SETTLEMENT, ENFORCEMENT, AND RELEASE AGREEMENT

This Settlement, Enforcement, and Release Agreement (the "Agreement") is entered into as of the last date of execution of the Agreement, by and between the WESTERN STATES PETROLEUM ASSOCIATION ("WSPA"), VALERO REFINING COMPANY—CALIFORNIA ("Valero"), TESORO REFINING & MARKETING COMPANY, LLC ("Tesoro"), and PHILLIPS 66 COMPANY ("Phillips 66") (collectively, the "Petitioners") and the BAY AREA AIR QUALITY MANAGEMENT DISTRICT (the "District"), each sometimes referred to herein as a "Party," or collectively as the "Parties."

RECITALS

The District is the agency with primary responsibility for the control of air pollution from stationary sources in the San Francisco Bay Area Air Basin.

The San Francisco Bay Area Air Basin encompasses Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara Counties, and the southern portions of Solano and Sonoma Counties.

Petitioner WSPA is a non-profit trade association representing twenty-six companies that explore for, produce, refine, transport, and market petroleum, petroleum products, natural gas, and other energy supplies in California, Arizona, Nevada, Oregon, and Washington. Petitioners Phillips 66, Tesoro, and Valero are WSPA members and each operate petroleum refining facilities that are within the San Francisco Bay Area Air Basin and are regulated by the District.

On November 15, 2017, the District and its Board approved a Recirculated Final Environmental Impact Report ("RFEIR") and adopted a new regulation, "Regulation 11-18: Reduction of Risk From Air Toxic Emissions at Existing Facilities" ("Rule 11-18" or the "Challenged Rule").

On December 15, 2017, Petitioners filed a Petition and Complaint in the Superior Court for the State of California for the County of Contra Costa, and subsequently filed an Amended Petition and Complaint on January 16, 2018, which were docketed as *Western States Petroleum, et al. v. Bay Area Air Quality Management District*, case number N17-2300 (the "Lawsuit").

In the Lawsuit, Petitioners alleged, among other things, that the District's adoption of the RFEIR and the Challenged Rule violated the California Environmental Quality Act ("CEQA") and its implementing regulations (Pub. Res. Code §21000 et seq.; Cal. Code Regs., title 14, § 15000 et seq.); certain provisions of the California Health & Safety Code, (including H&SC §§ 40727, 40703); the California Administrative Procedure Act (Cal. Govt Code §11340 et seq.); the Interstate Commerce Commission Termination Act; the Clean Air Act, (42 U.S.C. §7401, et seq.); and California common law.

The Administrative Record has been certified and the District had filed its Answer to the Lawsuit. The case has been fully briefed and a trial date has been set for February 21, 2019.

The Parties recognize that Rule 11-18 requires the preparation of Health Risk Assessments ("HRAs") by the District for existing Bay Area facilities and that accurate emission inventories are fundamental to the assessment of risk for a facility.

The Parties recognize that the Bay Area petroleum refineries are uniquely complex facilities among facilities subject to the Challenged Rule and operate some sources for which emissions data is based on research no longer considered to accurately represent current emissions.

The Parties recognize that, until completion of a Heavy Liquids Study being undertaken pursuant to a separate agreement and completion of other ongoing analysis and development of emissions factors, accurate emission inventories and accurate HRAs cannot be completed for the Bay Area refineries.

The Parties recognize that Rule 11-18 requires facilities to provide data to be used for HRAs within time limits initiated by District actions that, if taken before completion of ongoing analysis, could result in timelines that are inadequate for development of accurate data and accurate HRAs.

Petitioners have questions on the District's planned implementation of certain subsections of Rule 11-18 and the Parties wish to outline through the Agreement how the District will implement those subsections.

NOW, THEREFORE, based on the foregoing recitals and in consideration of the mutual promises, covenants, and obligations herein, the sufficiency of which consideration is hereby expressly acknowledged by all Parties, the Parties agree as follows:

ARTICLE 1: IMPLEMENTATION OF RULE 11-18

1.1. **Heavy Liquids and Emissions Factors.**

a. When calculating refinery emissions in the past, the Parties relied upon EPA emission factors for equipment leaks. EPA and its contractors did the underlying field work for the refinery factors in the 1970s, and the factors reflect technologies in use at that time. Because of the age and lack of refinement of these factors, their use may not accurately represent emissions from all components.

b. In the past, the calculated refinery emissions were used primarily in determining permit fees for the refineries, which are based in part upon refinery emissions.

c. With the adoption of Rule 11-18 and its requirements for HRAs, the use of emission factors that may misrepresent emissions has the potential for significant regulatory consequences and the potential to significantly misrepresent risk to the public.

d. The Parties currently are undertaking a Heavy Liquids Study to assess air emissions that are directly related to refinery components in heavy liquid service at Bay Area refineries ("HL Study"). The Parties hereby acknowledge that the results of the HL Study will result in the creation of new petroleum refinery organic emissions factors for heavy liquids.

e. The Parties agree to continue and complete the ongoing HL Study. The Parties expect the HL Study to be complete by June 2019.

1.2. **Data Requests.**

a. The Parties agree that HRAs conducted pursuant to Rule 11-18 shall utilize the most accurate emissions data available at the time the HRA is conducted.

b. The Parties agree that inventories that rely on old or outdated emission factors may not be representative of current refinery emissions.

c. The Parties further agree that the ongoing HL Study conducted jointly by Petitioners and the District will provide current emissions data and result in development of new refinery organic heavy liquids emissions factors that shall be utilized in emissions inventories conducted pursuant to Regulation 12, Rule 15 ("Rule 12-15").

d. Petitioners agree that they will timely respond to requests from the District to verify and provide information related to refinery (1) source, building, and boundary location data, (2) source operating times, (3) stack parameters, and (4) emissions information from approved Rule 12-15 emission inventories unrelated to components in the HL Study.

e. Except as provided in Section 1.2.d of this Agreement, the District agrees that it will not make any request necessary for HRA preparation pursuant to Section 401 of Rule 11-18 to a refinery for emissions information related to components in the HL Study, nor will it develop any refinery-related HRAs or impose requirements under Rule 11-18 on refineries, prior to the earlier of (i) August 1, 2019 or (ii) the date on which new refinery emissions factors are available as a result of the ongoing HL Study. Notwithstanding the foregoing, if the emissions factors based on the HL Study are not or will not be complete by August 1, 2019 and the District agrees that the refineries have provided the information necessary to complete the HL Study by that date, the District will not make any request necessary for HRA preparation, develop any refinery-related HRAs, or impose requirements under Rule 11-18 prior to the date on which such emissions factors are finalized. Conversely, if by August 1, 2019 the emissions factors based on the HL Study are not finalized and the District determines that Petitioners have not provided the information necessary to materially complete the HL Study, the District may, but is not required, to begin to request emissions information related to components in the HL Study, develop refinery-related HRAs, and impose requirements under Rule 11-18 on refineries. Petitioners agree that they will timely respond to requests for emissions information on components in the HL Study that are made by the District in compliance with this provision.

1.3. **Refinery Health Risk Assessments.**

a. Rule 11-18 requires the District to perform HRAs in accordance with Section 603 of District Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants ("Rule 2-5"). Section 603 of Rule 2-5 requires HRAs to be performed in accordance with District Health Risk Assessment Guidelines, which in turn generally conform to the Risk Assessment Guidelines adopted by Cal/EPA's Office of Environmental Health Hazard Assessment ("OEHHA HRA Guidelines"). Except as otherwise provided herein, in the event of a conflict between the District's HRA Guidelines and the OEHHA HRA

Guidelines, the District shall follow the District's HRA Guidelines when conducting HRAs conducted under Rule 11-18.

b. The Parties further agree that, in developing the TAC inventories for the refineries, except as provided in Section 1.2.e, the District will follow its Petroleum Refinery Emissions Inventory Guidelines. The District's Petroleum Refinery Emissions Inventory Guidelines describe, or will be amended within 120 days of execution of this Agreement to describe, among other determinations, the following:

(i) All TACs that appear in Table 2-5-1 of District Regulation 2-5, attached hereto as Exhibit 1, and have been demonstrated, as judged by the District, to be emitted for a refinery source category, shall be included in a refinery emissions inventory prepared pursuant to Rule 12-15, unless the relevant refinery can demonstrate, as approved by the District, that a particular TAC cannot be emitted by that refinery. The District will use the following evidence to demonstrate that a pollutant has been emitted from a refinery source category:

1. District data (studies, sampling, or measurements);
2. Peer-reviewed published literature by scientific bodies or government agencies such as EPA and CARB;
3. Facility-specific process or equipment data; or
4. Validated measurement data of similar equipment.

(ii) Petitioners and the District shall utilize the refinery data and emissions factors developed through the HL Study and apply District-approved speciation data to estimate fugitive TAC emissions from heavy liquids using the organic HL Study emission factors developed.

(iii) Petitioners and the District shall also apply District-approved speciation data to estimate fugitive TAC emissions from gas and light liquid streams.

(iv) Refineries shall submit proposed speciation data to the District. In approving speciation data, the District will review the proposed data submitted by Refineries and any data the District has collected and shall then apply the following hierarchy of speciation data, on a per-pollutant basis:

1. Site-, process-, and equipment-specific data, reviewed and approved by the District.
2. Site-, process-, and stream-specific data, reviewed and approved by the District.
3. Site- and stream-specific data, reviewed and approved by the District.
4. Stream-specific data from similar processes or equipment at other refineries within the same corporate family, reviewed and approved by the District.

5. Default process- and stream-specific data compiled by the District from Bay Area refinery data, or District sampling.
6. Peer-reviewed published studies on similar processes, equipment and streams, reviewed and approved by the District.
7. Peer-reviewed industry literature on similar processes, equipment and streams, reviewed and approved by the District.

(v) If a refinery disagrees with the District's determination under Section 1.3.b(i) that a TAC may be emitted from the refinery, the refinery may present a technical demonstration supporting its position. When evaluating such a technical demonstration for approval by the District, the District will accept the following technical demonstrations:

1. It is not possible for a pollutant to be emitted due to either process chemistry, equipment configuration, or equipment operation; or
2. A previous pollutant demonstration, used as evidence that the pollutant is emitted, is no longer valid; or
3. A previous pollutant demonstration, used as evidence that the pollutant is emitted, was invalid.

(vi) Refineries and the District may rely on source-specific testing of TAC emissions from refinery sources. In the case of a source test that is unable to detect a particular TAC, if the test is based on the lowest limit of detection currently achievable, as approved by the District, the District will include in the refinery emissions inventory half of the approved test's limit of detection for that particular TAC. Refineries desiring to report lower emissions for a TAC that is unable to be detected by a source test may (1) demonstrate that the TAC is not present, as described in section 1.3.b(v) above, or (2) optimize the source test methodology, in consultation with the District, to lower the limit of detection.

(vii) In the absence of source-specific emission factor data, the District will apply the most representative emissions factors as provided in its Petroleum Refinery Emissions Inventory Guidelines, including the mean or maximum California Air Toxics Emission Factors ("CATEF") where appropriate, with the exception of CATEF that are based on the limit of detection of TAC emissions (identified as having a detect ratio of 0.00). With the exception of emission factors for those sources and their listed pollutants identified in Appendix D of the Hot Spots Inventory Guidelines, Refineries and the District will apply half of the lowest representative published value in cases where the most representative emission factor is CATEF based on the limit of detection of TACs. For those sources and their listed pollutants identified in Appendix D of the Hot Spots Inventory Guidelines, attached hereto as Exhibit 2, maximum CATEF will be applied in the absence of source-specific emission factor data.

c. Prior to requesting emissions information under Section 1.2(d)(4) or 1.2(e) above, the District and Petitioners agree to meet and confer to clarify the scope and timing of the

information-gathering process and HRA development. The parties further agree that the meeting shall occur by February 28, 2019, unless they jointly agree to extend the date.

d. Each refinery with a health risk, as identified by the analysis in Section 1.3.f(ii) below, above a Risk Action Level ("RAL") is subject to Rule 11-18-301.

e. The District shall utilize, for purposes of comparing health risk to the Rule 11-18 RALs, only emissions identified in the relevant refinery's Rule 12-15 emissions inventory with the exception of accidental, non-routine flaring, and emergency-related emissions.

f. In any refinery HRA required to assess requirements under Regulation 11-18, the District may include emissions from all sources, including those listed in section 1.3.e, above, along with emissions from additional sources in order to provide for broader context. The District agrees that it will obtain and/or develop emissions data on sources not included in the relevant refinery's Regulation 12-15 emissions inventory based only on information from the Refineries and/or generally accepted third-party sources such as CARB. Additional source information may include, but not be limited to, information related to mobile source emissions such as from locomotive engines resulting from on-site rail travel, emissions from ships while docked at a facility, and emissions from portable engines. The District may present each refinery HRA with summary tables explaining the following three iterations of the data and resulting risk levels:

(i) results that estimate risk based on including emissions from all sources, for purposes of estimating the level of risk related to the facility as a whole, but not to assess any requirements under Rule 11-18;

(ii) results that estimate risk based on including only the emissions described in subsection 1.3.e, above, for purposes of comparing health risk to the RALs under Rule 11-18; and

(iii) results that estimate risk based on including the emissions described in subsection 1.3.e, above, but excluding all emissions estimates based on District-approved "limit of detection" emissions factors, which are defined as emissions either based on (1) source-specific testing, using the District-approved lowest limit of detection, that is unable to detect the particular TAC or (2) CATEF-database emission factors that are based on the District-approved current lowest limits of detection, for purposes of estimating the level of measurable risk caused by facility sources within the District's jurisdiction and excluding the contribution of limit of detection emissions to source and facility risk.

1.4. **Presentation of HRA Results.**

a. When preparing an HRA, the District shall work with the relevant facility to ensure that accurate data is employed by the HRA in accordance with the foregoing provisions of this Agreement.

b. As required by Section 403 of Rule 11-18, the District will provide a copy of the preliminary HRA to a facility operator and allow 90 days for review and comment on the

preliminary HRA. After correcting errors and considering facility comments, the District will provide facility operators with draft HRAs.

c. After providing a copy of the final HRA to the facility operator, the Air District will post a copy of the final HRA on an Air District website page that will provide context for all HRA results, including general perspective and background for these HRA results.

1.5. **Dispute Resolution Panel.**

a. Formation and Composition. The District will establish a Dispute Resolution Panel ("DRP") to advise staff regarding resolution of disputes over implementation of Rule 11-18, and, in particular, disputes by an affected facility regarding the inventory used in a HRA, the methodology used for a HRA, the technical feasibility or economic burdens involved in a demonstration pursuant to Section 11-18-404.6.2 or 11-18-404.6.3, or a determination of TBARCT. The ultimate decision maker for any recommendations made by the DRP for purposes of establishing final agency action and triggering appropriate administrative and judicial review is the Air Pollution Control Officer ("APCO"). The District's Dispute Resolution Panel will:

(i) Ensure that Petitioners and their delegates are afforded the opportunity to be heard (in writing) by the DRP on technical disputes arising under Rule 11-18;

(ii) Delineate a clear, transparent, and reasonable process for referring technical disputes to the DRP once internal District review processes have been exhausted;

(iii) Ensure that a written record is created by the DRP for preserving recommendations and their underlying rationale.

(iv) Be populated by objective third parties with the requisite technical knowledge.

b. Non-Waiver of Judicial Remedy. The establishment, operation, or recommendations of the Dispute Resolution Panel shall not prevent any administrative, judicial, or other legal right or remedy available to Petitioners or other parties.

c. Timing. If a facility disputes HRA methodology or data, the DRP shall make its recommendations to the APCO prior to the publication of a final HRA.

1.6. **Best Available Retrofit Control Technology for Toxics.**

a. Risk Reduction Plan Content Requirements. Facilities may comply with Rule 11-18 section 404 by complying with either section 404.6.1, 404.6.2, or 404.6.3. Facilities that choose to comply with Rule 11-18-404 by compliance with section 404.6.3 must submit a Risk Reduction Plan that states that Best Available Retrofit Control Technology for Toxics ("TBARCT") has been installed on all significant sources of risk, or will be installed on all significant sources of risk. The Risk Reduction Plan must show an estimate of residual health risk following implementation of the risk reduction measures specified in the Plan, pursuant to Rule 11-18-404.7. Pursuant to section 404.6.3.1, a Risk Reduction Plan that includes the installation of TBARCT on all significant sources of risk

will be approvable and comply with section 404.6.3 even if it shows that, with the installation of TBARCT on all significant sources of risk, it is not feasible to reduce risk to a level below the RAL.

b. Technological feasibility. Any assessment of whether the installation of TBARCT is "technologically feasible" under Rule 11-18 for sources owned by and located at refineries, shall be specific for each individual facility and include consideration of the commercial availability, reliability, and demonstrated full scale operation and performance of the control technology.

c. Cost Effectiveness. When assessing whether TBARCT is cost effective under Section 11-18-404.6 of Rule 11-18, the District will follow the procedure outlined in section 3.2.2 of its Draft BAAQMD TBARCT Workbook, dated October 2017 and published with the Rule 11-18 Rule Development package before the District's Board of Directors, attached hereto as Exhibit 3.

d. Significant Sources. A facility's Risk Reduction Plan that complies with Regulation 11-18-404.6.3 through the installation of TBARCT will be approvable if TBARCT is or will be installed, as explained in Section 11-18-404.6.3, on all "Significant Sources" as that phrase is defined Section 11-18-222. TBARCT will not be required on any sources or equipment that are not Significant Sources. Petitioners may choose to install TBARCT or other risk reduction measures on sources or equipment that are not Significant Sources to reduce their overall facility risk. In addition, if a refinery complies with Rule 11-18 through compliance with subsection 11-18-404.6.3, the TBARCT requirements of subsection 404.6.3 will not be applicable to particular sources where (1) the source would not be a "significant source" if limit of detection emissions are not included in that particular source's emissions estimate and related risk calculation, and (2) the source test and/or CATEF factors, whichever are applicable, are based on the lowest currently achievable limits of detection as approved by the District.

e. Operational Controls. The following operational controls will not be imposed by the District under Rule 11-18 as TBARCT or as another feasible control measure, but may be voluntarily chosen by a facility to reduce risk: (1) limitation on throughput; (2) limitation on hours of operation; and (3) any other measure that circumvents this section because it is primarily intended to result in a limitation on throughput or hours of operation.

1.7. **Survival.**

a. This Article 1 shall survive the termination or expiration of this Agreement, except in the event that this Agreement is terminated by any party based on a material breach of this Agreement by the other party.

b. Article 1 also is intended to survive dismissal of the Lawsuit in accordance with Article 2 of this Agreement. Notwithstanding the foregoing, this Article 1 shall not survive in the event that a final judgment on the merits of the Lawsuit is issued by the court.

ARTICLE 2: DISMISSAL OF LAWSUIT

2.1. Within thirty (30) calendar days of the later of (i) execution of this Agreement by the final party, or (ii) approval of this Agreement by the District's Board, Petitioners shall make an appropriate filing with the court seeking voluntary dismissal of the Lawsuit, inclusive of all causes of action therein, with prejudice.

2.2. Effective on the same day as dismissal of the lawsuit in accordance with this Article 2, should such dismissal be granted by the court, the Parties, through this agreement and subject to Section 3.1, shall release and forever discharge each other from any and all claims, debts, damages, liabilities, demands, obligations, costs, expenses, attorney fees, disputes, actions and causes of action of every nature, whether known or unknown, suspected or unsuspected, that each Party may hold or have against each other as a result of the subject of the Lawsuit, including, but not limited to those claims set forth in the Lawsuit, all of which are incorporated herein fully by reference.

2.3. Reservation of Rights. Notwithstanding the above, nothing in this Agreement shall limit or prevent Petitioners from seeking legal or equitable relief to (i) enforce the terms of this Agreement; or (ii) require the District to interpret, enforce, and implement Rule 11-18 in accordance with the provisions of this Agreement.

ARTICLE 3: MISCELLANEOUS PROVISIONS

3.1. Scope of Agreement.

a. This Agreement is binding upon the Parties only with respect to the matters specifically addressed herein and does not otherwise bind Petitioners or the District.

b. This Agreement does not alter, waive, or abrogate any right that any Party may have to prosecute or defend any currently pending litigation related to regulatory actions other than the Challenged Rule, including but not limited to Case Number N16-0095 (*Valero et al. v. BAAQMD*), pending in the Superior Court for the State of California for the County of Contra Costa.

c. Except as agreed in Article 2 of the Agreement, this Agreement does not alter, waive, or abrogate any right that Petitioners may have to bring an administrative or judicial challenge to any pending or future rule, regulation, or regulatory action taken by the District including without limitation any future modifications or amendments to Rule 11-18.

d. Nothing in this Agreement is intended to waive, abridge, abrogate, or limit any procedural or substantive right, claim, defense, or argument that:

(i) Petitioners or the District may have with respect to the Challenged Rule, unless expressly addressed in this Agreement (*e.g.*, the Lawsuit dismissal obligations set forth in Article 2); or

(ii) Petitioners or the District may have with respect to any other regulatory action undertaken by the District and any related litigation, including but not limited to Case

Number N16-0095, pending in the Superior Court for the State of California for the County of Contra Costa.

e. Nothing in this Agreement is intended to waive any right of any Party to prosecute or defend the Lawsuit, or to seek a trial in the Lawsuit, in the event that this Agreement terminates or expires for any reason, before the Lawsuit is dismissed.

3.2. Successors and Assigns. This Agreement may not be assigned by any Party without the express written consent of all of the other Parties, whose consent will not be unreasonably withheld. This Agreement is binding upon and shall inure to the benefit of the Parties, their respective beneficiaries, predecessors, successors, assigns, partners, partnerships, parent companies, subsidiaries, affiliated and related entities, officers, directors, principals, agents, servants, employees, representatives, and all persons, firms, petitioners, and/or persons or entities connected with each of them, including, without limitation, their insurers, sureties, attorneys, consultants, and experts.

3.3. No Presumption Regarding Drafting Party. This Agreement is the result of negotiations between the Parties, and it is the product of all of the Parties. This Agreement shall not be construed against any Party because of the involvement of that Party or its counsel in the preparation or drafting of this Agreement.

3.4. Severability. If any term or provision of this Agreement is to any extent illegal, otherwise invalid, or incapable of being enforced, then such term or provision shall be excluded only to the extent of such invalidity or unenforceability and all other terms and provisions contained in this Agreement shall remain in full force and effect. If application of this severability provision should materially affect the substance of this Agreement and the actions contemplated herein, the Parties agree to negotiate in good faith to amend this Agreement to include a replacement provision suitable to all Parties to give effect to the original intent of the Parties.

3.5. Notices. All notices, requests, demands and other communications made under this Agreement shall be in writing and shall be deemed duly given if (i) hand delivered against a signed receipt therefor, (ii) sent by registered mail, return receipt requested, first class postage prepaid, or (iii) sent by internationally recognized overnight delivery service.

a. Notices to Petitioners pursuant to this Agreement shall be sent to:

Western States Petroleum Association:

Name:	Oyango Snell
Email:	osnell@wspa.org
Telephone:	(916) 325-3115
Address:	1415 L Street, Suite 600, Sacramento, CA 95814

Valero Refining Company—California:

Name:	Megan Bluntzer
Email:	Megan.Bluntzer@valero.com
Telephone:	(210) 345-4009

Address:	1 Valero Way, San Antonio, TX 78249

Tesoro Refining & Marketing Company, LLC:

Name:	Benjamin Franz
Email:	rbfranz@marathonpetroleum.com
Telephone:	(419) 672-6610
Address:	539 South Main Street, Findlay, Ohio 45840

Phillips 66 Company:

Name:	Manager, Phillips 66 Company San Francisco Refinery at Rodeo
Email:	N/A
Telephone:	(510) 245-4415
Address:	1380 San Pablo Avenue, Rodeo, CA 94572

With a copy to Beveridge & Diamond P.C.:

Name:	David McCray
Email:	dmccray@bdlaw.com
Telephone:	415.262.4025
Address:	456 Montgomery Street, Suite 1800, San Francisco, CA 94104

b. Notices to the District pursuant to this Agreement shall be sent to:

Name:	Randi Wallach
Email:	rwallach@baaqmd.gov
Telephone:	(415) 749-4920
Address:	375 Beale St., Suite 600, San Francisco, 94105

With a copy to:

Name:	Pam Leong
Email:	pleong@baaqmd.gov
Telephone:	(415) 749-5186
Address:	375 Beale St., Suite 600, San Francisco, 94105

c. Either Party may alter that Party's contact information for purposes of notices, at any time, by giving notice of such change in conformity with the provisions of this Section 3.5.

d. Notice shall be deemed to be effective: if hand delivered, when delivered; if mailed, at midnight on the third (3rd) business day after being sent by registered mail; and if sent by internationally recognized overnight delivery service, on the next business day following delivery to such delivery service.

e. The Parties acknowledge and agree that the foregoing provisions for the giving of notice are not intended to cover day-to-day communications between the Parties in the course of performing each such Party's duties and obligations hereunder.

f. The notice provisions contained in this Section 3.5 are not intended to alter in any way the procedures related to the District's regulatory and rulemaking processes, including but not limited to the provision of adequate public notice of regulatory actions, submission of public comments on such actions, and other notifications and procedures required or customary with respect to District's regulatory actions.

3.6. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction). Any action, proceeding or suit arising out of or based upon this Agreement or shall be instituted in the Superior Court for the State of California for the County of Contra Costa.

3.7. Recitals. The Recitals set forth in this Agreement are a material part of this Agreement and are hereby expressly incorporated by reference as though expressly set forth herein.

3.8. Authority. Each Party hereby represents and warrants that it has full power and authority to enable, execute and deliver this Agreement and to perform its obligations hereunder. Each of the undersigned individuals represents and warrants that s/he has read and understands this Agreement and has full and complete lawful authority to bind the respective Party and any respective principals, successors, subsidiaries, partners, limited partners, agents and assigns to this Agreement.

3.9. Entire Agreement. This Agreement constitutes the full, complete and final statement of the Parties on the matters addressed by this Agreement. The Parties acknowledge that this Agreement contains the entire understanding between the Parties with respect to the matters addressed by this Agreement.

3.10. Amendments in writing. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of all Parties.

3.11. Waiver. Any waiver of any provision or term of this Agreement shall be effective only if in writing and signed by all Parties. The waiver of any provision or term of this Agreement shall not be deemed as a waiver of any other provision of this Agreement.

3.12. No Third Party Beneficiaries. There are no third-party beneficiaries to this Agreement and nothing expressed, implied, or referred to in this Agreement will be construed to give any Person, other than the Parties to this Agreement, any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as may inure to the predecessors, successors, subsidiaries partners, limited partners, agents, principals, and permitted assigns of each Party as provided for herein.

3.13. Benefit and Burden. This Agreement is binding upon and shall inure to the benefit of the Parties, their respective beneficiaries, predecessors, successors, assigns, partners, partnerships, parent companies, subsidiaries, affiliated and related entities, officers, directors, principals, agents, servants, employees, representatives, and all persons, firms, petitioners, and/or

persons or entities connected with each of them, including, without limitation, their insurers, sureties, attorneys, consultants, and experts.

3.14. Reasonable Cooperation. The Parties agree to provide reasonable cooperation to each other as may be necessary to give effect to this Agreement.

3.15. District Approvals. Where this Agreement, or an action contemplated by this Agreement, requires District approval, such approval shall not be unreasonably withheld.

3.16. No Admission. This Agreement resulted from a compromise of disputed claims and is not to be construed as an admission by either Party nor as acknowledgement that any of the claims and responses were correct or incorrect.

3.17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall have the same force and effect as an original, but all of which together shall constitute one and the same instrument.

3.18. Effective Date. This Agreement is effective on the last date of execution of this Agreement.

[Signature page(s) follow]

IN WITNESS WHEREOF, this Agreement has been executed by each of the Parties as of the date set forth beneath such Party's authorized representative's signature:

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: _____

Name: JACK P BROADBENT

Title: Exec. Officer

Dated: 3/4/19

Approved as to Legal Form:

By: _____

Name: BRIAN C. BUNGER

Title: DISTRICT COUNSEL

Dated: 3/4/2019

and

WESTERN STATES PETROLEUM ASSOCIATION

By: _____

Name: Oyango A. Snell

Title: SVP, General Counsel & Corp. Sec.

Dated: 2/22/2019

VALERO REFINING COMPANY—CALIFORNIA

By: _____

Name: _____

Title: _____

Dated: _____

PHILLIPS 66 COMPANY

By: _____

Name: _____

Title: _____

Dated: _____

TESORO REFINING & MARKETING COMPANY, LLC

By: _____

Name: _____

Title: _____

Dated: _____

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IN WITNESS WHEREOF, this Agreement has been executed by each of the Parties as of the date set forth beneath such Party's authorized representative's signature:

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By:_____

Name:_____

Title:_____

Dated:_____

Approved as to Legal Form:

By:_____

Name:_____

Title:_____

Dated:_____

and

WESTERN STATES PETROLEUM ASSOCIATION

By:_____

Name:_____

Title:_____

Dated:_____

VALERO REFINING COMPANY—CALIFORNIA MQB

By: Don Wilson

Name: DON WILSON

Title: VP + GM

Dated: 2/19/19

PHILLIPS 66 COMPANY

By:_____

Name:_____

Title:_____

Dated:_____

TESORO REFINING & MARKETING COMPANY, LLC

By:_____

Name:_____

Title:_____

Dated:_____

11473881v2 BDFIRM 017500

IN WITNESS WHEREOF, this Agreement has been executed by each of the Parties as of the date set forth beneath such Party's authorized representative's signature:

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By:_____

Name:_____

Title:_____

Dated:_____

Approved as to Legal Form:

By:_____

Name:_____

Title:_____

Dated:_____

and

WESTERN STATES PETROLEUM ASSOCIATION

By:_____

Name:_____

Title:_____

Dated:_____

VALERO REFINING COMPANY—CALIFORNIA

By:_____

Name:_____

Title:_____

Dated:_____

PHILLIPS 66 COMPANY

By: Carl Perkins

Name: CARL PERKINS

Title: SAN FRANCISCO REFINERY MGR.

Dated: 02/22/2019

TESORO REFINING & MARKETING COMPANY, LLC

By:_____

Name:_____

Title:_____

Dated:_____

11473881v2 BDFIRM 017500

IN WITNESS WHEREOF, this Agreement has been executed by each of the Parties as of the date set forth beneath such Party's authorized representative's signature:

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By:_____

Name:_____

Title:_____

Dated:_____

Approved as to Legal Form:

By:_____

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Title:_____

Dated:_____

and

WESTERN STATES PETROLEUM ASSOCIATION

By:_____

Name:_____

Title:_____

Dated:_____

VALERO REFINING COMPANY—CALIFORNIA

By:_____

Name:_____

Title:_____

Dated:_____

PHILLIPS 66 COMPANY

By:_____

Name:_____

Title:_____

Dated:_____

TESORO REFINING & MARKETING COMPANY, LLC

By: _____

Name: RAY BROOKS

Title: VICE PRESIDENT

Dated: 2-18-19

APPROVED AS TO FORM RBF

11473881v2 BDFIRM 017500