

MINUTE ITEM

This Calendar Item No. 51
was approved as Minute Item
No. 51 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 4194

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PROPOSED ASSIGNMENT OF LEASE P. R. C. 4194 FROM
TOWER PARK, INC. TO PS MARINAS 2, A CALIFORNIA
LIMITED PARTNERSHIP

ASSIGNOR: Tower Park, Inc.
Attn: Mr. Maynard S. Woodard
14900 West Highway 12
Terminous, California 95240

ASSIGNEE: PS Marinas 2, A California Limited
Partnership, Westrec Properties, Inc.
Attn: Mr. Jerold L. Miles
1015 Grandview Avenue
P.O. Box 25050
Glendale, California 91201-5050

TERMS OF LEASE TO BE ASSIGNED:

Initial period: 20 years from January 1, 1979

Renewal Options: Two successive periods of ten
years each

Surety Bond: \$5,000.00

Insurance: Public liability insurance of
\$500,000/1,000,000 per
occurrence for bodily injury
and \$500,000 for property
damage or a combined single
limit of \$1,000,000

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CALENDAR ITEM NO. 71 (CONT'D)

Consideration: Five (5) percent of the gross income from berthing, launching and boat rental plus one (1) cent per gallon of fuel sales up to and including 100,00 gallons and one and one half (1 1/2) cents per gallon thereafter less a \$5,000.00 minimum annual rent due January 1 of each lease year.

BACKGROUND: Tower Park, Inc. is the owner and operator of Tower Park Marina which is comprised of a recreational vehicle park on the upland and a marina located in Little Potato Slough. The marina is covered by a lease from the Commission, PRC 4194. The lease is a percentage of gross income lease and was the subject of recent litigation between the Commission and Tower Park, Inc. concerning the interpretation of specific rental language. A proposed settlement of this litigation will be presented to the Commission during January 1988. A result of the settlement of the litigation, if accepted by the Commission, will be a requirement that Tower Park pay to the Commission additional percentage rent covering a portion of rent charged to users of the marina.

CURRENT SITUATION:

Tower Park, Inc. has a pending sale of both the upland development and the marina to Westrec Properties, Inc. The sale agreement assigns the property to PS Marinas 2, a California Limited Partnership which will have as one of its general partners a wholly owned subsidiary of Westrec Properties, Inc. Tower Park, Inc. has requested the approval of the Commission for assignment of lease PRC 4194. The transfer of the upland and the marina improvements will occur through an existing escrow with Tilor Title Insurance Company. The lease assignment should occur at the same time as transfer of upland ownership.

CALENDAR ITEM NO. 51 (CONT'D)

Tower Park, Inc. has committed to the staff that it will fulfill the requirements of the settlement of the litigation between itself and the Commission assuming that the proposed settlement is accepted. Staff believes that the proposed Assignee is an acceptable substitute for Tower Park, Inc. and is willing to recommend that the Commission approve the assignment. Staff further recommends that the approved assignment be placed in the existing escrow opened for the sale of the upland and that the assignment be conditioned upon payment to the Commission of all money due in back rent and that the assignment not become effective until close of escrow and recordation of all transfer documents covering the upland.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. 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 CEQA Guidelines.

Authority: PRC 21065 and 14 Cal. Adm. Code 15378

EXHIBITS: A. Location Map

II 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 APPROVAL OF AN ASSIGNMENT OF LEASE P.R.C. 4194 DATED JANUARY 25, 1979 FROM TOWER PARK, INC. (ASSIGNOR) TO PS MARINAS 2, A CALIFORNIA LIMITED PARTNERSHIP (ASSIGNEE) EFFECTIVE UPON CLOSE OF ESCROW OF THE SALE OF THE UPLAND, BUT IN NO EVENT LATER THAN MARCH 1, 1988.

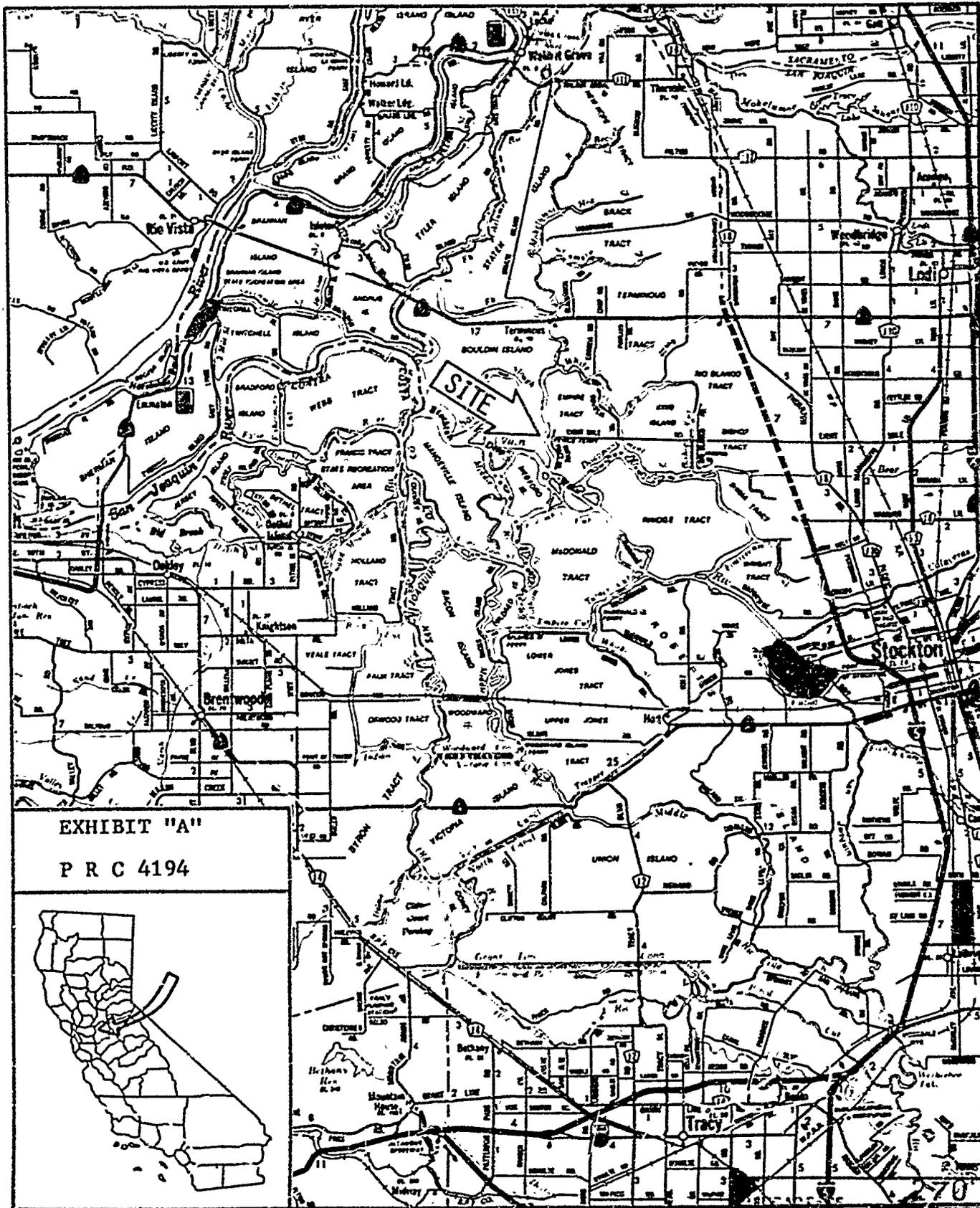


EXHIBIT "A"
P R C 4194



MANUSCRIPT 435