

MINUTE ITEM
This Calendar Item No. 005
was approved as Minute Item
No. 05 by the State Lands
Commission by a vote of 3
to 0 at its 7/15/91
meeting.

CALENDAR ITEM

A 11
S 7

005

07/15/91
PRC 5929
Dugal

LEASE TERMINATION AND
ACCEPTANCE OF QUITCLAIM DEED

LESSEE:

Arne Belsby
29670 Pamoosa Lane
Valley Center, California 92082

AREA, TYPE LAND AND LOCATION:

A 40-acre parcel of State school land located near the city
of Desert Center, Sec. 16, T5S R16E, SBM, Riverside county.

LAND USE:

Jojoba cultivation.

TERMS OF EXISTING LEASE:

Initial period:
25 years beginning January 1, 1981.

Public liability insurance:

\$300,000/\$500,000 per occurrence of bodily injury and
\$100,000 for property damage.

CONSIDERATION:

\$1,120 per annum; with the State reserving the right to fix
a different rental on each fifth anniversary of the lease.

BACKGROUND:

By Calendar Item C11, approved by the Commission on December 16,
1980, the State issued to Arne Belsby a General Lease -
Agricultural Use for the planting and cultivation of jojoba.

The Lessee developed a private water system up to the boundary of
the subject property, but not located on State property. There
has been no cultivation or improvements made to the State parcel
under lease.

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CALENDAR ITEM NO. C 0 5 (CONT'D)

Due to financial difficulties, the Lessee inquired as to the possibility of assigning his interest in the lease. Pursuant to conversations with Commission staff in 1986, staff informed Mr. Belsby that it was in the State's best interest to terminate his interest in the lease and that any person interested in leasing the property would need to file a separate application. As of the date of this Calendar Item, the lease has not been terminated, nor has there been any new lease applications received for the subject property.

STATUTORY AND OTHER REFERENCES:

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

B. Cal. Codes Reg.: 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. Code Regs. 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: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

2. Rent in the amount of \$1,120, for the 1986 rental period has been received, no additional rent is owed.
3. Arne Belsby has executed a lease quitclaim deed transferring any and all right, title, and interest in the leasehold designated as PRC 5929 back to the State of California.

EXHIBITS:

- A. Minute Item No. 11
- B. Lease Quitclaim Deed

CALENDAR ITEM NO. C 0 5 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. AUTHORIZE STAFF TO TERMINATE AND ACCEPT A QUITCLAIM DEED FOR LEASE PRC 5929 ISSUED TO ARNE BELSBY, SUCH TERMINATION SHALL BE EFFECTIVE DECEMBER 31, 1986.

MINUTE ITEM

This Calendar Item No. C11
was approved as Minute Item
No. 11 by the State Lands
Commission by a vote of 2
0 at its 12-16-80
meeting.

EXHIBIT "A"
CALENDAR ITEM

C 1 1

12/80
W 22216
Chatfield
PRC 5929

AGRICULTURAL LEASE

APPLICANT: Arne Belsby
250-4 So. Orange Street
Escondido, California 92025

AREA, TYPE LAND AND LOCATION:
40 acres of school land near Desert Center,
Riverside County.

LAND USE: Jojoba cultivation.
Improvements consist mainly of portable
irrigation facilities.

TERMS OF PROPOSED LEASE:
Initial period: 25 years from January 1,
1981.
Public liability insurance: \$300,000/\$500,000
per occurrence for bodily
injury and \$100,000 for
property damage.
Special: Lessee to provide annual
income expense records.

CONSIDERATION: \$225 per annum for the first five years,
the statutory minimum for a commercial
lease, with the State reserving the right
to fix a different rental on each fifth
anniversary of the lease.

BASIS FOR CONSIDERATION:
Pursuant to 2 Cal. Adm. Code 2005.

PREREQUISITE TERMS, FEES AND EXPENSES:
Filing fee and environmental costs have
been received.

Lessee to provide detailed annual income
and expense records.

STATUTORY AND OTHER REFERENCES:
A. P.R.C.: Div. 6, Parts 1 & 2
B. Cal. Adm. Code: Title 2, Div. 6.

A 75

S 38

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CALENDAR ITEM NO. 1 (CONTD)

OTHER PERTINENT INFORMATION:

1. The applicant owns land on which he has recently planted Jojoba seedlings, some of which are adjacent to the State parcel covered in the application. None of his plantations have reached production age, so the economics of the enterprise have yet to be proved, although survival of the immature plants appears satisfactory. It appears, therefore, that Jojoba cultivation in the manner proposed by Mr. Belsby is a less speculative venture in the Desert Center area than in the 29 Palms or Lucerne and Johnson Valley areas, where others have expressed interest in leasing State lands for Jojoba. (See Calendar Item for Wolf.)

The five year period at the statutory minimum rental will allow the immature Jojoba plants to begin bearing commercially, at which time the then Current Administrative Code percentage of land value will determine the rental.

The time limitation imposed by the AB 884 process in this instance precludes soliciting and evaluating bids from others who may be interested in the parcel included in this application. Considering the still experimental nature of Jojoba production, it appears wise to proceed with the current applicant who has experience in Jojoba cultivation to provide the best chance to prove the value of State lands here and elsewhere for this use.

2. A Negative Declaration was prepared by the staff, pursuant to CEQA and the State EIR Guidelines. No adverse comments were received, and the Commission approved Certification at its March 19, 1980 meeting, Minute Item No. 17.
3. This project is situated on school lands not identified as possessing significant environmental values. A staff review of available environmental information indicates no reasonable

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CALENDAR ITEM NO. C 11 (CONTD)

identify the subject school land parcel
as having such values at this time.

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

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT NEGATIVE DECLARATION NO. 254 HAS BEEN PREPARED FOR THIS PROJECT BY THE COMMISSION, AND THAT A FINDING OF NO SIGNIFICANT ENVIRONMENTAL EFFECT HAS BEEN MADE AT THE COMMISSION MEETING OF MARCH 19, 1980, IN MINUTE ITEM NO. 17.

2. AUTHORIZE ISSUANCE TO ARNE BELSBY OF A 25-YEAR AGRICULTURAL LEASE FROM JANUARY 1, 1981; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$225 FOR THE FIRST FIVE YEARS; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$300,000/\$500,000 PER OCCURRENCE FOR BODILY INJURY AND \$100,000 FOR PROPERTY DAMAGE; LESSEE TO PROVIDE DETAILED ANNUAL INCOME AND EXPENSE RECORDS FOR JOJOBA CULTIVATION AND APPURTENANT PURPOSES ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

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EXHIBIT "A"
LAND DESCRIPTION

W 22216

A parcel of State-owned school land located in the NE-1/4 of the NW-1/4 of Section 16, T5S, R16E, S8M, Riverside County, California, as shown on the official Township Plat thereof.

END OF DESCRIPTION

PREPARED NOVEMBER 21, 1980 BY TECHNICAL SERVICES UNIT, ROY MINNICK,
SUPERVISOR.

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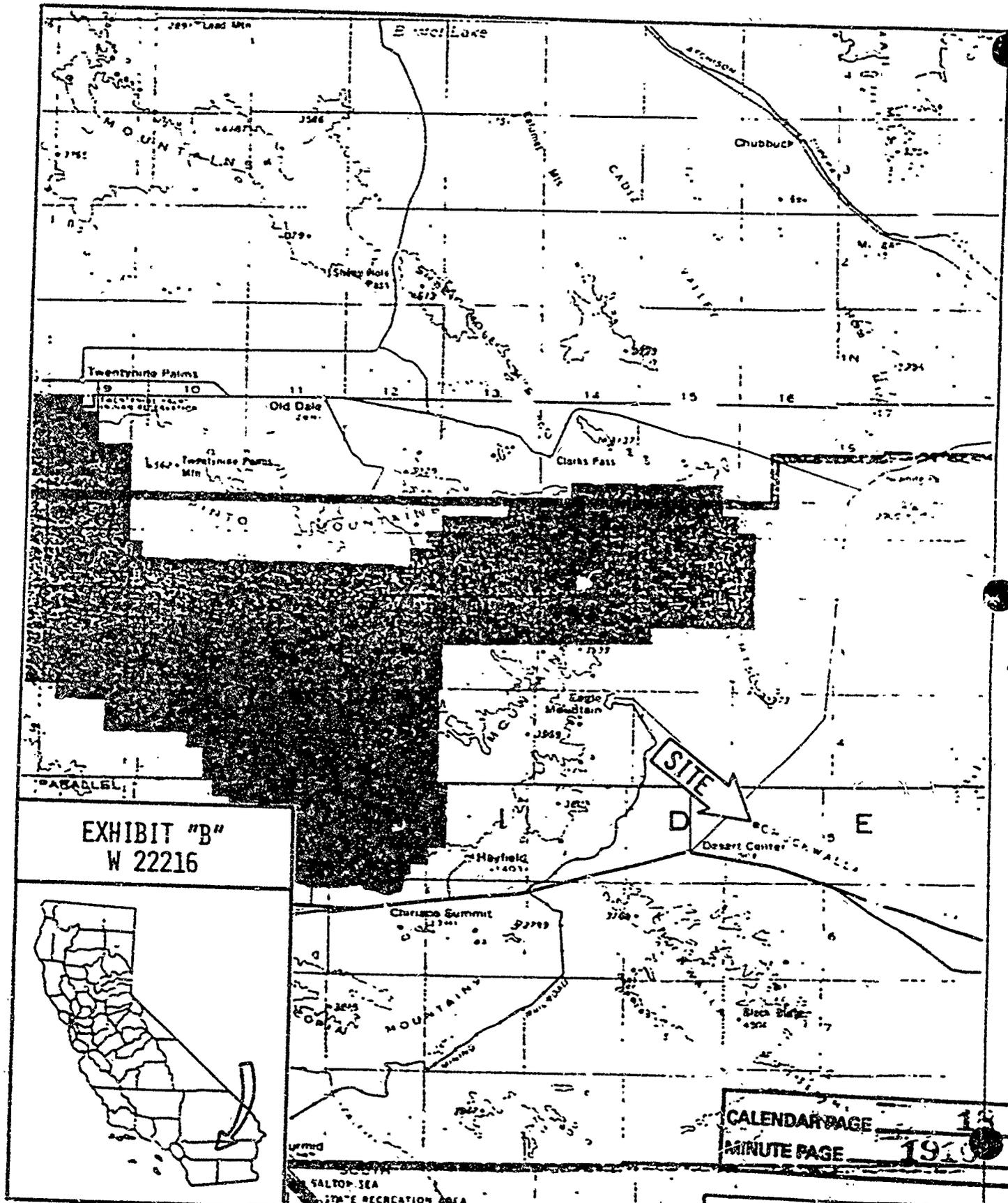


EXHIBIT "B"
W 22216



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EXHIBIT "B"
LEASE QUITCLAIM DEED

WHEREAS, pursuant to lease designated PRC 5929.2, entered into on December 16, 1980, by and between the State Lands Commission, as Lessor, and Arne Belsby, as Lessee, said Lessee was granted for a term of 25 years, commencing, January 1, 1981, the right to use the property herein described, for certain purposes specified in said lease; and

WHEREAS, due to the fact that the Lessee notified Commission staff during a phone conversation of his desire to assign his interest in State lease PRC 5929.2; and

WHEREAS, Commission staff made a determination that it would be in the State's best interest to terminate the Lessee's interest in lease PRC 5929.2 and make an application with another party; and

WHEREAS, Commission staff notified said Lessee of staff's recommendation to terminate said lease in a letter dated March 3, 1986; and

WHEREAS, pursuant to Paragraph 16(e) of said lease, Lessee agreed to execute and deliver to State a good and sufficient quitclaim deed on the last day of said term or upon sooner termination of said lease.

NOW, THEREFORE, Arne Belsby does hereby remise, release, and forever quitclaim unto the State of California any and all right, claim, title, or interest arising by virtue of or pursuant to that certain lease designated PRC 5929.2, entered into on December 16, 1980, respecting lands located in Riverside County, State of California, and as described on the attached Exhibit A.

IN WITNESS WHEREOF, this Quitclaim Deed is executed this

23 day of April, 1991



ARNE BELSBY
(All signatures must be notarized)

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