

Project: Ellwood Pipeline, Inc.  
Assignment to Chevron  
Folio No.: 003657

**CONSENT TO ASSIGNMENT, ASSUMPTION OF PERFORMANCE, AND  
FOURTH AMENDMENT TO LEASE AGREEMENT**

**THIS CONSENT TO ASSIGNMENT, ASSUMPTION OF PERFORMANCE, AND  
FOURTH AMENDMENT TO LEASE AGREEMENT** (hereinafter "Fourth Amendment") is  
made by and between the

COUNTY OF SANTA BARBARA, a  
political subdivision of the State of California,  
hereinafter referred to as "COUNTY,"

and

CHEVRON U.S.A. INC., a Pennsylvania  
Corporation, hereinafter referred to as  
"LESSEE,"

with reference to the following:

**WHEREAS**, COUNTY is Lessor in that certain fifty (50) year Lease (hereinafter  
"Lease") dated September 27, 1965 with Standard Oil Company of California, as Lessee; and

**WHEREAS**, LESSEE was the successor in interest to the Standard Oil Company of  
California under said Lease; and

**WHEREAS**, on December 4, 2012, the COUNTY approved the Consent to Assignment,  
Assumption of Performance, and First Amendment (hereinafter "First Amendment"), to assign  
said Lease from LESSEE to Ellwood Pipeline, Inc.; and

**WHEREAS**, on September 15, 2015, the COUNTY approved the Second Amendment to  
Lease Agreement (hereinafter "Second Amendment"), and on March 21, 2017, the COUNTY  
approved the Third Amendment to Lease Agreement (hereinafter "Third Amendment") to  
temporarily extend the term of the Lease and determine the feasibility of a new long-term Lease  
Agreement, or longer extension of the current Lease; and

**WHEREAS**, COUNTY is willing to consent to the assignment of said Lease from Ellwood  
Pipeline, Inc. to LESSEE for the purpose of LESSEE performing the decommissioning and  
abandonment of associated oil and gas platforms, wells, pipelines and appurtenant facilities, subject  
to the terms and conditions contained herein.

**NOW, THEREFORE**, in consideration of the promises, covenants, and conditions  
contained herein, the parties agree as follows:

1. **RECITALS:** The above stated recitals are true and correct and are incorporated into the terms and conditions of this Fourth Amendment to Lease Agreement as set forth in full herein. A copy of the Third Amendment, which includes copies of the Lease, the First Amendment, and Second Amendment is attached hereto and incorporated herein by reference as amended.

2. **CONSENT TO ASSIGNMENT:** COUNTY hereby consents to the assignment of the Lease from Ellwood Pipeline, Inc., to LESSEE, having as its principal place of business at 6001 Bollinger Canyon Road, San Ramon, CA 94583, and local branch place of business at 6267 Carpinteria Avenue, Suite 100, Carpinteria, CA 93013. LESSEE hereby agrees that there shall be no further assignment, or subletting, without the written consent of COUNTY.

3. **ASSUMPTION OF PERFORMANCE OF ASSIGNEE:** LESSEE hereby assumes said Lease and subsequent Amendments attached hereto as Exhibit "A" and incorporated herein as amended, and shall faithfully perform, and shall agree to be bound by all of the terms, conditions, and covenants thereof, with the same force and effect as its predecessor in interest, Ellwood Pipeline, Inc. LESSEE expressly assumes liability for use of the pipelines described in Section 4 of the Lease, as amended, the contents transported through the pipelines, and the decommissioning and proper abandonment of the pipelines in accordance with all applicable laws and regulations and the Lease.

4. **PROCESS FEE:** Concurrently with the execution of this Agreement, LESSEE shall pay to COUNTY a nonrefundable fee of Six Thousand Dollars (\$6,000.00) to reimburse COUNTY for its staff cost in preparing and processing this Fourth Amendment. LESSEE acknowledges that the fee is not applicable against rent or any other charge or fee under the Lease. LESSEE acknowledges that COUNTY will bill LESSEE separately for staff time or costs that exceed that amount.

5. **AMENDMENT OF LEASE:** The Lease shall be amended as follows:

(a) Section 1 of the Lease, as amended, shall be deleted in its entirety and replaced with the following:

"1. That the term of this Agreement shall commence on September 27, 1965, and shall continue thereafter (unless sooner terminated as hereinafter provided) until September 26, 2023, after which LESSEE may seek COUNTY's consent for an extension if necessary due to federal requirements to conclude activities described in amended Section 4 below."

(b) Section 4 of the Lease shall be deleted in its entirety and replaced with the following:

"4. The purpose of the Lease is to allow LESSEE the right to use the gas pipeline described in Subsection 4.1 below to continue to supply natural gas from shore to fuel electric power generators on Platform Grace in the Santa Clara Field and Platform Gail in the Sockeye Field for the purpose of decommissioning the platforms, and to use the oil pipeline described in Subsection 4.2 below to facilitate plugging and abandonment ("P&A") of offshore wells and facilities associated with Platforms Gail and Grace by

transporting water mixed with hydrocarbons and drilling mud (waste water) resulting from P&A operations to an onshore tank for proper disposal. LESSEE's use of the pipelines will cease once decommissioning and P&A activities conclude, and LESSEE will thereafter decommission the pipelines in accordance with all applicable laws and regulations and the Lease. The pipelines are described as follows:

4.1 One (1) ten inch (10") diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124'), together with all appurtenances necessary to properly operate and maintain the pipeline, for the transportation of dry natural gas, and which lies in a fifty foot (50') wide corridor in, under, along or across the COUNTY'S submerged lands as described and shown in Exhibit "B" attached hereto and incorporated hereof.

4.2 One (1) ten inch (10") diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124'), together with all appurtenances necessary to properly operate and maintain the pipeline, for the collection, transportation or distribution of water mixed with hydrocarbons and drilling mud (waste water) resulting from P&A operations, and which lies in a fifty foot (50') wide corridor in, under, along or across the COUNTY'S submerged lands as described and more particularly shown in Exhibit "B" attached hereto and by this reference incorporated herein.

It is understood that all oil and gas production for which the pipelines have previously been in service will have ceased, and that integrity tests will be conducted on both the oil and natural gas pipelines prior to LESSEE commencing P&A operations. In the event LESSEE desires to transport a different product than permitted herein, or to expand or modify the pipelines, LESSEE shall notify the COUNTY of its intention a minimum of sixty (60) days in advance of any such change. Upon such notice, COUNTY may re-evaluate the terms and conditions of this Lease."

- (c) Section 14 of the Lease shall be amended to replace LESSEE's contact information as follows:

"To the LESSEE:  
 ATTN: Land Manager  
 Chevron U.S.A. Inc.  
 9525 Camino Media  
 Bakersfield, CA 93311  
 (661) 654-7000

6. Pursuant to Section 5 of the First Amendment; this Consent to Assignment, Assumption of Performance, and Fourth Amendment shall not be effective until LESSEE files with the COUNTY a bond of the type COUNTY approves and in the amount of ONE HUNDRED

THOUSAND and 00/100 Dollars (\$100,000.00) and provides evidence of satisfaction of the insurance requirements as set forth in the Third Amendment.

7. In all other respects, the terms and conditions of the Lease dated September 27, 1965, as amended, shall remain in full force and effect.

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Project: Ellwood Pipeline, Inc.  
Assignment to Chevron  
Folio No.: 003657

**IN WITNESS WHEREOF**, COUNTY and LESSEE have executed this Consent to Assignment, Assumption of Performance, and Fourth Amendment by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

COUNTY SIGNATURE PAGE

“COUNTY”  
COUNTY OF SANTA BARBARA

ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

\_\_\_\_\_  
Joan Hartmann, Chair  
Board of Supervisors

By \_\_\_\_\_  
Deputy Clerk

Date: \_\_\_\_\_

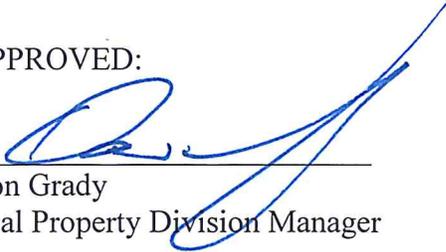
APPROVED AS TO ACCOUNTING FORM:  
THEODORE A. FALLATI, CPA  
AUDITOR-CONTROLLER

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

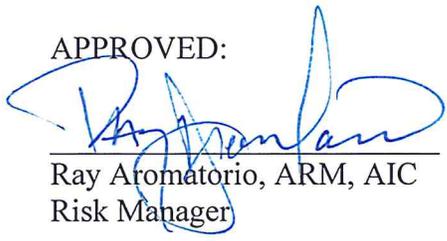
By   
\_\_\_\_\_  
Auditor-Controller

By   
\_\_\_\_\_  
Deputy County Counsel

APPROVED:

  
\_\_\_\_\_  
Don Grady  
Real Property Division Manager

APPROVED:

  
\_\_\_\_\_  
Ray Aromatorio, ARM, AIC  
Risk Manager

Project: Ellwood Pipeline, Inc.  
Assignment to Chevron  
Folio No.: 003657

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Consent to Assignment, Assumption of Performance, and Fourth Amendment by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

CHEVRON U.S.A. INC. SIGNATURE PAGE

"LESSEE"  
CHEVRON U.S.A. INC.

\_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Project: Ellwood Pipeline, Inc.  
Submerged Lands offshore  
Carpinteria  
File No.: 003657  
Agent: AK

THIRD AMENDMENT TO LEASE AGREEMENT

THIS THIRD AMENDMENT TO LEASE AGREEMENT (hereinafter "Third Amendment") is made by and between the

COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereinafter referred to as "COUNTY"

and

ELLWOOD PIPELINE, INC., a California Corporation, hereinafter referred to as "LESSEE,"

With reference to the following:

WHEREAS, in 1931, the State of California granted to the County, in trust, certain tidelands and submerged lands extending from Sandy Land Point to Rincon Creek; and

WHEREAS, on September 27, 1965, COUNTY entered into a fifty (50) year Lease Agreement (hereinafter "Lease") with LESSEE'S predecessor in interest, Standard Oil Company of California, for a portion of the tidelands and submerged lands, to be used for submerged pipelines and appurtenances; and

WHEREAS, on December 4, 2012, the COUNTY approved an assignment of the 1965 Lease to Ellwood Pipeline, Inc., and revised certain provisions of the Lease, pursuant to the Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement (hereinafter, "First Amendment"); and

WHEREAS, on September 15, 2015, the Parties extended the term of the 1965 Lease for a period of eighteen (18) months, through March 26, 2017, in order to determine the feasibility of a new long-term Lease Agreement, or a longer extension of the current Lease; and

WHEREAS, the Parties desire to extend the term of the 1965 Lease for another period of eighteen months, through September 26, 2018, to allow completion of a focused Environmental Impact Report and negotiation of a potential long-term lease renewal.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions contained herein, the parties agree to amend the Lease as follows:

1. Section 1 of the Lease shall be deleted in its entirety and replaced with the following:

“1. That the term of this agreement shall commence on September 27, 1965, and shall continue thereafter (unless sooner terminated as hereinafter provided) until September 26, 2018.”

2. Section 8 of the Lease shall be deleted in its entirety and replaced with the following:

“8. LESSEE shall procure and maintain during the term of the Lease the insurance requirements set forth, and shall comply with the indemnity provision included in Exhibit “C”, as amended herewith, attached hereto and incorporated herein by reference.”

3. Exhibit “C” to the Lease shall be deleted in its entirety and replaced with a revised Exhibit C, attached hereto and incorporated herein by reference.

4. It is expressly understood that in all other respects, the terms and conditions of the original Lease Agreement, dated September 26, 1965; and Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement, dated December 4, 2012, and the Second Amendment to Lease Agreement, dated September 15, 2015, shall remain in full force and effect. The Second Amendment to Lease Agreement, which includes the First Amendment and original Lease Agreement as attachments, is included herewith as Attachment One.

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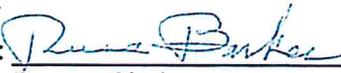
Project: Ellwood Pipeline, Inc.  
Submerged Lands offshore  
Carpinteria  
File No.: 003657

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Third Amendment by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY

"COUNTY"  
COUNTY OF SANTA BARBARA

ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

By:   
Supervisor Joan Hartmann, Chair  
Board of Supervisors

By:   
Deputy Clerk

Date: 3/14/17

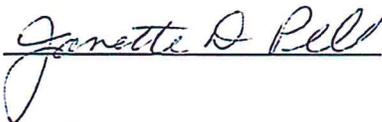
APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By:   
Jenna Richardson  
Deputy County Counsel

APPROVED AS TO FORM:  
THEODORE A. FALLATI, CPA  
AUDITOR-CONTROLLER

By:   
Deputy Auditor-Controller

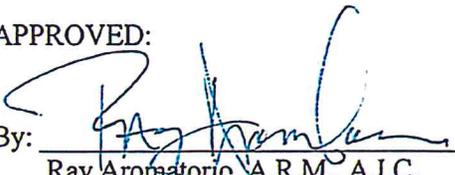
APPROVED:  
JANETTE D. PELL  
GENERAL SERVICES DIRECTOR

By: 

APPROVED:

By:   
Don Grady, Esq.  
Real Property Manager

APPROVED:

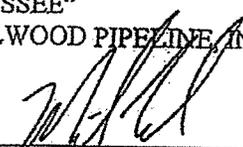
By:   
Ray Aromatoric, A.R.M., A.I.C.  
Risk Manager

*(signatures continue on next page)*

Project: Ellwood Pipeline, Inc.  
Submerged Lands offshore  
Carpinteria  
File No.: 003657

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Third  
Amendment by the respective authorized officers as set forth below to be effective as of the date  
executed by COUNTY

"LESSEE"  
ELLWOOD PIPELINE, INC.

By: 

Name: Mike Windsor

Title: COO

By: Patrick T. Moran

Name: Patrick T. Moran

Title: Sr. Land Negotiator

**EXHIBIT C**  
**INSURANCE REQUIREMENTS**  
(Revised)

1. Indemnity – LESSEE shall defend, indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, losses, costs, expenses (including attorney's fees), judgments or liabilities connected with, caused by or arising out of this Agreement or any use, operation, or maintenance of the pipelines or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the LESSEE or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the County.  
  
LESSEE shall notify the County immediately in the event of any accident or injury arising out of or in connection with this Agreement.
2. Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability and Automobile Liability policies, shall contain endorsements naming COUNTY and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for COUNTY to vicarious liability but shall allow coverage for COUNTY to the full extent provided by the policy.
3. Waiver of Subrogation Rights – LESSEE shall require the carriers of required coverages to waive all rights of subrogation against COUNTY, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit LESSEE and LESSEE's employees or agents from waiving the right of subrogation prior to a loss or claim. LESSEE hereby waives all rights of subrogation against COUNTY.
4. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by COUNTY.
5. Severability of Interests – LESSEE agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between LESSEE and COUNTY or between COUNTY and any other insured or additional insured under the policy.
6. Proof of Coverage – LESSEE shall furnish Certificates of Insurance to the COUNTY Department administering the Agreement evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and LESSEE shall maintain such insurance from the time LESSEE commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the

commencement of this Agreement, LESSEE shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of A- VII.
8. Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.
9. Failure to Procure Coverage – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to cancel the Agreement or obtain insurance if it deems necessary and any premiums paid by COUNTY will be promptly reimbursed by LESSEE or COUNTY payments to LESSEE will be reduced to pay for COUNTY purchased insurance.
10. Insurance Review – Insurance requirements are subject to periodic review by COUNTY. The Risk Manager or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of COUNTY. In addition, if the Division of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against COUNTY, inflation, or any other item reasonably related to COUNTY's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. LESSEE agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of COUNTY.

11. Insurance Specifications – LESSEE agrees to provide insurance set forth in accordance with the requirements herein. If LESSEE uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, LESSEE agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in any way affecting the indemnity herein provided and in addition thereto, LESSEE shall secure and maintain throughout the Agreement term the following types of insurance with limits as shown:

- A. Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an

amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with one million dollars (\$1,000,000) limits covering all persons including volunteers providing services on behalf of LESSEE and all risks to such persons under this Agreement.

If LESSEE has no employees, it may certify or warrant to COUNTY that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the COUNTY's Program Risk Administrator.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

- B. Commercial/General Liability Insurance – LESSEE shall carry General Liability Insurance written on Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an "occurrence" basis, covering all operations performed by or on behalf of LESSEE with limits of not less than one hundred million dollars (\$100,000,000) per occurrence and not less than a one hundred million dollar (\$100,000,000) general aggregate limit.
- C. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Form Number CA 00 01 covering any auto (Code 1), or if LESSEE has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than one million (\$1,000,000) per accident for bodily injury and property damage.
- If LESSEE owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.
- D. Pollution Liability Coverage – LESSEE shall carry Pollution Liability Coverage with limits of not less than one hundred million (\$100,000,000) per occurrence.
- E. Umbrella/Excess Liability Insurance – An umbrella (over primary) or excess policy (that includes Pollution Liability Coverage) may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability. LESSEE shall carry Excess Liability Coverage with limits of not less than two hundred million (\$200,000,000) per occurrence.

Project: Ellwood Pipeline, Inc.  
Submerged Lands offshore  
Carpinteria  
File No.: 003657  
Agent: AK

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (hereinafter "Second Amendment") is made by and between the

COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereinafter referred to as "COUNTY,"

and

ELLWOOD PIPELINE, INC., a California Corporation, hereinafter referred to as "LESSEE,"

with reference to the following:

WHEREAS, in 1931, the State of California granted to the County, in trust, certain tidelands and submerged lands extending from Sandy Land Point to Rincon Creek; and

WHEREAS, on September 27, 1965, COUNTY entered into a fifty (50) year Lease Agreement (hereinafter "Lease") with LESSEE'S predecessor in interest, Standard Oil Company of California, for a portion of the tidelands and submerged lands, to be used for submerged pipelines and appurtenances; and

WHEREAS, on December 4, 2012, the COUNTY approved an assignment of the 1965 Lease to Ellwood Pipeline, Inc., and revised certain provisions of the Lease, pursuant to the Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement "First Amendment"; and

WHEREAS, the Parties desire to extend the term of the 1965 Lease for a period of eighteen (18) months, through March 26, 2017, in order to determine the feasibility of a new long-term Lease Agreement, or a longer extension of the current Lease.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions contained herein, the parties agree to amend the Lease as follows:

1. Section 1 of the Lease shall be deleted in its entirety and shall be replaced with the following:

"1. That the term of this agreement shall commence on September 27, 1965, and shall continue thereafter (unless sooner terminated as hereinafter provided) until March 26, 2017. During the remainder of the term, LESSEE shall agree and comply with the following:

“Lessee shall defend, indemnify and hold harmless the Lessor, including its agents, officers and employees from any claim, action or proceeding against the Lessor, including its agents, officers and employees, to attack, set aside, void, or annul, in whole or in part, the Lessor’s approval of the Second Amendment to the Lease. Lessor agrees to notify the Lessee of any such claim, action or proceeding promptly after receiving notice of such claim, action or proceeding, and in no case, more than three days after receiving notice. Lessor agrees to cooperate fully in the defense of any such claim, action or proceeding.”

2. It is expressly understood that in all other respects, the terms and conditions of the original Lease Agreement, dated September 26, 1965; and Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement, dated December 12, 2012, shall remain in full force and effect. The First Amendment which includes the Lease Agreement as an attachment, is included herein as Attachment 1.

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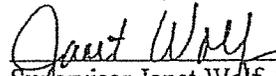
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Project: Ellwood Pipeline, Inc.  
Submerged Lands in Carpinteria  
File No.: 003657  
Agent: AK

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Second Amendment by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

"COUNTY"  
COUNTY OF SANTA BARBARA

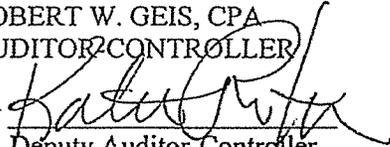
ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

  
Supervisor Janet Wolf, Chair  
Board of Supervisors

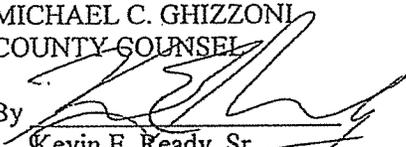
By   
Deputy Clerk

Date: 9-15-15

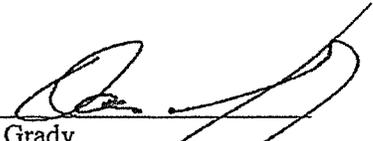
APPROVED AS TO ACCOUNTING FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By   
Deputy Auditor-Controller

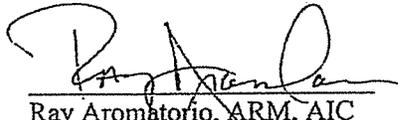
APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By   
Kevin E. Ready, Sr.  
Senior Deputy County Counsel

APPROVED:

  
Don Grady  
Real Property Manager

APPROVED:

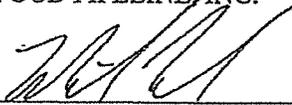
  
Ray Aromatorio, ARM, AIC  
Risk Manager

(signatures continue on next page)

Project: Ellwood Pipeline, Inc.  
Submerged Lands in Carpinteria  
File No.: 003657  
Agent: AK

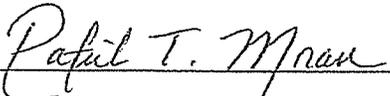
IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Second Amendment by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

"LESSEE"  
ELLWOOD PIPELINE, INC.

By: 

Name: Mike Wracher

Title: SUP So Cal

By: 

Name: Patrick T. Moran

Title: Sr. Land Negotiator

Project: Ellwood Pipeline, Inc.  
Submerged Lands in County  
Folio No.: 003657  
Agent: rc

**CONSENT TO ASSIGNMENT, ASSUMPTION OF PERFORMANCE, AND  
FIRST AMENDMENT TO LEASE AGREEMENT**

THIS CONSENT TO ASSIGNMENT, ASSUMPTION OF PERFORMANCE, AND FIRST AMENDMENT TO LEASE AGREEMENT (hereinafter "Agreement") is made by and between the

COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereinafter referred to as "COUNTY,"

and

ELLWOOD PIPELINE, INC., a California Corporation, hereinafter referred to as "LESSEE,"

with reference to the following:

WHEREAS, COUNTY is Lessor in that certain fifty (50) year Lease Agreement (hereinafter "Lease") dated September 27, 1965 with Standard Oil Company of California, as Lessee; and

WHEREAS, Chevron USA, Inc. is the successor in interest to the Standard Oil Company of California under said Lease; and

WHEREAS, in accordance with Section 5 of said Lease, LESSEE shall obtain written consent by County prior to assignment of said Lease; and

WHEREAS, COUNTY is willing to consent to the assignment of said Lease from Chevron USA to LESSEE, subject to the amended Lease terms and conditions contained herein.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions contained herein, the parties agree as follows:

1. **RECITALS:** The above stated recitals are true and correct and are incorporated into the terms and conditions of this First Amendment to Lease Agreement as set forth in full herein.

2. **CONSENT TO ASSIGNMENT:** COUNTY hereby consents to the assignment of the Lease from Chevron USA to LESSEE, having as their principal place of business at 370 17<sup>th</sup> Street, Suite 2950, Denver, CO 80202, and local branch place of business at 6267 Carpinteria Avenue, Suite 100, Carpinteria, CA 93013. LESSEE hereby consents that there shall be no further assignment, or subletting, without the written consent of COUNTY.

1 of 7

ATTACHMENT 1

3. ASSUMPTION OF PERFORMANCE OF ASSIGNEE: LESSEE hereby assumes said Lease attached hereto as Exhibit "A" and incorporated herein, and shall faithfully perform, and shall agree to be bound by all of the terms, conditions, and covenants thereof, with the same force and effect as its successor in interest, Chevron USA.

4. PROCESS FEE: Concurrent with the execution of this Agreement, LESSEE shall pay to County a nonrefundable fee of Six Thousand Dollars (\$6,000.00) to reimburse COUNTY for its staff cost in preparing and processing this Lease. LESSEE acknowledges that the fee is not applicable against rent or any other charge or fee under the Lease.

5. AMENDMENT OF LEASE: The Lease shall be amended as follows:

(a) Section 2 of the Lease is deleted and the following new section is added in its place:

2. LESSEE shall pay to the COUNTY as consideration for the granting of this Lease an annual rent of TWELVE THOUSAND SIX HUNDRED FIFTEEN AND 44/100 DOLLARS (\$12,615.44) payable commencing on the first month immediately following the date of approval of the County Board of Supervisors of this First Amendment, and continuing thereafter, on that anniversary date of each subsequent year during the term of said Lease.

Annual rent is to be made payable to: "County of Santa Barbara" and shall be hand delivered or mailed to the General Services Department, Support Services Division, 1105 Santa Barbara Street, 2nd Floor, Santa Barbara, CA 93101-6065.

2.1 The annual rent shall be subject to an annual Cost of Living Adjustment of TWO PERCENT (2%) per annum during the term of this Lease. Beginning on each and every annual anniversary date, the annual rent shall be increased from the annual rent payable during the immediately preceding year of the Lease term.

(b) Section 4 of the Lease is deleted and the following new section is added in its place:

4. The purpose of the Lease is to allow LESSEE the right to operate, maintain, repair, replace, and remove existing submerged pipelines from Platform Grace in the Santa Clara Field and Platform Gail in the Sockeye field to the Carpinteria Oil and Gas Processing Facility located on-shore in Carpinteria for the following:

4.1 One (1) ten inch (10") diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124'), together with all appurtenances necessary to properly operate and maintain the pipeline, for the collection, transportation or distribution of natural gas, and which lies in a fifty foot (50') wide corridor in, under, along or across the COUNTY'S submerged lands as described and shown in Exhibit "B" attached hereto and incorporated hereof.

4.2 One (1) ten inch (10") diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124'), together with all appurtenances necessary to properly operate and maintain the pipeline, for the collection, transportation or distribution of hydrocarbon substances (oil and natural gas) and water, and which lies

in a fifty foot (50') wide corridor in, under, along or across the COUNTY'S submerged lands as described and more particularly shown in Exhibit "B" attached hereto and by this reference incorporated hereof.

It is understood that production from Platform Gail is sent by pipeline to connect into pipelines at Platform Grace. Oil and gas production from Platform Grace, combined with the production from Platform Gail, is sent by pipeline to the Carpinteria Facility.

In the event Lessee desires to transport a different product than permitted herein, or to expand or modify the pipelines, LESSEE shall notify the COUNTY of its intention a minimum of sixty (60) days in advance of any such change. Upon such notice, COUNTY may re-evaluate the terms and conditions of this Lease.

(c) Section 5 of the Lease is deleted and the following new section is added in its place:

5. The LESSEE shall not transfer or assign this Lease, or any of the rights or privileges granted hereby, except with the prior written consent of the COUNTY Board of Supervisors. Before the COUNTY Board of Supervisors will consider consenting to such transfer or assignment, the proposed assignee shall submit a financial statement of its assets and liabilities and a statement of experience and qualifications. No consent shall be effective until the proposed assignee files with the COUNTY a bond of the type COUNTY approves and in the amount of ONE HUNDRED THOUSAND and 00/100 Dollars (\$100,000.00) and the insurance requirements as set forth in this Lease.

In addition LESSEE shall when requesting a transfer of assignment of this Lease pay an application fee to be determined by COUNTY toward COUNTY's administrative and service costs in reviewing and processing the request for transfer or assignment. LESSEE shall pay the application fee whether or not COUNTY consents to the transfer or assignment.

(d) Section 8 of the Lease is deleted and the following new section is added in its place:

8. LESSEE shall procure and maintain during the term of the Lease and shall comply with the indemnity and insurance requirements as set forth in Exhibit "C," attached hereto and incorporated herein by reference.

(e) Section 14 of the Lease is deleted and the following new section is added in its place:

14. All notices herein provided to be given shall be deemed to have been fully given when made in writing and deposited in the United States mail, registered and postage prepaid, addressed as follows:

To the LESSEE:                      Ellwood Pipeline, Inc.  
6267 Carpinteria Avenue, Suite 100  
Carpinteria, CA 93013  
(805 745-2100)

To the COUNTY:           General Services Department  
                                  Support Services Division  
                                  1105 Santa Barbara Street  
                                  Santa Barbara, CA 93101  
                                  (805) 568-3070

The address to which the notices shall be mailed as aforesaid may be changes by written notice as herein provided, but nothing contained shall preclude the giving of any such notice by personal service.

(f) Section 17 is added as follows:

17. LESSEE shall provide COUNTY copies of any reports submitted to the U.S. Department of Transportation, the Bureau of Safety and Environmental Enforcement, the California State Lands Commission, and the Office of the State Fire Marshall by LESSEE, LESSEE'S agent and/or consultants, or by any party on LESSEE'S behalf to the foregoing governmental agencies. The foregoing obligation shall only apply to reports which are public information and not protected from disclosure under the Federal Freedom of Information Act or the State Public Records Act.

(g) Section 19 is added as follows:

19. LESSEE shall comply with all applicable laws, rules, and regulations affecting the Premises now or hereafter in effect. Specially, Lessee shall comply with all requirements and safety regulations as are in effect now or as may be enacted or amended from time to time in the future, with respect to operation of underwater oil and gas pipelines.

The COUNTY approval shall be deemed conditioned upon LESSEE acquiring appropriate permits to proceed from governmental agencies, the furnishing of a copy thereof to the COUNTY, or designee, prior to the commencement of the work, and the compliance by LESSEE with all conditions of said permit in a prompt and expeditious manner. Any and all permits or clearances required shall be made only on the merits of the application thereof, and nothing in this Lease shall be construed to require that COUNTY, or any other government agency, is required to grant such permits or clearances.

(h) Section 20 is added as follows:

20. LESSEE shall comply with COUNTY laws, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this Lease and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Lease and the interest hereby created without liability therefore. LESSEE shall also comply with applicable State or Federal laws, rules and regulations regarding nondiscrimination.

(i) Section 21 is added as follows:

21. LESSEE shall comply with all applicable laws, regulations, rules, and orders regardless of when they become or became effective, including without limitation those relating to construction, signing, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request of COUNTY.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Premises due to LESSEE'S use and occupancy, LESSEE shall clean all property affected to the satisfaction of COUNTY and any governmental body having jurisdiction therefore. LESSEE shall indemnify, hold harmless, and defend COUNTY from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by COUNTY as a result of LESSEE'S breach of this Section, or as a result of any such discharge, leakage, spillage, emission or pollution due to LESSEE'S use and occupancy, regardless of whether such liability, cost or expense arises during or after the term of this Lease, and regardless of negligence, active or passive, of COUNTY.

(j) Section 22 is added as follows:

22. LESSEE shall not manufacture or generate hazardous wastes on the Premises. LESSEE shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported by LESSEE, its agents, employees, or designees on the Premises during the term of this Lease and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or materials. LESSEE shall notify COUNTY and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

(k) Section 23 is added as follows:

23. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(l) Section 24 is added as follows:

24. The signatories of this Lease and each of them represent and warrant that they are authorized to execute this Lease and that no additional signatures are required to bind COUNTY and LESSEE to its terms and conditions or to carry out duties contemplated herein.

(m) Section 25 is added as follows:

25. The parties to this Lease intend that their negotiations, conversations and statements made prior to execution of this Lease are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein.

///  
///  
///

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Lease by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

"COUNTY"  
COUNTY OF SANTA BARBARA  
*Dorreen Farr*  
Dorreen Farr, Chair  
Board of Supervisors

ATTEST:  
CHANDRA L. WALLAR  
CLERK OF THE BOARD

By *Chandra Wallar*  
Deputy Clerk

Date: 12-4-12

"LESSEE"  
Ellwood Pipeline, Inc.  
*Patrick T. Moran*  
Patrick T. Moran  
Sr. Land Negotiator  
Print Name and Title

"LESSEE"  
Ellwood Pipeline, Inc.  
*Ian Livett*  
Ian Livett  
Vice-President, So. California Operations  
Print Name and Title

APPROVED AS TO ACCOUNTING FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By *Gregory Eric Levin*  
Auditor-Controller  
Gregory Eric Levin  
Advanced and Specialty Accounting

APPROVED AS TO FORM:  
DENNIS A. MARSHALL  
COUNTY COUNSEL

By *Kevin E. Ready, Sr.*  
Kevin E. Ready, Sr.  
Deputy County Counsel

APPROVED:

*Ron Carlentine*  
Ron Carlentine  
Real Property Manager

APPROVED:

*Ray Aromatario*  
Ray Aromatario, ARM, AIC  
Risk Program Administrator

6

LEASE

THIS LEASE, entered into this 27th day of September, 1955,  
by and between the COUNTY OF SANTA BARBARA, a body politic and corporate and  
subdivision of the State of California (hereinafter referred to as "County"),  
as Lessor, and STANDARD OIL COMPANY OF CALIFORNIA, as Lessee (hereinafter  
referred to as "Lessee").

For and in consideration of the covenants and agreements of Lessee,  
County does hereby lease, let and demise unto Lessee, for a term of fifty (50)  
years, commencing on the date hereof, the following parcel of tide and  
submerged land situate in said County of Santa Barbara, and more particularly  
described as follows, to wit:

A parcel of land fifty (50) feet in width situated in the  
County of Santa Barbara, State of California, the center  
line of which is described on the California Coordinate  
System, Zone 5, as follows:

Beginning at a point having Lambert coordinates of  
North 325,290 feet, East 1,545,490 feet; thence  
South 14° East Grid, 455 feet; thence South 19° East Grid,  
1200 feet; thence South 0° Grid, 810 feet; thence  
South 10° 40' West Grid, 1000 feet; thence  
South 21° 20' West Grid, 1000 feet; thence South 32° West Grid,  
13,800 feet to platform Hope (Lambert Coordinates, Zone 5 of  
said platform Hope are North 309,513 feet, East 1,537,980 feet);  
thence North 81° East Grid, 3780 feet to platform Heidi  
(Lambert Coordinates, Zone 5 of said platform Heidi are  
North 310,050 feet, East 1,541,600 feet).

40' *AK*  
*file*  
*7/6/55*

The parties to this agreement do hereby covenant and agree as  
follows:

1. That the term of this agreement shall commence upon the above  
recited date of September 27, 1955, and shall continue thereafter

**EXHIBIT A**

(unless sooner terminated as hereinafter provided) until September 27,  
2015.

2. Lessee shall pay to the County as consideration for the granting of this lease, the sum of Thirteen Thousand Six Hundred Twenty Dollars (\$ 13,620.00) upon execution of this agreement, being the total rental for the full term; provided, however, that in the event of termination of this agreement pursuant to Paragraph 12 herein, no portion of said consideration shall be refundable.

3. Lessee will pay to the County the said consideration without deduction, default or delay; and, in the event of failure of the Lessee so to do, or in the event of a breach of any of the other covenants contained within this agreement, or failure to observe the terms, conditions, restrictions or time limitations herein contained, to be kept, performed and observed, it shall be lawful for the County to re-enter into and upon said premises, and to remove all persons and property therefrom, and to repossess and enjoy the herein described premises as in the first and former estate of the County, anything to the contrary herein contained notwithstanding.

4. The described land shall be used during the term hereof only for lawful purposes, namely, for submerged pipe lines and appurtenant facilities.

5. Lessee shall not transfer or assign this lease, nor sublet said land or any part thereof except upon the prior written consent of the County first had and obtained.

6. County expressly reserves the right to grant easement or crossings in, upon and under said premises, subject to this lease, and nothing herein contained shall be construed as limiting the powers of the County to lease, during the life of this agreement, the hereinabove described lands for any purpose whatsoever not inconsistent or incompatible with the rights or privileges granted to Lessee by this agreement.

7. Lessee shall maintain and keep in good, sound repair all

structures, facilities or appurtenances of Lessee upon the property.

8. Lessee agrees to indemnify the County against any loss, damage, claim, demand or action, caused by, arising out of, or connected with the construction or maintenance by Lessee of structures upon, or the use by the Lessee and/or agents thereof, of said premises.

9. Lessee shall observe and comply with all rules and regulations now promulgated by any agency of the State of California or the County of Santa Barbara having jurisdiction therein and such reasonable rules and regulations as may hereafter be promulgated by any agency of the State of California or the County of Santa Barbara having jurisdiction therein; and the Lessee shall at all times take suitable precautions to prevent pollution and contamination of waters of the Pacific Ocean.

10. County, through its authorized agents, shall have the right at all reasonable times to go upon said premises for the purpose of inspecting the same.

11. All structures, buildings, pipe lines, machinery and facilities placed or erected by Lessee or existing and located upon said premises shall be salvaged and removed by Lessee, at Lessee's sole expense and risk, within ninety (90) days after the expiration of the period of this agreement, or prior to any sooner termination of this agreement, to a depth of fifteen (15) feet at mean low tide or to one hundred fifty (150) feet seaward of the line of mean low tide, whichever is greater; and Lessee in so doing shall restore said premises as nearly as possible to the condition existing prior to the erection or placing of the structures, buildings, pipe lines, machinery and facilities so removed.

12. The Lessee may terminate this agreement upon sixty (60) days' notice of such termination to the County; provided, however, that no such termination shall become effective, and the Lessee shall be fully liable to pay the consideration and for the performance of all other obligations on the part of the Lessee, until said Lessee has fully complied with and has

consummated each and all of the provisions of Paragraphs 11 and 13 hereof.

13. Lessee will, on the last day of said term or sooner termination of this agreement, peaceably and quietly leave, surrender and yield up to County, all and singular, the said premises in good order, condition and repair, reasonable use and wear thereof and damage by act of God or the elements excepted; and execute and deliver to County a good and sufficient quitclaim deed to the rights arising hereunder. Should Lessee fail or refuse to deliver to County a quitclaim deed as aforesaid, a written notice by County reciting the failure or refusal of Lessee to execute and deliver said quitclaim deed as herein provided shall, from the date of recordation of said notice, be conclusive evidence against Lessee and all persons claiming under Lessee of the termination of this agreement.

14. All notices herein provided to be given shall be deemed to have been fully given when made in writing and deposited in the United States mail, registered and postage prepaid, addressed as follows:

To the County:

Board of Supervisors  
County Court House  
Santa Barbara, California

To the Lessee:

Standard Oil Company of California  
P. O. Box 606  
La Habra, California 90633

The address to which the notices shall be mailed as aforesaid may be changed by written notice as herein provided, but nothing herein contained shall preclude the giving of any such notice by personal service.

15. Time is the essence of each and all the terms and provisions of this agreement, and the terms and provisions of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto; if more than one Lessee is named herein the obligations of said parties herein contained shall be joint and several.

16. This agreement may be terminated or the provisions changed,

altered or amended by mutual consent of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this agreement  
as of the date hereinbefore set forth:

ATTEST:

J. E. Lewis  
Clerk

COUNTY OF SANTA BARBARA

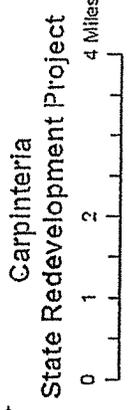
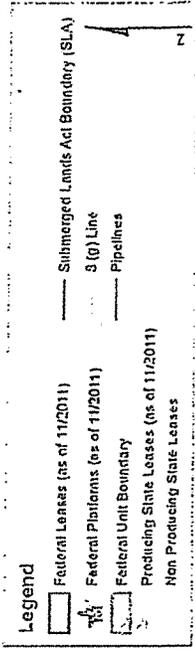
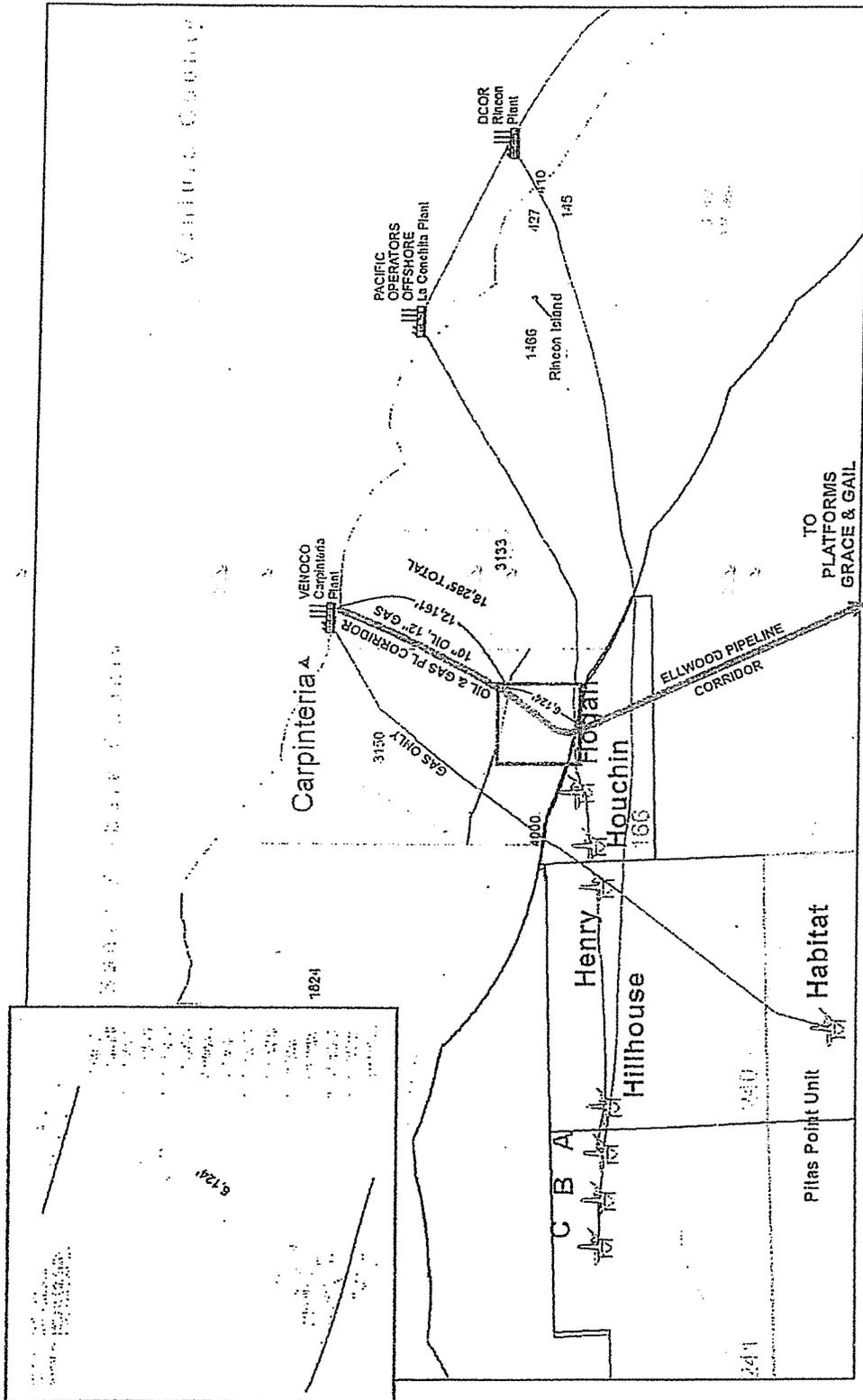
By J. A. P. [Signature]  
Chairman, Board of Supervisors  
"County"

STANDARD OIL COMPANY OF CALIFORNIA

By P. L. Lacombe  
P. L. LACOMBE, Attorney, Land Department  
Standard Oil Company of California, Western  
Operations, Inc., a division of said Company

"Lessee"

FILED: \_\_\_\_\_  
J. E. LEWIS, County Clerk  
By \_\_\_\_\_, Deputy



**Exhibit "B"**

Attached to that certain Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement

**ELLWOOD PIPELINE INC.**

**EXHIBIT B**

EXHIBIT C  
INSURANCE REQUIREMENTS

1. Indemnity – Grantee shall defend, indemnify and save harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the Grantee or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the County.

Grantee shall notify the County immediately in the event of any accident or injury arising out of or in connection with this Agreement.

2. Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability and Automobile Liability policies, shall contain endorsements naming County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for County to vicarious liability but shall allow coverage for County to the full extent provided by the policy.

3. Waiver of Subrogation Rights – Grantee shall require the carriers of required coverages to waive all rights of subrogation against County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit Grantee and Grantee's employees or agents from waiving the right of subrogation prior to a loss or claim. Grantee hereby waives all rights of subrogation against County.

4. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by County.

5. Severability of Interests – Grantee agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between Grantee and County or between County and any other insured or additional insured under the policy.

6. Proof of Coverage – Grantee shall furnish Certificates of Insurance to the County Department administering the Agreement evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Grantee shall maintain such insurance from the time Grantee commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the

commencement of this Agreement, Grantee shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of A- VII.

8. Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.

9. Failure to Procure Coverage – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, County has the right but not the obligation or duty to cancel the Agreement or obtain insurance if it deems necessary and any premiums paid by County will be promptly reimbursed by Grantee or County payments to Grantee will be reduced to pay for County purchased insurance.

10. Insurance Review – Insurance requirements are subject to periodic review by County. The Risk Manager or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of County. In addition, if the Division of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against County, inflation, or any other item reasonably related to County's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Grantee agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of County.

11. Insurance Specifications – Grantee agrees to provide insurance set forth in accordance with the requirements herein. If Grantee uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, Grantee agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in any way affecting the indemnity herein provided and in addition thereto, Grantee shall secure and maintain throughout the Agreement term the following types of insurance with limits as shown:

A. Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with one million dollar (\$1,000,000) limits covering all persons including volunteers providing services on behalf of Grantee and all risks to such persons under this Agreement.

If Grantee has no employees, it may certify or warrant to County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Program Risk Administrator.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

B. Commercial/General Liability Insurance – Grantee shall carry General Liability Insurance written on Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an "occurrence" basis, covering all operations performed by or on behalf of Grantee with limits of not less than two million dollars (\$2,000,000) per occurrence and not less than a two million dollar (\$2,000,000) general aggregate limit.

C. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Form Number CA 00 01 covering any auto (Code 1), or if Grantee has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than one million (\$1,000,000) per accident for bodily injury and property damage.

If Grantee owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

D. Pollution Liability Coverage – Grantee shall carry Pollution Liability Coverage with limits of not less than ten million (\$10,000,000) per occurrence.

E. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

Project: Ellwood Pipeline, Inc.  
Submerged Lands in County  
Folio No.: 003657  
Agent: rc

**CONSENT TO ASSIGNMENT, ASSUMPTION OF PERFORMANCE, AND  
FIRST AMENDMENT TO LEASE AGREEMENT**

THIS CONSENT TO ASSIGNMENT, ASSUMPTION OF PERFORMANCE, AND FIRST AMENDMENT TO LEASE AGREEMENT (hereinafter "Agreement") is made by and between the

COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereinafter referred to as "COUNTY,"

and

ELLWOOD PIPELINE, INC., a California Corporation, hereinafter referred to as "LESSEE,"

with reference to the following:

WHEREAS, COUNTY is Lessor in that certain fifty (50) year Lease Agreement (hereinafter "Lease") dated September 27, 1965 with Standard Oil Company of California, as Lessee; and

WHEREAS, Chevron USA, Inc. is the successor in interest to the Standard Oil Company of California under said Lease; and

WHEREAS, in accordance with Section 5 of said Lease, LESSEE shall obtain written consent by County prior to assignment of said Lease; and

WHEREAS, COUNTY is willing to consent to the assignment of said Lease from Chevron USA to LESSEE, subject to the amended Lease terms and conditions contained herein.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions contained herein, the parties agree as follows:

1. **RECITALS:** The above stated recitals are true and correct and are incorporated into the terms and conditions of this First Amendment to Lease Agreement as set forth in full herein.

2. **CONSENT TO ASSIGNMENT:** COUNTY hereby consents to the assignment of the Lease from Chevron USA to LESSEE, having as their principal place of business at 370 17<sup>th</sup> Street, Suite 2950, Denver, CO 80202, and local branch place of business at 6267 Carpinteria Avenue, Suite 100, Carpinteria, CA 93013. LESSEE hereby consents that there shall be no further assignment, or subletting, without the written consent of COUNTY.

3. **ASSUMPTION OF PERFORMANCE OF ASSIGNEE:** LESSEE hereby assumes said Lease attached hereto as Exhibit "A" and incorporated herein, and shall faithfully perform, and shall agree to be bound by all of the terms, conditions, and covenants thereof, with the same force and effect as its successor in interest, Chevron USA.

4. **PROCESS FEE:** Concurrent with the execution of this Agreement, LESSEE shall pay to County a nonrefundable fee of Six Thousand Dollars (\$6,000.00) to reimburse COUNTY for its staff cost in preparing and processing this Lease. LESSEE acknowledges that the fee is not applicable against rent or any other charge or fee under the Lease.

5. **AMENDMENT OF LEASE:** The Lease shall be amended as follows:

(a) Section 2 of the Lease is deleted and the following new section is added in its place:

2. LESSEE shall pay to the COUNTY as consideration for the granting of this Lease an annual rent of TWELVE THOUSAND SIX HUNDRED FIFTEEN AND 44/100 DOLLARS (\$12,615.44) payable commencing on the first month immediately following the date of approval of the County Board of Supervisors of this First Amendment, and continuing thereafter, on that anniversary date of each subsequent year during the term of said Lease.

Annual rent is to be made payable to: "County of Santa Barbara" and shall be hand delivered or mailed to the General Services Department, Support Services Division, 1105 Santa Barbara Street, 2nd Floor, Santa Barbara, CA 93101-6065.

2.1 The annual rent shall be subject to an annual Cost of Living Adjustment of TWO PERCENT (2%) per annum during the term of this Lease. Beginning on each and every annual anniversary date, the annual rent shall be increased from the annual rent payable during the immediately preceding year of the Lease term.

(b) Section 4 of the Lease is deleted and the following new section is added in its place:

4. The purpose of the Lease is to allow LESSEE the right to operate, maintain, repair, replace, and remove existing submerged pipelines from Platform Grace in the Santa Clara Field and Platform Gail in the Sockeye field to the Carpinteria Oil and Gas Processing Facility located on-shore in Carpinteria for the following:

4.1 One (1) ten inch (10") diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124'), together with all appurtenances necessary to properly operate and maintain the pipeline, for the collection, transportation or distribution of natural gas, and which lies in a fifty foot (50') wide corridor in, under, along or across the COUNTY'S submerged lands as described and shown in Exhibit "B" attached hereto and incorporated hereof.

4.2 One (1) ten inch (10") diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124'), together with all appurtenances necessary to properly operate and maintain the pipeline, for the collection, transportation or distribution of hydrocarbon substances (oil and natural gas) and water, and which lies

in a fifty foot (50') wide corridor in, under, along or across the COUNTY'S submerged lands as described and more particularly shown in Exhibit "B" attached hereto and by this reference incorporated hereof.

It is understood that production from Platform Gail is sent by pipeline to connect into pipelines at Platform Grace. Oil and gas production from Platform Grace, combined with the production from Platform Gail, is sent by pipeline to the Carpinteria Facility.

In the event Lessee desires to transport a different product than permitted herein, or to expand or modify the pipelines, LESSEE shall notify the COUNTY of its intention a minimum of sixty (60) days in advance of any such change. Upon such notice, COUNTY may re-evaluate the terms and conditions of this Lease.

(c) Section 5 of the Lease is deleted and the following new section is added in its place:

5. The LESSEE shall not transfer or assign this Lease, or any of the rights or privileges granted hereby, except with the prior written consent of the COUNTY Board of Supervisors. ~~Before the COUNTY Board of Supervisors will consider consenting to~~ such transfer or assignment, the proposed assignee shall submit a financial statement of its assets and liabilities and a statement of experience and qualifications. No consent shall be effective until the proposed assignee files with the COUNTY a bond of the type COUNTY approves and in the amount of ONE HUNDRED THOUSAND and 00/100 Dollars (\$100,000.00) and the insurance requirements as set forth in this Lease.

In addition LESSEE shall when requesting a transfer of assignment of this Lease pay an application fee to be determined by COUNTY toward COUNTY's administrative and service costs in reviewing and processing the request for transfer or assignment. LESSEE shall pay the application fee whether or not COUNTY consents to the transfer or assignment.

(d) Section 8 of the Lease is deleted and the following new section is added in its place:

8. LESSEE shall procure and maintain during the term of the Lease and shall comply with the indemnity and insurance requirements as set forth in Exhibit "C," attached hereto and incorporated herein by reference.

(e) Section 14 of the Lease is deleted and the following new section is added in its place:

14. All notices herein provided to be given shall be deemed to have been fully given when made in writing and deposited in the United States mail, registered and postage prepaid, addressed as follows:

To the LESSEE: Ellwood Pipeline, Inc.  
6267 Carpinteria Avenue, Suite 100  
Carpinteria, CA 93013  
(805 745-2100

To the COUNTY:           General Services Department  
                                  Support Services Division  
                                  1105 Santa Barbara Street  
                                  Santa Barbara, CA 93101  
                                  (805) 568-3070

The address to which the notices shall be mailed as aforesaid may be changes by written notice as herein provided, but nothing contained shall preclude the giving of any such notice by personal service.

(f) Section 17 is added as follows:

17. LESSEE shall provide COUNTY copies of any reports submitted to the U.S. Department of Transportation, the Bureau of Safety and Environmental Enforcement, the California State Lands Commission, and the Office of the State Fire Marshall by LESSEE, LESSEE'S agent and/or consultants, or by any party on LESSEE'S behalf to the foregoing governmental agencies. The foregoing obligation shall only apply to reports which are public information and not protected from disclosure under the Federal Freedom of Information Act or the State Public Records Act.

(g) Section 19 is added as follows:

19. LESSEE shall comply with all applicable laws, rules, and regulations affecting the Premises now or hereafter in effect. Specially, Lessee shall comply with all requirements and safety regulations as are in effect now or as may be enacted or amended from time to time in the future, with respect to operation of underwater oil and gas pipelines.

The COUNTY approval shall be deemed conditioned upon LESSEE acquiring appropriate permits to proceed from governmental agencies, the furnishing of a copy thereof to the COUNTY, or designee, prior to the commencement of the work, and the compliance by LESSEE with all conditions of said permit in a prompt and expeditious manner. Any and all permits or clearances required shall be made only on the merits of the application thereof, and nothing in this Lease shall be construed to require that COUNTY, or any other government agency, is required to grant such permits or clearances.

(h) Section 20 is added as follows:

20. LESSEE shall comply with COUNTY laws, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this Lease and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Lease and the interest hereby created without liability therefore. LESSEE shall also comply with applicable State or Federal laws, rules and regulations regarding nondiscrimination.

(i) Section 21 is added as follows:

21. LESSEE shall comply with all applicable laws, regulations, rules, and orders regardless of when they become or became effective, including without limitation those relating to construction, signing, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request of COUNTY.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Premises due to LESSEE'S use and occupancy, LESSEE shall clean all property affected to the satisfaction of COUNTY and any governmental body having jurisdiction therefore. LESSEE shall indemnify, hold harmless, and defend COUNTY from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by COUNTY as a result of LESSEE'S breach of this Section, or as a result of any such discharge, leakage, spillage, emission or pollution due to LESSEE'S use and occupancy, regardless of whether such liability, cost or expense arises during or after the term of this Lease, and regardless of negligence, active or passive, of COUNTY.

(j) Section 22 is added as follows:

22. LESSEE shall not manufacture or generate hazardous wastes on the Premises. LESSEE shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported by LESSEE, its agents, employees, or designees on the Premises during the term of this Lease and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or materials. LESSEE shall notify COUNTY and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

(k) Section 23 is added as follows:

23. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(l) Section 24 is added as follows:

24. The signatories of this Lease and each of them represent and warrant that they are authorized to execute this Lease and that no additional signatures are required to bind COUNTY and LESSEE to its terms and conditions or to carry out duties contemplated herein.

(m) Section 25 is added as follows:

25. The parties to this Lease intend that their negotiations, conversations and statements made prior to execution of this Lease are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein.

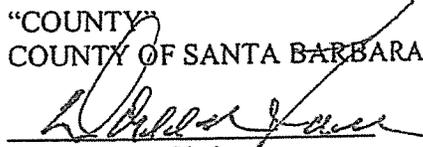
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IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Lease by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

ATTEST:  
CHANDRA L. WALLAR  
CLERK OF THE BOARD

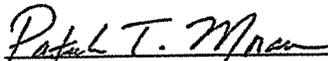
"COUNTY"  
COUNTY OF SANTA BARBARA

  
Doreen Farr, Chair  
Board of Supervisors

By   
Deputy Clerk

Date: 12-4-12

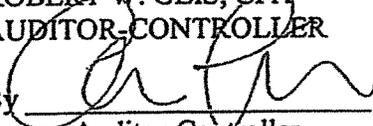
"LESSEE"  
Ellwood Pipeline, Inc.

  
Patrick T. Moran  
Sr. Land Negotiator  
Print Name and Title

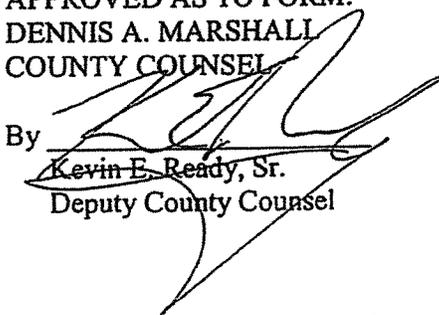
"LESSEE"  
Ellwood Pipeline, Inc.

  
Ian Livett  
Vice-President, So. California Operations  
Print Name and Title

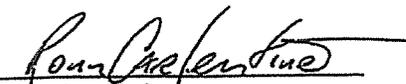
APPROVED AS TO ACCOUNTING FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By   
Auditor-Controller  
Gregory Eric Levin  
Advanced and Specialty Accounting

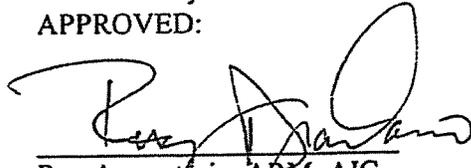
APPROVED AS TO FORM:  
DENNIS A. MARSHALL  
COUNTY COUNSEL

By   
Kevin E. Ready, Sr.  
Deputy County Counsel

APPROVED:

  
Ron Carlentine  
Real Property Manager

APPROVED:

  
Ray Aromatico, ARM, AIC  
Risk Program Administrator

60

LEASE

THIS LEASE, entered into this 27th day of September, 1955, by and between the COUNTY OF SANTA BARBARA, a body politic and corporate and subdivision of the State of California (hereinafter referred to as "County"), as Lessor, and STANDARD OIL COMPANY OF CALIFORNIA, as Lessee (hereinafter referred to as "Lessee").

For and in consideration of the covenants and agreements of Lessee, County does hereby lease, let and demise unto Lessee, for a term of fifty (50) years, commencing on the date hereof, the following parcel of tide and submerged land situate in said County of Santa Barbara, and more particularly described as follows, to wit:

A parcel of land fifty (50) feet in width situated in the County of Santa Barbara, State of California, the center line of which is described on the California Coordinate System, Zone 5, as follows:

Beginning at a point having Lambert coordinates of North 325,290 feet, East 1,545,490 feet; thence South 14° East Grid, 456 feet; thence South 19° 60' East Grid, 1200 feet; thence South 0° Grid, 810 feet; thence South 10° 40' West Grid, 1000 feet; thence South 21° 20' West Grid, 1000 feet; thence South 32° West Grid, 13,800 feet to platform Hope (Lambert Coordinates, Zone 5 of said platform Hope are North 309,513 feet, East 1,537,980 feet); thence North 81° East Grid, 3780 feet to platform Heidi (Lambert Coordinates, Zone 5 of said platform Heidi are North 310,050 feet, East 1,541,600 feet).

40' *gfk*

The parties to this agreement do hereby covenant and agree as follows:

1. That the term of this agreement shall commence upon the above recited date of September 27, 1955, and shall continue thereafter

**EXHIBIT A**

(unless sooner terminated as hereinafter provided) until September 27,  
2015.

2. Lessee shall pay to the County as consideration for the granting of this Lease, the sum of Thirteen Thousand Six Hundred Twenty Dollars (\$ 13,620.00) upon execution of this agreement, being the total rental for the full term; provided, however, that in the event of termination of this agreement pursuant to Paragraph 12 herein, no portion of said consideration shall be refundable.

3. Lessee will pay to the County the said consideration without deduction, default or delay; and, in the event of failure of the Lessee so to do, or in the event of a breach of any of the other covenants contained within this agreement, or failure to observe the terms, conditions, restrictions or time limitations herein contained, to be kept, performed and observed, it shall be lawful for the County to re-enter into and upon said premises, and to remove all persons and property therefrom, and to repossess and enjoy the herein described premises as in the first and former estate of the County, anything to the contrary herein contained notwithstanding.

4. The described land shall be used during the term hereof only for lawful purposes, namely, for submerged pipe lines and appurtenant facilities.

5. Lessee shall not transfer or assign this Lease, nor sublet said land or any part thereof except upon the prior written consent of the County first had and obtained.

6. County expressly reserves the right to grant easement or crossings in, upon and under said premises, subject to this lease, and nothing herein contained shall be construed as limiting the powers of the County to lease, during the life of this agreement, the hereinabove described lands for any purpose whatsoever not inconsistent or incompatible with the rights or privileges granted to Lessee by this agreement.

7. Lessee shall maintain and keep in good, sound repair all

structures, facilities or appurtenances of Lessee upon the property.

8. Lessee agrees to indemnify the County against any loss, damage, claim, demand or action, caused by, arising out of, or connected with the construction or maintenance by Lessee of structures upon, or the use by the Lessee and/or agents thereof, of said premises.

9. Lessee shall observe and comply with all rules and regulations now promulgated by any agency of the State of California or the County of Santa Barbara having jurisdiction therein and such reasonable rules and regulations as may hereafter be promulgated by any agency of the State of California or the County of Santa Barbara having jurisdiction therein; and the Lessee shall at all times take suitable precautions to prevent pollution and contamination of waters of the Pacific Ocean.

10. County, through its authorized agents, shall have the right at all reasonable times to go upon said premises for the purpose of inspecting the same.

11. All structures, buildings, pipe lines, machinery and facilities placed or erected by Lessee or existing and located upon said premises shall be salvaged and removed by Lessee, at Lessee's sole expense and risk, within ninety (90) days after the expiration of the period of this agreement, or prior to any sooner termination of this agreement, to a depth of fifteen (15) feet at mean low tide or to one hundred fifty (150) feet seaward of the line of mean low tide, whichever is greater; and Lessee in so doing shall restore said premises as nearly as possible to the condition existing prior to the erection or placing of the structures, buildings, pipe lines, machinery and facilities so removed.

12. The Lessee may terminate this agreement upon sixty (60) days' notice of such termination to the County; provided, however, that no such termination shall become effective, and the Lessee shall be fully liable to pay the consideration and for the performance of all other obligations on the part of the Lessee, until said Lessee has fully complied with and has

consummated each and all of the provisions of Paragraphs 11 and 13 hereof.

13. Lessee will, on the last day of said term or sooner termination of this agreement, peaceably and quietly leave, surrender and yield up to County, all and singular, the said premises in good order, condition and repair, reasonable use and wear thereof and damage by act of God or the elements excepted; and execute and deliver to County a good and sufficient quitclaim deed to the rights arising hereunder. Should Lessee fail or refuse to deliver to County a quitclaim deed as aforesaid, a written notice by County reciting the failure or refusal of Lessee to execute and deliver said quitclaim deed as herein provided shall, from the date of recordation of said notice, be conclusive evidence against Lessee and all persons claiming under Lessee of the termination of this agreement.

14. All notices herein provided to be given shall be deemed to have been fully given when made in writing and deposited in the United States mail, registered and postage prepaid, addressed as follows:

To the County:

Board of Supervisors  
County Court House  
Santa Barbara, California

To the Lessee:

Standard Oil Company of California  
P. O. Box 606  
La Habra, California 90633

The address to which the notices shall be mailed as aforesaid may be changed by written notice as herein provided, but nothing herein contained shall preclude the giving of any such notice by personal service.

15. Time is the essence of each and all the terms and provisions of this agreement, and the terms and provisions of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto; if more than one Lessee is named herein the obligations of said parties herein contained shall be joint and several.

16. This agreement may be terminated or the provisions changed,

altered or amended by mutual consent of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date hereinbefore set forth:

ATTEST:  
J. E. Lewis  
Clerk

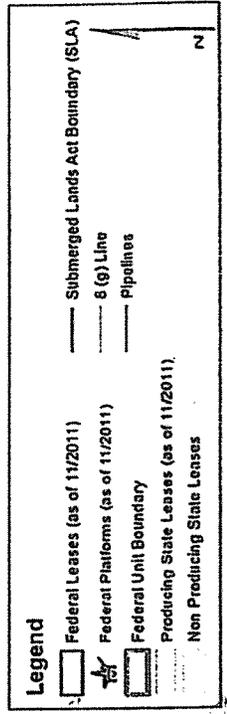
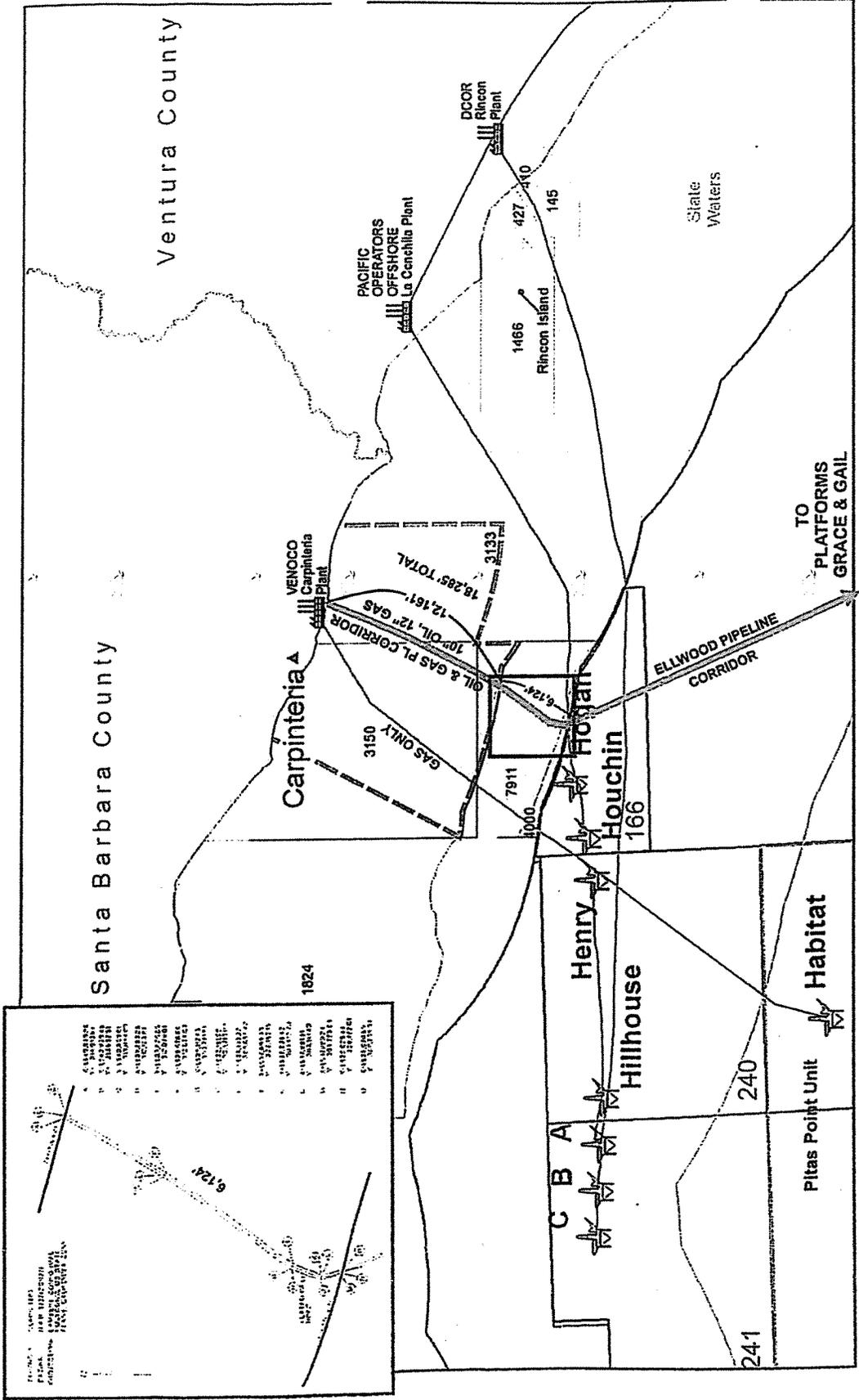
COUNTY OF SANTA BARBARA

By A. P. Blackburn  
Chairman, Board of Supervisors  
"County"

STANDARD OIL COMPANY OF CALIFORNIA

By P. L. Lacombe  
P. L. LACOMBE, Attorney, Land Department  
Standard Oil Company of California, Western  
Operations, Inc., a division of said Company  
"Lessee"

FILED:  
J. E. LEWIS, County Clerk  
By \_\_\_\_\_, Deputy



Carpinteria  
State Redevelopment Project

0 1 2 4 Miles

ELLWOOD  
PIPELINE  
INC.

Exhibit "B"

Attached to that certain Consent to Assignment, Assumption of Performance,  
and First Amendment to Lease Agreement

EXHIBIT B

EXHIBIT C  
INSURANCE REQUIREMENTS

1. Indemnity – Grantee shall defend, indemnify and save harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the Grantee or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the County.

Grantee shall notify the County immediately in the event of any accident or injury arising out of or in connection with this Agreement.

2. Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability and Automobile Liability policies, shall contain endorsements naming County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for County to vicarious liability but shall allow coverage for County to the full extent provided by the policy.

3. Waiver of Subrogation Rights – Grantee shall require the carriers of required coverages to waive all rights of subrogation against County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit Grantee and Grantee's employees or agents from waiving the right of subrogation prior to a loss or claim. Grantee hereby waives all rights of subrogation against County.

4. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by County.

5. Severability of Interests – Grantee agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between Grantee and County or between County and any other insured or additional insured under the policy.

6. Proof of Coverage – Grantee shall furnish Certificates of Insurance to the County Department administering the Agreement evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Grantee shall maintain such insurance from the time Grantee commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the

commencement of this Agreement, Grantee shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of A- VII.

8. Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.

9. Failure to Procure Coverage – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, County has the right but not the obligation or duty to cancel the Agreement or obtain insurance if it deems necessary and any premiums paid by County will be promptly reimbursed by Grantee or County payments to Grantee will be reduced to pay for County purchased insurance.

10. Insurance Review – Insurance requirements are subject to periodic review by County. The Risk Manager or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of County. In addition, if the Division of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against County, inflation, or any other item reasonably related to County's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Grantee agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of County.

11. Insurance Specifications – Grantee agrees to provide insurance set forth in accordance with the requirements herein. If Grantee uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, Grantee agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in any way affecting the indemnity herein provided and in addition thereto, Grantee shall secure and maintain throughout the Agreement term the following types of insurance with limits as shown:

A Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with one million dollar (\$1,000,000) limits covering all persons including volunteers providing services on behalf of Grantee and all risks to such persons under this Agreement.

If Grantee has no employees, it may certify or warrant to County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Program Risk Administrator.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

B. Commercial/General Liability Insurance – Grantee shall carry General Liability Insurance written on Insurance Services Office (ISO) Form CG 00 01 12'07 covering CGL on an "occurrence" basis, covering all operations performed by or on behalf of Grantee with limits of not less than two million dollars (\$2,000,000) per occurrence and not less than a two million dollar (\$2,000,000) general aggregate limit.

C. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Form Number CA 00 01 covering any auto (Code 1), or if Grantee has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than one million (\$1,000,000) per accident for bodily injury and property damage.

If Grantee owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

D. Pollution Liability Coverage – Grantee shall carry Pollution Liability Coverage with limits of not less than ten million (\$10,000,000) per occurrence.

E. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.