

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD.213 (new 06/03)

AGREEMENT NUMBER C2017014
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
California State Lands Commission (CSLC)

CONTRACTOR'S NAME
Beacon West Energy Group, LLC

2. The term of this Agreement is:
September 1, 2017
to August 31, 2022

3. The maximum amount of this Agreement is: \$ 19,000,000

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

Exhibit A – Scope of Work 7 Page(s)

Exhibit B – Budget Detail and Payment Provision 1 Page(s)

Exhibit C* – General Terms and Conditions GTC 4/2017

Check mark one item below as Exhibit D: 6 Page(s)

Exhibit D – Special Terms and Conditions (attached hereto as part of this Agreement)

Exhibit D* – Special Terms and Conditions

Exhibit E – Public Works Components 2 Page(s)

Exhibit F – Contractor's Master Rate Schedule 1 Page(s)

Items shown with an Asterisk (*) are hereby incorporated by reference and made part of this Agreement as if attached hereto. These documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>

IN WITNESS WHEREOF, this Agreement has been executed by parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use only
CONTRACTOR'S NAME (if other than individual, state whether a corporation, partnership, etc.) Beacon West Energy Group LLC		
BY (Authorized Signature) 	DATE SIGNED 9/1/17	
PRINTED NAME AND TITLE OF PERSON SIGNING Chris Peltonen, Managing Member		
ADDRESS 1072 Casitas Pass Road #221, Carpinteria, CA 93013		
STATE OF CALIFORNIA		<input checked="" type="checkbox"/> Exempt per P.C.C. § 10430(D)
AGENCY NAME California State Lands Commission		
BY (Authorized Signature) 	DATE SIGNED 9/1/2017	
PRINTED NAME AND TITLE OF PERSON SIGNING JENNIFER LUCCHESI, EXECUTIVE OFFICER		
ADDRESS 100 Howe Avenue, Suite 100 South, Sacramento, California 95825-8202		

EXHIBIT A

SCOPE OF WORK

1. Services – Contractor enters into this Agreement with the California State Lands Commission, hereinafter referred to as “CSLC” or the “State” (considered as the same entity), to perform the engineering, operations and administrative services, under the oversight of the CSLC Project Coordinator (as further defined below) or designee, and other required duties in order to continue the safe daily operations of Platform Holly (Holly) and the Ellwood Onshore Facility (EOF) at the Current Baseline Conditions and, at the CSLC’s option, to facilitate the orderly abandonment of all wells on the platform and on State Lease PRC 421.

“Current Baseline Conditions” are those conditions pertaining to the scope, type, and intensity of activities and projects necessary for the operation and maintenance of Holly and the EOF in a safe and non-producing state, as they have generally existed during the period of May 1, 2017 and August 31, 2017. Activities or projects either not conducted during that time period, activities not typically conducted on an annual basis for non-producing operations and maintenance, activities not identified as primary tasks below or activities in response to emergency or extraordinary events are not considered Current Baseline Conditions. Further, where it is necessary to conduct activities that are consistent with Current Baseline Conditions at an intensity greater than required during the timeframe above, those activities are not considered Current Baseline Conditions to the extent that the intensity of activity exceeds that which occurred during the timeframe above.

2. Modifications in Scope of Work – Notwithstanding Current Baseline Conditions, Contractor and CSLC understand that fluctuations in the amount of operations and maintenance work may occur depending on in-field conditions and State financing. Further no warranty is made, written or implied as to the actual amount of Optional Tasks, as further defined below, that will be requested by the State be performed by Contractor pursuant to this Agreement.
3. Operation Standards – The Scope of Work and duties performed are detailed below. Contractor acknowledges that all services provided are subject to the California Code of Regulations and good oil field practices. Good oilfield practices shall mean good engineering practice standards, industry and national standards, recommended practices, regulations and codes related to the operation being reviewed, and all applicable laws, rules and regulations of the United States and the State of California and of any respective political subdivision of the State, or any respective successor thereof.
4. Narrative Description of Work
 - A. Primary tasks—The Contractor will be required to perform the engineering, operations and administrative services, under the oversight of the CSLC Project Coordinator or designee (as further defined below), to hire/contract essential personnel to continue the safe daily operations of Holly, the EOF and PRC 421, and to perform other routine or required inspection services and to maintain necessary permits and regulatory entitlements for operations unless specifically excepted by CSLC (also referred to as CLIN 0001 and CLIN 0002 or Tasks 1a & 1b).
 - B. Optional tasks— At CSLC’s sole option and only upon a signed written notice to proceed issued by CSLC’s Project Coordinator (as further defined below) or designee, which notice may be transmitted via e-mail, Contractor may be asked to perform the following “Optional Tasks”: 1) special projects to maintain compliance of the facility as outlined in CLIN 0003/Task 2a; 2) perform engineering consultant services to the CSLC as outlined in CLIN 0004/Task 2b with regards to engineering and abandonment plans on Holly, PRC 421, and/or operations at the EOF that may be proposed to the CSLC by a third party; 3) perform other facility, equipment, and structural assessments on Holly including an underwater assessment. Any activities other than those identified in CLIN 001 and CLIN 0002, also referred to as Tasks 1a and 1b, in Exhibit A, Scope of Work, will require written approval from the Project Coordinator or designee before proceeding (prior written approval will not be required for the costs associated with the tasks to control an emergency situation). Finally, Contractor shall, as operational lead, oversee any other required work associated with the operations and maintenance of Holly, the EOF, PRC 421 and subsequent plug and abandonment activities by a third party.

5. Detailed Description of Work:

A. Primary Tasks

CLIN 0001 – Task 1a – Mobilization

Items included in Mobilization Scope of Work:

- Technology infrastructure requirements to sever ties with Venoco's Carpinteria Office and establish replacement internet connections, phone and business utilities
- Cost associated with setup of Master Service Agreement's (MSA) with O&M service providers
- Initial insurance fee for main coverage for EOF and Holly
- General tasks required to transition employees, data and records for the contract such as drug testing, initial training, DMV records research plus others
- Costs associated with transfer of ownership for required permits and programs
- Labor associated with the transition from Venoco to Contractor
- See paragraph 6(a), below, for limitations.

CLIN 0002 - Task 1b - Current Base Case - Ongoing Operations and Maintenance for Holly, EOF & 421.

Operations & Maintenance

Items included in Scope of Work:

- Safely operate Platform Holly
- Safely operate EOF
- Safely operate the Ellwood Pier
- Safely operate offshore pipelines
- Safely monitor 421 road and caissons
- Acquire/retain/hire essential personnel to maintain the current facilities (Holly & EOF) in a safe and operational condition as follows:
 - EOF: 12 hour tour/7 on/7 off; 2 operators per tour; total of 8 operators
 - Holly: 12 hour tour/7 on/7 off; 2 operators per tour; total of 8 operators
 - Holly: Lead Operator/Crane Operator; 1 "lead" person, as required
 - EOF/Holly Support Personnel (4): 1 Head Mechanic/Crane Operator; 1 mechanic; 1 I&E Tech; 1 Safety Operator/Inspector
 - EOF/Holly: 1 Senior Operations Supervisor
 - EOF/Holly: 1 Field Operations Technician
- Implementation of project management communication plan for CSLC ongoing O&M and project updates
- Set up and review accounting methods and procedures with CSLC staff; coordinate software and schedules as needed
- Maintain sufficient space for office staff and files, including space for contracting personnel and CSLC personnel as needed
- Maintain expenditures for all lease operating expenses (electricity, gas, crew boats, and other day to day operations as required)
- General daily management of projects and personnel
- Develop progress reporting procedure with CSLC staff
- Coordinate with CSLC project coordinator or designee regarding extraordinary expenditures made for goods and services not associated with routine operations above \$10,000 - obtain prior approval by CSLC staff; these approval limits may be modified by the CSLC Project Coordinator or designee by written notice. This excludes expenditures to manage emergency situations where time is of the essence for safety or environmental reasons.

- Inspect and function test facility operating and process equipment, instrumentation and alarms, including but not limited to vessels, H2S gas treatment equipment, gas and oil sales equipment, oil storage and oil loading and transfer facilities, for continued safe operations
- Prepare remediation and repair plan for all essential equipment based on initial inspection and function test performed
- Scheduling of staff for operations
- Training for operational staff
- Conduct orientation of contractors and visitors
- Conduct medical surveillance testing for operational staff, crane operators and Hazmat drivers, as required
- Conduct employee and contractor DOT and non-DOT drug testing
- Perform random contraband inspections in accordance with company policies
- Maintain and manage OSRO (MSRC, Patriot, NRC) and on-call emergency response (Witt O'Brien's) contracts
- Coverage for site specific insurance and bonding
- Continue monthly State Lands Testing on Holly as required
- Maintain SIRT response protocols for incidents and accidents
- Maintain compliance requirements and monitoring plans per PTO's (not including Re-Evals)
- Maintain EPA SPCC plan and compliance requirements
- Maintain SWPPP plans and compliance requirements
- Maintain Oil Spill Contingency and Emergency Action Plan and requirements
- Maintain CSFM/DOT-PHMSA pipeline compliance plans and requirements
- Maintain compliance with SSRRC requirements
- Maintain compliance with City of Goleta Land Use Permit and County of Santa Barbara requirements
- Maintain underground hydrocarbon storage tank and the compliance requirements
- Maintain EOF ground water monitoring program compliance requirements
- Maintain 2 operators at EOF as per City of Goleta (more operators - if required by Goleta - not included in Current Baseline Case)
- Maintain daily records of: activities, personnel roster of permanent and occasional personnel, equipment pressures and liquid levels, gas production, and well pressures at all locations
- Maintain California DMV, CHP and PHMSA commercial and hazmat transportation requirements
- Regulatory interface process with agencies and stakeholders (not including Public Relations or Governmental Relations in Sacramento)
- Perform semi-annual spill drills on Platform Holly as required
- Perform onshore emergency drills per County OEM requirements
- Perform routine inspection and maintenance on Platform Holly as per MP2 work orders
- Perform routine inspections and maintenance at EOF as per MP2 work orders
- Perform routine operations, inspections and maintenance on pipelines (not including smart pigging)
- Continue to accept annular gas from Holly and strip through iron sponge / incinerate
- Perform seep tent gas processing until cessation period is confirmed by SB APCD (may include charge out to Conoco Phillips)
- Perform routine maintenance on the PRC 421 access road as per CSLC requirements
- Perform routine maintenance on the PRC 421 causeway and caissons as per CSLC requirements
- Perform routine daily maintenance on the Ellwood Pier as per CSLC requirements
- Perform Level 1 inspection on Platform Holly
- Manage / update contracts for regular LOE vendors
- Maintain security for offshore access at Ellwood Pier
- Coordinate boat schedules and activities
- See paragraph 6(b), below, for limitations.

B. Optional Tasks Performed at the Discretion of CSLC

The following activities are not included in the Current Base Case Scope of Work. However, any non-Current Base Case activities that may be needed to fulfill Contractor's primary tasks under this Agreement, that are not expressly listed above, may be undertaken once approved in writing by CSLC in advance of the activity. In most instances, these Optional Tasks will require project management and professional staff labor as well as sub-contractor support. Some of these items could include but are not limited to:

CLIN 0003 - Task 2a - Base Case (items not included) and Special Projects

- Initial costs associated with Marine Preservation Association (MPA) membership (unless otherwise addressed by CSLC)
- NGL processing by the Contractor
- Sales gas processing by the Contractor
- Oil sales through pipeline
- Trucking of significant sales oil other than disposal of oil from annulus production
- Seep tent pigging, ROV surveys, repairs or inspections
- Gas processing besides gas from annulus on Holly
- Lo-cat work by the Contractor
- Modifications to external odor monitoring station or EOF fence line monitors
- Major repairs on Holly related to sustained damage from weather or earthquake related events
- Major repairs at EOF related to sustained damage from weather or earthquake related events
- Additional / incremental ground water monitoring program
- Oil spill COFR coverage
- Property taxes associated with the real property at Ellwood for the assets
- Holly/EOF HRA ATEIR/P Risk Reduction Plan
- Public Relations Scope
- SIRT Drill, unannounced agency drills & other emergency operations (2017)
- APCD – Permit-To-Operate (PTO) Re-evaluation (early 2018)
- SIMQAP audits
- Inspect EOF / Holly piping as required by NDT program
- Repair Holly as per Level 1 Inspection
- Level 1 inspection & repair for Pier including diving
- Perform mooring overhauls on buoys associated with Holly
- Perform mooring overhauls on buoys associated with Ellwood Pier
- Cleaning of marine growth from the platform jacket
- ROV Inspections including pipelines and jacket structure
- Smart pigging or Hydrostatic Testing the 6" pipelines from off to onshore
- Integrity management for the 6" sales gas line including verification dig
- Annual electrical switch gear inspection
- Any HRA mitigation requirements
- Significant drawing changes for any modifications
- Rig repair and painting
- Comprehensive rig inspection
- Determine feasibility of locking out or complete removal of non-essential equipment
- Holly, EOF or 421 equipment; or Seep Tent APCD de-permitting
- Other projects as agreed by both parties on approved Authority for Expenditures (AFE)

CLIN 0004 - Task 2b - Base Case P & A Planning

- Planning / Engineering for Well Abandonments on Holly
- Planning / Engineering for Well Abandonments at PRC 421
- Possible coordination activities as required to work with a previous owner to ensure the safety of all simultaneous operations on the platform.

- Provide expertise of an experienced engineer in oil well abandonment and oil field practices to act as CSLC's consultant in reviewing well programs submitted to the CSLC
- Inspect the condition and function test all platform equipment, instrumentation and alarms for well abandonment activities. Inspection should include the drilling rig and associated equipment only on the drilling rig.

CLIN 0005 - Task 2c - Increased O & M for the P&A work

During the rig operations on the platform for the abandonment of the 30 wells, there will be an increase in regular O & M activities and associated costs that would be in excess of the Current Baseline Conditions including:

- Additional staff for Holly (extra #1 Operator to have one on days all the time) & possibly more staff at EOF (depends upon Goleta requirements)
- Additional fuel for the regular crew boat as there will be more trips for rig crews, and crane use due to increased load transfers for P&A work
- Additional crane maintenance
- Additional gas supply for the rig generators
- Additional electricity may be possible if the rig will be powered using shore power (instead of rig generators).
- Additional trucking of oil from EOF
- Additional chemicals
- Additional gas processing for handling gas from wells Additional water disposal which should mostly be handled at the platform but may also be handled at EOF
- Additional APCD permitting for PERP engines, new or different crew or supply boats or barges, portable cranes or other additional IC engines

Other items that could fall into similar O & M categories for the P & A work may include:

- Additional boat for cargo supply (plus associated fuel & lubricant)
- Support base in Carpinteria for the additional cargo vessel
- Waste handling from the rig
- Fuel for crane
- Gas for generators

CLIN 0006 - Task 2d - Temporary Replacement P&A Buildings

Prepare a scope of work for execution to replace the buildings required for the continued safe operation of the platform during well abandonment activities to plug and abandon all 30 wells on the Platform. The following outlines the steps required to Engineer / Procure / Construct (EPC) temporary replacement buildings.

- Submit plan for CSLC engineering approval to provide personnel buildings sufficient for accommodating both continued operations and well abandonment personnel
- Prepare a scope for EPC of the temporary replacement P&A buildings for Holly
- Review requirements with all parties
- Develop Design Basis
- Develop purchase or rent strategy
- Perform preliminary costing with vendors
- Perform structural engineering
- Integrate utility requirements
- Review design with CSLC to confirm code requirements satisfied
- Finalize Design and receive approval from CSLC to proceed
- Issue Scope of work for bidding using a tender package
- Review proposals to select best vendor
- Review selection with CSLC for approval

- Award contract to successful bidder
- Monitor buildings fabrication / retro-fit - manage design changes
- Perform quality control management
- Tender for installation services
- Review bids and select best service vendor
- Review selection with CSLC for approval
- Award installation services
- Develop demolition plan for old units
- Review demolition plan with CSLC for approval
- Manage on-site demolition process
- Manage on-site installation process
- Commission buildings
- Review installation with CSLC for final approval for use

CLIN 0007 - Task 2e - Platform Holly Well Abandonment Program

- Holly Pre-Abandonment
 - Assess the condition of existing equipment on Holly and the need for rental equipment to abandon 30 wells and make necessary repairs
 - Assess current drilling rig on platform and perform required inspections and repairs as required.
 - Perform bathymetric and debris survey to determine original mud line
- Develop detailed plug and abandonment program for each of 30 wells on Holly under the supervision of a Professional Licensed Engineer and approved by CSLC project coordinator or designee. Wells on Holly should be abandoned to feet below the mudline.
- Holly Plug and Abandonment Operations: Organize and supervise equipment, crews, and logistics for plug and abandonment of 30 oil and gas wells on Holly pursuant to the plug and abandonment plans. Conduct of program and work subject to review oversight of CSLC.

CLIN 0008 - Task 2f - PRC 421 Well Abandonments

- Assess roadway from EOF to both well caissons.
- Develop repair or maintenance plan to assure road adequacy for support of well abandonment rig, vehicles, and other equipment.
- Secure necessary permits from City of Goleta to perform road repairs.
- Perform all required road repairs and related support actions as per plan approved by City of Goleta, Coastal Commission and/or U.S Army Corps.
- Inspect well caissons and adjoining piers for adequacy to support equipment loads for well abandonments.
- Prepare plan as necessary to assure adequate structural capacity of caissons for CSLC approval.
- Inspect well heads for safe condition and prepare plan to make necessary well head modifications or repairs prior to working on wells.
- Secure necessary permits from City of Goleta to perform caisson repairs, modifications or related activities.
- Perform caisson structural work and related support activities as required and approved by the Coastal Commission, City of Goleta, U.S. Army Corps or Regional Water Quality Control Board.
- Prepare well abandonment procedures for both PRC 421 wells for DOGGR and CSLC approval.
- Mobilize well abandonment equipment and execute abandonment plans.

6. Cost Caps and Limitations Under This Agreement – Contractor agrees to the following:
- A. The total invoiced costs charged by the Contractor to CSLC associated with CLIN 0001 – Task 1a Mobilization are not to exceed \$420,000 under this agreement. Costs are to be charged on a time and material basis.
 - B. The total personnel costs for all staff, including professional, charged by the Contractor to CSLC associated with CLIN 0002 – Task 1b are not to exceed \$575,000 per calendar month for the first twelve months and then may be adjusted three percent (3%) annually. Costs are to be charged on a time and material basis.
 - C. Cost caps identified in 6(A) and (B) above do not include costs associated with prevailing wage requirements discussed in Exhibit E, if any. In the event it is determined by Contractor and/or CSLC that prevailing wages apply to tasks associated with CLIN 0001-Task 1a or CLIN 0002 – Task 1b, the parties agree the costs caps shall be adjusted accordingly to provide for all increased costs, including back pay and penalties, associated with such prevailing wage requirement.
7. Additional Understandings – Contractor is aware and understands that previous operators of Holly may perform some of the Optional Tasks identified above. Where directed by CSLC, Contractor agrees to fully cooperate with a previous operator or other CSLC contractor in the performance of any work it performs related to the purpose of this Agreement. It is also understood by both parties that Contractor shall, in consultation with and for the benefit of CSLC, maintain operational control of Holly, EOF and PRC 421 at all times. In the event a previous operator performs any of the Optional Tasks, and due to the critical and specialized nature of Contractor's work, such previous operator shall comply with Contractor's management of the facilities as well as safety and emergency procedures at all times.
8. Conflict –The parts of this Agreement are complementary, describe, and provide for the completion of the work specified herein. This standard Agreement, including Exhibit A through F, makes up the entire Agreement between the parties. No document or communication passing between the parties hereto shall be deemed a part of this Agreement unless expressly identified as being a part of it.
9. Responsibilities of Project Coordinator – The CSLC Project Coordinator and Contractor Project Coordinator shall be the day-to-day representatives for the administration of this Agreement. Except as otherwise expressly provided, all communications relative to this Agreement shall be given to each Parties' Project Coordinators. Either party shall have the right to change its Project Coordinator upon written notice to the other party.

The Scope of Work to be performed may be updated as needed to account for new and revised work that may be conducted during the life of this Agreement. Revisions in the Scope of Work must be in writing and mutually agreed to by the Parties and the cost of the resulting modified Scope of Work shall not exceed the amount stated in Paragraph 3 of the Standard Agreement unless agreed to by all parties. Identified Optional Tasks (CLIN 0003 – CLIN 0008/Tasks 2a-2f) will be resolved subject to the process described herein. Any task not identified in the Exhibit A, Scope of Work, shall be treated as an Unanticipated Task, as defined and described in Exhibit E paragraph 20.

The Project Coordinator during the term of this Agreement will be:

<u>California State Lands Commission</u>	<u>Contractor</u>
Name: Jeff Planck	Name: Chris Peltonen
Phone: 562.590.5306	Phone: 805-705-2147
Fax: 562.590.5210	Fax: N/A
E-mail: Jeff.Planck@slc.ca.gov	E-mail: chris.peltonen@beacon-west.com

Direct all Agreement inquiries to:

<u>California State Lands Commission</u>	<u>Contractor</u>
Name: Annabell Abeleda	Name: Chris Peltonen
Phone: 916.574.1871	Phone: 805-705-2147
Fax: 916.574.1875	Fax: N/A
E-mail: Annabell.Abeleda@slc.ca.gov	E-mail: chris.peltonen@beacon-west.com

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment – In consideration for the satisfactory completion of the services rendered pursuant to the Scope of Work, the State agrees to pay the Contractor, in arrears, upon receipt and approval of an invoice in duplicate or via e-mail (with signed hard copies to follow), for services rendered under this Agreement. The invoice shall be submitted by the Contractor in sufficient scope and detail to define the actual work performed and/or specific milestones completed. Contractor may provide invoices to CSLC on an as completed, weekly or monthly basis as wholly within the discretion of the Contractor. In the event that minor modifications to costs (10% or less) occur within the Current Baseline Condition Scope of Work, but otherwise do not alter the total budget, the Contractor shall inform the Project Coordinator. The hourly rates for services rendered shall not exceed those as set forth in Exhibit F.

Contractor shall retain invoices and evidence supporting costs charged to the CSLC and shall provide record of expenditures at the request of the CSLC.

Invoice disputes – In the event that CSLC disapproves an invoice, the process shall be in accordance with, and within the time specified in, Government Code, Chapter 4.5 (commencing with Section 927), specifically Government Code Sections 927.3 through 927.7.

Invoices shall include the Agreement Number and be submitted to:

California State Lands Commission
100 Howe Avenue, Suite-100 South
Sacramento, CA 95825-8202
Attn.: Annabell Abeleda
Email: Annabell.Abeleda@slc.ca.gov

2. Budget Contingency Clause – It is mutually agreed that, if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for this Contract, the State may cancel this Agreement and it shall be of no further force and effect. In this event, the State shall have no liability to pay any future funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

In the alternative, the State shall have the right to amend this Agreement to reflect the reduced funds available for it. In such event, State shall meet with Contractor to negotiate a reduced scope of work.
3. Prompt Payment Clause – Payment will be made in accordance with and within the time specified in Government Code, Chapter 4.5 (commencing with Section 927) recognizing that Contractor is a qualified Small Business Enterprise.
4. Taxes - Payments to be paid to the Contractor, as specified herein, shall include all taxes of any description, federal, state and municipal, assessed against Contractor by reason of this contract.
5. Reimbursement Clause – Travel and per diem expenses to be reimbursed under this Agreement shall be at the same rates the State provides for unrepresented employees in accordance with the provisions of Title 2, Chapter 3 of the California Code of Regulations. Travel and Per Diem Expenses, Attachment 1, is attached and made a part of this Agreement by this reference.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. Paragraph 2 of Exhibit C "GTC 04/2017" is removed in its entirety and replaced with the following:

Amendments – Amendments to this Agreement may be proposed by either party and shall be effective by issuance of a written instrument executed by both parties. The Agreement price may be equitably adjusted to reflect any additional costs or new savings resulting from such amendment(s).

Work subject to such amendment(s) shall be performed in accordance with all applicable requirements of this Agreement, including any amendments thereto. No guarantee is made hereby that any change(s) or additional work will be authorized or required.

2. Settlement of Disputes – In the event of a dispute, Contractor shall file a "Notice of Dispute" with the California State Lands Commission, Executive Officer or designee within ten (10) days of discovery of the problem. Within ten (10) days, the Executive Officer or designee shall meet with the Contractor and Project Coordinator for the purposes of resolving the dispute informally, in good faith, and in a manner acceptable to all parties. In the event the informal meeting does not result in a mutually acceptable resolution, the Executive Officer shall render a final decision on behalf of the CSLC. If the Contractor is not satisfied with the decision of the Executive Officer, the Contractor may appeal the decision to the Department of General Services, Deputy Director, Procurement Division. The decision following appeal shall be conclusive and binding unless Contractor commences an action in court to contest such decision within ninety (90) days following the date of the final decision.
3. Contract Bonds - Contractor, itself or by and through its subcontractors, will be required to furnish a payment bond(s). The payment bond(s) shall secure the payment of the claims of laborers, mechanics, or material-persons employed for work under the Agreement. Upon award of contract, Contractor, itself or by and through its subcontractors, shall furnish a payment bond(s) made payable to the "California State Lands Commission" in a sum total equal to \$2,000,000. The payment bond(s) must be issued by a company authorized by the California Insurance Commissioners to transact surety business in California.
4. Insurance - Contractor shall be required to provide evidence of coverage for the following:
- a) Commercial Liability Insurance - Commercial general liability insurance at least as broad as the most commonly available ISO policy form CG 0001 covering bodily injury, property damage and personal injury and with limits not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. Said policy shall apply separately to each insured against whom any claim is made or suit is brought subject to the Contractors limits of liability. The policy shall include the State of California, its officers, agents, and employees as additional insured.
 - b) Vehicle Liability Insurance - Contractor shall maintain motor vehicle liability with limits of not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of a motor vehicle including owned or hired. The policy shall include the State of California, its officers, agents and employees as additional insured.
 - c) Worker Compensation Insurance – Contractor and/or its subcontractors shall maintain statutory worker's compensation, and employer's liability coverage in the amount of \$1,000,000/employee/disease/each accident, for all its employees who will be engaged in the performance of the Scope of Work, including special extensions where applicable. Such insurance coverage shall include a waiver of subrogation endorsement in favor of the State.

Each policy of insurance required by this provision shall: (a) be in a form, and written by an insurer, reasonably acceptable to California State Lands Commission; (b) be maintained at Contractor's sole expense; and (c) require at least thirty (30) days written notice to State prior to any cancellation, nonrenewal or material modification of insurance coverage. Insurance companies issuing such policies shall have a rating classification of "A-" or better and financial size category ratings of "VII" or better according to the latest edition

of the A.M. Best Key Rating Guide. All insurance companies issuing such policies shall be licensed to do business in the State of California.

d) Upon request, the Contractor shall provide the CSLC with an original certificate of liability insurance with the California State Lands Commission as an additional insured.

5. Paragraph 5 of Exhibit C "GTC 04/2017" is removed in its entirety and replaced with the following:

Indemnification: Contractor must defend, indemnify, and save harmless the State, including its officers, employees, and agents (excluding agents who are design professionals), from any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys' fees, losses or liabilities, in law or in equity arising out of or in connection with Contractor's performance of the Scope of Work under this Contract for:

- a) Bodily injury including, but not limited to, bodily injury, sickness or disease, emotional injury or death to persons, including, but not limited to, the public, any employees or agents of Contractor, the State, or any other contractor; and
- b) Damage to property of anyone including loss of use thereof; caused or alleged to be caused in whole or in part by any negligent or otherwise legally actionable act or omission of Contractor or anyone directly or indirectly employed by Contractor or anyone for whose acts Contractor may be liable.

Except as otherwise provided by law, these requirements apply regardless of the existence or degree of fault of the State. Contractor is not obligated to indemnify the State for claims arising from conduct delineated in Civil Code § 2782 and for claims arising from any defective or substandard condition of Platform Holly or the EOF that existed at or before the start of work, unless this condition has been changed by the Contractor's work without authorization from CSLC or the claim arises from Contractor's failure to maintain those facilities. Contractor is not obligated to indemnify the State and therefore specifically excludes claims arising from conduct by any independent third party, not including Contractor's subcontractors, including claims arising from or associated with the method and short and long term effectiveness of plugging and abandoning wells as well as any increase in natural seepage due to conditions outside Contractor's control.

Contractor's defense and indemnity obligation shall extend to claims arising after the work is completed and accepted if the claims are directly related to acts or omissions by Contractor that occurred during the course of the work. Any inspection of the work by the State is not a waiver of full compliance with these requirements.

With respect to third-party claims against Contractor, Contractor waives all rights of any type to express or implied indemnity against the State, its officers, employees, or agents (excluding agents who are design professionals). Nothing in the Contract is intended to establish a standard of care owed to any member of the public or to extend to the public the status of a third-party beneficiary for any of these indemnification specifications.

Notwithstanding the above, the State and Contractor understand that for all purposes under this agreement, the State is the sole operator of Platform Holly and the EOF and is therefore solely liable for all costs and claims associated with permit violations, minor and major oil and hazardous material spills and any other claims resulting from large scale environmental activity.

6. Paragraph 5 of Exhibit C "GTC 04/2017" is removed in its entirety and replaced with the following:

Indemnification: Contractor must defend, indemnify, and save harmless the State, including its officers, employees, and agents (excluding agents who are design professionals), from any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys' fees, losses or liabilities, in law or in equity arising out of or in connection with Contractor's performance of the Scope of Work under this Contract for:

- a) Bodily injury including, but not limited to, bodily injury, sickness or disease, emotional injury or death to persons, including, but not limited to, the public, any employees or agents of Contractor, the State, or any other contractor; and

- b) Damage to property of anyone including loss of use thereof; caused or alleged to be caused in whole or in part by any negligent or otherwise legally actionable act or omission of Contractor or anyone directly or indirectly employed by Contractor or anyone for whose acts Contractor may be liable.

Except as otherwise provided by law, these requirements apply regardless of the existence or degree of fault of the State. Contractor is not obligated to indemnify the State for claims arising from conduct delineated in Civil Code § 2782 and for claims arising from any defective or substandard condition of Platform Holly or the EOF that existed at or before the start of work, unless this condition has been changed by the Contractor's work without authorization from CSLC or the claim arises from Contractor's failure to maintain those facilities. Contractor is not obligated to indemnify the State and therefore specifically excludes claims arising from conduct by any independent third party, not including Contractor's subcontractors, including claims arising from or associated with the method and short and long term effectiveness of plugging and abandoning wells as well as any increase in natural seepage due to conditions outside Contractor's control.

Contractor's defense and indemnity obligation shall extend to claims arising after the work is completed and accepted if the claims are directly related to acts or omissions by Contractor that occurred during the course of the work. Any inspection of the work by the State is not a waiver of full compliance with these requirements.

With respect to third-party claims against Contractor, Contractor waives all rights of any type to express or implied indemnity against the State, its officers, employees, or agents (excluding agents who are design professionals). Nothing in the Contract is intended to establish a standard of care owed to any member of the public or to extend to the public the status of a third-party beneficiary for any of these indemnification specifications.

Notwithstanding the above, the State and Contractor understand that for all purposes under this agreement, the State is the sole operator of Platform Holly and the EOF and is therefore solely liable for all costs and claims associated with permit violations, minor and major oil and hazardous material spills and any other claims resulting from large scale environmental activity.

7. Paragraph 5 of Exhibit C "GTC 04/2017" is removed in its entirety and replaced with the following:

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- a) Bodily injury including, but not limited to, bodily injury, sickness or disease, emotional injury or death to persons, including, but not limited to, the public, any employees or agents of Contractor, the State, or any other contractor; and
- b) Damage to property of anyone including loss of use thereof; caused or alleged to be caused in whole or in part by any negligent or otherwise legally actionable act or omission of Contractor or anyone directly or indirectly employed by Contractor or anyone for whose acts Contractor may be liable.

Except as otherwise provided by law, these requirements apply regardless of the existence or degree of fault of the State. Contractor is not obligated to indemnify the State for claims arising from conduct delineated in Civil Code § 2782 and for claims arising from any defective or substandard condition of Platform Holly or the EOF that existed at or before the start of work, unless this condition has been changed by the Contractor's work without authorization from CSLC or the claim arises from Contractor's failure to maintain those facilities. Contractor is not obligated to indemnify the State and therefore specifically excludes claims arising from conduct by any independent third party, not including Contractor's subcontractors, including claims arising from or associated with the method and short and long term effectiveness of plugging and abandoning wells as well as any increase in natural seepage due to conditions outside Contractor's control.

Contractor's defense and indemnity obligation shall extend to claims arising after the work is completed and accepted if the claims are directly related to acts or omissions by Contractor that occurred during the course of the work. Any inspection of the work by the State is not a waiver of full compliance with these requirements.

With respect to third-party claims against Contractor, Contractor waives all rights of any type to express or implied indemnity against the State, its officers, employees, or agents (excluding agents who are design professionals). Nothing in the Contract is intended to establish a standard of care owed to any member of the public or to extend to the public the status of a third-party beneficiary for any of these indemnification specifications.

Notwithstanding the above, the State and Contractor understand that for all purposes under this agreement, the State is the sole operator of Platform Holly and the EOF and is therefore solely liable for all costs and claims associated with permit violations, minor and major oil and hazardous material spills and any other claims resulting from large scale environmental activity.

8. Subcontractors/Special Services: When subcontractors or special services are required in performance of the Scope of Work, the Contractor will be compensated for invoiced costs of the services plus markup costs. Markup costs for CLIN 0001 and CLIN 0002 or Tasks 1a and 1b are limited to five percent (5%). For Optional Tasks, markup may be proposed by Contractor and negotiated above the current limit. Factors that may be considered include, but are not limited to, contract type, contract risk associated with scope and contracted services, extent of clarity of scope, and duration of performance.
9. Accident Prevention: Precautions shall be exercised at all times for the protection of persons (including employees) and property. These shall include, but not limited to, the installation of adequate safety guards and protective devices for all equipment and machinery, whether used in the performance of work or permanently installed as part of the work. Contractor awarded the agreement shall comply with all applicable laws relating to safety precautions, including the safety regulations of the Division of Industrial Safety, California Department of Industrial Relations.
10. Work Site Inspection - Contractor shall at all times permit Owner's Representative and any other authorized agents to visit and inspect the work at the workplace. Reasonable notice shall be provided for all visits and inspections.
11. Permits - The Contractor shall be responsible for obtaining the required permits from appropriate agencies for the performance of Work on behalf of the California State Lands Commission except those as specified in the Scope of Work and this Agreement. Specifically, the State shall be responsible for obtaining permits and authorizations from the U.S. Army Corps of Engineers, the Regional Water Quality Control Board, and the Coastal Commission. Contractor shall be responsible for hauling permits, air quality permits, waste disposal permits, and other permits specific to Contractor's Work. Contractor and the State will work cooperatively, as necessary, to obtain and comply with their respective permits.
12. State's Rights to Stop Performance - If Contractor fails to correct work which is not in accordance with the requirements of this Agreement or subsequent work specifications or otherwise fails to carry out the Work in accordance with this Agreement; or fails or refuses to provide a sufficient amount of properly supervised and coordinated labor, materials, or equipment so as to be able to complete the work within the Contract time; or disregards the instructions of the Project Coordinator when based on the requirements of this Agreement; State may order Contractor to stop the work, or any portion thereof, until the cause for such order has been eliminated; provided however, the right of the State to stop the work shall not give rise to a duty on the part of State to exercise this right for the benefit of Contractor or any other or entity and any delay resulting from such work stoppage shall not extend any milestone date identified in the Contract or the required dates of substantial or final completion. Notwithstanding any order by the State to stop or partially stop work, the State's payment obligations pursuant to paragraph 15 of this Exhibit D remain. Further, in the event Contractor disputes the State's stop work order, Contractor may follow the dispute resolution procedures pursuant to paragraph 2 of this Exhibit D.
13. Contract Performance and Third Party Delays – All performance under this Agreement shall be completed on or before the termination date of the Agreement. However, under no circumstances, will Contractor be responsible for delays in performance caused by third parties, including ExxonMobil, or delays caused by State and local permitting agencies when such delays are of no fault of the Contractor.

14. Release of Information by Contractor – No reports, information, discoveries, or data assembled, developed, or obtained by the Contractor pursuant to this Agreement shall be released, made available to any person, or used in any manner by the Contractor in other activities without prior written approval of the State. The State agrees to not unreasonably withhold information releases. In an emergency situation, Contractor has the right to release information to assist the response efforts without prior written approval of the State.
15. Copyrights – Unless expressly agreed to in writing, the State is to retain ownership of all “original material” resulting from this Agreement. No reports or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Contractor or his subcontractor without the express authority of the State. The State shall have unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, or other original materials prepared under this Agreement. Original materials shall not include personal information or data related to Contractor’s employees.
16. Conflict with Existing Law – Contractor and the State agree that, if any provision of this Agreement is found to be illegal or unenforceable, such term or provision shall be deemed stricken and the remainder of this Agreement shall remain in full force and effect. Either party having knowledge of such terms or provision shall promptly inform the other of the presumed non-applicability of such provision. If removal of the unenforceable provision deprives a party of a material benefit of this Agreement, this Agreement will terminate immediately.
17. Suspension of Work – The State project coordinator may, by written order, suspend the work of the Contractor, or any portion thereof for any period as they may deem necessary, for any reason. In the event the State elects to resume work and cancel the Stop Work Order, State will: (a) adjust the cost as reasonably necessary to compensate Contractor for any additional and unavoidable costs resulting from the delay; and (b) adjust the delivery schedule as reasonably necessary due to the delay. Any adjustments made pursuant to this provision shall be made in writing by the State Project Coordinator. If work is suspended indefinitely, State agrees to pay all costs in full up to the point of suspension and also compensate Contractor for any work reasonably necessary to transfer operations of the EOF and Holly to the State and assign to the State all contracts related to operations of the facilities (example: SoCal Gas, Ellwood Pier Access, Edison, Venoco equipment, utilities). Notwithstanding the foregoing, the State shall be responsible to pay for any outstanding invoices as well as for work completed up and through the date of cancellation or indefinite suspension within forty five (45) days of receipt of invoice in accordance with Government Code, Chapter 4.5 (commencing with Section 927). Contractor shall not be liable for any claims arising from the State’s decision to suspend work indefinitely prior to the end of the Agreement term.
18. Work Performance - The Contractor shall be responsible for the professional quality, technical accuracy, and the coordination of all services furnished. All work under this Agreement shall be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices and in conformance with generally accepted professional standards prevailing at the time the Work is performed so as to ensure that the services provided are correct and appropriate for the purpose contemplated in this Agreement and related provisions. In the event errors and deficiencies in Contractor’s Work are demonstrated, Contractor shall correct and revise such errors without additional compensation.
19. Force Majeure - Fires, floods, wars, acts of war, strikes, lockouts, labor disputes, accidents to machinery, delays or defaults of common carriers, orders, decrees or judgments of any court, or any other contingency beyond the control of the Contractor or the State, whether related or unrelated, or similar or similar to any of the foregoing, will be sufficient excuse for any resulting delay or failure in the performance by either party of its respective obligation under the Agreement, but such performance will be excused only as long as the *force majeure* continues.
20. Licenses and Permits - Subject to the limitations identified in paragraph 9 of this Exhibit D, the Contractor warrants that it is an individual or firm licensed to do business in California and have obtained, at their expense all license(s) and permit(s) required by law for accomplishing any Work required in connection with this Agreement. In the event any license(s) and/or permit(s) expire at any time during the term of this Agreement, Contractor agrees to provide the State a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s)

and permit(s), the State may, in addition to any other remedies it may have, terminate this Agreement upon occurrence of such event.

21. Task Approval Process – The designated State Project Coordinator shall maintain control and direction at all times over the Scope of Work being performed by the Contractor under this Agreement. The State Project Coordinator reserves the right to change the tasks as defined within the general Scope of Work to be performed by the Contractor without reducing the term of this Agreement or the contract value.
22. Unanticipated Tasks - In the event that additional work must be performed, which was not identified in either the State's solicitation document, the Contractor's proposal submitted in response hereto, the Scope of Work including Primary Tasks and Optional Tasks, the Contractor shall submit the intended change in required work and the proposed cost supported by full and complete documentation. Each Change Request shall identify the following: (1) the purpose, objective, or goals to be undertaken by the Contractor, in a detailed statement, (2) the tasks necessary to accomplish the goals, (3) the deliverables, including all relevant documentation or modification to existing documentation, (4) a time schedule for the provision of these deliverables, (5) the completion criteria for the work to be performed, (6) the Contractor's personnel to be assigned, (7) the job classification or approximate skill level of such personnel, (8) the quantity(ies) of labor-hours by job classification or skill level, (9) the quantity(ies) of deliverables.

All work under this section is subject to amendment requirements as specified in Exhibit D, paragraph 1. No additional work shall be performed by the Contractor unless authorized by the State Project Coordinator and all requirements are met including the review by the DGS Legal, if necessary. All additional unanticipated tasks shall be performed in accordance with all applicable requirements of this Agreement.

23. Consultant - Staff Expenses – Except as identified in CLIN 0001/Task 1a in Exhibit A, the Contractor shall secure at its own expense, all staff including subcontractors and legal staff required to perform the services described in this Agreement. Such personnel shall not be employees of or have any personal contractual relationship with the CSLC or any other governmental entity.
24. Assignment and Replacement of Personnel

BY CONTRACTOR - This Agreement is for services to be provided by specific persons listed and described in the Contractor's Proposal and the Agreement Estimate is based on salaries for these same persons as identified in Contractor's Cost Proposal. State enters into this Agreement relying on the skills and qualifications of those persons listed and the costs identified for them by the Contractor. Contractor acknowledges that in the event any or all of these listed individuals are removed, replaced or reassigned by the Contractor, such removal, replacement, or reassignment may result in serious harm to the State. Contractor agrees not to remove, replace, or reassign such individuals without the written approval of the State Project Coordinator. Such approval shall not be unreasonably withheld or delayed provided that any replacement or additional personnel proposed during the life of this Agreement meet or exceed the skill level and experience that the Contractor proposed. The State Project Coordinator will have the final decision and has the authority as to whether substitute personnel meet the qualifications and whether to approve the substitution of the Contractor team members. Contractor shall provide to the State's Project Coordinator the name and resume of such person and the work to be performed, along with a justification of the necessity for the substitution or addition and the rate to be charged.

BY STATE - The State reserves the right to approve in advance Contractor's personnel to be assigned to this project and to disapprove, with good cause shown, the continuing assignment of Contractor's personnel provided under this Agreement. If a Contractor's employee is unable to perform due to illness, resignation or other factors beyond the Contractor's control, the Contractor shall make every reasonable effort to immediately provide suitable substitute personnel.

If State finds the performance of any of Contractor's employees or subcontractors to be unsatisfactory and so notifies the Contractor in writing, Contractor shall have a reasonable time, not to exceed 30 days, to remedy that person's unsatisfactory performance or to replace said employee or subcontractor. This provision does not in any way require, endorse or approve (expressed or implied) the termination of employment by the Contractor of any employee removed, replaced, or reassigned under the terms of this paragraph.

EXHIBIT E

Public Works Components

To the extent that any activities performed under this Agreement involve public works as defined in section 1720 of the California Labor Code, the following applies to those activities.

1. Public Works - Rules/Regulations - The Contractor shall observe and comply with all federal, state, city, and county laws, rules or regulations affecting the work. Any work done that does not comply with any laws, rules, or regulations will be remedied at the Contractor's expense except as otherwise stated in Exhibit A or herein.
2. Employment of Undocumented Aliens - No state agency or department, as defined in Public Contract Code Section 10357, that is subject to this code, shall award a public contract to a bidder or contractor, nor shall a bidder or contractor be eligible to bid or receive a public works contract, who has, in the preceding five years, been convicted of violating a state or federal law regarding the employment of undocumented aliens. See Public Contract Code Section 6101.
3. National Labor Relations Certification - By signing this Agreement, the Contractor swears under penalty of perjury that no more than one final un-appealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two year period because of the contractor's failure to comply with an order of a federal court which orders the contractor to comply with an order of the National Labor Relations Board.
4. Antitrust Claims - Contractor offers and agrees and will require all of his other subcontractors and suppliers to agree to assign to the awarding body all rights, title, and interest in and to all causes of action they may have under Section 4 of the Clayton Act (15 USC Section 15) or under the Cartwright Act (Chapter 2 [commencing with section 16700] of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the public works contract or subcontract. The assignment made by the contractor and all additional assignments made by the subcontractors and suppliers shall be deemed to have been made and will become effective at the time the awarding body tenders final payment to the contractor without further acknowledgment or the necessity of tendering to the awarding body any written assignments.

If an awarding body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under Government Code section 4550-4554, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, on demand, recover from the public body any portion of the recovery, including treble damages, and attributable overcharges that were paid by the assignor but were not paid by the public body as a part of the bid price, less the expenses incurred in obtaining that portion of the recovery. On demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under Government Code sections 4550-4554 if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action.

5. Prevailing Wage Rates - The Director of the Department of Industrial Relations has ascertained general prevailing wage rates in the county in which the work is to be performed. Upon request, the State shall furnish to the Contractor a copy of such prevailing wage rates that the Contractor shall post at the job site.
The prevailing wage rates set forth are the minimum that may be paid by the Contractor. Nothing herein contained shall be construed as preventing the Contractor from paying more than the minimum rates set forth. No extra compensation whatsoever will be allowed by the State due to the inability of the Contractor to hire labor at minimum rates or for the necessity for payment by the Contractor of subsistence, travel time, overtime or other added compensations.

If it becomes necessary to employ work classifications other than those listed, the Contractor shall notify the State immediately. The State will ascertain the additional prevailing wage rates. The rates thus determined shall be applicable as the minimum from the time of initial employment. The

Contractor shall comply with all prevailing wage rate requirements and shall be subject to all restrictions and penalties in accordance with section 1770 through 1780 of the California Labor Code.

6. Americans with Disabilities Act - By signing this Agreement, the Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 USC Section 12101 et seq.), which prohibits discrimination on the basis of disability, as well as with all applicable regulations and guidelines issued pursuant to the ADA.
7. Equipment Indemnification – Contractor shall indemnify for any claims against CSLC for loss or damage to the Contractor's property or equipment during its use under this Agreement and shall at the Contractor's own expense maintain such fire, theft, liability or other insurance as deemed necessary for this protection. The Contractor assumes all responsibility which may be imposed by law for property damage or personal injuries caused by defective equipment furnished under this Agreement or by operators of the Contractor or the Contractor's employees under this Agreement.
8. Audit Language - The Contractor agrees that the awarding agency or the Bureau of State Audits or its designated representative, shall have an absolute right of access to all of the Contractor's records, files, documents, accounts and financial affairs as deemed necessary for the purpose of conducting an audit to determine compliance with the terms and conditions of this contract. The contractor shall provide the auditor(s) with any relevant information requested without unnecessary delay and, on reasonable notice, permit access to its premises during normal business hours for the purpose of interviewing staff and inspecting and copying such books, records, accounts, and any other material as warranted to conduct the audit. The contractor further agrees to maintain such records for a period of three years after final payment is made on this contract or three years after resolution of all issues that may arise as a result of any litigation, claim, negotiation, or audit related to the contract, whichever is later. The state agrees to treat as confidential any proprietary information obtained as a part of any such audit.
9. Licenses and Permits - The Contractor shall be an individual or firm licensed to do business in California and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this contract. In the event any license(s) and/or permit(s) expire at any time during the term of this contract, Contractor agrees to provide CLSC a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this contract upon occurrence of such event.
10. Labor Code Certifications
 - a. I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this contract.
 - b. It is hereby mutually agreed that in the event CSLC and/or Contractor determines that a portion of the Scope of Work requires labor to be paid at the prevailing wage and Contractor knowingly fails to pay such prevailing wage, the Contractor shall forfeit to the State \$50.00 for each calendar day, or portion thereof, for each worker paid by him or her, or subcontractor under him or her, less than the prevailing wage so stipulated and in addition the Contractor further agrees to pay to each worker the difference between the actual amount paid for each calendar day, or portion thereof, and the stipulated prevailing wage rate for the same. This provision shall not apply to properly registered apprentices.
 - c. It is further agreed that the maximum hours a worker is to be employed is limited to eight hours a day and 40 hours a week and the contractor shall forfeit, as a penalty to the State, twenty-five dollars for each worker employed in the execution of the contract for each calendar day during which a worker is required or permitted to labor more than eight hours in any calendar day or more than 40 hours in any calendar week, in violation of Labor Code Sections 1810-1815, inclusive.

- d. Properly registered apprentices may be employed in the prosecution of the work. Every such apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he or she is employed, and shall be employed only at the work of the craft or trade to which he or she is registered.

The Contractor and each subcontractor must comply with the requirements of the Labor Code Section 1777.5 and any related regulations regarding the employment of registered apprentices.

- e. Each Contractor and subcontractor shall comply with the Labor code Section 1776 regarding record

Attachment 1

TRAVEL AND PER DIEM EXPENSES

I. SHORT-TERM PER DIEM EXPENSES

A. In computing reimbursement for continuous short-term travel of more than 24 hours and less than 31 consecutive days, the consultant will be reimbursed for actual costs up to the maximum allowed for each meal, incidental, lodging expense for each complete 24 hours of travel, beginning with the traveler's times of departure and return, as follows:

1. On the first day of travel on a trip of 24 hours or more:

Trip begins at or before 6 a.m.	Breakfast may be claimed on the first day.
Trip begins at or before 11 a.m.	Lunch may be claimed on the first day.
Trip begins at or before 5 p.m.	Dinner may be claimed on the first day.

2. On the fractional day of travel at the end of a trip of more than 24 hours:

Trip ends at or after 8 a.m.	Breakfast may be claimed.
Trip ends at or after 2 p.m.	Lunch may be claimed.
Trip ends at or after 7 p.m.	Dinner may be claimed.

If the fractional day includes an overnight stay, receipted lodging may also be claimed. No meal or lodging expense may be claimed or reimbursed more than once on any given date or during any 24 hour period.

3. Reimbursement shall be four actual expenses, subject to the following maximum rates:

Breakfast	\$7.00	Receipts are not required for regular short term travel meals.
Lunch	\$11.00	
Dinner	\$23.00	
Incidentals	\$5.00	

Lodging:

Marin County	Actual up to \$110.00 plus tax.
Alameda, San Mateo, Santa Clara	Actual up to \$140.00 plus tax.
San Francisco	Actual up to \$250.00 plus tax.
Monterey and San Diego	Actual up to \$125.00 plus tax.
Los Angeles, Orange, Ventura & Edward AFB	Actual up to \$120.00 plus tax.
City of Santa Monica	Actual up to \$150.00 plus tax.
Napa, riverside and Sacramento Counties	Actual up to \$95.00 plus tax.
All counties/Cities in California not noted above	Actual up to \$90.00 plus tax.

If lodging receipts are not submitted, reimbursement will be for meals only at the rates and time frame set forth in B#1 below.

- B. In computing reimbursement for continues travel of less than 24 hours, actual expenses, up to the maximum in #3 above, will be reimbursed for breakfast and/or dinner and/or lodging in accordance with the following time frames:
1. Travel begins at or before 6 a.m. and ends at or after 9 a.m.: Breakfast may be claimed. Travel begins at or 4 p.m. and ends at or after 7 p.m.: Dinner may be claimed. If the trip of less than 24 hours includes an overnight stay, receipted lodging may be claimed. No lunch or incidentals may be reimbursed on travel of less than 24 hours.
 2. Travelers on short-term travel who stay in commercial lodging establishments or commercial campgrounds will be reimbursed for actual lodging expenses substantiated by a receipt. Travelers who stay with friends or relatives, or who do not produce a lodging receipt, will be eligible to claim meals only.

II. MILEAGE REIMBURSEMENT

Reimbursement for personal vehicle mileage shall be at the Internal Revenue Service (IRS) rate (currently \$0.535 per mile for 2017)

There is no specific rate determined for the reimbursement for personal vehicle mileage using a specialized vehicle that has been modified to accommodate disabilities. In these cases, the same reimbursement rate will apply.

III. Transportation Rental

Reimbursement for vehicle rental shall be for actual and necessary costs of such rental and airplane usage shall be allowed at the lowest fare available. Claims for reimbursements shall be allowed upon submittal of the appropriate receipt. Refer to California Code of Regulations, Title 2, Sections 599.627 and 599.628.

Exhibit F - Contract Rate Schedule

CSLC Contract #: C2017014

Consultant Name: Beacon West Energy Group, LLC

Project: Offshore Oil & Gas Engineering Consultant

BEACON WEST BILLING RATES - Year 1 CSLC Contract C2017014**BEACON WEST ENERGY GROUP, LLC** Fully Loaded Hourly Rate**Professional Staff**

Project Manager	\$277.27
Ops/Engineering Manager	\$281.39
EHSR Manager	\$229.25
Sr. Facilities Engineer	\$233.94
Sr. Petroleum Engineer	\$191.89
Sr. Geoscientist	\$244.83
Contracts Specialist	\$152.83
Safety and Enviro Coordinator	\$107.40
Sr. Designer/CADD/GIS Specialist	\$117.09
Designer/ GIS Specialist	\$77.72
Project Specialist	\$66.55
Project Admin II	\$65.37
Project Admin I	\$48.66
Sr. Operations Specialist	\$160.08
Offshore IT Specialist	\$138.68
Sr. Construction Sup. (Onshore - 8 hr)	\$138.09

FIELD STAFF

Fully Loaded Hourly Rate

Sr. Construction Sup. (Offshore - 12 hr)	\$196.31
Sr. Ops Supervisor	\$171.25
Field Prod Technician	\$59.82
Onshore #1 Operator	\$114.74
Onshore #2 Operator	\$94.83
Onshore #3 Operator	\$78.14
Onshore Utility Worker	\$71.17
Offshore #1 Operator	\$134.05
Offshore #2 Operator	\$116.73
Offshore #3 Operator	\$96.98
Offshore Utility Worker	\$75.96
Head Mechanic	\$113.91
Mechanic	\$105.21
Electrical Technician	\$108.49
Safety Tester	\$84.08

Vehicles

EOF Field Vehicles	\$50.00/day/truck
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(Rates good until Sept. 15, 2018 and thereafter subject to 3% annual increase)