



February 1, 2017

Chris Beckwith
Chief, Marine Facilities Division
California State Lands Commission (CSLC)
200 Oceangate, Suite 900
Long Beach, CA 90802

RE: Kinder Morgan Tank Storage Terminals, LLC (Kinder Morgan)
LA Harbor Terminal
Subsequent MOTEMS Audit

Dear Mr. Beckwith:

This letter will confirm that Kinder Morgan agrees to conduct a subsequent audit in 2017 in accordance with the Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) of the California Building Code, Chapter 31F for the Kinder Morgan LA Harbor Terminal, located in the Port of Los Angeles, Berths 118-120. This audit follows the 2013 Subsequent Audit Report submitted to the CSLC on November 7, 2013 and the initial audit report submitted in January 2010.

This subsequent audit was requested by the CSLC due to the fact that Kinder Morgan intends to extend its lease with the Port of Los Angeles for an additional lease period past the 2018 prior extension. The additional lease extension is necessary for Kinder Morgan to continue operations at Berth 118 while developing a relocation site. Kinder Morgan will complete the audit in 2017. This audit will determine whether any additional or outstanding deficiencies require repairs or upgrades in order to continue operating safely and to protect public health, safety and the environment.

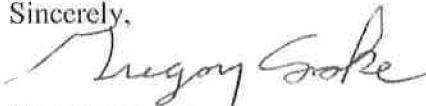
Kinder Morgan plans to mitigate agreed upon operational and seismic deficiencies. We will review other upgrades and repairs with the CSLC that are reasonable in light of the limited operations and short remaining life of the LA Harbor Terminal. Kinder Morgan has already demolished numerous tanks and other structures at the marine oil terminal.

We will submit the subsequent 2017 audit report to the CSLC when it is completed by our third party contractor, AECOM.

Transmittal 2

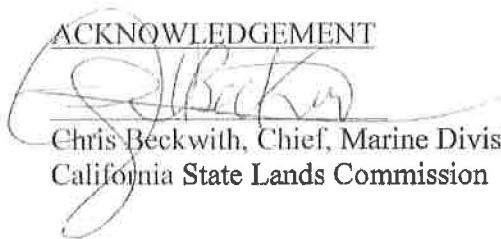
Please acknowledge the contents of this letter by signing below. Please contact me at 714-560-4622, should you have any questions.

Sincerely,



Gregory Cooke
Director, Business Development

ACKNOWLEDGEMENT



Chris Beckwith, Chief, Marine Division
California State Lands Commission