

Exhibit 3

CALIFORNIA STATE LANDS COMMISSION
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202



Established in 1938

JENNIFER LUCCHESI, *Executive Officer*
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February 12, 2018

Sent Via Email to: blm_ca_bk_arcvinecomments@blm.gov

Ms. Serana Baker
BLM Bakersfield
3801 Pegasus Dr.
Bakersfield, CA 93308

Subject: ARC Vineyards Land Sale

Dear Ms. Baker:

On October 6, 2017, the Governor of California signed Senate Bill 50¹ into law. It took effect on January 1, 2018, and states that "conveyances of federal public lands in California are void ab initio unless the [California State Lands Commission] was provided with the right of first refusal to the conveyance or the right to arrange for the transfer of the federal public land to another entity." (Cal. Pub. Resources Code, § 8560, subd. (b)(2)(A).) Additionally, any:

deed, instrument, or other document related to a conveyance that is subject to Section 8560 of the Public Resources Code shall be titled "Federal Public Land Deed of Conveyance" and shall not be recorded without a certificate from the State Lands Commission. The federal agency wishing to convey federal public lands shall ensure that the deed, instrument, or other conveyance document is titled in the manner required by this section. (Cal. Gov. Code, § 27338.)

The certificate referenced in section 27338 is a "certificate of compliance," in which the California State Lands Commission (Commission) certifies that it was afforded the right of first refusal but determined not to acquire the subject federal public lands or arrange for their transfer to another entity. (See Cal. Pub. Resources Code, § 8560, subd. (b)(2)(D)(i).) The Commission must consider its right of first refusal at a public meeting. The Commission meets approximately every 2 to 3 months.

There is a listing on the Bureau of Land Management's (BLM) Bakersfield Office website for the sale of a 5.93-acre parcel near Santa Maria, California, to Arc Vineyards

¹ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB50

LLC.² The conveyance of this parcel, located in Santa Barbara County, is subject to the requirements of SB 50. To comply with state law and validly transfer the parcel, BLM must provide the Commission with the right of first refusal or right to arrange for the transfer of the parcel to another entity. Otherwise, the Commission cannot issue a certificate of compliance. Without a certificate of compliance, Arc Vineyards will not be able to record the deed to the property.

In order for the Commission to proceed with the process of exercising its right of first refusal and, if refused, issuing a certificate of compliance, the Commission will need to consider information about the federal public land, including:

- The property location
- The assessor's parcel number
- A property description, including a vicinity map showing the general area and the property proposed for conveyance, detailed plot of the property, description of improvements on the property, the appraised value of the property, photographs of the property
- Information about any encumbrances on the property
- A detailed description of the proposed use of the property after conveyance
- Electronic copies of or website links to any environmental documents concerning the conveyance or proposed use (e.g. any environmental impact statement or environmental impact report or any other document prepared pursuant to the National Environmental Policy Act or the California Environmental Quality Act
- Descriptions of any natural or cultural resources on the property
- Information about local, state, and federal permits and other entitlements associated with the proposed use of the conveyed property

This list is not exhaustive, and Commission staff may require other information. Please coordinate with Commission staff and Arc Vineyards, LLC, to ensure that the Commission is able to consider all relevant information.

Please contact me at patrick.huber@slc.ca.gov or (916) 574-0728 to discuss the proposed sale of 5.93 acres near Santa Maria, California, to Arc Vineyards LLC and the requirements under SB 50 to avoid potential delay in the conveyance of this property.

Sincerely,


PATRICK HUBER
Attorney

cc: Arc Vineyards, LLC

² <https://www.blm.gov/press-release/blm-bakersfield-seeks-public-input-direct-land-sale-arc-vineyards>