

Olympic Pipe Line Company LLC

2017 FINANCING AGREEMENT

THIS 2017 FINANCING AGREEMENT (this “Agreement”) is made as of August 1, 2017 (the “Effective Date”), between ARCO Midcon LLC (“ARCO”) as the sole member of Olympic Pipe Line Company LLC (“Olympic”) and Olympic (each a “Party,” and collectively, the “Parties”), according to the terms herein.

WHEREAS, ARCO and Olympic executed that Termination of Second Amended and Restated Financing Agreement dated as of August 1, 2017; and

WHEREAS, ARCO is the sole member of Olympic and the Parties now desire to enter into a new member financing agreement.

NOW THEREFORE, the Parties agree as follows:

1. Defined Terms. As used in this Agreement, the following terms have the following meanings, which apply to both the singular and plural forms of the terms defined:

“*Advance*” means an advance by a Member to Olympic of cash. Five business days prior written notice from Olympic shall be required for Advances. Each Advance shall be requested by way of delivery of a Line of Credit Promissory Note to ARCO in the form set forth as Exhibit “A” hereto.

“*ARCO*” shall have the meaning set forth in the Preamble hereof.

“*ARCO's Commitment*” means ARCO’s maximum commitment to advance the Financing, consisting of fifteen million dollars (\$15,000,000.00) of Advances.

“*Budget*” means any Budget approved in accordance with Olympic’s organizational documents from time to time.

“*Event of Default*” shall have the meaning set forth in Section 7.1.

“*Financing*” means the total amount of outstanding Advances made by the Member pursuant to this Agreement.

“*Financing Documents*” means this Agreement, the Notes and such other documents as may be required by the Member hereunder from time to time consistent with this Agreement.

“*Member*” shall mean ARCO.

“*Notes*” means the promissory note payable to the order of ARCO attached hereto as Exhibit A.

2. [Intentionally left blank]

3. Members Financing Obligations.

3.1 Commitment to Advance Loans. The Member hereby agrees to advance loans from time to time in Olympic's favor subject to and in accordance with this Agreement. Notwithstanding anything herein to the contrary, ARCO shall have no obligation to make an Advance requested by Olympic to the extent that the requested Advance, when aggregated with all previous Advances made pursuant to this Agreement (without duplication), would exceed FIFTEEN MILLION DOLLARS (\$15,000,000.00).

3.2 Advances.

3.2.1. Advances Generally. Subject to the terms of this Agreement, including the conditions precedent set forth in Section 4 below, Member shall make Advances at the times and in the amounts as contemplated by the Budget.

3.2.2. Advances in Excess of Budget. Olympic may, from time to time, request Advances in excess of amounts contemplated by the Budget. The Member shall have the obligation to make such an Advance (subject in any event to Section 3.2.1) if (a) the board of directors of Olympic (or the person or persons to whom Olympic may delegate the authority to make such requests) shall have requested such Advance, and (b) such an Advance is used to cover (i) revenue shortfalls Olympic may reasonably determine may occur in comparison to the Budget, (ii) reasonable and actual operating or other expenses in excess of the amounts provided in the Budget, (iii) costs of new capital projects, or (iv) similar matters.

3.3 Repayment.

3.3.1 Repayment of Advances. All Advances made pursuant to this Agreement shall be treated as indebtedness of Olympic. Olympic shall repay to the Member such indebtedness and pay interest on the unpaid balance of such indebtedness outstanding, from time to time, on the terms set forth in the Notes.

4. Conditions.

4.1 Conditions to Initial Advance. The following conditions to Member's obligations under this Agreement shall have been satisfied or waived in order for the Agreement to be effective.

4.1.1. Financing Documents. Member shall have received the Financing Documents, each duly executed and delivered, and in form and substance reasonably satisfactory to Member in Member's sole discretion.

4.1.2. Corporate Authority. Member shall have received, in form and substance reasonably satisfactory to it, a certified copy of resolutions adopted by the Member or board of

directors (or similar governing body) of Olympic authorizing the execution, delivery and performance of the Financing Documents and the borrowing hereunder.

4.1.3. Budget. Member shall have approved the Budget in accordance with the Budget approval process set forth in Olympic's governance documents.

4.2 Conditions to All Advances. Member's obligation to make any Advance shall be subject to the prior satisfaction or waiver of the following conditions:

4.2.1. No Default. No Event of Default shall have occurred and be continuing, nor shall an event have occurred that, with the passage of time or the giving of notice, or both, would constitute an Event of Default.

4.2.2. Representations and Warranties. All representations and warranties of Olympic set forth in each Financing Document shall be true and correct in all material respects on the date of the Advance in question.

4.2.3. No Material Adverse Change. There shall have been no material adverse change in the condition, financial or otherwise, of Olympic, nor shall there have occurred any event, action or condition of any nature whatsoever that might reasonably be expected to have a material adverse effect on the business, operations, assets or affairs of Olympic.

4.2.4. Litigation. No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any court, governmental agency or legislative body to enjoin, restrain or prohibit, or to obtain damages in respect of, or which is related to or arises out of, this Agreement or the consummation of the transactions contemplated hereby.

4.2.5. Other Documents. Olympic shall have delivered to such Member such other certificates and documents as such Member may reasonably request.

5. Representations and Warranties of Olympic. Olympic hereby represents to Member, as of the date hereof and as of the date of each Advance being requested and being made hereunder:

5.1 Commercial Purposes. Olympic intends to use the proceeds of the Advances solely for business or commercial purposes.

5.2 Existence and Power. Olympic is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, and has full limited liability company power, authority and legal right to execute, deliver and perform the Financing Documents.

5.3 Corporate Authorization. The execution, delivery and performance by Olympic of the Financing Documents to which it is a party and any borrowing hereunder have been duly authorized by all necessary limited liability company or other action of Olympic.

5.4 Binding Obligations, Etc. This Agreement has been duly executed and delivered by Olympic, and constitutes, and each of the other Financing Documents to which it is a party when duly executed and delivered will constitute, the legal, valid and binding obligation of Olympic enforceable against Olympic in accordance with their respective terms, except as enforcement may be limited by general principles of equity, contract, and regulatory laws, including, without limitation, those enforced by the Washington State Utilities and Transportation Commission and/or the Federal Energy Regulatory Commission, and its or their successors, and by bankruptcy and other laws affecting creditors' rights generally.

5.5 Financial Condition. All statements, reports and information provided to Member regarding the financial condition of Olympic fairly present the financial condition of Olympic as of the dates thereof, and, except as disclosed by Olympic to the Member, there has been no material adverse change to Olympic's financial condition as of the date hereof and as of each date on which an Advance is made.

6. Covenants. Until payment in full of the Notes and performance of all other obligations of Olympic under the Financing Documents, Olympic agrees to do all of the following unless Member shall otherwise consent in writing.

6.1 Use of Proceeds. Olympic will use the proceeds of the Advances, as set forth in the Budget, and for expenses in excess of Budget as permitted in Section 3.2.2.

6.2 Payments. Olympic will pay the principal and interest in accordance with the terms of the Notes and will pay when due all other amounts payable by Olympic under the Financing Documents.

6.3 Visitation Rights. At any reasonable time during business hours, and from time to time, Olympic will permit Member to examine and make copies of and abstracts from the records and books of account and to visit the properties of Olympic and to discuss the affairs, finances and accounts of Olympic with any of its officers or directors.

6.4 Keeping of Books and Records. Olympic will keep adequate records and books of account in which complete entries will be made, in accordance with generally accepted accounting principles consistently applied, reflecting all financial transactions of Olympic.

6.5 Compliance with Laws. Olympic will comply in all material respects with all laws, regulations, rules, and orders of governmental authorities applicable to Olympic or to its operations or property except any thereof whose validity is being contested in good faith by appropriate proceedings upon stay of execution of the enforcement thereof.

6.6 Liens; Negative Pledge. Olympic shall not voluntarily create, nor permit to be created, any lien, pledge, security interest or charge in excess of (together with any liens, pledges, security interests or charges permitted by Section 6.6 of the Existing Financing Agreement) one million dollars (\$1,000,000.00) upon any property of Olympic without the express prior written consent of the Member. Olympic will pay and discharge before the same shall become delinquent all indebtedness, taxes and other obligations for which Olympic is liable

or to which its income or property is subject and all claims for labor and materials or supplies which, if unpaid, might become by law a lien upon assets of Olympic.

6.7 Insurance. Olympic shall keep in force upon all of its properties and operations policies of insurance carried with responsible companies in such amounts and covering all such risks as shall be customary in the industry and satisfactory to the Member. Olympic shall, on request, furnish to the Member certificates of insurance or duplicate policies evidencing such coverage.

6.8 Financial Information. Olympic will deliver to the Member: (a) as soon as available and in any event within one hundred eighty (180) days after the end of each fiscal year of Olympic, the balance sheet of Olympic as of the end of such fiscal year and the related statements of income and retained earnings and statement of changes in financial position of Olympic for such year, accompanied by the audit report thereon by independent certified public accountants satisfactory to the Member; (b) as soon as available and in any event within thirty (30) days after the end of each fiscal quarter of Olympic, the unaudited balance sheet and statement of income and retained earnings of Olympic as of the end of such fiscal quarter (including the fiscal year to the end of such fiscal quarter), accompanied by a certificate of the chief financial officer of Olympic that such unaudited balance sheet and statement of income and retained earnings have been prepared in accordance with generally accepted accounting principles consistently applied and present fairly the financial position and the results of operations of Olympic as of the end of and for such fiscal quarter; and (c) unless prohibited by law, all other statements, reports and other information as the Member may reasonably request concerning the financial condition and business affairs of Olympic.

6.9 Notification. Promptly after learning thereof, Olympic will notify the Member of (a) any material action, proceeding, investigation or claim against or affecting Olympic instituted before any court, arbitrator or governmental authority or, to Olympic's knowledge, threatened to be instituted; (b) any substantial dispute between Olympic and any governmental authority; (c) any labor controversy which has resulted in or, to Olympic's knowledge, threatens to result in a strike that would materially affect the business operations of Olympic; and (d) the occurrence of any Event of Default.

6.10 Additional Acts. From time to time, Olympic will execute and deliver all such instruments and perform all such other acts as the Member may reasonably request to carry out the transactions contemplated by the Financing Documents.

6.11 Prohibition on Debt. Olympic shall not incur any indebtedness to any party other than to the Member, save for (a) indebtedness for trade obligations incurred in the ordinary course of Olympic's business; (b) debt contemplated in the Budget; or (c) otherwise with the express written consent of the Member.

7. Events of Default.

7.1 Events of Default Defined. The occurrence of any of the following events shall constitute an "Event of Default":

7.1.1. Payment Default. Olympic fails to pay when due any amount of principal or interest under any Note, or any other amount payable by it under any Financing Document; or

7.1.2. Breach of Warranty. Any representation or warranty made or deemed to be made by Olympic under or in connection with any Financing Document proves to have been incorrect in any material respect when made; or

7.1.3. Breach of Covenant. Olympic fails to perform or observe any other covenant, obligation or term of any Financing Document, and such failure is material; or

7.1.4. Cross Default. Olympic fails to pay or perform when due any obligation, which failure has a material adverse effect on Olympic; or

7.1.5. Impairment. The Member shall determine in good faith that, as a result of (a) a material adverse change in the financial condition or operations of Olympic; or (b) any action taken or instituted by any governmental agency or by any court of competent jurisdiction, the prospect of payment or performance of the obligations of Olympic are materially impaired; or

7.1.6. Adverse Actions. Any judgment or order for the payment of money in excess of five million dollars (\$5,000,000.00) shall be rendered against Olympic, which judgment or order is neither timely paid nor appealed and the effect of the judgment or order is not stayed pending the outcome of the appeal; or any of Olympic's assets having a value in excess of one million dollars (\$1,000,000.00) shall be seized, attached, garnished or levied upon and such seizure, attachment, garnishment or levy shall not be dissolved within ten (10) days thereafter; or

7.1.7. Voluntary Bankruptcy. Olympic (a) files a petition seeking relief for itself under the United States Bankruptcy Code, as now constituted or hereafter amended; or (b) fails timely to controvert a petition filed against it seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended; or

7.1.8. Involuntary Bankruptcy. An order for relief is entered against Olympic under the United States Bankruptcy Code, as now constituted or hereafter amended, which order is not stayed; or appointing a receiver, liquidator, or custodian of Olympic or of any substantial part of its property; or upon the expiration of sixty (60) days after the filing of any involuntary petition against it seeking any of the relief specified in Section 7.1.6 or this Section 7.1.8 without the petition being dismissed prior to that time; or

7.1.9. Insolvency. Olympic (a) makes a general assignment for the benefit of its creditors; or (b) consents to the appointment of or taking possession by a receiver, liquidator, or custodian of all or a substantial part of the property of Olympic; or (c) admits its insolvency or inability to pay its debts generally as they become due; or (d) fails generally to pay its debts as they become due; or (e) liquidates or dissolves.

7.2 Consequences of Default. If any Event of Default shall occur and be continuing, without notice or demand, at the option of the holder of any Note (or in the event of bankruptcy of Olympic, automatically) any obligation to make Advances shall terminate, and all principal of and the interest owing under the Notes and all other sums payable by Olympic under the Financing Documents shall become immediately due and payable, whereupon the same shall become immediately due and payable without protest, presentment, notice or demand, all of which Olympic expressly waives, and the Member may exercise all remedies available to it under law or pursuant to any Financing Document. Olympic agrees to pay on demand all reasonable attorneys' fees, costs and other expenses, and the reasonable fees, costs and other expenses of other professionals, including accountants, appraisers and expert witnesses, incurred in connection with the collection of all principal, interest and other amounts payable hereunder, the enforcement of the Notes and the other Financing Documents (whether in arbitration or in judicial proceedings, including bankruptcy proceedings), the preservation of holder's rights and interests in property, and in investigating Events of Default, and determining relative rights and obligations arising under the Notes and the other Financing Documents upon the occurrence of an Event of Default, and all such reasonable fees, costs and expenses of holder shall become a part of the indebtedness evidenced by the Notes, and shall bear interest at the rate hereunder from time to time.

8. Miscellaneous.

8.1 No Waiver; Remedies Cumulative. No failure by Member to exercise, and no delay in exercising, any right, power or remedy under any Financing Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy under any Financing Documents preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. The exercise of any right, power, or remedy shall in no event constitute a cure or waiver of any Event of Default nor prejudice the right of Member in the exercise of any right hereunder or thereunder, unless in the exercise of such right, all obligations of Olympic under the Financing Documents are paid in full. The rights and remedies provided herein and therein are cumulative and not exclusive of any right or remedy provided by law.

8.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts to be performed entirely within the State of Washington, as supplemented by applicable federal law.

8.3 Consent to Jurisdiction. Each of the Parties hereby irrevocably submits to the jurisdiction of the United States District Courts or the state courts of general jurisdiction sitting in Chicago, Illinois, in any action or proceeding brought to enforce or otherwise arising out of or relating to this Agreement and irrevocably waives to the fullest extent permitted by law any objection which it may now or hereafter have to the laying of venue in any such action or proceeding in any such forum, and hereby further irrevocably waives any claim that any such forum is an inconvenient forum.

8.4 Notices.

- (a) Any notice required or permitted to be given under this Agreement or any other Financing Document will be in writing and may be given by delivering, sending by facsimile transmission or other means of electronic communication capable of producing a printed copy, or sending by prepaid first class mail, the notice to the following address or number:

If to Member:

ARCO

ARCO Midcon LLC
c/o BP Pipelines (North America) Inc.
Attn: John Chandler
501 Westlake Park Blvd.
Houston, TX 77079

If to Olympic:

Olympic Pipe Line Company LLC
c/o BP Pipelines (North America) Inc.,
its operator
Attn: Managing Attorney
4101 Winfield Road
Warrenville, IL 60555

(or to such other address or number as any Party may specify by notice in writing to another Party).

- (b) Any notice delivered or sent by facsimile transmission or other means of electronic communication capable of producing a printed copy on a business day will be deemed conclusively to have been effectively given on the day the notice was delivered, or the transmission was sent successfully to the number set out above, as the case may be.
- (c) Any notice sent by prepaid first class mail will be deemed conclusively to have been effectively given on the fifth (5th) business day after posting.

8.5 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns, except that Olympic may not assign or otherwise transfer all or any part of its rights or obligations hereunder without the prior written consent of the Member, and any such assignment or transfer purported to be made without such consent shall be ineffective.

8.6 Entire Amendment and Restatement; Amendment. The Financing Documents comprise the entire agreement of the Parties and may not be amended or modified except by written agreement of Olympic and Member. No provision of any Financing Document may be

waived except in writing and then only in the specific instance and for the specific purpose for which given.

8.7 Counterparts. This Agreement may be executed in any number of counterparts and this shall have the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized as of the date first above written.

ARCO MIDCON LLC

By: _____
Name:
Title:

OLYMPIC PIPE LINE COMPANY LLC

By: _____
Name:
Title:

EXHIBIT A

LINE OF CREDIT PROMISSORY NOTE

\$15,000,000.00

August 1, 2017
Seattle, Washington

FOR VALUE RECEIVED, the undersigned (the “*Borrower*”) hereby promises to pay to the order of ARCO Midcon LLC (“*Lender*”) at 501 Westlake Park Blvd., Houston, TX 77079, or to such other person or at such other place as the holder of this Line of Credit Promissory Note (this “*Note*”) may from time to time designate in writing, the principal sum of FIFTEEN MILLION AND NO/100THS DOLLARS (\$15,000,000.00) (the “*Maximum Loan Amount*”) or such lesser amount as may have been advanced and remains outstanding hereunder, together with interest on the unpaid balance and costs, fees and expenses payable hereunder (the “*Line of Credit*”) as set forth below. Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Agreement (referred to in Section 4 below).

1. Repayment. The Borrower may repay all or any portion of the Line of Credit or any advances thereunder at any time without penalty, and notwithstanding anything to the contrary herein:

1.1 The entire principal balance shall be due and payable on December 31, 2025 (the “*Maturity Date*”).

1.2 Interest Payments will be paid in arrears on the last day of each Interest Period. Such interest will accrue and be computed daily on the principal balance of each Advance outstanding (together with any overdue and unpaid interest or other amounts payable hereunder in respect of such Advance) for each day in the Interest Period, on the basis of a 360-day year.

1.3 Notwithstanding anything to the contrary herein, all principal, interest and all other amounts arising pursuant to this Note shall be due and payable no later than the Maturity Date.

2. Prepayment. Borrower may prepay this Note at any time, with three (3) days’ prior written notice to Lender. Prepayments shall be applied first towards interest and other non-principal charges, and second towards reduction of principal.

3. Interest Rate. All principal outstanding from time to time shall bear interest at a rate equal to the lesser of the highest rate permitted by Washington law or LIBOR plus two hundred forty-five (245) basis points. If an Event of Default (as defined in Section 5 hereof) shall have occurred and be continuing, interest shall thereupon accrue daily on the aggregate outstanding principal balance until such amount is paid in full at a fixed rate per annum equal to the lesser of the highest rate permitted by Washington law or LIBOR plus eight hundred (800) basis points (the “*Default Rate*”). Default interest shall be payable from time to time on demand of the Lender. Notwithstanding any other provision of this Note, interest, fees, and expenses payable by reason of the indebtedness evidenced hereby shall not exceed the maximum, if any, permitted by applicable law. As used in this Section 3, “LIBOR” means three month LIBOR quoted daily as a per annum rate in *The Wall Street Journal* on the second business day prior to the first day of such Interest Period for U.S. dollar deposits having a tenor equal to 3 months and “bps” means basis points, each of which is equal to 0.01%. The interest period for each Advance shall consist of consecutive 90 day periods commencing effective as of the date of issuance of each such

Advance (each such period an "Interest Period"). If the last day of any Interest Period as so determined is not a business day, such Interest Period shall be extended so as to expire on the first day thereafter that is a business day.

4. Loan Documents. This Note is subject to the terms and conditions of the 2017 Financing Agreement between the Borrower and ARCO Midcon LLC dated as of August 1, 2017 (the "Agreement"), and is entitled to the benefit thereof, and such other agreements, instruments, documents and certificates as may be executed by the Borrower in connection therewith (the "Financing Documents").

5. Default. If the Borrower otherwise shall become in default hereunder or any Event of Default shall occur pursuant to the Agreement (an "Event of Default"), then the Lender shall enjoy all rights and remedies which may arise at law, in equity or under any Financing Document. The Borrower agrees to pay on demand all reasonable attorneys' fees, costs and other expenses incurred in legal proceedings to collect all sums owing under this Note.

6. Miscellaneous Provisions. Each and every right and remedy given herein or in any other Financing Document or otherwise existing in connection therewith shall be cumulative and shall be in addition to every other right and remedy now or hereafter existing by agreement, at law or in equity, and each and every other right and remedy may be exercised, wholly or in part, from time to time, and as often, and in any order, as holder chooses, and the exercise or the beginning of the exercise of any right or remedy shall not be construed to be an election of rights or remedies, or a waiver of the right to exercise at the same time or thereafter any other right or remedy. Neither holder's acceptance of partial or delinquent payments nor any delay or omission by holder in the exercise of any right, power or remedy hereunder shall be impair any such right, power or remedy or be construed to be a waiver of any right to exercise such right, power or remedy or to constitute a modification of this Note.

7. Waiver. The Borrower and all endorsers and all other persons liable or to become liable on this Note agree that the liability of each of them hereon shall be joint and several, and waive presentment, demand, protest and notice of protest, dishonor and nonpayment, and consent to any and all renewals and extensions of time of payment. The Borrower and the holder of this Note agree that the terms of payment hereof may be modified by their mutual consent without affecting the liability of the Borrower or any endorser or other person liable or to become liable on this Note.

This Note shall be governed by, and construed in accordance with the laws of the State of Washington without reference to choice of law rules.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

OLYMPIC PIPE LINE COMPANY LLC

By: _____
Name:
Title: