

MINUTE ITEM

5/27/71
EWC

6. AMENDMENT TO LEASE PRC 4427.2 CHANGING AMOUNT OF SURETY BOND, 80 ACRES LIEU LANDS IN MARIPOSA COUNTY; DONALD P. STINE - W 20014, PRC 4427.2.

After consideration of Calendar Item 6 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE ISSUANCE TO DONALD P. STINE OF AN AMENDMENT TO LEASE PRC 4427.2 THAT WILL CHANGE THE AMOUNT OF THE SURETY BOND REQUIREMENT FROM \$5,000 TO \$2,000, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE PRC 4427.2 TO REMAIN IN FULL FORCE AND EFFECT.

Attachment:

Calendar Item 6 (2 pages)

CALENDAR ITEM

5/71
W 20014
ENC

6.

AMENDMENT TO LEASE PRC 4427.2

APPLICANT: Donald P. Stine.

LOCATION: E $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 28, T. 4 S., R. 18 E., M.D.M.,
containing 80 acres more or less of lieu lands in Mariposa
County.

LAND USE: Silviculture (Christmas trees).

TERMS OF EXISTING LEASE:
Initial period: 10 years, from April 1, 1970.
Renewal options: 1 additional period of 10 years.
Surety bond: \$5,000. Public liability insurance:
\$200,000/\$600,000 for personal injury, and \$100,000 for
property damage.

CONSIDERATION OF EXISTING LEASE:
\$960.00 per annum, with the State reserving the right to
review and reset a reasonable rental on each fifth
anniversary.

BASIS FOR CONSIDERATION OF EXISTING LEASE:
6% of appraised value of land.

STATUTORY AND OTHER REFERENCES:
a. Public Resources Code: Div. 6, Parts 1 and 2.
b. Administrative Code: Title 2, Div. 3, Articles
1 & 2 as amended effective May 10, 1969.

OTHER PERTINENT INFORMATION:
Since the original lease was approved (Minute Item 7,
page 181, of March 26, 1970), the lessee reports that
sureties have become reluctant to issue performance bonds
in such high amounts and that he has been unable to obtain
a \$5,000 bond, but that he has obtained a commitment for
a bond in the amount of \$2,000. The staff has verified the
difficulty Mr. Stine has experienced; he is one of several
recent applicants who are having difficulty in securing
bonds in the amount specified in State Lands Commission
leases. He has, however, obtained the liability insurance
required by the lease. The bond is for the purpose of
encouraging performance of the terms of the lease and, in
the opinion of the staff, \$2,000 will accomplish this
effectively. Negotiations with Mr. Stine have convinced
the staff that he is responsible and sincere.

CALENDAR ITEM 6. (CONTD.)

EXHIBITS:

A. Location map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE ISSUANCE TO DONALD P. STINE OF AN AMENDMENT TO LEASE PRC 4427.2 THAT WILL CHANGE THE AMOUNT OF THE SURETY BOND REQUIREMENT FROM \$5,000 TO \$2,000, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE PRC 4427.2 TO REMAIN IN FULL FORCE AND EFFECT.