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AMENDED AND RESTATED OPERATING AGREEMENT

This AMENDED AND RESTATED OPERATING AGREEMENT (this “**Agreement**”) dated as of September 5, 2017 (“**Effective Date**”), is entered into by and between BP Pipelines (North America) Inc., a Maine corporation (“**Operator**”), and Olympic Pipe Line Company LLC, a Delaware limited liability company (“**Company**”). Each of Operator and Company is sometimes referred to herein individually as a “**Party**” or collectively as the “**Parties**.”

RECITALS

WHEREAS, Company owns a common carrier pipeline used for the transportation of petroleum products which operates in Washington and Oregon; together with related pump and metering stations and incidental facilities and equipment for the transportation of petroleum products and the Bayview Terminal (the “**System**”);

WHEREAS, Company prior hereto has retained Operator to perform the physical operations and maintenance of the System and the management and administrative functions of Company in accordance with that certain Operating Agreement of Olympic Pipe Line Company, dated January 31, 2006, by and between Olympic Pipe Line Company and BP Pipelines (North America) Inc. (the “**Prior Agreement**”);

WHEREAS, Company desires to retain Operator to perform the physical operations and maintenance of the System and the management and administrative functions of Company as set forth herein; and

WHEREAS, the Parties now desire to amend and restate the Prior Agreement in its entirety in the manner set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, and intending hereby to be legally bound, Company and Operator hereby agree and stipulate as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms have the respective meanings set forth below or set forth in the Sections referred to below. Terms that are used as defined terms but not defined in this Agreement shall have the meanings set forth in the LLC Agreement.

“**AAA**” shall have the meaning set forth in Section 10.3(b).

“**Accounts**” shall have the meaning set forth in Section 3.1.

“**Affiliate**” shall mean, when used with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person in question. For the avoidance of doubt, any publicly traded

limited partnership whose sole general partner is an Affiliate of Operator shall, for the purposes of this Agreement, be treated as an Affiliate of Operator. Notwithstanding anything herein to the contrary, in no event shall Operator (or any of its Affiliates) be considered an Affiliate of Company nor shall Company be considered an Affiliate of Operator (or any of its Affiliates).

“**Agreement**” shall mean this Amended and Restated Operating Agreement (including any and all Schedules, Exhibits or Attachments hereto), as may be amended from time to time.

“**Allocated Costs of Services**” shall have the meaning set forth in Section 3.2.

“**Arbitration Notice**” shall have the meaning set forth in Section 10.2(b).

“**Arbitrator**” shall have the meaning set forth in Section 10.3(a).

“**Bankrupt**” shall mean any Person:

(a) that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceeding; (iv) files a petition or answer seeking for such Person a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Law; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in a proceeding of the type described in subclauses (i) through (iv) of this clause (a) in which such Person is the debtor; or (vi) seeks, consents, or acquiesces to the appointment of a trustee, receiver, or liquidator of such Person or of all or any substantial part of such Person’s properties; or

(b) against which a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Law has been commenced and one hundred twenty (120) days have expired without dismissal thereof or with respect to which, without such Person’s consent or acquiescence, a trustee, receiver, or liquidator of such Person or of all or any substantial part of such Person’s properties has been appointed and ninety (90) days have expired without such appointments having been vacated or stayed, or ninety (90) days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

“**Basic Cost of Services**” shall have the meaning set forth in Section 3.1.

“**Bayview Terminal**” means the terminal storage tanks, buildings, piping and related fixtures owned by Company and the land leased by Company located at 14879 Ovenell Road, Mount Vernon, WA.

“**Business Day**” shall mean Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States or the State of Washington, shall not be regarded as a Business Day.

“**Capital Budget**” shall have the meaning set forth in Section 4.1.

“**Capital Project**” shall mean a project for which a capital expenditure, chargeable to investment in accordance with the procedures described by the appropriate regulatory agency or as deemed appropriate by the Operator, is to be made.

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

“**Company Parties**” shall have the meaning set forth in Section 6.1.

“**Confidential Information**” shall have the meaning set forth in Section 2.6.

“**Control**” (including its derivatives and similar terms) shall mean (i) owning, directly or indirectly, through one or more intermediaries, an equity interest in such Person, and (ii) possessing, directly or indirectly, through one or more intermediaries, the power to direct or cause the direction of the management and policies of any such relevant Person by ownership of voting interest, by contract or otherwise; *provided, however*, that solely having the power to act as the operator of a Person’s day-to-day commercial operations, without otherwise having the direct or indirect power to direct or cause the direction of the management and policies of such Person, shall not satisfy the foregoing definition of “Control”. For the avoidance of doubt, a Person shall be deemed to “Control” an entity organized as a limited partnership if such Person Controls the general partner of such limited partnership.

“**Cost of Services**” shall have the meaning set forth in Section 3.4.

“**COS/TRR**” shall have the meaning set forth in Section 3.6.

“**Designated Item**” shall mean any item included in a given Operating Budget that has a cost which has been or will be incurred pursuant to (a) an agreement executed by Operator related to the Services, (b) an ongoing contractual commitment of Company, (c) statutory or regulatory requirement, or (d) written policy or procedure of Operator, in each case, *provided* such agreement, requirement, policy or procedure was in place prior to the submission of such Operating Budget for Company’s approval under Section 4.4.

“**Dispute**” shall have the meaning set forth in Section 10.1.

“**Effective Date**” shall have the meaning set forth in the Preamble.

“**Emergency**” shall mean a sudden or unexpected event that (a) causes, or risks causing, damage to the System or other property or injury to any Person and (b) is of such a nature that responding to the event cannot, in the reasonable discretion of Operator, await the decision of Company.

“**Force Majeure**” shall mean any cause beyond the reasonable control of a Party, including the following causes: acts of God, strikes, lockouts or other industrial disturbances, sabotage, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to plants, platforms, equipment,

machinery or lines of pipe, freezing of wells, or lines of pipe, partial or entire failure of wells, and any other causes, whether of the kind herein enumerated or otherwise, whether affecting the Party claiming Force Majeure or the System, or upstream or downstream transporters or gatherers and which by the exercise of reasonable diligence the Party claiming Force Majeure is unable to prevent or overcome; such term shall likewise include the inability of Operator to acquire, or delays on the part of Operator in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights-of-way grants, permits, permissions, licenses, materials or supplies which are required to enable Operator to fulfill its obligations hereunder.

“**GDP/IPD**” shall mean the Gross Domestic Product-Implicit Price Deflator published by the U.S. Department of Commerce, Bureau of Economic Analysis.

“**Inflation Adjustment**” shall mean the percentage obtained by dividing (i) the final revised GDP/IPD for the calendar year before the preceding calendar year, by (ii) the 2016 GDP/IPD.

“**Initial Term**” shall have the meaning set forth in Section 8.1.

“**Laws**” means the laws, rules, regulations, decrees and orders of the United States of America and all other governmental authorities having jurisdiction, whether such laws now exist or hereafter come into effect.

“**Lien**” means any mortgage, pledge, lien, encumbrance, encroachment, servitude, burden, charge, other security interest, or defect or irregularity in title.

“**LLC Agreement**” shall mean the Amended and Restated Limited Liability Company Agreement of Company, dated as of September 5, 2017.

“**Losses**” shall mean losses, liabilities, claims (including third party claims), demands, suits, causes of action, judgments, awards, damages, interest, fines, fees, penalties, costs and expenses (including all attorneys’ fees and other costs and expenses incurred in defending any such claims or other matters or in asserting or enforcing any indemnity obligation under Article 6) of whatsoever kind and nature.

“**Management Fee**” shall have the meaning set forth in Section 3.3.

“**Management Committee**” shall mean the Management Committee of Company.

“**Members**” shall mean the Persons admitted as members of Company so long as such Person has not ceased to be a member of Company.

“**Notice**” shall have the meaning set forth in Article 9.

“**Operating Budget**” shall have the meaning set forth in Section 4.1.

“**Operator Parties**” shall have the meaning set forth in Section 6.1.

“**Party**” or “**Parties**” shall have the meaning set forth in the Preamble.

“**Person**” shall mean any individual or entity, including any corporation, limited liability company, partnership (general or limited), joint venture, association, joint stock company, trust, unincorporated organization or government (including any board, agency, political subdivision or other body thereof).

“**Permit**” shall mean means all franchises, licenses, certificates, determinations, permits, tariffs, and other authorizations, waivers, registrations, consents, orders and approvals required under applicable Law to be obtained from or filed with any governmental entity.

“**Prior Agreement**” shall have the meaning set forth in the Preamble.

“**Projects**” shall have the meaning set forth in Section 3.2.

“**Renewal Term**” shall have the meaning set forth in Section 8.1.

“**ROW Documents**” shall have the meaning set forth in Section 2.2(a)(iii).

“**Rules**” shall have the meaning set forth in Section 10.3(b).

“**Services**” shall have the meaning set forth in Section 2.2.

“**System**” shall have the meaning set forth in the Recitals.

1.2 Interpretation. Unless the context requires otherwise: (a) the gender (or lack of gender) of all words used in this Agreement includes the masculine, feminine, and neuter; (b) references to “Articles” and “Sections” refer to articles and sections of this Agreement; (c) references to “Exhibits” refer to the exhibits attached to this Agreement, each of which is made a part hereof for all purposes; (d) references to Laws refer to such Laws as they may be amended from time to time, and references to particular provisions of a Law include any corresponding provisions of any succeeding Law; (e) the terms defined herein include the plural as well as the singular and vice versa; (f) references to money, currency, “\$” or “dollars” refer to legal currency of the United States of America; (g) unless the context of the Agreement clearly requires otherwise, the words “include,” “includes” and “including shall be deemed to be followed by the word “without limitation,” and the words “hereof,” “herein,” “hereunder” and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular section or Article to which such words appear; and (h) any reference to a Person shall include its permitted successors or permitted assigns, unless the context in this Agreement otherwise requires.

ARTICLE 2 DUTIES AND POWERS OF OPERATOR

2.1 Retention of Operator. Company hereby retains Operator to perform the Services (as defined below). Operator hereby accepts such retention and agrees to perform the Services, as agent for Company, in accordance with this Agreement. Subject to the provisions of Section 3.3, Operator otherwise shall provide the Services under this Agreement at Operator’s cost, with no fees, profit or mark-ups charged to Company by Operator.

2.2 Scope of Services. The “**Services**” shall consist of any services related to the System that Company and Operator may agree, from time to time, that Operator is to perform under this Agreement, as well as the services set forth below in this Section 2.2. Subject to the other terms of this Agreement, Operator shall be responsible for the operation and maintenance of the System, as described in clause (a) below; conducting routine and emergency repair of the System, as described in clause (b) below; conducting measurement activities, including the repair and maintenance of facilities relating thereto, as described in clause (c) below; providing for the procurement of materials, equipment and supplies, as described in clause (d) below; and performing certain personnel and administrative duties, as described in clause (e) below.

(a) Operator shall be responsible for the furnishing of all materials, equipment, supplies, labor and services necessary to perform its responsibilities under this Agreement, including the following:

(i) The physical operation and maintenance of the System.

(ii) Implementing pipeline shutdown, purge and pack operations.

(iii) Acquiring, by purchase, lease, condemnation or other arrangement all easements, licenses, permits and other rights and interest in or affecting real property that are associated with the operation of the System and thereafter the maintenance of pipeline easements and rights-of-way, including enforcement of Company’s rights under such easements, permits or licenses; *provided*, that, Operator shall not commence formal litigation against any landowner or third party unless authorized by Company. For all of the documents involving real property rights held by Company (“**ROW Documents**”), Operator shall be responsible for causing all payments and taking all actions required in connection with maintaining and protecting the beneficial rights of Company under such ROW Documents; *provided*, that Company agrees that upon the request of Operator, Company will take such actions in its name as the holder of legal title to the ROW Documents, including paying such annual charges or other fees or expenses in its name, as Operator and Company may reasonably determine are in the best interests of Company.

(iv) Preparing and filing all ministerial reports and non-material FERC or governmental filings or pleadings and appearing before such governmental authorities or agencies in connection therewith. Operator may, with prior approval from Company, prepare and file any other material pleading or filing with the FERC or other governmental authorities or agencies and appear before such governmental authorities or agencies in connection therewith.

(v) Scheduling, nominating, balancing, product control, as applicable.

(vi) Assisting Company in conducting any research, analysis or other work necessary to enable Company to establish or alter its tariff or transportation rates and administering the provisions of Company’s effective tariff, including maintenance of all necessary records required by order of any governmental authorities or agencies or by any tariff settlement agreement applicable to such tariff filing.

(vii) Performing the business and commercial development functions on behalf of Company and, negotiating and preparing for execution by Company any agreements,

including confidentiality, transportation, tariff settlement and pipeline interconnection agreements, in each case in accordance with the policies established by Company. Operator shall have the authority to negotiate on behalf of Company any of the above mentioned agreements.

(b) Operator shall (i) conduct all necessary inspection, maintenance and repair of the System as may be required and (ii) take all appropriate action and conduct all necessary repairs to the System in the case of an Emergency as in its reasonable opinion are appropriate; it being understood that Operator shall notify Company and each Member as soon as possible of any Emergency.

(c) Operator shall provide measurement services for the System to comply with applicable industry standards, and shall ensure that measurement devices are properly maintained and calibrated in accordance with applicable industry reports and manuals and generally accepted industry standards, including witnessing the testing of meters and other instruments not maintained by Operator but which affect the measurement of hydrocarbons delivered to and from the System.

(d) In connection with the Services described in clauses (a), (b) and (c) above, Operator shall procure and furnish all materials, equipment and supplies to be incorporated in or used therein and in such reasonable amounts as are necessary to carry out its responsibilities under this Agreement in the name and for the account of Company. In addition, Operator shall make sales or exchanges of materials, equipment and supplies in such reasonable amounts as are necessary to carry out its responsibilities under this Agreement.

(e) In connection with the Services described in clauses (a), (b), (c) and (d) above, Operator shall:

(i) Handle bidding and contracting for the operation, maintenance, inspection, testing, upkeep, repair, shutdown and restart-up of the System, and may at the direction of Company, handle bidding and contracting for the design and construction of improvements, abandonment and/or removal of the System. Operator shall be authorized to execute as agent for Company any necessary or appropriate contracts to carry out Operator's responsibilities hereunder; *provided* that Operator shall use commercially reasonable efforts as appropriate in Operator's reasonable judgment to require all non-Affiliated contractors employed by it under this Agreement (A) to obtain the minimum insurance set forth in Schedule I to Exhibit A, and (B) to adhere to Company's Policies and Procedures (as defined in the LLC Agreement).

(ii) Engage and manage on behalf of Company and at Company's expense such outside legal counsel, media relations experts and other consultants and experts as Operator determines may be necessary or appropriate relating to the operation, maintenance, repair or management of the System and the governance of Company.

(iii) Procure and maintain insurance on behalf of and in the name of Company, with Company listed as the first named insured, as required by any applicable Law, contract, lease, this Agreement, or as otherwise directed by Company, with Members and Operator listed as named insureds. With respect to the Services being provided under this

Agreement, Operator shall procure and maintain insurance or self-insurance as directed by Company, including the coverages scheduled in Exhibit A; *provided*, that if required coverages are not self-insured, Operator may name Company as an additional insured where permitted by applicable Law or insurance policy.

(iv) Employ and have qualified supervision over the personnel reasonably required by Operator to perform its duties and responsibilities hereunder, which employees shall be employees of Operator or its Affiliates. Operator shall hire and retain any contractors or consultants, at the sole cost and expense of the Company, as reasonably required by Operator to perform its duties and responsibilities hereunder. All Services performed hereunder by Operator's Affiliates shall be on terms no less favorable to Company than those prevailing at the time for comparable services by an unaffiliated, independent Person in an arms-length transaction.

(v) File, store and maintain in a manner such that they shall be available for periodic inspection all as built drawings or descriptions of the System, construction and maintenance records, inspection and testing records, operating procedures and manuals, custody transfer documents, and such other records as may be required by applicable Laws or as may be requested by Company.

(vi) Prepare, or cause to be prepared, and file, at the cost and expense of Company, all necessary federal, state, local and indirect tax returns.

(vii) Perform the accounting functions of Company and maintain the Capital Accounts of the Members and make allocations thereto and distributions therefrom in accordance with the provisions of the LLC Agreement.

(viii) Utilize Operator's independent auditor to complete Company's audited financial results.

(ix) Prepare and submit the Operating Budget and Capital Budget for approval of Company in accordance with Article 4 of this Agreement.

(x) Consult with and offer advice to Company and, if necessary, testimony for, Company in connection with regulatory or other proceedings and the preparation of business, marketing, financial, safety and other plans.

(xi) Consult with and offer advice to Company concerning the design, construction or acquisition of any Capital Projects.

(xii) Provide timely billing to customers, conduct reasonable efforts to collect payments due from customers (including instituting collection proceedings) and make payments to creditors of Company.

(xiii) Retain all charts, records, books of accounts, plans, designs, studies and reports and other documents related to the operation and maintenance of the System as may be required by Company, this Agreement, by Law or by the common practices of the pipeline industry.

(xiv) Operate and maintain the System in accordance with all properly promulgated rules, regulations, orders, and Laws of any agency or governmental authority exercising jurisdiction over the System or its operation, including federal, state and local environmental Laws and regulations, safety regulations and cathodic protection regulations. Operator shall prepare and file required documentation to obtain all necessary permits, licenses and approvals of governmental authorities.

(xv) Institute condemnation suits or litigation, arbitration or similar proceedings against Persons other than Company and enter into settlements of, in each case, (A) claims covered by insurance or self-insurance and (B) any other claim for an amount reasonably expected to be less than \$100,000; it being understood that any action to be taken with regard to any claim reasonably expected to be greater than \$100,000 shall require the approval of Company. Operator shall give prompt notice to Company and each Member of all claims referred to in this Section 2.2(e)(xv).

(xvi) Maintain custody of the funds, notes, drafts, acceptances, commercial paper, and other securities belonging to Company, and invest and disburse funds on behalf of Company, in accordance with Section 8.4 of the LLC Agreement.

(xvii) Provide monthly to Company, within fifteen (15) Business Days after the end of the preceding calendar month, a balance sheet, an income statement, a statement of cash flow, and a statement of changes in each Member's Capital Account.

(xviii) Perform such other duties as are reasonably requested by Company (including non-routine services, which such cost and expenses will be reimbursed by Company) or which are necessary or appropriate for Operator to discharge its responsibilities under this Agreement.

2.3 Standard of Care. Subject to the other provisions hereof, Operator shall perform the Services and carry out its responsibilities under this Agreement (a) as a reasonable and prudent operator, in a sound and workmanlike manner, with due diligence and dispatch; (b) in accordance with sound, workmanlike and prudent practices of the pipeline industry; (c) in an efficient, safe and cost effective manner consistent with the Company's Policies and Procedures (as defined in the LLC Agreement); and (d) in compliance with all valid and applicable Laws.

2.4 Independent Contractor. In performing the Services, Operator shall be an independent contractor, and Operator shall not be deemed for any purpose to be a servant or employee of Company or any Member. Operator shall have full legal charge and control of its employees, agents and equipment engaged in the performance of the Services.

2.5 Representations and Warranties of Operator. Operator hereby represents, warrants and covenants to Company that the following statements are true and correct as of the Effective Date:

(a) Operator is duly incorporated, validly existing, and in good standing under the Laws of the state of its formation, and, if required by Law, is duly qualified to do business and is in good standing in all other applicable jurisdictions, if any; and Operator has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder,

and all necessary actions by its board of directors necessary for the due authorization, execution, delivery, and performance of this Agreement by Operator have been duly taken;

(b) Operator has duly executed and delivered this Agreement, and it constitutes the legal, valid and binding obligation of Operator enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar Laws of general application and by the effect of general principles of equity, regardless of whether considered at law or in equity);

(c) Operator's authorization, execution, delivery, and performance of this Agreement does not and will not (i) conflict with, or result in a breach, default or violation of, (A) the certificate of incorporation or bylaws of Operator, (B) any contract or agreement to which Operator is a party or is otherwise subject, or (C) any Law, order, judgment, decree, writ, injunction or arbitral award to which Operator is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or other Person, unless such requirement has already been satisfied; and

(d) Operator is not a "holding company," and "associated company," a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company," in each case as such term is defined in the Public Utility Holding Company Act of 2005, as amended, and the rules and regulations promulgated thereunder.

2.6 Confidentiality; Press Releases. The Parties acknowledge that, from time to time, they may receive information from or regarding the other Party, its customers or any of its Affiliates in the nature of trade secrets or secret or proprietary information or information that is otherwise confidential ("**Confidential Information**"), the release of which may be damaging to the Party, its Affiliates or Persons with which it does business. Each Party shall hold in strict confidence any Confidential Information it receives that is identified as being confidential and may not disclose such Confidential Information to any Person, except for disclosures (a) compelled by applicable Law (but the disclosing Party must notify the other Party promptly of any request for such information before disclosing it, if practicable) or required to be disclosed (i) by the rules or requirements of any stock or commodity exchange or quotation system to which the Party or its Affiliates are subject, or (ii) in any registration statements or reports filed by the Party or its Affiliates with the Securities and Exchange Commission, (b) to Affiliates, lenders, accountants, attorneys, advisers or representatives of the receiving Party, but only if the recipients of such Confidential Information have agreed to be bound by the provisions of this Section 2.6, (c) of information that a Party also has received from a source independent of the other Party and that such Party reasonably believes such source obtained such information without breach of any obligation of confidentiality, (d) of information obtained prior to the Effective Date, *provided* that this clause (d) shall not relieve any Party or any of its Affiliates from any obligations it may have to the other Party or any of its Affiliates under any existing confidentiality agreement, (e) of information in connection with litigation against a Party to which the disclosing Party is a party, (f) of information in the public domain, or (g) of information in connection with arbitration in accordance with this Agreement to which the disclosing Party is a party. The Parties acknowledge that a breach of the provisions of this Section 2.6 may cause irreparable injury to the other Party for which monetary damages (or other remedy at law) are inadequate, difficult to compute, or both. Accordingly, the Parties agree that

the provisions of this Section 2.6 may be enforced by injunctive action or specific performance. Notwithstanding the foregoing provisions of this Section 2.6 (other than clauses (a), (b), (e) and (f) above), Company hereby agrees that it will not disclose to any Person other than a Member any commercial information, including compensation or payment terms, contained in any contract or agreement provided to Company hereunder for its review or approval. Except in the event of an Emergency, no press release or other public announcement related to the System or the business of Company shall be made without the prior written consent of Company, which consent shall not be unreasonably withheld. Press releases pertaining to Emergencies shall be limited to only the information reasonable and necessary to respond to such event.

2.7 Permitted Activities. Each Party and its Affiliates are free to engage or invest (directly or indirectly) in any operations, activities or businesses, any one or more of which may be related to or in competition with the Services hereunder, including the operation of additional pipeline systems or terminals, without any obligation to offer any interest in such business activities to any other Party.

ARTICLE 3 PAYMENT OF COST OF SERVICES

3.1 Payment. Subject to the provisions of this Section 3.1, Operator shall pay (a) all authorized costs and expenses incurred in connection with its performance of the Services and (b) all financial obligations of the Company related to the System that may be due and owing (the “**Basic Cost of Services**”) either out of the Company account(s) established pursuant to Section 8.4 of the LLC Agreement (the “**Accounts**”) or out of its own funds; it being understood that Company shall fully reimburse Operator for any and all Basic Costs of Services Operator pays out of its own funds. Any payment made by Operator under this Section 3.1 shall not be deemed to be a waiver by Company of Company’s right to audit any related invoice in accordance with Section 5.2. Company shall ensure that Operator is duly authorized to draw upon all of the Accounts (and shall make all necessary arrangements with its financial institution(s)) for purposes of permitting Operator to pay (or reimburse itself for) the Basic Cost of Services. In the event Operator reasonably anticipates that the funds in the Accounts are not sufficient to pay (or reimburse itself for) the Basic Cost of Services due for any month, then Operator shall request Company to cause sufficient funds to be deposited in the Accounts to cover all such anticipated Basic Cost of Services and shall provide Company with reasonable documentation to support such request. Company shall cause such funds to be deposited in the Accounts within 30 days of Operator’s request; it being understood that if Company fails to make such deposits, Operator shall not be liable in any manner for any costs, expenses or other liabilities Company or Operator may incur as a result of Company’s failure to timely deposit such funds. Notwithstanding anything to the contrary contained in this Section 3.1, Operator shall have no obligation to pay the Basic Cost of Services referenced above out of its own funds (and seek reimbursement from Company), it being intended instead that Company, at Operator’s request, will ensure that the funds to pay such Basic Cost of Services are deposited in the Accounts as described above; *provided*, that, in the event Operator pays for any expenditure permitted by this Agreement out of its own funds (including, for an unexpected Emergency), the Company shall promptly fully reimburse Operator in accordance with Section 3.5 hereof.

3.2 Cost Allocation. The Parties recognize that the Services to be performed hereunder shall be performed in conjunction with the operation of other pipeline systems and associated facilities (collectively, the “**Projects**”) owned or operated by Operator or its Affiliates, and that certain resources, services, and mobilizations will be shared in order to gain operational efficiencies. Costs associated with the activities mentioned above will be allocated to each of the Projects on an equitable basis in accordance with the benefit to each of the Projects from the expenditure of such costs. No costs, liabilities, expenses, damages or otherwise shall be allocated to Company to the extent that such costs, liabilities, expenses, damages arise directly out of a pipeline system to which Company has no ownership interest. The portion of the costs so allocated to the System shall be deemed “**Allocated Costs of Services.**” Details of any such allocation shall be made available to Company as reasonably requested by Company and shall be subject to the audit provisions set forth herein.

3.3 Management Fee. In addition to the reimbursement of Basic Cost of Services paid by Operator from its own funds, if any, and the payment of the Allocated Costs of Services, Operator shall be paid a management fee (the “**Management Fee**”) initially of Three Million Dollars (\$3,000,000) per calendar year. Such Management Fee will be escalated annually, including for calendar year 2018, by the greater of (i) the Inflation Adjustment or (ii) three percent (3%). The Management Fee shall be prorated for partial calendar years; and, for the avoidance of doubt, for the remainder of 2017, the Management Fee shall be \$1,000,000.

3.4 Cost of Services. The total of the Basic Cost of Services, the Allocated Costs of Services and the Management Fee shall be the “**Cost of Services.**”

3.5 Billing. Operator shall bill Company by the ninth (9th) Business Day of each calendar month for the Costs of Services that have accrued during the prior calendar month and are reasonably known by the Operator at such time, less any advance payments not credited previously. Company shall reimburse Operator and pay all such bills on or before the twentieth (20th) calendar day of the same month by wire transfer of immediately available funds in U.S. dollars sent according to Operator’s payment instructions. The Management Fee shall be invoiced monthly in the Operator’s invoice at 1/12 of the current year fee amount; *provided*, that Company shall pay the first month of the Management Fee on the Effective Date. Any amount not received by Operator on or before the date due will bear interest from the date due until the date paid in full at a rate equal to the lesser of (i) the prime rate, as published in The Wall Street Journal from time to time and (ii) the maximum rate allowed by applicable Law.

3.6 Regulatory Disallowance. (a) In the event Company’s proposed or filed cost of service or proposed total revenue requirement (the “**COS/TRR**”) is reduced per settlement with its shippers, or (b) FERC or a state agency with ratemaking jurisdiction issues an order reducing the COS/TRR, in either case, which excludes from the Company’s recovery at least one million dollars (\$1,000,000) for the amounts paid or projected to be paid under this Agreement in any calendar year (except that any costs associated with the operation of the Bayview Terminal shall not be included in the determination of whether Company achieves “full cost recovery”), then the Parties shall negotiate in good faith reasonable amendments to this Agreement or the manner in which the Services are provided under this Agreement with the intent of obtaining, to the greatest extent possible, future full cost recovery of such excluded costs; *provided, however*, in

no event shall Operator be obligated to incur any unreimbursed costs with respect to the provision of the Services.

ARTICLE 4 OPERATING BUDGET AND CAPITAL BUDGET

4.1 Submittal. A formal and reasonably detailed operating budget (the “**Operating Budget**”) and capital budget (the “**Capital Budget**”) will be prepared by Operator and submitted to Company, along with reasonable supporting documentation, including economic or other justification for Capital Projects, by November 1 of each year, applicable to the following calendar year; *provided*, that, notwithstanding anything to the contrary in this Agreement, the initial Operating Budget and Capital Budget for the remainder of 2017 and for calendar year 2018 are attached to this Agreement as Exhibit B and are hereby approved by the Parties.

4.2 Operating Budget Format. The Operating Budget shall reflect reasonable, customary costs and expenses consistent with the Services and standard of care stipulated in this Agreement and shall set forth (a) the sums actually expended for such purposes during the previous calendar year categorized by principal expense account; (b) forecast of the sums to be expended for such purposes during the current calendar year categorized by principal expense account; (c) the sums Operator proposes to expend for such purposes during the next calendar year categorized by principal expense account; (d) a project expense budget for each project estimated to cost greater than \$250,000; and (e) make reasonable provisions for unforeseen costs and contingencies.

4.3 Capital Budget Format. The Capital Budget shall reflect reasonable, customary costs and expenses consistent with the Services and standard of care stipulated in this Agreement and shall (a) cover all Capital Projects, including expansions, which Company or Operator deem advisable to make during the calendar year; (b) specifically itemize each Capital Project which is reasonably estimated to exceed \$250,000; and (c) make reasonable provisions for unforeseen costs and contingencies.

4.4 Approval.

(a) Within thirty (30) days of the submission by Operator to Company of the Operating Budget as set forth in Section 4.1, Company shall notify Operator in writing of its approval of such Operating Budget in its entirety or, if applicable:

(i) the Designated Items it approves and the Designated Items it disputes; it being understood that any Designated Items not approved by Company shall be deemed disputed by Company. Any disputed item shall be considered a Dispute to be resolved in accordance with Article 10. Until such time as such Dispute is resolved, the proposed Designated Items shall be deemed approved for the upcoming calendar year. Company shall be deemed to have authorized for expenditure all Designated Items in the Operating Budget that it approves or is deemed to have approved; and

(ii) the budgeted items (other than Designated Items) within such Operating Budget that it approves and the budgeted items (other than Designated Items) it does not approve; it being understood that if Company does not approve a budgeted item (other than

Designated Items), such budgeted item shall be excluded from such Operating Budget. Company shall be deemed to have authorized for expenditure all budgeted items (other than Designated Items) in the Operating Budget that it approves.

(b) Within thirty (30) days of the submission by Operator to Company of the Capital Budget as set forth in Section 4.1, Company shall notify Operator in writing of its approval of such budget in its entirety or, if applicable, the budgeted items it approves and the budgeted items it does not approve. With respect to the budgeted items that Company approves, Company shall also designate which items, if any, it authorizes for expenditure. If Company does not approve any budgeted item, such item shall be excluded from such Capital Budget.

4.5 Authorization. That portion of the then-current Operating Budget and Capital Budget approved and authorized for expenditure by Company hereunder shall constitute authorization for Operator to perform the Services contemplated therein. Operator is only authorized to expend the following amounts in connection with its performance of the Services: (a) any approved and authorized amounts under the Operating Budget and Capital Budget and any reasonable expenditures up to 15% in excess of the respective aggregate amounts approved in such Operating Budget and Capital Budget; and (b) such additional expenditures as Operator determines, in its reasonable judgment, are necessary because of an Emergency. Operator shall obtain Company's written approval prior to the expenditure of any amounts not included in those amounts described in clauses (a) and (b) of the immediately preceding sentence.

ARTICLE 5 BOOKS, RECORDS AND AUDITING

5.1 Books and Records. Operator shall, and shall cause its Affiliates to, maintain full, complete, true and accurate books and records of Company in accordance with the terms of the LLC Agreement.

5.2 Audits. Company shall have the right, upon thirty (30) days' prior written notice to Operator, and at mutually agreeable times during usual business hours of Operator or its Affiliates, to audit, examine and make copies of the books and records referred to in Section 5.1; it being understood that such audit shall not unreasonably interfere with the operations of Operator or its Affiliates. Such right may be exercised through any Member, agent or employee of Company designated in writing by Company or by an independent public accountant, engineer, attorney or other consultant so designated. Company shall bear all costs and expenses incurred in connection with any inspection, examination or audit. Operator shall, and shall cause its Affiliates to, review and respond in a timely manner to any claims or inquiries made by Company regarding matters revealed by any such inspection, examination or audit. If Company does not challenge any financial statement or invoice submitted by Operator to Company within three (3) calendar years after the end of the calendar year of the date of such financial statement or invoice, such financial statement or invoice shall be presumed to be accurate. Notwithstanding anything in this Section 5.2 to the contrary, if Operator is unable to furnish to Company, due to the existence of confidentiality or anti-trust issues, copies of agreements (or portions thereof) with its vendors, suppliers or subcontractors necessary for Company to verify the accuracy of any invoice under audit or the allocation of any amounts collected by Operator pursuant to Section 6.8, Operator shall provide Company with sufficient information to verify the accuracy

of such invoice or the allocation of such amounts or, at Company's request, Operator shall exercise, or shall cause its Affiliates to exercise, any audit rights Operator or its Affiliates may have under such agreements. In exercising such audit rights, Operator shall, at Company's request, (a) either perform, or cause its Affiliates to perform, an audit under such agreements or (b) to the extent that Operator or its Affiliates has the right to designate an independent auditor to perform an audit under such agreements, Operator shall, or shall cause its Affiliates to, designate an independent auditor appointed by Company to perform such audit; it being understood that Company shall pay for any and all costs and expenses incurred by Operator or its Affiliates in connection with the performance of an audit pursuant to clause (a) or clause (b) above. Operator shall provide Company with the results of any audit performed pursuant to clause (a) or clause (b) above that are relevant to Company. For the avoidance of doubt, the audit right provided in this Section 5.2 may not be exercised by Company more than once per calendar year.

5.3 Physical Inspection. Company shall have the right, upon reasonable prior written notice to Operator, and at mutually agreeable times during usual business hours of Operator to inspect the System or any physical assets held or operated by Operator on behalf of Company; it being understood that such inspection shall not unreasonably interfere with the operations of Operator or its Affiliates. Company may exercise its inspection right through any Member, agent or employee of Company designated in writing by Company. Pursuant to such inspection, Company may reasonably request access to and copies of data, reports, drawings, analysis and test results related to or supporting the operation, maintenance, inspection and testing of the System. Such requests for access shall not be unreasonably denied. In addition, Company may request access to offshore and onshore platforms, testing facilities, fabrication shops, storage yards, rights of way and other facilities related to the System. Such requests for access shall not be unreasonably denied. Company shall bear all costs and expenses incurred in connection with such inspection. Operator shall review and respond in a reasonably timely manner to any claims or inquiries made by Company regarding matters revealed by such inspection.

ARTICLE 6 INDEMNITY

6.1 Limitation of Liability. IN NO EVENT SHALL OPERATOR, ITS REPRESENTATIVES, ITS AFFILIATES AND ITS AND THEIR RESPECTIVE DIRECTORS (OR EQUIVALENTS), OFFICERS, EQUITYHOLDERS, EMPLOYEES, AGENTS, INVITEES, CONTRACTORS AND SUBCONTRACTORS (THE "**OPERATOR PARTIES**") BE LIABLE TO COMPANY, ANY OF COMPANY'S MEMBERS OR ANY OFFICER OR EMPLOYEE OF COMPANY (THE "**COMPANY PARTIES**") FOR ANY LOSSES OR OTHER MATTERS THAT ARISE OUT OF, RELATE TO OR ARE OTHERWISE ATTRIBUTABLE TO, DIRECTLY OR INDIRECTLY, THE PERFORMANCE OR NON-PERFORMANCE OF THE SERVICES, EXCEPT TO THE EXTENT THAT AN EXPRESS FINAL NON-APPEALABLE JUDICIAL FINDING OR JUDGMENT OR FINAL BINDING ARBITRATION DECISION DETERMINES SUCH LOSSES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE OPERATOR PARTIES. THIS SECTION 6.1 SPECIFICALLY PROTECTS THE OPERATOR PARTIES AGAINST SUCH LOSSES OR OTHER MATTERS EVEN IF THEY ARE CAUSED BY THE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR RESPONSIBILITY (EXCEPT IN THE CASE AND TO THE EXTENT OF AN EXPRESS FINAL NON-APPEALABLE JUDICIAL

FINDING OR JUDGMENT OR FINAL BINDING ARBITRATION DECISION THAT DETERMINES THEY ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE OPERATOR PARTIES) OF OPERATOR OR ANY OTHER OPERATOR PARTY.

6.2 Indemnification of Operator. SUBJECT TO SECTION 6.5, COMPANY SHALL INDEMNIFY, PROTECT, DEFEND, RELEASE AND HOLD HARMLESS EACH OPERATOR PARTY FROM AND AGAINST ANY LOSSES ASSERTED BY OR ON BEHALF OF ANY PERSON THAT ARISE OUT OF, RELATE TO OR ARE OTHERWISE ATTRIBUTABLE TO, DIRECTLY OR INDIRECTLY, THE PERFORMANCE OR NON-PERFORMANCE OF THE SERVICES BY OPERATOR. THIS SECTION 6.2 SPECIFICALLY PROTECTS THE OPERATOR PARTIES AGAINST SUCH LOSSES EVEN IF THEY ARE CAUSED BY THE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR RESPONSIBILITY (EXCEPT IN THE CASE AND TO THE EXTENT OF AN EXPRESS FINAL NON-APPEALABLE JUDICIAL FINDING OR JUDGMENT OR FINAL BINDING ARBITRATION DECISION THAT DETERMINES SUCH LOSSES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE OPERATOR PARTIES) OF OPERATOR OR ANY OTHER OPERATOR PARTY.

6.3 Indemnification of Company. SUBJECT TO SECTION 6.4, OPERATOR SHALL INDEMNIFY, PROTECT, DEFEND, RELEASE AND HOLD HARMLESS EACH COMPANY PARTY FROM AND AGAINST ANY LOSSES, ASSERTED BY OR ON BEHALF OF ANY PERSON THAT ARISE OUT OF, RELATE TO OR ARE OTHERWISE ATTRIBUTABLE TO, DIRECTLY OR INDIRECTLY, THE PERFORMANCE OR NON-PERFORMANCE OF THE SERVICES BY OPERATOR, TO THE EXTENT THAT AN EXPRESS FINAL NON-APPEALABLE JUDICIAL FINDING OR JUDGMENT OR FINAL BINDING ARBITRATION DECISION DETERMINES THAT SUCH LOSSES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE OPERATOR PARTIES. THIS SECTION 6.3 SPECIFICALLY PROTECTS THE COMPANY PARTIES AGAINST SUCH LOSSES IF AN EXPRESS FINAL NON-APPEALABLE JUDICIAL FINDING OR JUDGMENT OR FINAL BINDING ARBITRATION DECISION DETERMINES THAT SUCH LOSSES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE OPERATOR PARTIES.

6.4 Disclaimer by Operator of Certain Losses. IN NO EVENT SHALL ANY OPERATOR PARTY BE LIABLE TO ANY COMPANY PARTY FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER CONSEQUENTIAL, SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR EXEMPLARY LOSSES THAT ARISE OUT OF, RELATE TO OR ARE OTHERWISE ATTRIBUTABLE TO, DIRECTLY OR INDIRECTLY, THE PERFORMANCE OR NON-PERFORMANCE OF THE SERVICES. THIS SECTION 6.4 SPECIFICALLY PROTECTS THE OPERATOR PARTIES AGAINST SUCH LOSSES EVEN IF THEY ARE CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY OR OTHER FAULT OR RESPONSIBILITY OF OPERATOR OR ANY OTHER OPERATOR PARTY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 6.4, IF ANY COMPANY PARTY IS HELD LIABLE TO A THIRD PARTY FOR ANY OF SUCH LOSSES AND THE OPERATOR IS OBLIGATED TO INDEMNIFY SUCH COMPANY PARTY FOR THE MATTER THAT

GAVE RISE TO SUCH LOSSES PURSUANT TO THIS AGREEMENT, THEN THE OPERATOR SHALL BE LIABLE FOR, AND OBLIGATED TO REIMBURSE SUCH COMPANY PARTY FOR, SUCH LOSSES.

6.5 Disclaimer by Company of Certain Losses. IN NO EVENT SHALL ANY COMPANY PARTY BE LIABLE TO ANY OPERATOR PARTY FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER CONSEQUENTIAL, SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR EXEMPLARY LOSSES THAT ARISE OUT OF, RELATE TO OR ARE OTHERWISE ATTRIBUTABLE TO, DIRECTLY OR INDIRECTLY, THE PERFORMANCE OR NON-PERFORMANCE OF THE SERVICES. THIS SECTION 6.5 SPECIFICALLY PROTECTS COMPANY PARTIES AGAINST SUCH LOSSES EVEN IF THEY ARE CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY OR OTHER FAULT OR RESPONSIBILITY OF COMPANY OR ANY OTHER COMPANY PARTY OR ANY OPERATOR PARTY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 6.5, IF ANY OPERATOR PARTY IS HELD LIABLE TO A THIRD PARTY FOR ANY OF SUCH LOSSES AND COMPANY IS OBLIGATED TO INDEMNIFY SUCH OPERATOR PARTY FOR THE MATTER THAT GAVE RISE TO SUCH LOSSES PURSUANT TO THIS AGREEMENT, THEN COMPANY SHALL BE LIABLE FOR, AND OBLIGATED TO REIMBURSE SUCH OPERATOR PARTY FOR, SUCH LOSSES.

6.6 Disclaimer of Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, OPERATOR MAKES NO REPRESENTATIONS OR WARRANTIES (EXPRESSED, IMPLIED, ORAL OR OTHERWISE) REGARDING ANY ASPECT OF ITS PERFORMANCE OF (OR FAILURE TO PERFORM) THE SERVICES OR ITS OTHER DUTIES AND OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING ANY REPRESENTATIONS OR WARRANTIES WITH RESPECT TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, FREEDOM FROM DEFECTS, QUALITY, VALUE, WORKMANSHIP, CONDITION, COMPLIANCE WITH LAWS, TITLE OR ENVIRONMENTAL MATTERS. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, OPERATOR DISCLAIMS AND NEGATES, AND COMPANY WAIVES, ANY SUCH REPRESENTATIONS OR WARRANTIES. IN NO EVENT SHALL ANY OPERATOR PARTY BE LIABLE TO COMPANY, ANY OF COMPANY'S MEMBERS, OR ANY OFFICER OR EMPLOYEE OF COMPANY OR ANY OF ITS MEMBERS FOR ANY LOSSES OR OTHER MATTERS THAT ARISE OUT OF, RELATE TO OR ARE OTHERWISE ATTRIBUTABLE TO, DIRECTLY OR INDIRECTLY, ANY SUCH REPRESENTATIONS OR WARRANTIES, OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT. THIS SECTION 6.6 SPECIFICALLY PROTECTS THE OPERATOR PARTIES AGAINST SUCH LOSSES OR OTHER MATTERS EVEN IF THEY ARE CAUSED BY THE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR RESPONSIBILITY (EXCEPT IN THE CASE AND TO THE EXTENT OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF OPERATOR OR ANY OTHER OPERATOR PARTY. COMPANY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS NOT RELYING ON ANY SUCH REPRESENTATIONS OR WARRANTIES, AND THAT THE SERVICES ARE TO BE PERFORMED BY OPERATOR "AS-IS, WHERE-IS," WITH

ALL FAULTS (EXCEPT IN THE CASE AND TO THE EXTENT OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT).

6.7 Warranties by Vendors, Subcontractors and Landowners. As regards any equipment, materials, supplies, rights of way or services obtained by Operator from its vendors, suppliers and subcontractors and from landowners, the only warranties, if any, applicable thereto and available to Company shall be those offered by such vendors, suppliers, subcontractors and landowners, and OPERATOR MAKES NO EXPRESS OR IMPLIED WARRANTY, GUARANTY OR REPRESENTATION, INCLUDING ANY EXPRESS OR IMPLIED WARRANTY OF FITNESS FOR PARTICULAR PURPOSE, SUITABILITY OR MERCHANTABILITY REGARDING ANY SUCH EQUIPMENT, MATERIALS, SUPPLIES, RIGHTS OF WAY OR SERVICES. SUBJECT TO THE LAST SENTENCE OF THIS SECTION 6.7, COMPANY'S EXCLUSIVE REMEDIES WITH RESPECT TO EQUIPMENT, MATERIALS, SUPPLIES, RIGHTS OF WAY OR SERVICES OBTAINED BY OPERATOR FROM ITS VENDORS, SUPPLIERS AND SUBCONTRACTORS AND FROM LANDOWNERS SHALL BE THOSE UNDER THE VENDOR, SUPPLIER, SUBCONTRACTOR AND LANDOWNER WARRANTIES REFERENCED ABOVE AND OPERATOR'S ONLY OBLIGATION, ARISING OUT OF OR IN CONNECTION WITH ANY SUCH WARRANTY OR BREACH THEREOF, SHALL BE TO USE DILIGENT EFFORTS TO ENFORCE SUCH WARRANTIES AND COMPANY SHALL HAVE NO OTHER REMEDIES AGAINST OPERATOR WITH RESPECT TO EQUIPMENT, MATERIALS, SUPPLIES, RIGHTS OF WAY OR SERVICES OBTAINED BY OPERATOR FROM ITS VENDORS, SUPPLIERS, SUBCONTRACTORS AND FROM LANDOWNERS. NOTHING CONTAINED IN THIS SECTION 6.7 SHALL BE CONSTRUED AS RELIEVING OPERATOR OF ITS OBLIGATIONS UNDER THIS AGREEMENT OR LIMITING THE RIGHTS OF COMPANY UNDER OTHER PROVISIONS OF THIS AGREEMENT.

6.8 Indemnities by Vendors, Subcontractors and Landowners. With respect to agreements with vendors, suppliers, subcontractors and landowners entered into after the Effective Date, Operator shall use diligent efforts to secure from vendors, suppliers, subcontractors and landowners for Company's benefit, such indemnities as may be available on commercially reasonable terms regarding supplies, materials, equipment, rights of way and services purchased for the System and to enforce such indemnities on behalf of Company.

ARTICLE 7 FORCE MAJEURE

A Party's obligation under this Agreement shall be excused when and to the extent its performance of that obligation is prevented due to Force Majeure; *provided, however*, that a Party shall not be excused by Force Majeure from any obligation to pay money due under this Agreement. The Party that is prevented from performing its obligation by reason of Force Majeure shall promptly notify the other Party of that fact and shall exercise due diligence to end its inability to perform as promptly as practicable. Notwithstanding the foregoing, a Party is not required to settle any strike, lockout or other labor dispute in which it may be involved; *provided, however*, that, in the event of a strike, lockout or other labor dispute affecting Operator, Operator shall use reasonable efforts to continue to perform all obligations hereunder by utilizing its management personnel and that of its Affiliates.

ARTICLE 8 TERM AND TERMINATION

8.1 Term. This Agreement shall become effective and be deemed to commence on the Effective Date and, except as specifically set forth in Sections 8.2 and 8.3 below, will remain in full force and effect for a period of ten (10) years from the Effective Date (the “**Initial Term**”). Following the expiration of the Initial Term, this Agreement will continue in effect thereafter for consecutive five (5) year terms (each, a “**Renewal Term**”) unless terminated by either Party upon twelve (12) months’ prior written notice given to the other Party prior to the end of the Initial Term or a Renewal Term, as applicable.

8.2 Termination by Company. In addition to the termination rights provided for in Section 8.1, upon the occurrence of any of the following events, Company may terminate this Agreement by giving written notice of such termination to Operator:

- (a) Operator becomes Bankrupt;
- (b) Operator dissolves and commences liquidation or winding-up;
- (c) Operator fails to cure a material breach of any provision of this Agreement within thirty (30) days after receiving written notice from Company of such breach; *provided, however,* if such breach is not capable of being cured within such thirty (30)-day period, such cure period shall be extended by Company for up to a maximum of an additional sixty (60) days, *provided* that Operator promptly commences substantial efforts to cure such breach and prosecutes such curative efforts to completion within a reasonable time, as deemed by Company; or
- (d) As a result of a merger or other transaction, all or substantially all of the assets of Operator are owned by a Person in which BP Pipelines (North America) Inc., directly or indirectly, owns no ownership interest, or each Affiliate of Operator is no longer a Member and has no ownership interest in Company, directly or indirectly.

Any termination under this Section 8.2 shall become effective immediately upon delivery of the notice first described in this Section 8.2 or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by Company.

8.3 Termination by Operator. In addition to the termination rights provided for in Section 8.1, upon the occurrence of any of the following events, Operator may terminate this Agreement by giving written notice of such termination to Company:

- (a) Company fails to provide funding in accordance with this Agreement, the LLC Agreement or any related financing agreements;
- (b) the LLC Agreement is terminated for any reason;
- (c) Company becomes Bankrupt;

(d) Company dissolves and commences winding-up under the LLC Agreement;

(e) any Affiliate of Operator is no longer a Member or has no ownership interest in Company, directly or indirectly; or

(f) Company fails to cure a material breach of any provision of this Agreement within thirty (30) days after receiving written notice from Operator of such breach; *provided, however*, if such breach is not capable of being cured within such thirty (30)-day period, such cure period shall be extended by Operator for up to a maximum of an additional sixty (60) days, *provided* that Company promptly commences substantial efforts to cure such breach and prosecutes such curative efforts to completion within a reasonable time, as deemed by Operator (but not to exceed sixty (60) days).

Any termination under clauses (a), (b), (c), (d), (e) and (f) of this Section 8.3 shall become effective immediately upon delivery of the notice first described in this Section 8.3.

8.4 Effect of Termination. If this Agreement is terminated in accordance with this Article 8: all rights and obligations with regard to Operator under this Agreement shall cease except for (a) obligations that expressly survive termination of this Agreement, including the obligations set forth in Section 8.5; (b) liabilities and obligations that have been incurred prior to such termination, including the obligation to pay any amounts that have become due and payable prior to such termination; and (c) the obligation to pay any portion of the Cost of Services that have been incurred prior to such termination, even if such portion has not become due and payable at that time; *provided, however*, that any payment obligation disputed by Company in accordance with Article 10 shall not become due and payable until settled or otherwise resolved pursuant to Article 10.

8.5 Operator's Continued Performance. If Company elects to terminate this Agreement pursuant to Section 8.2, Company may require that the effective date of such termination be delayed for up to thirty (30) Business Days after the date specified in Company's termination notice as the termination date of this Agreement, in which case Operator shall continue to perform all of the duties, responsibilities and obligations of Operator hereunder for a reasonable period of time not to exceed thirty (30) Business Days from the date of such termination notice or until such time as the successor operator takes over such duties, responsibilities and obligations, if earlier. Company shall reimburse Operator in accordance with Section 3.1 for any and all costs and expenses incurred by Operator pursuant to this Section 8.5. If Operator elects to terminate this Agreement pursuant to Section 8.3 and the successor operator is not able to take over the duties, responsibilities and obligations of Operator at the effective date of termination of this Agreement, then at the request of Company, Operator shall continue to serve as Operator of the System, and Company will perform its obligations, under this Agreement in compliance with the provisions hereof for a transition period not to exceed one hundred eighty (180) days or until such time as the successor operator takes over such duties, responsibilities and obligations, if earlier; *provided*, that Operator shall be fully and timely reimbursed for all services performed for such transition period, including the corresponding Management Fee.

**ARTICLE 9
NOTICES AND REPORTS**

Any notice, request, instruction, correspondence, report, or other document to be given hereunder by either Party to the other (herein collectively called “**Notice**”) shall be in writing and delivered personally, sent by overnight delivery service, or mailed by certified mail, postage prepaid and return receipt requested, or sent by facsimile or electronic mail, as follows:

If to Company:

Olympic Pipe Line Company LLC
2319 Lind Ave. S.W.
Renton, Washington 98057
Attn: Noel Dike

If to Operator:

BP Pipelines (North America) Inc.
30 S. Wacker Drive
Chicago, IL 60606
Attn: John Chandler and Robert Mavrin

Notice given by personal delivery, overnight delivery, or certified mail shall be effective upon actual receipt. Any Party may change any address to which Notice is to be given to it by giving Notice as provided above of such change of address. Copies of all Notices submitted by Operator to Company under this Agreement shall be sent by Operator to each of the Members at the address to which Notices are to be given as provided under the LLC Agreement.

**ARTICLE 10
DISPUTE RESOLUTION**

10.1 Applicability. This Article 10 shall apply to any dispute arising under or related to this Agreement (whether arising in contract, tort or otherwise, and whether arising at law or in equity), including (a) any dispute regarding the construction, interpretation, performance, validity or enforceability of any provision of this Agreement or whether either Party is in compliance with, or breach of, any provisions of this Agreement, and (b) the applicability of this Article 10 to a particular dispute (a “**Dispute**”). The provisions of this Article 10 shall be the exclusive method of resolving Disputes.

10.2 Negotiation to Resolve Disputes. If a Dispute arises, the Parties shall attempt to resolve such Dispute through the following procedure:

(a) first, appropriate senior management representatives of each Party authorized to resolve the Dispute (or their designees) shall promptly meet (whether by phone or in person) in a good faith attempt to resolve the Dispute; and

(b) second, if the Dispute is still unresolved after twenty (20) Business Days following the commencement of the negotiations described in Section 10.2(a), then either Party may submit such Dispute to binding arbitration under this Article 10 by written notice to the other Party (an “**Arbitration Notice**”).

10.3 Selection of Arbitrator.

(a) Any arbitration conducted under this Article 10 shall be heard by a sole arbitrator (the “**Arbitrator**”) with at least fifteen (15) years’ experience as an arbitrator and further qualified by his or her education, experience and training in the subject matter of the dispute and the industry to resolve the disputed matters and shall be selected in accordance with this Section 10.3. Each Party and any proposed Arbitrator shall disclose to the other Party any business, personal or other relationship or affiliation that may exist between a Party and such proposed Arbitrator within ten (10) Business Days following delivery of the Arbitration Notice, and any Party may disapprove of such proposed Arbitrator on the basis of such relationship or affiliation.

(b) The Party that submits a Dispute to arbitration shall designate a proposed Arbitrator in its Arbitration Notice. If the other Party objects for any reason to such proposed Arbitrator, it may, on or before the tenth (10th) Business Day following delivery of the Arbitration Notice, notify the Party which designated the Arbitrator in writing of such objection. Both Parties shall attempt to agree upon a mutually acceptable Arbitrator. If they are unable to do so within ten (10) Business Days following delivery of the notice described in the immediately preceding sentence, either Party may request the American Arbitration Association (or, if such association has ceased to exist, the principal successor thereto) (the “**AAA**”) to designate the Arbitrator in accordance with its then current Commercial Arbitration Rules (the “**Rules**”) and the qualifications set forth in Section 10.3(a). If the Arbitrator so chosen shall die, resign or otherwise fail or becomes unable to serve as Arbitrator, a replacement Arbitrator shall be chosen in accordance with this Section 10.3.

10.4 Conduct of Arbitration. The Arbitrator shall expeditiously (and, if possible, within ninety (90) days after the Arbitrator’s selection) hear and decide all matters concerning the Dispute. Any arbitration hearing shall be held in the City of Houston, Texas. The arbitration shall be governed by the U.S. Federal Arbitration Act and conducted in accordance with the Rules (excluding rules governing the payment of arbitration, administrative or other fees or expenses to the Arbitrator or the AAA), to the extent that such Rules do not conflict with the terms of this Agreement. Except as expressly provided to the contrary in this Agreement, the Arbitrator shall have the power (a) to gather such materials, information, testimony and evidence as it deems relevant to the dispute before it (and each Party will provide such materials, information, testimony and evidence requested by the Arbitrator, except to the extent any information so requested is proprietary, subject to a third-party confidentiality restriction or to an attorney-client or other privilege) and (b) to grant injunctive relief and enforce specific performance. If it deems necessary, the Arbitrator may propose to the Parties that one or more other experts be retained to assist it in resolving the Dispute. Each Party, the Arbitrator and any proposed expert shall disclose to the other Party any business, personal or other relationship or affiliation that may exist between such Party, Arbitrator, expert or any Member, as the case may be; and any Party may disapprove of such proposed expert on the basis of such relationship or

affiliation. The decision of the Arbitrator (which shall be rendered in writing) shall be final, non-appealable and binding upon the Parties and may be enforced in any court of competent jurisdiction; provided that the Parties agree that the Arbitrator and any court enforcing the award of the Arbitrator shall not have the right or authority to award punitive, special, consequential or exemplary Losses to any Party. The responsibility for paying the costs and expenses of the arbitration, including compensation to the Arbitrator and any experts retained by the Arbitrator, shall be allocated among the Parties in a manner determined by the Arbitrator to be fair and reasonable under the circumstances. Each Party shall be responsible for the fees and expenses of its respective counsel, consultants and witnesses, unless the Arbitrator determines that compelling reasons exist for allocating all or a portion of such costs and expenses to the other Party.

ARTICLE 11 MISCELLANEOUS

11.1 Governing Law; Severability. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WASHINGTON, EXCLUDING ANY CHOICE OR CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. If any provision of this Agreement or the application thereof to either Party or any circumstance is held invalid or unenforceable to any extent, (a) the remainder of this Agreement and the application of that provision to the other Party or other circumstances is not affected thereby, and (b) the Parties shall negotiate in good faith to replace that provision with a new provision that is valid and enforceable and that puts the Parties in substantially the same economic, business and legal position as they would have been in if the original provision had been valid and enforceable.

11.2 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, permitted successors and assigns.

11.3 Laws and Regulatory Bodies. This Agreement, the operation of the System and the rights and obligations of Company and Operator hereunder shall be subject to all valid and applicable Laws.

11.4 Waiver. No waiver by either Party of any default by the other Party in the performance of any provision, condition or requirement herein shall be deemed to be a waiver of, or in any manner a release of the other Party from, performance of any other provision, condition or requirement herein, nor deemed to be a waiver of, or in any manner a release of the other Party from, future performance of the same provision, condition or requirement; nor shall any delay or omission of either Party to exercise any right hereunder in any manner impair the exercise of any such right or any like right accruing to it thereafter. Any waiver sought to be enforced must be in writing and signed by the Party against whom it is sought to be enforced.

11.5 Amendment. This Agreement may not be modified or amended except by written agreement of the Parties.

11.6 Headings. The headings contained in this Agreement are for convenience of reference only and do not constitute part of this Agreement.

11.7 Further Assurances. Each of the Parties agrees to use all reasonable efforts to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things necessary, proper or advisable under applicable Laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

11.8 Equal Opportunity. In performing its obligations under this Agreement, Operator will not discriminate against any employee or applicant for employment or contractor on account of race, creed, color, religion, sex, national origin, age, or handicap and will comply with all provisions of Laws and regulations related thereto. The provisions of this Section 11.8 shall be applicable to any contractor, subcontractor, or consultant retained in connection herewith.

11.9 Liens and Encumbrances. With the exception of (a) undetermined or inchoate Liens incidental to maintenance, operation, or, if applicable, development and construction, including those that arise by operation of Law; (b) Liens in respect of taxes and assessments which are not past due and payable or which may be paid without penalty or which are being contested in good faith by appropriate proceeding; (c) any obligations or duties, affecting the property of the Company, to any municipality or public authority with respect to any Permit or similar arrangement; (d) mechanics' or materialmen's Liens, any Liens arising by reason of pledges or deposits to secure payment of workers' compensation or other insurance, good faith deposits in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits to secure duties or public or statutory obligations, deposits to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or similar charges; (e) other Liens (regardless of whether similar) which do not materially interfere with the use of the Pipeline System, all of which Liens shall be administered or otherwise addressed in a manner consistent with prudent industry practices and past practices; or (f) Liens which are promptly disputed by Operator and as to which measures are promptly taken to obtain their removal, all of which Liens shall be administered or otherwise addressed in a manner consistent with prudent industry practices and past practices, Operator shall not create, suffer or permit to exist, and shall promptly remove and discharge, any Lien against any property of Company or any monies due or to become due for any work performed or materials furnished to Company in connection with this Agreement; *provided* that it is expressly understood that Operator shall not be responsible for removing or discharging any such Lien associated with any work performed or materials furnished pursuant to agreements entered into by Company or by Operator directly with third parties.

11.10 Assignment. Neither Party shall assign its rights and obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; *provided, however,* that either Party may assign its rights and obligations hereunder to an Affiliate without the prior written consent of such other Party and, in such event, shall provide the other Party with timely written notice of such assignment.

11.11 Location of Offices. Operator may select the location of its field office or offices in support of its obligations hereunder.

11.12 Entire Agreement. This Agreement, together with the LLC Agreement, constitute the entire agreement of the Parties relating to the relationship hereunder and supersede all provisions and concepts contained in all prior contracts or agreements between the Parties with respect to such relationship, whether oral or written.

11.13 Counterparts. This Agreement may be executed in one or more counterparts (including by means of portable document format (*.pdf)), each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

11.14 Remedies. Except as expressly provided herein, the remedies created by this Agreement are cumulative and in addition to any other remedies otherwise available at law or in equity.

11.15 Survival. Notwithstanding anything to the contrary in this Agreement, (a) the provisions contained in Article 6 (Indemnity), Article 7 (Force Majeure), Section 8.5 (Operator's Continued Performance), Article 9 (Notices and Reports), Article 10 (Dispute Resolution), Section 11.1 (Governing Law; Severability), Section 11.3 (Laws and Regulatory Bodies) and Section 11.14 (Remedies) shall survive the termination of this Agreement; and (b) the provisions contained in Section 2.6 (Confidentiality) and Section 5.2 (Audits) shall survive the termination of this Agreement for a period of three (3) calendar years after the end of the calendar year in which this Agreement is terminated.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first set forth in this Agreement.

OLYMPIC PIPE LINE COMPANY LLC
as Company

By: _____
Name:
Title:

BP PIPELINES (NORTH AMERICA) INC.
as Operator

By: _____
Name:
Title:

**EXHIBIT A
TO
OPERATING AGREEMENT**

INSURANCE

Operator, without limiting its obligations or liabilities hereunder, shall obtain and maintain, and shall cause its Affiliates to obtain and maintain all insurance required by applicable Law for the performance of the Services, including the following insurance with limits not less than those indicated below. Nothing shall prevent Operator from self-insuring any or all of such required insurance. If required coverages are not self-insured, Operator shall procure a waiver of subrogation in favor of Company, its Members and its and their Affiliates, respective officers, directors, employees, representatives and agents under the insurance specified in (a) through (d) below. Additionally, if required coverages are not self-insured Operator may name Company as an additional insured under the insurance specified in (c) and (d) below.

- (a) Workers' Compensation Insurance covering Operator's employees engaged in the Agreement in accordance with statutory requirements of all applicable jurisdictions.
- (b) Employer's Liability Insurance covering Operator's employees with limits not less than one million dollars (\$1,000,000) for each accident.
- (c) Automobile Liability Insurance covering all Operator-supplied vehicles, including motor vehicles owned, rented or leased by Operator, and utilized in the performance of the Services. Limits of liability shall not be less than one million dollars (\$1,000,000) for the accidental injury to or death of one or more persons or damage to or destruction of property as a result of one accident.

Operator's insurance shall be primary and non-contributory to any insurance obtained by Company with regard to the System and to the extent of Operator's obligations.

Any insurance obtained by Company with regard to the System shall also be for the benefit of Operator and shall cover the liability of Operator and its Affiliates in connection with the performance of the Services. Such insurance shall provide a waiver of subrogation in favor of Operator and its Affiliates.

Operator shall use commercially reasonable efforts to cause all non-Affiliated contractors employed by it under this Agreement to comply with the minimum insurance requirements set forth in Schedule I to this Exhibit A. Any insurance provided by a non-Affiliated contractor shall be primary and not contributory to any insurance maintained by Operator or Company with respect to the System. Operator shall also use commercially reasonable efforts to cause each non-Affiliated contractor to name Operator, Company, Company's Members and its and their Affiliates, respective officers, directors, employees, representatives and agents as additional insureds and to waive rights of subrogation under the insurance required.

**SCHEDULE I
TO EXHIBIT A**

Minimum Insurance Requirements for Non-Affiliated Contractors

Workers' Compensation Insurance to fully comply with Laws of all applicable jurisdictions and Employers' Liability Insurance with a limit of not less than \$1,000,000 each accident. Where applicable, such policy or policies shall be endorsed to include the following:

Coverage under the U.S. Longshoremen's and Harbor Workers' Compensation Act, including its extension of Outer Continental Shelf Lands Operations;

Voluntary Compensation Endorsement – Maritime with a limit of not less than \$1,000,000 each accident;

Maritime Liability including liability for transportation, wages, maintenance and cure, claims under the Jones Act and Death on the High Seas Act with a limit of not less than \$1,000,000 each accident;

Endorsement to provide that a claim "in rem" will be treated the same as a claim "in personam".

Commercial General Liability Insurance with a combined single limit of not less than \$5,000,000 each occurrence for bodily injury and/or property damage. If watercraft are used in performing operations, any watercraft exclusion shall be deleted to the extent that coverage is not provided under a Protection & Indemnity policy.

Automobile Liability Insurance covering all automotive equipment (whether owned, non-owned or hired) with a combined single limit of not less than \$1,000,000 each accident for bodily injury and/or property damage.

Watercraft Insurance. If the performance of this Agreement requires Contractor to supply watercraft, Contractor shall carry or require the owner of the watercraft to carry:

Hull & Machinery Insurance (including Collision Coverage) at the agreed value of vessels used in performing operations. Coverage for towing vessels shall include Tower's Liability and all policies shall include coverage for removal of wreck/removal of debris.

Full Form Protection & Indemnity Insurance with a limit of not less than \$5,000,000 each accident or occurrence.

Aircraft Insurance. If the performance of this Agreement requires the Contractor to supply or operate aircraft, including helicopters and unmanned aerial vehicles (UAVs or drones), Contractor shall carry or require the owners of the aircraft to carry Aircraft Liability (including passengers) Insurance covering all aircraft used in performing operations with a combined single limit of not less than \$5,000,000 any one accident or occurrence for bodily injury and/or property damage.

Excess Liability Insurance. Contractor may utilize primary and follow-form excess policies to satisfy the specified requirements.

Other Requirements. To the extent of Contractor's obligations assumed in contract with Operator, Contractor's insurance policies shall include provisions such that:

- Operator and Company are additional insureds (except for Workers' Compensation and Employer's Liability);
- Contractor's insurance is primary to any insurance or self-insurance maintained by Operator and/or Company; and
- Contractor's insurance includes waivers of subrogation in favor of Operator and Contractor and its and their Affiliates.

**EXHIBIT B
TO
OPERATING AGREEMENT**

[attached]