

14. (Surety bond for removal of structures - P.R.C. 226 - W.O. 42) The Commission was informed that, with respect to the McMurphy lease at Vallejo, that such a small businessman, because of financial rating, cannot obtain a bond guaranteeing removal of the structure without depositing with the surety full collateral. Furthermore, the financial condition of the small businessman is such that he does not have even the collateral required.

The Commission may wish to consider the advisability of increasing the annual rental in lieu of the filing of the bond in this case by the amount of the annual cost of a \$5,000.00 surety bond for removal of the facilities.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the waiving of Rule 2020, Regulation A in this case, in consideration of increasing the annual rental to be paid under Lease No. P.R.C. 226 as authorized on June 12, 1947. Said rental to be paid from and after June 12, 1947, at the rate of \$472.56 plus \$100.00 or a total of \$572.56 annually.

15. (State Lands Commission - Audits) The Commission was informed that Mr. Dean has submitted a letter from Mr. Rouble with respect to determination of policy as to the effective date of leases upon State land.

There are three categories of occupancy of State lands which needs to be considered: First, occupancy for a new installation. Second, continued occupancy under an expiring Board of Supervisors' Permit. Third, occupancy where no lease has been issued by the State or permit by the Board of Supervisors and structures have been built upon the State land.

As to the first category, it is only reasonable that the date of the lease should be from the effective date of Commission action.

As to the second category above, where a valid authority from the County Board of Supervisors under the earlier act was given, the date of the new lease should commence as of the date of the expiration of the Board of Supervisors' Permit.

As to the third category where no Board of Supervisors' Permit exists or has expired, and no State lease has been issued, the occupant is a trespasser. In connection with this problem, the Commission was informed informally by the Attorney General's office that the effective date of any lease was a matter of Commission policy.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to notify the Audits Division that the policy of the Commission in regard to the effective dates of leases will be as follows: