LEASE

TESORO REFINING & MARKETING COMPANY LLC
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THIS LEASE is made and entered into as of _______, 2018, by and between
the CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of
Harbor Commissioners ("City"), pursuant to Ordinance No. HD-[______], adopted by the
Board at its meeting of ____________, 2018, and TESORO REFINING &
MARKETING COMPANY LLC, a Delaware limited liability company ("Lessee").

1. Recitals: This Lease is made with reference to the following facts and
objectives:

1.1 Lessee has applied for a renewal of a lease of City-owned land,
adjacent water area and berths located at Pier B, Berths B77 to B80 inclusive in the
Harbor District of the City of Long Beach, California, which prior lease was dated
February 17, 1995 (Harbor Department Document No. HD-5470, itself a renewal of
a lease dated March 7, 1955 [Doc No. HD-352]), as amended on May 24, 2001
(Doc. No. HD-5470A), on August 10, 2005 (Doc. No. HD-5470B), on September 13,
2010 (Doc. No. HD-5470C), and on October 10, 2013 (Doc. No. HD-5470D)
(collectively, "Amended Prior Lease"). Lessee has been occupying the Premises
(defined below) pursuant to the holdover provisions in the Amended Prior Lease
since January 1, 2015.

1.2 As a result of negotiations, Lessee has agreed to lease the
premises and berths described in paragraph 2 from City upon the terms, covenants
and conditions set forth in this Lease.

2. Premises and Berths: City leases to Lessee and Lessee accepts a
lease of the land and water areas in the Harbor District of the City of Long Beach, California
("Premises") consisting of 812,819 square feet (18.66 acres) of land and 83,243 square feet (1.91 acres) of submerged land as shown on Harbor Department Drawing No. HD 006-00297, a copy of which is attached as Exhibit "A" and by this reference made a part hereof.

In addition, City grants to Lessee a preferential assignment of one-half of Berth B77 and Berths B78 to B80 inclusive (the "Berths"), also shown on Exhibit "A". City makes no representations or warranties, express or implied, as to the condition of the Premises or Berths, and Lessee accepts the Premises and Berths "as is", which includes the improvements identified in paragraph 8.

2.1 There are excepted and reserved from the Premises all minerals and mineral rights of every kind and character now known to exist or hereafter discovered, including, without limitation, oil, gas and water rights, together with the full, exclusive and perpetual rights to explore for, remove and dispose of said minerals from the Premises without, however, the right of surface entry upon the Premises for such purposes.

2.2 This Lease, and all rights granted to Lessee hereunder, are subject to restrictions, reservations, conditions and encumbrances of record, including, without limitation, the trusts and limitations set forth in Chapter 676, Statutes of 1911; Chapter 102, Statutes of 1925; Chapter 158, Statutes of 1935; Chapter 29, Statutes of 1956, First Extraordinary Session; Chapter 138, Statutes of 1964, First Extraordinary Session; and the Federal navigational servitude.

2.3 The Premises shall be subject to rights of way for such sewers, storm drains, pipelines, conduits and for such telephone, light, heat, power or water lines as may from time to time be determined by the Board of Harbor Commissioners.

2.4 City reserves the right, subject to Lessee's consent, to make temporary assignments to other persons, firm and corporations to use the Berths, as provided in Port of Long Beach Tariff No. 4 Naming Rates, Rules and Regulations Governing the Port of Long Beach, California or any amendments or restatements. 
thereof ("Tariff No. 4"). Lessee may withhold its consent or require the removal of vessels temporarily using any of the Berths if any such temporary assignment shall interfere with Lessee's operations at the Premises. Any vessel temporarily using a Berth shall meet minimum safety and environmental criteria mutually acceptable to City and Lessee. Lessee's shore-side facilities may not be used without Lessee's consent. In the event of any such temporary use of the Berths, all tariff charges in connection therewith shall be billed by and payable to City. All tariff charges so assessed shall be the sole property of City and shall not be apportioned between City and Lessee. In addition, any direct charges accruing against Lessee due to the use of the Berths by a temporary assignee shall be paid by such temporary assignee to Lessee. Furthermore, if a temporary assignee damages the Berths or Lessee's shoreside facilities, the temporary assignee shall be fully liable and responsible for all damages resulting therefrom.

3. Term: The term of this Lease shall be for a period of twenty (20) years commencing on January 1, 2015 ("Commencement Date").

4. Use of the Premises and Berths: Lessee is authorized to use the Premises and Berths as a marine liquid bulk terminal restricted to the following:

   (a) A proprietary operation in which title to the crude oil and refined petroleum products, chemicals, liquids, and dry cargo is vested in Lessee at or before the time such merchandise passes onto the Premises and at all times thereafter at least until the merchandise leaves the Premises, in accordance with the provisions of a purchase or exchange agreement. Lessee may not enter into any "sham" agreements to avoid classification as a common carrier such as, but expressly not limited to, agreements where (i) Lessee obtains title to the crude oil and refined petroleum products, chemicals, liquids, and/or dry cargo at or before the time such merchandise passes onto the Premises; (ii) Lessee has title to said crude oil or other merchandise up to the time that the merchandise leaves the Premises or Lessee's pipelines; but where (iii) Lessee sells, encumbers, or otherwise transfers
title to such crude oil and refined petroleum products, chemicals, liquids, and/or dry cargo to the same or an affiliated entity, or a designee, from which it obtained title.

(b) An operation whereby Lessee may receive, handle, load, store, unload and transport crude oil and refined petroleum products, chemicals, liquids and or dry cargo, referred to in subparagraph (a) above, owned by others, pursuant to one or more non-standard agreements. Lessee shall not receive, handle, load, store, unload or transport crude oil and refined petroleum products, chemicals, liquids, or dry cargo owned by others in a manner whereby Lessee expressly or impliedly holds itself out, or could be deemed as holding itself out, as engaging in the business of supplying the public or a portion thereof with any service, including but not limited to the transport or storage of crude oil or refined petroleum products, chemicals, liquids or dry cargo.

(c) The Premises and Berths shall not be used for purposes other than those authorized herein without the prior consent in writing of the Executive Director of the Long Beach Harbor Department ("Executive Director"), which consent shall not be unreasonably withheld, and in no event shall the Premises or Berths be used for any purpose which shall interfere with commerce, navigation, or fisheries, or be inconsistent with the trusts or limitations upon which the Premises and Berths are now or may hereafter be held by the City of Long Beach. Any and all uses of the Premises and Berths by Lessee hereunder shall be at its sole risk, cost and expense.

(d) Lessee shall not discriminate in its use of the Premises or Berths in a manner unlawful under the Shipping Act of 1984, as amended.

(e) Lessee shall not have the exclusive right to perform stevedoring services upon the Premises or at the Berths.

4.1 Lessee shall not do, bring or keep anything in or about the Premises or Berths that will cause a cancellation of or increase the rate of any insurance covering the Premises and Berths.
4.2 Lessee shall not use the Premises or Berths in any manner that is unlawful, damages the Premises or Berths or that will constitute waste or a nuisance.

4.3 The limitation on use set forth in subparagraphs 4.1 and 4.2 shall not prevent Lessee from bringing, keeping or using, on or about the Premises and Berths such materials, supplies, equipment and machinery as are necessary or customary in the operation of the permitted uses; provided however Lessee, in handling hazardous substances or wastes, shall fully comply with all laws, rules, regulations and orders of governmental agencies having jurisdiction.

4.4 In its use and occupancy of the Premises and Berths, Lessee shall comply with all applicable environmental standards set by federal, state or local laws, rules, regulations or orders, including but not limited to any laws regulating the use, storage, generation or disposal of hazardous materials (as that term is defined in paragraph 10.7), substances or wastes ("Environmental Standards"). Because of the continued use and occupancy of Lessee and its predecessors of the Premises and Berths arising from the Amended Prior Lease, as between City and Lessee, Lessee shall be responsible for the environmental and physical condition of the Premises and Berths on or after March 7, 1955, except to the extent of a spill, release or disposal that Lessee proves was not caused by Lessee or any affiliate acting on Lessee's behalf, or was caused by City or others acting on City's behalf. For the avoidance of doubt, entities that were lessees under the Amended Prior Lease are not persons who acted on behalf of City. In addition, Lessee agrees to comply with the emission reduction measures and other environmental covenants set forth in Exhibit "B" and incorporated herein by this reference ("Environmental Covenants"). Lessee shall comply with all applicable Environmental Standards and all Environmental Covenants, including without limitation those laws, regulations and permits described in Port of Long Beach Tariff No. 4, as amended, supplemented and restated from time to time ("Tariff No. 4"), Item 757. Lessee shall
produce appropriate environmental permits promptly upon request by the City. Lessee shall monitor its compliance with Environmental Standards and Environmental Covenants and immediately halt and correct any incident of noncompliance.

5. Compensation: Commencing as of the Commencement Date and subject to the provisions of paragraph 7, Lessee shall pay to City, as rental for the use of the Premises and Berths, without deduction, setoff, prior notice or demand as rent for the use of the Premises and Berths the following:

5.1 For each year, Lessee shall pay as rent an amount equal to (i) one hundred percent (100%) of all dockage charges assessed in accordance with the provisions of Tariff No. 4 on vessels handled at the Premises, the Berths and Lessee’s Berths B76 and one-half of B77, and (ii) one hundred percent (100%) of all wharfage charges assessed in accordance with the provisions of Tariff No. 4 on merchandise handled at the Premises, the Berths and Lessee’s Berths B76 and one-half of B77 (“Rent”). Provided, however, the preceding charges shall not be payable by Lessee in regard to a temporary use of the Berths by other persons, firms or corporations as contemplated in paragraph 2.4. Wharfage will only be charged once on product received by Lessee from any existing wharves or wharf premises located within the Harbor District of the City of Long Beach under lease or ownership by Lessee during the term of this Lease and subsequently delivered to the Premises by pipeline. Wharfage fees on pipeline flushes are excluded from the provisions of this paragraph. The term “Year” shall mean a period of twelve (12) consecutive calendar months commencing as of the Commencement Date and repeating thereafter during the term of the Lease.

5.2 Within ten (10) days after the departure of any vessel, Lessee shall submit or cause to be submitted to City (i) certified copies of manifests of product handled at, on or from the Premises, Berths and Lessee’s Berths B76 and one-half of B77 and (ii) statements on forms approved by City, certified to be correct
by Lessee's authorized representative showing all charges which shall have been assessed and accrued for wharfage and dockage with reference to each such vessel. Within forty-five (45) days after the departure of a vessel using the Premises and Berths and Lessee's Berths B76 and one-half of B77 (or such other time as may be prescribed in Tariff No. 4, Item 714[c]), Lessee shall pay to City the sums due City under the provisions of subparagraphs 5.1 and 5.2. Any sums due City remaining unpaid forty-five (45) days after the date of departure of a vessel from the Premises are delinquent. All delinquent payments due City shall bear interest on the unpaid balance from date of delinquency until paid. Said interest charge shall be the charge then in effect in Tariff No. 4 for delinquent payments.

5.3 Notwithstanding the foregoing, Lessee shall pay to the City during each Year a Guaranteed Minimum Annual Compensation ("GMAC") in the sum of Three Million Six Hundred and Ninety Seven Dollars ($3,000,697.00). If the actual amounts paid to the City during a Year pursuant to the provisions of subparagraphs 5.1 and 5.2 are less than the GMAC, Lessee shall pay the difference to City within 45 days after the end of the Year.

5.4 If this Lease terminates or expires other than at the end of a Year, the GMAC shall be prorated for such portion of said Year as this Lease shall be in effect; if the Rent paid to City by Lessee for cargo and products is less than said prorated portion of the GMAC, Lessee shall pay to City on or before the thirtieth (30th) day following termination or expiration the difference between the prorated GMAC and the total of such Rent paid to City.

5.5 In the event this Lease terminates and Lessee's subsurface pipelines and/or equipment are not removed or relocated by Lessee pursuant to paragraph 21 and its subparagraphs in the time frame set forth in a memorandum of understanding executed by Lessee and the City and approved by the Board of Harbor Commissioners prior to the expiration of this lease, Lessee shall pay to City a GMAC equal to one tenth of the GMAC in effect at termination of the Lease from
the date of termination until the entirety of the subsurface pipelines and/or equipment are either removed or relocated from the Premises. This provision shall have no effect on Lessee’s obligations under paragraph 21 and its subparagraphs.

5.6 With the exception of rental payments, all invoices issued by City are due and payable upon presentation, and any such invoice remaining unpaid the thirtieth day after the date of issue shall be considered delinquent.

5.7 Upon execution of this Lease, Lessee shall immediately pay any difference to City in the event of an increase in compensation due (Rent or GMAC) from payments made during the holdover period pursuant to paragraph 22.1 of the Amended Prior Lease, or Lessee shall be entitled to an immediate reimbursement from City in the event of a decrease in compensation due (Rent or GMAC) from payments made during the holdover period pursuant to the Amended Prior Lease. Except as expressly provided in this paragraph, any difference in compensation due but not paid upon execution of this Lease shall bear interest as set forth in subparagraph 5.2.

6. Accounting: Lessee shall keep full and accurate books, records and accounts relating to its operations on the Premises and at the Berths during the term of this Lease and for a period of five years after termination or expiration of the Lease, including, without limitation, the volume of cargo handled, including the volume of products, crude oil and petroleum products moved through the Premises that is not otherwise accounted for through wharfage. City shall have the right and privilege, through its representatives at all reasonable times and on reasonable notice, to inspect such books, records and accounts in order to verify the accuracy of the sums due, owing and paid to City hereunder. Lessee agrees that such books, records and accounts shall be made available to City at Lessee’s office in the City of Long Beach. City shall protect, to the extent permitted by law, the confidentiality of any such books, records and/or accounts so inspected.

6.1 Annual Report. As soon as reasonably available, but no later
than one hundred eighty (180) days after the close of each Year during the term hereof, Lessee shall prepare and deliver or cause to be prepared and delivered to City a complete set of annual financial statements of Andeavor, a Delaware corporation, prepared in accordance with generally accepted accounting principles, including a consolidated balance sheet, a statement of operations showing profit and loss, and a statement of cash flows. All financial statements shall be certified by an independent certified public accountant.

6.2 Alameda Corridor Reports. Lessee agrees to provide City, the Alameda Corridor Transportation Authority ("ACTA"), or their agents, any information reasonably required to compile accurate statistical information relating to the Alameda Corridor, and to enable ACTA to generate timely and accurate invoices for Alameda Corridor use fees and container charges payable by the railroads. Lessee shall use its best efforts to provide such information in the format requested.

6.3 Accident Reports. Lessee shall report in writing to the Executive Director within fifteen (15) days from any accident or occurrence involving death of or injury to any person or persons or damage to property in excess of $100,000, occurring on the Premises, at the Berths or within the Harbor District if Lessee's officers, agents or employees are involved in such an accident or occurrence.

7. Renegotiation of Compensation and Insurance: As required by the provisions of Long Beach City Charter Section 1207(d), the parties agree to renegotiate the Rent provisions and GMAC set forth in paragraph 5 and the insurance coverages and limits set forth in paragraph 16 and Exhibit D for each five-year segment of the term; provided, however, in no event shall the Rent and GMAC be less than the highest Rent and GMAC in the previous five-year segment of the term (whether negotiated pursuant to subparagraph 7.1 or determined by arbitration pursuant to subparagraphs 7.2). The parties shall commence negotiations at least one hundred eighty (180) days prior to the
beginning of the second, third, and fourth five-year segments. The adjusted Rent, GMAC, and insurance provisions (whether negotiated pursuant to subparagraph 7.1 or determined by arbitration pursuant to subparagraphs 7.2 or 7.4) shall be effective as of the beginning of the applicable five-year segment of the term regardless of when determined. If the adjusted Rent, GMAC and insurance provisions are not determined prior to the commencement of a five-year segment, Lessee shall continue to pay at the rate in force during the preceding five-year segment. Upon determination of the adjusted Rent, GMAC and/or insurance rates, Lessee shall promptly pay any difference due City.

7.1 Adjustment Factors. In any negotiation or arbitration to establish the Rent and GMAC in subsequent five-year segments of the term, the parties or arbitrators shall take into consideration the character of the Premises and Berths, the rental and GMAC rates of similar premises and facilities within the San Pedro Bay devoted to similar use, the return on investment to City, and any other facts and data necessary for the proper determination of such Rent and GMAC provisions. In adjusting insurance requirements, the parties or arbitrators shall consider the risks inherent in Lessee's operations, the number and type of claims made during the preceding five (5) year period, the disposition of such claims and such other data as may be deemed by the parties or arbitrators to be relevant.

7.2 Rent Arbitration. If the parties cannot reach agreement with respect to the Rent and GMAC for subsequent five-year segments of the term thirty (30) days prior to the beginning of the next segment, the matter may at the discretion of either party be submitted to binding arbitration. Each party, at its cost, shall appoint a real estate appraiser licensed by the State of California who is "competent" prior to such appointment as defined by the most recent edition of the Uniform Standards of Professional Appraisal Practice ("USPAP"), published by The Appraisal Foundation. If a party does not appoint an appraiser within twenty (20) business days after the other party has given notice of the name of its appraiser, the single appraiser appointed shall be the sole appraiser and shall determine the
Rent and GMAC within ninety (90) days after his or her appointment. If two (2) appraisers are appointed, each within ninety (90) days after the selection of the second appraiser shall state his or her opinion as provided in subparagraph 7.2.1 as to the compensation payable by Lessee to the City.

7.2.1 Appraisal Reports. On or before the expiration of the ninety (90) day period, the appraiser or appraisers shall prepare and furnish the party who appointed the appraiser with a report setting forth the Rent and GMAC payable by Lessee with supporting data and his or her reasons supporting the conclusions. Such reports shall comply with all standards and requirements set forth in the most recent edition of the USPAP. The parties shall promptly exchange reports and shall have thirty (30) business days after the exchange of the reports to further negotiate the Rent payable by Lessee.

7.2.2 Third Appraiser. If the parties cannot agree as to the Rent and GMAC payable by Lessee, City and Lessee shall promptly notify their designated appraiser of that fact and the two appraisers shall promptly select a third appraiser meeting the qualifications stated in subparagraph 7.2. If they are unable to agree on the third appraiser, either of the parties, by giving ten (10) business days' notice to the other party may apply to the Presiding Judge or Assistant Presiding Judge of the Superior Court of the County of Los Angeles, or the Presiding Judge of the South District of said Court, who shall select and appoint the third appraiser who meets the qualifications stated in subparagraph 7.2. Each of the parties shall bear one-half of the cost of appointing the third appraiser and of paying the third appraiser's fee. The third appraiser shall (i) promptly meet and confer with the two appraisers appointed by the parties; (ii) review the reports of the two appraisers and the supporting data and reasons supporting the respective conclusions; (iii) determine the Rent and GMAC payable by Lessee; and (iv)
notify the parties of his or her determination within thirty (30) business days after his or her appointment; provided, however, that said determination shall not result in Lessee paying Rent and GMAC for use of the Premises and Berths in an amount a) less than the highest Rent and GMAC in the previous five-year segment, nor b) lower than the determinations of the first two appraisers appointed by the parties. The third appraiser's review and subsequent report shall comply with the standards and requirements set forth in the most recent edition of the USPAP.

7.3 Memorandum. After the Rent and GMAC have been determined (whether by negotiation or arbitration), the parties shall promptly execute a memorandum setting forth the adjusted Rent and GMAC. If either party fails or refuses to execute the memorandum within ten (10) days after the Rent and GMAC have been determined and the memorandum prepared, the other party shall execute the memorandum on behalf of the party refusing as that party's special attorney-in-fact. The memorandum shall be effective immediately and retroactive to the first day of the applicable five-year segment.

7.4 Other Arbitration. For adjustment of insurance coverages and limits and any other matter which may be submitted for determination by binding arbitration, the arbitration shall be conducted in accordance with the provisions of Title 9 (Arbitration) of Part 3 of California Code of Civil Procedure except as otherwise provided in this subparagraph 7.4. The party desiring arbitration shall select an arbitrator and give written notice to the other party, who shall select an arbitrator within ten (10) business days after receipt of such notice. If the other party fails to name such second arbitrator within said ten (10) business days, the arbitrator named by the first party shall decide the matter. The two (2) arbitrators chosen shall, within ten (10) business days after the appointment of the second, select a third. If the two (2) cannot agree upon a third, the third arbitrator shall be appointed by the Presiding Judge or Assistant Presiding Judge of the Superior Court of the
County of Los Angeles, California, or the Presiding Judge of the South District of said Court, upon application made therefor by either party, upon ten (10) business days' written notice to the other which notice shall be given in accordance with the provisions of paragraph 28 of this Lease. The parties shall each pay one-half of the costs of appointment of the third arbitrator and of his fees and expenses. Upon their appointment, the three (3) arbitrators shall enter immediately upon the discharge of their duties. The arbitrators' determination on any issue shall be made and the parties notified of that determination within thirty (30) days after the appointment of the last arbitrator.

8. **City-Owned and Lessee-Owned Improvements**: City is the owner of certain improvements previously constructed at the Premises - pile-supported wharf structures including ramps, fenders and bollards; steel bulkheads (also may be referred to as quay wall or sea wall); and pile-supported Dolphin including horizontal bracing, fenders, bollards, and catwalk (collectively "City-owned Improvements"). These City-owned Improvements were originally constructed by Richfield Oil Corporation under Ordinance No. HD-352 and came under ownership by the City at the expiration of that lease on December 31, 1994. They were owned by the City under the Amended Prior Lease and will continue to be owned by the City under this Lease.

Subject to the foregoing paragraph, the lessees under the Amended Prior Lease, including without limitation Lessee, have previously constructed improvements to the Premises, including improvements necessary or convenient for a marine liquid bulk terminal, which improvements have been owned by lessees under the Amended Prior Lease and will continue to be owned by Lessee under this lease, subject to the provisions of paragraphs 18.2 and 21 below. These improvements and any other improvements at the Premises or the Berths that are not specifically defined above as City-owned Improvements shall be known as "Lessee-owned Improvements." Lessee accepts the City-owned Improvements and Lessee-owned Improvements "as is", with no representations or warranties by City, and City shall be under no obligation to construct,
erect or install any improvements of any kind or make any repairs or conduct any maintenance, except to the extent otherwise provided in subparagraphs 10.1, 10.2 and 10.3 below.

9. **Construction of Improvements and Alterations:** Lessee shall not construct or make any improvements or alterations to the Premises or the Berths without City's prior written consent. Any improvement or alteration shall be constructed, erected and installed at Lessee's cost in accordance with plans and specifications approved in writing by the Executive Director or his designee and shall be subject to such conditions and limitations as may be set forth in a Harbor Development Permit issued by the Board of Harbor Commissioners in accordance with provisions of Section 1215 of the Long Beach City Charter.

10. **Maintenance and Repair:** Except as provided in subparagraphs 10.1, 10.2 and 10.3, Lessee, at its cost, shall keep and maintain the Premises and the Berths (including the wharf structure and fender system), including without limitation all buildings, structures, other improvements (including all City-owned Improvements and Lessee-owned Improvements) and surface paving, in good and substantial repair and condition, whether of a structural nature or otherwise, and shall perform all necessary maintenance, including preventative maintenance, and including but not limited to maintaining and repairing pavement, and cleaning and maintaining storm drains and catch basins, using materials and workmanship of similar quality to the original improvements. With respect to pavement, rutting of the asphalt layer(s) is highly dependent on the rate of loading. Maintenance activities may include joint and crack sealing, slurry sealing, localized full depth repairs, and milling/overlays of raveled or rutted areas. The frequency of pavement maintenance is a function of premises utilization.

10.1 Notwithstanding the foregoing, City shall use good faith efforts to maintain the berthing area adjacent to the Berths at the currently permitted depth of -40 feet mean lower low water (MLLW) as determined by the City as a result of underwater surveys or upon notice from Lessee based on underwater surveys.
Once notice is received from Lessee, a maintenance dredge project will be placed in queue for future dredging. If a permitted dredge material disposal site of adequate capacity is identified and available, and the City determines it is economically feasible to do so, City will undertake a maintenance dredge project within a reasonable time frame. The parties acknowledge that a survey commissioned by Lessee has determined the maximum design depth of the berthing area adjacent to the Berths to be a depth of -44 feet mean lower low water (MLLW). If Lessee so chooses, and the maximum design depth is verified to the satisfaction of the Executive Director, the design depth can be accessed by capital dredging at Lessee's sole cost and expense. Lessee shall also be solely responsible for satisfying any and all legal and regulatory obligations associated with such capital dredging. City agrees to reasonably cooperate with Lessee in its efforts to satisfy such legal and regulatory obligations to the extent necessary as the owner of the Premises and the Berths. Lessee shall reimburse City for any and all expenses incurred in providing such cooperation.

10.2 City shall, at its sole cost, provide a one-time maintenance and repair service to address the damaged components identified by Lessee on the T2 Maintenance and Repair Request attached hereto as Exhibit "C" ("City Work"). Upon execution of this Lease, City shall proceed to retain a firm to prepare plans and specifications for City to bid upon and thereafter for the City Work to be carried out. The City Work shall be completed within two (2) years of the execution of this Lease. The materials used for this service and the extent of the repair and maintenance service for the identified components of the City Work shall be at City's sole discretion. City will provide Lessee with reasonable notice in advance of its entry on the Premises to complete the City Work, and Lessee shall cooperate with City to provide reasonable access to perform the City Work and to minimize the cost of the City Work. In carrying out the City Work, City shall not unreasonably interfere with the conduct of Lessee's use of the Premises and Berths as set forth in Section
4. There shall be no adjustment to the compensation to be paid by Lessee as a 
result of City carrying out the City Work, nor shall there be any other payment or 
consideration provided to City by Lessee for carrying out the City Work.

10.3 Commencing on July 1, 2018, City shall provide a 10-year 
warrenty to the quay wall and its existing condition and capacity. Lessee shall be 
responsible for ordinary wear and tear, as part of its maintenance and repair 
obligations set forth in paragraph 10. If Lessee discovers significant defects to the 
quay wall beyond ordinary wear and tear, City shall repair such defect(s) at its sole 
cost so long as Lessee demonstrates to the satisfaction of the Executive Director 
that all of the following six conditions are satisfied:

1) Lessee must provide notice to City within 30-days from 
the date a defect above and beyond ordinary wear and tear is discovered;

2) Within 60 days of discovering the defect referenced in 
subparagraph 10.3, item 1), Lessee demonstrates that the defect is above and 
beyond ordinary wear and tear;

3) Lessee has properly maintained the Premises, including 
the area where the defect is discovered;

4) The defect adversely affects Lessee's routine berthing 
operations;

5) The defect has been determined to be a safety hazard 
by any local, state, federal agency, or by Port staff, pursuant to applicable laws, 
within the timeframe set forth in subparagraph 10.3, item 2); and

6) The aggregate costs to repair all defects (beyond the 
scope of regular repair and maintenance), including preparing any and all necessary 
plans and specifications and carrying out the repairs, during the 10-year period do not 
exceed Three Million Dollars ($3,000,000.00).

If the aggregate costs to repair defects during the 10-year period 
exceed Three Million Dollars ($3,000,000.00), City and Lessee shall split equally the
cost of repairs that exceed Three Million Dollars ($3,000,000.00) but do not exceed Five Million Dollars ($5,000,000.00). If City in good faith anticipates that the aggregate costs for repairs of defects during the 10-year period are likely to exceed Five Million Dollars ($5,000,000.00), Lessee at its sole discretion shall have the option to pay all costs for such repairs in excess of Five Million Dollars ($5,000,000.00). If Lessee elects not to assume sole responsibility for payment of all costs for repairs of defects in the 10-year period that exceed Five Million Dollars ($5,000,000.00), either party shall have the option to terminate this Lease upon 120 days' written notice.

At the expiration of the 10-year warranty period, Lessee shall assume full and sole responsibility for all repair and maintenance, and all costs and expenses associated therewith, of the quay wall through the term of the Lease.

10.4 Should Lessee fail to make any repairs or perform required maintenance within thirty (30) days after receipt of notice from City to do so, City may, but shall not be obligated to, make such repairs or perform such maintenance. Lessee agrees to reimburse City for the cost thereof within thirty (30) days after receipt of City's invoice therefor. City's cost shall include, but not be limited to, the cost of maintenance or repair or replacement of property neglected, damaged or destroyed, including direct and allocated costs for labor, materials, supervision, supplies, tools, taxes, transportation, administrative and general expense and other indirect or overhead expenses. In the event Lessee shall commence to prosecute and diligently make such repairs or shall begin to perform the required maintenance within the thirty (30) day period, City shall refrain from making such repairs or performing required maintenance and from making demand for such payment until the work has been completed by Lessee, and then only for such portion thereof as shall have been made or performed by City. The making of any repair or the performance or maintenance by City, which repair or maintenance is the responsibility of Lessee, shall in no event be construed as a waiver of Lessee's duty.
or obligation to make future repairs or perform required maintenance as provided in this Lease.

10.5 Lessee, at its cost, shall provide proper containers for trash and keep the Premises free and clear of rubbish, debris and litter at all times. Lessee, at its cost, further agrees to keep and maintain all of the Premises in a safe, clean, wholesome and sanitary condition under all applicable federal, state, local and other laws, rules, regulations and orders. No offensive refuse, matter, nor any substance constituting any unnecessary, unreasonable or unlawful fire hazard, nor material detrimental to the public health shall be permitted to be or remain on the Premises and Lessee shall prevent such material or matter from being or accumulating upon the Premises.

10.6 All fire protection sprinkler systems, standpipe systems, fire alarm systems, portable fire extinguishers and other fire-protective or extinguishing systems or appliances which may be installed on the Premises shall be maintained by Lessee, at its cost, in an operative condition at all times. All repairs and servicing shall be made in accordance with the provisions of the Long Beach Municipal Code, Chapter 18.48 and all revisions thereto.

10.7 Lessee shall promptly notify Port Security and the Executive Director of the release or threatened release of any hazardous materials onto or from the Premises of which it is aware or should have been aware. Lessee, at its cost, shall promptly remove and/or treat and dispose of all such hazardous materials in accordance with regulations and orders of governmental agencies having jurisdiction and restore the Premises to the condition they were in prior to the release of the hazardous materials. Lessee shall furnish the Executive Director with copies of all waste manifests. As used herein, the term "hazardous materials" shall also include "hazardous wastes" and "extremely hazardous wastes" as those terms have been defined by the Administrator of the U.S. Environmental Protection Agency, the California Department of Toxic Substances Control, or any other person or agency
having jurisdiction of the management of hazardous materials.

10.8 Lessee shall provide personnel to accompany City’s representatives on periodic inspections of the Premises to determine Lessee’s compliance with the provisions of this Lease.

10.9 Except as provided in subparagraphs 10.1, 10.2 and 10.3, Lessee shall be responsible at its sole cost for all expenditures to address any Motems Audit deficiencies identified for the Premises or the Berths, whether needed to address deficiencies in improvements owned by City or by Lessee.

11. **Observe Applicable Laws:** At all times in its use and occupancy of the Premises and Berths and in the conduct of its operations thereon, Lessee, at its cost, shall comply with all applicable federal, state, regional and municipal laws, ordinances and regulations (including but not limited to the City Charter, the Long Beach Municipal Code and Tariff No. 4) and obtain all requisite permits for the construction of improvements on the Premises and for the conduct of its operations thereon.

11.1 Without limiting the foregoing, Lessee shall comply with applicable provisions of the Americans with Disabilities Act (42 USCS Sections 12101, et seq.) ("Act") and regulations promulgated pursuant thereto in Lessee’s use of the Premises and Berths and operations conducted thereon. Additionally, as between City and Lessee, Lessee shall be solely responsible for assuring that the Premises and Berths are in compliance with applicable provisions of said Act and related regulations and shall hold City harmless from and against any claims of failure of the Premises or Berths to comply with the Act and/or related regulations.

11.2 Lessee shall comply with all applicable stormwater regulations at the Premises and Berths. As part of compliance, Lessee is responsible for preparing and maintaining a facility specific stormwater pollution prevention plan ("SWPPP") using the City provided template and implementing best management practices ("BMPs") where appropriate. Lessee shall not conduct or permit any
maintenance of mobile or portable equipment on the Premises except in full compliance with all applicable laws, rules, regulations, permits and plans.

12. **Utility Charges:** Lessee, at its cost, shall make arrangements for and pay for all utility installations and services furnished to or used by it, including without limitation gas, electricity, water, telephone service and trash collection and for all connection charges.

13. **Taxes:** Except where contested in good faith in a court of appropriate jurisdiction, Lessee shall pay, prior to delinquency, all lawful taxes, assessments and other governmental or district charges that may be levied upon its property and improvements of any kind located on the Premises and upon the interest granted under this Lease. Lessee recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Lessee may be subject to the payment of property taxes and assessments levied on such interest. Payment of any such possessory interest tax or assessment shall not reduce any compensation due City hereunder.

14. **Mechanics' Liens:** Lessee shall pay all costs for construction done by it or caused by it to be done on the Premises. Lessee shall keep the Premises free and clear of all mechanics' liens resulting from construction done by or for Lessee. Lessee shall have the right to contest the correctness or the validity of any such lien if, immediately on demand by City, Lessee procures and records a lien release bond issued by a corporation authorized to issue surety bonds in California in an amount equal to one and one-half times the amount of the claim of lien. The bond shall meet the requirements of Civil Code Section 3143 and shall provide for the payment of any sum that the claimant may recover on the claim (together with costs of suit, if claimant recovers in the action).

Lessee agrees that it will at all times save City free and harmless and indemnify City against all claims for labor or materials in connection with the construction, erection or installation of Lessee's improvements made upon the Premises or Berths, or from additions or alterations made thereto, or the repair of the same, by or for Lessee, and the costs of defending against any such claim, including reasonable attorneys' fees.
15. **Indemnity:** Lessee shall indemnify, protect and hold harmless City, the Board of Harbor Commissioners and their officials, employees and agents ("Indemnified Parties"), from and against any and all liability, claims, demands, damage, loss, obligations, causes of action, proceedings, awards, fines, judgments, penalties, costs and expenses, including attorneys' fees, court costs, expert and witness fees, and other costs and fees of litigation, arising or alleged to have arisen, in whole or in part, out of or in connection with:

(i) the use of the Premises and Berths or any equipment or materials located thereon, or from operations conducted thereon by Lessee, its officers, agents, employees, contractors, subcontractors, or invitees, or by any person or persons acting on behalf of Lessee and with Lessee's knowledge and consent, express or implied;

(ii) the condition or state of repair and maintenance of the Premises and Berths;

(iii) the construction, improvement or repair of the improvements and facilities on the Premises and Berths by Lessee, its officers, employees, contractors, subcontractors, agents or invitees, or by any person or persons acting on behalf of Lessee and with Lessee's knowledge and consent, express or implied;

(iv) Lessee's failure or refusal to comply with the Environmental Standards or the Environmental Covenants;

(v) Lessee's failure or refusal to comply with the provisions of Section 6300 et seq. of the California Labor Code or any federal, state or local regulations or laws pertaining to the safety of the Cranes or of equipment located upon the Premises, (collectively "Claims" or individually "Claim"); and/or

(vi) Any other obligation assumed by Lessee pursuant to the terms of this Lease and the Exhibits attached hereto.
15.1 In addition to Lessee's duty to indemnify, Lessee shall have a separate and wholly independent duty to defend Indemnified Parties at Lessee's expense by legal counsel approved by City, from and against all Claims, and shall continue this defense until the Claims are resolved, whether by settlement, judgment or otherwise. No finding or judgment of negligence, fault, breach, or the like on the part of Lessee shall be required for the duty to defend to arise. City shall notify Lessee of any Claim, shall tender the defense of the Claim to Lessee, and shall assist Lessee, as may be reasonably requested, in the defense.

15.2 If a court of competent jurisdiction determines that a Claim was caused by the sole negligence or willful misconduct of Indemnified Parties, Lessee's costs of defense and indemnity shall be (1) reimbursed in full if the court determines sole negligence by the Indemnified Parties, or (2) reduced by the percentage of willful misconduct attributed by the court to the Indemnified Parties.

15.3 The provisions of this paragraph and subparagraphs shall be effective as of March 7, 1955 and shall survive the expiration or termination of this Lease.

16. Insurance: As a condition precedent to the effectiveness of the Lease, Lessee shall comply with the insurance requirements attached hereto as Exhibit "D".

17. Signs: No signs or placards of any type or design, except safety or regulatory signs prescribed by law, shall be painted, inscribed or placed in or on the Premises without the prior written consent of the Executive Director, which consent shall not be unreasonably withheld. Upon the expiration or termination of this Lease, Lessee, at its cost, shall remove promptly and to the satisfaction of the Executive Director any and all signs and placards placed by it upon the Premises.

18. Default: The occurrence of any of the following shall constitute a default:

   (i) Failure by Lessee to pay Rent when due, if the failure continues for ten (10) days after notice has been given by City to Lessee.
(ii) Failure by either party to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after notice has been given by the other party; provided, if the default cannot reasonably be cured within thirty (30) days, the party obligated to perform shall not be in default if such party commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

18.1 Notices given under this paragraph shall specify the alleged default and the applicable Lease provisions and shall demand that the defaulting party perform the provisions of this Lease or pay the Rent that is in arrears, as the case may be, within the applicable period of time or, in the case of a default by Lessee, that Lessee quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless City so elects in its notice to Lessee.

18.2 Upon any such termination by City, all improvements of whatsoever character constructed, erected or installed upon the Premises by Lessee shall, at City's option, and upon City's declaring a forfeiture, immediately become the property of City as provided in Subsection 1207(i) of the City Charter.

18.3 The remedies of each party shall be cumulative and in addition to any other remedies available.

19. **Force Majeure:** Neither party to this Lease shall be deemed to be in default in the performance of the terms, covenants or conditions of this Lease, if such party is prevented from performing said terms, covenants or conditions hereunder by causes beyond its control, including, without limitation, earthquake, flood, fire, explosion or similar catastrophe, war, insurrection, riot or other civil disturbance, failure or delay in performance by suppliers or contractors that is beyond the control of and cannot be mitigated by Lessee, or any other cause reasonably beyond the control of the defaulting party, but excluding strikes or other labor disputes, lockouts or work stoppages. In the event of the happening of any of such contingencies, the party delayed from performance shall immediately give the other party written notice of such contingency, specifying the cause for delay or failure.
The party so delayed shall use reasonable diligence to remove the cause of delay, and if
and when the occurrence or condition which delayed or prevented the performance shall
cease or be removed, the party delayed shall notify the other party immediately, and the
delayed party shall recommence its performance of the terms, covenants and conditions
of this Lease.

19.1 If the Premises are not reasonably useable in whole or in part
for the uses delineated in paragraph 4 by reason of any cause contemplated by this
paragraph, for a period of six (6) months or longer, Lessee shall have the option of
terminating this Lease in its entirety by giving City written notice.

19.2 During any period in which the Premises are not reasonably
useable in whole or in part for the uses delineated in paragraph 4 by reason of any
cause contemplated by this paragraph, Lessee shall not be relieved of its obligation
to pay any sum already due to City at the time of the occurrence.

19.3 Notwithstanding the foregoing, the occurrence of any cause
contemplated by this paragraph shall not excuse or otherwise delay performance
by Lessee of its obligation to obtain all required permits, licenses, approvals and
consents from governmental agencies having jurisdiction for the operation and
conduct of permitted activities.

19.4. If the Premises are damaged or destroyed by earthquake, flood,
fire, explosion or similar catastrophe so as to render the Premises wholly or partially
untenantable or unfit for use, thereby making it impracticable for Lessee to make
reasonably full use of the Premises, then the Guaranteed Minimum Annual
Compensation, for the period of restoration of the Premises, shall be proportionately
adjusted based upon a 365 day year and the acreage of the Premises affected by
such loss of use. Should the damage or destruction occur after Lessee has met or
exceeded the Guaranteed Minimum Annual Compensation, there shall be no
reduction thereof by reason of such damage or destruction. In no event shall the
Guaranteed Minimum Annual Compensation be reduced by an amount greater than
the unpaid portion thereof which exists as of the date of the occurrence causing the
damage or destruction.

20. **Termination by Action of Other Governmental Entity:** In the event the
United States of America, the State of California, or any agency or instrumentality of said
governments other than the City of Long Beach shall, by condemnation or otherwise, take
title, possession or the right to possession of the Premises, or any part thereof, or deny
Lessee the right to use the Premises as contemplated by this Lease, or if any court shall
render a decision which has become final and which will prevent the performance by City
of any of its obligations under this Lease, and if such taking, denial or decision substantially
impairs the utility of the Premises to Lessee, then either party may, at its option, terminate
this Lease as of the date of such taking, denial or decision, and all further obligations of
the parties shall end, except as to:

(i) any award to which Lessee may be entitled from the
condemning authority for loss or damage suffered by Lessee, including but not
limited to relocation benefits and Lessee's interest in its building, improvements,
trade fixtures and removable personal property;

(ii) obligations of indemnity which arise under the provisions of
paragraph 13; or

(iii) any obligations or liabilities which shall have accrued prior to
the date of taking.

21. **Surrender of Possession:** Subject to the provisions of subparagraphs
4.4 and 10.7, upon the termination of this Lease (whether by lapse of time or otherwise),
Lessee, at its cost, shall restore the Premises to a level, graded site, and the Premises and
Berths to as good a condition as they were upon the Commencement Date, reasonable
wear and tear and damage by the elements excepted, and shall thereafter peaceably
surrender possession.

21.1 All improvements of any kind constructed, erected or installed
upon the Premises and Berths by Lessee, except for any City-owned Improvements
shall be and remain the property of Lessee during the term of this Lease. Prior to termination, Lessee shall remove all of its improvements and remediate any soil and groundwater contamination on or at the Premises, at its cost, shall repair any damage caused by such removal; provided, that City in its sole and absolute discretion may agree to waive the requirement that Lessee remove some or all of its improvements from the Premises and Berths. If such requirement is waived, Lessee shall promptly execute and deliver to City such documents as may be reasonably required to demonstrate the transfer of title to Lessee's improvements to City. The obligations contained in this paragraph shall remain in full force and effect, notwithstanding the expiration or termination of this Lease.

21.2 Except as to property owned by City, or property in which City may have an interest, upon termination of this Lease (whether by lapse of time or otherwise) Lessee shall cause all other property upon the Premises and at the Berths, whether or not such property be owned by Lessee or by third parties, to be removed from the Premises and Berths prior to the termination date and shall cause to be repaired any damage occasioned by such removal; provided, however, that if any of such property is not with due diligence susceptible of removal prior to the termination date, Lessee's obligation hereunder shall be to remove it in the most expeditious manner and as rapidly as possible following the termination date. If the property is not so removed from the Premises and Berths, City shall have the right to remove and/or sell and/or destroy the same (subject to the interest of any person other than Lessee therein) at Lessee's expense, and Lessee agrees to pay the reasonable cost of any such removal, sale, or destruction.

21.3 Prior to the termination of the Lease, Lessee, at its cost, shall have the Premises inspected by qualified environmental professionals for any evidence of hazardous substances, materials or wastes relating to or arising out of Lessee's operations, use, and/or occupancy. If any such evidence is found, Lessee, at its cost, shall, at the request of the Executive Director or his designee, (i) initiate
chemical and/or physical analyses of the suspected contaminated material; (ii) promptly submit all laboratory or other test results upon receipt thereof to the Executive Director; (iii) develop and submit for approval by the Executive Director or his designee a remediation plan providing for the disposal and/or treatment of the contaminated material; (iv) treat and dispose of or remove such material in accordance with the Remediation Plan and regulations and orders of governmental agencies having jurisdiction; (v) if material is removed, replace all such contaminated material with clean fill material that is structurally suitable and cause the fill material to be compacted; and (vi) promptly submit copies of all waste manifests to the Executive Director.

21.4 Lessee, at its cost, is currently remediating the Premises pursuant to Cleanup and Abatement Order No. R4-2015-0187 (CAO) issued by the Los Angeles Regional Water Quality Control Board on December 14, 2015. Lessee shall continue to comply with the terms of the CAO upon surrender of possession until such time as the Board determines that the terms of the CAO have been satisfied. If material is removed, Lessee shall: (i) replace all such contaminated material with clean fill material that is structurally suitable and cause the fill material to be compacted; and (ii) promptly submit copies of all waste manifests to the Executive Director.

22. Relocation Assistance: Lessee understands and agrees that nothing contained in this Lease shall create any right in Lessee for relocation assistance or payment from City upon the termination of this Lease or upon the termination of any holdover period. Lessee acknowledges and agrees that it shall not be entitled to any relocation assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16, of the Government Code of the State of California (Sections 7260 et seq.) with respect to any relocation of its business or activities upon the termination of this Lease as a result of the lapse of time or Lessee's default or upon the termination of any holdover period.
23. **Assignment and Subleases:** The qualifications and identity of Lessee are of particular concern to City. It is because of those qualifications and identity that City has entered into this Lease with Lessee. No voluntary or involuntary successor in interest shall acquire any rights or powers under this Lease except pursuant to an assignment or sublease made with City's consent.

23.1 City's consent to any assignment or sublease shall be subject to the following conditions:

23.1.1. If Lessee receives any consideration in any transaction related to the assignment or sublease in excess of the Rent payable under this Lease, City's consent shall be subject to payment of such excess Rent by Lessee to City at such times and in such amounts as such amounts are receivable by Lessee. City shall be entitled to obtain an independent appraisal of the value of this Lease in the context of the transaction, notwithstanding recitals or agreements in the transaction regarding such value. If City and Lessee cannot agree on the amount of consideration, if any, in excess of the Rent payable under this Lease, City shall determine this amount.

23.1.2. City shall have no obligation to consent to the proposed assignment or sublease unless Lessee establishes to the satisfaction of City that the proposed assignee or sublessee is at least as well qualified as Lessee from the perspective of operations, finances and future business prospects.

23.2 To obtain City's consent to a proposed assignment or sublease of all or part of the Premises, Lessee shall deliver to City a written notice which shall contain the following:

(i) The name and address of the proposed assignee or sublessee;

(ii) A statement whether the proposed assignee or
sublessee is a partnership or corporation, and if the proposed assignee or sublessee is a corporation, the names and addresses of such corporation's principal officers and directors and the place of incorporation, and if the proposed assignee or sublessee is a partnership, the names and addresses of the general partners of such partnership;

(iii) A copy of the most recent current financial statement of the proposed assignee or sublessee audited by an independent certified public accountant, which financial statement discloses a credit standing and financial responsibility comparable to Lessee's;

(iv) A statement setting forth in reasonable detail the business experience of the proposed assignee or sublessee and, if applicable, its officers, directors and managing employees;

(v) A statement setting forth the volume throughput of the proposed assignee for the three-year period immediately prior to the proposed assignment.

(vi) The proposed form of a guarantee or guarantees providing greater or substantially the same protection to City as those attached hereto as Exhibit "E".

(vii) A business plan for the proposed assignee including specific estimates of cargo volume anticipated under each of the following categories: existing contracts, contracts under negotiation and other specified sources.

(viii) A detailed statement of the business relationship or transaction between Lessee and the proposed assignee or sublessee, including the proposed financial arrangements regarding this Lease.

Upon Lessee's satisfaction of its obligations under this subparagraph and the conditions specified in subparagraph 23.1, City shall notify Lessee of its consent to the assignment or sublease, or, if City's consent is not to be given, the reasons therefor.
23.3 Simultaneously with an assignment or sublease, the assignee or sublessee shall execute an agreement assuming Lessee's obligations under this Lease after the date of such assignment or sublease. Lessee shall remain fully obligated under this Lease notwithstanding any assignment or sublease.

23.4 Lessee acknowledges and understands that the legislative grants of tide and submerged lands referred to in subparagraph 2.2 impose certain limitations on use of the granted tide and submerged lands and, as a result thereof, City's discretion in consenting to assignments and subleases shall not be limited in any manner.

24. **Holding Over:** If Lessee shall hold over after the expiration of this Lease for any cause, such holding over shall be deemed a tenancy from month to month only, upon the same terms, conditions and provisions of this Lease, except as set forth below, unless other terms, conditions and provisions be agreed upon in writing by City and Lessee. The Executive Director shall establish the compensation to be paid by Lessee during such holdover period, taking into account the character of the subject Premises and Berths, the terms and conditions affecting their use, and the fair rental value of similar premises and facilities devoted to similar use. If the Executive Director does not take action to establish compensation during the holdover period prior to the successful negotiation of a new lease, the compensation during the holdover period shall be the compensation set forth in the new lease. Regardless of whether the Executive Director establishes compensation during the holdover period, or if the compensation is established by a new lease, such compensation shall accrue from the date the holdover period commenced. If the compensation due during the holdover period is less than the compensation paid, Lessee shall immediately pay City as a condition precedent to the effectiveness of a new lease the difference due for the holdover period. If the compensation owed is more than the compensation paid, City shall immediately pay Lessee the difference due for the holdover period. In addition, the Executive Director may, by written notice given at any time during the holdover period, modify any other provision under which Lessee occupies
the Premises and uses the Berths in order that such provision will conform to the then-current leasing practices and requirements of City.

25. **Guaranty:** As a condition precedent to the effectiveness of this Lease, Lessee shall cause a Guaranty in the form attached hereto as Exhibit "E" to be duly executed and delivered to City.

26. **Air Quality Technological Advancements:** The parties agree to review and commence discussions regarding new air quality technological advancements at least one hundred eighty (180) days prior to the beginning of each five-year segment starting with the second five-year segment. Such review and discussions shall address operational, technical and financial feasibility as well as cost-effectiveness. Implementation of one or more of these technologies by either or both of the parties shall be determined by the parties in their sole and absolute discretion and shall not affect the Rent renegotiation set forth in paragraph 7 above.

27. **Hazardous Materials:** This paragraph constitutes written notice pursuant to Section 25359.7 of Health & Safety Code that releases of hazardous substances have come to be located on or beneath the Premises. A description of the substances is set forth on the State Water Resources Control Board website available at: [https://geotracker.waterboards.ca.gov/profile_report.asp?global_id=SL374422455](https://geotracker.waterboards.ca.gov/profile_report.asp?global_id=SL374422455)

28. **Notices:** Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party or to any other person shall be in writing and either served personally or sent by prepaid, first-class mail. The address of Lessee is as follows:

Teso Refining & Marketing Company LLC
19100 Ridgewood Parkway
San Antonio, TX 78259

With a copy to:
Teso Refining & Marketing Company LLC
19100 Ridgewood Parkway
San Antonio, TX 78259
Attn: Legal Department (Real Estate)
The address of City is as follows:

Executive Director  
Long Beach Harbor Department  
P.O. Box 570  
Long Beach, California 90801

With a copy to:

Director of Real Estate  
Long Beach Harbor Department  
P.O. Box 570  
Long Beach, California 90801

Either party may change its address by notifying the other party in writing of such change. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this subparagraph and as of the time of receipt if personally served.

29. **No Discrimination:** Lessee agrees, subject to applicable laws, rules and regulations, that no person shall be subject to discrimination in the performance of this Lease on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, AIDS, HIV status, age, disability, handicap, or veteran status. Lessee shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to any of these bases, including but not limited to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Lessee agrees to post in conspicuous places available to employees and applicants for employment notices to be provided by City setting out the provisions of this nondiscrimination clause. Lessee shall in all solicitations or advertisements for employees state that all qualified applicants will receive consideration for employment without regard to these bases.

30. **Third Party Claims:** The parties hereby waive all claims against the other for damage or loss caused by any suit or proceeding commenced by a third party, directly or indirectly attacking the validity of this Lease, or any part thereof, or by any
1 judgment or award in any suit or proceeding declaring this Lease null, void or voidable, or
delaying the same, or any part thereof, from being carried out, provided that Lessee shall
not be liable for payment of compensation hereunder to the extent that, during any period,
it is so prevented from exercising its rights hereunder.

31. **Headings:** The use of paragraph headings or captions in this Lease
is solely for the purpose of convenience, and the same shall be entirely disregarded in
construing any part or portion of this Lease.

32. **Controlling Law:** This Lease shall be governed by the laws of the State
of California, both as to interpretation and performance.

33. **Waiver:** No waiver by either party at any time of any of the terms,
conditions, covenants or agreements of this Lease shall be deemed or taken as a waiver
at any time thereafter of the same or any other term, condition, covenant or agreement
herein contained nor of the strict and prompt performance thereof by the party obligated to
perform. No delay, failure or omission of either party to exercise any right, power, privilege
or option arising from any default nor subsequent acceptance of compensation then or
thereafter accrued shall impair any such right, power, privilege or option or be construed
to be a waiver of any such default or relinquishment thereof or acquiescence therein. No
option, right, power, remedy or privilege of either party hereto shall be construed as being
exhausted or discharged by the exercise thereof in one or more instances. It is agreed
that each and all of the rights, powers, options or remedies given to the parties by this
Lease are cumulative, and no one of them shall be exclusive of the other or exclusive of
any remedies provided by law, and that the exercise of one right, power, option, or remedy
by a party shall not impair its rights to any other right, power, option or remedy.

34. **Successors and Assigns:** This Lease shall be binding upon and shall
inure to the benefit of the successors and assigns of City and shall be binding upon and
inure to the benefit of the permitted successors and assigns of Lessee.

35. **Severance:** Should any of the covenants, conditions or agreements
of this Lease be held by a court of competent jurisdiction to be illegal or in conflict with any
applicable law, or with any provision of the Charter of the City of Long Beach, the validity of the remaining portions or provisions shall not be affected thereby.

36. **Amendments:** This Lease may be amended or terminated at any time by the written mutual agreement of the parties.

37. **Covenants and Conditions:** All provisions, whether covenants or conditions on the part of Lessee, shall be deemed to be both covenants and conditions.

38. **Civil Code Section 1938 Advisory Relating to ADA Compliance:** City hereby advises Lessee that the Premises and Berths have not been inspected by a Certified Access Specialist.

39. **Integration Clause:** This document constitutes the whole agreement between City and Lessee. There are no terms, obligations or conditions other than those contained herein. No modification or amendment of this Lease shall be valid and effective, unless evidenced by a written agreement signed by the parties which makes specific reference to this Lease.

40. **Termination:** Upon execution of this Lease and satisfaction of all payments due under the terms of the Amended Prior Lease, including amounts owed from the holdover period (see paragraph 5.7), the holdover tenancy pursuant to the Amended Prior Lease shall terminate; however, Lessee's duty to indemnify City pursuant to the Amended Prior Lease shall survive such termination, which survival shall be cumulative to City's rights pursuant to paragraph 15.3 above.
41. **Vehicular Access:** During the term of this Lease, Lessee, its officers, agents, employees and third persons using the Premises with the consent and approval of Lessee shall have reasonable vehicular access to the Premises over such other areas owned or controlled by the City as may be designated by City or over street easements owned by City, but only in connection with the business operations of Lessee on the Premises, and City shall not unduly obstruct said rights of access.

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TESORO REFINING & MARKETING COMPANY LLC, a Delaware limited liability company

By: [Signature]
Title: [Title]

By: [Signature]
Title: [Title]

LESSEE

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

By: [Signature]
Title: [Title]

CITY

The foregoing document is hereby approved as to form.

CHARLES PARKIN, City Attorney

By: [Signature]
Title: [Title]
THE STATE OF TEXAS §
COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared Gregory J. Goff, Chief Executive Officer and President, of Tesoro Refining & Marketing Company LLC, a Delaware limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same as the act of such limited liability company for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and official seal of office this 28th day of September, 2018.

[Signature]
Notary Public in and for the State of Texas

THE STATE OF TEXAS §
COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared Stevin M. Sterin, Executive Vice President and Chief Financial Officer, of Tesoro Refining & Marketing Company LLC, a Delaware limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same as the act of such limited liability company for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and official seal of office this 28th day of September, 2018.

[Signature]
Notary Public in and for the State of Texas
EXHIBIT A

DRAWING OF THE PREMISES
EXHIBIT B

ENVIRONMENTAL COVENANTS
1. **Vessel Low Sulfur Fuel**
   Per applicable regulations issued by the California Air Resources Board (CARB) and International Maritime Organization, including CARBs ocean-going vessel fuel regulation and the IMO's Regulation 14 controlling Sulphur oxides, Lessee shall ensure that all ships calling at the premises use marine distillate fuel with a maximum sulfur content of 0.1% by weight in the ship's auxiliary power generator motors, auxiliary boilers, and main engines within applicable areas.

2. **Vessel Emission Reductions**
   Lessee shall ensure that all vessels calling at the premises shall comply with the Vessel Speed Reduction Program (VSRP). The vessel speed shall not exceed 12 knots within 40 nautical miles of Point Fermin (located in San Pedro, California). This requirement may be waived, in particular instances, where reducing speed to 12 knots on a particular vessel would violate vessel safety requirements, provided that Lessee notifies the City of a specific circumstance requiring the waiver immediately upon failure to comply with this requirement. For purposes of this requirement, vessel safety requirements shall include, without limitation, situations where non-compliance is necessary to preserve crew health or safety.

Only third party vessels calling at the premises will be eligible for any VSRP related monetary incentives sponsored by, or established by, the City that are in effect under Tariff No. 4 on the Commencement Date.

3. **Vessel IMO Compliance**
   Per regulation, the Lessee will require ships calling at the terminal that were constructed on or after January 1, 2000, to meet at a minimum the requirements contained in MARPOL 73/78 - Annex VI, Regulation 13, Paragraph (3). The Lessee will require ships calling at the terminal that were constructed on or after January 1, 2011, to meet the Tier 2 requirements identified in the revised MARPOL 73/78 - Annex VI. The Lessee will require ships calling at the terminal that were constructed on or after January 1, 2016, to meet the Tier 3 requirements identified in the revised MARPOL 73/78 - Annex VI within 40nm of Point Fermin (located in San Pedro, California). The term "ships constructed" is also taken from MARPOL 73/78 - Annex VI and is defined to mean "ships the keels of which are laid or which are at a similar stage of construction".

4. **Green Ship Incentive Program**
   The Lessee will require operators of the ships calling at the premises to register for the Port of Long Beach Green Ship Incentive Program. The
Lessee shall ensure that at least 10% of its annual vessel calls meet a minimum of Tier 2 equivalent vessel engine standard for NOx by December 31, 2018 and at least 25% of its annual vessel calls meet a minimum of Tier 2 or Tier 3 equivalent vessel engine standard for NOx by December 31, 2020.

5. Periodic Technology Review
The parties agree to review and commence discussions regarding new air quality technological advancements at least one hundred eighty (180) days prior to the beginning of each five-year segment starting with the second five-year segment. Such review and discussions shall address operational, technical and financial feasibility as well as cost-effectiveness. Implementation of one or more of these technologies by either or both of the parties shall be determined by the parties in their sole and absolute discretion and shall not affect the compensation renegotiation.

6. Reporting:
Consistent with the format provided by City, Lessee shall submit semiannual reports to the Director of Environmental Planning, on or before January 10 and July 10 of each year, of all vessels that berthed at the premises in the preceding six months ending on the prior December 31 and June 30 including fuel type used, hours at berth, vessel characteristics (e.g. engine model, engine horsepower, etc.), and other data in the format attached hereto as Exhibit B1.

If the Lessee purchases or obtains any new diesel-powered, self-propelled, off-road equipment during the life of this lease, the Lessee shall submit semi-annual reports to the Director of Environmental Planning, on or before January 10 and July 10 of each year, demonstrating compliance with equipment requirements as stated in Item 7. This report shall include an inventory of all equipment activity, including fuel type used, hours of operation, and equipment characteristics (e.g. engine model, engine horsepower, etc.) in the format attached as Exhibit B2.

7. Self-Propelled Off-road Equipment:
Any existing or new diesel-powered, self-propelled, off-road terminal equipment used, purchased or acquired for use on the Premises, including repowered or retrofitted equipment, or any existing diesel-powered, self-propelled, off-road terminal equipment shall comply with the Environmental Protection Agency's (EPA) Tier 4 Final standards set forth in (1) "Control of Emissions of Air Pollution from Non-Road Diesel Engines and Fuel," dated June 29, 2004 (the "Off-Road Standards") or (2) "Control of Air Pollution From New Motor Vehicles: Heavy Duty Engine and Vehicle Standards and Highway Diesel Fuel Sulfur Control Requirements" dated January 18, 2001.
8. **LEED Requirements:**

No buildings on the Premises have been constructed to Leadership in Energy and Environmental Design ("LEED") standards and certified by the United States Green Building Council. If any LEED buildings are constructed on the Premises, Lessee shall maintain all LEED buildings in a manner consistent with preservation of LEED certification. If Lessee constructs or remodels any building in excess of 7,500 square feet, in addition to requirements set forth elsewhere in this Agreement, Lessee shall comply with the City of Long Beach Green Building Policy (Ordinance No. ORD-09-0013) or the successor policy then in effect. A copy of the current policy is attached hereto and incorporated by this reference.

9. **Efficiency Improvements and Emission Reductions**

The Lessee shall minimize the release of greenhouse gas (GHG) emissions through measures that reduce or avoid electricity consumption at the facility. Measures to reduce GHG emissions from electricity generation shall include, but are not limited to: the installation of low-energy demand lighting (e.g., fluorescent or light-emitting diode ["LED"]) in office buildings, other facility buildings, and exterior lighting, except where compatible energy efficient lighting is not available or its installation could compromise safety. Within six months of the commencement date of this lease, the Lessee shall submit to the Port a proposed plan and schedule for implementing this measure. Installation of low-energy demand lighting shall be completed within three years from the commencement date of the Lease. Once the installations and replacement have been completed, the Lessee shall prepare a report and submit it to the Port which details the number of existing lights replaced and the number of new low-energy demand lighting fixtures installed. The report shall include a quantitative assessment of the amount of GHG emissions reduced from the measures.

10. **Indirect GHG Emission Mitigation**

Lessee’s electricity use produces "indirect" greenhouse gas (GHG) emissions at the point of power generation. The Lessee shall be required to purchase green commodities, such as those available from the California Climate Action Registry’s Climate Action Reserve or other third-party broker of verified/certified carbon offsets or renewable energy credits, to offset GHG emissions associated with the facility’s annual electricity consumption subject to the limitation specified below. This measure applies to electricity consumed at the terminal that was generated off-site.

The terminal-related GHG emissions from off-site electricity consumption will be calculated each year based on the local utility’s carbon dioxide-equivalent (CO$_2$e) factor for that year, as recognized by the State of California. The City will provide, on an annual basis, a CO$_2$e calculator...
with the adjusted CO$_2$e factor for the previous year upon availability from the local utility, but no more than one year after December 31 of the previous year. The calculator will contain instructions for use and possible sources for purchase of the carbon offsets. Once the calculator is received, the Lessee will have 6 months to purchase the carbon offsets or renewable energy credits and report the purchase to the City as instructed in the CO$_2$e calculator. The City is limiting the potential cost of this measure. The maximum expenditure for purchased offsets required under this measure shall not exceed 15 percent of the terminal’s off-site electricity costs (not including taxes, fees, or other bill adjustments for any given year).

11. **Emission Reduction Controls**
   Lessee shall agree to cooperate with and assist in facilitating at-berth emission control testing that may occur at the Lessee’s leased wharf area. Such testing may include the at-berth emission control testing required under lease HD-7877. Cooperation shall include allowing access at no cost to the City or a third party who will be carrying out the demonstration.
This report is due semi-annually on Jan. 10th and July 10th for the prior 6 month reporting period, in the event that off road equipment is purchased or acquired.

<table>
<thead>
<tr>
<th>Month</th>
<th>Year</th>
<th>Equipment Type/Identification</th>
<th>Equipment ID</th>
<th>Equipment Vin</th>
<th>Equipment Manufacturer/Make</th>
<th>Equipment Model</th>
<th>Equipment Model Year</th>
<th>Engine Make</th>
<th>Engine Model</th>
<th>Engine Year</th>
<th>Engine Fuel Type</th>
<th>Engine Rated Power (kilowatts)</th>
<th>Engine Rated Power (horsepower)</th>
<th>Annual Hours of Operation</th>
<th>Engine Emission Control Devices Installed? (Yes, indicate type of device and name of product)</th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>
EXHIBIT C

T2 MAINTENANCE AND REPAIR REQUEST (3 pp.)
## TRESORO REFINING & MARKETING COMPANY LLC
### T2 MAINTENANCE AND REPAIR REQUEST

<table>
<thead>
<tr>
<th>Damage ID</th>
<th>Component</th>
<th>Damage Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Breasting Dolphin struts, stringers, cross braces, connections, and handrails</td>
<td>Widespread corrosion and scaling with some section loss, minor to severe coating loss</td>
</tr>
<tr>
<td>2</td>
<td>Breasting Dolphin fender chains</td>
<td>Major Damage Rating; closed corrosion spall</td>
</tr>
<tr>
<td>3</td>
<td>Berth 78, Pile 15-C</td>
<td>Moderate corrosion and section loss</td>
</tr>
<tr>
<td>4</td>
<td>Berth 78 West Fender chains</td>
<td>Moderate corrosion and section loss</td>
</tr>
<tr>
<td>5</td>
<td>Berth 78 West Fender timber edge guards</td>
<td>Severe damage - lower end lost; moderate to severe deterioration; section loss</td>
</tr>
<tr>
<td>6</td>
<td>Berth 78 East Fender chains</td>
<td>Moderate corrosion and section loss</td>
</tr>
<tr>
<td>7</td>
<td>Berth 78 East Fender timber edge guards</td>
<td>Severe damage - lower end lost; moderate to severe deterioration; section loss</td>
</tr>
<tr>
<td>8</td>
<td>Berth 77 Fender Piles (Piles 3, 5 to 9, 12, 19 to 21, 24 to 26, 29, 32, 33, 38, 39, &amp; 42 to 45)</td>
<td>Moderate to Severe Damage Ratings</td>
</tr>
<tr>
<td>9</td>
<td>Berth 77 Camel</td>
<td>One missing end cap, one loose end cap, and four displaced chain guides. (See Drawing 4 for locations)</td>
</tr>
<tr>
<td>10</td>
<td>MP-1</td>
<td>Double quick-release mooring hook: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Roller: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capstan: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fairlead: Surface corrosion, pitting and scaling</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Seaside Fairlead: Surface corrosion and section loss</td>
</tr>
<tr>
<td>11</td>
<td>MP-2</td>
<td>Bollard: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Base: Cracks and spalls</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capstan: Surface corrosion</td>
</tr>
<tr>
<td>Damage ID</td>
<td>Component</td>
<td>Damage Description</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 12        | MP-3               | Double quick-release mooring hook: Surface corrosion  
Roller: Surface corrosion  
Capstan: Surface corrosion  
Fairlead: Surface corrosion and heavy pitting |
| 13        | Breasting Dolphin  | Moderate cracking and closed corrosion spalling                                                                                                  |
| 14        | MP-4               | Double quick-release mooring hook: Surface corrosion  
Roller: Severe corrosion and section loss  
Capstan: Surface corrosion  
Fairlead: Surface corrosion |
| 15        | MP-5               | Double quick-release mooring hook: Surface corrosion  
Roller: Surface corrosion  
Fairlead: Surface corrosion |
| 16        | MP-6               | Double bitt bollard: Surface corrosion  
Fairlead: Surface corrosion |
| 17        | MP-7               | Double bitt bollard: Surface corrosion  
Fairlead: Surface corrosion |
| 18        | Berth 78 Deck Soffitt | Closed corrosion spalls at several locations (See Drawing 6 for locations)                                                                       |
| 19        | MP-8               | Double quick-release mooring hook: Surface corrosion  
Roller: Heavy corrosion and scaling  
Capstan: Heavy corrosion  
Fairlead: Surface corrosion |
| 20        | MP-9               | Double quick-release mooring hook: Surface corrosion  
Base: Cracks in concrete  
Roller: Severe corrosion and section loss  
Capstan: |
<table>
<thead>
<tr>
<th>Damage ID</th>
<th>Component</th>
<th>Damage Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>MP-10</td>
<td>Double quick-release mooring hook: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capstan (on hook): Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fairlead: Heavy corrosion and heavy scaling</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capstan (next to hook): Heavy corrosion</td>
</tr>
<tr>
<td>22</td>
<td>MP-11</td>
<td>Double-bitt bollard: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fairlead: Surface corrosion and one missing anchor bolt</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Post: Surface corrosion</td>
</tr>
<tr>
<td>23</td>
<td>Mooring Platform A MP-11</td>
<td>Closed corrosion spalling of concrete at face of platform</td>
</tr>
<tr>
<td>24</td>
<td>MP-12</td>
<td>Double bitt bollard: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fairlead: Surface corrosion</td>
</tr>
<tr>
<td>25</td>
<td>MP-13</td>
<td>Double quick-release mooring hook: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bollard: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capstan: Surface corrosion</td>
</tr>
<tr>
<td>26</td>
<td>MP-14</td>
<td>Double quick-release mooring hook: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bollard: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capstan: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fairlead: Surface corrosion</td>
</tr>
<tr>
<td>27</td>
<td>MP-15</td>
<td>Double bitt bollard: Surface corrosion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fairlead: Surface corrosion</td>
</tr>
<tr>
<td>28</td>
<td>Berth 77 Deck Soffit:</td>
<td>Closed and open corrosion and mechanical spalling locations (See Drawing 8 for details)</td>
</tr>
<tr>
<td>29</td>
<td>Berth 77 East Access Ladder</td>
<td>Loose anchor bolts</td>
</tr>
</tbody>
</table>
EXHIBIT D

INSURANCE REQUIREMENTS
PORT OF LONG BEACH
TESORO REFINING & MARKETING COMPANY, LLC

INSURANCE

The required insurance and the documents provided as evidence thereof shall be in the name of the Lessee. If policies are written with aggregate limits, the aggregate limit shall be at least twice the occurrence limits or as specified below:

Commercial General Liability:

Commercial General Liability insurance shall be provided on Insurance Services Office (ISO) CGL Form No. CG 00 01 or the equivalent, including provisions for defense of additional insureds and defense costs in addition to limits. Policy limits shall be no less than twenty-five million dollars ($25,000,000) per occurrence for all coverage provided and fifty million dollars ($50,000,000) general aggregate. The policy shall not limit coverage for the additional insured to “ongoing operations” or in any way exclude coverage for completed operations, explosion, collapse, or underground hazards. Coverage shall be included on behalf of the insured for claims arising out of the actions of independent contractors. If the Lessee utilizes independent contractors the policy must include work performed “by or on behalf” of the Lessee. The policy shall contain no provisions or endorsements limiting coverage for contractual liability or third party over action claims, and defense costs shall be excess of limits. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any employee or agent of City. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall not exclude contractual liability, restrict coverage to the sole liability of the Lessee or contain any other exclusion contrary to this Lease.

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

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

Additional Insured: The City of Long Beach, its Board of Harbor Commissioners, employees and agents shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured using ISO Forms CG 20 10 (2004) and CG 20 37 (2004) or their equivalent. Additional Insured endorsements shall not: 1) be limited to “on-going operations”, 2) exclude “Contractual Liability”, 3) restrict coverage to the sole liability of the contractor, or 4) contain any other exclusion contrary to this Lease.

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

(Tesoro B St rev 2 022316rb)
**Business Automobile Insurance:**

Automobile Liability Insurance shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (1) (any Auto). Limit shall be no less than five million dollars ($5,000,000) combined single limit per accident. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any employee or agent of City. If Lessee does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies provided that a separate policy limit is provided for this coverage as required by this Lease.

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

Additional Insured: The City of Long Beach, its Board of Harbor Commissioners, employees and agents shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured. Additional Insured endorsements shall not: 1) be limited to “on-going operations”, 2) exclude “Contractual Liability”, 3) restrict coverage to the sole liability of the contractor, or 4) contain any other exclusion contrary to this Lease.

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

**Environmental Impairment Liability Insurance:**

Environmental Impairment Liability insurance shall be provided on an Environmental Impairment Liability policy form or other policy form acceptable to City providing coverage for liability caused by pollution conditions arising out of the operations of Lessee. Coverage shall apply to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. The policy limit shall be no less than twenty-five million dollars ($25,000,000) per claim and fifty million dollars ($50,000,000) general aggregate. All activities contemplated in the Lease shall be specifically scheduled on the policy as “covered operations.” The policy shall provide coverage for the hauling of waste from the leased premises to the final disposal location, including non-owned disposal sites. Coverage shall be included on behalf of the Lessee for covered claims arising out of the actions of independent contractors. If the Lessee is using independent contractors the policy must include work performed “by or on behalf” of the Lessee. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any employee or agent of City.

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

(Tesoro B St rev 2 022316rb)
The policy of insurance required above shall be endorsed as follows:

Additional Insured: The City of Long Beach, its Board of Harbor Commissioners, employees and agents shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured. Additional Insured endorsements shall not: 1) be limited to "on-going operations", 2) exclude "Contractual Liability", 3) restrict coverage to the sole liability of the Lessee, or 4) contain any other exclusion contrary to this Lease.

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

Workers’ Compensation:

Workers’ Compensation Insurance, as required by the State of California, and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) per accident for bodily injury and disease, plus coverage under the U.S. Longshore and Harbor Workers’ Act (USL&H) for employees performing services covered by said Act(s).

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

Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the City, its Board of Harbor Commissioners, employees and agents.

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

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

Property Insurance:

Property Insurance on an ‘All Risk’ basis equal to the full replacement cost of all improvements on the leased premises with no coinsurance clause. The City of Long Beach shall be named as Loss Payee.

Deductible/Self-Insured Retention

Any deductible or self-insured retention must be approved in writing by the Executive Director and shall protect the City, its Board of Harbor Commissioners, agents and employees in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. Any deductible or self-insured retention must be approved in writing in accordance with City insurance guidelines.
Evidence of Insurance

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

At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance has been renewed or extended shall be filed with the Executive Director. If such coverage is cancelled or reduced, Lessee shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the Executive Director evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

NOTE: Copies of approved endorsement forms can be obtained from the Port website at:

http://www.polb.com/economics/forms_permits/insurance.asp

Failure to Maintain Coverage

Lessee agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been approved by the City. In the event that Lessee’s operations are suspended for failure to maintain required insurance coverage, Lessee shall not be entitled to delay damages or loss of income as a result of the suspension.

Acceptability of Insurers

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

Contractual Liability

The coverage provided shall apply to the obligations assumed by the Lessee under the indemnity provisions of this Lease but this insurance provision in no way limits the indemnity provisions and the indemnity provisions in no way limits this insurance provision.

(Tesoro B St rev 2 022316rb)
EXHIBIT E
GUARANTY
GUARANTY

For good and valuable consideration, receipt of which is hereby acknowledged, MARATHON PETROLEUM CORPORATION, a Delaware corporation ("Guarantor"), whose address is 539 South Main Street, Findlay, Ohio 45840, hereby unconditionally guarantees to the CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commissioners, its successors and assigns ("City"), the full, prompt and faithful payment, performance and discharge by Tesoro Refining & Marketing Company LLC ("Lessee") of each of the provisions of the lease by and between City and Tesoro Refining & Marketing Company LLC (Harbor Department Doc. No. HD-[____], dated as of [_______________], 20__, or any other instrument given or executed in furtherance thereof, as may be amended, and any holdovers or modifications thereof (the "Lease"), without deduction, offset or excuse of any nature.

The undersigned waives the right to require the City to (i) proceed against Lessee; (ii) except as provided hereinafter, proceed against or exhaust any security that the City holds from Lessee; or (iii) pursue any other remedy in the City’s power. The undersigned waives any defense by reason of any disability of Lessee and waives any other defense based on the termination of Lessee’s liability from any cause. Until all Lessee’s obligations to the City have been paid or performed in full, the undersigned shall have no right of subrogation against Lessee. The undersigned waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty and waives all notices of the existence, creation, or incurring of new or additional obligations.

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

City may perform any of the following acts at any time during the existing Lease term and any holdover, without notice to or assent of Guarantor and without in any way releasing, affecting or impairing any of Guarantor’s obligations or liabilities under this Guaranty: (a) alter, modify or amend the Lease or any sublease by agreement or course of conduct, (b) grant holdovers of the Lease, (c) assign or otherwise transfer its interest in the Lease or this Guaranty, (d) consent to any transfer or assignments of Lessee’s or any future lessee’s interest under the Lease, (e) release one or more guarantors or sublessees, or amend or modify the guaranty of any guarantor, without releasing or discharging any other guarantor from any of such guarantor’s obligations, (f) hold any agreed security for the payment of this Guaranty and exchange, enforce, waive and release any such security, (g) apply such security and direct the order or manner of sale thereof as City, in its sole discretion, deems appropriate, and (h) foreclose upon any such security by judicial or non-judicial sale, without affecting or impairing in any way the liability of Guarantor under this Guaranty, except to the extent the indebtedness has been paid.

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

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

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

MARATHON PETROLEUM CORPORATION, a Delaware corporation

______________________, 2018   By: ________________________________

SIGNATURE MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC