

MINUTE ITEM
This Calendar Item No. C43
was approved at Minute Item
No. 43 by the State Lands
Commission by a vote of 3
to 0 at its 12-12-90
meeting.

CALENDAR ITEM

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12/12/90
PRC 5736
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AGREEMENT AND CONSENT TO ENCUMBRANCING OF LEASE
AT SELBY, SAN PABLO BAY, CONTRA COSTA COUNTY

LESSEE:

Wickland Oil Terminals, a
California corporation
P. O. Box 13648
Sacramento, California 95853

SECURED-PARTY LENDER:
(and Agent Bank)

First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

BACKGROUND

On September 26, 1979, the State Lands Commission approved the issuance of two (2) General Leases - Industrial Use for an initial period of 25 years commencing January 1, 1980, plus one successive 20-year renewal option for use of filled and unfilled tide and submerged land, located at Selby, San Pablo Bay, Contra Costa County.

Lease PRC 5735 (the water lease) is for 5.0± acres of tide and submerged lands held for the stated purpose of operating a petroleum wharf extending into the waters of San Pablo Bay. Lease 5736 (the "slag lease") is for 35± acres of tide and submerged land previously filled with slag, the spoils of previous mineral refinery activity at the site.

CALENDAR ITEM NO. 43 (CONT'D)

In June 1981, the State Lands Commission approved the encumbrancing of lease PRC 5735 (the water lease). Wickland Oil is entering into an Agreement and Consent to Encumbrancing of Lease. The Commission further approved a series of secured-party lenders (banks) for that (water) lease over a ten-year period. The latest action of the Commission was its June 11, 1990 approval of several substitute secured-party lenders at Wickland's request.

CURRENT SITUATION

Wickland is now asking the Commission to approve (a) the encumbrancing of the sister (slag) lease, lease PRC 5736, for financing purposes and (b) entering into the Commission's standard Agreement and Consent to Encumbrancing form (a third party agreement between the State as Lessor, the Lessee, and the secured-party lender(s)/banks). First National Bank of Boston, one of the proposed secured-party lenders, will act as agent for a group of banks providing Wickland's financing. Those banks (also proposed secured-party lenders) are:

First National Bank of Boston
100 Federal Street
Boston, MA 02110

NMB Postbank Groep N.V.
135 East 57th Street
New York, NY 10022-2101

Swiss Bank Corporation, New York Branch
Four World Trade Center
Box 395 Church Street Station
New York, NY 10008

Bank of Montreal
707 Wilshire Boulevard, Suite 4840
Los Angeles, CA 90017

De Nationale Investeringsbank, NV (NIB)
4 Carnegieplein
Postbos 389
2501 EH
The Hague

The Chase Manhattan Bank
National Association
One Chase Manhattan Plaza
New York, NY 10081

All of the above-listed banks have previously been approved as secured-party lenders for lease PRC 5735 by the Commission or the Executive Officer pursuant to a delegation of authority approved by the Commission at its June 11, 1990 meeting.

AB 884: 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 his 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. Regs. 15378.

2. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. but will not affect those significant lands.

EXHIBIT: A. Location Map

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. APPROVE THE ENCUMBRANCING BY WICKLAND OF LEASE PRC 5736 (SLAG LEASE) FOR FINANCING PURPOSES.

3. APPROVE THE FOLLOWING BANKS AS SECURED-PARTY LENDERS:
 - (A) FIRST NATIONAL BANK OF BOSTON
 - (B) NMB POSTBANK GROEP N.V.
 - (C) SWISS BANK CORPORATION, NEW YORK BRANCH
 - (D) BANK OF MONTREAL
 - (E) DE NATIONALE INVESTERINGSBANK, N.V. (NIB)
 - (F) THE CHASE MANHATTAN BANK
4. APPROVE THE EXECUTION OF AN AGREEMENT AND CONSENT TO ENCUMBRANCING OF LEASE BETWEEN THE STATE AS LESSOR, WICKLAND AS LESSEE, AND APPROVED SECURED-PARTY LENDERS (BANKS), SUBSTANTIALLY IN THE FORM AS PREVIOUSLY APPROVED BY THE COMMISSION IN SIMILAR TRANSACTIONS.
5. APPROVE FIRST NATIONAL BANK OF BOSTON TO ACT AS AGENT FOR THE ABOVE-LISTED BANKS (SECURED-PARTY LENDERS).
6. AUTHORIZE THE EXECUTIVE OFFICER OF THE STATE LANDS COMMISSION TO APPROVE A BANK, OR BANKS, SUBSEQUENTLY PROPOSED BY THE LESSEE OR SECURED-PARTY LENDER AS A REPLACEMENT LESSEE OR ASSIGNEE IN AN ASSIGNMENT IN LIEU OF FORECLOSURE OR OF A SUCCESSFUL BIDDER AT A SALE IN FORECLOSURE OF THE LEASE.

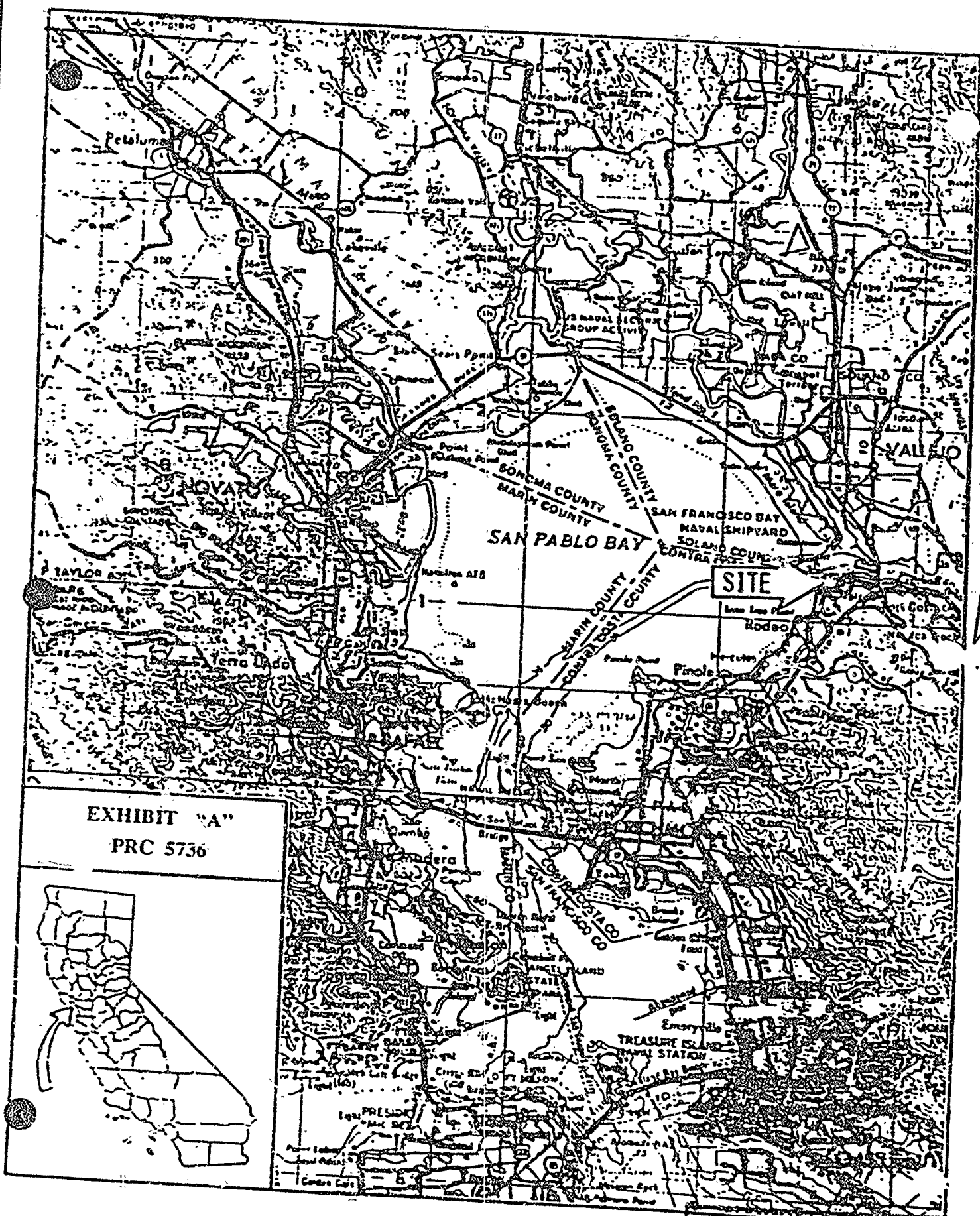


EXHIBIT "A"
 PRC 5736

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