

This Calendar Item No. C24 was approved as Minute Item No. 24 by the California State Lands Commission by a vote of 3 to 0 at its 2/2/04 meeting.

**CALENDAR ITEM
C24**

A 34

02/02/04

S 18

PRC 6840.2

J. Porter

**CONSIDER ASSIGNMENT OF A GENERAL LEASE - GRAZING USE
AND ACCEPTANCE OF A LEASE QUITCLAIM DEED
AND TERMINATION OF A GENERAL LEASE - GRAZING USE**

LESSEE/ASSIGNOR:

Blincoe Farms, Inc.

ASSIGNOR:

The Conservation Fund, a Maryland non-profit corporation.

AREA, LAND TYPE, AND LOCATION:

23 parcels containing 12,468 acres, more or less, of school lands in northeastern San Bernardino County.

AUTHORIZED USE:

Cattle grazing.

LEASE TERM:

Ten years, beginning January 1, 2001.

CONSIDERATION:

\$1,639 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance: Lessee shall maintain limits of no less than: General Liability in the amount of \$1,000,000.

OTHER PERTINENT INFORMATION:

1. The California State Lands Commission (CSLC) at its meeting of February 5, 2001, pursuant to Calendar Item 13, authorized the issuance of Lease No. PRC 6840.2 - a General Lease - Grazing Use, to Dave Thornton. At its meeting of June 18, 2002, pursuant to Calendar Item 6, the CSLC authorized the assignment of PRC 6840.2 from Dave Thornton

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to Blincoe Farms, Inc. Blincoe Farms, Inc. currently is in escrow to sell the adjoining uplands and upon the close of escrow will no longer have a right to use the uplands adjoining the lease premises. The buyer of the adjoining uplands, The Conservation Fund, a Maryland non-profit corporation (The Conservation Fund) does not wish to pursue grazing on the lease premises and desires to terminate the CSLC grazing lease. However, The Conservation Fund also is acquiring rights to various BLM grazing allotments as part of the purchase from Blincoe Farms. The rights to the BLM grazing allotments are contingent on the acquisition of the CSLC grazing lease. Therefore, Blincoe Farms Inc. and The Conservation Fund have agreed to escrow closing instructions that are contingent upon the assignment of Lease No. PRC 6840.2 from Blincoe Farms, Inc. to The Conservation Fund. Subsequently, The Conservation Fund intends to execute a Lease Quitclaim Deed and Lease Termination for the state lease. The parties have opened an escrow with Nevada Title Company. Escrow is anticipated to close on February 12, 2004.

2. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

EXHIBITS:

- A. Location Map
- B. Legal Description

PERMIT STREAMLINING ACT DEADLINE:

N/A

CALENDAR ITEM NO. C24 (CONT'D)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

AUTHORIZE THE ASSIGNMENT OF A GENERAL LEASE – GRAZING USE, LEASE NO. PRC 6840.2 FROM BLINCOE FARMS, INC. TO THE CONSERVATION FUND, A MARYLAND NON-PROFIT CORPORATION; SAID AUTHORIZATION TO BE EFFECTIVE UPON THE OCCURRENCE OF BOTH THE DEPOSIT OF A FULLY EXECUTED ASSIGNMENT AGREEMENT INTO ESCROW AND THE CLOSURE OF ESCROW NO LATER THAN JUNE 30, 2004 AND AUTHORIZE ACCEPTANCE OF A LEASE QUITCLAIM DEED AND THE TERMINATION OF A GENERAL LEASE – GRAZING USE FOR LEASE NO. PRC 6840.2 FROM THE CONSERVATION FUND, A MARYLAND NON-PROFIT CORPORATION; SAID ACCEPTANCE TO BE EFFECTIVE UPON THE CLOSE OF ESCROW NO LATER THAN JUNE 30, 2004, FOR THE LAND SHOWN ON EXHIBIT A AND DESCRIBED IN EXHIBIT B ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

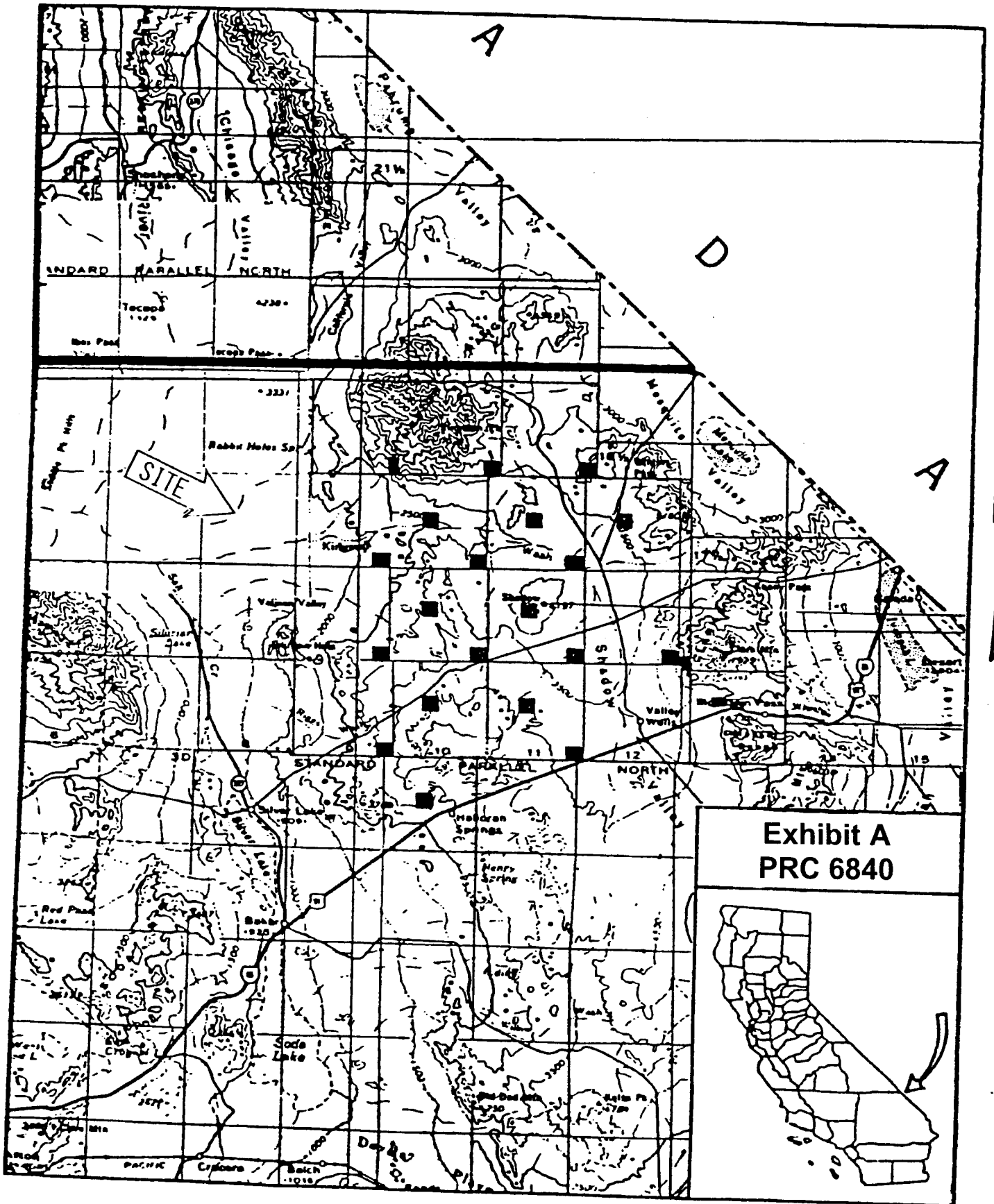


Exhibit A
PRC 6840



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Exhibit B

LAND DESCRIPTION

PRC 6840

Twenty-three parcels of California State School Land Situated in San Bernardino County California, said parcels described as follows:

Parcel 1

Sec. 16, T15N, R10E, SBM, containing 632.67 acres

EXCEPTING THEREFROM R/Ws in the SW 1/4 Patented by SLC under file SA 5708 (Los Angeles Dept. of Water and Power, State Patent dated 11/6/1993, 5.24 acres) and file SA 5742 (So. Calif. Public Power Authority, State Patent dated 11/12/1996, 2.09 acres).

Parcel 2

W 1/2, N 1/2 of NE 1/4, W 1/2 of SE 1/4 and Lots 1, 2, 3, 4 and 5, SEC 36, T16N, R9E, SBM, containing 574.77 acres.

Parcel 3

All, Sec. 16, T16N, R10E, SBM, containing 640 acres.

SUBJECT TO: R/W granted by U.S. to City of Los Angeles for transmission line in NW 1/4 of NW 1/4.

Parcel 4

All, Sec. 16, T16N R11E, SBM, containing 640 acres.

Parcel 5

Tract 37 (Formerly Sec. 36), T16N, R11E, SBM), containing 624.31 acres.

EXCEPTING THEREFROM R/WS patented by SLC under file SA 5708 (Los Angeles Water and Power, State Patent dated 11/6/1993, 12.83 acres) and file SA 5742 (So. Calif. Public Power Authority, State Patent dated 11/12/1996, 2.86 acres.

SUBJECT TO

- A) PRC 2167 - So Calif. Edison, transmission line R/W, expires 5/22/2007
- B) PRC 2702 - Cal Nev Pipeline Co., crude oil pipeline R/W, expires 3/6/2010.
- C) PRC 2917 - So. Calif. Gas Co., natural gas pipeline R/W, expires 7/25/2011.
- D) PRC 7201 - U.S. Sprint, fiber optic cable R/W, expires 5/8/2018.
- E) PRC 7264 - AT&T, fiber optic cable R/W expires 11/29/2018.

Parcel 6

Tract 39 (Formerly NW 1/4 of Sec. 16), T16N, R13E. SBM, containing 160 acres.

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Parcel 7

NW 1/4 of NE 1/4, Lot 1, and portion of Lot 2 and portion of SW 1/4 of NE 1/4 Lying northerly of I-15 Hwy R/W, Sec. 16, T16N, R13 E, SBM, containing 95 acres.

SUBJECT TO:

- A) PRC 2702 - Cal Nev Pipeline Co., crude oil pipeline R/W, expires 3/6/2010.
- B) PRC 7201 - U.S. Sprint, fiber optic cable R/W, expires 5/8/2018.
- C) PRC 6375 - Moly Corp., water pipeline R/W, expires 1/19/2032.
- D) PRC 7264 - AT&T, fiber optic cable R/W, expires 11/29/2018.
- E) W 24480 - CDPA land exchange with U.S. BLM, adjacent to Mojave National Preserve.

Parcel 8

W 1/2, SE 1/4 and Lots 1,2,3 and 4, Sec. 36, T17N, R9E, SBM, containing 645.88 acres.

Parcel 9

All Sec. 16, T17N, R10E, SBM, containing 640 acres.

SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM, Kingston Range Wilderness.

Parcel 10

Sec. 36, T17N, R10E, SBM, containing 607.01 acres

EXCEPTING THEREFROM R/Ws in S 1/2 Patented by SLC under file SA 5646 (Los Angeles Water and Power, State Patent, dated 12/20/1984, 30.78 acres) and file SA 5652 (Intermountain Power Agency, State Patent dated 12/20/1984, 2.21 acres)

SUBJECT TO:

- A) W 24480 - CDPA Land Exchange with U.S. BLM, Kingston Range Wilderness.
- B) R/W Granted by U.S. to City of Los Angeles for transmission line in SE 1/4.

Parcel 11

All Sec. 16, T17N, R11E, SBM, containing 640 acres.

SUBJECT TO: W 40681 - Pegasus Gold Corp, mineral prospecting permit application, dated 9/21/1992.

Parcel 12

All Sec. 36, T17N, R11E, SBM, containing 640 acres.

Parcel 13

All Sec. 36, T17N, R12E, SBM, containing 640 acres.

SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM, Mojave National Preserve.

Parcel 14

N 1/2 of NE 1/4, SE 1/4, and Lots 1,2,3,4,5 and 6, Sec. 36, T17N, R 12 1/2 E, SBM, containing 433.04 acres.

SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM, Mojave National Preserve.

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Parcel 15

W 1/2 and Lots 1 - 8, SEC. 36, T18N, R9E, SBM, containing 668.10 acres.
SUBJECT TO: W 24480 CDPA exchange with U.S. BLM, Kingston Range Wilderness.

Parcel 16

All Sec. 16, T18N, R10E, SBM. containing 640 acres.
SUBJECT TO: W 24480- CDPA exchange with U.S. BLM. Kingston Range Wilderness.

Parcel 17

All Sec. 36, T18N, R10E, SBM, containing 640 acres.
SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM Kingston Range Wilderness.

Parcel 18

E 1/2, and Lots 1 - 8, Sec. 16, T18N, R11E, SBM, containing 653.50 acres.
SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM, Kingston Range Wilderness.

Parcel 19

All, Sec. 36, T18N, R11E, SBM, containing 640 acres.
SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM, Kingston Range Wilderness.

Parcel 20

W 1/2 and Lots 1 - 8, SEC. 16, T18N, R12E, SBM. containing 642.20 acres.
SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM, Mesquite Wilderness.

Parcel 21

W 1/2, Sec. 36, T19N, R9E. SBM, containing 320 acres.
SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM, Kingston Range Wilderness.

Parcel 22

All, Sec. 36, T19N, R10E, SBM, containing 640 acres.
SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM, Kingston Range Wilderness.

Parcel 23

All, Sec. 36, T19N, R11E, SBM, containing 640 acres.
SUBJECT TO: W 24480 - CDPA exchange with U.S. BLM, North Mesquite Mtns Wilderness.

END OF DESCRIPTION

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Revise 10/16/2000