



RETURN COMPLETED FORM TO: michelle.d.miller@p66.com
or Fax #: 918-977-7897

Faxed on 10/29/15 10:57 am

Phillips 66-Branded Airport Dealers Excess Liability Insurance Program - LETTER OF UNDERSTANDING

I. I hereby request to be included (free of charge) in the Phillips 66-Branded Airport Dealers Excess Liability Insurance Program ("Program"). Once properly enrolled, I will be automatically re-enrolled in the Program effective April 1 of each year, from year to year thereafter, so long as:

(1) I am a Phillips 66-branded fixed base operator ("FBO") pursuant to a Phillips 66 branded aviation supply agreement directly with Phillips 66 Company ("Phillips 66") or through a Phillips 66 marketer, and,

(2) I meet the Program requirements.

As of April 1, 2008, the Program provides excess liability coverage in the amount of \$50,000,000 per occurrence and in the aggregate for sums which I am legally obligated to pay due to a covered occurrence during the policy period when Phillips 66-branded fuels and lubricants are used, and arising from the activities listed below. It should be understood that the Program is specifically linked to and only meant to respond to Phillips 66' business as a supplier of branded aviation products, and is limited to the following activities:

- a. Aviation fuel into plane services relating to sale, service, storage and supply of Phillips 66-branded aviation fuel and lubricant products, including fueling and defueling operations.
- b. Aviation fuel tank facilities relating to the storage of fuel and operation of fuel tank facilities.
- c. Operation of fueling trucks and other vehicles within airport premises.

I further understand that if I have a fuel supply agreement directly with Phillips 66 or with a Phillips 66 marketer, and if I carry primary contractual liability insurance covering my liability under that agreement, then the Airport Dealers Excess Liability Insurance will, in addition to the coverage explained above, also provide contractual liability coverage to the same extent, subject to policy exclusions.

II. **To participate in the Program, I understand that I must maintain in effect primary liability insurance (including Products Liability and Completed Operations Liability) in the following amounts:**

- a. **Not less than the amounts carried at the time I received knowledge of this excess liability coverage, but**
- b. **In any event no less than \$1,000,000 combined single limit for each occurrence and in the annual aggregate with respect to Products Liability and Completed Operations coverage. Evidence of coverage must specifically include limits of \$1,000,000 in the aggregate for Products Liability and Completed Operations coverage. Any sublimits below \$1,000,000 on a "per person" or "per passenger" basis will disqualify me from the Program.**

I understand that this excess liability coverage will be afforded to me only to the extent that I maintain insurance to comply with the above primary insurance requirements. I further understand that the Phillips 66-Branded Airport Dealers Excess Liability insurance coverage will change without notice should my coverage expire or should the amounts of my primary liability insurance be reduced below \$1,000,000 (except in the event of a claim depleting the underlying limit).

A properly completed Letter of Understanding is required from me in order to be covered under the Program. Once I am enrolled in the Program, I will be automatically re-enrolled thereafter for twelve month periods effective each April 1 pursuant to the current terms and conditions of the Program. Phillips 66 will forward a revised Letter of Understanding if there are changes to the Program (e.g. changes in the renewal dates or policy limits). Written notice will be given in the event the Program is terminated.

I agree and am in compliance with the above primary insurance requirements.

III. Coverage Issues and Exclusions

- a. It is important to understand that this Program is considered "following form" which means that the coverage provided under the Program will follow the same policy terms, conditions, exclusions and limitations as my primary insurance affords to my fuel/fueling related coverage. Coverage will not "follow form" and will be more restrictive if I no longer carry \$1,000,000 of commercial underlying insurance.
- b. War Risks, Hijacking and other similar perils are specifically excluded under this Program, regardless of my primary policy coverage.



To: Phillips 66-Branded FBO

Subject: **Invitation to Enroll in the
Phillips 66-Branded Airport Dealers Excess Liability Insurance Program**

You are invited to enroll (free of charge) in the Phillips 66-Branded Airport Dealers Excess Liability Insurance Program ("Program"). Enclosed is the Letter of Understanding ("LOU") explaining the Program.

Once properly enrolled, you will be automatically re-enrolled in the Program effective April 1 of each year, from year to year, provided you are a Phillips 66-branded FBO and continue to meet the Program requirements.

To enroll in the Program, please complete the LOU, sign it, date it, and return it by mail, email, or fax to the contract analyst shown at the bottom of this page.

Providing that all of the Program requirements are met, your coverage in the Program will take effect when your fully executed LOU is received by Phillips 66 Company. When we have confirmed your acceptance into the Program, we will return a copy of your completed and verified LOU form to you for your files as confirmation that you are enrolled in the Program.

Please feel free to share photocopies of this letter and the LOU with your insurance carrier in order to ensure that your primary coverage meets the requirements for the Program. **The LOU contains a detailed description of the Program requirements that must be met to be enrolled in the Program.** Below is a summary of the main Program requirements:

- Must be either (i) a Phillips 66 Branded FBO with a current, active, fully executed Phillips 66 branded aviation supply agreement on file with Phillips 66 Company, or (ii) a Phillips 66-Branded FBO serviced through a Phillips 66 Company marketer.
- Must maintain in effect primary liability insurance (which includes Products Liability and Completed Operations Liability) of minimum limits of \$1,000,000 any one occurrence.
- As respects Products Liability and Completed Operations coverage, a minimum of \$1,000,000 in the aggregate should be maintained.
- "Per person" or "per passenger" sub limits cannot be less than \$1,000,000.
- Must complete, date, sign and return the LOU form to Phillips 66 Company.

In the event that Phillips 66 Company requests a Certificate of Insurance, the certificate should be a valid original. If a Certificate is requested, the Certificate Holder must be shown as: Phillips 66 Company; Aviation Insurance; 970-02 Adams Bldg.; 411 S. Keeler Ave.; Bartlesville, OK 74003-6670. **(Please do not send a Certificate unless and until requested by Phillips 66 Company.)**

Once approved, you are enrolled in the Program as long as you meet all of the Program requirements. Your enrollment and coverage in the Program will be changed without notice should your coverage expire or should you be in noncompliance with any Program requirement at any time. Furthermore, the Program may be changed or modified at any time by Phillips 66 Company or it may be terminated by Phillips 66 Company at the end of any Program anniversary date for any reason at its sole and absolute discretion. Written notice will be given of any such change, modification or termination.

Michelle Miller, Contract Analyst
970-02 Adams Bldg.
411 S. Keeler Ave
Bartlesville, OK 74003-6670
Michelle.d.miller@p66.com
Fax #: 918-977-7897





- c. Regardless of the underlying coverage, Environmental Disturbance and Pollution are not covered.
 - d. No coverage is afforded to expenses related to a product recall.
 - e. No coverage is afforded for Nuclear, Date Recognition or Asbestos exposures.
 - f. No coverage is afforded if I have a Dealer Commingling Amendment.
 - g. The Program will not respond if I carry insurance limits of \$250,000,000 or more.
 - h. The \$50,000,000 aggregate limit is the total limit available to me. If there is a "catastrophic" loss that erodes the aggregate to \$0, there will be no further coverage for me under the Program. I will consider this possibility when deciding on the limits of liability I purchase under my primary insurance program.
- IV. I understand it is my responsibility to report any incident involving the use of Phillips 66-branded aviation fuels and/or lubricants that involves bodily injury to third parties and/or damage to property of others, even if such a potential claim is not expected to exceed the limits of my primary insurance. When an incident is reported, a copy of an accident report with the details of the incident should be faxed to Phillips 66 General Aviation Technical Support at 918-662-8085 within 72 hours of the incident.
- V. **DIRECT DEALERS ONLY** - I understand that as a direct dealer who is obtaining aviation fuel directly from Phillips 66 (rather than through a Phillips 66 marketer), I must have a current, active, and fully executed Phillips 66 branded aviation supply agreement on file with Phillips 66 to be included in the Program.
- VI. I UNDERSTAND THAT UPON RECEIPT BY PHILLIPS 66 OF THIS COMPLETED, SIGNED, AND DATED LETTER OF UNDERSTANDING, MY COVERAGE UNDER THE PHILLIPS 66-BRANDED AIRPORT DEALERS EXCESS LIABILITY INSURANCE PROGRAM WILL COMMENCE AND BE IN EFFECT THROUGH THE PREVIOUSLY IDENTIFIED POLICY PERIOD, AND WILL BE AUTOMATICALLY RENEWED FROM YEAR TO YEAR THEREAFTER AS LONG AS I MEET THE PROGRAM REQUIREMENTS. NO COVERAGE IS PROVIDED UNLESS A COMPLETED LETTER OF UNDERSTANDING HAS BEEN RECEIVED AND CONFIRMED BY PHILLIPS 66, AND PROVIDED THE STATED REQUIREMENTS ARE MET.

(Please PRINT clearly):

FBO Name City of Newport Airport ID KONP
 Mailing Address 169 SW Coast Hwy Airport Name Newport Municipal Airport
 City, State, ZIP Newport, OR 97365 Airport City, State Newport, OR

For Marketer-supplied FBOs: name of the Marketer who supplies my Phillips 66-branded aviation fuel:

Marketer Name _____

As evidenced by my signature below, I understand, agree to, and am in compliance with this Letter of Understanding in order to be included in the Phillips 66-Branded Aviation Airport Dealers Excess Liability Insurance Program:

FBO DEALER:
 Signed By: [Signature]
(on behalf of the FBO)
 Name Printed: Spencer R. Nebel
 Title: City Manager
 Date: 10/8/15

(This box to be completed by Phillips 66 Company)

ENROLLMENT CONFIRMATION

FBO's P66 Brand Date: 11/16/11
 Date Enrollment Is Effective: 10/29/15
 Enrollment Confirmed by: [Signature]

Approved as to Form
[Signature]
 City Attorney



- c. Regardless of the underlying coverage, Environmental Disturbance and Pollution are not covered.
 - d. No coverage is afforded to expenses related to a product recall.
 - e. No coverage is afforded for Nuclear, Date Recognition or Asbestos exposures.
 - f. No coverage is afforded if I have a Dealer Commingling Amendment.
 - g. The Program will not respond if I carry insurance limits of \$250,000,000 or more.
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- IV. I understand it is my responsibility to report any incident involving the use of Phillips 66-branded aviation fuels and/or lubricants that involves bodily injury to third parties and/or damage to property of others, even if such a potential claim is not expected to exceed the limits of my primary insurance. When an incident is reported, a copy of an accident report with the details of the incident should be faxed to Phillips 66 General Aviation Technical Support at 918-662-6085 within 72 hours of the incident.
- V. **DIRECT DEALERS ONLY** - I understand that as a direct dealer who is obtaining aviation fuel directly from Phillips 66 (rather than through a Phillips 66 marketer), I must have a current, active, and fully executed Phillips 66 branded aviation supply agreement on file with Phillips 66 to be included in the Program.
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(Please PRINT clearly):

FBO Name City of Newport | Airport ID KONP
 Mailing Address 169 SW Coast Hwy | Airport Name Newport Municipal Airport
 City, State, ZIP: Newport, OR 97365 | Airport City, State Newport, OR

For Marketer-supplied FBOs: name of the Marketer who supplies my Phillips 66-branded aviation fuel:

Marketer Name World Fuel

As evidenced by my signature below, I understand, agree to, and am in compliance with this Letter of Understanding In order to be included in the Phillips 66-Branded Aviation Airport Dealers Excess Liability Insurance Program:

FBO DEALER:

Signed By: [Signature]
 (on behalf of the FBO)

Name Printed: Spencer R. Nebel

Title: City Manager

Date 10/8/15

(This box to be completed by Phillips 66 Company)

ENROLLMENT CONFIRMATION

FBO's P66 Brand Date: _____

Date Enrollment Is Effective: _____

Enrollment Confirmed by: _____

Approved as to Form

[Signature]

City Attorney



1. The first part of the document
 discusses the importance of
 maintaining accurate records
 for all transactions. This
 includes both incoming and
 outgoing payments. It is
 essential to ensure that all
 entries are clearly documented
 and dated.

2. The second part of the
 document covers the process
 of reconciling accounts. This
 involves comparing the
 company's records with the
 bank statements to identify
 any discrepancies.

3. The final part of the
 document provides guidance
 on how to handle any
 errors that may occur. It
 emphasizes the need for
 prompt correction and
 transparency in reporting
 such issues.