

# MINUTE ITEM

This Calendar Item No. 30  
 was approved as Minute Item  
 No. 30 by the State Lands  
 Commission by a vote of 3  
0 at its 6/31/78  
 meeting.

## CALENDAR ITEM

30.

8/78  
 PRC 791  
 Hadly  
 Atkins  
 WP 791

## AMENDMENT TO RIGHT-OF-WAY

San Diego Gas and Electric Company (SDG&E) which currently leases from the State for 49 years from April 21, 1953, a parcel of tide and submerged land for the operation and maintenance of an oil pipeline and marine tanker terminal at Carlsbad, San Diego County, in conjunction with its Encina power plant (lease PRC 791.1) dated April 21, 1953, as amended by the Amendment of Lease 791.1 dated June 28, 1973), has requested that the Commission consent and agree to the granting of an easement over its State leasehold parcel. The Encina power plant currently consists of 4 oil and gas fueled electric generators supplied by an offshore oil pipeline and tanker terminal.

The granting of this easement is a minor, but necessary, part of a sale-leaseback financial transaction involving certain power plant equipment. SDG&E is entering into the equipment sale and leaseback for the purpose of financing the construction of a fifth generator at its Encina power plant. The California Public Utilities Commission has actively encouraged the use of sale-leasebacks as a financing device since it is a means of freeing up capital for improvements or development that spares the consumer the burden of having to pay such for such improvements or developments through increased rates.

SDG&E's granting and subsequent assignment of this easement (and 3 other easements over their upland power plant parcel which do not concern the State) is necessary to create a security interest for the protection of the purchaser/lessor, and lenders involved in the transaction. The immediate holders of the easements would be Lloyds Bank California, the owner-trustee (i.e. holding for the security of the equipment's new owner/Owner Participant, Bamerlease, Inc.) and United California Bank, the loan trustee (i.e. holding for the security of the lender/Loan Participant, 7 insurance companies. The trustees (immediate easement holders Lloyds Bank and UCB) would have neither the desire nor expertise, nor legal power to operate the pipeline or upland power plant. In the unlikely event that SDG&E were for some reason unable to operate such facilities at some time in the future (default, bankruptcy, PUC suspension, or otherwise), the equipment owner and/or loan participant, in order to secure

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their investment, would by way of written instructions order the trustee(s) to assign their rights under the sale-- leaseback package (including the easements) to 1 of 3 candidates -- Southern California Edison, Pacific Gas and Electric or Los Angeles Department of Water and Power (the largest municipally owned electric utility in the United States.) The utility chosen would operate and maintain the equipment pursuant to the easements covering the upland power plant and pipeline/terminal. All 3 potential assignees have recognized expertise in operating and maintaining pipeline fed, conventionally fired steam generators.

The Commission's approval of this request would not increase the rights, powers, or authority currently enjoyed by SDG&E under their existing lease. The scope and term of the fuel line easement would be controlled by and strictly limited to the term, obligations, covenants and conditions of the lease as it now exists or as it may exist through updating or renewal in the future. The public utility user (Southern California Edison, PG&E or LA Water and Power) prior to their use would have to execute an agreement to be bound by the terms and conditions of the SDG&E lease as they may exist at the time of desired use. The consent of the Commission would be required for an assignment by the trustees to any entity other than Southern California Edison, PG&E or LA Water and Power.

Pursuant to the Consent Agreement, the private party purchasers and lenders will be given an opportunity to cure any breach or default by SDG&E to include a failure to pay rent which would necessarily jeopardize the fuel line easement, the existence of which is wholly dependent on survival and non-termination of the existing SDG&E lease. This provision increases the likelihood of continued revenues to the State through the SDG&E lease. The Public Utilities Commission has approved all elements of this transaction.

IN SUMMARY:

1. This action by the State Lands Commission will facilitate implementation of policies urged upon public utilities by the CPUC.
2. This action neither increases the rights already granted to SDG&E by the State Lands Commission under the existing lease, nor releases SDG&E from its duties and obligations under the existing lease.

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3. At no time will any entity other than a public utility (Southern California Edison, PG&E or LA Water and Power) have the right to use the pipeline. The chances that such use will ever be exercised are extremely remote.
4. Any public utility using the pipeline would do so subject to all of the terms and conditions as provided in the SDG&E lease, as it now-exists or as it may exist in the future.
5. Commission approval must be secured prior to any further grant or assignment of the fuel line easement to any other public utility or entity.

EXHIBITS:

- A. Location Map.
- B. Consent Agreement.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 2 CAL. ADM. CODE 2903(d); AND THAT SAID ACTION IS NOT A DEVELOPMENT WITHIN THE MEANING OF SECTION 2503 OF TITLE 2, CAL. ADM. CODE AND SECTION 30105 OF THE PUBLIC RESOURCES CODE.
2. CONSENT TO (1) SAN DIEGO GAS AND ELECTRIC COMPANY GRANTING TO LLOYDS BANK CALIFORNIA (AS TRUSTEE) A NON-EXCLUSIVE FUEL LINE EASEMENT WITHIN THE SCOPE AND AREA OF SDG&E'S CURRENT LEASE, PRC 791.1 DATED APRIL 21, 1953, AS AMENDED BY THE AMENDMENT OF LEASE 791.1 DATED JUNE 28, 1973 AND TO (2) LLOYDS BANK CALIFORNIA ASSIGNMENT OF SUCH EASEMENT TO UNITED CALIFORNIA BANK, WITH THE UNDERSTANDING THAT SUCH ENTITIES WILL AT NO TIME BE THE USER OF SUCH EASEMENT BUT WILL HOLD IT FOR SECURITY PURPOSES.
3. APPROVE SOUTHERN CALIFORNIA EDISON COMPANY, PACIFIC GAS AND ELECTRIC COMPANY AND CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER AS POTENTIAL ASSIGNEES OF LLOYDS BANK CALIFORNIA AND/OR UNITED CALIFORNIA BANK (AS TRUSTEES) WITH THE UNDERSTANDING THAT SUCH POTENTIAL ASSIGNEES WOULD BE THE POTENTIAL USERS OF SUCH AGREEMENT BETWEEN THE ASSIGNEE/USER AND THE COMMISSION STAFF IN WHICH ASSIGNEE USER WOULD EXPRESSLY ASSUME FOR THE PERIOD OF THEIR USE ALL OBLIGATIONS, COVENANTS AND CONDITIONS OF THE SDG&E LEASE AS IT EXISTS AT THE TIME OF SUCH DESIRED USE.

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4. APPROVE THE LANGUAGE AND CONTENT OF THE CONSENT AGREEMENT (EXHIBIT B).
5. AUTHORIZE THE EXECUTIVE OFFICER OR ASSISTANT EXECUTIVE OFFICER TO EXECUTE THE CONSENT AGREEMENT AND AUTHORIZE THE STAFF TO ENTER INTO AN AGREEMENT WITH 1 OR ANY OF THE POTENTIAL ASSIGNEES (SOUTHERN CALIFORNIA EDISON COMPANY, PACIFIC GAS AND ELECTRIC COMPANY, OR CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER) BINDING SUCH POTENTIAL ASSIGNEE AND USER FOR THE PERIOD OF THEIR USE OF THE EASEMENT TO THE TERMS, OBLIGATIONS, CONDITIONS AND COVENANTS OF THE SDG&E LEASE (PRC 791.1) AS IT MAY EXIST AT THE TIME OF THEIR PROPOSED USE.



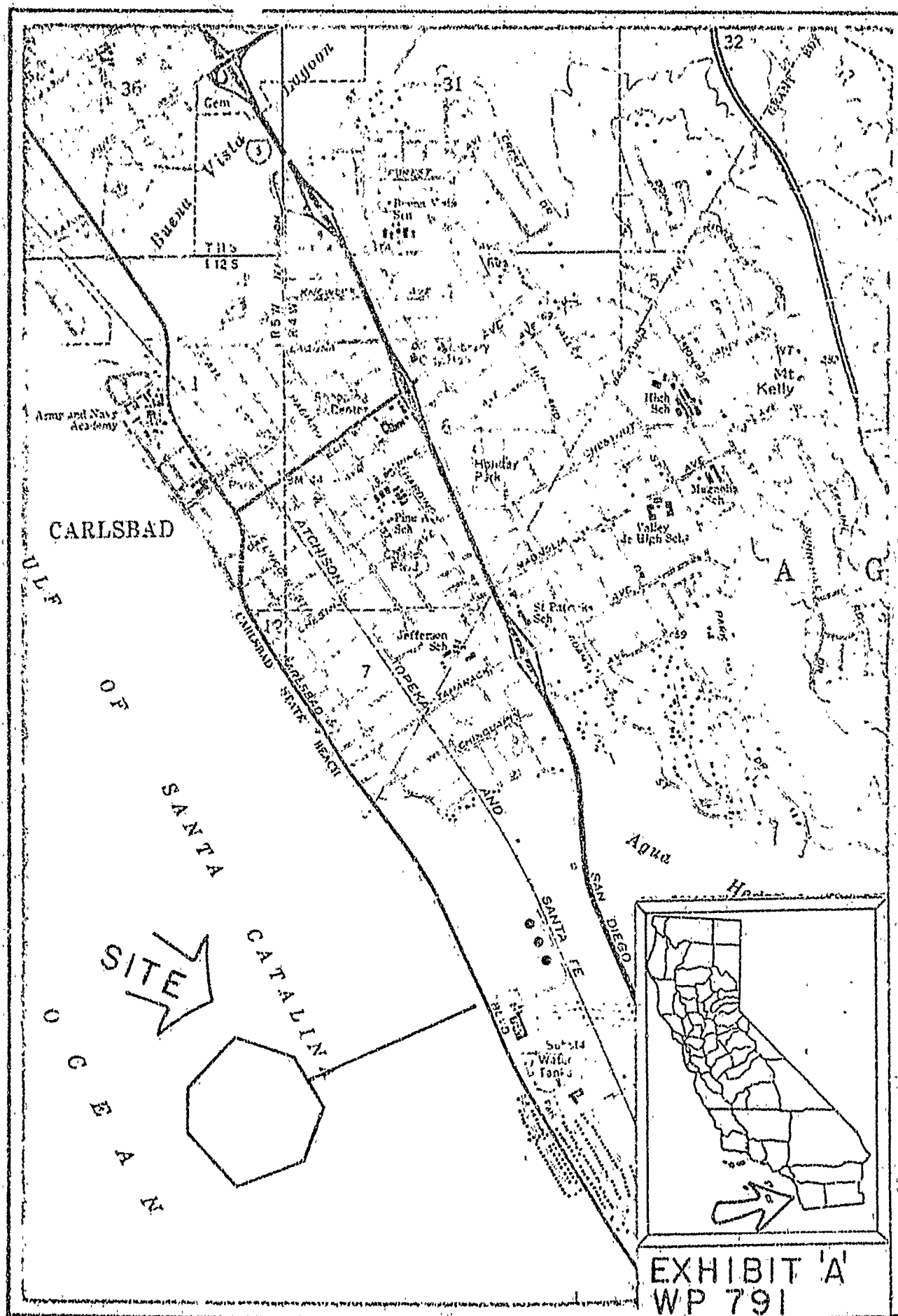


EXHIBIT B

AGREEMENT

In accordance with the purpose and intent of Lease P.R.C. 791.1 dated April 21, 1953, as amended by the Amendment of Lease P.R.C. 791.1, dated June 28, 1973 (the "Lease"), from the State of California, acting through the State Lands Commission (the "State"), as lessor, to San Diego Gas & Electric Company ("SDG&E"), as lessee, consent is hereby given to the grant of the "Fuel Oil Fill Line Easement" (the "Easement") as described in the Deed Granting Easements, a copy of the form of which is attached hereto, by SDG&E to Lloyds Bank California, as trustee, and the assignment of the Easement by Lloyds Bank California, as trustee, to United California Bank, as trustee, and their respective successors and assigns. The State and SDG&E agree as follows:

1. The State hereby further consents to assignment of the Easement by Lloyds Bank California, as trustee, or United California Bank, as trustee, to any of the following: Pacific Gas and Electric Company, Southern California Edison Company, or City of Los Angeles Department of Water and Power. Assignment of the Easement to any entity other than those specified above shall require consent by the State, which consent shall not be unreasonably withheld and which consent may be conditioned only upon such entity's executing with the State a document agreeing that such entity will be bound by the Lease until such entity terminates use of the Easement, written notice of which termination shall be given to the State at least sixty (60) days prior to such termination.

2. The grant and assignment of the Easement and this consent thereto by the State does not release or relieve SDG&E from any obligations to the State under the Lease and the State may hold SDG&E liable for the faithful performance of all obligations of SDG&E under the Lease.

3. SDG&E shall, upon expiration or other termination of the Lease, deliver to the State a quitclaim deed(s) in recordable form that will clear record title of any and all rights arising hereunder.

4. The State shall, upon the occurrence of any default by SDG&E in the performance or observance of any of the covenants or conditions contained in the Lease, give written notice of such default setting forth the nature of

such default to United California Bank, as trustee, at 707 Wilshire Boulevard, Los Angeles, California 90017, Attention: Corporate Trust Department, or to such other entity or at such other address as United California Bank, as trustee, may designate in a written notice to the State given in accordance with the Lease. United California Bank, as trustee, or its successors or assigns, shall have one hundred twenty (120) days after receipt of such written notice from the State within which to remedy such default by causing the performance and observance of the covenants and conditions contained in the Lease and such performance and observance shall be as effective to prevent a termination of the Lease as the same would have been if the covenants and conditions contained in the Lease were performed and observed by SDG&E. The State shall have no right to terminate the Lease by reason of any default by SDG&E thereunder unless the State shall have given United California Bank, as trustee, written notice of such default and United California Bank, as trustee, shall have failed to remedy such default as set forth herein.

5. For the purpose of this Agreement, references to the "Lease" include the Lease as it presently exists and all subsequent modifications, amendments, extensions and renewals.

IN WITNESS WHEREOF, the State and SDG&E have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 1978.

STATE OF CALIFORNIA  
STATE LANDS COMMISSION

By \_\_\_\_\_  
Title \_\_\_\_\_

Execution of this document was  
authorized by the State Lands  
Commission on \_\_\_\_\_,  
1978.

SAN DIEGO GAS & ELECTRIC COMPANY,  
a California corporation

By \_\_\_\_\_  
Title \_\_\_\_\_

Recorded at Request of:

FIRST AMERICAN TITLE  
INSURANCE COMPANY

When Recorded Mail to:

FREDERICK D. MINES, Esq.  
Pillsbury, Madison & Sutro  
Post Office Box 7880  
San Francisco, CA 94120

RECORDER: INDEX AS A DEED —

### DEED GRANTING EASEMENTS

For valuable consideration, receipt of which is acknowledged, SAN DIEGO GAS & ELECTRIC COMPANY, a California corporation ("Grantor"), hereby grants to LLOYDS BANK CALIFORNIA, a California corporation ("Grantee"), as trustee under the Trust Agreement dated as of June 15, 1978, between Grantee and BameriLease, Inc., a California corporation, the following Equipment Easement, Auxiliary Facilities Easement, Access Easement and Fuel Oil Fill Line Easement:

#### 1. Equipment Easement.

An easement (the "Equipment Easement") for locating, occupying, owning, selling, leasing, connecting, operating, maintaining, replacing, renewing, repairing and removing, the oil-fired, steam turbine electric generating plant (the "Equipment") more fully described in Schedule 1 attached to the Bill of Sale, Quitclaim and Assignment of even date herewith between Grantor and Grantee and being recorded concurrently herewith in the Official Records of San Diego County, California, which Schedule is hereby incorporated herein and made a part hereof, and all alterations, modifications, additions, accessions, improvements, appurtenances, replacements and substitutions to and for the Equipment, in, on, over, under, across and through the real property, and the foundations on which the Equipment is located, in the City of Carlsbad, County of San Diego, State of California, described as follows:

That portion of Lot "H" of RANCHO AGUA HEDIONDA, in the City of Carlsbad, County of San Diego, State of California, according to Partition Map thereof No. 823, filed in the Office of the County Recorder of said County, November 16, 1896, described as follows:

Commencing at the most Southerly corner of Block "W" of Palisades Number Two, according to Map thereof No. 1803, filed in the Office of said County Recorder, August 25, 1924; thence along a line common to said Block "W" and Lot "H" North 77°27'54" West, 1149.56 feet (record, 1149.32 feet per Record of Survey No. 1806) to Corner No. 1 of said Rancho Agua Hedionda; thence South 33°30'17" East, 4468.33 feet to the TRUE POINT OF BEGINNING; thence South 22°36'12" East, 159.25 feet; thence South 67°23'48" West, 240.00 feet; thence North 22°36'12"



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West, 54.50 feet; thence South 67°23'48" West, 35.84 feet; thence North 22°36'12" West, 191.50 feet; thence North 52°36'46" West, 72.30 feet; thence North 22°36'12" West, 33.88 feet; thence North 07°37'30" West, 57.97 feet; thence North 67°23'48" East, 13.50 feet; thence South 22°36'12" East, 58.33 feet; thence North 67°23'48" East, 6.92 feet; thence South 52°29'44" East, 35.31 feet; thence North 67°23'48" East, 20.00 feet; thence South 22°36'12" East, 77.83 feet; thence North 67°23'48" East, 23.00 feet; thence North 22°36'12" West, 10.33 feet; thence North 67°23'48" East, 30.00 feet; thence South 22°36'12" East, 51.66 feet; thence North 67°23'48" East, 14.00 feet; thence South 22°36'12" East, 3.00 feet; thence North 67°23'48" East, 44.75 feet; thence South 22°36'12" East, 20.08 feet; thence North 67°23'48" East, 23.50 feet; thence South 22°36'12" East, 8.00 feet; thence North 67°23'48" East, 57.75 feet to the TRUE POINT OF BEGINNING.

RESERVING UNTO Grantor the right to the continued existence and maintenance of any encroachments, including replacements thereof and substitutions therefor, onto said real property from the adjoining property of Grantor which exist on the date on which this Deed Granting Easements is recorded in the Official Records of San Diego County, California.

**2. Auxiliary Facilities Easement.**

An easement (the "Auxiliary Facilities Easement") for using the facilities (the "Auxiliary Facilities") described in Exhibit B attached to the Facilities Agreement (the "Facilities Agreement") dated as of June 15, 1978, between Grantor and Grantee and being recorded concurrently herewith in the Official Records of San Diego County, California, which Exhibit is incorporated herein and made a part hereof, and all alterations, modifications, additions, accessions, improvements, appurtenances, replacements and substitutions to and for the Auxiliary Facilities, for ingress to and egress from the Auxiliary Facilities, for the continued existence and maintenance of any encroachments, including replacements thereof and substitutions therefor, by the Equipment outside the Equipment Easement which exist on the date on which this Deed Granting Easements is recorded in the Official Records of San Diego County, California, and for all related purposes, and, insofar as may be required for Grantee's exercise of the rights set forth on its part in the penultimate sentence of Subsection 7.3 of the Facilities Agreement, for operating, maintaining, replacing, renewing and repairing, and for all related purposes, the Auxiliary Facilities, in, on, over, under, across and through the Auxiliary Facilities and the real property on which the Auxiliary Facilities are located in the City of Carlsbad, County of San Diego, State of California, described as follows:

**PARCEL A:**

That portion of Lot "H" of RANCHO AGUA HEDIONDA, in the County of San Diego, State of California, according to Partition Map thereof No. 823, filed in the Office of the County Recorder of San Diego County, November 16, 1896, described as follows:

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Beginning at the point of intersection of the Mean High Tide Line of the Pacific Ocean with the Westerly prolongation of a line which is parallel with and distant 2000 feet at right angles Southerly from the Southerly line of Block "V" of Palisades Number Two, according to Map thereof No. 1803, filed in the Office of the County Recorder of San Diego County August 25, 1924, the bearing of which parallel line and its Westerly prolongation thereof is recorded as North 72°25' East on said Map of said Palisades Number Two; thence from said point of intersection, North 72°25' East along said parallel line and the prolongation thereof, to the Westerly line of the right of way of the Atchison, Topeka and Santa Fe Railway Company, as said right of way was established on September 22, 1948; thence Southerly along said Westerly line of the right of way of the Atchison, Topeka and Santa Fe Railway Company, a distance of 2755.18 feet to a point; thence South 66°54'10" West to the Mean High Tide Line of the Pacific Ocean, said last named course and bearing being parallel with the location and prolongation of that course, in the Southerly boundary of the land described in Quit Claim Deed from Paul Eula et ux to Grover C. Jacobsen et al recorded April 29, 1948 as Document No. 43667 in Book 2778, page 341 of Official Records, designated as "North 66°54'10" East 1770 feet" as said location and prolongation of said course was monumented on the ground on September 22, 1948; thence Northwesterly along the said Mean High Tide Line of the Pacific Ocean to the POINT OF BEGINNING.

EXCEPTING THEREFROM that portion described as follows:

Beginning at the Southeast corner of the property conveyed by W. D. Cannon et al to San Diego Gas & Electric Company by Deed recorded October 3, 1948, in Book 2794, at page 493 of Official Records of the County of San Diego; thence South 66°54'10" West along the Southerly line of property so conveyed to San Diego Gas & Electric Company, a distance of 1242.57 feet, more or less to a Point on the Westerly line of 100 foot State Highway Right of Way as established on September 28, 1948, which Point is the TRUE POINT OF BEGINNING of the property herein described; thence Northerly along the Westerly line of said 100 foot State Highway Right of Way 660 feet; thence leaving said Westerly line of 100 foot State Highway Right of Way South 66°54'10" West parallel with the Southerly line of the property conveyed to the San Diego Gas & Electric Company above described, to the Mean High Tide Line of the Pacific Ocean; thence Southerly along said Mean High Tide Line to an intersection with the Southerly line of the property conveyed to the San Diego Gas & Electric Company above described; thence North 66°54'10" East along said Southerly line to the TRUE POINT OF BEGINNING.

**PARCEL B:**

That portion of Lot "H" of RANCHO AGUA REDONDA, in the City of Carlsbad, County of San Diego, State of California, according to Partition Map thereof No. 823, filed in the Office of the County Recorder of San Diego County, November 16, 1896, described as follows:

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Beginning at the point of intersection of a line which is parallel with and distant 2000 feet at right angles Southerly from the Southerly line of Block "V" of Palisades No. 2, according to the Map thereof No. 1803, filed in the Office of the County Recorder of San Diego County, August 25, 1924, the bearing of which parallel line and its Westerly prolongation thereof is recorded as North 72°25' East on said Map of said Palisades No. 2, with the Westerly line of the right of way of the Atchison Topeka and Santa Fe Railway Company, as said right of way was established on September 23, 1948; thence Southerly along said Westerly line of the right of way of the Atchison Topeka and Santa Fe Railway Company, a distance of 2755.18 feet; thence parallel with a portion of the Southerly boundary of the Jacobsen Land herein after described North 66°54'10" East 50 feet to the center line of said Railway right of way; thence along said center line South 23°06' East 60 feet to an angle point in the Southerly boundary of the land described in Quitclaim Deed from Paul Ecker et ux, to Grover C. Jacobsen et al, recorded April 29, 1948, as Document No. 43667, in Book 2778, page 341 of Official Records; said point being herein designated as Point "T"; thence along said Southerly boundary of said land so described North 66°54'10" East 1770 feet to a second angle point in said boundary; thence leaving said boundary, continuing North 66°54'10" East 17 feet; thence North 23°05'05" West to the Southwesterly and Southerly boundary of the swamp or overflow land known as the Lagoon bed; as said boundary was located on September 28, 1948; thence Northwesterly and Westerly along said Southwesterly and Southerly boundary of said swamp land to the Easterly line of said Atchison Topeka and Santa Fe Railway right of way; thence Southerly along said Easterly line of right of way to said line which is a line which is parallel with and distant 2000 feet at right angles Southerly from the Southerly line of Block "V" of Palisades No. 2, according to the Map thereof No. 1803; thence along said parallel line South 72°25' West to the POINT OF BEGINNING.

EXCEPTING THEREFROM that portion of said Railway right of way described in Deed recorded August 30, 1909, as Document No. 3091, in Book 473, page 111 of Deeds.

ALSO EXCEPTING THEREFROM that portion thereof described in decree of Condemnation in favor of the State of California issued out of the Superior Court of the State of California, in and for the County of San Diego, in Case No. 164226, a certified copy of which was recorded May 2, 1952, as Document No. 54449, in Book 4456, page 192 of Official Records.

ALSO EXCEPTING THEREFROM that portion described as follows:

Beginning at the above designated Point "T"; thence North 66°54'10" East along the Southerly line of said Jacobsen land 110.00 feet to the TRUE POINT OF BEGINNING of the exception Parcel herein described; thence from said TRUE POINT OF BEGINNING continuing along said Southerly line North 66°54'10" East, 264.36 feet to the most Southerly corner of that Parcel of land described in Final

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Order of Condemnation for Freeway purposes, recorded May 5, 1952, as Document No. 54449, in Book 4456, page 192 of Official Records, Superior Court Case No. 164226, which point is South  $66^{\circ}54'37''$  West a distance of 400.00 feet from center line Engineer's Station 348 plus 52.77 as shown on right of way Map thereof XI-SD-2-B on file in the Office of the District State Highway Engineer; thence Northerly, Northeasterly and Northwesterly along the Westerly right of way line of said California State Highway, the following courses and distances:

North  $23^{\circ}05'23''$  West, 30.00 feet; North  $66^{\circ}54'37''$  East (record North  $66^{\circ}54'10''$  East) 190.00 feet; North  $43^{\circ}36'35''$  East, 48.96 feet; North  $3^{\circ}23'55''$  West, 103.91 feet; North  $20^{\circ}58'39''$  West, 270.19 feet; North  $15^{\circ}40'02''$  West 231.95 feet; North  $23^{\circ}05'55''$  West 60.79 feet to a point on the Westerly right of way line of said State Highway which point is 708.00 feet Northerly measured at right angles from the Southerly line of the above described Jacobsen land; thence leaving the Westerly right of way line of the said California State Highway, South  $66^{\circ}54'10''$  West parallel with the Southerly boundary of said Jacobsen land 574.37 feet to a point which is 60 feet Easterly, measured at right angles from the Easterly line of the right of way of the said Atchison Topeka and Santa Fe Railway, herein designated as Point "U"; thence South  $23^{\circ}06'$  East, parallel with the Easterly line of said Railway right of way 708.00 feet to the True Point of BEGINNING.

ALSO EXCEPTING THEREFROM that portion of the 100 foot railroad right of way of the Atchison Topeka and Santa Fe Railway Company as established on September 22, 1948, that lies Southerly of a line beginning at Point "U", hereinbefore referred to; thence South  $66^{\circ}54'10''$  West 160 feet to the West line of said Railroad Right of Way.

ALSO EXCEPTING THEREFROM that portion lying Northeasterly and Easterly of the Westerly and Southwesterly boundary of land described in Deed to the State of California recorded March 20, 1969 as File No. 48604 of Official Records.

EXCEPTING FROM Parcels A and B herein any portion lying below the mean high tide line of the Pacific Ocean.

**3. Access Easement.**

An easement (the "Access Easement") for ingress and egress, road purposes and the passage of vehicles and pedestrians, and for all related purposes, together with the right to pave, landscape, construct, reconstruct, repair, maintain and use the same, in, on, over, under, across and through the real property in the City of Carlsbad, County of San Diego, State of California, described as follows:

That portion of Lot "H" of RANCHO AGUA Hedionda, in the City of Carlsbad, County of San Diego, State of California, according to Partition Map thereof No. 823, filed in the Office of the County Recorder of said County, November 16, 1896, described as follows:



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Commencing at the Northeast corner of the land conveyed to San Diego Gas & Electric Company by Deed from W. D. Cannon, et al recorded October 8, 1948 as Document No. 100051 in Book 2974, Page 493 of Official Records of said County; thence along the Northeasterly line of said land South  $22^{\circ}31'09''$  East, 2755.18 feet to the Southeast corner thereof; thence along the Southeasterly line of said land South  $67^{\circ}29'33''$  West, 1242.76 feet (record South  $66^{\circ}54'10''$  West, 1242.57 feet per Deed) to the Easterly line of Tierra Del Oro, according to Map thereof No. 3032, filed in the Office of the County Recorder of said County, February 4, 1954; thence along the Northeasterly line thereof North  $30^{\circ}03'17''$  West, 607.92 feet (record North  $30^{\circ}38'50''$  West, 608.12 feet per said Map) to the beginning of a tangent 5314.11 foot (record 5298.73 foot) radius curve concave Northeasterly; thence along a radial line to said curve North  $59^{\circ}56'43''$  East, 100.00 feet to the Easterly line of existing Carlsbad Boulevard and the True Point of BEGINNING, said point being on the arc of a 5214.11 foot radius curve concave Northeasterly, a radial line to said point bears South  $59^{\circ}56'43''$  West; thence Northwesterly along the arc of said curve through a central angle of  $01^{\circ}58'29''$ , a distance of 179.71 feet to a point of cusp with a 30.00 foot radius curve concave Northerly, a radial line to said point bears South  $61^{\circ}55'12''$  West; thence Southerly through Northeasterly along the arc of said curve through a central angle of  $128^{\circ}09'15''$ , a distance of 67.10 feet; thence tangent North  $23^{\circ}45'57''$  East, 31.99 feet to the beginning of a tangent 210.00 foot radius curve concave Southeasterly; thence Northeasterly along the arc of said curve through a central angle of  $11^{\circ}04'55''$ , a distance of 40.62 feet to the beginning of a 120.00 foot reverse curve concave Northwesterly; thence Northeasterly along the arc of said curve through a central angle of  $31^{\circ}45'21''$ , a distance of 66.50 feet; thence non-tangent North  $56^{\circ}25'28''$  East, 2.00 feet to a point on the arc of a 208.00 foot radius curve concave Northeasterly; a radial line to said point bears South  $56^{\circ}25'28''$  West; thence Northwesterly along the arc of said curve through a central angle of  $11^{\circ}03'47''$ , a distance of 40.16 feet; thence tangent North  $22^{\circ}30'45''$  West, 42.16 feet; thence North  $67^{\circ}23'48''$  East, 16.00 feet; thence South  $22^{\circ}30'45''$  East, 42.10 feet to the beginning of a tangent 192.00 foot radius curve concave Northeasterly; thence Southeasterly along the arc of said curve through a central angle of  $11^{\circ}03'47''$ , a distance of 37.03 feet; thence along a radial line to said curve North  $56^{\circ}25'28''$  East, 2.00 feet to a point on the arc of a 100.00 foot radius curve concave Northerly, a radial line to said point bears South  $14^{\circ}21'55''$  West; thence Easterly along the arc thereof through a central angle of  $35^{\circ}29'47''$ , a distance of 61.95 feet; thence tangent North  $68^{\circ}52'08''$  East, 37.20 feet; thence South  $21^{\circ}07'52''$  East, 40.00 feet; thence South  $68^{\circ}52'08''$  West, 39.59 feet to the beginning of a tangent 170.00 foot radius curve concave Southeasterly; thence Southwesterly along the arc thereof through a central angle of  $43^{\circ}06'11''$ , a distance of 133.82 feet; thence tangent South  $23^{\circ}45'57''$  West, 56.46 feet to the beginning of a tangent 133.40 foot radius curve concave Easterly; thence Southerly along the arc thereof through a central angle of  $53^{\circ}49'14''$ , a distance of 125.31 feet to the True Point of BEGINNING.

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**4. Fuel Oil Fill Line Easement.**

An easement (the "Fuel Oil Fill Line Easement") for the installation, maintenance and use of the submarine pipeline transporting fuel oil and for the offshore marine terminal with fuel loading and unloading facilities for oil to, from, over, under, across and through the real property in the City of Carlsbad, County of San Diego, State of California, described as follows:

**PARCEL A:**

A strip of tide and submerged land 60.00 feet in width, extending into the Pacific Ocean, and located approximately one mile South of the City of Carlsbad, San Diego County, California, and lying 30.00 feet on each side of the following described line:

Commencing at Corner Number 1 of Rancho Agua Hedionda, according to Map 823, filed in the Office of the County Recorder of San Diego County, California, November 16, 1896; thence South  $26^{\circ}07'53''$  East 3450.26 feet to the center line of the existing 60.00 foot wide pipeline right of way and the True Point of BEGINNING of the center line herein described; thence South  $66^{\circ}57'20''$  West 2622.43 feet to a point herein designated Point "A".

The side lines of the above described strip of land, shall be extended and shortened so that said lines form a continuous strip terminating in the West in a line passing through said Point "A" with a bearing South  $32^{\circ}48'40''$  East.

**PARCEL B:**

A parcel of submerged land lying within the Pacific Ocean approximately one mile South of the City of Carlsbad, San Diego County, California, more particularly described as follows:

Beginning at the aforementioned Point "A" of Parcel A; thence from said Point "A" the following 10 courses:

1. South  $32^{\circ}48'40''$  East 432.16 feet;
2. South  $22^{\circ}22'28''$  West 909.37 feet;
3. South  $67^{\circ}45'09''$  West 644.59 feet;
4. South  $73^{\circ}09'24''$  West 452.60 feet;
5. North  $41^{\circ}00'06''$  West 1099.62 feet;
6. North  $00^{\circ}48'40''$  West 600.00 feet;
7. North  $42^{\circ}36'15''$  East 1032.50 feet;
8. South  $74^{\circ}46'44''$  East 452.60 feet;
9. South  $69^{\circ}52'29''$  East 598.32 feet;
10. South  $32^{\circ}48'40''$  East 328.38 feet to the Point of BEGINNING.

By acceptance of this Deed Granting Easements, Grantee covenants and agrees that the Fuel Oil Fill Line Easement is subject to the following covenants and conditions:

1. The Fuel Oil Fill Line Easement shall be used only in accordance with and as required by Lease P.R.C. 791.1 dated April 21, 1953, as amended by the Amendment

SAN DIEGO GAS Lease Agreement—E-12272.  
of Lease P.R.C. 791.1 dated June 28, 1973 (the "Lease"), from the State of California,  
acting through the State Lands Commission (the "State"), as lessor, to Grantor, as  
lessee;

2. Only an entity that is a California municipal district or a California municip-  
ality or branch or department thereof or that is subject to the jurisdiction of the  
California Public Utilities Commission shall use the Fuel Oil Fill Line Easement and  
such entity shall, prior to such use, execute with the State a document agreeing that  
such entity will be bound by the Lease until such entity terminates use of the Fuel  
Oil Fill Line Easement, written notice of which termination shall be given to the  
State at least sixty (60) days prior to such termination;

3. The scope of the Fuel Oil Fill Line Easement is controlled by and strictly  
limited to the term of the Lease and the obligations, covenants, conditions and legal  
description contained in the Lease;

4. The Fuel Oil Fill Line Easement shall terminate upon expiration or other  
termination of the Lease; and

5. References to the "Lease" include the Lease as it presently exists and sub-  
sequent modifications, amendments, extensions and renewals.

Subject to the provisions of Sections 5 and 6 of the Facilities Agreement, the Equip-  
ment Easement is exclusive. The Auxiliary Facilities Easement is nonexclusive subject to  
Subsection 6.3 of the Facilities Agreement. The Access Easement is nonexclusive. The  
Fuel Oil Fill Line Easement is nonexclusive.

The Equipment Easement, the Auxiliary Facilities Easement, the Access Easement  
and the Fuel Oil Fill Line Easement shall not be extinguished, lost, waived or otherwise  
impaired in whole or in part as a consequence of nonuse thereof by Grantee or by reason of  
the occurrence of any of the events specified in Section 811 of the California Civil Code or  
for any other reason but will continue in full force and effect throughout the term of the  
Facilities Agreement.

This Deed Granting Easements is made upon and subject to all of the provisions of  
the Facilities Agreement.

IN WITNESS WHEREOF, Grantor has caused this Deed Granting Easements to be duly  
executed and delivered and its corporate seal to be hereunto affixed and attested by its  
officers thereunto duly authorized as of the ..... day of ....., 1978.

SAN DIEGO GAS & ELECTRIC COMPANY,  
As Grantor

By .....  
Senior Vice President

[SEAL]

Attest:

.....  
Secretary

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Proof of Wednesday, August 16, 1978—SORG/S.F.—982-9663  
RACK J

SAN DIEGO Lease Agreement—E-12292  
STATE OF CALIFORNIA, } ss.  
County of .....

On this ..... day of ....., in the year 1978, before me, the undersigned, a notary public of the State of California, duly commissioned and sworn, personally appeared ..... and ....., known to me to be the Senior Vice President and Secretary of SAN DIEGO GAS & ELECTRIC COMPANY, the corporation that executed the within instrument, and also known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and they acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid the day and year in this certificate first above written.

.....  
.....  
Notary Public  
State of California