

MINUTE ITEM

4/30/75  
EPW

6. RENEWAL AND AMENDMENT OF COMMERCIAL LEASE PRC 3264, TIDE AND SUBMERGED LAND IN THE BED OF THE SACRAMENTO RIVER AT FREEPORT, SACRAMENTO COUNTY; ALVIN L. STULTS - WP 3264, PRC 3264.

Action on Calendar Item 4 was deferred until the next meeting of the Commission, to give further consideration to the amount of the required bond.

Attachment:  
Calendar Item 4 (9 pages)

CALENDAR ITEM

4.

4/75  
EPW  
WP 3264

RENEWAL AND AMENDMENT OF COMMERCIAL LEASE PRC 3264

APPLICANT: Alvin L. Stults  
8651 River Road  
Sacramento, California 95832

AREA, TYPE LAND AND LOCATION:  
A 1.25-acre parcel of tide and submerged land  
in the bed of the Sacramento River at Freeport,  
Sacramento County.

LAND USE: Continued operation of a boat facility.

TERMS OF ORIGINAL LEASE, AS AMENDED:

Initial period: 10 years, from January 1, 1965.

Renewal options: 1 additional period of 5 years.

Surety bond: \$4,000.

Consideration: \$361.26 per annum until  
November 14, 1975, at which  
time new rent will be set.

TERMS OF PROPOSED RENEWAL:

Period: 5 years, from January 1, 1975.

Surety bond: \$4,000.

Public liability insurance:  
Bodily injury, one person \$100,000;  
bodily injury, one accident  
\$300,000; property damage  
\$50,000.

CONSIDERATION: \$361.26 per annum for the period January 1, 1975,  
through November 15, 1975, with the State reser-  
ving the right to fix a different rental for the  
remainder of the lease term, commencing November 15,  
1975.

BASIS FOR CONSIDERATION:

Nominal rental rate of \$289.01 per acre per  
annum until November 14, 1975, as set forth in  
2 Cal. Adm. Code 2005(b)(9).

PREREQUISITE TERMS:

Applicant is lessee or permittee of upland.

A 9  
S 6

CALENDAR ITEM NO. 4. (CONTD)

STATUTORY AND OTHER REFERENCES:

- a. Public Resources Code: Div. 6, Parts 1 & 2.
- b. Administrative Code: Title 2, Div. 3,  
Arts. 1, 2 & 10.

OTHER PERTINENT INFORMATION:

- 1. An environmental impact report is not required. This transaction is within the purview of 2 Cal. Adm. Code 2910, Class 1, which exempts an existing structure that is in an acceptable state of repair and there is no evidence of record to show injury to adjacent property, shoreline erosion, or other types of environmental degradation.
- 2. Division staff has reviewed Lease PRC 3264 and recommends amendments in the language of the lease to conform to present practice. These amendments involve the monetary consideration, the indemnity bond and insurance, interest on deferred rent during renewal or extension, and paragraph headings.

EXHIBITS:           A. Lease Amendment.                   B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

- 1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21085; 14 CAL. ADM. CODE 15101, ET SEQ.; AND 2 CAL. ADM. CODE 2910.
- 2. AUTHORIZE THE ISSUANCE TO ALVIN L. STULTS OF AN AMENDMENT AND RENEWAL TO LEASE PRC 3264 THAT WILL:
  - A. RENEW PRC 3264 FOR A 5-YEAR PERIOD FROM JANUARY 1, 1975; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$361.26 FOR THE PERIOD JANUARY 1, 1975, THROUGH NOVEMBER 14, 1975, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON NOVEMBER 15, 1975.
  - B. ADD A PROVISION FOR PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF \$100,000/\$300,000 FOR BODILY INJURY AND \$50,000 FOR PROPERTY DAMAGE AND A \$4,000 SURETY BOND.
  - C. CHANGE THE LANGUAGE OF CERTAIN OTHER PARAGRAPHS IN THE LEASE AS SET FORTH IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

CALENDAR ITEM NO. 4. (CONTD)

- D. THE EFFECTIVE DATE OF THE AMENDMENT AND RENEWAL SHALL BE JANUARY 1, 1975, PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 3264 SHALL REMAIN IN FULL FORCE AND EFFECT.

Attachment: Exhibit "A"

"EXHIBIT A"STATE OF CALIFORNIA  
STATE LANDS COMMISSION

## AMENDMENT AND RENEWAL OF LEASE P.R.C. 3264.1

WHEREAS, the State of California, acting through the State Lands Commission, hereinafter called Lessor, and MARTIN A. STULTS, Hereinafter called Lessee have entered into an Agreement designated as Lease P.R.C. 3264.1 and dated April 7, 1965, whereby the Lessor granted to said Lessee a lease covering certain described land situate in Sacramento County for a term of ten (10) years; and

WHEREAS, paragraph 19 of said lease provides that the provisions thereof may be changed, altered or amended by mutual consent of the parties; and

WHEREAS, said Lease Agreement was amended and approved by the State Lands Commission June 6, 1974 by minute item no. 8, page 450, which A.) enlarged the area under lease; B.) increased the amount of the surety bond; and C.) increased the rent for the increased lease area; and

WHEREAS, the said Lease Agreement was assigned by Martin A. Stults to Alvin L. Stults, hereinafter called Lessee and approved by the Commission on October 3, 1974 by minute item no. 8, page 897; and

WHEREAS, the parties hereto desire to amend provisions of paragraph 9 of said lease whereby the Lessee shall obtain at his own expense and keep in full force and effect during the term of this lease, for the protection of Lessee and the State in an insurance company acceptable to Lessor, comprehensive public liability insurance covering the leased premises and their surrounding area; and

WHEREAS, by terms of said Lease P.R.C. 3264.1 the right of renewal for one (1) additional period of five (5) years was granted upon such reasonable terms and conditions as the State, or any successor in interest thereto, might impose; and

WHEREAS, the parties hereto desire to renew and amend said Lease P.R.C. 3264.1 as hereinafter provided.

NOW THEREFORE, it is agreed by and between the parties hereto, as follows:

(1) Paragraph 2. of said Lease P.R.C. 3264.1 is hereby deleted and the following substituted therefor:

2. MONETARY CONSIDERATION: Lessee agrees to pay rent in the amount of THREE HUNDRED SIXTY-ONE and TWENTY-SIX ONE-HUNDREDTHS DOLLARS (\$361.26) for the period January 1, 1975 through November 14, 1975 to Lessor without deduction, delay or offset, at such place as may be designated by Lessor from time to time, in advance on or prior to the beginning date of this lease and anniversary of such beginning date during each year of the term hereof, except that Lessor, in its sole discretion, effective November 15, 1975, and at such other times as are hereinafter specified, may from time to time elect to change the amount of annual rental to be paid by Lessee hereunder. Any such change in rate shall be to the applicable rate, or by following the procedure for determining the applicable rate, of rental set forth in Title 2, California Administrative Code (now contained in Section 2005) at the time notice of any such change is given to Lessee. Such changed rate shall not become effective unless Lessor shall cause written notice of such change and of the new rate to be given to Lessee on or before ninety (90) days before the

effective date of such rental rate change. Should Lessor fail to effect a change of such annual rental effective November 15, 1975 or on any such fifth anniversary of the beginning date of this lease, the annual rental shall remain the same as the rental payable for each year during the immediately preceding five-year period, provided that for any years remaining before the next five-year anniversary of the beginning date of this lease the Lessor at its sole discretion, on written notice not less than ninety (90) days before the next rent becomes due, may fix a different rate of annual rental, which rate shall be determined in the manner hereinbefore set forth, which rental at such new rate, unless thereafter changed in the manner herein provided, shall be payable each year thereafter by Lessee. Any change in the rate of rental effective on a date other than any fifth anniversary of the beginning date of this lease shall be without prejudice to Lessor's right to change said rental rate on each succeeding fifth anniversary of the beginning date of this lease as above provided. It is specifically agreed that in the event of the termination of this lease prior to its expiration date from any cause whatsoever, no portion of rental paid in advance shall be refundable.

(2) Paragraphs 9 and 13 of said Lease P.R.C. 3264.1 are hereby deleted and the following substituted for paragraph 9:

9. INDEMNITY, BOND AND INSURANCE: Lessee shall file with Lessor and maintain in full force and effect at all times during the term of this lease or any extensions thereof, and until such time as Lessee has fully complied with all of the provisions of this lease, including those removal and restoration provisions of Paragraph 14 to the written satisfaction of the State, a good and sufficient surety bond drawn in favor of the State of California in the penal

sum stated in the section below, to guarantee to Lessor the faithful performance and observance by the Lessee of all of the covenants and conditions implied or specified in this lease, and which specified or implied covenants and conditions are mandatory upon and are to be kept and performed by the Lessee; Lessee shall indemnify and save harmless the State of California, its officers, agents and employees against any and all claims, demands, loss, action or liability of any kind which State of California, or any of its officers, agents or employees may sustain or incur or which may be imposed upon them or any of them arising out of or connected with the issuance of this lease, including, without in any way limiting the generality of the foregoing, any claim, demand, loss, or liability arising from any failure of title or any alleged violation of the property or contractual rights of any third person or persons in the leased lands; Lessee shall obtain at his own expense and keep in full force and effect during the term of this lease and until such time as Lessee has fully complied with all of the provisions of this lease, including those removal and restoration provisions of Paragraph 14 to the written satisfaction of the State, for the protection of Lessee and the State in an insurance company acceptable to Lessor, comprehensive public liability insurance covering the leased premises and their surrounding area with limits of not less than the amounts stated in the section below. The policy or policies shall specifically name the State as an insured party as to the land under lease; and the policy shall specifically identify the lease by number, and a copy of the insurance policy must be provided by the Lessee to the Lessor. Upon any increase in rental as provided in Paragraph 2, Lessee agrees to increase the penal sum of the bond in the same proportion.

Surety Bond: \$4,000.00

Liability Insurance:

One Person	\$100,000.
One Accident	\$300,000.
Property Damage	\$ 50,000.

(3) Paragraph 13 of said Lease P.R.C. 3264.1 having been deleted, the following is substituted therefor:

13. CAPTIONS: The captions of this lease, where used, are for convenience only and are not a part of this lease and do not in any way limit or amplify the terms and provisions of this lease.

(4) Lease P.R.C. 3264.1 is hereby renewed for a period of five (5) years beginning January 1, 1975 and ending December 31, 1979.

(5) The following is added at the end of Paragraph 16 of said Lease P.R.C. 3264.1.

"In the event that, for purposes of Lease renewal or extension, Lessee does not agree to the annual rental, as offered by the Commission at the expiration of the lease period, and Lessee remains in possession of the leased lands while continuing to pay interim rental until a firm rental is agreed upon by the parties, then at such time as Lessee submits payment for any or all retroactive rentals, the Lessee shall pay interest to the State on said retroactive payments at the legal rate in effect at the time of said retroactive payment."

All other terms and conditions of said Lease shall remain in full force and effect.

This Agreement will become binding on the Lessor only when duly executed on behalf of the State Lands Commission of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereafter affixed.

LESSEE\*

Alvin L. Stults  
8651 River Road  
Sacramento, Calif 95823  
Address

STATE OF CALIFORNIA  
STATE LANDS COMMISSION

By \_\_\_\_\_

\_\_\_\_\_ Title

Date \_\_\_\_\_

Execution of this document was authorized by the State Lands Commission \_\_\_\_\_

\*In executing this document acknowledgement of signature before a notary public is required.

STATE OF CALIFORNIA

\_\_\_\_\_ County of Sacramento  
On March 14, 1975, before me, the undersigned, a Notary Public, in and for said State, personally appeared Alvin L. Stults known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Ted M. Nishimoto  
Notary Public

