

LINE OF THE PACIFIC OCEAN TO A POINT; THENCE NORTHEASTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF THE SOUTHERLY LINE OF THE PROPERTY DESCRIBED IN PARCEL NO. 1 A DISTANCE OF THREE MILES TO THE SOUTHWESTERLY CORNER, BEING A POINT IN THE ORDINARY HIGH WATER MARK OF THE PACIFIC OCEAN; THENCE NORTHWESTERLY ALONG THE SAID ORDINARY HIGH WATER MARK TO THE POINT OF BEGINNING.

21. (ACQUISITION OF STATE LANDS BY THE DIVISION OF FORESTRY, P.R.C. 358, MINUTE PAGE 854) The Commission was informed that on May 27, 1948, it passed the following resolution:

"(Acquisition of State Land by Division of Forestry, W.O. 256) The Commission was informed that at the March 19, 1948, meeting of the Commission authorization was given for collaboration with the Division of Forestry on a program of consolidation of forest school lands through exchange with the United States in order for Division of Forestry to purchase the consolidated lands. Selection of the United States lands is proceeding and a report thereon will be made to the Commission as soon as possible.

"Since the selection and report will not be ready before the end of this fiscal year, Division of Forestry at this time desires to enter into a contract with the State Lands Commission for purchase of the lands to be consolidated and thus encumber the \$267,000 available to them this fiscal year.

"Upon motion duly made and unanimously carried, a resolution was adopted authorizing the execution of a contract with Division of Forestry for sale to them of the consolidated lands to be acquired by the State Lands Commission up to a value of \$267,000 subject to subsequent approval by the Commission of the specific lands to be conveyed to Division of Forestry."

Pursuant to the above resolution, the State Lands Commission on June 2, 1948, entered into a contract with a provision whereby the State would consult with the Division of Forestry and the United States for the purpose of exchanging timbered State School Sections in the National Forest for a consolidated timber land area that will be useful for State Forest purposes.

This contract was in force and effect until June 30, 1949, unless amended, terminated or extended. The contract has not been amended, terminated, or extended.

By letter of April 10, 1950, Mr. DeWitt Nelson, State Forester, addressed a letter to the Commission. The essence of the letter is that at the present time the Division of Forestry does not have money available for the purchase of the land which will be acquired from the Federal Government in exchange for the timbered school section pending a special appropriation from the State Legislature. The Division of Forestry has apparently selected an area of United States Forest land adjacent to the Mountain Home State Forest in the Sierra foothills in Tulare County and advise that the State Board of Forestry will meet at this State forest early this summer, probably in July to inspect the proposed acquisition. Mr. Nelson suggests that the State Lands Commission join the Board of Forestry on this inspection.

Pending this meeting of the State Board of Forestry, Mr. Nelson further suggests that the State Lands Commission withhold from public sale the school lands involved. The main objection to Mr. DeWitt Nelson's suggestion is that: first, the State Board of Forestry has not made a determination of acquisition; secondly, Forestry does not have money at the present time to purchase the exchanged land; and thirdly, the withholding from sale of the State school lands scattered prevents the Commission from selling from time to time these State school lands, or making exchanges with the Federal Government for other lands which could be sold upon application of the general public.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE WITHHOLDING FROM SALE UNTIL SEPTEMBER 1, 1950, LANDS THAT WOULD BE USED AS BASE IN THE EXCHANGE FOR THE LANDS UNDER CONSIDERATION BY DIVISION OF FORESTRY, UPON THE CONDITION THAT IF APPLICATION IS RECEIVED FROM ANYONE FOR SUCH LANDS THAT THE APPLICATION BE CONSIDERED JOINTLY BY THE DIVISION OF FORESTRY AND THE DIVISION OF STATE LANDS AND A DETERMINATION BE MADE AS TO THE EFFECT OF A SPECIFIC SALE ON THE PROPOSED FORESTRY PROGRAM. IF THERE IS NO EFFECT ON THE GENERAL FORESTRY PROGRAM FOR THE SALE OF SOME ISOLATED TRACT, THEN THE APPLICATION WILL BE FILED AND BE PRESENTED WITH SUCH FINDING TO THE COMMISSION FOR SALE TO THE APPLICANT UNDER THE STANDARD POLICY.

22. (LESSEES OR LEASE APPLICANTS SURETY BONDS SECURED BY COLLATERAL PLACED ON DEPOSIT WITH THE STATE TREASURER - S. D. ACCOUNTING) The Commission was informed that from time to time in the past, and currently by the Oil Terminals Company, the Commission has been requested by lease applicants to accept in lieu of the bond of a Surety company guaranteeing faithful performance, a bond executed by the applicant and secured by collateral in a face value equal to the amount of the bond furnished. Inasmuch as it appears that such requests will be increasingly recurrent, since bonding costs to the lease applicant are materially reduced through this procedure, it has been deemed advisable to place the following recommendation before the Commission.

The purpose of the recommendation is to standardize policy and procedure in connection with these transactions, and to eliminate from the calendar of business presented to the Commission, matters of routine nature, which, after the establishment of policy, can be handled by the Executive Officer and his staff.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THAT THE EXECUTIVE OFFICER BE EMPOWERED TO ACT ON BEHALF OF THE COMMISSION IN THE ACCEPTANCE OF A FAITHFUL PERFORMANCE BOND EXECUTED BY A LESSEE OR LEASE APPLICANT, IN LIEU OF A CORPORATE SURETY BOND UNDER THE FOLLOWING TERMS AND CONDITIONS:

1. THAT THE LESSEE OR APPLICANT HAS FURNISHED SUCH BOND AND OFFERS TO CONVEY TO THE TREASURER OF THE STATE OF CALIFORNIA, FULLY NEGOTIABLE SECURITIES OF THE UNITED STATES GOVERNMENT AS COLLATERAL TO, AND IN THE FULL VALUE OF, THE BOND SO FURNISHED;
2. THAT SAID SECURITIES SO FURNISHED SHALL BE PLACED ON DEPOSIT WITH THE STATE TREASURER, SUBJECT TO THE FOLLOWING CONDITIONS:
 - (a) LESSEES AND APPLICANTS SHALL BE ENTITLED TO RECEIVE FROM THE STATE TREASURER, OR TO APPOINT AN AGENT TO RECEIVE FOR THEM, ALL MATURED COUPONS ATTACHED TO ANY SECURITIES SO HYPOTHECATED.