T[illegible] 27
was [illegible]
No. 27 [illegible] the State [illegible]
Comm[illegible] by a vote of 3
to [illegible] at its 7/21/83
meeting.

CALENDAR ITEM

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7/21/83
PRC 5735
PRC 5736
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APPROVAL OF
SECURED PARTY-LENDERS FOR
RE-ENCUMBRANCING OF WICKLAND OIL TERMINAL
LEASES PRC 5735 AND PRC 5736
CONTRA COSTA COUNTY

BACKGROUND: The Commission has previously (in June of 1981) authorized the encumbrancing of Wickland Oil Terminal's Leases PRC 5735 and PRC 5736 for the purpose of financing the construction of terminal pipeline transmission facilities. Crocker National Bank was approved as a secured party lender at the June 1981 meeting. Two additional lenders, Continental Illinois National Bank and Rainier National Bank were subsequently approved as secured party lenders in October of 1981. Crocker National Bank, as agent for secured party lenders was furthermore issued a letter, pursuant to authority granted by the Commission, detailing procedures to be utilized in the event of a default by Wickland on its loan and the Executive Officer was also delegated authority to approve lease assignees in the event of such a default.

Wickland now wishes to refinance and restructure the existing debt which was the subject of the initial encumbrancing. Crocker,

126
1615

Security Pacific, Rainier and First National City Bank of Houston have agreed to provide the funds for such refinancing. They seek to be approved as secured parties to whom Wickland will grant a security interest in Leases PRC 5735 and PRC 5736. It is staff's belief that all four banks are responsible and appropriate for the role of secured party lenders under a State Lands Commission lease.

AB 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY BASED ON SUCH REPORT NOT BEING REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, AND 14 CAL. ADM. CODE 2905.

2. APPROVE THE RE-ENCUMBRANCING OF LEASES PRC 5735 AND PRC 5736 (WICKLAND IS LESSEE) FOR THE PURPOSE OF PROVIDING SECURITY FOR A LOAN AFFECTING THE LEASE PREMISES.

3. APPROVE CROCKER NATIONAL BANK, SECURITY NATIONAL BANK, RAINIER NATIONAL BANK, AND FIRST NATIONAL CITY BANK OF HOUSTON AS SECURED PARTY LENDERS FOR SUCH RE-ENCUMBRANCING OF LEASES PRC 5735 AND PRC 5736.

4. AUTHORIZE STAFF TO TAKE ALL ACTIONS REASONABLY NECESSARY TO EFFECT SUCH COMMISSION AUTHORIZATION.

127
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