

Settlement Agreement
By and Between
The Bay Area Air Quality Management District
and
SFPP, L.P.
(Notices of Violation A61171, A62130, and A62131)

1. The Bay Area Air Quality Management District (“Air District”) is the regional governmental agency charged with the primary responsibility for maintaining healthy air quality in the San Francisco Bay Area.

2. SFPP, L.P. (“SFPP”) owns and operates a liquids terminal located at 2150 Kruse Drive, San Jose, CA 95131.

3. The Air District alleges that, at all relevant times, SFPP was subject to and violated Air District regulations as described in Notices of Violation (NOVs) A61171, A62130, and A62131, which are, by this reference, incorporated into this Settlement Agreement.

4. The Parties agree to settle NOVs A61171, A62130, and A62131 for payment by SFPP to the Air District of a civil penalty in the amount of **fifty-four thousand eight hundred ten dollars (\$54,810)**.

5. SFPP shall pay the \$54,810 civil penalty specified in Paragraph 4 above within thirty (30) calendar days after the Effective Date of this Settlement Agreement in accordance with the payment provisions set forth in Paragraph 6 below. If SFPP fails to pay the full penalty by the due date, SFPP shall pay the Air District a stipulated penalty of one thousand dollars (\$1,000) for each day after the due date on which the Air District has not received full payment.

6. SFPP shall pay the \$54,810 civil penalty specified in Paragraph 4, and any stipulated penalties owed under this Settlement Agreement, either (i) by wire transfer, according to wire transfer instructions provided by the Air District; or (ii) by check, made payable to the “Bay Area Air Quality Management District” and with “NOV Nos. A61171, A62130, and A62131” written in the memo area of the check. If paid by check, SFPP shall mail or deliver the check to:

Bay Area Air Quality Management District
Office of the General Counsel
Alexander Crockett, General Counsel
375 Beale Street, Suite 600
San Francisco, California 94105

Upon initiating the wire transfer or mailing or delivering the check, SFPP shall notify the Air District via email at gdhawanmuren@baaqmd.gov. SFPP shall be responsible for all payment processing, check cancellation, and other fees and costs associated with making penalty payments under this Paragraph 6.

7. Within thirty (30) calendar days after the Effective Date of this Settlement Agreement, SFPP shall provide a completed IRS Form W-9 for SFPP. The completed IRS Form W-9 shall be sent to Gregory Dhawan-Muren at gdhawanmuren@baaqmd.gov.

8. SFPP's full payment of the \$54,810 civil penalty specified in Paragraph 4 and complete satisfaction of all of its other obligations under this Settlement Agreement will fully and finally settle, conclude and resolve all claims that have been or could have been asserted between the Air District and SFPP arising out of or related to the allegations and conduct that are the basis for NOVs A61171, A62130, and A62131.

9. This settlement is the compromise of the above-referenced disputed claims and shall not be treated as an admission of liability by either party for any purpose.

10. Nothing in this Settlement Agreement shall be construed as limiting the ability of the Air District to take future enforcement action arising out of violations or alleged violations not covered by this Settlement Agreement. Furthermore, nothing in this Settlement Agreement shall be construed as limiting the rights of the Air District to rely on the violations alleged in NOVs A61171, A62130, and A62131, and to offer proof thereof, in any such future enforcement action for purposes of demonstrating SFPP's frequency of past violations pursuant to Health & Safety Code section 42403(b)(4) or other applicable provision of law.

11. SFPP's failure to perform any of the terms or conditions of this Settlement Agreement will render SFPP in violation of the Settlement Agreement, and the Air District may, at its sole discretion, void this Settlement Agreement, upon written notice to SFPP, or take any other action to enforce the Settlement Agreement. The failure by a Party to enforce any provision of this Settlement Agreement shall not be construed as a waiver of such provision, nor shall it prevent the Party thereafter

from enforcing such provision or any other provision of this Settlement Agreement. The rights and remedies granted to each Party herein are cumulative, and the election of one right or remedy by a Party shall not constitute a waiver of such Party's right to assert all other remedies available to it under this Settlement Agreement or as otherwise provided by law.

12. Unless otherwise specified in this Settlement Agreement, whenever one Party is required to provide notice to the other Party under this Settlement Agreement, the notice shall be provided in writing by first class mail and/or email addressed as follows:

As to the Air District:

Bay Area Air Quality Management District
Gregory Dhawan-Muren
Assistant Counsel
375 Beale Street, Suite 600
San Francisco, CA 94105
gdhawanmuren@baaqmd.gov

As to SFPP:

Mary Clair Lyons
Assistant General Counsel - HSE
1001 Louisiana St.
Houston, Texas 77002
Mary_Lyons@kindermorgan.com

Either Party may change its contact information for purposes of notices, at any time, by giving notice of such change in conformity with the notice provisions of this paragraph. Notices provided pursuant to this paragraph shall be deemed to be provided and received upon emailing or five days from mailing, as applicable.

13. This Settlement Agreement binds SFPP, and any principals, officers, receivers, trustees, successors and assignees, subsidiary and parent corporations, and the Air District and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Settlement Agreement.

14. The Superior Court of California, County of San Francisco, shall hear any dispute between the Parties arising from this Settlement Agreement.

15. This Settlement Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice-of-law rules.

16. Both Parties have jointly participated in the drafting and reviewing of this Settlement Agreement. Accordingly, the Parties agree that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Settlement Agreement.

1 17. This Settlement Agreement is not a permit, or a modification of any permit, under any
2 federal, State, or local laws or regulations. SFPP is responsible for achieving and maintaining
3 compliance with all applicable federal, State, and local laws, regulations, and permits; and SFPP's
4 compliance with this Settlement Agreement shall not be a defense to any action commenced pursuant to
5 any such laws, regulations, or permits. The Air District does not, by its execution of this Settlement
6 Agreement, warrant or aver in any manner that SFPP's compliance with any aspect of this Settlement
7 Agreement will result in compliance with any provisions of federal, State, or local laws, regulations, or
8 permits.

9 18. The Parties understand and agree that the penalties provided for and payable under this
10 Settlement Agreement are non-dischargeable under United States Code, title 11, section 523(a)(7),
11 which provides that a debt may not be discharged in bankruptcy to the extent such debt is for a fine,
12 penalty, or forfeiture payable to and for the benefit of a governmental unit.

13 19. The settlement of the matters covered by this Settlement Agreement without further
14 litigation is fair, reasonable, and in the interests of the Air District, SFPP, and the public. The Parties,
15 and each of them, (i) have participated fully in the review and drafting of this Settlement Agreement; (ii)
16 understand and accept all of the terms of this Settlement Agreement; (iii) enter into this Settlement
17 Agreement freely and voluntarily; (iv) have had an opportunity to consult with legal counsel regarding
18 this Settlement Agreement; (v) are fully informed of the terms and effect of this Settlement Agreement;
19 (vi) have agreed to this Settlement Agreement after independent investigation and agree that it was not
20 arrived at through fraud, duress, or undue influence; and (vii) knowingly and voluntarily intend to be
21 legally bound by this Settlement Agreement.

22 20. Each provision of this Settlement Agreement is severable, and in the event that any
23 provision, or part thereof, of this Settlement Agreement is held to be illegal, invalid or unenforceable in
24 any jurisdiction, the remainder of this Settlement Agreement shall remain in full force and effect.

25 21. This Settlement Agreement constitutes the entire agreement and understanding between
26 the Parties, and fully supersedes and replaces any and all prior negotiations and agreements of any kind
27 or nature, whether written or oral, between the Parties, concerning the matters covered herein.

28 22. No agreement to modify, amend, extend, supersede, terminate, or discharge this

Settlement Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and signed by both Parties.

23. This Settlement 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. Electronic, facsimile, and photocopied signatures shall be considered as valid signatures.

24. The Effective Date of this Settlement Agreement shall be the date upon which it is fully executed.

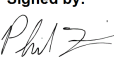
25. Each of the undersigned expressly represents that they are authorized to execute this Settlement Agreement on behalf of, and to bind, the Party for whom they sign below.


* * * * *

So agreed, stipulated and executed:

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105

SFPP, L.P.
1001 Louisiana St.
Houston, Texas 77002

Signed by:
By:  4/22/2025
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Philip M. Fine
Executive Officer/APCO


By: 
Josh Etzel
Chief Operating Officer


Approved as to Form By:

Approved as to Form By:

Bay Area Air Quality Management
Office of the General Counsel
Alexander G. Crockett
General Counsel
Gregory Dhawan-Muren
Assistant Counsel

Mary Clair Lyons
Assistant General Counsel - HSE

DocuSigned by:
By:  4/21/2025
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Alexander G. Crockett
General Counsel

By: 
Mary Clair Lyons
Assistant General Counsel - HSE