

MINUTE ITEM

This Calendar Item No. C29
was approved as Minute Item
No. 29 by the State Lands
Commission by a vote of 3
to 0 at its 9/23/91
meeting.

CALENDAR ITEM

C 2 9

A 34

S 25

09/23/91
PRC 3931
Dugal

TERMINATE LEASE AND ACCEPT A LEASE QUITCLAIM DEED

LESSEE:

Louisiana Pacific Corporation
P. O. Box 158
Samoa, California 95564

AREA, TYPE LAND AND LOCATION:

A 57.30±-acre parcel of State school land located near the
town of Inyokern, Section 16, T24S R38E, Inyo County.

LAND USE:

Open space.

TERMS OF ORIGINAL LEASE:

Initial period:
Twenty-five (25) years beginning April 23, 1983.

Surety bond:
\$5,000.

Public liability insurance:
Combined single limit coverage of \$3,000,000.

Consideration:
\$3,094 per annum; five-year rent review.

Basis for Consideration:
Pursuant to 2 Cal. Code Regs. 2003.

Special: - Authorized Improvements:
"Butler-type" steel buildings on concrete foundations,
water well, asphalt paving, railroad spur track, and a
saw and planning mill.

BACKGROUND

By Calendar Item C11, approved by the Commission on January 23,
1986, the State issued to Louisiana Pacific Corporation, a 25-

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year General Lease - Industrial Use. This lease was utilized by the Lessee for the operation and maintenance of a lumber mill.

By letter dated April 11, 1988, the Lessee advised Commission staff of its desire to terminate their interest in lease PRC 3931, effective July 31, 1988.

STATUTORY AND OTHER REFERENCES:

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

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

AB 684:

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. Staff contacted the State Water Quality Control Board to determine the status of the closure of the lumber mill as it pertained to the Board's jurisdiction. At the Board's meeting of October 13, 1989, the Board approved the rescission of waste discharge requirements for the mill operations and adopted the closure of the mill site. Staff also contacted the Inyo County Environmental Health Division, which follows California Waste Management guidelines, to discuss closure of the site. The county indicated that the Lessee held a county permit and that the site was cleaned up to the county's satisfaction and properly closed.
3. Staff completed a site inspection in February 1989 which verified that the authorized improvements were removed and the lease premises were satisfactorily restored.
4. Annual rent for this lease was \$3,094. Payment for the April 25, 1988 - April 24, 1989 rental period was received on May 23, 1988.

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5. Louisiana Pacific Corporation has executed a lease quitclaim deed transferring any and all right, title, and interest in the leasehold designated as PRC 3931 back to the State of California.

EXHIBITS:

- A. Land Description
- B. Location Map
- C. Calendar Item C11
- D. Lease Quitclaim Deed

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 3931 ISSUED TO LOUISIANA PACIFIC CORPORATION, SUCH TERMINATION SHALL BE EFFECTIVE JULY 31, 1988.

EXHIBIT "A"

LAND DESCRIPTION

PRC 3931.2

A parcel of California State school land in Section 16, T24S, R38E, MDN, Inyo County, California, described as follows:

BEGINNING at a point on the south line of said Section 16 distant 369.44 feet westerly from the southeast corner thereof; thence westerly along said south line 351.76 feet; thence leaving said south line N 25° 40' E, 182.74 feet; thence N 31° 18' 39" E, 166.58 feet; thence N 13° 35' 16" W, 355.98 feet; thence N 71° 15' 56" W, 403.89 feet; thence N 33° 23' 40" W, 1158.54 feet; thence N 03° 04' 01" W, 3,065.69 feet to the beginning of a tangent circular curve to the left which has a radius of 8,150 feet; thence northerly along said curve 466.88 feet to the north line of said Section 16, thence easterly along said north line 145.7 feet, more or less, to a point distant 1,751.63 feet westerly from the northeast corner of said Section 16; thence southeasterly to the point of beginning.

EXCEPTING THEREFROM any portion lying within the Southern Pacific Railroad right-of-way.

Bearings in the description are based on the California Coordinate System, Zone --.

END OF DESCRIPTION

REVISED NOVEMBER 13, 1985, BY BOUNDARY SERVICES UNIT, N. L. SHAFER, SUPERVISOR.

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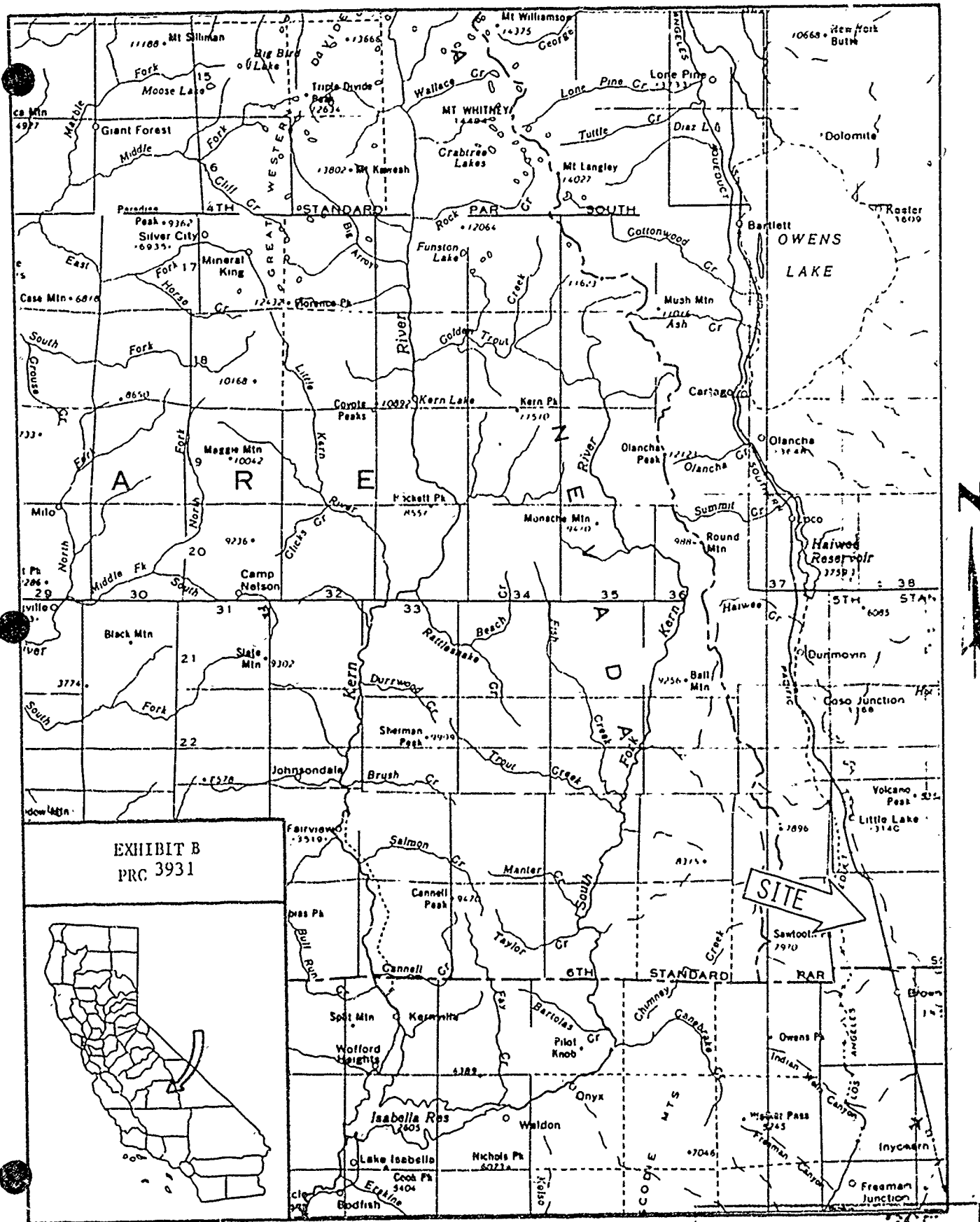


EXHIBIT B
 PRC 3931

SITE

11
C
A 34
S 25

EXHIBIT C
CALENDAR ITEM
C11

01/23/86
WP 3931
N. Smith
Reese
PRC 3931

GENERAL LEASE - INDUSTRIAL USE

APPLICANT: Louisiana-Pacific Corporation
Route 1, Box 36
Inyokern, California 93527

AREA, TYPE LAND AND LOCATION:
A 57.3-acre parcel of State school land,
located in Section 16, T24S, R38E, MDM, Inyo
County.

LAND USE: Operation and maintenance of a lumber mill.

TERMS OF ORIGINAL LEASE:
Initial period: 15 years beginning April 25,
1968.
Surety bond: \$5,000.
Consideration: \$1,376 per annum; five-year
rent review.

TERMS OF PROPOSED LEASE:
Initial period: 25 years beginning April 25,
1983.
Surety bond: \$5,000.
Public liability insurance: Combined single
limit coverage of \$3,000,000.

CONSIDERATION: \$3,094 per annum; with the State reserving the
right to fix a different rental on each fifth
anniversary of the lease.

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BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Adm. Code 2003.

APPLICANT STATUS:

Applicant is lessee of upland.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee has been received. Applicant has submitted rental payment for the period of April 25, 1983 to April 24, 1986.

STATUTORY AND OTHER REFERENCES:

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

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. The original lease was issued to Eagle Lake Lumber Company which later merged with Sierra Pacific Industries; subsequently, the lease was assigned to Louisiana-Pacific Corporation on January 21, 1976.
2. Louisiana-Pacific Corporation and Commission staff have been negotiating since August 1983, for a new lease. Proposed lessee during that time has been paying the current rent of \$3,094 per year.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorical exempt project. The project is exempt under Class 1, Existing Facilities, 2 Cal. Adm. Code 2905(a)(2).

Authority: P.R.C. 21084, 14 Cal. Adm. Code 15300, and 2 Cal. Adm. Code 2905.

EXHIBITS:

- A. Land Description.
- B. Location Map.

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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 AS A CATEGORICAL EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES, 2 CAL. ADM. CODE 2905(a)(2).
2. AUTHORIZE ISSUANCE TO LOUISIANA-PACIFIC CORPORATION OF A 25-YEAR GENERAL LEASE - INDUSTRIAL USE BEGINNING APRIL 25, 1983; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$3,094, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$5,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$3,000,000; FOR OPERATION AND MAINTENANCE OF A LUMBER MILL ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

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EXHIBIT D
LEASE QUITCLAIM DEED

WHEREAS, pursuant to lease designated PRC 3931.2, entered into on January 23, 1986, by and between the State Lands Commission, as Lessor, and Louisiana Pacific Corporation, as Lessee, said Lessee was granted for a term of 25 years, commencing April 25, 1983, the right to use the property herein described, for certain purposes specified in said Lease; and

WHEREAS, due to the fact that the lands under lease are no longer utilized, the Lessee notified the Commission in writing by letter dated April 11, 1988 of their desire to terminate their interest in lease PRC 3931.2, effective July 31, 1988; and

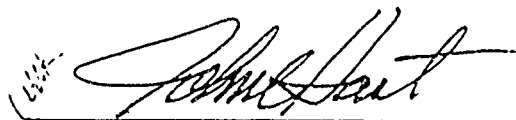
WHEREAS, all authorized improvements have been satisfactorily removed from the subject property; and

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, Louisiana Pacific Corporation 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 3931.2, entered into on January 23, 1986, respecting lands located in Inyo County, State of California, and as described on the attached Exhibit A.

IN WITNESS WHEREOF, this Quitclaim Deed is executed this

9th day of July, 1991.



LOUISIANA PACIFIC CORPORATION
(All signatures must be notarized)

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