



FOR IMMEDIATE RELEASE

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HEARING IN PALACE HOTEL RECEIVERSHIP CONDUCTED

Ukiah, CA. November 2, 2015. A hearing commenced on Monday morning in Mendocino County Superior Court on the City's petition to appoint a receiver to oversee the rehabilitation of the Place Hotel. The case is being heard by out-of-county judge Leslie C. Nichols. Judge Nichols was appointed by the Judicial Council to hear the case after Eladia Laines, the owner of the hotel, filed a motion to require the case to be heard in a different county.

Judge Nichols did not hear argument at the hearing. He identified issues he believed would have to be decided in acting on the City's petition. After describing those issues, the court recessed the hearing to confer with the lawyers in chambers. After the conference, the parties agreed in open court to conduct a telephone conference with the judge on November 16, 2015, at which the parties and the judge would agree on a schedule to resolve the case.

If a receiver is ultimately appointed, that person will have the power, subject to court supervision, to take control of the hotel and hire engineers and contractors to design and perform repair work. He will also have the power to borrow funds, secured by the hotel property, to pay all costs of the receivership.

This is the first receivership sought by the City for a dilapidated property.

The Palace has been vacant and boarded up since it was purchased at a tax sale in 1989. Since that time, the City of Ukiah and members of the community have made numerous efforts to encourage the owner to improve the building.


Sage Sangiorgio, City Manager

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