

MINUTE ITEM

This Calendar Item No. C13
was approved as Minute Item
No. 13 by the State Lands
Commission by a vote of 5
to 0 at its 1/20/87
meeting.

CALENDAR ITEM

C 13

A 61

01/22/87

S 25

PRC 6784

Fong

REDUCTION OF LIABILITY INSURANCE -
GENERAL LEASE RECREATIONAL USE

APPLICANT: SCORE International
31356 Via Colinas, Suite 111
Westlake Village, California 91362

AREA, TYPE LAND AND LOCATION:
Three parcel of State School land, located
north of Vidal Junction in San Bernardino
County.

LAND USE: Off road vehicle (ORV) race on existing
roadways near Vidal Junction.

TERMS OF ORIGINAL LEASE:

Initial period: Six days being January 31,
February 1, 2, 1986 and
January 30, 31, February 1,
1987.

Surety bond: \$5,000.

Public liability insurance: Combined single
limit coverage of \$5,000,000.

Consideration: \$500 for term of lease.

Special: Special stipulations to be
met as described in the
attached Exhibit "B".

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

(ADDED 01/14/87)

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B. Cal. Adm. Code: Title 2, Div. 3; Title 14,
Div. 6.

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 15051), 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: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

2. On January 23, 1986 the Commission approved the issuance of Lease PRC 6784 authorizing the use of State school lands for an ORV race to take place January 31, February 1, 2, 1986 and January 30, 31, February 1, 1987. The State school lands involved in this race comprise 1.6 miles of the 199 mile race course and are on existing paved or desert dirt roads. The majority of the remaining race course is located on federal lands administered by the Bureau of Land Management (BLM).

The lease requires the lessee to provide comprehensive liability insurance in the amount of \$5,000,000. The lessee obtained the required liability insurance coverage for the 1986 race but has been unable to obtain more than \$1,000,000 liability insurance coverage for the 1987 running of the race. The lessee's insurance carrier has advised staff that, at present, \$1,000,000 is the maximum limit they can offer and they see no indication of any movement in the near future for any relief in the limits of liability available.

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The lessee has received approval from BLM for a reduction of the required liability insurance for the 1987 race event to \$1,000,000. The lessee has provided staff with an insurance certificate for the amount of \$1,000,000 combined single limit coverage. The lessee has advised staff that they will continue to pursue the matter of increasing their insurance limit to \$5,000,000 as required under the terms of the lease.

- EXHIBITS:
- A. Location Map.
 - B. Permit Stipulations for the SCORE - Parker 400.
 - C. Supplementary Letter of Understanding.

IT 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 EXECUTION OF A SUPPLEMENTARY LETTER OF UNDERSTANDING (LEASE AMENDMENT) AS SHOWN IN EXHIBIT "C" FOR THE REDUCTION OF THE LIABILITY INSURANCE COVERAGE FROM \$5,000,000 TO \$1,000,000 COMBINED SINGLE LIMIT; ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 6784 REMAIN UNCHANGED.

(ADDED 01/14/87)

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EXHIBIT "B"

PERMIT STIPULATIONS FOR THE SCORE-PARKER 400

1. THE APPLICANT MUST COMPLY WITH THE CONDITIONS OF APPROVAL AS SET FORTH IN THE SAN BERNARDINO COUNTY SITE APPROVAL DATED JANUARY 21, 1985.
2. THE APPLICANT MUST COMPLY WITH THE CONDITIONS AND SPECIAL STIPULATIONS AS SET FORTH IN THE BLM SPECIAL RECREATION PERMIT APPROVED AUGUST 15, 1985.
3. THE APPLICANT WILL PLANT TREES OF A SPECIES AND AT THE TIMES AND LOCATIONS TO BE DETERMINED BY FISH AND GAME, AS AGREED PREVIOUSLY BY THE APPLICANT AND FISH AND GAME.
4. THE PERMIT FOR THE 1987 RACE EVENT WHICH TAKES PLACE ON JANUARY 30, 31 AND FEBRUARY 1, 1987 IS SUBJECT TO REVIEW AND TERMINATION BASED UPON A POST RACE EVALUATION OF THE 1986 RACE EVENT.
5. ALL RACE PARTICIPANTS AND SUPPORT PERSONNEL MUST BE CONFINED TO EXISTING PUBLIC ROADS ON THE STATE'S PARCELS, AND NO SPECTATOR OR PIT AREAS SHALL BE LOCATED ON STATE LANDS.

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EXHIBIT C

STATE OF CALIFORNIA
STATE LANDS COMMISSION

LEASE NO. PRC 6784.2. PUBLIC RESOURCES CODE SERIES
SUPPLEMENTARY LETTER OF UNDERSTANDING

This letter shall be deemed a part of said Lease as if fully set forth therein, effective upon execution on behalf of the State Lands Commission of the State of California.

Notwithstanding the Basic Provisions contained in Section 1 and the General Provisions contained in Section 4 of PRC 6784.2, dated April 1, 1986, the amount of liability insurance is reduced from \$5,000,000 to \$1,000,000 with the following condition:

1. Lessee will provide the State of California with an insurance policy written for the amount of \$5,000,000 as soon as Lessee is able.

All other terms and conditions of PRC 6784.2 remain unchanged.

SCORE INTERNATIONAL

STATE OF CALIFORNIA
STATE LANDS COMMISSION

Ted Johnson

By _____

Title _____

Date _____

Date _____

ACKNOWLEDGEMENT

Execution of this letter was
authorized by the State Lands
Commission on _____

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