

**JOINT REVOCABLE PERMIT
TESORO SOCAL PIPELINE COMPANY LLC**

The City of Los Angeles, a municipal corporation duly organized and existing under its charter and the constitution and laws of the State of California, and the City of Long Beach, a municipal corporation duly organized and existing under its charter and the constitution and laws of the State of California (individually, a "City" and together, the "Cities"), by and through their respective Boards of Harbor Commissioners, jointly own certain real property located in the County of Los Angeles. Pursuant to a recommendation adopted by the Board of Harbor Commissioners of the City of Los Angeles under Resolution No. _____ at its _____, 20__ meeting, and Resolution No. HD-_____ adopted by the Board of Harbor Commissioners of the City of Long Beach at its _____, 20__ meeting, the Cities hereby issue this Joint Revocable Permit (the "Permit") and grant permission to Tesoro SoCal Pipeline Company LLC, a Delaware limited liability company ("Permittee"), to operate and maintain a bundle of pipelines ("Facilities"), more particularly described in Paragraph 1 below and made a part hereof (the "Permit Area"). This Permit shall be effective upon last execution by the Executive Directors of the respective Harbor Departments of the Cities (referred to hereinafter as "Executive Director" singular or the "Executive Directors" plural). Such date shall be known as the "Effective Date" for purposes of this Permit.

This Permit shall be subject to the following terms, conditions, and limitations:

1. **PERMIT AREA.** The Cities hereby grant Permittee the right to use a portion of the Alameda Corridor railroad right of way property located 460 feet north of Sepulveda Blvd. and 2,225 feet south of the Dominguez Channel for installation of a 33 inch uncased bundle containing thirteen (13) pipelines and conduits as listed in Exhibit A attached hereto and more particularly shown in Exhibit B attached hereto and made a part hereof.

2. **PERMITTED USE.** The Permit Area shall be used to operate and maintain, on a non-exclusive basis, the Facilities as specifically described in Exhibit A, over, under and/or across the Permit Area and for no other purpose without the prior written consent of the Executive Directors, which may be withheld in their sole and absolute discretion. Permittee has inspected the Permit Area and agrees that it is suitable for the uses permitted herein. No officer, employee, agent, or property manager of either City has made any representation or warranty with respect to the Permit Area, except as described in writing and attached hereto as an addendum, and in entering into this Permit, Permittee agrees it relies only on the provisions of this Permit.

2.1 **Spare Pipelines.** Ninety (90) days prior to the intended use of those pipelines marked as "Spare" on Exhibit A, Permittee will notify the Cities in writing of the specific material to be transported in the pipeline, and, prior to commencement of such intended use, shall obtain the written consent of both Executive Directors for the use of such pipelines.

**POLA NO. 17-17
POLB NO.**

3. PERMIT FEE.

3.1 Amount and Time of Payment. Permittee shall pay to the Cities, as a permit fee, for the use of the Permit Area, without deduction, set off, demand or prior notice, the annual sum of Twenty Thousand Dollars (\$20,000.00) or as subsequently adjusted pursuant to this Paragraph and Paragraph 3.2 (the "Permit Fee"). In addition, a one-time Permit Processing Fee of Two Thousand Five Hundred Dollars (\$2,500.00) shall be paid to the Cities to cover costs associated with the administration of this Permit. The Permit Processing Fee shall be paid in advance on or before the Effective Date. The Permit Fee shall be paid in advance on or before the Effective Date and thereafter on each anniversary of that date. The Permit Fee and the Permit Processing Fee shall be made payable to Cal Pacific Land Services, Inc. Trust Account and delivered to the Cities' designated property manager, which shall be Cal Pacific Land Services, Inc., 7245 Garden Grove Blvd., Ste. M, Garden Grove, CA 92841, or as otherwise instructed by written notice of the Executive Directors.

3.2 Adjustment. The Cities may, in their sole and absolute discretion, increase the Permit Fee upon sixty (60) days' written notice to Permittee, including any change to the use of pipelines as provided in Paragraph 2.1 and any alterations of Facilities as provided in Paragraph 5.1.

3.3 Annual Adjustment. The Permit Fee shall be adjusted by comparing the Consumer Price Index for All Urban Consumers (base year 1982-84=100) for Los Angeles-Riverside-Orange County, published by the United States Department of Labor, Bureau of Labor Statistics (the "Index"), for the month of the Adjustment Date (the "Current Index"), with the Index published 12 months before the Adjustment Date (the "Beginning Index"). If the Current Index has increased over the Beginning Index, the Permit Fee for the then-current Permit Year shall be set by multiplying the current Permit Fee by a fraction, the numerator of which is the Current Index and the denominator of which is the Beginning Index. In no event shall the Permit Fee be less than the Permit Fee applicable during the immediately preceding Permit Year. If the Index is discontinued or revised during the period in which this Permit is in effect, another government index or computation shall be selected by the Cities and used in order to obtain substantially the same result as if the Index had not been discontinued. On adjustment of the Permit Fee as provided herein, the Cities shall provide notice in writing to the Permittee of the adjusted Permit Fee. When such notice is provided to Permittee, Permit Fee amount shown in said notice shall constitute a legally binding agreement of the parties without further municipal, corporate or other action.

3.4 Late Charge; Default Interest. Permittee acknowledges that if any payment required under this Permit is not paid within ten (10) days after the same becomes due and payable, the Cities will incur extra administrative expenses, in addition to expenses incident to receipt of timely payment, and the loss of the use of funds in connection with the delinquency in payment. Because the actual damages suffered by the Cities by reason of such extra administrative expenses and loss of use of funds would be impracticable or extremely difficult to ascertain from the nature of the circumstances, Permittee agrees that five percent (5%) of the amount of the delinquent payment or \$100.00 (whichever is greater), and the imposition of the default interest rate provided for below, shall be the amount of damages to which the Cities are entitled, upon such breach, in compensation therefor. Permittee shall, therefore, in such event, without further notice, pay to the

Cities liquidated damages in the amount of five percent (5%) of the amount of such delinquent payment or \$100.00 (whichever is greater) and interest as provided below. The provisions of this Paragraph are intended to govern only the determination of damages in the event of a breach in the performance of the obligation of Permittee to make timely payments hereunder. Nothing in this Permit shall be construed as an express or implied agreement by the Cities to forbear in the collection of any delinquent payment, or be construed as in any way giving Permittee the right, express or implied, to fail to make timely payments hereunder, whether upon payment of such damages or otherwise. The right of the Cities to receive payment of such liquidated and actual damages, and receipt thereof, are without prejudice to the right of the Cities to collect such delinquent payments and any other amounts provided to be paid hereunder or to declare a default hereunder. Further, any amounts owing under this Permit and not paid when due shall bear interest at a rate equal to ten percent (10%) per annum, payable monthly on the first day of each and every month.

3.5 Books and Records. All books, accounts and other records showing the affairs of Permittee with respect to its business transacted at, upon or over the Permit Area (collectively, "Permit Records") shall be maintained in Los Angeles County, and shall be subject to copying, examination, audit and transcription by either City, from time to time. In the event it becomes necessary to make such copying, examination, audit or transcription at any place other than within fifty (50) miles of the Permit Area, then all costs and expenses necessary or incident to such copying, examination, audit or transcription, shall be paid by Permittee. The Permit Records shall be retained during the term of this Permit so that the Permit Records for the four (4) most recent years are available. After this Permit terminates, Permittee shall maintain the Permit Records for the four (4) most recent years for at least two (2) years. Upon request in writing by either City, Permittee shall, within fifteen (15) days of the request, furnish a statement of the exact location of all Permit Records and the name and telephone number of the custodian of the Permit Records. Permit Records will include, but not be limited to, general ledgers, charts of accounts, subledgers including cash receipts journals, cash disbursement journals and all original receipts and documents which support the information provided to the Cities.

4. REVOCABILITY; TERMINATION.

4.1 Revocability without Cause. This Permit is revocable by any party upon one hundred (180) days' written notice to the other parties without cause. Upon revocation or termination of this Permit, Permittee shall vacate, and surrender possession of, the Permit Area (subject to Permittee's obligations under Paragraphs 5 and 7 below). If this Permit is revoked by either City pursuant to this Paragraph 4.1, Permittee shall be entitled to a prorated refund of the Permit Fee for the year in which such revocation occurs. If this Permit is revoked by Permittee pursuant to this Paragraph 4.1, Permittee shall not be entitled to receive back any portion of the Permit Fee already paid by it.

4.2 Termination. The Executive Director of either City may terminate this Permit in the event: (i) Permittee fails to perform any term or condition of this Permit within ten (10) days after written notice from the Cities or either of them; (ii) Permittee makes a general assignment or general arrangement for the benefit of creditors; (iii) a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed by or against Permittee and is not

dismissed within thirty (30) days; (iv) a trustee or receiver is appointed to take possession of substantially all of Permittee's assets located at the Permit Area or of Permittee's interest in this Permit and possession is not restored to Permittee within thirty (30) days; or (v) substantially all of Permittee's assets, or Permittee's interest in the Permit Area are subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days. If any court having jurisdiction in the matter renders a final decision which prevents the performance by the Cities of any of their obligations under this Permit, then any party hereto may terminate this Permit by notice to the other parties. Additionally, a seizure of the Permit Area by the Internal Revenue Service shall automatically terminate this Permit. Upon termination of this Permit: (i) Permittee shall immediately vacate, and surrender possession of, the Permit Area and (ii) all rights and obligations hereunder (with the exception of Permittee's obligations under Paragraphs 5, 7, 14 and 16) shall thereupon terminate.

4.3 Application. This Permit is granted pursuant to an application or applications filed by Permittee with the Cities. If any application or any of the attachments thereto contain any misstatement of fact, which in the judgment of either Executive Director affected the decision to grant this Permit, that Executive Director may terminate this Permit. Termination pursuant to this Paragraph shall not be termination by forfeiture.

4.4 No Relocation Assistance. Permittee understands and agrees that nothing contained in this Permit shall create any right in Permittee for relocation assistance or payment from the Cities upon the termination or revocation of this Permit. Permittee acknowledges and agrees that it shall not be entitled to, and waives any right to, any relocation assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16, of the Government Code of the State of California (Sections 7260 *et seq.*) or any other applicable law with respect to any relocation of its business or activities upon the termination or revocation of this Permit for no reason or any reason whatsoever.

5. FACILITIES; ALTERATIONS.

5.1 General. Permittee, at its cost, may (i) install or construct Facilities on the Permit Area, (ii) alter, repair, relocate, reconstruct or remove Facilities, and (iii) change the intended use of individual pipelines which comprise the Facilities; provided, however, Permittee shall first obtain the written consent of both Executive Directors, which may be withheld in their sole and absolute discretion, and any necessary permits prior to the commencement of any work of improvement, relocation, alteration, removal, repair or use. The Executive Directors shall have the right to execute Permit Supplements to this Permit for additions and deletions of Facilities at rental rates that comport with fair market value of revocable pipeline permits in the same geographic region. Upon execution of any future Permit Supplement substantially in the form of Exhibit E, attached hereto and incorporated herein ("Permit Supplement Template"), an Exhibit A(x) shall also be prepared and attached to this Permit. At the time of its preparation, such Exhibit A(x) shall reflect the current Facilities subject to this Permit. Permittee shall retain title to all such Facilities.

5.2 Port of Los Angeles Harbor Engineer Permit. All excavation and/or construction work undertaken on property owned by the City of Los Angeles Harbor Department

requires the Permittee obtain, pay for, and abide by the terms and conditions of the Harbor Engineer Permit. Notwithstanding any other provision of this Permit, no such work is authorized on property owned by City of Los Angeles Harbor Department without Permittee obtaining said Harbor Engineer Permit.

5.3 Port of Long Beach Harbor Development Permit. Notwithstanding any other provision of this Permit, if Permit Area, or any portion thereof, is within the Port of Long Beach Harbor District, all excavation and/or construction work related to the Permitted Use within such Permit Area requires the Permittee obtain, pay for, and abide by the terms and conditions of a Port of Long Beach Harbor Development Permit. No work is authorized on property within the Port of Long Beach Harbor District without Permittee obtaining said Port of Long Beach Harbor Development Permit.

5.4 Plans. The Facilities shall be installed only in accordance with approved plans and specifications previously submitted to the Cities with the application for this Permit. Permittee shall proceed diligently and in a workmanlike manner in the installation, repair, relocation, reconstruction or removal of the Facilities. Any and all work shall be done by Permittee in accordance with all applicable Laws (as defined in Paragraph 9 below).

5.5 Damage; Repair. If the Facilities become damaged or malfunction, Permittee, at its cost, shall immediately make such repairs as will insure the future safe and proper operation of the Facilities. Permittee shall perform such cleanup and repairs as shall be required by the Cities.

5.6 As-Built Drawings.

5.6.1 Within thirty (30) days after the completion of the installation of the Facilities, Permittee shall furnish to Cities four (4) sets of survey notes and "as-built" drawings, signed by a California licensed land surveyor, who shall certify to the correctness of the horizontal and vertical alignment of the Facilities.

5.6.2 All of the "as-built" drawings furnished pursuant to Paragraph 5.6.1 shall be drawn to a scale in which the number of feet per inch shall not exceed two hundred (200). The drawings shall show the accurate alignment of the Facilities by centerline traverses. The elevations of the tops of the Facilities shall be shown on the drawings. All survey work, both horizontal and vertical, shall be to the latest third order of accuracy as established by the National Geodetic Survey.

5.6.3 In the event Permittee is granted permission to install, relocate or remove pipelines, tanks or pressure vessels, Permittee shall furnish to the Cities, in addition to the "as-built" drawings thereof required by this Paragraph, four (4) sets of revised composite drawings drawn to a scale in which the number of feet per inch does not exceed two hundred (200). The revised composite drawings shall be submitted on or before March 1 of each calendar year this Permit remains in force and effect and shall show all pipelines owned or operated by Permittee and the total lineal footage thereof in existence as of December 31 of the calendar year just ended.

5.6.4 Where applicable, "as-built" drawings shall be available at the Permit Area at all times and copies thereof shall be provided to the Cities upon thirty (30) days' written notice.

5.7 Removal Upon Termination; Restoration. No later than the date upon which this Permit terminates (the "Termination Date"), Permittee, at its cost, shall remove the Facilities and any personal property placed by it on the Permit Area and restore the Permit Area to a condition acceptable to both Cities. Permittee shall repair, at Permittee's expense, any damage to the Permit Area caused by the removal of any Facilities or personal property. Permittee understands and agrees it is responsible for complete restoration of the Permit Area, including the clean-up of any Hazardous Substances (as defined in Paragraph 7.1 below) required pursuant to Paragraph 7 on or before the Termination Date. If, for any reason, removal of Facilities and personal property from the Permit Area or restoration of the Permit Area is not completed by the Termination Date, then Permittee is obligated to pay the Cities, as compensation during such restoration, a permit fee in an amount equal to the then fair market rental value of the Permit Area as reasonably determined by the Executive Directors; however, the new permit fee shall not be less than provided in Paragraph 3. Additionally, if the Facilities and any personal property of Permittee have not been removed and the Permit Area not restored to an acceptable condition by the Termination Date, the Cities shall have the right, but not the obligation, to remove any such property and to restore the Permit Area at Permittee's expense. Permittee shall pay to the Cities, upon demand, all costs incurred by the Cities in removing such property and restoring the Permit Area, together with interest from the date the Cities incur any cost or expense, at the maximum rate allowed by law on any such sum. The restoration requirements of Paragraph 5.7 shall apply to Permittee whether improvements were installed by Permittee or any prior users of the premises.

5.8 Restoration Plan. Upon request of either Executive Director, Permittee shall, at its expense, provide to the Cities a site characterization study and site restoration plan in a form acceptable to the Cities. The study and plan shall be used in part by the Cities to determine if Permittee has breached its obligations pursuant to Paragraph 7 below.

5.9 Waiver. The Cities, at their election, may waive the requirement that Permittee remove all or a portion of the Facilities or personal property from the Permit Area and that Permittee restore the Permit Area. However, unless such waiver is in writing executed by both Cities stating such waiver is "permanent and final," Cities reserve the right to require Permittee at any time in the future to remove all or a portion of the Facilities or personal property from the Permit Area or to restore the Permit Area despite such waiver.

5.10 Removal; Relocation. Whenever and as often as the Executive Directors deem convenient or necessary, Permittee, at its cost, shall remove, relocate or alter the Facilities constructed on the Permit Area and restore the Permit Area. Permittee shall commence such removal, alteration or change of location within sixty (60) days after written notice from the Executive Directors, and shall proceed to complete such work with due diligence.

5.11 Failure to Commence Work. In case Permittee fails to commence work in compliance with the notice given pursuant to Paragraph 5.10 within sixty (60) days after such notice (unless Permittee is unable to comply with such instructions due to strikes, riots, acts of God or acts of public enemies), the Executive Directors may, but shall not be required to, cause

the work required in such notice to be done; and Permittee agrees to pay the Cities' cost thereof within thirty (30) days after delivery of an itemized bill.

5.12 Rules Governing Pipelines. After installation, and in any event for the duration of this agreement, Permittee shall comply with pipeline testing and inspection requirements of the Pipeline Code, the Pipeline Safety Act, the California Public Utilities Code, California Public Utilities Commission regulations for pipelines, any other state and/or federal agency not mentioned above, and as required by the California State Fire Marshal (CSFM) under the Pipeline Safety Act. The Cities reserve the right to request tests for facilities not under the direct authority of the CSFM, the California Public Utilities Commission, the Federal Office of Pipeline Safety (FOPS), and the State of California Bureau of Conservation/Division of Oil, Gas, and Geothermal Resources (DOGGR).

5.13 Location of Subsurface Pipelines and Structures. Upon at least two (2) days' written notice from the Executive Directors, Permittee shall commence exploration for any subsurface structures under Permittee's control or servicing Permittee's operation within the Permit Area. Exploration and preparation of all documentation recording the location of substructures shall be completed within the time specified in the notice. The subsurface exploration shall verify the vertical and horizontal location of all substructures. Documentation reflecting the results of the exploration shall be provided to the Executive Directors. If Permittee fails or refuses within the time specified in the notice to begin or fails to prosecute diligently to complete the work of locating any substructure under Permittee's control or servicing Permittee's operation within the Permit Area, the Cities shall have the right to enter onto the Permit Area and perform the work designated in the notice. All subsurface exploration required by the provisions contained herein, whether performed by Permittee or the Cities, shall be performed at Permittee's expense. In addition, Permittee agrees to bear the cost of any and all damage of whatever nature caused by any act, omission or negligence of the Cities and any and all of their boards, officers, agents, consultants, and employees in the performance of the subsurface exploration as required by this provision. Notwithstanding any work performed by the Cities or the Cities' contractors under this provision, Permittee shall remain obligated to maintain the Permit Area in a safe condition, both during and after completion of the work.

5.14 Pipeline Tests or Inspections. Within thirty (30) days from the commencement date of the permit, Permittee shall provide the Executive Directors with a master schedule showing dates for pipeline testing and inspection(s) in accordance with the requirements referenced in Paragraph 5.12 above. The master schedule shall include an itemized list with corresponding line item reference numbers for each pipeline covered under the subject permit, corresponding required test(s) or inspection(s), date(s) of test(s) or inspection(s), method(s) of test(s) or inspection(s), applicable agency, the frequency of required test(s) or inspection(s), and the California State Fire Marshal Line No. and the California State Fire Marshal Test ID No., if applicable. If Permittee's existing pipelines are modified, or new pipelines are added to Permittee's premises, Permittee shall provide Cities with written notice, including an updated master schedule with any addition or subtraction of pipelines. This notice should cover testing or inspection requirements of all agencies mentioned in Paragraph 5.12, as well as any other additional required test(s) or inspection(s).

If Permittee's pipeline test(s) or inspection(s) are approved by the applicable agency requiring or overseeing the test(s) or inspections(s), Permittee shall confirm in writing approval of the test(s) or inspections(s) and/or submit documentation including master schedule reference number for pipeline(s) being reported on, date(s) of test(s) or inspection(s), method(s) of test(s) or inspection(s) and general non-technical summary of results.

Permittee shall submit a summary of its certified test or inspection approval results to the Executive Directors within thirty (30) days after they have been approved by the agencies which required the pipeline testing or inspection(s), and the records of such test(s) shall be retained by Permittee for as long as is required by applicable law, but in any event not less than three (3) years. Records of all tests will be made available for inspection by the Executive Directors or their designees at their request.

If Permittee's pipeline test(s) or inspection(s) are disapproved, and/or there are irregularities with Permittee's pipeline test(s) or inspection(s), indicating a leak or other operational deficiency, Permittee shall notify the Executive Directors within three (3) days of disapproval and/or receipt of test(s) or inspection(s) results with a non-technical summary of the results including the circumstances that resulted in the disapproval or test(s)/inspection(s) irregularities as well as all test documentation produced and a description and schedule for implementation of corrective action as directed by the applicable agency requiring or overseeing the test(s) or inspection(s).

5.15 Guide Wires Used During Construction. Permittee will submit a description of the procedures for the placement of any horizontal directional drill guide wires across the Permit Area no less than thirty (30) days prior to the anticipated start of construction, such procedures to be approved in writing by the Cities and ACTA (as hereinafter defined in Paragraph 13.2) as a condition precedent to the start of construction. Such guide wires must be insulated and placed a minimum of 6" below the bottom of the rail. Permittee will coordinate with ACTA during the installation of the guide wires and such installation will be subject to the approval of ACTA.

6. MAINTENANCE. The Cities have no duty to make any improvement or repair to the Permit Area or any improvements thereon. Permittee's sole and exclusive remedy by reason of any condition of the Permit Area (whether such condition now or hereafter exists) shall be to terminate this Permit and vacate the Permit Area. Any and all uses of the Permit Area by Permittee, its agents, contractors and their employees shall be at their sole risk, cost and expense. Permittee, at its cost, shall keep and maintain the Permit Area and all Facilities thereon during its use and occupancy thereof, in good order, condition and repair, free and clear of all rubbish, debris and litter.

7. HAZARDOUS SUBSTANCES.

7.1 Hazardous Substances. As used in this Permit, the term "Hazardous Substance" means any product, substance, chemical, material or waste, the presence, nature, quantity and/or intensity of which, either by itself or in combination with other materials on the Permit Area, is either: (i) potentially injurious to the public health, safety or welfare, the

environment or the Permit Area; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of the Cities to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, any substance or material deemed hazardous or toxic pursuant to any federal or state statute or regulation, including but not limited to hydrocarbons, petroleum, gasoline, crude oil or any products or by-products thereof. Permittee shall not direct, suffer or permit any of its agents, contractors, employees, licensees, or invitees at any time to handle, use, manufacture, store, release or dispose of any Hazardous Substances in or about the Permit Area.

7.2 Notification; Removal. During its use and occupancy of the Permit Area, Permittee shall notify the Executive Directors within two (2) days following the release of any Hazardous Substances onto or from the Permit Area. Upon the release, discharge or spill of any Hazardous Substances arising from or caused by Permittee, its employees, agents, invitees or affiliated predecessors in interest, Permittee, at its cost, shall promptly remove and/or remediate and dispose of all such Hazardous Substances in accordance with the provisions of Paragraph 7.3 below, and restore the Permit Area to the condition it was in prior to the release of the Hazardous Substances. Permittee also agrees to provide to the Cities a surety bond to assure removal of such Hazardous Substances from the Permit Area if at any time the Cities demand such bond.

7.3 Excavation. If Permittee discovers or believes that any material being excavated from the Permit Area contains any Hazardous Substances, Permittee, at its cost, shall: (i) promptly notify both Executive Directors of Permittee's discovery or belief; (ii) at the request of either Executive Director, initiate chemical and/or physical analyses of the suspected Hazardous Substances; (iii) promptly submit all laboratory or other test results upon receipt thereof to both Executive Directors; (iv) develop and submit, for approval by both Executive Directors, a remediation plan providing for the disposal and/or treatment of the hazardous materials; (v) treat and dispose of or remove the Hazardous Substances in accordance with all applicable federal, state and local laws; (vi) if Hazardous Substances are removed, replace the same with clean, structurally suitable fill material and cause the excavation to be backfilled and compacted; and (vii) promptly submit copies of all waste manifests to both Executive Directors. Waste manifests shall identify Permittee and its contractors, not the Cities, as the generator of any Hazardous Substances removed pursuant to this provision.

8. UTILITIES. Permittee shall pay all charges for services or utilities furnished to the Permit Area or used in connection with its occupancy, and shall pay all deposits, connection fees, charges and meter rentals required by the supplier of any such service, including the Cities.

9. LEGAL COMPLIANCE. Permittee shall comply with all applicable laws, regulations, ordinances, rules, policies, guidelines, specifications, procedures and orders of any government entities including the mitigation and reporting requirements set forth in Exhibit H attached hereto ("Laws") in connection with its use and occupancy of the Permit Area and obtain all necessary licenses, consents and permits from all federal, state and local governmental authorities having jurisdiction over the Permit Area and Permittee's activities thereon.

10. NO ASSIGNMENT. Permittee shall not assign, sublet or transfer this Permit or any interest herein (whether by operation of law or otherwise) without the prior written consent of

the Cities. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting control of Permittee shall constitute an assignment for this purpose. Any attempted transfer or assignment without the prior written consent of the Cities shall be void and confer no rights whatsoever upon a transferee or assignee. In addition, Cities shall have the right to terminate this Permit if any assignment or transfer, whether voluntary, by operation of law, or otherwise is made or attempted without the prior written consent of the Cities. Each request for consent to an assignment shall be in writing, accompanied by information relevant to the Cities' determination as to the financial and operational responsibility and appropriateness of the proposed assignee, including but not limited to the intended use and/or required modification of the Permit Area, if any, together with a nonrefundable processing fee of Three Thousand Dollars (\$3,000) or ten percent (10%) of the current annual Permit Fee applicable to the Permit Area which are the subject of the proposed assignment, whichever is greater, as consideration for the Cities considering and processing the request. Permittee agrees to provide to the Cities such other or additional information and/or documentation pertaining to the requested consent as may be reasonably requested by the Cities.

11. ACCESS. The Cities' representatives shall have access to and across the Permit Area during normal business hours and, in the event of an emergency, at any other time for inspection, repair of publicly owned utilities and structures and for fire and police department purposes.

12. RIGHTS-OF-WAY. The Permit Area is subject to all existing and future rights of way and entry thereon for the installation, relocation, removal, operation and maintenance of rail lines, sewers, pipelines, conduits, and telephone, telegraph, light, heat and power lines (whether underground or overhead).

13. RAILROAD APPROVAL AND NOTICE, EMERGENCY NOTIFICATION.

13.1 Rail Carrier Approval. In non-emergency situations, Permittee shall obtain the written approval from the rail carriers that operate on the rail line traversing the Permit Area ("Railroads") prior to the commencement of any work within the Permit Area in connection with the construction, repair, renewal, modification, reconstruction, relocation or removal of the Facilities, excepting only periodic inspection of the Facilities. Permittee shall comply with all permits, notifications, protective and safety requirements imposed by the Railroads, and Permittee shall pay all associated costs. In addition, the Cities have included in this Permit, certain Safety Protocols, hereto attached as Exhibit C. Permittee agrees to perform all safety precautions, approvals and notices associated with activities in the vicinity of the rail lines as set forth in Exhibit C. Exhibit C may be updated from time to time by the Executive Directors or their designees upon fourteen (14) days written notice to Permittee.

13.2 Alameda Corridor. If an emergency should arise requiring immediate attention for Permit Area in the Alameda Corridor, Permittee shall call the maintenance contractor for the Alameda Corridor Transportation Authority ("ACTA"), presently Balfour Beatty at (562) 285-0366; the ACTA Construction and Maintenance Manager at (323) 855-8068; ACTA at (562) 247-7777; and Pacific Harbor Line's ("PHL") Badger Bridge at (310) 830-0660.

14. INDEMNIFICATION

14.1 Permittee shall indemnify, protect and hold harmless (a) the Cities; (b) ACTA; (c) the Railroads; and (d) each of their respective council members, mayors, trustees, boards, officers, employees, agents, contractors, property managers, representatives and designees (collectively, "Indemnified Parties") from and against any and all liability, claims, demands, damages, loss, obligations, causes of action, proceedings, awards, fines, judgments, penalties, costs and expenses, including claims or demands of economic damages or losses, and including attorneys' fees, court costs, expert and witness fees, and other costs and fees of litigation, arising or alleged to have arisen, in whole or in part, out of or in connection with (i) the issuance of this permit and corresponding environmental document review, issuance of findings and the filing of a Notice of Determination under the California Environmental Quality Act, (ii) the use of the Permit Area or any equipment or materials located thereon, or from operations conducted thereon by Permittee, its agents, employees or invitees, or by any person or persons acting on behalf of Permittee and with Permittee's knowledge and consent, express or implied, (iii) the condition or state of repair and maintenance of the Permit Area; (iv) the construction, improvement or repair of the improvements and facilities on the Permit Area by Permittee, its officers, employees, contractors, agents or invitees, or by any person or persons acting on behalf of Permittee and with Permittee's knowledge and consent, express or implied; (v) Permittee's failure or refusal to comply with the provisions of Section 6300 et seq. of the California Labor Code or any federal, state or local regulations or laws pertaining to the safety of the Permit Area or of equipment located upon the permit area; or (vi) the detection or presence of any hydrocarbon contaminants in the soil or water in the Cities' Railroad Right of Way area, regardless of whether the source of the contaminants have been identified or whether the contaminants are related to the actions authorized by this Permit (collectively "Claims" or individually "Claim"). Permittee recognizes that this broad indemnity provision is a major inducement and consideration for the Permit and permission herein granted.

14.2 In addition to Permittee's duty to indemnify, Permittee shall have a separate and wholly independent duty to defend Indemnified Parties at Permittee's expense by legal counsel approved by Cities, from and against all Claims, and shall continue this defense until the Claims are resolved, whether by settlement, judgment or otherwise. This duty to defend shall continue even if Permittee establishes to the satisfaction of the Indemnified Parties that Permittee's facilities and authorized activities set forth in this Permit are unrelated to the presence of hydrocarbon contaminants in the soil or water of the Cities' Railroad Right of Way. No finding or judgment of negligence, fault, breach, or the like on the part of Permittee shall be required for the duty to defend to arise or continue. City shall notify Permittee of any Claim, shall tender the defense of the Claim to Permittee, and shall assist Permittee, as may be reasonably requested, in the defense. Nothing in this provision precludes Permittee from seeking contribution from parties other than the Indemnified Parties whose facilities may have contributed, in whole or in part, to the contamination (see subparagraph 14.1 (a)(v) above). Permittee recognizes that this broad duty to defend provision is a major inducement and consideration for the Permit and permission herein granted.

14.3 If a court of competent jurisdiction determines that a Claim was caused by the willful misconduct of one or more Indemnified Parties, Permittee's costs of defense and

indemnity shall be reduced by the percentage of willful misconduct attributed by the court to such Indemnified Parties.

14.4 The provisions of this Paragraph 14 shall survive the expiration or termination of this Permit.

15. INSURANCE.

15.1 Specific Coverages Required. As a condition precedent to the effectiveness of this Permit, Permittee shall procure and maintain in full force and effect during the term of this Permit the types and levels of insurance described below. The required insurance and the documents provided as evidence thereof shall be in the name of Permittee as indicated on this Permit. If policies are written with aggregate limits, the aggregate limit shall be at least twice the occurrence limits or as specified below. Excess or umbrella policies, if used, shall be in the following form and shall provide coverage that is equal to or broader than the underlying coverage.

15.1.1 Commercial General Liability. Commercial General Liability insurance shall be provided on Insurance Services Office (ISO) CGL Form No. CG 00 01 or the equivalent, including provisions for defense of Additional Insureds and defense costs in addition to limits. Policy limits shall be no less than ten million dollars (\$10,000,000) per occurrence for all coverage provided and twenty million dollars (\$20,000,000) general aggregate. Coverage shall be included on behalf of the insured for claims arising out of the actions of independent contractors. The policy shall contain no provisions or endorsements limiting coverage for contractual liability or third party over action claims. The policy shall not limit coverage for the additional insured to "ongoing operations" or in any way exclude coverage for completed operations, explosion, collapse, or underground hazards. Defense costs shall be excess of limits. The policy must include work performed "by or on behalf" of the Permittee. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the Cities or any employee or agent of the Cities. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall not exclude contractual liability, restrict coverage to the sole liability of Permittee or contain any other exclusion contrary to this Permit. If this coverage is written on a claims-made basis, the retroactive date shall precede the effective date of this Permit. Continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Permit.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement unless agreed to in writing by the Executive Directors. Permittee agrees to provide written notice as required by this paragraph within 24 hours of initiating cancellation or receiving notice of cancellation from its insurer, insurance broker, or insurance agent.

The policy of insurance shall be endorsed as follows:

Additional Insured: The Indemnified Parties shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured using ISO Forms CG 20 10 (2004) and

CG 20 37 (2004) or their equivalent.

Additional Insured endorsements shall not: 1) be limited to "on-going operations", 2) exclude "Contractual Liability", 3) restrict coverage to the sole liability of the Permittee, or 4) contain any other exclusion contrary to this Permit.

15.1.2. Environmental Impairment Liability Insurance. Environmental Impairment Liability insurance shall be provided on an Environmental Impairment Liability policy form or other policy form acceptable to City providing coverage for liability caused by pollution conditions arising out of the operations of Permittee. Coverage shall apply to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. The policy limit shall be no less than twenty-five million dollars (\$25,000,000) per claim and twenty-five million dollars (\$25,000,000) general aggregate.

All activities contemplated in the Permit shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the Permit Area to the final disposal location, including non-owned disposal sites. Coverage shall be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using Subcontractors, coverage must include work performed "by or on behalf" of the insured. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the Cities or any employee or agent of the Cities.

If this coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the Permit with the Port and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Permit.

The policy of insurance required above shall be endorsed as follows:

Additional Insured: The Indemnified Parties shall be added as additional insureds with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured. Additional Insured endorsements shall not: 1) be limited to "on-going operations", 2) exclude "Contractual Liability", 3) restrict coverage to the sole liability of the Permittee, or 4) contain any other exclusion contrary to the Permit.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement until a thirty (30) day advance written notice of cancellation has been served upon the respective Executive Directors, except ten (10) days advance written notice shall be allowed for non-payment of premium.

15.1.3 Business Automobile Insurance. Automobile Liability Insurance shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (8 & 9) (Hired and Non-Owned). Limit shall be no less than one million dollars (\$1,000,000) combined single limit per accident. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or

excess, available to City or any employee or agent of the Cities. If Permittee does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies provided that a separate policy limit is provided for this coverage as required by this Permit.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement unless jointly agreed to in writing by the Cities. Permittee agrees to provide written notice as required by this paragraph within 24 hours of initiating cancellation or receiving notice of cancellation from its insurer, insurance broker, or insurance agent.

The policy of insurance required above shall be endorsed as follows:

Additional Insured: The Indemnified Parties shall be added as additional insureds with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured.

Additional Insured endorsements shall not: 1) be limited to "on-going operations", 2) exclude "Contractual Liability", 3) restrict coverage to the sole liability of the Permittee, or 4) contain any other exclusion contrary to this Permit.

15.1.4 Workers' Compensation. Workers' Compensation Insurance, as required by the State of California, and Employer's Liability Insurance with a limit of not less than one million dollars (\$1,000,000) per accident for bodily injury and disease.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement unless agreed to in writing by the Cities. Permittee agrees to provide written notice as required by this paragraph to the Cities within 24 hours of initiating cancellation or receiving notice of cancellation from its insurer, insurance broker, or insurance agent.

The policy of insurance required above shall be endorsed as follows:

Waiver of Subrogation: The waiver of subrogation shall state that the insurer waives all rights of subrogation against the Indemnified Parties.

15.2 General Requirements

15.2.1 Deductible/Self-Insured Retention. Any deductible or self-insured retention must be approved in writing by the Executive Directors and shall protect the Indemnified Parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. Any deductible or self-insured retention must be approved in writing in accordance with the Cities' insurance guidelines.

15.2.2 Evidence of Insurance.

15.2.2.1 City of Long Beach. The Permittee, concurrently with

the execution of, and as a condition precedent to, the effectiveness of this Permit, shall deliver either endorsements on forms approved by the City of Long Beach acting by and through its Board of Harbor Commissioners ("Evidence of Insurance") or certified copies of the required policies containing the terms and conditions required by this contract to the Executive Director of the Port of Long Beach for approval as to sufficiency and to the City Attorney of the Port of Long Beach for approval as to form.

15.2.2.2 City of Los Angeles. For the City of Los Angeles, electronic submission is the required method of submitting Permittee's insurance documents. Track4LA® is the City's online insurance compliance system. The system uses the standard insurance industry form known as the ACORD 25 Certificate of Liability Insurance in electronic format. Permittee's insurance broker or agent shall obtain access to Track4LA® at <http://track4la.city.org> and follow the instructions to register and submit the appropriate proof of insurance on Permittee's behalf.

15.2.2.3 Both Cities. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance has been renewed or extended shall be filed with the Executives.

15.3 Failure to Maintain Coverage. Permittee agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been approved by the Cities.

15.4 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A-:VII and authorized to do business in the State of California or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing in accordance with the Cities' insurance guidelines.

15.5 Contractual Liability. The coverage provided shall apply to the obligations assumed by the Permittee under the indemnity provisions of this contract but this insurance provision in no way limits the indemnity provisions and the indemnity provisions in no way limit this insurance provision.

15.6 Adjustment. Not more frequently than once each year, if in the opinion of either Executive Director the coverages or the limits of insurance described in this Paragraph are not adequate, Permittee shall modify the insurance coverage or the limits as required by either Executive Director.

15.7 Accident Reports. Permittee shall report in writing to Cities within fifteen (15) days after it, its officers or managing agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of Fifty Thousand Dollars (\$50,000) to property, occurring upon the Premises, or elsewhere within the Harbor Districts, if Permittee's officers, agents or employees are involved in such an accident or occurrence while undertaking the permitted uses. Such report shall contain to the extent available: (1) the name and address of the persons involved; (2) a general statement as to the nature and extent of injury or damage; (3) the date and hour of occurrence; (4) the names and addresses of

known witnesses; and (5) such other information as may be known to Permittee, its officers or managing agents.

16. CREDIT ENHANCEMENT.

16.1. Faithful Performance Bond. As a further condition precedent to this Permit becoming effective for any purpose, Permittee shall furnish, on or before the Effective Date and shall keep in full force and effect, while the Permit shall remain in effect, a corporate surety bond in the sum of Five Million Dollars (\$5,000,000) substantially in the form of Exhibit F attached hereto, or, in lieu of such surety bond, Permittee may deposit with the Cities an equivalent amount in cash or a letter of credit, conditioned upon and to assure Permittee's full, prompt and faithful performance of all the terms, covenants and conditions of this Permit on Permittee's part to be kept and performed.

16.1.1 Any such surety bond submitted to the Cities pursuant to this Paragraph shall be procured from a surety company authorized to transact a surety business in the State of California and shall be submitted to the Executive Directors for approval as to form and sufficiency. The surety company issuing said bond may terminate said bond on any anniversary date by giving said Executive Directors written notice of its intention to do so at least thirty (30) days prior to the next anniversary date of said bond, and said bond shall thereupon terminate on such anniversary date. In the event any surety bond is terminated as provided above, Permittee shall, on or before the effective date of such termination, either procure another surety bond acceptable to the Executive Directors, or submit a cash deposit or a letter of credit in the amount and in accordance with the conditions set forth herein.

16.1.2 Any cash or security deposited with the Cities pursuant to the provisions hereof may be used by the Cities to compensate them for any loss or damage resulting from Permittee's failure to fully, promptly and faithfully perform to the satisfaction of either Executive Director all of the terms, covenants and conditions of this Permit on Permittee's part to be kept and performed. The Cities' obligations with respect to any cash deposit are those of a debtor and not a trustee. The Cities shall not be required to pay Permittee interest on a cash deposit.

16.1.3 In the event of termination of this Permit, and any part of the cash or letter of credit remains unused after the Cities' loss or damage has been fully compensated, as provided above, such remaining cash or security shall be returned to Permittee within ninety (90) days after said termination. Should the Executive Directors determine that no default has occurred and the Cities have not been damaged by any of Permittee's acts hereunder, then the Cities shall return the cash or security in its possession within ninety (90) days after termination of this Permit. Should the cash or security on deposit with the Cities hereunder be insufficient to compensate the Cities for their loss due to Permittee's failure to comply with the terms, covenants, and conditions of this Permit, Permittee shall be liable for any deficiencies resulting therefrom.

16.1.4 In the event said cash or letter of credit is used by the Cities to compensate themselves for any loss or damage resulting from Permittee's failure to perform all

of the terms, covenants, and conditions of this Permit on Permittee's part to be kept and performed, to the satisfaction of the Executive Directors, and said Permit is not terminated by reason of said failure to perform, Permittee shall deposit additional cash or security with the Cities forthwith so as to maintain on deposit at all times cash or security in the amount of \$5 million.

16.1.5 In the event Permittee shall request permission to extend or lay additional pipelines and should the Cities require, as a condition to the issuance of any such permission, that the amount of the bond be increased, then the amount of said bond, cash, or other security shall be increased by the amount required by the Cities.

16.2 Guaranty. As a further condition precedent to this permit becoming effective for any purpose, Permittee's parent corporation, Andeavor Logistics LP, a Delaware limited partnership, shall furnish, on or before the Effective Date and shall keep in full force and effect, while the Permit shall remain in effect, a guaranty substantially in the form of Exhibit G attached hereto.

17. TAXATION. THIS PERMIT MAY CREATE A POSSESSORY INTEREST IN FAVOR OF PERMITTEE, WHICH MAY BE SUBJECT TO TAXES. PERMITTEE SHALL PAY, PRIOR TO DELINQUENCY, ANY SUCH TAXES, AND ANY OTHER ASSESSMENTS OF WHATEVER CHARACTER LEVIED UPON ANY INTEREST CREATED BY THIS PERMIT. PERMITTEE SHALL ALSO PAY ALL LICENSE AND PERMIT FEES REQUIRED FOR THE CONDUCT OF ITS OPERATIONS. PERMITTEE SHALL DELIVER SATISFACTORY EVIDENCE OF ALL SUCH PAYMENTS TO EACH EXECUTIVE DIRECTOR UPON DEMAND.

18. NOTICE. Any notice, demand, request, consent or communication that any party desires or is required to give to the other parties shall be in writing and either be served personally, by facsimile transmission with electronic verification of transmission, or sent by prepaid, certified mail, addressed as follows:

To the Cities: Executive Director
 Long Beach Harbor Department
 4801 Airport Plaza Drive
 Long Beach, CA 90815
 Fax No.: (562) 283-7451

And: Executive Director
 Los Angeles Harbor Department
 425 South Palos Verdes Street
 San Pedro, CA 90731
 Fax No.: (310) 831-6936

With copies to: Port of Long Beach
4801 Airport Plaza Drive
Long Beach, CA 90815
Attention: Director of Real Estate
Fax No.: (562) 283-7451

Port of Los Angeles
425 South Palos Verdes Street
Post Office Box 151
San Pedro, CA 90731
Attention: Director of Cargo/Industrial Real Estate
Fax No.: (310) 547-4611

Cal Pacific Land Services, Inc.
7245 Garden Grove Blvd., Ste. M
Garden Grove, CA 92841
Attn: Ports' Property Manager
Fax No.: (714) 799-0500

Or such other Property Management firm as may be designated by the Cities from time to time.

To Permittee: Tesoro SoCal Pipeline Company LLC
6 Centerpointe Drive, 5th Floor
La Palma, CA 90623
Attn: Manager, Right of Way & Real Estate
Ann.Kulikoff@andeavor.com
Fax: (714) 880-1886

With a copy to: Tesoro SoCal Pipeline Company LLC
19100 Ridgewood Parkway
San Antonio, TX 78259
Attn: Legal Department (Real Estate)

Any party may change its address by notifying the other parties of the change of address in accordance with this Paragraph. Notice shall be deemed communicated upon delivery if personally served or given by facsimile transmission and within seventy-two (72) hours from the time of mailing if mailed as provided in this Paragraph.

19. **NO DISCRIMINATION.** Permittee agrees, and as a condition to the continuance of this Permit, that it shall not discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition or in any manner prohibited by any applicable law, including any laws established by the Cities. Permittee hereby agrees to comply with all reporting requirements

related to such laws. Any contracts relating to the Permit Area entered into by Permittee shall contain this provision. The provisions of Section 10.8.4 of the Administrative Code of the City of Los Angeles are attached hereto as Exhibit D, and are hereby incorporated herein and made a part hereof.

20. CONFLICT OF INTEREST. It is understood and agreed that the parties to this Permit have read and are aware of the provisions of Sections 1090 *et seq.* and Sections 87100 *et seq.* of the Government Code relating to conflict of interest of public officers and employees, as well as the conflict of interest policies of the Cities. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of the Cities relating to this Permit. Notwithstanding any other provision of this Permit, it is further understood and agreed that if such a financial interest does exist at the inception of or at any time during the continuance of this Permit, the Executive Director of either City may immediately terminate this Permit by giving notice to Permittee. Termination pursuant to this Paragraph shall not be termination by forfeiture.

21. MISCELLANEOUS PROVISIONS.

21.1. Effect of Waiver. No waiver by any party at any time of any terms or conditions of this Permit shall be a waiver at any subsequent time of the same or any other term or condition. The acceptance of a late Permit Fee by the Cities shall not be deemed a waiver of any other breach by Permittee of any term or condition of this Permit other than the failure of Permittee to make timely the particular payment so accepted.

21.2 Termination of Prior Agreements. Deleted.

21.3 Costs of Cities. Whenever this Permit requires Permittee to reimburse the Cities for costs of the Cities, such costs are agreed to include all direct and indirect costs which the Cities incur whether with the Cities' own forces or with independent contractors. These costs include salaries and all other costs the Cities incur for their employees, including attorneys, all material and equipment costs, together with an administrative handling charge and allocation of general overhead expense as determined by the Cities in good faith.

21.4 No Joint Venture. Nothing contained in this Permit shall have the effect of creating a joint venture or partnership between or among the parties, or of rendering one liable for any of the debts or obligations of any other, unless expressly provided in this Permit. Further, nothing contained in this Permit shall have the effect of creating a joint venture or partnership between the Cities or to render either of such entities liable for the debts, obligations or actions of the other, nor shall either the City of Los Angeles or the City of Long Beach be liable or responsible hereunder for any default, failure of performance, action or inaction of the other solely as a result of this Permit.

21.5 Actions of the Cities. All actions (except as otherwise specified in this Permit), approvals, decisions and consents of the Cities under this Permit shall require the consent of both the City of Los Angeles and the City of Long Beach in the Cities' sole and absolute discretion.

21.6 Governing Law; Venue. This Permit shall be governed by and construed in accordance with the laws of the State of California, without reference to the conflicts of law rules and principles of such State. The parties agree that all actions or proceedings arising in connection with this Permit shall be tried and litigated exclusively in the State and Federal courts located in the County of Los Angeles, State of California, in the judicial district required by court rules. The aforementioned choice of venue is intended by the parties to be mandatory and not permissive in nature, thereby precluding the possibility of litigation between the parties with respect to or arising out of this Permit in any jurisdiction other than that specified in this Paragraph, except that the Cities or either of them may in their sole and absolute discretion file and pursue actions in other forums in order to obtain such relief as the Cities or either of them deem appropriate.

21.7 Construction; Headings. The language in all parts of this Permit shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the parties. Paragraph headings in this Permit are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Permit. Whenever required by the context of this Permit, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter genders shall each include the other. References in this Permit to days shall mean calendar days unless otherwise expressly provided.

21.8 Severability. Each provision of this Permit shall be interpreted so as to be effective and valid to the fullest extent possible. In the event, however, that any provision contained herein shall for any reason be held invalid, illegal or unenforceable in any respect, then, in order to effect the purposes of this Permit it shall be construed as if such provision had never been contained herein.

21.9 Amendments. This Permit shall not be altered, modified, or amended except by an instrument in writing, agreed to and signed by all parties. Any such alterations, modifications, or amendments are subject to all applicable approval processes required by, without limitation, either of the Cities' Charter and Administrative Codes.

21.10 No Liens. Permittee shall pay or cause to be paid all costs and charges for work done by it or caused to be done by it in, on, or to the Permit Area and for all materials furnished for or in connection with such work. Permittee shall keep the Permit Area free from any mechanics' liens, vendors' liens or any other liens arising out of any work performed, materials furnished or obligations incurred by Permittee. In the event that there shall be recorded against the Permit Area or the property of which the Permit Area is a part any claim or lien arising out of any such work performed, materials furnished or obligations incurred by Permittee and such claim or lien is not removed or discharged, or Permittee has not provided a bond therefor, within ten (10) days of filing, the claim or lien shall constitute a default hereunder and the Cities shall have the right but not the obligation to pay and discharge the lien without regard to whether such lien shall be lawful or correct. Nothing contained in this Permit shall be deemed the consent or agreement of the Cities to subject the Cities' interest in the Permit Area to liability under any mechanics' or other lien law.

21.11 Signs. Except for signs, markings and notices required by agencies with jurisdiction, Permittee shall not install, place, inscribe, paint or otherwise attach any sign, advertisement, notices, marquee or awning on any part of the Permit Area without the prior written consent of the Cities.

21.12 Security Measures. Permittee hereby acknowledges that the Permit Fee payable to the Cities hereunder does not include the cost of guard service or other security measures, and that the Cities have no obligation whatsoever to provide security. Permittee assumes all responsibility for the security and protection of the Permit Area, Permittee, its agents and invitees and their property from the acts of third parties.

21.13 Small/Very Small Business Enterprise Program. It is the policy of the City of Los Angeles to provide Small Business Enterprises (SBE), Very Small Business Enterprises (VSBE) and Minority-Owned, Women-Owned, Disabled Veteran Business Enterprises and all Other Business Enterprises (MBE/WBE/DVBE/OBE) an equal opportunity to participate in the performance of all City of Los Angeles contracts in all Areas where such contracts afford such participation opportunities. Permittee shall assist the City of Los Angeles in implementing this policy and shall use its best efforts to afford the opportunity for SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs, have equal participation opportunities which might be presented under the Permit.

21.14 Service Contract Worker Retention and Living Wage Policy. The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 5771 on January 13, 1999 agreeing to adopt the provisions of Los Angeles City Ordinance No. 171004 relating to Service Contract Worker Retention (SCWR) as the policy of the Harbor Department. Further, Charter Section 378 requires compliance with the City's Living Wage (LW) requirements. Permittee shall comply with these policies wherever applicable. Violation of this provision, where applicable, shall entitle the City of Los Angeles to terminate this Permit and otherwise pursue legal remedies that may be available.

21.15 Business Tax Registration Certificates. Permittee represents that it has obtained and presently holds the Business Tax Registration Certificates required by the City of Los Angeles and/or the City of Long Beach, as applicable. Permittee will provide each City evidence that such certificates have been obtained. Permittee shall maintain all such certificates required of it by each of the Cities and shall not allow any such certificates to be revoked or suspended.

21.16 Manager; Representatives. The Cities may designate one or more property managers, representatives, designees or employees to serve as their respective contact person or persons for purposes of this Permit. Permittee agrees to cooperate with any other persons or entities occupying, managing, using or performing work on the various portions of the Permit Area, including but not limited to ACTA and its designees.

21.17 Equal Benefits Policy. The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance 172,908, as amended, relating to Equal Benefits, Section 10.8.2.1 et seq. of the Los Angeles Administrative Code, as a policy of the Harbor Department. Permittee shall comply with the policy wherever applicable. Violation of the policy shall entitle the City to terminate this Permit with Permittee and pursue any and all other legal remedies that may be available.

22. ADDITIONS. There is attached to this Permit an addendum, consisting of numbered Paragraphs N/A, inclusive, the provisions of which are made a part of this Permit as though set forth herein in full.

23. DELETIONS. Paragraph 21.2 is deleted and is not considered as part of this Permit, and it is so marked.

24. COUNTERPARTS. This Permit may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

“PERMITTEE”

TESORO SOCIAL PIPELINE COMPANY LLC
a Delaware limited liability company



August 14, 2017

By: Don J. Sorensen
Name: Don J. Sorensen
Title: Senior Vice President, Operations

_____, 20____
By: _____
Name: _____
Title: _____

"CITIES"

THE CITY OF LONG BEACH, a municipal
corporation, acting by and through
its Board of Harbor Commissioners

_____, 20__

By: _____
Mario Cordero
Executive Director
Long Beach Harbor Department

Approved as to form this _____ day of _____, 20__.

CHARLES PARKIN, City Attorney

By: _____
David R. Albers, Deputy City Attorney

THE CITY OF LOS ANGELES, a municipal
corporation, acting by and through its Board
of Harbor Commissioners

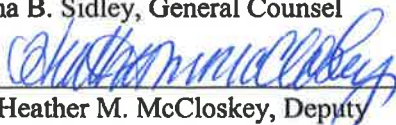
_____, 20__

By: _____
Eugene D. Seroka
Executive Director
Los Angeles Harbor Department

Attest: _____
Secretary

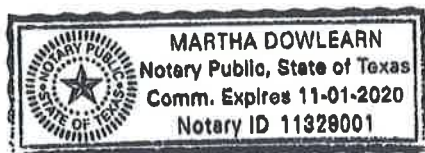
Approved as to form and legality this 14th day of August, 2017.

MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By: 
Heather M. McCloskey, Deputy

THE STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this 14th day of August 2017,
by Don J. Sorensen, Senior Vice President, Operations of Tesoro SoCal Pipeline Company LLC
[name of entity], a Delaware limited liability company, on behalf of said limited liability
company.



Martha Dowlearn
Notary Public in and for the State of Texas

Exhibit A

Schedule of Permit Area

Tesoro SoCal Pipeline Company LLC

Facilities on Port of Los Angeles / Port of Long Beach Jointly Owned Railroad Rights of Way

Railroad Right of Way	Cal Pacific P No.	Former Lease Audit No.	Mile Post	Facility Location (Cross Street)	Facility Description	Date of Occupancy	Facility Status	Length (ft.)	Width (ft.)	Annual Fee (\$2,000 Minimum or as Noted)
ACTA Corridor	TBD	N/A	499.96	460' North of Sepulveda Blvd. / 2,225' South of the Dominguez Channel	12" Crude Oil Pipeline	New Facility	Active	52'	7'	\$2,000
					12" Spare Pipeline					\$2,000
					10" Gasoline Components Pipeline					\$2,000
					10" LCO Pipeline					\$2,000
					6" Butane Pipeline					\$2,000
					6" Butylene Pipeline					\$2,000
					6" Propylene Pipeline					\$2,000
					6" Spare LPg Pipeline					\$2,000
					2 x 4" Fiber Optic Conduits					\$4,000
					3 x 2" Grout Lines					
										<u>\$20,000</u>

EXHIBIT B

PIPELINE SCHEDULE

Crude 12"
Spare 12"
Gasoline Components 10"
LCO 10"
Butane 6"
Butylene 6"
Propylene 6"
Spare - LPG 6"
Conduit for Fiber Optic Cable 2 X 4"
Grout Line 3 X 2"

Note: Joint Ports' Consent Required
Prior to Use of Spare Lines

13 PIPELINES IN 33" BUNDLE
MP 499.96



ALAMEDA ST

500

SEPULVEDA BLVD - OLD ALIGNMENT

SEPULVEDA BLVD - ON/OFF RAMP

SEPULVEDA BLVD - NEW OVERHEAD ALIGNMENT

50' 25' 0' 50' 100'

1" = 100'

Pipeline Shown Dark in Ports' ROW

Ports' ROW Delineated by ————

This Exhibit is not a representation or warranty of the extent of,
or boundaries of, the Ports' Property or of the exact location of
permitted facility shown.

LENGTH ON PORTS' RIGHT OF WAY - 90 FEET

CAL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. M Garden Grove, CA. 92641 714/755-0500	PORT OF LONG BEACH/PORT OF LOS ANGELES				
	PERMITTEE TESORO SOCIAL PIPELINE COMPANY LLC				
	RR	ACTA	MP AS SHOWN	FACILITY	AS SHOWN
	CITY CARSON			COUNTY LOS ANGELES	
	SCALE AS SHOWN	THOMAS GUIDE 784 H2		REVISION	DATE 6/6/16
					SHEET NO.

CAL PACIFIC LAND SERVICES, INC.
7745 Garden Grove Blvd., Ste. M
Garden Grove, CA 92641
714/759-0900

EXHIBIT C

LOS ANGELES
CALIFORNIA

ALAMEDA CORRIDOR
TRANSPORTATION AUTHORITY

LONG BEACH
CALIFORNIA

Alameda Corridor Transportation Authority Right-of-Way Work Permit Protocols

The Alameda Corridor Transportation Authority (ACTA) railroad right-of-way ("Railroad Property") is owned by the Harbor Departments of the Cities of Los Angeles and Long Beach ("Ports"). The Work Permit Protocols set out below are applicable to the Permittee and any of its contractors, agents or other parties entering the right-of-way pursuant to the Permit.

The Ports shall review and issue the revocable permit and Railroad Work Plan (RRWP).

1.0 Conditions for Physical Access to the Railroad Property.

All Permittees, whether under an existing permit or a newly issued Master Joint Revocable Permit (MJRP) must conform to the following conditions for physical access to the Railroad Property.

1.1 ACTA is responsible for track integrity within the Railroad Property. Permittee is responsible for any damage to the existing track or right-of-way due to any construction, alteration and/or operations. A pre-inspection of the site prior to work is required to verify existing conditions.

The Permittee or its Contractor shall mark the rails and Railroad Property lines at the centerline of the proposed casing and 10' north and 10' south of the casing centerline. Elevations shall be shot, under the direction of a licensed land surveyor, at the property lines and each rail along each of the three reference lines. A numbering scheme, plan schematic, horizontal coordinates and spreadsheet shall be developed and provided to record elevations on each day that elevations are checked, as noted below.

Threshold limits within the ACTA right-of-way are 0.25" of movement of rail (horizontal or vertical). If it is determined that settlement or movement exceeds these threshold limits, the Contractor and ACTA flagger on-site shall be immediately notified. The Contractor shall suspend all operations until site conditions are reassessed and remediation is coordinated with Permittee or its Contractor and ACTA.

Monitoring of settlement shall be performed at minimum intervals as follows: a) once before construction, b) daily during the passage of boring/jacking/drilling activities under the RR tracks, c) the day thereafter, d) 14 days thereafter, and e) 30 days after the completion of boring/jacking/drilling activities under the railroad tracks.

EXHIBIT C

1
2 Reports of the lateral and elevation readings shall be submitted to ACTA and
3 Cal Pacific after the completion of construction, after the survey reading on
4 the 14th day, and after the survey reading on the 30th day.
5

6 1.2 A Railroad work plan shall be submitted to the Ports and ACTA at least 14
7 days prior to any work for approval of any access to the Railroad Property. A
8 copy of the required Work Plan is included as Attachment 2.

9 1.3 The Permittee or their Contractor must make arrangements for access with
10 ACTA's Manager of Corridor Rail Facilities (see Attachment 1). Failure to do
11 so or failure to abide by his/her requirements and instructions will be cause for
12 termination of the MJRP/license and will result in personnel being removed
13 from the right-of-way.

14 1.4 At the Ports' or ACTA's discretion, a full time qualified inspector employed
15 by the Ports, Ports' Property Manager or ACTA and paid by the entity
16 requiring access for any work or access to the Ports owned Railroad Property
17 may be required.

18 1.5 Daily written email or faxed reports of work within the Railroad Property shall
19 be required. These reports will include all activity within the railroad right-of-
20 way (including work force, equipment, date/time, and actual work performed)
21 and a description of any injuries, accidents, or unusual circumstances which
22 occur. The Ports' Property Manager shall distribute the daily reports to ACTA
23 and Ports.

24 1.6 Any work within 25 feet measured perpendicular from centerline of the
25 nearest track (including the length of crane boom) within the railroad right-of-
26 way shall require a Flagperson. This includes above and below ground work.
27 The Flagperson shall be provided by ACTA and paid for by the entity doing
28 work or requiring access to the Railroad Property. The request for a
29 Flagperson shall require no less than a 14-day advance written notice to
30 ACTA from the entity doing work or requiring access. ACTA will provide a
31 Flagperson at their own discretion. The ACTA contact for a Flagperson on the
32 ACTA railroad right-of-way shall be the Manager of Corridor Rail Facilities
33 (see Attachment 1).

34 1.7 Daily contact shall be required between ACTA and the entity doing work or
35 access to the Railroad Property. The ACTA contact is the Manager of
36 Corridor Rail Facilities.
37

38 1.8 All excavations shall be continuously shored. Temporary shoring shall be
39 designed for a minimum of E80 loading using AREMA standards and the

EXHIBIT C

method of shoring shall be approved by ACTA's Engineer or subcontractor at Permittee's expense. The shoring plans shall be included in the RRWP submitted by the permittee or their sub-contractor.

1.9 All work shall be performed during daylight hours, Monday through Friday, unless approved otherwise in writing by the Ports and ACTA. Work shall progress in a manner so that all work shall be completed in the least possible time.

1.10 Temporary Horizontal Construction Clearances

A minimum temporary horizontal construction clearance of 12 feet, measured perpendicular or normal from the centerline of the nearest track to all physical obstructions including but not limited to formwork, stockpiled materials, parked equipment, bracing or other construction supports, shall be provided. Temporary horizontal construction clearance shall provide space for drainage ditches parallel to the standard roadbed section or provide an alternative system that maintains positive drainage. Greater clearances may be required for special cases to satisfy local operating conditions such as required sight distance for signals. All access roads along the right-of-way shall remain unobstructed at all times so that maintenance and emergency vehicles may pass unrestricted through work areas. The work and storage areas shall be kept free of tripping hazards at all times. All excavated materials shall be stockpiled in an area approved in writing by the Ports and ACTA. The temporary horizontal clearances are subject to local operating requirements and ACTA approval. All walkway shall be maintained be in compliance with California Public Utilities Commission regulations at all times.

1.11 Temporary Vertical Clearances

A minimum temporary vertical construction clearance of 22 feet 6 inches measured above top of rail for all tracks shall be provided. The temporary vertical clearance shall not be violated due to deflection of formwork. Greater temporary vertical clearances may be required. The temporary vertical clearances are subject to local operating requirements and ACTA approval.

1.12 All personnel of the Permittee and or its Contractors and/or subcontractors shall possess a valid railroad Roadway Worker Card if work is to be performed within 25 feet of the nearest track and shall abide by all safety rules and instructions from the Flagperson and the Ports and/or ACTA Engineers. Public safety and safeguarding the tracks and the trains that operate on those tracks are paramount. Work over or near the tracks will require one or more of the following personnel at the Ports and/or ACTA's sole discretion and at the Permittee's cost.

EXHIBIT C

- 1 1.12.1 Flagperson, Signal Maintainer, Inspector, and/or Engineer:
2 Requires a 14-day advance written notice and will be
3 provided at the current ACTA rate to be provided at time of
4 service.
- 5 1.12.2 ACTA Approval: Before entering upon or performing work
6 of any kind on the permit area, Permittee shall obtain the
7 written approval of ACTA for the permit area. Permittee
8 shall comply with all permit, notification, protective, and
9 safety requirements imposed by ACTA, and Permittee shall
10 pay all associated costs.
- 11 1.13 The Permittee or Permittee's representative will keep a copy of the Ports'
12 fully executed agreement, exhibits and all attachments including a complete
13 Railroad Work Plan at the job site at all times during construction on the
14 Railroad Property. Failure to provide the necessary information or documents
15 at the job-site will result in the removal of the Permittee, their employees and
16 equipment from the Railroad Property.
- 17 1.14 A final job walkthrough shall be provided within 14 days upon written
18 notification to the Ports and ACTA of completion of the work. ACTA and
19 Permittee shall prepare a list of the items remaining to be completed. The
20 Permittee shall promptly remedy the defective and/or uncompleted portions of
21 the work to ACTA's satisfaction. The ACTA contact is the Manager of
22 Corridor Rail Facilities. Written confirmation shall be provided to the Ports
23 and ACTA that all items of the final job walkthrough have been completed to
24 the satisfaction of ACTA. Failure to promptly complete the final job
25 walkthrough list of items remaining to be completed shall result in the work
26 being completed by ACTA and Permittee shall pay all associated costs.
- 27 1.15 Permittee shall provide "As-built" drawings to ACTA with copies to the Ports
28 and the Ports' Property Manager within thirty (30) days upon completion of
29 the work, and will update them to reflect any future changes and supply copies
30 to the Ports. The ACTA contact for the "As-builts" is the Manager of
31 Technical Services (see Attachment 1).
- 32 1.16 All excavation/jacking/boring operations shall be observed for the presence of
33 petroleum products, chemicals, or contaminated soil. Deeply discolored soil or
34 suspected contaminated soil shall be segregated from uncontaminated soil;
35 suspected contaminated soil and related materials shall be sampled and tested
36 for classification in accordance with applicable regulatory requirements and
37 shall be disposed of in accordance with such requirements.
- 38 1.17 The construction procedures for jacking/boring under the railroad tracks shall
39 be included in the RRWP.

EXHIBIT C

1.18 The Contractor shall install a warning marker over the pipeline at each end of the rail right-of-way as approved by ACTA.

1.19 Design and construction shall comply with Ports' Rail Property Pipeline Crossing Application conditions and AREMA Part 5, Section 5.1 requirement for pipes carrying flammable liquids.

1.20 The following additional attachments are provided with this Exhibit: Contact List (Attachment 1) and Railroad Work Plan (Attachment 2). The Contact List is current as of the effective date of the Permit, however, during the term of the Permit Permittee shall be obligated to verify the accuracy of Attachment 1 by contacting Ports' Property Manager and requesting verification.

Written Notices to the Agencies may be made to the following Entities:

Port of Long Beach
4801 Airport Plaza Drive
Long Beach, CA 90815
Attention: Director of Real Estate
Fax No. 562-283-7761

Port of Los Angeles
425 South Palos Verdes Street
San Pedro, CA 90731
Attention: Director of Cargo/Industrial Real Estate
Fax No. 310-547-1725

Alameda Corridor Transportation Authority
3760 Kilroy Airport Way, Suite 200
Long Beach, CA 90806
Attn: Chief Executive Officer
Fax No. 562 247-7090

Cal Pacific Land Services, Inc. (Ports' Property Manager)
7245 Garden Grove Blvd., Ste. M
Garden Grove, CA 92841
Attn: Ports' Property Manager
Fax No. 714-799-0500

Or such other property management firm as may be designated by the Ports from time to time.

These protocols are approved as of September 18, 2015.

EXHIBIT C
(Attachment 1)

LOS ANGELES
CALIFORNIA

ALAMEDA CORRIDOR
TRANSPORTATION AUTHORITY

LONG BEACH
CALIFORNIA

Alameda Corridor Track Contact List – June 2016

1. Alameda Corridor Transportation Authority:

- CEO: John Doherty (562-247-7070) jdoherty@acta.org
- Project Coordinator: Jorge Pantoja (562/247-7074), cell (562/335-8528), pantoja@trenchteam.com
- Construction and Maintenance Manager: Manny Hernandez (562/247-7073), cell (323/855-8068), hernandez@trenchteam.com
- Environmental Manager: Elaine Silvestro (562/247-7087), cell (310/650-3359), silvestro@trenchteam.com

2. Badger Bridge

- For Alameda Corridor Emergency, also call: (310/830-0660)

3. Balfour Beatty

- For Alameda Corridor Emergency, also call: (562/285-0366)
- For after hours: BBII Rail Track Manager – Sergio Montes cell (310/863-0914) or BBII Area Operations Manager – Brian Bennett cell (317/471-9798)
- Railroad Crossing/Signals: Kevan Kelly cell (310/863-0860) kkelley@bbius.com

4. Port of Long Beach

- Real Estate: Debra Shepack (562/283-7459) debra.shepack@polb.com
- Real Estate: Mari Takahashi (562/283-7458) mari.takahashi@polb.com
- Rail Operations: Carlo Luzzi (562/283-7278) carlo.luzzi@polb.com

5. Port of Los Angeles

- Real Estate: Paul Andre, (310/732-3479) pandre@portla.org
- Engineering: Daniel Samaro (310-732-7673) dsamaro@Portla.org

6. Cal Pacific Land Services, Inc.

- Chuck Wadell: 714/799-0900 (714/679-9091 cell) cwadell@calpacland.com

This Contact List may change from time to time. Permittee shall be at all times responsible for contacting Cal Pacific, the Ports' Property Manager, for the most current list.

EXHIBIT C
(Attachment 2)

LOS ANGELES
CALIFORNIA

ALAMEDA CORRIDOR
TRANSPORTATION AUTHORITY

LONG BEACH
CALIFORNIA

Alameda Corridor Railroad Work Plan – Date: _____

**REQUIREMENTS WHEN WORKING WITHIN, ADJACENT TO, ABOVE, OR
BENEATH RAILROAD RIGHT-OF-WAY**

START DATE: _____

DURATION (Start & End Date): Start on _____ and End on _____

TRACK LOCATION: Track number _____ Track located
_____ (See attached plan.)

START & STOP TIMES: Begin each day at _____ and end at _____

DESCRIPTION OF WORK: The work includes

_____ (See attached plan.)

WORK CREW: The work will be performed by _____. The equipment used
will be _____.

PURCHASE ORDER NUMBER (Attach Approved Joint Revocable Permit) _____

SAFETY PROTECTION:

The work plan is submitted fourteen (14) days in advance of any work within twenty five (25) feet of track centerline. ACTA will confirm if a Flagperson or watchman is required.

If a Flagperson is required or if equipment is within twenty five (25) feet from the nearest track measured perpendicular to the centerline, then flagging will be provided by ACTA. When a Flagperson is required, a new work plan request will be submitted to ACTA a minimum of fourteen (14) working days prior to any work being performed. The Railroad track closure will be at the full discretion of ACTA and the railroads which operate on ACTA tracks. The ACTA primary contact is the Environmental Manager (562/247-7087, cell (310/650-3359). The ACTA secondary contact is the Manager of Technical Services (562/247-7074, cell (562/335-8528).

If an Inspector is required by ACTA or the Ports, the charges relating to such Inspector will be paid for by the Permittee or Permittee's Contractor. Inspection will be arranged by ACTA.

Note: The Contractor shall submit the Railroad Work Plan to Cal Pacific Land Services, Inc., the Ports' Property Manager (714/799-0900). All related permits shall be obtained prior to submitting the work plan.

EXHIBIT D - AFFIRMATIVE ACTION PROGRAM PROVISIONS

Sec. 10.8.4 Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such contract:

- A. During the performance of City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

- E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.
- F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.
- H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.
- J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the

Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve

months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 2. A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.
- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;
 4. Upgrading training and opportunities;

5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.
- P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.
- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

Exhibit E

(Permit Supplement Template)

PERMIT SUPPLEMENT NO. ____ TO JOINT REVOCABLE PERMIT POLA NO. ___, POLB NO. ___.

The undersigned parties hereby acknowledge and agree that the following shall be assigned JRP Index #__ or replace JRP Index No. __ in Exhibit A [or A(x)] to reflect an addition, deletion or modification to the Facilities.

“PERMITTEE”

TESORO SOCAL PIPELINE COMPANY LLC
a Delaware limited liability company

_____, 20__

By: _____

Name:

Title:

_____, 20__

By: _____

Name:

Title:

“CITIES”

THE CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commissioners

_____, 20__

By: _____
Mario Cordero
Executive Director
Long Beach Harbor Department

Approved as to form this _____ day of _____, 20__.

CHARLES PARKIN, City Attorney

By: _____

David R. Albers, Deputy City Attorney

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners

_____, 20__

By: _____
Eugene D. Seroka
Executive Director
Los Angeles Harbor Department

Attest: _____
Secretary

Approved as to form and legality this _____ day of _____, 20__.

MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By: _____
Heather M. McCloskey, Deputy

Exhibit E

MJRP Index No.	Railroad Right of way	Exhibit B Map No.	POLB No. HD-	Mile Post	Former Lease Audit No.	Date of Occupancy	Location	Name or Pipeline No.	Facility Description	Facility Status	Length (ft.)	Width (ft.)	Fee (\$500 Subsurface Minimum)	Notes

Exhibit F

Performance Bond
No. _____

PERFORMANCE BOND (Bond for Faithful Performance)

KNOW ALL MEN BY THESE PRESENTS: That we, Tesoro SoCal Pipeline company, LLC, a Delaware limited liability company, as Principal, and _____, a _____ under the laws of the State of _____, and having been authorized to transact business in the State of California, as Surety, are held and firmly bound unto the CITY OF LONG BEACH, CALIFORNIA, a municipal corporation, by and through its Board of Harbor Commissioners, and the CITY OF LOS ANGELES, CALIFORNIA, a municipal corporation, by and through its Board of Harbor Commissioners, as Obligees (also referred to as "Cities"), in the penal sum of \$5,000,000, lawful money of the United States of America, for the payment of which sum, well and truly be made, we bind ourselves, our respective successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, said Principal has been awarded, and has been issued, subject to and in accordance with all of the terms and conditions therein prescribed, a Joint Revocable Permit from said Cities, designated and hereinafter referred to as Joint Revocable Permit POLA No. 17-17, POLB No. ____, or the "JRP";

WHEREAS, the Principal plans to construct, install, operate and maintain a 33 inch bundle containing 13 pipelines and conduits identified on Exhibit A, under a portion of the Alameda Corridor railroad right of way property located 460 feet north of Sepulveda Boulevard and 2225 feet south of the Dominguez Channel as shown on Exhibit B.

WHEREAS, the Principal is required to furnish a bond guaranteeing the prompt, full and faithful performance of its obligations under the JRP concurrently with delivery to Obligee of the executed JRP.

NOW, THEREFORE, we the undersigned Contractor, as Principal, and _____, an admitted surety insurer in the State of California, as Surety, are held and firmly bound unto Cities in the penal sum of \$_____ lawful money of the United States, for the payment of which sum, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

If the Principal shall promptly, fully and faithfully perform each and all of the terms, covenants, conditions and obligations of the Principal in strict accordance with the terms of the JRP as said JRP may be modified or amended from time to time; and if the Principal shall indemnify and save harmless the Obligees and all of its officers, agents and employees from any and all losses, liability and damages, claims, judgments, costs, and fees of every description, whether imposed by law or equity, which may be incurred by the Obligees by reason of the failure or default on the part of the Principal in the performance of any or all of the terms or the obligations of the JRP, as it may be amended and supplemented including, but not limited to, all warranties or guarantees required thereunder and indemnity obligations; then this obligation shall be void; otherwise, it shall be, and remain, in full force and effect.

Whenever the Principal shall be, and is declared by the Obligees to be in default under the JRP, which shall include without limitation, any breach or default of the JRP, then, after written notice from the Obligees to the Surety, as provided for below, the Surety shall remedy the default or breach by the Principal; provided, however, that the procedure by which the Surety undertakes to discharge its obligations under this Bond shall be subject to the advance written approval of the Obligee.

Within fifteen (15) days of Obligee's written notice to the Surety of the breach or default of the JRP by the Principal, it shall be the duty of the Surety to give to the Obligee an unequivocal notice in writing of the Surety's election to remedy the default(s) of the Principal promptly, time being of essence to this Bond. In said Notice of Election, the Surety shall state the date of commencement of its cure or remedy of the Principal's default(s) or its performance of the Contract. The Surety's obligations for cure or remedy, include but are not limited to: additional legal, design professional and delay costs arising from Surety's actions or failure to act; and actual damages caused by delayed performance or non-performance by the Principal. The Surety shall give prompt written notice to the Obligee upon completion of the cure or remedy of the Principal's default(s) of its performance of the JRP.

If the Surety does issue its Notice of Election and does not proceed to cure or remedy the Principal's default(s) of its performance of the Work with reasonable promptness, the Surety shall be deemed to be in default on this bond fifteen (15) days after receipt of a written notice from Obligee to the Surety demanding that the Surety perform its obligations under this Bond, and the Obligee shall be entitled to enforce any remedy available to Obligee.

Exhibit F

FURTHER, Principal and Surety agree that if Obligee is required to engage the services of attorneys in connection with enforcement of the bond, each shall pay Obligee's reasonable attorneys' fees incurred, with or without suit, in addition to the above penal sum.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above-named, on the _____ day of _____, 20__.

“SURETY”

a _____

By: _____

Name:
Title:

_____, 20__

By: _____

Name:
Title:

“PRINCIPAL”

TESORO SOCAL PIPELINE COMPANY LLC
a Delaware limited liability company

By: _____

Name:
Title:

_____, 20__

By: _____

Name:
Title:

_____, 20__

Approved as to form this _____ day of _____, 20__.

CHARLES PARKIN, City Attorney

By: _____

David R. Albers, Deputy City Attorney

Approved as to form and legality this _____ day of _____, 20__.

MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By: _____

Heather M. McCloskey, Deputy

NOTE:

1. Execution of this bond must be acknowledged by both PRINCIPAL and SURETY before a Notary Public and Notary's certificate of each acknowledgment must be attached.

2. A corporation must execute this bond by duly authorized officers or agents, and a certified copy of a resolution of its Board of Directors authorizing such execution, or other evidence of authority for such execution, must be attached if executed by persons other than the officers listed in Section 313, California Corporations Code.

EXHIBIT G

GUARANTY

This Guaranty (the "Guaranty") is executed by ANDEAVOR LOGISTICS LP, a Delaware limited partnership ("Guarantor"), whose address is 19100 Ridgewood Parkway, San Antonio, Texas 78259. For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Guarantor hereby unconditionally guarantees to the CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commissioners, its successors and assigns and CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners, its successors and assigns (collectively "Cities"), the full, prompt and faithful payment, performance and discharge by Tesoro SoCal Pipeline Company LLC ("Permittee") of each of the obligations of Permittee under the Joint Revocable Permit executed concurrently herewith by and between Cities and Tesoro SoCal Pipeline Company (POLA No. 17-17 and Harbor Department Doc. No. HD-____, the "JRP").

The undersigned waives the right to require the Cities to (i) proceed against Permittee (ii) except as provided hereinafter, proceed against or exhaust any security that the Cities hold from Permittee; or (iii) pursue any other remedy in the Cities' power. The undersigned waives any defense by reason of any disability of Permittee and waives any other defense based on the termination of Permittee's liability from any cause. Until all of Permittee's obligations to the Cities have been paid or performed in full, through the existing expiration date of the JRP, the undersigned waives any right of subrogation against Permittee. The undersigned waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty.

The Guarantor further waives (i) any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation of Guarantor against Permittee or any security, whether resulting from an election by Cities, or otherwise, (ii) any defense based on any statute or rule of law that provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal, (iii) all benefits that might otherwise be available to the undersigned under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2849, 2850, 2899 and 3433, and (iv) the benefit of any statute of limitations affecting the liability of the Guarantor or the enforcement of this Guaranty. The undersigned agrees that the payment of all sums payable by Permittee under the JRP or any other act that tolls any statute of limitations applicable to Permittee under the JRP will similarly operate to toll the statute of limitations applicable to the Guarantor's liability.

Cities may perform any of the following acts at any time while the permit is in force, without notice to or assent of Guarantor and without in any way releasing, affecting or impairing any of Guarantor's obligations or liabilities under this Guaranty: (a) alter, modify or amend the Permit by agreement or course of conduct, (b) assign or otherwise transfer its interest in the JRP or this Guaranty, (c) hold any agreed security for the payment of this Guaranty and exchange, enforce, waive and release any such security, and (d) apply such security and direct the order or manner of sale thereof as Cities, in their sole discretion, deem appropriate.

Guarantor acknowledges and agrees that Guarantor's obligations to Cities under this Guaranty are separate and distinct from Permittee's obligations to City under the JRP. The occurrence of any of the following events shall not have any effect whatsoever on any of

EXHIBIT G

Guarantor's obligations to Cities hereunder, each of which obligations shall continue in full force or effect as though such event had not occurred: (a) the commencement by Permittee of a voluntary case under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency or other similar law (collectively, the "Bankruptcy Laws"), (b) the consent by Permittee to the appointment of or taking possession by a receiver or similar official of Permittee or for any substantial part of its property, (c) any assignment by Permittee for the benefit of creditors, (d) the failure of Permittee generally to pay its debts as such debts become due, (e) the taking of corporate action by Permittee in the furtherance of any of the foregoing; or (f) the entry of a decree or order for relief by a court having jurisdiction in respect of Permittee in any involuntary case under the Bankruptcy Laws, or appointing a receiver or similar official of Permittee or for any substantial part of its property, or ordering the winding-up or liquidation of any of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days. Guarantor is not an entity qualified to do business in California. To the extent that Guarantor is required to perform any obligation hereunder other than the payment of money, then Guarantor shall appoint a subsidiary qualified to do business in California to perform such obligations. No such appointment shall lessen or otherwise reduce Guarantor's obligations or liabilities pursuant to this Guaranty.

If the Cities are required to enforce the undersigned's obligations by legal proceedings, the undersigned agrees that any such action may be brought in the Superior Court of the State of California for the County of Los Angeles, submits to the exclusive jurisdiction of such court and waives any objection which it may have now or hereafter to the laying of venue of any such action in said court and any claim that any such proceeding is brought in an inconvenient forum, except that City may enforce any judgment obtained in favor of City in any jurisdiction that City chooses to seek such enforcement.

This Guaranty shall be governed by and construed in all respects in accordance with the laws of the State of California.

Should any part, term, condition or provision of this Guaranty be declared or determined by any court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law, public policy, or charter, the validity of the remaining parts, terms, conditions or provisions of this Guaranty shall not be affected thereby, and such invalid, illegal or unenforceable part, term, condition or provision shall be treated as follows: (a) if such part, term, condition or provision is immaterial to this Guaranty, then such part, term, condition or provision shall be deemed not to be a part of this Guaranty; or (b) if such part, term, condition or provision is material to this Guaranty, then the parties shall revise the part, term, condition or provision so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible.

Any notice, demand, request, consent or communication that any party desires or is required to give to the other parties shall be in writing and either be served personally, by facsimile transmission with electronic verification of transmission, or sent by prepaid, certified mail, addressed as follows:

EXHIBIT G

To the Cities: Executive Director
Long Beach Harbor Department
4801 Airport Plaza Drive
Long Beach, CA 90815
Fax No.: (562) 283-7451

And: Executive Director
Los Angeles Harbor Department
425 South Palos Verdes Street
San Pedro, CA 90731
Fax No.: (310) 831-6936

With copies to: Port of Long Beach
4801 Airport Plaza Drive
Long Beach, CA 90815
Attention: Director of Real Estate
Fax No.: (562) 283-7451

Port of Los Angeles
425 South Palos Verdes Street
Post Office Box 151
San Pedro, CA 90731
Attention: Director of Cargo/Industrial Real Estate
Fax No.: (310) 547-4611

To Guarantor: Andeavor Logistics LP
6 Centerpoint Drive, 5th Floor
La Palma, CA 90623
Attn: Manager, Right of Way & Real Estate
Email: Ann.Kulikoff@andeavor.com
Fax: (714) 880-1886

With copies to: Andeavor Logistics LP
19100 Ridgewood Parkway
San Antonio, TX 78259
Attn: Legal Department (Real Estate)

ANDEAVOR LOGISTICS LP, a Delaware limited partnership

_____, 2017 By: Tesoro Logistics GP, LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT H

MITIGATION MONITORING AND REPORTING PLAN

TESORO LOS ANGELES REFINERY INTEGRATION AND COMPLIANCE PROJECT

When a public agency conducts an environmental review of a proposed project in conjunction with approving it, the lead agency shall adopt a program for monitoring or reporting on the measures it has imposed to mitigate or avoid significant adverse environmental effects pursuant Public Resources Code section 21081 and Title 14 California Code of Regulations section 15097. Public Resources Code section 21081.6 states in part that when making the findings required by section 21081(a):

“... the public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required or incorporated into the project at the request of a responsible agency or a public agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead or responsible agency, prepare and submit a proposed reporting or monitoring program.”

The mitigation, monitoring, and reporting requirements identified in this plan will be enforced through the Joint Revocable Permit issued by the Port and the Port of Los Angeles (collectively “Cities”). The mitigation measures are primarily the responsibility of Tesoro to implement. To certify compliance, documentation that mitigation measures have been implemented, records will be maintained by Tesoro to ensure potential environmental impacts are mitigated in accordance with the performance standards identified in the FEIR.

The MMRP is organized in a table format and identifies those mitigation measures adopted by the SCAQMD to address impacts associated with the “Interconnecting Pipelines” project component of the Tesoro Los Angeles Refinery Integration and Compliance Project FEIR certified on May 12, 2017. The mitigation measure numbers listed below correspond with those identified in the approved MMRP prepared by the SCAQMD and have been reflected to apply to activities associated with the Interconnecting Pipelines element of the Project.

AIR QUALITY MITIGATION MEASURES

MMA-1 Tesoro shall design and implement a Construction Management Program that shall, at minimum, incorporate the following mitigation measures and Best Management Practices. The Construction Management Program shall be documented and available for review by Port of Long Beach Staff.

Best Management Practices (BMPs)

1. Maintain equipment according to manufacturers’ specifications;

2. Restrict idling of construction equipment and on-road heavy-duty trucks to a maximum of five minutes when not in use, except as provided in the exceptions to the applicable California Air Resources Board (CARB) regulations regarding idling for off-road and on-road equipment;
3. Maintain a buffer zone that is a minimum of 1,000 feet between truck traffic and sensitive receptors, where feasible;
4. Prohibit parking on public streets;
5. Prepare haul routes that conform to local requirements to minimize traversing through congested streets or near sensitive receptor areas;
6. Schedule construction activities that affect traffic flow on the arterial system to off-peak hours to the extent practicable;
7. Use electric power in lieu of diesel power where available; and,
8. Traffic speeds on all unpaved roads to be 15 mph or less.

MMA-2 PROHIBIT VEHICLES FROM IDLING LONGER THAN FIVE MINUTES

Tesoro will notify all contractors that vehicles will be limited to no longer than five (5) minutes of idling time unless subject to an exemption. This requirement will be included in the construction contracts.

During construction of the project and for two years following completion of construction, Tesoro shall keep records of applicable compliance activities to demonstrate the steps taken to assure compliance with Mitigation Measure MMA-2 as specified in Table 3.

Tesoro will notify all contractors that vehicles will be limited to no longer than five (5) minutes of idling time. This requirement will be included in the construction contracts.

MMA-3 ON-ROAD HEAVY-DUTY DIESEL TRUCKS OR EQUIPMENT MUST MEET EPA 2007 ON-ROAD HEAVY-DUTY DIESEL EMISSION STANDARDS DURING CONSTRUCTION OF THE PROJECT

Tesoro and its contractors shall use on-road heavy-duty diesel trucks or equipment with a gross vehicle weight rating (GVWR) of 19,500 pounds or greater shall comply with EPA 2007 on-road emission standards for PM and NO_x (0.01 gram per brake horsepower-hour (g/bhp-hr) and at least 0.2 g/bhp-hr, respectively) unless subject to an exception.

During construction of the project and for two years following completion of construction, Tesoro shall keep records of applicable compliance activities to demonstrate the steps taken to assure compliance with Mitigation Measure A-3 as specified in Table 3.

It should be noted that the SCAQMD, as the air regulatory agency with jurisdiction in the region and the Lead Agency for the FEIR, opted for a less stringent mitigation measure, requiring on-road heavy-duty diesel trucks or equipment with a gross vehicle weight rating of 19,500 pounds or greater

to comply with EPA 2007 on-road emission standards. The Port of Long Beach currently requires either as a mitigation measure in CEQA evaluations, and/or a requirement in construction bid specifications, and contracts that on-road heavy-duty diesel trucks used to transport construction-related materials to and from a project site must meet EPA 2010 on-road emissions standards for Port-related construction projects.

MMA-4 PROHIBIT CONSTRUCTION EQUIPMENT FROM IDLING LONGER THAN FIVE MINUTES

Tesoro will notify all contractors that construction equipment will be limited to no longer than five (5) minutes of idling time unless subject to an exemption. This requirement will be included in the construction contracts.

During construction of the project and for two years following completion of construction, Tesoro shall keep records of applicable compliance activities to demonstrate the steps taken to assure compliance with Mitigation Measure MMA-4 as specified in Table 3.

MMA-5 USE ELECTRIC WELDERS INSTEAD OF GAS OR DIESEL WELDERS AND ELECTRIC POWER TOOLS IN AREAS OF THE PROJECT WHERE ELECTRICITY IS AVAILABLE

Tesoro and its Contractor will conduct a survey, prior to the commencement of construction of the project area to assess whether existing infrastructure can provide access to electricity, as available. Areas on the construction site where electricity is not available will be identified on a site plan as part of the Construction Management Program. The use of gasoline or diesel welders shall be prohibited in areas of the project areas that are shown to have electricity. Tesoro will assess the number of electrical welding receptacles available and will indicate whether diesel generators or welders are required for the project. Electric power tools shall be used where allowed by safety regulations and where electricity is available. Tesoro shall include in all construction contracts that the requirement that diesel welders are only allowed to operate in the portions of the project as identified on the site plan as not being accessible to electric power. If gasoline or diesel welders are used, Tesoro shall maintain welder records that indicate the location, date(s), and fuel type of welders

During construction of the project and for two years following completion of construction Tesoro shall keep records of applicable compliance activities to demonstrate the steps taken to assure compliance with Mitigation Measure MMA-5 as specified in Table 3.

MMA-6 USE ONSITE ELECTRICITY RATHER THAN TEMPORARY POWER GENERATORS IN AREAS WHERE ELECTRICITY IS AVAILABLE

The use of temporary power generators shall be prohibited in areas that have existing infrastructure to provide access to electricity. Construction areas associated with the Interconnecting Pipelines project where electricity is not available will be identified on a site plan as part of the Construction Management Program. The use of temporary

power generators outside of these identified areas shall be prohibited. Tesoro shall include in all construction contracts the requirements that the use of temporary power generators is prohibited in certain portions of the project site as identified on the site plan. Tesoro shall maintain records that indicate the location where the generators are operated, if at all, date(s), and fuel type used. During construction of the project and for two years following completion of construction, Tesoro shall keep records of applicable compliance activities to demonstrate the steps taken to assure compliance with Mitigation Measures MMA-6 as specified in Table 3.

MMA-7 USE CONSTRUCTION EQUIPMENT MEETING EPA CERTIFIED TIER 4 OFF-ROAD EMISSIONS STANDARDS DURING CONSTRUCTION OF THE PROPOSED PROJECT

All off-road diesel powered construction equipment rated greater than 50 hp shall use equipment that meets Tier 4 off-road standards at a minimum unless subject to an exception. Any emissions control device used by the Contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations. Tesoro shall provide documentation in the Construction Management Program as information becomes available that equipment rated greater than 50 hp equipped with Tier 4 engines are not available.

A copy of each unit's certified tier specification, control technology documentation, and CARB or SCAQMD operating permit shall be provided by the construction contractor at the time of mobilization of each applicable unit of equipment. During construction of the project and for two years following completion of construction, Tesoro shall keep records of applicable compliance activities to demonstrate the steps taken to assure compliance with Mitigation Measure MMA-7 as specified in Table 3.

MMA-8 SUSPEND ALL CONSTRUCTION ACTIVITIES THAT GENERATE AIR EMISSIONS DURING FIRST STAGE SMOG ALERTS

If and when any first state smog alert or greater occurs, Tesoro will record the date and time of each alert, will suspend all construction activities that generate emissions, and record the date and time when the use of construction equipment and construction activities are suspended. During construction of the proposed project and for two years following completion of construction, Tesoro shall keep records of applicable compliance activities to demonstrate the steps taken to assure compliance with Mitigation Measure MMA-8 as specified in Table 3.

Exceptions to the Air Quality Mitigation Measures

Mitigation Measures A-1 through A-7 for on-road and off-road construction equipment and portable electric generator requirements shall apply unless any of the following circumstances exist and the Tesoro and its contractor provides a written finding consistent with project contract requirements that:

- 1) Tesoro and its contractor intends to meet the requirements of these mitigation

measures as to a particular vehicle or piece of equipment by leasing or short-term rental, and the project proponent and its contractor has attempted in good faith and due diligence to lease the vehicle or equipment that would comply with this policy, but that vehicle or equipment is not available for lease or short-term rental within 200 miles of the project site, and the Contractor has submitted documentation to Tesoro showing that the requirements of this Exception provision apply; or

- 2) The contractor has been awarded funding by SCAQMD or another agency that would provide some or all of the cost to retrofit, repower, or purchase a piece of equipment or vehicle, but the funding has not yet been provided due to circumstances beyond the contractor's control, and the contractor has attempted in good faith and due diligence to lease or short-term rent the equipment or vehicle that would comply with this policy, but that equipment or vehicle is not available for lease or short-term rental within 200 miles of the project site, and the contractor has submitted documentation to Tesoro showing that the requirements of this Exception provision apply; or
- 3) The contractor has ordered for purchase, a piece of equipment or vehicle to be used on the construction project in compliance with this policy at least 60 days before that equipment or vehicle is needed at the project site, but that equipment or vehicle has not yet arrived due to circumstances beyond the contractor's control, and the contractor has attempted in good faith and due diligence to lease or short-term rent a piece of equipment or vehicle to meet the requirements of this policy, but that equipment or vehicle is not available for lease or short-term rental within 200 miles of the project, and the contractor has submitted documentation to Tesoro showing that the requirements of this Exception provision apply; or
- 4) Construction-related diesel equipment or vehicles will be used on Tesoro construction project site for fewer than 10 calendar days per calendar year. The contractor shall not consecutively use different equipment or vehicles that perform the same or a substantially similar function in an attempt to use this Exception to circumvent the intent of this policy.

In any of the Mitigation Measures and Exceptions described above, the contractor shall provide the next cleanest piece of equipment or vehicle as provided by the step down schedules in Table 1 for Off-Road Equipment and Table 2 for On-Road Equipment.

As an example, if Compliance Alternative 3 listed in Table 1 is required by this policy, but a Contractor cannot obtain an off-road vehicle that meets the Tier 2 engine standard that is equipped with a Level 3 verified diesel emission control system (VDECS) and meets one of the above exceptions, then the Contractor shall use a vehicle that meets the next Compliance Alternative 4, which is a Tier 1 engine standard equipped with a Level 3 VDECS. Should the Contractor not be able to supply a vehicle with a Tier 1 engine equipped with a Level 3 VDECS in accordance with Compliance Alternative 4 and has satisfied the requirements of one of the above exceptions as to the Contractor's ability to obtain a vehicle meeting Compliance Alternative 4, the Contractor shall then supply a vehicle meeting the next Compliance Alternative 5, and so forth.

If the Contractor is proposing an exemption for on-road equipment, the step down schedule in Table 2 should be used. A Contractor must demonstrate that it has satisfied one of the exceptions

listed in the selected Compliance Alternative Number before it can use a subsequent Compliance Alternative. The goal is to ensure that the Contractor has exercised due diligence in supplying the cleanest fleet available.

Table 1. Off-Road Compliance Step-Down Schedule*

Compliance Alternative	Engine Standard	CARB VDECS
1	Tier 4	N/A
2	Tier 3	Level 3
3	Tier 2	Level 3
4	Tier 1	Level 3
5	Tier 2	Level 2
6	Tier 2	Level 1
7	Tier 2	Uncontrolled
8	Tier 1	Level 2
Equipment less than Tier 1, Level 2 shall not be permitted.		

Note: VDECS= verified diesel emissions control device system

Table 2. On-Road Compliance Ste- Down Schedule*

Compliance Alternative	Engine Model Year	CARB VDECS
1	2010	N/A
2	2007	N/A
3	2004	Level 3
4	1998	Level 3
5	2004	Uncontrolled
6	1998	Uncontrolled
Equipment with a model year earlier than Model Year 1998 shall not be permitted.		

HAZARDS IMPACTS AND MITIGATION MEASURES

The analysis in the FEIR concluded that potentially significant “worst-case” off-site operational hazard impacts associated with the proposed modifications to the Naphtha Isomerization Unit, the proposed new crude tanks, SARP, and Interconnecting Pipelines could cause off-site impacts from accidental releases of regulated substances and from major fires. The following mitigation measure is intended to ensure that all applicable plans and Pre-Startup Reviews are completed for all proposed project components prior to the commencement of operations associated with new and modified project components, regardless of whether or not they are required to be included in the Process Safety Management (PSM) review:

MMHHM-1 EARLY COMPLIANCE WITH APPLICABLE HAZARDOUS MATERIALS RULES AND REGULATIONS

Prior to the commencement of operations associated with new and modified project components, Tesoro shall demonstrate to the Los Angeles City and County Fire Departments compliance with applicable hazardous material rules and regulations, to include, at minimum, an Emergency Action Plan as required by the Fire Department addressing spill, fire, and explosion hazards and relative risk of upset to adjacent land uses; Process Safety Management (PSM) requirements under 40 CFR Part 1910, Section 119, and Title 8, California Code of Regulations, section 5189; and Article 2, Chapter 6.95 of the California Health and Safety Code that require facilities that handle listed regulated substances to develop RMPs to prevent accidental releases of these substances.

During construction of the project and for two years following completion of the construction or as required by regulation, if longer, Tesoro shall keep records onsite of applicable compliance to demonstrate the steps taken to assure compliance with Mitigation Measure HHM-1, including correspondence with the Los Angeles City and County Fire Departments regarding hazards and hazardous materials management related to the project as specified in Table 3.

CONCLUSION

During the construction of the Interconnecting Pipeline project and for two years following completion of construction, Tesoro will maintain records of applicable compliance activities to demonstrate the steps taken to assure compliance with imposed mitigation measures as specified above and in Table 3. All construction logs and other records shall be made available to Port staff upon request. Port staff of the Cities and Tesoro will evaluate the effectiveness of this monitoring program.

Table 3. Mitigation, Monitoring, and Reporting Plan for Interconnecting Pipelines Element of Tesoro Los Angeles Refinery Integration and Compliance Project

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
MMA-1. Tesoro will design and implement a Construction Management Program that shall, at a minimum, incorporate the mitigation measures and BMPs.	Tesoro	Prepare Construction Management Program and maintain records documenting implementation.	1. SCAQMD 2. Cities 3. During construction
MMA-2. Tesoro will notify all contractors that vehicles will be limited to no longer than five minutes of idling time. This requirement will be included in the construction contracts.	Tesoro	Prepare standard notification letter that explains idling limitation during deliveries, and provide a copy to all vendors. Post signs on-site, and maintain records documenting implementation.	1. SCAQMD 2. Cities 3. At time purchase order is issued and daily during construction
MMA-3. All on-road heavy-duty trucks or equipment with a gross vehicle weight rating (GVWR) of 19,500 pounds or greater shall comply with EPA 2007 on-road emission standards for PM and NOx (0.01 gram per brake horsepower-hour (g/bhp-hr) and at least 0.2 g/bhp-hr, respectively).	Tesoro	Maintain records of all diesel-fueled on-road vehicles with GVWR of 19,500 pounds or greater that show engine manufacturer, EPA Tier, engine manufacture date, date on site, and applicable exception, if any.	1. SCAQMD 2. Cities 3. Daily during construction
MMA-4. Prohibit construction equipment from idling longer than five minutes at the Refinery as contract conditions with construction companies and by posting signs on-site, except as provided in the exceptions in the applicable CARB regulations regarding idling.	Tesoro	Prepare standard notification letter that explains idling limitation during construction, remind contractors during shift meetings and provide a copy to all contractors. Post signs on-site.	1. SCAQMD 2. Cities 3. Prior to start of construction and daily during construction
MMA-5. Use electric welders and power tools during construction activities where existing infrastructure to provide access to electricity is available.	Tesoro	Prepare a site plan that identifies the construction areas within the Refinery, where electricity is not available and non-electric (gasoline or diesel) welders are permissible. Identify areas within the Refinery where safety	1. SCAQMD 2. Cities 3. During construction

		prohibits the use of electric power tools. Maintain records of use of non-electric welders, including location, date, duration of use and fuel type.	
MMA-6. Use onsite electricity rather than temporary power generators where existing infrastructure to provide access to electricity is available.	Tesoro	Maintain records of diesel and gasoline generators used during construction that specify the locations, date(s), and fuel type of generators utilized.	1. SCAQMD 2. Cities 3. Daily during construction
MMA-7. All off-road diesel-powered construction equipment rated greater than 50 hp shall use equipment that meets Tier 4 off-road emission standards at a minimum unless subject to an exception. Any emissions control device used by the Contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations. The project proponent shall provide documentation in the Construction Management Program as information becomes available that equipment rated greater than 50 hp equipped with Tier 4 engines are not available.	Tesoro	Maintain records of all diesel-fueled construction equipment with engines rated at more than 50 hp including 1) equipment description; 2) equipment ID; 3) dates operated on-site; 4) engine hp rating; 5) engine tier certification; 6) description of control technologies and CARB certification; and 7) justification for use of equipment with less than Tier 4 engines, if Tier 4 engines are not available.	1. SCAQMD 2. Cities 3. Daily during construction
MMA-8. Suspend use of construction equipment during first state smog alert or greater.	Tesoro	Maintain records of date and time of each first stage smog alert or greater and document suspension of work.	1. SCAQMD 2. Cities 3. Daily during construction
MMHHM-1. Tesoro will demonstrate to the Los Angeles City and County Fire Departments compliance with applicable hazardous material rules and regulations.	Tesoro	At minimum, develop an Emergency Action Plan as required by the Fire Department addressing spill, fire, and explosion hazards and relative risk of upset to adjacent uses; Process Safety Management (PSM) requirements under 40 CFR Part 1910, Section 119, and Title 8, California Code of Regulations, Section 5189; and Article 2, Chapter 6.95 of the California Health and Safety Code that require facilities that handle listed regulated substances to develop RMPs to prevent accidental release of these substances. Tesoro shall keep records onsite of applicable	1. SCAQMD 2. Cities 3. Prior to operation of equipment.

		compliance to demonstrate the steps taken to assure compliance with MMHHM-1, including correspondence with the Los Angeles City and County Fire Departments regarding hazards and hazardous materials management related to the project.	
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GUARANTY

This Guaranty (the "Guaranty") is executed by ANDEAVOR LOGISTICS LP, a Delaware limited partnership ("Guarantor"), whose address is 19100 Ridgewood Parkway, San Antonio, Texas 78259. For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Guarantor hereby unconditionally guarantees to the CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commissioners, its successors and assigns and CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners, its successors and assigns (collectively "Cities"), the full, prompt and faithful payment, performance and discharge by Tesoro SoCal Pipeline Company LLC ("Permittee") of each of the obligations of Permittee under the Joint Revocable Permit executed concurrently herewith by and between Cities and Tesoro SoCal Pipeline Company (POLA No. 17-17 and Harbor Department Doc. No. HD-____, the "JRP").

The undersigned waives the right to require the Cities to (i) proceed against Permittee (ii) except as provided hereinafter, proceed against or exhaust any security that the Cities hold from Permittee; or (iii) pursue any other remedy in the Cities' power. The undersigned waives any defense by reason of any disability of Permittee and waives any other defense based on the termination of Permittee's liability from any cause. Until all of Permittee's obligations to the Cities have been paid or performed in full, through the existing expiration date of the JRP, the undersigned waives any right of subrogation against Permittee. The undersigned waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty.

The Guarantor further waives (i) any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation of Guarantor against Permittee or any security, whether resulting from an election by Cities, or otherwise, (ii) any defense based on any statute or rule of law that provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal, (iii) all benefits that might otherwise be available to the undersigned under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2849, 2850, 2899 and 3433, and (iv) the benefit of any statute of limitations affecting the liability of the Guarantor or the enforcement of this Guaranty. The undersigned agrees that the payment of all sums payable by Permittee under the JRP or any other act that tolls any statute of limitations applicable to Permittee under the JRP will similarly operate to toll the statute of limitations applicable to the Guarantor's liability.

Cities may perform any of the following acts at any time while the permit is in force, without notice to or assent of Guarantor and without in any way releasing, affecting or impairing any of Guarantor's obligations or liabilities under this Guaranty: (a) alter, modify or amend the Permit by agreement or course of conduct, (b) assign or otherwise transfer its interest in the JRP or this Guaranty, (c) hold any agreed security for the payment of this Guaranty and exchange, enforce, waive and release any such security, and (d) apply such security and direct the order or manner of sale thereof as Cities, in their sole discretion, deem appropriate.

Guarantor acknowledges and agrees that Guarantor's obligations to Cities under this Guaranty are separate and distinct from Permittee's obligations to City under the JRP. The occurrence of any of the following events shall not have any effect whatsoever on any of

Guarantor's obligations to Cities hereunder, each of which obligations shall continue in full force or effect as though such event had not occurred: (a) the commencement by Permittee of a voluntary case under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency or other similar law (collectively, the "Bankruptcy Laws"), (b) the consent by Permittee to the appointment of or taking possession by a receiver or similar official of Permittee or for any substantial part of its property, (c) any assignment by Permittee for the benefit of creditors, (d) the failure of Permittee generally to pay its debts as such debts become due, (e) the taking of corporate action by Permittee in the furtherance of any of the foregoing; or (f) the entry of a decree or order for relief by a court having jurisdiction in respect of Permittee in any involuntary case under the Bankruptcy Laws, or appointing a receiver or similar official of Permittee or for any substantial part of its property, or ordering the winding-up or liquidation of any of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days. Guarantor is not an entity qualified to do business in California. To the extent that Guarantor is required to perform any obligation hereunder other than the payment of money, then Guarantor shall appoint a subsidiary qualified to do business in California to perform such obligations. No such appointment shall lessen or otherwise reduce Guarantor's obligations or liabilities pursuant to this Guaranty.

If the Cities are required to enforce the undersigned's obligations by legal proceedings, the undersigned agrees that any such action may be brought in the Superior Court of the State of California for the County of Los Angeles, submits to the exclusive jurisdiction of such court and waives any objection which it may have now or hereafter to the laying of venue of any such action in said court and any claim that any such proceeding is brought in an inconvenient forum, except that City may enforce any judgment obtained in favor of City in any jurisdiction that City chooses to seek such enforcement.

This Guaranty shall be governed by and construed in all respects in accordance with the laws of the State of California.

Should any part, term, condition or provision of this Guaranty be declared or determined by any court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law, public policy, or charter, the validity of the remaining parts, terms, conditions or provisions of this Guaranty shall not be affected thereby, and such invalid, illegal or unenforceable part, term, condition or provision shall be treated as follows: (a) if such part, term, condition or provision is immaterial to this Guaranty, then such part, term, condition or provision shall be deemed not to be a part of this Guaranty; or (b) if such part, term, condition or provision is material to this Guaranty, then the parties shall revise the part, term, condition or provision so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible.

Any notice, demand, request, consent or communication that any party desires or is required to give to the other parties shall be in writing and either be served personally, by facsimile transmission with electronic verification of transmission, or sent by prepaid, certified mail, addressed as follows:

To the Cities: Executive Director
Long Beach Harbor Department
4801 Airport Plaza Drive
Long Beach, CA 90815
Fax No.: (562) 283-7451

And: Executive Director
Los Angeles Harbor Department
425 South Palos Verdes Street
San Pedro, CA 90731
Fax No.: (310) 831-6936

With copies to: Port of Long Beach
4801 Airport Plaza Drive
Long Beach, CA 90815
Attention: Director of Real Estate
Fax No.: (562) 283-7451

Port of Los Angeles
425 South Palos Verdes Street
Post Office Box 151
San Pedro, CA 90731
Attention: Director of Cargo/Industrial Real Estate
Fax No.: (310) 547-4611

To Guarantor: Andeavor Logistics LP
6 Centerpoint Drive, 5th Floor
La Palma, CA 90623
Attn: Manager, Right of Way & Real Estate
Email: Ann.Kulikoff@andeavor.com
Fax: (714) 880-1886

With copies to: Andeavor Logistics LP
19100 Ridgewood Parkway
San Antonio, TX 78259
Attn: Legal Department (Real Estate)

ANDEAVOR LOGISTICS LP, a Delaware limited partnership

August 14, 2017

By: Tesoro Logistics GP, LLC, a Delaware limited liability company

By:

Name:

Title:

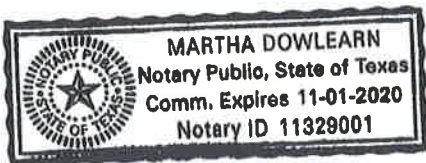
Don J. Sorensen

Senior Vice President, Operations



THE STATE OF TEXAS §
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COUNTY OF BEXAR §

This instrument was acknowledged before me on this 14th day of August 2017,
by Don J. Sorensen, Senior Vice President, Operations of Tesoro Logistics GP, LLC [name of
entity], a Delaware limited liability company, on behalf of said limited liability company.



Martha Dowlearn
Notary Public in and for the State of Texas