CALENDAR ITEM C46

Α	1	10/13/16
		PRC 5329.2
S	1	C. Hudson

REVISION OF RENT

LESSEE:

Norbert C. Freitas and Alice Freitas

AREA, LAND TYPE, AND LOCATION:

3,412 acres, more or less, of State school and lieu land in portions of Section 36, Township 32 North, Range 15 East, MDM; Sections 7, 16, 17, 18, 19, 20, and 30 Township 31 North, Range 16 East, MDM; and portions of Sections 24, 25, 34, and all of Section 36, Township 31 North, Range 15 East, MDM, near the unincorporated community of Ravendale, Lassen County.

AUTHORIZED USE:

Continued use and maintenance of existing livestock grazing and fencing.

LEASE TERM:

10 years, beginning November 22, 2009.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease and recommends that rent be revised from \$502 per year to \$600 per year, effective November 22, 2016.

OTHER PERTINENT INFORMATION:

1. School lands were granted to the State of California by the federal government under the Act of March 3, 1853 (Ch. 145, 10 Stat. 244), and consisted of the 16th and 36th sections in each township (with the exceptions of lands reserved for public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption, due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or a Section 36. These replacement lands are now known as Indemnity school lands or lieu lands.

CALENDAR ITEM NO. **C46** (CONT'D)

- On November 22, 2009, the Commission authorized the issuance of a General Lease – Grazing Use to Gary Fredericksen, Shelly Fredericksen, Greg Torlai, and Robert Reynolds. On December 17, 2014, the Commission authorized an assignment of lease to Norbert C. Freitas and Alice Freitas for the continued use of livestock grazing and fencing (<u>Calendar Item C54, December 17, 2014</u>). The lease will expire on November 21, 2019.
- 3. Staff reviewed the rent called for in the lease and recommends the rent be increased to \$600 per year, effective November 22, 2016.
- 4. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
- 5. Approving the revision of rent is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBIT:

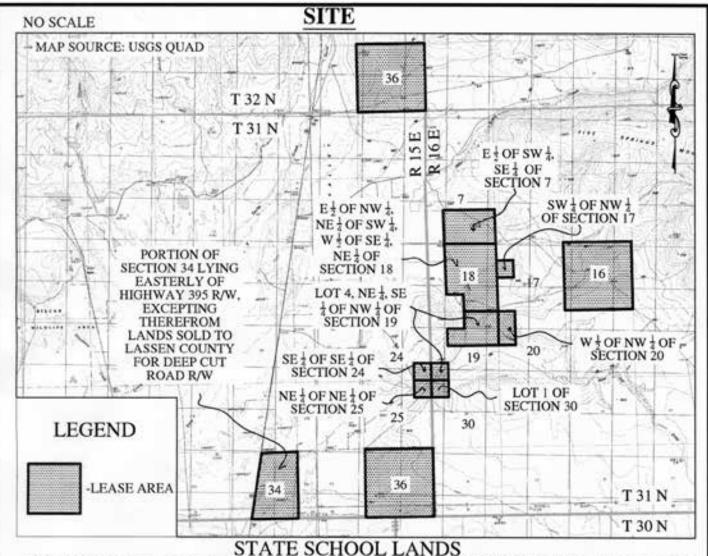
A. Site and Location Map

RECOMMENDED ACTION:

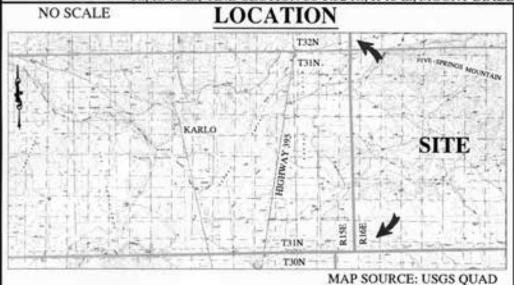
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 5329.2 from \$502 per year to \$600 per year, effective November 22, 2016.



PORTIONS OF SECTIONS 24, 25, 34 AND 36 T. 31 N., R. 15 E., AND SECTIONS 7, 16, 17, 18, 19, 20 AND 30 T.31 N., R. 16 E., AND SECTION 36 T.32 N., R 15 E., MOUNT DIABLO MERIDIAN



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit A

PRC 5329.2 FREITAS GENERAL LEASE -GRAZING USE LASSEN COUNTY

