

MINUTE ITEM
This Calendar Item No. 16
was approved as Minute Item
No. 16 by the State Lands
Commission by a vote of 2
to 0 at its 12/12/89
meeting.

CALENDAR ITEM

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APPROVAL OF ENCUMBRANCING OF LEASE

LESSEE: Riverbank Holding Company
1371 Garden Highway, Suite 200
Sacramento, California 95833

SECURED-PARTY LENDERS:
Sacramento Savings and Loan Association
424 "L" Street
Sacramento, California 95814

BACKGROUND:

On July 12, 1984, the State Lands Commission approved the issuance of a General Lease - Commercial Use, covering a 4.875-acre parcel of tide and submerged land in the Sacramento River, Sacramento County, for construction and maintenance of a commercial marina, to Riverbank Holding Company. On August 28, 1986, the Commission agreed to enlarge the lease premises to 5.272 acres. At its meeting of August 21, 1984, Minute Item 12, the Commission consented to a Leasehold Encumbrance Agreement between the Lessee, the Commission, Sacramento Savings and Loan Association and First Federal Lincoln, of Lincoln, Nebraska, relative to the financing and construction of improvements by the Lessee on State lands and on the adjacent uplands of the Riverbank Holding Company. The approved loan amount, according to Commission records was \$4,000,000.

CALENDAR ITEM NO. 16 (CONT'D)

CURRENT SITUATION:

Pursuant to such Commission authorization, the Lessee did encumber the lease by executing a Deed of Trust to establish a security interest for the benefit of the Secured-Party Lender. However, the loan secured by the Deed of Trust was later paid in full, and the Lender reconveyed its Deed of Trust which encumbered the lease. The Lender therefore no longer has any security interest in the lease. Under the terms of the earlier Agreement and Consent to Encumbrancing of Lease, Lessee and Secured-Party Lender must again obtain the consent of Lessor for any additional security interest concerning the Lease.

The Lessee requires, and has obtained, new indebtedness in the amount of \$400,000 pursuant to the promissory note in favor of the Lender for the refinancing of improvements constructed, maintained, repaired, or reconstructed by the Lessee on the Lease Premises. Such indebtedness and financing is necessary to achieve the purposes and objectives of the lease and is in the best interest of all parties.

The Lender will once again require the execution of a security instrument in the form of a Deed of Trust, mortgage, or other security device encumbering the lease to secure the additional financing required by the Lessee. The staff has reviewed the transaction and has no objection to it.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 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. Code Regs. 15378.

2. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. but will not affect those significant lands.

CALENDAR ITEM NO. 13 (CONT'D)

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. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.

2. AUTHORIZE THE AGREEMENT AND CONSENT TO ENCUMBRANCING OF LESSEE'S RIGHT, TITLE AND INTERESTS IN LEASE PRC 6427 IN FAVOR OF SACRAMENTO SAVINGS AND LOAN ASSOCIATION FOR THE PURPOSE OF OBTAINING A LOAN RELATIVE TO THE REFINANCING OF IMPROVEMENTS CONSTRUCTED AND AUTHORIZED UNDER LEASE PRC 6427.

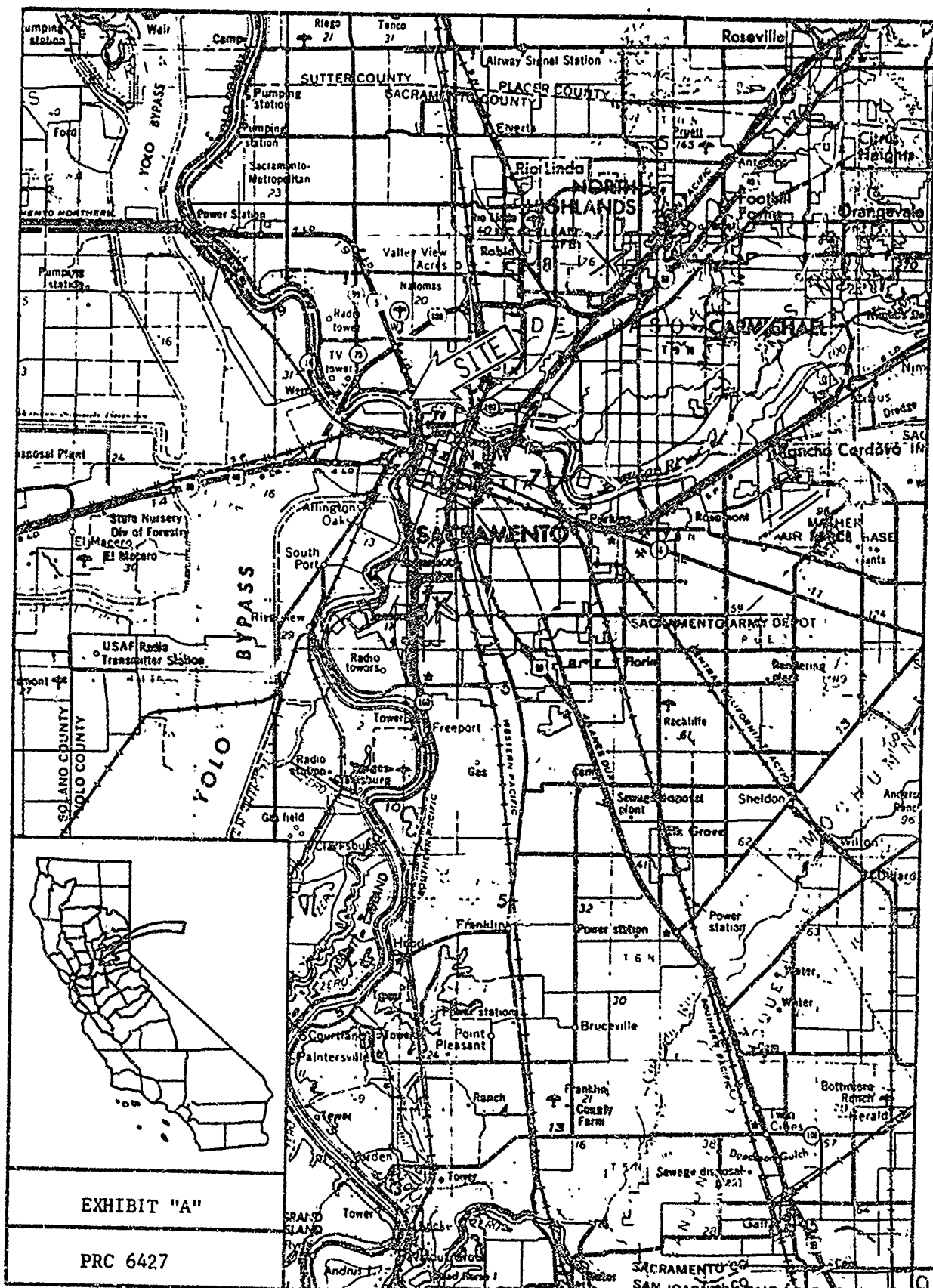


EXHIBIT "A"

PRC 6427

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