of gross income from berthing on State land plus one cent per gallon of fuel sales up to 100,000 gallons, less a \$5,000 annual minimum paid in advance.

BASIS FOR CONSIDERATION:  
Pursuant to 2 Cal. Adm. Code 2003.

APPLICANT STATUS:  
Applicant is owner of upland.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:  
Filing fee and processing costs have been received.

STATUTORY AND OTHER REFERENCES:  
A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.  
B. Cal. Adm. Code: Title 23 Div. 3; Title 14, Div. 6.

AD 884: N/A.

OTHER PERTINENT INFORMATION:

1. Lease PRC 4306 was originally issued to the Willow Berm Corporation pursuant to Commission approval granted March 30, 1978, Minute Item 12. An assignment of the Lease to Horst Hanf was authorized by the Commission on November 20, 1986, Minute Item C09.
2. Lessee has applied to the Bank of Alex Brown for a \$1,350,000 loan in connection with his purchase of the Leasehold Interest and the upland business operation, including 8.33 acres of land from the Prior Lessee. As a condition of the loan, the Bank of Alex Brown has requested that it be named as a Secured-Party Lender under the Subject Lease. The Bank and the present lessee have executed an "Agreement and Consent to Encumbrancing of Lease", which document is on file in the offices of the Commission. State execution of the document is needed to render it complete.

CALENDAR ITEM NO. C 06 (CONT'D)

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

4. This activity will involve lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq., but will have no direct or indirect effect on such lands.

EXHIBIT:

- A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. FIND THAT THIS ACTIVITY WILL INVOLVE LANDS IDENTIFIED AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO P.R.C. 6370, ET SEQ., BUT THAT SUCH ACTIVITY WILL HAVE NO DIRECT OR INDIRECT EFFECT ON SUCH LANDS.
3. AUTHORIZE STAFF EXECUTION OF THE DOCUMENT ENTITLED, "AGREEMENT AND CONSENT TO ENCUMBRANCING OF LEASE", ON FILE IN THE OFFICE OF THE COMMISSION, IN FAVOR OF THE BANK OF ALEX BROWN, A STATE BANKING CORPORATION, AS SECURED-PARTY LENDER, IN CONNECTION WITH LESSEE'S ACQUISITION OF THE LEASEHOLD INTEREST DESCRIBED IN LEASE PRC 4306.

