

MINUTE ITEM

This Calendar item No. 15  
was approved as Minute Item  
No. 15 by the State Lands  
Commission by a vote of 3  
to 0 at its 1-21-88  
meeting.

CALENDAR ITEM

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01/21/88  
PRC 5110  
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AUTHORIZATION TO DELAY TERMINATION OF LEASE PRC 5110

APPLICANT: Hugh Turner, dba Alamar Marina  
139 North Valentine  
Fresno, California 93706

BACKGROUND: The Commission at its meeting of 10/21/87 authorized the staff to send notice of its intent to terminate Lease PRC 5110 to the Lessee (Turner) and the Secured-Party Lender (Wells Fargo). The notice was to, among other things, provide for an effective termination date of January 1, 1988. The reason for the staff's recommendation that the lease be terminated was the failure of the Lessee to pay the rental due for the past three years.

The Lessee had withheld rent payments to the Commission pending legal action with the Secured-Party Lender. The Lessee had continued to keep both bond and insurance as required by the lease current with the Commission as an additional party. In order to protect the Commission's interest the staff was required to seek the authority of the commission to terminate the lease and did so by Calendar Item No. 26 on 10/21/87. The calendar item provided that if the Lessee or the Secured-Party Lender were to cure the breach of the lease through the payment of the total amount of the rent, including penalty and interest due, then the lease would continue without termination.

CALENDAR PAGE	105
MINUTE PAGE	119

CALENDAR ITEM NO. 15 (CONT'D)

**CURRENT SITUATION:**

The Lessee has been in telephone contact with the staff throughout the month of December 1987 negotiating a settlement of the amount of back rent owed and to make arrangements for the full repayment of the rent with penalty and interest. The Lessee is not able to make full payment of the amount owed in a lump sum and has asked that they be allowed to make periodic payments during 1988. Staff is willing to recommend that a payment schedule be established and that the termination of Lease PRC 5110 be delayed as long as the rent payment schedule is followed by the Lessee. The staff will retain the right to file a notice of termination should the lessee fail to make any of the scheduled payments when due.

A rent schedule has been developed with the Lessee and is attached as Exhibit "A". The schedule provides for an initial payment of \$15,000.00, which has been made by the Lessee, to be followed by periodic payments to be made between April 1988 and November 1988. The Lessee has also agreed to a complete audit of the marina records to establish the total amount of rent due.

**OTHER PERTINENT INFORMATION:**

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 Guidelines.

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

**EXHIBITS:**

- A. Rental Payment Schedule
- B. Location Map

AB 884:

N/A.

CALENDAR PAGE	106
MINUTE PAGE	120

CALENDAR ITEM NO. 15 (CONT'D)

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. AUTHORIZE THE STAFF TO SEND A NOTICE OF REINSTATEMENT OF LEASE P R C 5110 TO ALL APPROPRIATE PARTIES.
3. AUTHORIZE STAFF TO ACCEPT AN INITIAL RENTAL PAYMENT OF \$15,000.00 AND THOSE PERIODIC PAYMENTS AS SHOWN ON ATTACHED EXHIBIT "A", INCLUDING ANY PENALTY AND INTEREST ACCRUING THERETO, AS FULL PAYMENT OF THE BACK RENT DUE.
4. AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE A NOTICE OF TERMINATION, EFFECTIVE UPON EXECUTION, SHOULD THE LESSEE FAIL TO MAKE ANY OF THE PERIODIC PAYMENTS SHOWN ON EXHIBIT "A" WHEN DUE.

CALENDAR PAGE	107
MINUTE PAGE	121

EXHIBIT "A"

SCHEDULE OF RENTAL PAYMENTS

April, 1988	-----	\$5,000.00
May, 1988	-----	\$5,000.00
June, 1988	-----	\$10,000.00
July, 1988	-----	\$5,000.00
August, 1988	----	\$10,000.00
September, 1988	-	\$10,000.00
October, 1988	---	Balance Due *

\* including any accrued penalty and interest as determined by an audit of the books and records of the Lessee of Lease P R C 5110

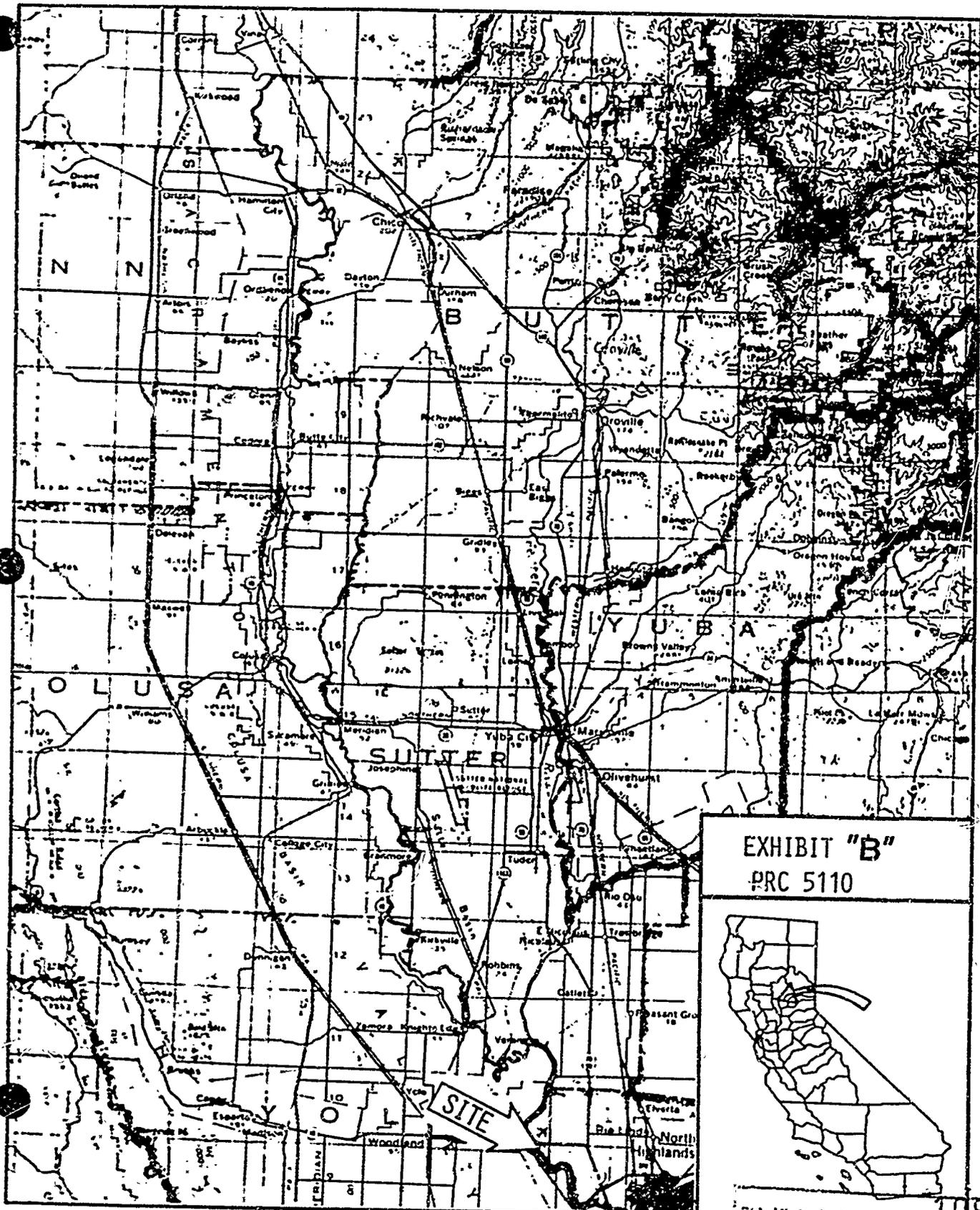


EXHIBIT "B"  
 PRC 5110

