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Phillips 66 Company
Attn.: Kenneth Dami, Government and Public Affairs Manager
Email: Kenneth.G.Dami@p66.com

Los Angeles County Fire Department
Attn.: Battalion Chief Frank Forman; Frank.Forman@fire.lacounty.gov
Jennifer Tam, Senior Deputy County Counsel; JTam@counsel.lacounty.gov

Re: *Letter Agreement regarding Phillips 66's Intent to Pay City of Carson's Costs of Proposed Service Agreement with Everbridge, Inc. for Mass Notification Services pursuant to AB 1646*

Ladies and Gentlemen:

This Letter Agreement ("Agreement") is entered into by and between the **CITY OF CARSON**, a charter city and municipal corporation ("City" or "Carson"), the **COUNTY OF LOS ANGELES** ("County"), a political subdivision of the State of California, including specifically the Los Angeles County Fire Department ("County Fire") as the Certified Unified Program Agency ("County CUPA"), and **PHILLIPS 66 COMPANY**, a Delaware corporation authorized and doing business in California ("Phillips 66"), effective as of the date of full execution hereof. The City, the County, and Phillips 66 may be referred to, individually or collectively, as a "Party" or the "Parties."

This Letter Agreement is entered into with reference to the following background recitals:

1. Phillips 66 operates an oil refinery located in the City of Carson (the "Refinery").
2. County CUPA is the "unified program agency" for the City, and County Fire serves as the City's fire department pursuant to contract between the City and County Fire.
3. County is in the process of developing and implementing the integrated alerting and notification system pursuant to Assembly Bill 1646 (2017) ("AB 1646") for the City of Carson and the larger South Bay region. With respect to the City of Carson (without limitation as to the larger South Bay region), the integrated alerting and notification system will be provided using the "Mass Notification Pro" software service and/or other related Software-as-a-Service (Saas) solutions developed and owned by Everbridge, Inc. ("Everbridge").

4. County and County CUPA have not yet completed the AB 1646 implementation process, including the adoption of the fees, by County CUPA, required to be paid by petroleum refineries (including the Refinery) pursuant to AB 1646 and codified in Health & Safety Code Section 25536.6(h) and (i). County CUPA is in the process of doing so, and as part of that process, County Fire, subject to approval of County's Board of Supervisors, may be formally designated as a "local implementing agency," as defined in Health & Safety Code Section 25532(d), for purposes of developing, implementing, and maintaining an integrated alerting and notification system for the City of Carson as required pursuant to AB 1646. In the alternative, or in addition, City or one of its affiliated agencies or departments may be designated as a/the "local implementing agency," subject to approval of City's City Council, in the event County and/or City determine(s) that such designation would be necessary and appropriate.
5. City desires to commence provision of mass notification services to its residents pursuant to AB 1646 as soon as possible, for the protection of public health and safety. To do so, City desires to enter into a Master Services Agreement with Everbridge whereby City would obtain a license to use Everbridge's Mass Notification Pro SaaS for a three-year term, with potential for subsequent renewal thereafter (the "MSA"). The MSA, once effective, would enable City (and County on City's behalf, in its capacity as the City's fire department and unified program agency, and/or as an authorized user under the MSA), to send out mass notifications to residents of the City (and in some cases the surrounding communities) via text message regarding public health or safety emergencies or other matters of concern to public health and safety, including incidents at or emissions from the Refinery.
6. City's City Council has approved the MSA, but City has not yet executed it, because the MSA, although providing for Everbridge to remit invoices to the City, contemplates payment of Everbridge's service fees by Phillips 66, as owner and operator of the Refinery, and Tesoro Refining and Marketing Company ("Marathon"), as owner and operator of another refinery located in the City, pursuant to AB 1646. As such, City's City Council has not approved use of City funding to pay for Everbridge's services pursuant to the MSA.
7. Phillips 66 desires to comply with AB 1646, which is in full effect and applicable to the Refinery as of the date of this Agreement. To that end, Phillips 66 intends to fund half of the contract sum of the MSA on the terms set forth in this Agreement. Phillips 66 understands and acknowledges that the City's and County CUPA'S intent and expectation is for the remaining half of said contract sum to be paid by Marathon pursuant to a separate agreement with the City and County CUPA similar to this Agreement, but that such agreement or lack thereof shall have no effect on this Agreement.

Now therefore, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

Business/Payment Terms

1. Phillips 66 hereby agrees to pay the City fifty percent (50%) of the contract sum of the MSA, which is detailed as follows:
 - a. One-time setup and implementation fees: \$3,301.02;
 - b. Annual service price: \$41,262.74. Includes:
 - i. Mass Notification pro annual subscription license fee;
 - ii. 7 annual days of remote consulting services (staff training);
 - iii. 98,000 resident annual connection.
 - iv. 24x7x365 customer support.
 - c. **Total for three-year contract term: \$127,089.24 ("Contract Sum").**
 - d. **Phillips 66's 50% share of the Contract Sum: \$63,544.62 ("Phillips 66 Portion").**
2. Pursuant to Section 2 of the MSA, City will receive invoices from Everbridge annually in advance of each contract year for the term of the MSA. The Phillips 66 Portion, as applied to each of the invoices, will be payable as follows:
 - a. First annual payment: \$22,281.88, comprised of:
 - i. 50% of one-time setup and implementation fees (\$1,650.51); plus
 - ii. 50% of annual service price (\$20,631.37)
 - b. Second annual payment: \$20,631.37 (50% of annual service price);
 - c. Third annual payment: \$20,631.37 (50% of annual service price).

When the invoice is issued to City, Everbridge may also issue a copy of same to Phillips 66; alternatively, City will forward a copy of same to Phillips 66. Phillips 66 will make payment of its portion of the invoice (as set forth in this Section 2, above) to City (or to County CUPA or directly to Everbridge, as directed by City's City Manager or designee) within the time required by Section 2 the MSA (within 45 days of City's receipt of the invoice).

Alternatively, Phillips 66 may elect to pay City a lump sum in the full amount of the Phillips 66 Portion upon effectiveness of this Agreement, in which case City will apply the Phillips 66 Portion to payment of Everbridge's invoices pursuant to the MSA as they come due.

3. City and County CUPA warrant to Phillips 66 that they will, collectively or individually, take the actions necessary to establish their authority to collect AB 1646 fees from

Phillips 66 for the Refinery, and that Phillips 66's payment(s) of the Phillips 66 Portion will be applied toward its fee payment obligations (whether present or future) pursuant to AB 1646. Until the AB 1646 implementation process (including designation of the local implementing agency(ies)) is complete, payment(s) of the Phillips 66 Portion may be requested, by City's City Manager or designee, to be made directly from Phillip 66 to Everbridge, in which case Phillips 66 shall be required to notify City and County CUPA of such payments when made. In the event County Fire or another County agency, and not City, is designated as the "local implementing agency" for or on behalf of, or within the jurisdiction of, the City for purposes of AB 1646, Phillips 66's payment(s) of the Phillips 66 Portion shall be made to such County agency for subsequent payment to Everbridge on behalf of City. In the event that (i) AB 1646 has not been implemented (including with respect to adoption of AB 1646 fees and/or designation of the local implementing agency) by either City or County CUPA as of the date of expiration of the initial three-year term of the MSA, and it is clear to the Parties as of said date that no such implementation will occur within the foreseeable future, or (ii) City and County CUPA at any point in time acknowledge and agree, and inform Phillips 66 in writing, that no AB 1646 implementation by County CUPA or City will occur, such that they will not have the requisite authority to accept payment of fees from Phillips 66 pursuant to AB 1646, then City and County CUPA shall notify Phillips 66 to cease payments pursuant to this Agreement, and City and County CUPA will refund its respective share of payment(s) received from Phillips 66 pursuant to this Agreement to Phillips 66, except to the extent that the payments made pursuant to this Agreement can be applied toward Phillips 66's fee payment obligations to another applicable AB 1646 local implementing agency.

General Terms

No amendment to this Letter Agreement shall be valid unless in a writing duly approved and executed by all Parties. The Parties may at any point elect to extend or renew this Letter Agreement by an amendment in accordance with the preceding sentence.

Phillips 66 will be responsible for any reasonable attorneys' fees, costs, and expenses incurred by City and/or County CUPA to collect any amounts that are not paid when due as set forth above. Additionally, if any Party is required to initiate or defend or made a party to any action or proceeding in any way connected with enforcing this Letter Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

This Letter Agreement shall be interpreted, construed and governed in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Letter Agreement shall be instituted in the Superior Court of the County of Los

Angeles, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.

In the event that any part of this Letter Agreement is declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Letter Agreement, which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder.

The persons executing this Letter Agreement on behalf of the respective Parties warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Letter Agreement on behalf of said Party, (iii) by so executing this Letter Agreement, such Party is formally bound to the provisions of this Letter Agreement, and (iv) the entering into this Letter Agreement does not violate any provision of any other agreement to which said Party is bound. This Agreement shall be binding upon the successors and assigns of the Parties.

This Letter Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, whether the signatures are originals, facsimiles or electronic. All such counterparts shall together constitute but one and the same Letter Agreement.

[signatures on the following page]

By executing this Letter Agreement on the signature lines below, the Parties each acknowledge and agree to the terms and provisions set forth above.

CITY OF CARSON

By: _____
Name: Sharon Landers
Title: City Manager
Date: _____

APPROVED AS TO FORM
ALESHIRE & WYNDER, LLP

By: _____
Name: Sunny K. Soltani [BRJ]
Title: City Attorney

ATTEST


Donesia Gause-Aldana, City Clerk

COUNTY OF LOS ANGELES - CUPA

By: _____
Name: Mario Tresieras
Title: Chief, Health Hazardous Materials Division,
CUPA
Date: _____

PHILLIPS 66

PHILLIPS 66 COMPANY, a Delaware corporation

By:  _____
Name: TIM SEIDEL
Title: GENERAL MANAGER PHILLIPS 66 LOS ANGELES
Date: 12/4/2020