

MINUTE ITEM

16. PROPOSED MINERAL EXTRACTION LEASE, SUISUN BAY, CONTRA COSTA AND SOLANO COUNTIES - W.O. 5088, P.R.C. 3208.1.

After consideration of Calendar Item 10 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE TO A. G. SCHOONMAKER, INC., THE HIGHEST QUALIFIED BIDDER, A MINERAL EXTRACTION LEASE FOR 57.59 ACRES MORE OR LESS OF SUBMERGED LANDS SITUATE IN SUISUN BAY, CONTRA COSTA AND SOLANO COUNTIES, AS DESCRIBED IN EXHIBIT "A" ATTACHED, SUBJECT TO PAYMENT OF A ROYALTY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

FOR ALL MATERIAL EXTRACTED:

$$R = 0.08 + 0.08 (1.0375)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER CUBIC YARD OF MATERIAL EXTRACTED.

THE ROYALTY RATE UNDER THE ABOVE SCHEDULE SHALL BE INCREASED AUTOMATICALLY AFTER THE FIRST YEAR OF THE LEASE AT THE RATE OF FIVE PERCENT (5%) PER YEAR FOR EACH OF THE NEXT FOUR YEARS TO THE END OF THE LEASE TERM. FOR EACH SUCCESSIVE LEASE RENEWAL, THE ROYALTY RATE, AND THE RATE OF INCREASE PER YEAR (IF ANY), SHALL BE SUBJECT TO REDETERMINATION BY THE STATE AT THE TIME OF RENEWAL.

A PERFORMANCE BOND IN THE PENAL SUM OF \$10,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL OF THE TERMS AND CONDITIONS OF THE LEASE.

Attachment
Calendar Item 10 (2 pages)

CALENDAR ITEM

10.

PROPOSED MINERAL EXTRACTION LEASE, SUISUN BAY, CONTRA COSTA AND SOLANO COUNTIES - W.O. 5088.

On September 15, 1964, two bids were received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for the extraction of sand from 57.59 acres more or less of submerged lands situate in Suisun Bay, Contra Costa and Solano Counties.

The high bid, submitted by A. G. Schoonmaker Company, Inc., offered, in addition to \$0.08 per cubic yard minimum, \$0.083 per cubic yard for all material extracted. The other bid, submitted by Harry C. Thomsen and John A. Peterson, offered, in addition to \$0.08 per cubic yard minimum, \$0.08 per cubic yard for all sand extracted.

The Office of the Attorney General has advised that the bid of A. G. Schoonmaker Company, Inc., conforms with the bid requirements as specified in the proposal of the State Lands Commission to enter into the aforesaid mineral extraction lease, the applicable provisions of law, and the rules and regulations of the State Lands Commission.

IT IS RECOMMENDED THAT, IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO A. G. SCHOONMAKER, INC., THE HIGHEST QUALIFIED BIDDER, A MINERAL EXTRACTION LEASE FOR 57.59 ACRES MORE OR LESS OF SUBMERGED LANDS SITUATE IN SUISUN BAY, CONTRA COSTA AND SOLANO COUNTIES, AS DESCRIBED IN EXHIBIT "A" ATTACHED, SUBJECT TO PAYMENT OF A ROYALTY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

FOR ALL MATERIAL EXTRACTED:

$$R = 0.08 + 0.08 (1.0375)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER CUBIC YARD OF MATERIAL EXTRACTED.

THE ROYALTY RATE UNDER THE ABOVE SCHEDULE SHALL BE INCREASED AUTOMATICALLY AFTER THE FIRST YEAR OF THE LEASE AT THE RATE OF FIVE PERCENT (5%) PER YEAR FOR EACH OF THE NEXT FOUR YEARS TO THE END OF THE LEASE TERM. FOR EACH SUCCESSIVE LEASE RENEWAL, THE ROYALTY RATE, AND THE RATE OF INCREASE PER YEAR (IF ANY), SHALL BE SUBJECT TO REDETERMINATION BY THE STATE AT THE TIME OF RENEWAL.

A PERFORMANCE BOND IN THE PENAL SUM OF \$10,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL OF THE TERMS AND CONDITIONS OF THE LEASE.

Attachment
Exhibit "A"

EXHIBIT "A"

THAT CERTAIN PARCEL OF SUBMERGED LAND SITUATE IN THE COUNTIES OF CONTRA COSTA AND SOLANO, MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT IN SUISUN BAY WHICH BEARS NORTH $08^{\circ} 28'$ EAST, 5,450 FEET, THENCE SOUTH $31^{\circ} 33'$ EAST, 3,000 FEET; THENCE NORTH $54^{\circ} 55'$ EAST, 1,430 FEET FROM THE CORNER COMMON TO SECTIONS 4, 5, 8, AND 9, T. 2 N., R. 1 W., M.D.B. & M., AND PROCEEDING THENCE NORTH $53^{\circ} 22'$ WEST, 2,800 FEET; THENCE SOUTH $81^{\circ} 30'$ EAST, 3,820 FEET; THENCE SOUTH $54^{\circ} 55'$ WEST, 1,900 FEET MORE OR LESS TO THE POINT OF BEGINNING, CONTAINING 57.59 ACRES MORE OR LESS.