

MINUTE ITEM

21. TERMINATION OF MINERAL EXTRACTION LEASE P.R.C. 275.1, SAN MATEO COUNTY;
BAY CITIES BUILDING MATERIALS COMPANY, INC. - P.R.C. 275.1.

After consideration of Calendar Item 26 attached, and upon motion duly made
and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO TERMINATE, EFFECTIVE SEPTEMBER 29, 1964,
MINERAL EXTRACTION LEASE P.R.C. 275.1, AND TO REFER THE MATTER TO THE OFFICE
OF THE ATTORNEY GENERAL FOR SUCH ACTION AS IS DEEMED APPROPRIATE.

Attachment

Calendar Item 26 (1 page)

CALENDAR ITEM

26.

TERMINATION OF MINERAL EXTRACTION LEASE P.R.C. 275.1, SAN MATEO COUNTY; BAY CITIES BUILDING MATERIALS COMPANY, INC. - P.R.C. 275.1.

Mineral Extraction Lease P.R.C. 275.1, covering approximately 7.44 acres of tide and submerged lands in the vicinity of Rockaway Beach, San Mateo County, was issued on January 8, 1947, to John V. Lloyd, pursuant to competitive public bidding, for a term of 15 years. The lease is now held by Bay Cities Building Materials Company, Inc., a California corporation.

On January 22, 1962 (Minute Item 5, page 7595), the Commission authorized the extension of the lease for a term of 10 years beginning January 8, 1962. Under the extended lease, the lessee was required to pay six cents royalty per cubic yard for all sand extracted, and was obligated to extract a minimum of 5,000 cubic yards of sand each lease year.

The lessee has paid the annual rental of \$50, but has not reported any extraction operations nor paid the royalty on the minimum annual extraction of 5,000 cubic yards per year since the lease was extended. Currently, Bay Cities owes a minimum royalty payment in the amount of \$600 for the two-year period. Therefore the lease should be canceled and the matter referred to the office of the Attorney General for collection of the delinquent royalty.

Section 3 of the extended lease provides in part:

"That the lessee will pay to the State the said rental and royalty consideration reserved to the State...without deduction, default or delay; and, in the event of failure of the Lessee so to do...it shall be lawful for the State to re-enter into and upon the demised premises, and to remove all persons and property therefrom, and to re-possess and enjoy the herein-described demised premises as in the first and former estate of the State...."

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO TERMINATE, EFFECTIVE SEPTEMBER 29, 1964, MINERAL EXTRACTION LEASE P.R.C. 275.1, AND TO REFER THE MATTER TO THE OFFICE OF THE ATTORNEY GENERAL FOR SUCH ACTION AS IS DEEMED APPROPRIATE.