

**MINUTE ITEM**

This Calendar Item No. C32 was approved as  
Minute Item No. 32 by the California State Lands  
Commission by a vote of 3 to 0 at its  
08/21/96 meeting.

**CALENDAR ITEM**

**C32**

A 4  
S 1

08/21/96  
PRC 5499.1  
J. Ludlow

**APPROVAL OF SUBLESSEE**

**LESSEE/SUBLESSOR:**

Chambers Landing Partnership  
Attention: Rex E. McPhaul  
67 Idlewood, Suite A  
Kentfield, California 94904

**SUBLEESSEE:**

Graham Rock  
P.O. Box 7563  
Tahoe City, California 96145

**LOCATION:**

A 3.35-acre parcel of submerged land located in Lake Tahoe at Chambers Landing,  
Tahoe City, Placer County

**AUTHORIZED USE:**

Sublease for use and maintenance of a commercial pier and clubhouse.

**TERM:**

Lessee:  
Twenty years effective December 30, 1993

Sublessee:

Seasons of May through October 31 for the years 1996, 1997, 1998, 1999,  
and 2000 with right to extend sublease an additional five years upon mutual  
agreement between sublessor and sublessee.

**CALENDAR ITEM NO. C32 (CONT'D)**

**CONSIDERATION:**

**LESSEE/SUBLESSEE:**

\$4800 per annum against five percent (5%) of the gross income derived from the pier and three (3%) of the gross income derived from the clubhouse operations.

**OTHER PERTINENT INFORMATION:**

1. On October 17, 1995, the Commission authorized a commercial Lease to the Chambers Landing Partnership (Partnership). The lease authorizes a sublease to Graham Rock. However, because the form of sublease, a Letter of Agreement, had not been executed by the parties, it was not approved by the Commission at that time. The parties have since executed the Letter of Agreement attached hereto as Exhibit B. Commission staff has reviewed the Letter of Agreement and finds it to be acceptable in its present form.
  
2. Sublease:
  - a) Approve by endorsement sublease in the form of that Letter of Agreement attached hereto as Exhibit B, between Chambers Landing Corporation, Chambers Landing Pier Corporation and their Chambers Landing Partnership to Graham Rock.
  
  - b) Sublessor: Chambers Landing Partnership  
  
Sublessee: Graham Rock
  
  - c) Term: Seasons of May 1 through October 31 for the years 1996, 1997, 1998, 1999 and 2000. The term of the sublease may be extended for another five years upon the mutual agreement of the sublessor and the sublessee.
  
  - d) Rental required by State:  
Minimum annual rental, as determined by the State Lands Commission against gross annual income from commercial dock and clubhouse.

**CALENDAR ITEM NO. C32 (CONT'D)**

e) Insurance: \$1,000,000 combined single limit naming the State of California, State Lands Commission, as an additional insured.

3. The sublessee has paid back rental for his operations of the pier and clubhouse at the site for the years covering, 1994 and 1995.

**EXHIBITS:**

A. Site Map

B. Letter of agreement (sublease)

**AB 884:**

N/A

**RECOMMENDED**

**ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

**CEQA**

**FINDING:**

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 PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE 15378.

**SIGNIFICANT LANDS**

**INVENTORY FINDING:**

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

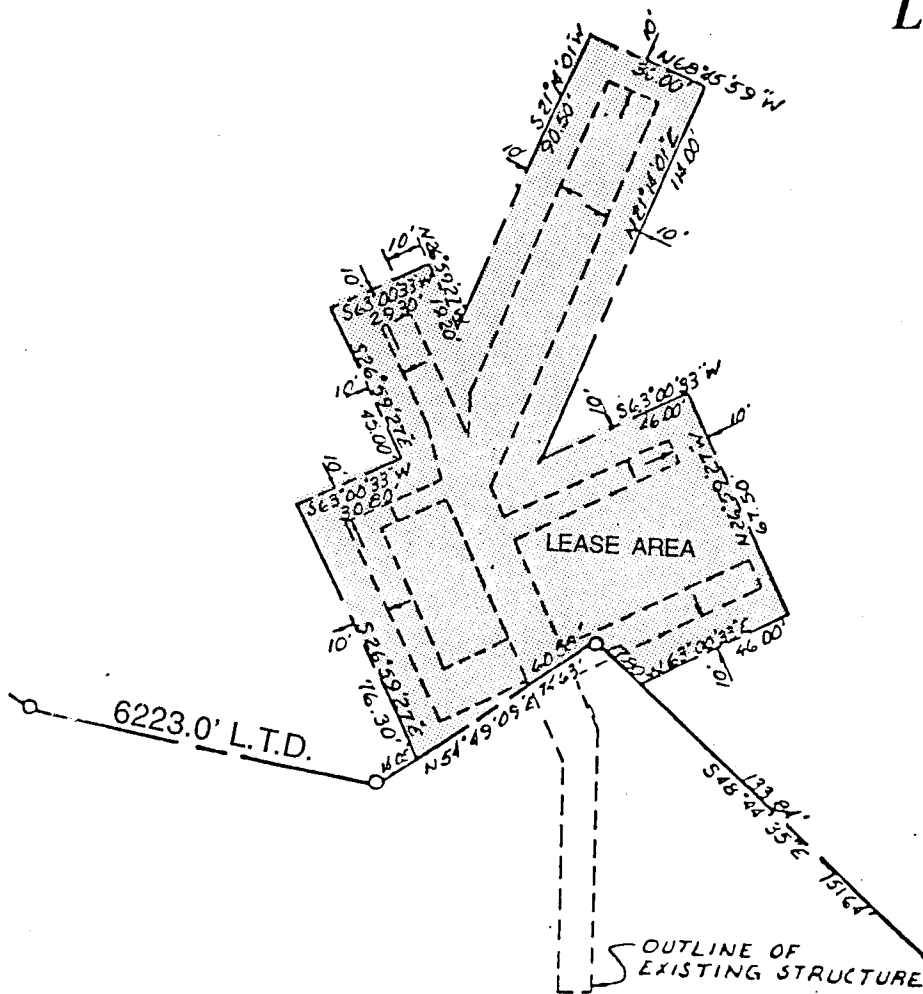
**CALENDAR ITEM NO. C32 (CONT'D)**

**AUTHORIZATION:**

APPROVE BY ENDORSEMENT, THE SUBLEASE BETWEEN CHAMBERS LANDING CORPORATION, CHAMBERS LANDING PIER CORPORATION AND THEIR CHAMBERS LANDING PARTNERSHIP AND GRAHAM ROCK DATED APRIL 22, 1996 FOR THE OPERATION OF A COMMERCIAL PIER AND CLUB HOUSE AT CHAMBERS LANDING IN THE FORM OF THEAT LETTER OF AGREEMENT ATTACHED HERETO AS EXHIBIT B AND BY REFERENCE MADE A PART HEREOF, FOR THE SEASONS MAY 1 THROUGH OCTOBER 31 OF THE YEARS 1996, 1997, 1998, 1999 AND 2000 WITH THE RIGHT OF THE SUBLESSEE TO EXTEND THE TERM OF THE SUBLEASE FOR ANOTHER FIVE YEARS UPON THE MUTUAL AGREEMENT BETWEEN TEH SUBLESSOR AND THE SUBLESSEE.

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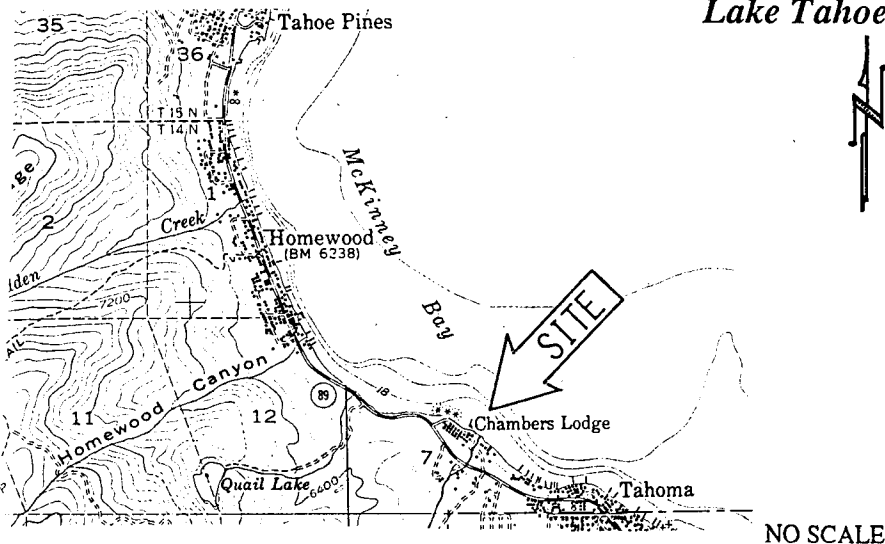
# Lake Tahoe



6300 Chambers Lodge Rd.

NO SCALE

## LOCATION MAP

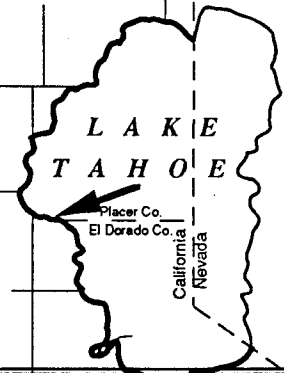


NO SCALE

This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

## Lake Tahoe

EXHIBIT "A"  
 PRC 5499.1  
 APNs 98 - 330 - 06, 16  
 Lake Tahoe  
 PLACER COUNTY



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CG 9/95

# EXHIBIT B

Mr. Graham Rock  
P.O. Box 7563  
Tahoe City, CA 96145

LETTER OF AGREEMENT BETWEEN CHAMBERS LANDING CORPORATION, CHAMBERS LANDING PIER CORPORATION AND THEIR CHAMBERS LANDING PARTNERSHIP, AND GRAHAM ROCK, AN INDIVIDUAL FOR THE 1996, 1997, 1998, 1999 & 2000 SEASONS.

Dear Graham:

This letter serves as an agreement between you and the Chambers Landing Partnership (C.L.P.) for management, operation and maintenance of the bar, grill, restaurant and certain other facilities at Chambers Landing for the 1996, 1997 1998, 1999 & 2000 seasons from May 1, through October 31 of each season.

Except as specifically provided below, you are responsible for payment of all costs and expenses of operating and maintaining the subject property and facilities, including the wages, taxes and other payroll costs of all employees you hire.

Your duties include responsibility of all restaurant, bar and grill operations including recruitment, staffing and training of all employees, menu planning, procurement, food preparation and service, facility maintenance, and accounting for all such activities. In addition, you will be responsible for the following:

1. Initial cleaning and start up of restaurant, bar and grill and 50% of costs not to exceed \$1,000.00 of cleanup of parking lot, outside areas of bar and restaurant, and 100% of restaurant clean up described in sections A1 and A2 of Exhibit B. You will maintain, or cause to be maintained by contract, this area through subject period, to the standards already established. This will consist of clearing the areas of pine needles/pine cones, planting/maintaining of the flower beds, mowing/watering and fertilizing the grassy knoll north of the restaurant. (See Exhibit B for more details.
2. All equipment and appliances are agreed by both parties to be in good working order. Any repair/replacement of equipment and appliances will be your responsibility and at your expense. If the repair or replacement is capital in nature and would extend the life of the item involved, the repair/replacement will require prior approval in writing by C.L.P. or you will be responsible for full payment. The parties shall schedule a walk through to determine the condition.

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3. Equipment leases and expenses to be paid by you include: telephone system for restaurant and bar (excludes pay phone), ice machine, dishwasher and alarm system. (See Exhibit B for breakdown of monthly expenses.)
4. Any dishes/glassware/equipment purchased by you remain your property.
5. You will be responsible to pay for 50% of the cleaning and maintenance of the restroom facilities. You will pay Hansen Maintenance Company for these services. (See Exhibit B for breakdown of costs.) Hansen Maintenance Company shall pay Graham Rock for maintenance and cleaning and repair of the bathrooms. Cost estimates to be provided by Graham Rock to Hansen prior to starting the work.
6. You will be responsible for utilities for both the bar and restaurant. These include Sierra Pacific Power, Southwest Gas and Pacific Telephone. These are not shared expenses.
7. You will make arrangements with Tahoe-Truckee Sierra Disposal Company for garbage pickup necessary and direct billing to you. You are responsible for one-half (50%) of the costs and the C.B.M.C. and Recreation Associations each share (25%). The garbage receptacles will include no less than one 4 yard dumpster situated in the assigned area located at the south end of the restaurant access road. You will bill the C.B.M.C. and Recreation Association via Hansen Maintenance for these costs and be responsible for collection from them. You will pay one-half the cleanup and restoration fee for the parking lot which includes landscaping and repair. You will pay one-half the daily cleanup and restoration fee for the parking lot which includes landscaping and repair as described in Section A of Exhibit B. Hansen Maintenance and Graham Rock to obtain bids if needed to re-seal and re-stripe the parking lot plus add one set of additional stairs to the pier.
8. The annual service fees for Tahoe City Public Utility District and the Truckee Tahoe Sanitation Agency of which you will pay 66%. This fee covers 66% of the total cost, giving you an appropriate discount for the shared fixtures in the restroom building. This amount is payable to C.L.P. and is due by August 1 of each season.
9. Hansen Maintenance Company will hire, supervise and pay two pier attendants. The duties of these attendants will include pier safety and cleanup, buoy and boat parking, safety and maintenance. At times these attendants will assist homeowners to their buoys.

for and reimburse the costs of these attendants for the hours of 11:00 am through 6:00 pm. One attendant will be on duty during the week days and two during the weekends and holidays. (See Exhibit B for schedule of costs.)

10. You will responsible to arrange for and pay for workers compensation insurance for all restaurant, grill and bar employees. You will provide us a copy of your certificate of insurance for workers compensation and primary business liability insurance with coverage up to three (\$3) million naming C.L.P. as additionally insured.
11. C.L.P. will pay the owners facilities and liability insurance and property tax.
12. You will be listed as our manager with the Alcohol Beverage Control Board.
13. Included in your agreement to allow the pier attendants to shuttle Chambers Landing Homeowners to their boats you will be allowed to use any unused buoy for your bar and restaurant patrons on an hourly basis.
14. C.L.P. will be responsible for all pier repairs and replacements unless caused by the intentional or negligent acts of Lessee, or Lessee's agents or employees, in which case Lessee shall be responsible for the repairs.
15. At the start and close of the season, a joint inventory of furniture, fixtures and equipment will be conducted. You will pay for all repair and replacement deemed necessary by C.L.P. in excess of \$250.00. Hansen Maintenance will act as C.L.P. agent.
16. You will be responsible for the collection of sales taxes and for the preparation of sales tax returns and estimated payments. Copies of tax filings and canceled checks will be provided to C.L.P. as evidence of compliance on a monthly basis.
17. You will maintain adequate books and records and will properly account for the subject activities in accordance with customary hospitality industry accounting practices. C.L.P. will be granted access to these books and records upon reasonable advance notice. Said book will be available for audit by the State Lands Commission and Lessee shall pay all costs of such audit.



18. There will be two bank accounts, an operating account which will be in your name and the alcohol/wine purchasing account which will remain under C.L.P. Procedures surrounding the use of these accounts will be established prior to the start of the season.
19. In the event that you should become ill or otherwise incapacitated, which would render you unable to perform your duties in conjunction with this Agreement for a period in excess of 30 consecutive days, this agreement may be terminated at C.L.P.'s option unless the parties are able to agree upon a mutually satisfactory substitution.
20. You agree to operate, staff, and maintain the subject facilities to the same or better standard established by your restaurant, bar and grill operation at Chambers Landing in 1993, 1994 and 1995.
21. You commit to operate the restaurant (for lunch and dinner), the bar and other facilities every day during the period starting Saturday, nearest June 15, through and including Labor Day and for as many other days during the period of this agreement as demand justifies. You will comply with the Chambers Landing Homeowners Association Declaration of Servitude recorded August 8, 1990, attached as Exhibit C.

22. Rent.

1996 - \$80,000  
1997 - \$82,400  
1998 - \$84,872  
1999 - \$87,418  
2000 - \$90,041

Payment of rent shall be in four (4) equal quarterly installments on:

April 1  
July 1  
September 1  
October 1

23. This agreement shall terminate October 31, 2000, but may be extended for an additional five (5) years by mutual agreement of both parties at a new rent to be agreed upon by the parties. The terms and conditions of such extension are subject to negotiation. Following the termination of this agreement either party shall give the other notification within 60 days if it is their intent not to renew the agreement. If the parties are unable to agree

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upon a new rent then this option shall automatically expire.

24. You agree that there will be no outside functions (wedding, receptions, etc.) held on the facilities from July 1st through the Labor Day weekend. Prior to July 1st weekend and following Labor Day outside functions are permitted, however, a schedule identifying party and date shall be provided to C.L.P. Lessee shall provide a list to C.L.P. by June 1st of each year.
25. No partnership or joint venture is intended by this agreement. This agreement is personal to Graham Rock and does not survive him. Should he die while this agreement is in effect, this agreement shall immediately then terminate and be of no further force or effect.
26. The failure of either party to insist upon the strict performance of any term of this agreement shall not constitute, or be constructed as, a waiver of such party's right thereafter to enforce any such term or condition.
27. Neither party hereto shall voluntarily assign any right or obligation created by this agreement to any person or entity without all parties' prior written consent.
28. The prevailing party in any legal action or proceeding involving claims arising from the terms of this agreement shall be entitled to an award of its reasonable attorneys' fees, in addition to any other relief awarded by the Court.
29. Replacement and Repair. In the event of substantial damage and destruction exceeding \$100,000, either party shall have the option to terminate this lease.

DATED this 18th day of March, 1996.

CHAMBERS LANDING PARTNERSHIP

Graham Rock  
Graham Rock

4/22/96

By: Jerry Jeffry  
Jerry Jeffry

Rex McPhaul  
Rex McPhaul