

Upon motion duly made and unanimously carried, a resolution was adopted authorizing: 1. That a copy of this report be transmitted to the Bureau of Land Management, Department of Interior for its information. 2. That the Commission adopt the policy of withholding approval of sales of lands, whether they be school, lieu, or exchange lands until all affidavits are filed, examined, and found to be correct and adequate, and an appraisal has been made after field examination by the State or one of its agents, and also until after the five weeks period of publication of notice has expired: furthermore, that no certificates of purchase be issued until after such final approval by the Commission. 3. That the Commission instruct the staff of the State Lands Division to take prompt and positive action with respect to any complaints received regarding the conduct of its affairs. 4. That Mr. Elias' offer to restore to public use waters and facilities equivalent to those in existence at the time he acquired the property be approved, and the case be terminated.

32. (PATENTED LANDS IN THE NE $\frac{1}{4}$ OF NW $\frac{1}{4}$ AND THE N $\frac{1}{2}$ OF NE $\frac{1}{4}$ OF SECTION 4, T. 20 N., R. 7 E., S.B.B. & M., INYO COUNTY, HARRY W. ROSENBERG - F.O. 615) The Commission was informed that at the meeting of the State Lands Commission July 26, 1949, a resolution was adopted authorizing the Executive Officer to extend the scope of inquiry at the public hearing proposed to be held in connection with the sale of lands to Mr. Bloss A. Elias near Tecopa Hot Springs, California, so as to cover other sales of lands in that locality in which the State Lands Commission might have been involved. Investigation indicated that the only other sale of State lands in that immediate vicinity was that to Mr. Harry W. Rosenberg for the purchase of the NE $\frac{1}{4}$ of NW $\frac{1}{4}$ and N $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 4, T. 20 N., R. 7 E., S.B.B. & M., at a price of \$5.00 per acre, patent having been issued to Mr. Rosenberg for the lands involved on November 1, 1943. As in the case of the investigation of the sale of lands to Mr. Bloss A. Elias (See Minute Item No. 31), this matter was heard on November 16, 1949, at Shoshone, California, following which the property was inspected, the water measured, sampled, and analyzed and official records of the Division of State Lands examined. A more complete report of this transaction is attached hereto. The following findings are made:

1. Prior to applying for the property on March 18, 1941, Mr. Rosenberg had prospected it and had excavated a waterhole which produced a small flow of hot water. He filled in the excavation shortly prior to applying for the purchase of the property.
2. Mr. Rosenberg knew of the possibilities of developing water on the property at the time of execution of his application and the accompanying affidavits but made no mention of this fact.
3. There is no evidence of adverse occupancy with respect to the lands purchased, nor of any withdrawal by the Federal Government by reason of the existence of hot springs or waters possessing curative values, nor is there any evidence of claims of leaseholds by others.
4. No complaints have been registered in the case of this transaction.
5. There is no evidence of prior use of waters on the property by the public or by any individuals.

6. The State's actions throughout the transaction were in accordance with State laws except for the lack of specific approval of the sale of the property by the State Lands Commission. Authority for this sale was assumed to have been delegated to the Executive Officer who executed the necessary papers.

Upon motion duly made and unanimously carried, a resolution was adopted confirming and approving the action of the Staff of the Division of State Lands on December 22, 1942, in approving the sale to Mr. Harry W. Rosenberg of the NE $\frac{1}{4}$ of NW $\frac{1}{4}$ and the N $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 4, T. 20 N., R. 7 E., S.B.B. & M., containing 119.96 acres, at a price of \$5.00 per acre and with full mineral reservation to the State; also confirming and approving the execution and issuance of the Certificate of Purchase under date of January 5, 1943, for these same lands.

33. (APPLICATION CRESCENT CITY HARBOR COMMISSION FOR LEASE OF TIDE AND SUBMERGED LANDS - CRESCENT CITY BAY - W.O. 596, W.O. 266, P.R.C. 502) The Commission was informed that it has received an application from the Crescent City Harbor District for a lease of artificially accreted tidelands and submerged lands in the easterly portion of Crescent City Bay and outside of the city limits of the City of Crescent City consisting of approximately 108 acres.

The Crescent City Harbor District was formed pursuant to Statutes of 1931, Chapter 704, and filing therefor made with the Secretary of State on July 6, 1936. Under the law they are empowered to develop, lease and own lands within the county wide district and to levy taxes for maintenance and development therein.

Development of the harbor at Crescent City is needed and the State Lands Commission has been assisting in all matters in getting water development at this point. In view of the fact that the Harbor Commission is now willing to assume the duties of developing the harbor, it is suggested alternatively that the State Lands Commission authorize the Executive Officer to negotiate a lease for the State lands involved as follows:

1. Lease the area to the Harbor Commission at a fixed rate of \$500.00 per year plus 50 per cent of the gross income to the Harbor Commission received from subleases over and above a gross income of \$1,000.00 per year with maximum rental payable thereunder being \$1,500.00 per year.
2. A flat rental of \$1,000.00 per year.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to negotiate a lease with the Crescent City Harbor District under alternative 1 or 2 above, whichever is found to be most acceptable, said lease not to require a filing fee or deposit and to be for a term of 15 years with privileges of renewal for two ten-year periods on approximately 108 acres of State artificially filled and submerged lands in Crescent City Bay. Lease to require the Harbor Commission to extend to littoral land owners the right to lease land in front of their upland for industrial or commerce purposes, and further require that the Harbor District assume whatever obligation the State may have with respect to the West Coast Steamship Company Application (W.O. 266), for lease heretofore approved by the Commission of a portion of the lands involved in this lease.