

MINUTE ITEM

This Calendar Item No. C7  
was approved as Minute Item  
No. 7 by the State Lands  
Commission by a vote of 3  
to 0 at its 9/23/82  
meeting.

CALENDAR ITEM

- C 0 7

GRAZING LEASE

9/23/82  
W. 22838  
Bjornsen  
PRC 6321

APPLICANT: Four Rent, Inc.  
1801 East Tropicana, Suite #29  
Las Vegas, Nevada 89109

AREA, TYPE LAND AND LOCATION:  
A 371.1-acre parcel, more or less, of State  
school land situated in Esmeralda County,  
Nevada.

LAND USE: Livestock grazing.

TERMS OF PROPOSED LEASE:

Initial period: Ten years from September 1,  
1982.

Special:

1. If the State's title  
to the leased land is  
challenged or otherwise  
questioned by the United  
States, the State of  
Nevada or any other party,  
the State shall have  
the right to sell, exchange  
or otherwise dispose  
of, the leased land in  
compromise or settlement  
thereof and thereby terminate  
this lease.

2. Supplemental to paragraph  
6(a) of Section 4 of  
the Lease, Lessee shall  
comply with and be bound  
by all presently existing  
or subsequently enacted  
rules, regulations, statutes  
or ordinances of the  
State of Nevada or any  
governmental agency or  
entity having lawful  
authority and jurisdiction  
of the leased land.

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3. State and Lessee agree California law alone shall be applied to any dispute regarding the terms of this lease.

4. The State does not represent that it has rights in any water which may exist in, or are available to, the leased land.

5. The State does not represent that the soil of the leased land is of any particular quality or condition.

6. The number of animals permitted on the leased land is restricted to those that can be supported by the available forage and water, taking into consideration forage and water reserved for necessary wildlife use. The actual capacity may vary over the term of this lease due to climatic conditions or other natural phenomena.

Public Liability insurance:

Combined single limit coverage of \$100,000 for bodily injury and property damage.

Options to extend lease:

Two additional five-year periods at termination of initial term; annual rental for each five-year period subject to review, with Commission approval.

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Option to purchase:

At termination of initial term or upon termination of either of the additional five-year terms, with Commission approval. Any conveyance of leased land will be subject to applicable constitutional and statutory reservations of the State in effect at time of conveyance.

Authorized Improvements:

Fencing on perimeter of leased land with a three-wire barbed wire and six-foot steel posts and two cattle guards.

Change of land use:

State reserves the right to revise annual rental at such time as the Nevada State Engineer, authorizes the appropriation of underground water within and under the leased land for irrigation purposes, and lessee obtains required permits and submits request to amend use of leased land to agricultural use.

CONSIDERATION: \$100 per annum with the State reserving the right to fix a different rental on the fifth anniversary of the lease. Lessee to pay at the beginning of this lease all State, County and special taxes now due on the leased land and to pay all future taxes as they become due. Payments to be made directly to the taxing authority. The Commission is to be mailed copies of receipts within ten days of payment.

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BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Adm. Code 2003(b)(6), the components of \$100 per annum and payment of State, County and special taxes now due and future taxes as they become due, is estimated to be a reasonable and appropriate annual rental.

PREREQUISITE TERMS, FEES AND EXPENSES:

Filing fee and the first year's annual rental have been received.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13; Div. 20.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884: 10/13/82.

OTHER PERTINENT INFORMATION:

1. This project is exempt from CEQA because it is within the purview of 2 Cal. Adm. Code 2905, Class 4(1) which exempts the grazing of livestock where disturbance of soil does not occur and 14 Cal. Adm. Code 15103, Class 3 as to boundary fence.
2. This project is situated on school lands not identified as possessing significant environmental values. A staff review of available environmental information indicates no reason to identify the subject school land parcel as having such values at this time.
3. During the first session of the 97th Congress, on June 1, 1981, Senator Cranston introduced S.1414, a Bill to clear title to certain lands along the California-Nevada boundary. Tract 37, T4S, R36E, MDM, containing 371.1 acres in Esmeralda County, Nevada, is one of the parcels of land in which clearance

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of titles is involved. The resolution of the State of California's title in said parcel is dependent upon the outcome of S.1414.

4. Esmeralda County, State of Nevada commenced assessments to the State of California for State, County and special taxes on the subject Tract 37 in the tax year of 1975-76. Delinquent taxes have accumulated on the property since that time to the present.

EXHIBITS:           A. Land Description.  
                      B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21084, 14 CAL. ADM. CODE 15100 ET SEQ. AND 2 CAL. ADM. CODE 2905.
2. AUTHORIZE ISSUANCE TO FOUR RENT, INC. OF A TEN-YEAR GRAZING LEASE FROM SEPTEMBER 1, 1982, WITH OPTIONS OF LESSEE TO EXTEND THE LEASE, UPON COMMISSION APPROVAL, FOR TWO SUCCESSIVE PERIODS OF FIVE YEARS EACH OR TO PURCHASE THE LEASED LAND, UPON COMMISSION APPROVAL, ON TERMINATION OF THE INITIAL TEN-YEAR TERM OR UPON TERMINATION OF EITHER OF THE TWO ADDITIONAL FIVE-YEAR TERMS OF THE LEASE, IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$100 WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON THE FIFTH ANNIVERSARY OF THE LEASE, WITH A PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNT OF \$100,000 COMBINED SINGLE LIMIT COVERAGE FOR BODILY INJURY AND FOR PROPERTY DAMAGE; AND THE PAYMENT OF ALL STATE, COUNTY AND SPECIAL TAXES NOW DUE ON THE LEASED LAND AND ALL FUTURE TAXES, WHEN DUE; FOR GRAZING OF LIVESTOCK ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

LAND DESCRIPTION

W 22838

A parcel of California State school land situated in Esmeralda County, Nevada,  
said parcel described as follows:

Tract 37, T4S, R36E, MDM, containing 371.1  
acres, more or less.

END OF DESCRIPTION

REVIEWED BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR

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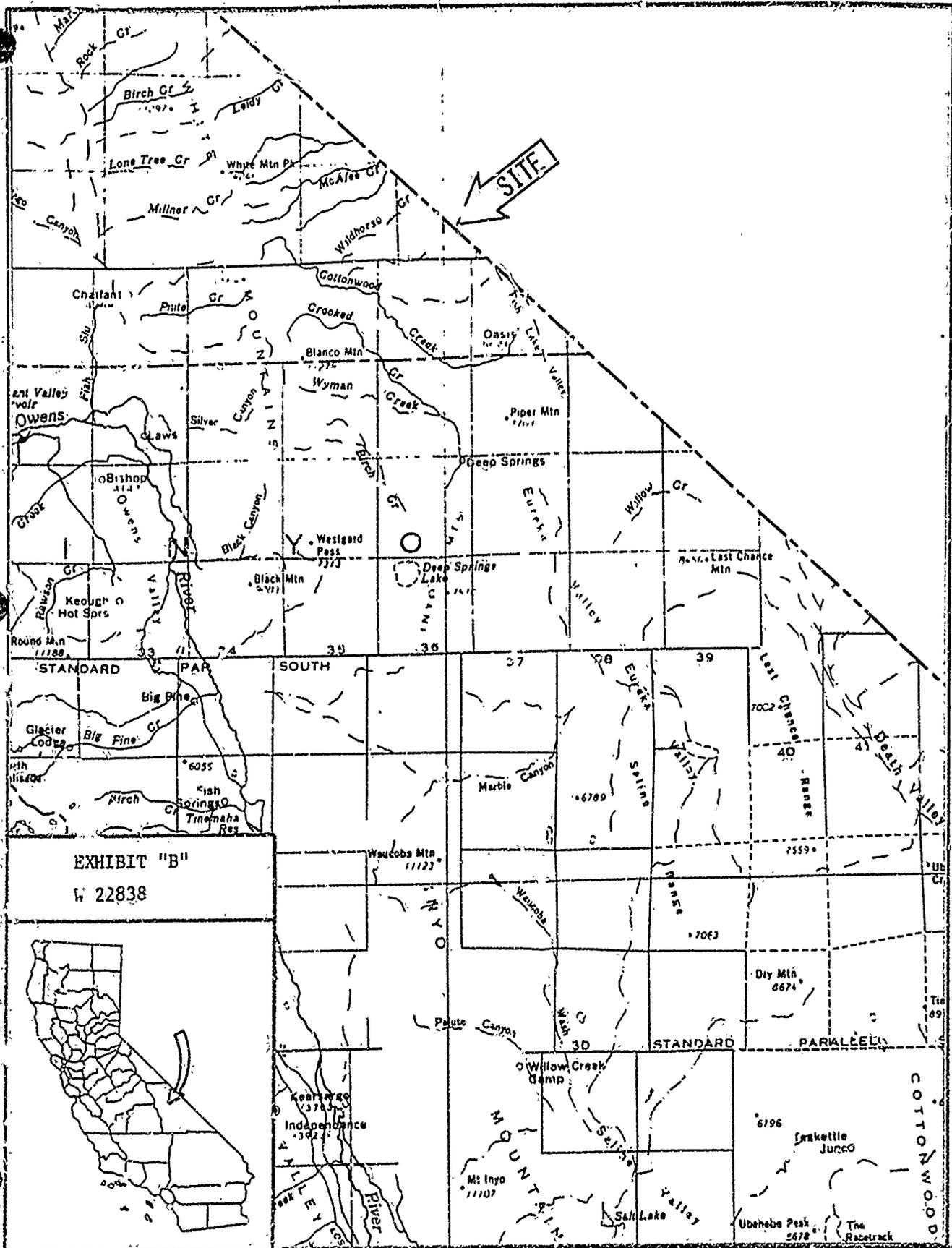


EXHIBIT "B"  
W 22838

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