

MINUTE ITEM

This Calendar Item No. 31
was approved as Minute Item
No. 31 by the State Lands
Commission by a vote of 2
to 0 at its 22nd
meeting.

CALENDAR ITEM

31.

7/80
N 144
W 503.1024
Hadly
Frank

AUTHORIZATION FOR DISMISSAL OF
STATE OF CALIFORNIA V. SUNNYSIDE TAHOE PROPERTIES,
ET. AL.; PLACER COUNTY SUPERIOR COURT, NO. 54542

Sunnyside Resort at Lake Tahoe, through numerous prior owners, had been operating in trespass since 1953, until its most recent owners entered into a lease with the State effective July 1, 1980. That lease, and commercial leases for six other marinas at Lake Tahoe, were approved by the Commission at its June 1980 meeting.

The Commission, at its March of 1975 meeting, approved litigation for quiet title, ejectment and damages against the current lessee's immediate predecessor, Sunnyside Tahoe Properties, who had operated the Resort from 1972 until 1979, when it was taken over by its current owners. An action was filed against Sunnyside Tahoe Properties in June of 1979, shortly after the current lessee had taken over the Resort's operation. An important objective of that litigation was to encourage the operators of Sunnyside and six other commercial marinas at Lake Tahoe to come under lease. Two of those marinas, like Sunnyside, had never been under lease. Subsequent negotiations between representatives of the Commission staff and the marina operators resulted in those marinas coming under lease on July 1, 1980. The Commission, at the June 1980 meeting, accepted staff's recommendation that back rental be waived in the interest of securing acceptable current leases. Although representatives of Sunnyside Properties are not to staff's knowledge currently involved in the operation of Sunnyside, they did apparently help the current owners during a transition period while the new owners gained experience in operating the marina.

It is staff's feeling that the litigation against Sunnyside Properties should be dismissed, (1) in the interest of being consistent with the general waiver of back rental regarding the current owners, and (2) in the interest of continuing the atmosphere of good will that has been generated in dealings with the marina operators. It should be emphasized that other prior owners of the various marinas who never came under lease have not been pursued and that the major objective of the litigation (to bring Sunnyside and other trespassing marinas under lease) has been achieved.

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EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE DISMISSAL
OF THE SUBJECT ACTION AGAINST SUNNYSIDE PROPERTIES.

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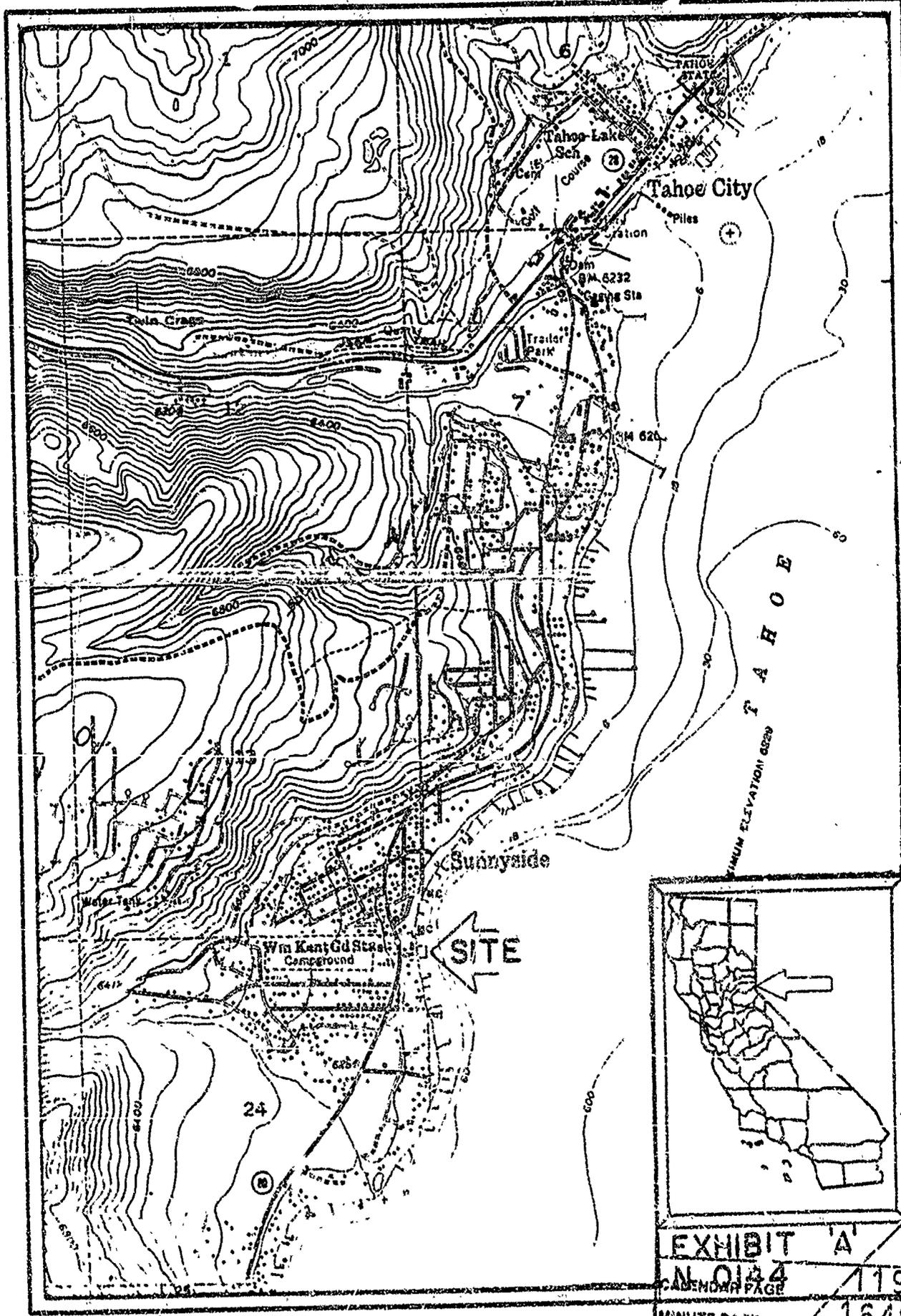


EXHIBIT 'A'
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