

MINUTE ITEM
This Calendar Item No. C04
was approved as Minute Item
No. 04 by the State Lands
Commission by a vote of 3
to 0 at its 7-29-93
meeting.

CALENDAR ITEM

C04

A)
S) Statewide

07/29/93
PRC 5439
PRC 6868
Reese
Maricle
Pelkofer

**CONSIDER AGREEMENT AND CONSENT TO
ENCUMBRANCING OF LEASE**

LESSEE:

SFPP, L.P., formerly known as Southern Pacific Pipe Lines
Partnership, L.P.
Attn: James A. Baker
888 South Figueroa Street
Los Angeles, California 90017

SECURED-PARTY LENDERS:

Bank of America National Trust and Savings Association, as
Trustee for the Noteholders and the Banks
555 South Flower Street
10th Floor, Dept. 3283
Los Angeles, California 90071

BACKGROUND:

On January 26, 1978, the State Lands Commission approved the
issuance of a General Lease - Right-of-Way Use (PRC 5439.1) for
the operation and maintenance of petroleum product pipelines
across sovereign lands. This is a master lease to consolidate 19
existing pipeline crossings. On July 1, 1985, the State Lands
Commission approved the issuance of a General Lease - Right-of-
Way Use (PRC 6868.2) for the operation and maintenance of
petroleum product pipelines across school lands. Leases PRC 5439
and PRC 6868 were originally issued to Southern Pacific Pipe
Lines, Inc., a Delaware Corporation. On June 11, 1990, Minute
Item No. C04, the Commission authorized the assignment of both
leases to SFPP, L. P.

CURRENT SITUATION:

Lessee requires, and will obtain, indebtedness pursuant to a loan
agreement during August, 1993 for capital improvements and
refinancing of existing debt. As a condition for the loan,

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NO TEXT ON THIS PAGE

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the Secured-Party Lenders have requested that they be named as such under the subject lease. All parties have agreed as to form of the document and it has been executed by Lessee and the Secured-Party Lender. The terms of the loan agreement are set forth in the principal office of the State Lands Commission. A complete list of institutional lenders and banks with respect to the first mortgage notes and the revolving line of credit, respectively, is on file in the principal office of the State Lands Commission.

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 this 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. Code Regs. 15378.

EXHIBIT:

- A. Location Map

IT IS RECOMMENDED THAT THE COMMISSION:

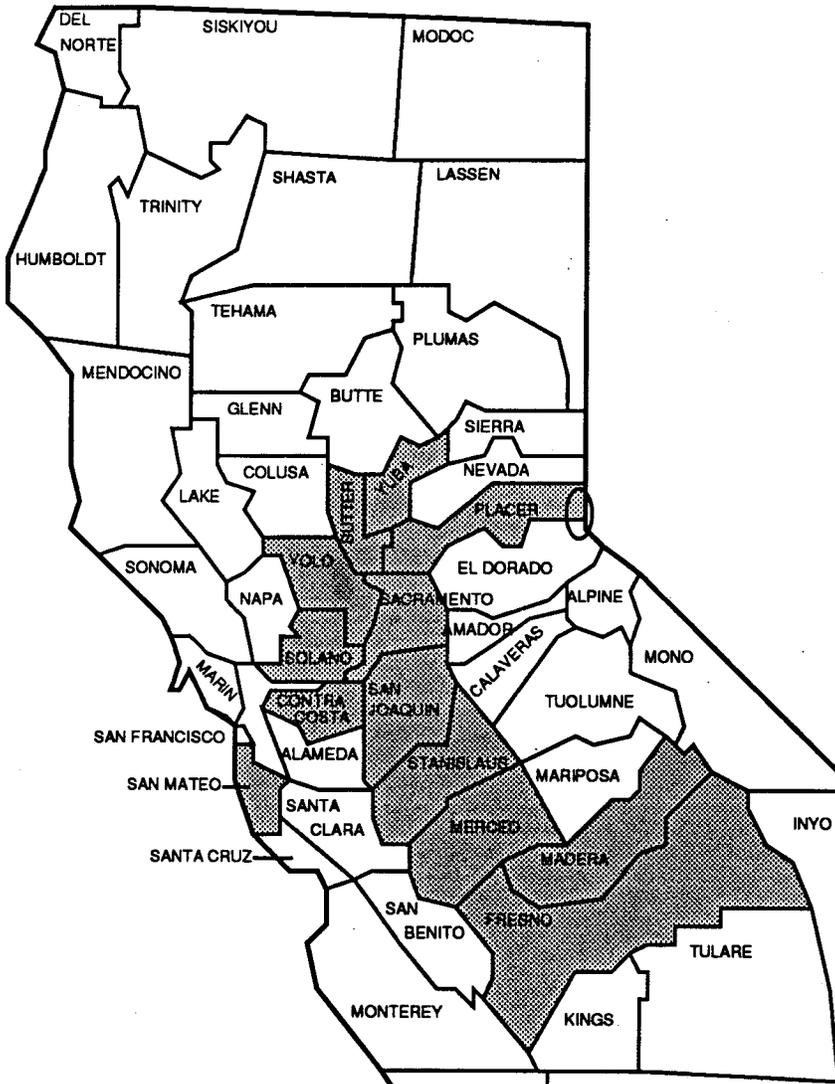
1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION AND THOSE ADDITIONAL INSTITUTIONAL LENDERS LISTED ON FILE IN THE OFFICES OF THE COMMISSION AS SECURED PARTY LENDERS WITH A SECURITY INTEREST IN SLC LEASES PRC 5439.1 AND PRC 6868.2.
3. AUTHORIZE THE EXECUTION OF AN AGREEMENT AND CONSENT TO ENCUMBRANCING OF LESSEE'S RIGHTS, TITLE, AND INTERESTS IN LEASE PRC 5439.1 AND PRC 6868.2 IN FAVOR OF BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, TRUSTEE FOR THE LISTED INSTITUTIONAL LENDERS.

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CALENDAR ITEM NO. C04 (CONT'D)

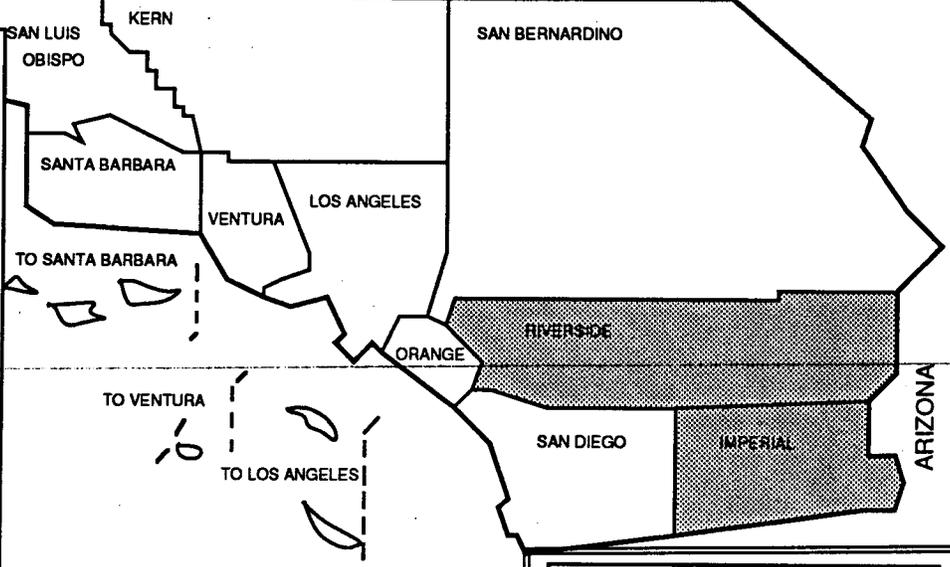
4. AUTHORIZE THE EXECUTIVE OFFICER OF THE STATE LANDS COMMISSION TO APPROVE A BANK OR BANKS, A NOTEHOLDER OR NOTEHOLDERS, SUBSEQUENTLY PROPOSED BY LESSEE, AS A REPLACEMENT/ASSIGNEE SECURED-PARTY LENDER, OR ASSIGNEE IN AN ASSIGNMENT IN LIEU OF FORECLOSURE OR OF A SUCCESSFUL BIDDER AT A SALE IN FORECLOSURE OF THE LEASE; AND APPROVE ANY INCREASES IN, OR MODIFICATIONS, EXTENSIONS, OR RENEWALS OF THE FINANCING OR INDEBTEDNESS, PROVIDED, HOWEVER, THAT THE COMMISSION IS ADVISED IN AN INFORMATIONAL CALENDAR ITEM OF SUCH INCREASES, MODIFICATIONS, EXTENSIONS OR RENEWALS.

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WATERWAY	# R/W CROSSINGS
Sutter County Feather River	1
Yuba County Feather River	1
Yolo County Sacramento River	2
Placer County Bear River	1
Sacramento County Sacramento River American River	3 1
Solano County Carquinez Strait	1
San Joaquin County Stanislaus River Burns Cut-off Mokelumne River Middle River Old River San Joaquin River	1 1 2 1 1 1
Stanislaus County Stanislaus River Tuolumne River San Joaquin River	1 1 1

WATERWAY	# R/W CROSSINGS
Contra Costa County Pacheco Creek (aka Walnut Creek) Old River Walnut Creek Grayson Creek Carquinez Strait	6 1 2 3 1
San Mateo County Guadalupe Canal	1
Merced County Merced River	2
Madera County San Joaquin River	1
Fresno County San Joaquin River	1



Imperial / Riverside Counties
3 parcels of State School Lands