

1 A. Barry Cappello (CSB No. 037835)  
Leila J. Noël (CSB No. 114307)  
2 Lawrence J. Conlan (CSB No. 221350)  
**CAPPELLO & NOËL LLP**  
3 831 State Street  
Santa Barbara, CA 93101-3227  
4 Telephone: (805)564-2444  
Facsimile: (805)965-5950

5 Robert L. Lieff (CSB No. 037568)  
Elizabeth J. Cabraser (CSB No. 083151)  
6 Robert J. Nelson (CSB No. 132797)  
Wilson M. Dunlavey (CSB No. 307719)  
7 **LIEFF CABRASER HEIMANN &**  
**BERNSTEIN, LLP**  
8 275 Battery Street, 29th Floor  
San Francisco, CA 94111-3339  
9 Telephone: (415) 956-1000  
Facsimile: (415) 956-1008

10 Lynn Lincoln Sarko  
11 (*Admitted Pro Hac Vice*)  
Gretchen Freeman Cappio  
12 (*Admitted Pro Hac Vice*)  
Daniel Mensher  
13 (*Admitted Pro Hac Vice*)  
**KELLER ROHRBACK L.L.P.**  
14 1201 Third Ave., Suite 3200  
Seattle, WA 98101  
15 Telephone: (206) 623-1900  
Facsimile: (206) 623-3384

Juli Farris (CSB No. 141716)  
Matthew J. Preusch (CSB No. 298144)  
**KELLER ROHRBACK L.L.P.**  
1129 State Street, Suite 8  
Santa Barbara, CA 93101  
Telephone: (805) 456-1496  
Facsimile: (805) 456-1497

*Attorneys for Individual and  
Representative Plaintiffs*

17 UNITED STATES DISTRICT COURT  
18 CENTRAL DISTRICT OF CALIFORNIA

19 GREY FOX, LLC, a California  
limited liability company;  
20 MAZ PROPERTIES, INC., a  
California corporation;  
21 BEAN BLOSSOM, LLC, a  
California limited liability company;  
22 WINTER HAWK, LLC, a California  
limited liability company,  
23 individually and on behalf of others  
similarly situated,

Plaintiffs,

24 v.

25 PLAINS ALL AMERICAN  
26 PIPELINE, L.P., a Delaware limited  
partnership, PLAINS PIPELINE  
27 L.P., a Texas limited partnership,  
28 Defendants.

Case No. 2:16-cv-03157

**PLAINTIFFS' CLASS ACTION AND  
INDIVIDUAL COMPLAINT FOR  
DAMAGES AND DECLARATORY  
RELIEF**

**DEMAND FOR JURY TRIAL**

**I. INTRODUCTION**

1  
2 Plaintiffs Grey Fox, LLC (“Grey Fox”), MAZ Properties, Inc. (“MAZ”),  
3 Bean Blossom, LLC (“Bean Blossom”), and Winter Hawk, LLC (“Winter Hawk”)  
4 (collectively “Plaintiffs”), individually and on behalf of all others similarly situated,  
5 allege the following against Plains All American Pipeline, L.P. (“Plains All  
6 American”) and Plains Pipeline, L.P. (“Plains Pipeline”) (collectively “Defendants”  
7 or “Plains”), based where applicable on personal knowledge, information and  
8 belief, and the investigation and research of counsel.

**II. NATURE OF THE ACTION**

9  
10 1. Defendants own and operate pipelines that transport crude oil and  
11 other liquids from the California coast to inland refinery markets in California.  
12 There are two pipelines. Line 901 is a 24-inch diameter pipeline that runs  
13 essentially east to west for approximately 10.7 miles along the Santa Barbara  
14 County coastline, from the Las Flores Canyon Oil & Gas Processing Facility to the  
15 Gaviota Pump Station. Line 903 is a 30-inch diameter pipeline that runs south to  
16 north and then east for approximately 128 miles from the Gaviota Pump Station to  
17 the Emidio Station near Bakersfield, in Kern County.

18 2. Line 901 delivers all of its crude oil to Line 903 at the Gaviota  
19 Pumping Station, where the two meet. Line 903 then carries the crude from both  
20 Lines to Kern County. Defendants control both Line 901 and Line 903 (together,  
21 the “Pipeline”) from their control room in Midland, Texas.

22 3. Defendants’ Pipeline is shown in the map below published by the  
23 Santa Barbara County Energy Division.

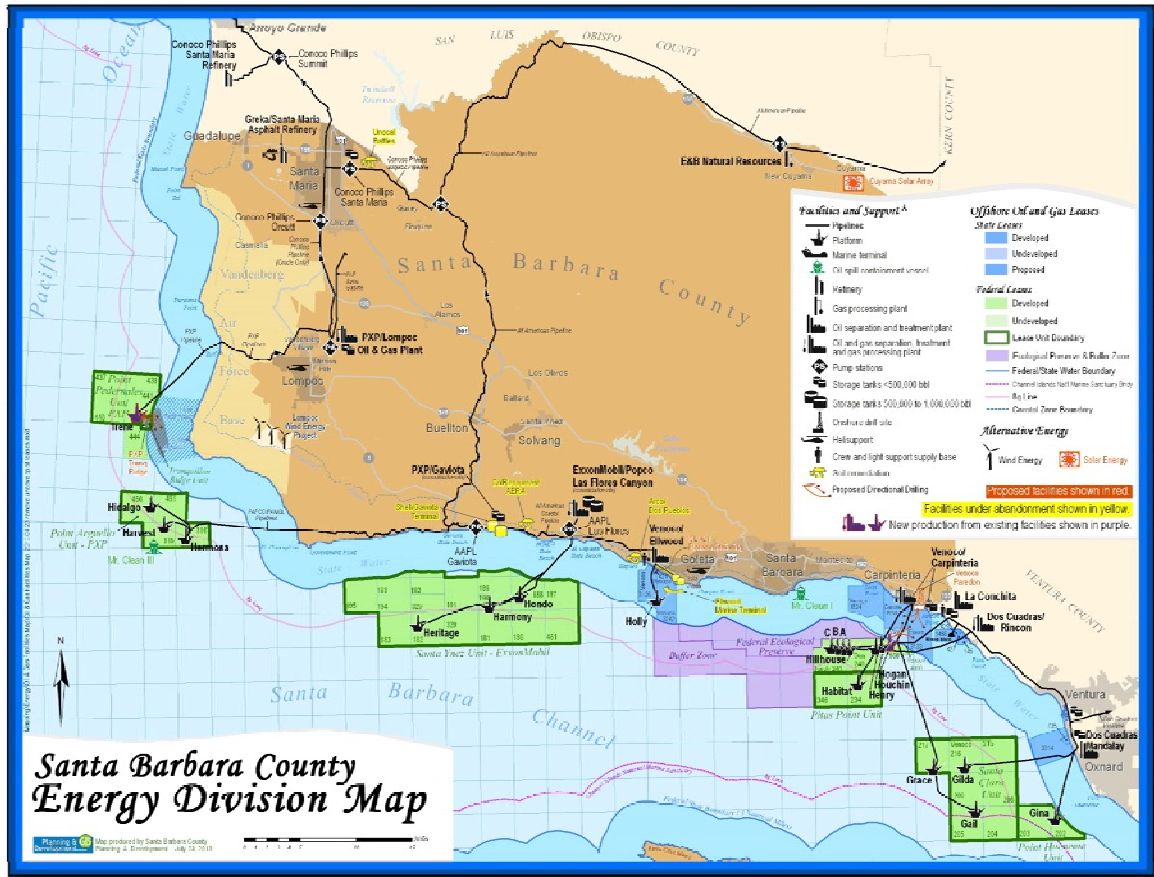
24 ///

25 ///

26 ///

27 ///

28 ///



4. The Pipeline runs through the real properties of Plaintiffs and putative class members pursuant to written easement contracts (also known as Right-Of-Way Grants).

5. On the morning of May 19, 2015, the Pipeline ruptured on Plaintiff Grey Fox’s real property (Lot X). Before Defendants managed to shut it off, the Pipeline had discharged crude oil on Lot X in an amount initially estimated by Plains to be over 100,000 gallons, and then recalculated to be more than 140,000 gallons. Oil made its way beyond Grey Fox’s property to other properties, public recreation areas, coastal bluffs, beaches, and the Pacific Ocean.

6. Line 901 was severely corroded prior to the spill, and in fact the steel walls of the pipeline were severely eroded and had thinned to just 1/16 of an inch in places. This was known to Defendants based upon third party anomaly testing. Additionally, Defendants had repaired three parts of Line 901 adjacent to the

1 rupture, indicating that they were aware of corrosion, knew how to address it, but  
2 simply failed to do so. Defendants also failed to maintain Line 903.

3 7. The U.S. Department of Transportation Pipeline and Hazardous  
4 Materials Safety Administration (“PHMSA”) shut down the Pipeline, finding that  
5 continued operation of the Pipeline without corrective measures would be  
6 hazardous to life, property, and the environment. The corrective measures include  
7 replacement of the Pipeline.

8 8. The easement contracts all provide access to maintain, repair and/or  
9 restore the Pipeline to ensure its safe operation for a reasonable length of time.  
10 The easements do not, however, allow the scope of access needed by Plains to  
11 make the necessary repairs to and/or restoration of the Pipeline.

12 9. Defendants failed to properly maintain the Pipeline, however, and they  
13 failed to properly monitor the Pipeline’s corrosion levels or to timely make the  
14 repairs needed to sustain the reasonably-expected lifespan of the Pipeline. Given  
15 Defendants’ failures, the damage that now needs to be repaired and/or restored is  
16 far greater than what would have been required if timely maintenance had been  
17 performed. Moreover, the intrusion on Plaintiffs’ real properties is  
18 commensurately greater than if Defendants had routinely and timely performed  
19 maintenance.

20 10. The parties know additional access is needed because (1) the  
21 easements provided a temporary increase in the scope of access to originally install  
22 the Pipeline, which then reverted to a smaller, permanent scope after installation,  
23 and (2) when Defendants attempted to remediate the damage caused by the spill  
24 and replace the recently ruptured section on Grey Fox’s property, they discovered  
25 they needed access to significantly more of Grey Fox’s property than prescribed in  
26 the easement.

27 11. This class action lawsuit is brought on behalf of all persons and  
28 entities who currently own real property subject to an easement for the Pipeline.

1 Each property owner has a written easement contract that contains similar material  
2 terms which provide limited, narrow access in order for Plains to repair and/or  
3 restore the Pipeline and protect Plaintiffs' rights to continue using and enjoying  
4 their land.

5 12. Plaintiffs seek reformation of the easement contracts to allow  
6 Defendants' the necessary access to repair and/or restore the Pipeline consistent  
7 with PHMSA's findings, recommendations, and orders, and to pay Plaintiffs  
8 consideration for the additional access needed to work on the Pipeline and the  
9 additional burden that such access will place on their properties.

10 13. Plaintiffs also seek specific performance of the reformed easement  
11 contracts, including maintenance, repair and/or restoration of the Pipeline as  
12 necessary to operate it safely and with minimal risk of future rupture, including the  
13 installation of necessary safety equipment, and payment for the additional access  
14 necessary for these repairs and/or restorations.

15 14. Plaintiffs further seek appropriate equitable relief to prevent future  
16 disasters like the May 2015 rupture, and prohibit Defendants from reopening or  
17 restarting the Pipeline without first restoring it to a sound condition with minimal  
18 risk of future rupture and compensate Plaintiffs for the additional access necessary  
19 for the Defendants to fulfill their on-going obligations to maintain the Pipeline  
20 within the parameters of the easements and all applicable safety standards.

21 15. Plaintiffs also seek all damages that flow from Defendants' breach of  
22 the easement contracts, failure to maintain the Pipeline, interference with Plaintiffs  
23 use and enjoyment of their properties, and from the pervasive threat that the  
24 Pipeline will cause future spills unless it is restored to a sound operating condition.  
25 These damages include but are not limited to lost proceeds from the sale of real  
26 property, diminished property values, costs of containment and cleanup, losses  
27 from injury to property, and loss of use and enjoyment of property.  
28

1           16. Additionally, Plaintiffs Grey Fox, MAZ, Bean Blossom, and Winter  
2 Hawk bring this action on their own behalf to recover the significant economic  
3 losses they have incurred and will continue to incur because of Defendants' oil  
4 spill. Before Defendants' oil spill, Plaintiffs' properties and the natural  
5 environment surrounding their properties were pristine, and the properties' values  
6 reflected their location, natural beauty, and quietude.

7           17. While Defendants repaired the rupture and cleaned up the petroleum-  
8 based material from the surface and soils on and around the spill area on Grey  
9 Fox's Lot X, permanent and continuing contamination in the area is likely. The  
10 ability to use the properties has been severely impaired, and their marketability has  
11 vanished. These Plaintiffs not only suffer present injury, but also suffer the  
12 concrete risk of imminent, additional injury.

13           18. Given the rupture, spill, and condition of the Pipeline, Plaintiffs Grey  
14 Fox's, MAZ's, Bean Blossom's, and Winter Hawk's properties are currently  
15 unsaleable, and they must continue funding costs for new residential improvement  
16 projects being built for resale that they would not have otherwise had to pay for  
17 had they been able to sell the properties in a timely manner. Until the entire  
18 Pipeline is brought to a sound and operable condition, Plaintiffs must continue  
19 carrying the additional risks of future rupture and resulting loss of use and  
20 unanticipated costs.

21           19. Plaintiffs Grey Fox, MAZ, Bean Blossom, and Winter Hawk also have  
22 incurred fees, costs, and expenses related to the spill, suffered continuing physical  
23 damages to the property despite remediation efforts, suffered damage to their  
24 ongoing efforts to commercially market their properties, and suffered stigma and  
25 reputational damages that have been and will continue to negatively impact the  
26 value, marketability, desirability, and ultimate sale price of their properties.

27           20. This complaint does not supplant the currently pending Plaintiffs'  
28 Corrected Consolidated Second Amended Complaint in *Andrews* (formerly,

1 *Cheverez*) v. *Plains All American Pipeline, L.P.*, Case No. 2:15-CV-04113-PSG-  
2 JEM, which asserts tort and statutory claims on behalf of all persons or businesses  
3 in the United States that claim economic losses, or damages to their occupations,  
4 businesses, and/or property as a result of Defendants' May 19, 2015 oil spill from  
5 Line 901. Rather, this case asserts (1) claims arising out of easement agreements  
6 on behalf of all persons and entities who own real property through which the  
7 Pipeline crosses, and (2) individual claims on behalf of Plaintiffs Grey Fox, Bean  
8 Blossom, MAZ, and Winter Hawk.

### 9 **III. PARTIES**

10 21. Plaintiff Grey Fox, LLC is a California limited liability company with  
11 its principal place of business in Goleta, California. It owns real property located  
12 in Santa Barbara County, California sometimes referred to as Lot X of El Rancho  
13 Tajiguas. Lot X is burdened with an easement for the Pipeline. The May 2015  
14 rupture of the Pipeline occurred on Lot X.

15 22. Plaintiff MAZ Properties, Inc. is a California corporation with its  
16 principal place of business in Goleta, California. It owns real property located in  
17 Santa Barbara County, California portions of which are sometimes referred to as  
18 Lot J and Lot B of El Rancho Tajiguas. Lot J and Lot B are burdened with  
19 easements for the Pipeline.

20 23. Bean Blossom, LLC is a California limited liability company with its  
21 principal place of business in Goleta, California. It owns real property located in  
22 Santa Barbara County, California sometimes referred to as Lot H of El Rancho  
23 Tajiguas. Lot H is burdened with an easement for the Pipeline.

24 24. Winter Hawk, LLC is a California limited liability company with its  
25 principal place of business in Goleta, California. It owns real property located in  
26 Santa Barbara County, California portions of which are sometimes referred to as  
27 Lot C of El Rancho Tajiguas. Lot C is burdened with an easement for the Pipeline.  
28

1           25. MAZ originally acquired what is commonly known as El Rancho  
2 Tajiguas. After the acquisition, MAZ executed a Right-Of-Way Grant and then an  
3 Amendment to the Right-Of-Way Grant. (See Ex. 1 [Right-Of-Way Grant] and Ex.  
4 2 [Amendment] attached hereto and incorporated herein by reference and hereby  
5 made a part of the record hereof.) This private contract easement allows the  
6 Pipeline to run through the southern section of El Rancho Tajiguas, along the  
7 Pacific Coast.

8           26. El Rancho Tajiguas was and is comprised of approximately 24 legal  
9 parcels of land, or Lots, and MAZ subsequently transferred some of the Lots to  
10 limited liability companies. MAZ kept its interest in Lot B and Lot J and  
11 transferred Lot X to Grey Fox, Lot H to Bean Blossom, and Lot C to Winter  
12 Hawk. MAZ's original Right-Of-Way Grant and Amendment for El Rancho  
13 Tajiguas currently applies to Lots B, J, X, H, and C. The easements that apply to  
14 the properties of the other members of the Class are materially similar to the  
15 relevant provisions contained in the El Rancho Tajiguas easement.

16           27. Defendant Plains All American Pipeline, L.P. is a limited partnership  
17 formed in Delaware with its headquarters and principal place of business in  
18 Houston, Texas. Under the Class Action Fairness Act of 2005 ("CAFA"), 28  
19 U.S.C. § 1332(d)(10), Defendant Plains All American, an unincorporated  
20 association, is therefore a citizen of Delaware and Texas.

21           28. Defendant Plains All American operates through or on behalf of PAA  
22 GP LLC, a limited liability company formed in Delaware with its headquarters and  
23 principal place of business in Houston, Texas; Plains AAP, L.P. ("AAP"), a  
24 limited partnership formed in Delaware with its headquarters and principal place of  
25 business in Houston, Texas, that is the sole member of PAA GP LLC; Plains All  
26 American GP LLC ("GP LLC"), a limited liability company formed in Delaware  
27 with its headquarters and principal place of business in Houston, Texas; Plains GP  
28 Holdings, L.P. ("PAGP"), a limited partnership formed in Delaware with its



1 headquarters and principal place of business in Houston, Texas, that is the sole  
2 member of GP LLC; and PAA GP Holdings LLC, a limited liability company  
3 formed in Delaware with its headquarters in Houston, Texas, that is the general  
4 partner of PAGP. As each of these entities are unincorporated associations,  
5 pursuant to CAFA, 28 U.S.C. § 1332(d)(10), they are each a citizen of Delaware  
6 and Texas.

7 29. Defendant Plains Pipeline, L.P. is a limited partnership formed in  
8 Texas with its headquarters and principal place of business in Houston, Texas.  
9 Defendant Plains Pipeline is a subsidiary of Defendant Plains All American.  
10 Pursuant to CAFA, 28 U.S.C. § 1332(d)(10), Defendant Plains Pipeline, an  
11 unincorporated association, is therefore a citizen of Texas. Plains Pipeline, L.P. is  
12 operated by its general partner, Plains GP, LLC, and its limited partner, Plains  
13 Marketing, L.P. Plains GP, LLC is a Texas LLC with its headquarters and  
14 principal place of business in Texas. Plains Marketing, L.P. is a Texas Limited  
15 Partnership with its headquarters and principal place of business in Texas.

16 30. Defendants have common proprietary interests, ownership interests, or  
17 joint ventures with each other, are directly related to or are affiliated with each  
18 other, and are involved with the ownership, operation, and maintenance of the  
19 Pipeline.

#### 20 **IV. JURISDICTION AND VENUE**

21 31. This Court has jurisdiction over this class action pursuant to CAFA, 28  
22 U.S.C. § 1332(d), because at least one class member is of diverse citizenship from  
23 one defendant; there are more than 100 class members; and the aggregate amount  
24 in controversy exceeds \$5 million, exclusive of interest and costs.

25 32. This Court also has jurisdiction over this individual action pursuant to  
26 28 U.S.C. § 1332(a) and (c), because the matter in controversy between Plaintiff  
27 Grey Fox and Defendants exceeds the sum or value of \$75,000, exclusive of  
28 interest and costs, and is between citizens of different States.

1 33. This Court has personal jurisdiction over Defendants because they are  
2 registered to conduct business in California, have property interests in California,  
3 and have sufficient minimum contacts with California.

4 34. Venue is proper in this District under 28 U.S.C. § 1391(b) because a  
5 substantial part of the events or omissions giving rise to the claims occurred and/or  
6 emanated from this District, because a substantial part of the property involved is  
7 situated in this District, and because Defendants have caused harm to Class  
8 members residing in this District.

## 9 V. BACKGROUND FACTS

### 10 A. Easement Contracts Require Defendants To Maintain The Pipeline And 11 Not Interfere With Plaintiffs' Use And Enjoyment Of Their Land

12 35. The Pipeline was constructed in the late 1980s and went into crude oil  
13 service in 1991. Prior to installation, Defendants' predecessor, Celeron Pipeline  
14 Company of California, drafted easement contracts (or Right-Of-Way Grants) for  
15 each of the properties through which the Pipeline would travel. Celeron and the  
16 property owners executed the easement contracts, and Celeron paid each property  
17 owner certain cash consideration. Plains later acquired Celeron.

18 36. In each easement contract, the grantor property owners granted the  
19 grantee oil company a non-exclusive right-of-way and easement, with the right of  
20 ingress and egress incidental thereto, "to survey, lay, maintain, operate, repair,  
21 replace, and remove one underground pipeline and appurtenances thereto for the  
22 transportation of oil, gas, water and other substances", on, over, through, under and  
23 across a portion of the grantor's land. (See Ex. 1, El Rancho Tajiguas Right-Of-  
24 Way, at p. 1.)

25 37. In each easement contract, the grantor property owners also reserved  
26 the right to use and enjoy the land. (See Ex. 1, El Rancho Tajiguas Right-Of-Way  
27 Grant, at p. 2.)

28

1 **B. Defendants Are Also Contractually Required To Indemnify And Hold**  
2 **Plaintiffs Harmless For Any Claims Arising From The Spill Or The**  
3 **Subsequent Remediation**

4 38. The spill also triggered certain contractual indemnity obligations under  
5 the easement contracts. In each easement contract, the grantee oil company  
6 assumed all risks of and agreed to indemnify and hold the grantor property owner  
7 harmless from and against all claims and losses relating to the Pipeline, unless  
8 those claims or losses were a direct result of the grantor property owner's  
9 negligence. (See Ex. 1, El Rancho Tajiguas Right-Of-Way Grant, at p. 2.)

10 39. Additionally, after the spill, Plaintiff Grey Fox and Plains entered into  
11 a Temporary Property Access and Remediation Agreement, in which Plains further  
12 agreed to protect, indemnify, defend, and hold Grey Fox harmless from and against  
13 any and all damages, demands, claims, losses, liabilities, injuries, penalties, fines,  
14 liens, judgments, suits, actions, investigations, proceedings, costs or expenses  
15 whatsoever (including, without limitation, reasonable attorneys' and experts' fees)  
16 arising out of or relating to any physical harm, physical or property damage or  
17 personal injury or death caused by Plains' remediation work or the rupture and  
18 release of crude oil from the Pipeline on Lot X. (See Ex. 3, Temporary Property  
19 Access and Remediation Agreement, at § 8.)

20 **C. The May 2015 Rupture of Defendants' Pipeline Spilled Toxic Crude Oil**  
21 **Onto Grey Fox's Lot X, Onto The Beach, And Into The Pacific Ocean**

22 40. On the morning of May 19, 2015, at approximately 10:55 a.m., the  
23 Pipeline ruptured on Grey Fox's private property (Lot X) near Refugio State  
24 Beach, spilling toxic oil onto the property, onto the coastal bluffs, onto the beach,  
25 and into the Pacific Ocean.

26 41. As the crude oil poured out of the ruptured pipe, motorists on U.S.  
27 101, neighbors and beachgoers became overwhelmed by the stench of oil. At  
28 approximately 11:30 a.m. the Santa Barbara County Fire Department responded to  
reports of the noxious odors, and arrived to find oil flowing freely from the

1 Pipeline, through a storm drain under the transportation corridor containing U.S.  
2 101 and railroad tracks operated by Union Pacific, across the beach, and into the  
3 Pacific Ocean. Oil continued to spill from the Pipeline until approximately 3 p.m.

4 42. While the precise timeline of events is still unknown, it appears that  
5 Defendants did not promptly act to respond to signs of the Pipeline's failure or  
6 notify relevant government agencies. As the two United States Senators from  
7 California stated in a letter to Defendants, "we are concerned that Plains Pipeline  
8 may not have detected this spill or reported it to federal officials as quickly as  
9 possible, and that these delays could have exacerbated the extent of the damage to  
10 the environment." The senators called Defendants' response "insufficient."

11 43. Indeed, as reported by the Los Angeles Times, it appears that "chaos  
12 and delay marked the initial hours after [the] pipeline burst." According to  
13 Defendants' response to the senators' letter, Plains personnel were unable to timely  
14 notify federal spill response officials or communicate with other Plains  
15 representatives due to in part "distractions" at the spill site. Defendants' on-site  
16 employee dispatched to respond to the emergency was reduced to using a shovel to  
17 try to build a berm to contain the spill.

18 44. According to federal investigators, one of Plains' representatives told  
19 officials who first responded to reports of an oil spill that he did not think it came  
20 from Line 901, which is on the opposite side of the interstate transportation  
21 corridor from the ocean. In fact, it was several hours before Defendants officially  
22 notified local, state, or federal spill response officials, even though Defendants'  
23 representatives were conducting a spill response drill nearby that very morning.

24 45. Witnesses who visited Refugio State Beach on the night of the spill  
25 reported little or no response. Even the next day, as professional clean-up crews  
26 began responding to the oil contaminating Refugio State Beach, the response  
27 efforts at other nearby beaches were left to volunteers with little or no training or  
28

1 protective equipment, some using nothing but shovels and five-gallon buckets in  
2 attempts to remove thousands of gallons of crude oil from the sand and sea.

3 46. That apparently delayed and inadequate response runs contrary to  
4 Defendants' oil spill response plan, which assured state regulators that a spill from  
5 Line 901 was "extremely unlikely." Defendants also assured regulators that it  
6 would take no longer than 15 minutes to discover and shut off the source of any  
7 spill. In fact, Defendants continued to operate Line 901 for more than 30 minutes  
8 after it initially ruptured, and waited hours more before officially notifying federal  
9 responders of the rupture.

10 47. The spill polluted Grey Fox's Lot X and impaired the ability of all  
11 property owners along the length of the Pipeline to use and enjoy their land. The  
12 oil spill also presented a serious risk to human life. The Santa Barbara County  
13 Health Department recommended that residents avoid all areas affected by the  
14 spill, but U.S. Route 101, a major interstate highway, runs through and adjacent to  
15 the spill area. The County called Refugio Beach a "Hazmat area." The County  
16 also warned that direct contact with oil, inhalation of fumes, or ingestion of  
17 contaminated fish or shellfish can cause skin irritation, nausea, vomiting, and other  
18 illnesses.

19 48. Following the spill, the group Water Defense collected oil and water  
20 samples to test for chemicals that could be harmful to the public. Although the  
21 Pipeline had been approved to transport crude oil, the testing revealed that the  
22 Pipeline also carried – and Line 901 spilled – toxic chemicals known to pose  
23 severe threats to human health and marine life, including but not limited to,  
24 Ethylbenzene, Toluene, Xylene, and Naphthalene. Those tests also confirmed the  
25 presence of Glutaraldehyde, a biocide used in drilling, fracking, and acidizing  
26 injections.

27 49. Long term, the extent of the impact that occurred may be as-yet-  
28 unknown, but they are no less certain. Even with the best spill response, toxic oil

1 will remain in the environment for a long time, continuing to harm the  
2 environment. Recently, five years after the Deepwater Horizon oil spill in the Gulf  
3 of Mexico, officials assessing the damage to that ecosystem said “the  
4 environmental effects of this spill is likely to last for generations.” This spill, too,  
5 may cause long-lasting environmental and economic impacts.

6 50. The Santa Barbara News-Press reported that, as of late June, 2015 the  
7 “most tedious” portions of the clean-up area still remained uncleaned, and cleanup  
8 costs had exceeded \$92 million. By January of this year, only a small fraction of  
9 the oil – 14,267 gallons of an oil/water mix – had been recovered, and over 430  
10 oiled birds and mammals had been observed.

11 **D. The May 2015 Rupture Exposed The Dangerous Conditions Of The**  
12 **Entire Pipeline**

13 **1. The Root Cause Of The Rupture Was External Corrosion**

14 51. On February 17, 2016, PHMSA issued a Preliminary Factual Findings  
15 Report and identified external corrosion as the root cause of the Pipeline rupture.

16 52. The Pipeline is coated with coal tar urethane and covered with foam  
17 insulation and a tape wrap over the insulation. Shrink wrap sleeves, which provide  
18 a barrier between the steel pipeline and soil, are present at all of the pipe joints on  
19 Line 901 and multiple locations on Line 903. Both Lines carry low API gravity  
20 crude oil at a temperature of approximately 135 degrees Fahrenheit.

21 53. After the rupture, a third party performed a metallurgical analysis and  
22 concluded that the rupture “occurred at an area of external corrosion that  
23 ultimately failed in ductile overload under the imposed operating pressure. The  
24 morphology of the external corrosion observed on the pipe section is consistent  
25 with corrosion under insulation facilitated by wet-dry cycling.” In other words,  
26 moisture is getting between the pipe and insulation, the insulation does not allow  
27 the moisture to evaporate fast enough, the pipe does not dry properly, the pipe  
28

1 corrodes from the outside, and the corrosion materially compromises the integrity  
2 of the structure of the pipe, allowing for a rupture.

3 54. Because of the external components of the Pipeline, Defendants should  
4 have known that exterior corrosion was a risk and should have more competently  
5 monitored and maintained it. Instead, Defendants have created a dangerous  
6 situation that can be made safe only by replacing the entire Pipeline. Unlike  
7 internal corrosion, external corrosion cannot be repaired from the inside. An  
8 externally corroded pipe must be dug up and replaced.

9 **2. The Entire Pipeline Is Riddled With Additional Anomalies**

10 55. The point-of-rupture is not the only corroded portion of the Pipeline.  
11 The entire Pipeline is riddled with additional anomalies known to Plains, further  
12 threatening another disaster comparable to or worse than the May 19, 2015 spill.

13 56. Plains' existing corrosion control system is not preventing external  
14 corrosion of the pipe under the insulation, and the frequency and extent of  
15 corrosion anomalies are only increasing.

16 57. PHMSA's Preliminary Findings show that data from Plains' "in-line  
17 inspections" of Line 901 "show a growing number of corrosion anomalies on Line  
18 901," increasing from 12 areas of metal loss of 40 to 59 percent, to 80 such areas  
19 by the month of the spill in May 2015. Based on that and other data, the agency  
20 concluded that "Plains' existing corrosion system is not preventing external  
21 corrosion of the pipe under insulation." Line 903 was likewise found to have  
22 corrosion characteristics consistent with the failure point of Line 901.

23 58. While these numbers are disturbing, they are also understated. The  
24 May 2015 survey, for instance, did not accurately report the full extent of external  
25 corrosion in the area of the spill, and it did not accurately report the full extent of  
26 external corrosion anomalies consistently compared to field measurements of all  
27 anomalies investigated after the spill.  
28

1           59. Defendants also failed to monitor and maintain the Pipeline's cathodic  
2 protection system. Though the system is supposed to prevent or reduce corrosion  
3 even when moisture makes it through to the Pipeline, it is not functioning  
4 correctly.

5           60. In 2003 PHMSA alerted pipeline owners and operators, including  
6 Defendants, of stress corrosion cracking (SCC) as a potential risk and the  
7 assessment and remediation measures that should be performed.

8           61. SCC or environmentally-assisted cracking can be induced on a  
9 pipeline from the combined influence of tensile stress and a corrosive medium.  
10 SCC is commonly associated with disbonded coatings. Disbonded coatings may  
11 prevent the cathodic protection currently used for corrosion control from reaching  
12 the pipe surface and allow an SCC-susceptible environment to form between the  
13 pipe and coating. Tape coatings and shrink wrap sleeves are both susceptible to  
14 disbondment, which reduces the efficacy of the cathodic protection system and  
15 may lead to corrosion and possibly environmentally assisted cracking or SCC.

16           62. Although these types of coatings and sleeves are present on the  
17 Pipeline, PHMSA's Preliminary Findings indicates that Plains did not factor in the  
18 insulation of the Pipeline when determining the protection level supplied by its  
19 cathodic protection system. Cathodic protection is required by Federal pipeline  
20 safety regulations to prevent external corrosion of the Pipeline. Historical records,  
21 however, reveal that Defendants supplied a cathodic protection level sufficient to  
22 protect non-insulated, coated steel pipe, but insufficient to protect the Pipeline,  
23 which is insulated.

24           63. The May 2015 rupture and the resulting environmental disaster  
25 exposed the dangerous condition of the entire Pipeline running through Plaintiffs'  
26 properties. It also exposed Defendants' systemic failure to properly monitor and  
27 maintain the Pipeline.  
28



1           64. The Pipeline, which transports crude with toxins (including  
2 unauthorized toxins) under high pressure through private property and in close  
3 proximity to residential areas and drinking water resources, is an immediate and  
4 ultrahazardous risk and serious danger to Plaintiffs and putative class members.  
5 This hazardous activity has created and continues to create a zone of danger to  
6 Plaintiffs.

7           65. The Pipeline was, and is, in an unsafe condition, and its continued use  
8 would only put further stress on it. It must be restored and brought to a safe and  
9 sound operating condition, including the installation of additional safety devices,  
10 and properly maintained going forward to ensure the safe transport of crude oil  
11 through the entire route of the Pipeline.

12 **E. Defendants Cannot Repair and/or Restore The Pipeline Within The**  
13 **Parameters Of The Easements**

14           66. After the May 2015 rupture, Defendants removed and replaced the  
15 ruptured section of the Pipeline on Grey Fox's Lot X, but did not repair and/or  
16 restore any of the other sections on Lot X or the other Plaintiffs' properties. As a  
17 result, the rest of the Pipeline remains unsafe and riddled with corrosion and other  
18 anomalies.

19           67. The current easements, however, do not allow sufficient access for the  
20 necessary repair and/or restoration of the Pipeline. When Defendants attempted to  
21 restore the ruptured section on Lot X, they discovered that they needed access to  
22 more of Grey Fox's property than is prescribed in the easement. Plains and Grey  
23 Fox then had to negotiate a Temporary Property Access and Remediation  
24 Agreement to allow Plains greater access than prescribed in the easement. (See Ex.  
25 3, Temporary Property Access and Remediation Agreement.)

26           68. Each easement contract limits Defendants' access along the entire  
27 Pipeline. As the easement owner, Defendants have no right to use any more than  
28 the prescribed amount of land to repair and/or restore the Pipeline.

1           69. Any additional access creates a new burden on Plaintiffs' servient  
2 tenement or materially increases the existing burden. Neither is allowed without  
3 Plaintiffs' consent. Should Defendants be allowed to expand the easements  
4 without Plaintiffs' consent, Defendants would obstruct Plaintiffs' free use and  
5 enjoyment of their land, and such action, if continued, would eventually ripen into  
6 a new easement for Defendants' benefit.

7           70. Therefore, while Defendants have a right to maintain a safe Pipeline,  
8 they have no right to maintain it beyond the extent of their existing easements  
9 without additional compensation, and render it a nuisance to or destructive of  
10 Plaintiffs' land. Since the easements have been finally established, Defendants  
11 cannot access more of Plaintiffs' land without compensation for the burden, risks  
12 and harm of their doing so.

13 **F. Defendants Have A Long History Of Recklessly Avoiding Safety**

14           71. Threats to the Gaviota Coast and Santa Barbara's environment and  
15 economy from oil development, production and operations are not new. In 1969, a  
16 blowout at Union Oil's off-shore drill rig sent millions of gallons of oil into the  
17 waters and onto the beaches of Santa Barbara County. The blowout killed  
18 thousands of birds, dolphins, fish, and other marine life. The litigation that  
19 followed effectively led to the birth of the environmental movement and legislation  
20 to protect the environment, the public and private property owners from oil and gas  
21 operations on and off shore.

22           72. Despite that disaster, the oil industry has only continued to grow in and  
23 around Santa Barbara County. Today, however, governments and some companies  
24 have taken significant steps to make the production and transportation of crude oil  
25 safer and more reliable. Defendants, on the other hand, are notable for their track  
26 record of doing otherwise.

27           73. Automatic shut-off valves are one such safety feature others have  
28 adopted but Defendants have refused to install. This refusal by Defendants to

1 follow standard safety protocols directly contradicts their own published pipeline  
2 safety protocol, which provides “that Plains All American Pipeline is committed to  
3 designing, constructing, operating, and maintaining its pipelines in a safe and  
4 reliable manner that will meet or exceed minimum safety standards. ...”

5 74. Consequently, the Pipeline is likely the only pipeline system that is  
6 still capable of failing and discharging hundreds of thousands of gallons of oil  
7 without warning.

8 **G. The May 2015 Rupture Could Have Been Averted Had Defendants**  
9 **Adequately Installed And Maintained The Pipeline, Making It Less**  
10 **Susceptible To Corrosion And Rupture**

11 75. Regular monitoring and maintenance of pipelines is a crucial step that  
12 owners of pipelines must take in order to avoid exactly the disaster that occurred.  
13 Regular monitoring and maintenance is also what the property owners expected  
14 when they entered into the easement contracts.

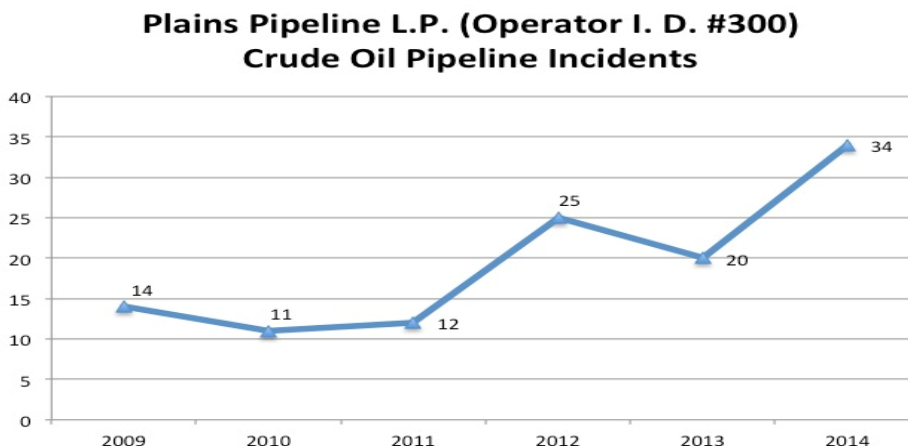
15 76. Defendants failed to provide regular maintenance and failed to detect  
16 and repair the corrosion that was eating away at the steel walls of the Pipeline.  
17 Defendants, instead, wantonly disregarded the health and safety of the public and  
18 environment by operating the Pipeline when they knew it was corroded and did not  
19 have proper safety systems in place.

20 77. Even though they should know that they still do not have the proper  
21 safety systems in place to avoid another disaster, Defendants indicated they have  
22 no intention of implementing them.

23 **H. Defendants’ Lax Safety Standards On The Pipeline Are Not Isolated**  
24 **Incidents**

25 78. The lax safety standards on the Pipeline are not isolated incidents for  
26 Defendants. Since 2006 Plains has been cited for more than 175 violations of  
27 safety requirements, causing nearly \$24 million in property damage. Eleven of  
28 those incidents were in California. Plains is one of the top four most-cited pipeline  
operators in the country.

1 79. Even more alarming is that, according to federal statistics analyzed by  
 2 the website The Smart Pig Blog, the “number of incidents on crude oil pipelines  
 3 operated by [Plains] . . . is increasing faster than the national average,” by about  
 4 14%. The rapidly rising increase in incidents for pipelines operated by Plains is as  
 5 shown in this chart:



8 9 10 11 12 13  
 14 80. In 2014, for example, a pipeline owned and operated by Defendants  
 15 ruptured in a Los Angeles neighborhood, covering streets, cars, houses, and  
 16 businesses in oil. The cause: a poorly maintained pipeline. A few years ago,  
 17 another poorly maintained Plains pipeline ruptured and sent oil into a drinking  
 18 water reservoir for the residents of Los Angeles.

19 81. In 2010, pursuant to a Consent Decree filed by the U.S. EPA  
 20 following numerous alleged violations of the Clean Water Act by Defendants in  
 21 several states, Defendants represented that they would update their procedures  
 22 such that “[i]f there is an unexplained increase in delivery flow-rate with  
 23 corresponding decrease in pressure – [Plains would] SHUTDOWN the affected  
 24 line segment.”

25 82. As part of the settlement of the EPA actions, Defendants paid a \$3.25  
 26 million penalty for 10 spills between June 2004 and September 2007 that  
 27 discharged a total of roughly 273,420 gallons of crude oil into navigable waters or  
 28 adjoining shorelines in Texas, Louisiana, Oklahoma, and Kansas.

1 83. Plains itself recently acknowledged in a disclosure report to the U.S.  
2 Securities and Exchange Commission that it has “experienced (*and likely will*  
3 *experience future*) releases of hydrocarbon products into the environment from our  
4 pipeline . . . operations” that “may reach surface water bodies.” (Emphasis added).

5 84. Indeed, less than two months after the rupture of Line 901, more than  
6 4,000 gallons of oil spilled from a pump station on Defendants’ Capwood Pipeline  
7 in Illinois, contaminating a nearby creek.

8 **I. Defendants Are On Formal Notice By PHMSA For Probable Violations**  
9 **Of Federal Regulations, And Have Been Issued A Compliance Order**

10 85. On August 19-22, 2013, September 16-19, 2013, and September 30-  
11 October 4, 2013, a PHMSA representative inspected Lines 901 and Line 903.  
12 Following those field inspections, PHMSA requested additional documentation  
13 and information pertaining to the Pipeline. This information was provided through  
14 June 2014.

15 86. On September 11, 2015 PHMSA issued a formal notice of probable  
16 violation and compliance order (the “Notice”) against Defendants in light of its  
17 long-standing investigation.

18 87. In its Notice to Defendants, PHMSA stated that “as a result of the  
19 inspection, it appears that you have committed probable violations of the Pipeline  
20 Safety Regulations, Title 49, Code of Federal Regulations . . . . These findings and  
21 probable violations were determined prior to the May 19, 2015 crude oil spill in  
22 Santa Barbara County, California.”

23 88. The Notice identifies six probable violations:

- 24 i. Failure to maintain adequate documentation of pressure tests as part  
25 of its baseline assessment plan for its seven breakout tanks at Pentland  
26 Station in Kern County, California and failure to present any evidence  
27 of past pressure tests performed on the breakout tanks to inspection  
28 teams. While some evidence of testing from 1995 was ultimately

- 1 presented, these did not confirm that the tests were performed in  
2 compliance with regulations;
- 3 ii. Failure to maintain adequate documentation of its preventative and  
4 mitigative evaluations prior to the 2013 calendar year for at least two  
5 different pipeline segments, and later stating that these records could  
6 not be found;
- 7 iii. Failure to adequately document consideration of preventive and  
8 mitigative measures nor explain why implementation of said measures  
9 were not executed in “High Consequence Areas”;
- 10 iv. Failure to present adequate documentation of its annual review of  
11 Plains’ emergency response training program, resulting in an inability  
12 to demonstrate an adequate review of training program objectives or  
13 the decision-making process for changes made to emergency response  
14 programs;
- 15 v. Failure to present adequate documentation to demonstrate  
16 that supervisors maintained a thorough knowledge of the portions of  
17 the emergency response procedure for which they are responsible and  
18 for which it is their job to ensure compliance; and
- 19 vi. Failure to maintain sufficient records to demonstrate that contractors  
20 met the required qualifications.

21 89. In addition to the above probable violations, PHMSA also cited three  
22 additional areas of safety concern:

- 23 i. Failure to fully discuss or document how tool tolerance was  
24 addressed or how measured anomalies that deviated significantly from  
25 the size predicted by the tool were addressed;
- 26 ii. Incomplete documentation of Management of Change for pressure  
27 reduction; and  
28

1           iii. Failure to comply with its responsibility to educate emergency  
2           response officials as part of its Public Awareness Program.

3           90. As a result of these findings, PHMSA issued a Proposed Compliance  
4           Order demanding that Defendants take action to remediate the above probable  
5           violations and safety concerns.<sup>1</sup>

6           91. Later that same day, the Associated Press reported on the Notice and  
7           Proposed Compliance Order, quoting Robert Bea, a civil engineering professor at  
8           University of California, Berkeley. Professor Bea, a former oil executive who has  
9           studied numerous spills, stated that, “In all the documentation I have reviewed  
10          concerning the pipeline, I have never seen evidence of any advanced risk  
11          assessment and management processes being used by Plains.”

12          92. The Associated Press further reported that Professor Bea said the  
13          latest action by regulators speak to a weak corporate culture of safety and  
14          inadequate efforts to assess risk and prevent spills.

15          93. In short, Plains operates pipelines that routinely and foreseeably fail.  
16          The communities through which it transports oil suffer the consequences.

17          94. More recently, and as set forth above, on February 17, 2016, PHMSA  
18          issued Preliminary Findings on the May 19, 2015 Pipeline rupture. The agency  
19          found that:

- 20           i. The Pipeline failed at an approximate pressure of 750 psig (pounds  
21           per square inch gauge) which is only 56% of the Maximum Operating  
22           Pressure;
- 23           ii. The May 6, 2015 In Line Inspection survey did not accurately size  
24           the amount of external corrosion in the area of the release;

25  
26           

---

<sup>1</sup> On November 12, 2015, PHMSA issued an amendment to the corrective action order. *See In the Matter of Plains*  
27           *Pipeline, LP, Respondent*, CPF No. 5-2015-5011H, Amendment No. 2 To the Corrective Action Order, available at  
28           [http://www.phmsa.dot.gov/pv\\_obj\\_cache/pv\\_obj\\_id\\_B5EF5CF4C40AED2ACB35EE030BDB5CFAD5B60400/file](http://www.phmsa.dot.gov/pv_obj_cache/pv_obj_id_B5EF5CF4C40AED2ACB35EE030BDB5CFAD5B60400/file_name/52015_5011H_Amendment_No2_Corrective_Action_Order.pdf)  
          ame/52015\_5011H\_Amendment\_No2\_Corrective\_Action\_Order.pdf. That order explains that, contrary to common  
          practice in the pipeline industry, Plains did not provide data from its field surveys of Line 901 to its in-line inspection  
          vendor, and that based on PHMSA’s investigation of Line 903 “it does not appear that Plains has an effective  
          corrosion control program[.]”

1           iii. The In Line Inspection survey did not size corrosion anomalies  
2                       consistently compared to field measurements of all anomalies  
3                       investigated after the May 19<sup>th</sup> spill;

4           iv. Plains' existing corrosion control system is not preventing external  
5                       corrosion of the pipe under insulation.

6           95. The PHMSA investigation is continuing, with particular focus on  
7 metallurgical report review; the third-party root cause failure analysis; third-party  
8 analysis of the In Line Investigation surveys; complete analysis of the Plains  
9 control room including Controller actions; complete review and analysis of Plains  
10 Integrity Management Program; review of the adequacy of the placement and  
11 closure requirements of valves; need for additional pressure/flow monitoring  
12 devices; and investigation of the Plains Facility Response Plan.

13           96. Defendants have profited and continue to profit from their blatant  
14 negligence and failure to comply with local, state, and federal safety requirements  
15 and guidelines, and their decision not to maintain and replace the Pipeline  
16 demonstrates Defendants' willingness to prioritize profits of over public safety.

17           97. Defendants knew of the extremely high risk of catastrophic injury  
18 inherent in the transportation of oil through the Pipeline, and they know of the  
19 extremely high risk of reopening and restarting the Pipeline. Notwithstanding,  
20 Defendants took insufficient steps to engage in necessary monitoring and  
21 maintenance activities so as to prevent the rupture and protect Plaintiffs. Indeed,  
22 Defendants have actively avoided taking action to protect Plaintiffs from known  
23 risks the Pipeline presented before and after the rupture. Defendants have  
24 demonstrated a callous and reckless disregard for human life, health, and safety by  
25 operating the Pipeline without proper monitoring, maintenance and without proper  
26 safety equipment.

27           98. This disregard for human life and safety is part of a pattern and  
28 practice that Defendants have demonstrated across the country. Defendants have



1 acted with such indifference to the consequences of their misconduct, with such  
2 recklessness, and as part of a well-established pattern, as to be willful, malicious,  
3 and oppressive, and in disregard of the rights of the Plaintiffs, thereby meriting an  
4 award of punitive or exemplary damages against Defendants.

## 5 VI. CLASS ACTION ALLEGATIONS

6 99. Plaintiffs bring claims pursuant to Federal Rule of Civil Procedure 23  
7 on behalf of classes of similarly situated persons, which they initially propose be  
8 defined as follows:

9 *All persons and entities who currently own real*  
10 *property subject to an easement for the Pipeline.*

11 Plaintiffs reserve the right to propose subclasses of Plaintiffs in connection with  
12 their Motion for Class Certification, and as determined by the Court in its  
13 discretion.

14 100. **Numerosity:** The members of the Class are so numerous that joinder  
15 of all members is impractical. The exact number of class members is unknown at  
16 this time by Plaintiffs, but the approximate size of the class is in the hundreds and  
17 is known by Plains.

18 101. **Commonality:** There are common questions of law and fact that  
19 predominate over any questions affecting only individual members of the Class.  
20 The members of the Class own real property subject to easements allowing Plains  
21 to operate, maintain, repair, remove, and replace the Pipeline. Defendants failed to  
22 maintain the Pipeline, leaving it in an unsafe condition, which is hazardous to life,  
23 property, and the environment.

24 102. No reasonable property owner would have entered the contracts if they  
25 had known the truth. Rather than meet its obligations, Plains failed to properly  
26 maintain the Pipeline, failed to timely act on independent third party monitoring of  
27 the Pipeline's corrosion levels, and failed to timely make the repairs and/or  
28

1 restoration needed to sustain the reasonably expected lifespan of the Pipeline,  
2 rendering it increasingly unsafe and more hazardous.

3 103. The claims of the Plaintiffs and class members arise from common  
4 facts relevant to each class member, and each member of the designated class sues  
5 under common legal theories. Common issues of law or fact or the class include,  
6 but are not limited to:

- 7 i. Whether Defendants failed to properly monitor and maintain the  
8 Pipeline;
- 9 ii. Whether the Defendants failed to properly monitor and maintain the  
10 Pipeline in a safe condition;
- 11 iii. Whether Defendants maintained and operated the Pipeline in an  
12 unsafe condition;
- 13 iv. Whether Defendants breached their duties and obligations pursuant  
14 to the Pipeline easements;
- 15 v. Whether Defendants breached their obligation to properly monitor  
16 and maintain the Pipeline in a safe condition;
- 17 vi. Whether the easement contracts should be reformed to reflect the  
18 access needed to repair and/or restore the Pipeline;
- 19 vii. Whether the easement contracts should be reformed to provide  
20 consideration to Plaintiffs for the additional access needed to repair  
21 and/or restore the Pipeline;
- 22 viii. Whether the parties were mistaken that the access provided in the  
23 easement contracts was adequate to repair and/or restore the Pipeline;
- 24 ix. Whether there was a mutual mistake of fact regarding the amount of  
25 access needed to repair and/or restore the Pipeline;
- 26 x. Whether Defendants negligently represented to Plaintiffs that the  
27 Pipeline would be properly maintained and could be repaired and/or  
28 restored within the parameters of the easements;

- 1 xi. Whether Defendants should be required to specifically perform the  
2 easement contracts by restoring the Pipeline;
- 3 xii. Whether Defendants' operation and maintenance of the Pipeline  
4 unreasonably affects Plaintiffs and the Class Members;
- 5 xiii. Whether Defendants used the easements unreasonably;
- 6 xiv. Whether the Pipeline is causing damage to Plaintiffs' and Class  
7 Members' properties;
- 8 xv. Whether the improperly maintained Pipeline is a nuisance;
- 9 xvi. Whether attempts to repair and/or restore the Pipeline will be a  
10 nuisance;
- 11 xvii. Whether Defendants should be required to pay class-wide damages  
12 for nuisance; and
- 13 xviii. Whether Defendants should be required to pay class-wide damages  
14 for breach of the private easement contracts.

15 104. Each of the Plaintiffs and Class Members have the same, uniform  
16 contractual and implied right to fully use and enjoy their property. The Pipeline  
17 operates as one unit along each easement holders' lands. The use of the easement  
18 is uniform to all Plaintiffs and Class Members because the Pipeline is one pipeline.  
19 The pipeline functions and is operated by Defendants as one continuous unit along  
20 Plaintiffs' properties. The Pipeline operates as a whole for a single purpose and is  
21 one petroleum transmission system, pumping crude oil throughout and physically  
22 touching Plaintiffs' real properties.

23 105. Plaintiffs' property rights are fundamental and specifically articulated  
24 in the language of a written easement. This written easement language is  
25 consistent with the common law duties in California, directing that the holder of  
26 the easement rights cannot unreasonably interfere with the servient easement  
27 holder's property, preventing the servient easement holder from the right to fully  
28 use and enjoy his or her property.

1           106. **Typicality:** The representative Plaintiffs' claims are typical of the  
2 claims of the members of the Class. Plaintiffs and all the members of the Class  
3 have been injured by the same wrongful acts and omissions of Defendants.  
4 Plaintiffs' claims arise from the same practices and course of conduct that give rise  
5 to the claims of the members of the Class and are based on the same legal theories.  
6 There is common liability and a common wrongful conduct by the Defendants  
7 applicable to all class members. Further, the defenses interposed by the  
8 Defendants are expected to be common toward the class members.

9           107. **Adequacy of Representation:** Plaintiffs are representatives who will  
10 fully and adequately assert and protect the interests of the Class, and have retained  
11 class counsel who are experienced and qualified in prosecuting class actions.  
12 Neither Plaintiffs nor their attorneys have any interests contrary to or in conflict  
13 with the Class.

14           108. The proposed class representatives will fairly and adequately represent  
15 the interests of the class members because the class members have similar  
16 easements allowing for reasonable use and operation of the Pipeline. Plains has  
17 operated and maintained the Pipeline in a defective, unsafe manner and pursuant to  
18 a common course of corporate policy, pattern, practice, and conduct. The class  
19 representatives bring this lawsuit for the benefit of affected class members.

20           109. Moreover, the class representatives have retained counsel to represent  
21 themselves and class members who have extensive experience representing parties  
22 and class actions involving, mass torts and property claims, and who have  
23 knowledge and experience of the law and claims presented in this lawsuit and the  
24 nature of Rule 23, as a procedural mechanism to bring a lawsuit to decide a  
25 common liability for and bring relief for a group of affected persons.

26           110. **Ascertainability:** The number and identity of class members can be  
27 easily ascertained. Every property owner with an easement for the Pipeline is  
28 aware of the easement, and is correspondingly aware of the heightened threat of

1 additional harm to them as a result of Plains' conduct. Moreover, since Plains  
2 presumably maintains files of its easement contracts with each member of the  
3 Class, Plains will have the exact number of class members and will be able to  
4 identify each class member. In addition, each easement is recorded in the records  
5 of Santa Barbara County, Kern County or San Luis Obispo County.

6 111. **Rule 23(b)(1)(A)**. This lawsuit should be certified as a class action  
7 because individually affected members who prosecute separate actions would  
8 cause multiplicity of litigation, there could be risk of inconsistent findings on the  
9 same set of operative facts of liability, there could be inconsistent and varying  
10 adjudications with respect to individual class members that could establish  
11 incompatible standards of conduct for the Defendants, and individual adjudications  
12 would as a practical matter affect the interests and rights of individual persons not  
13 made a party to this lawsuit.

14 112. **Rule 23(b)(2)**. Defendants have acted or refused to act on grounds that  
15 apply generally to the proposed Class, making final declaratory or injunctive relief  
16 appropriate with respect to the proposed Class as a whole.

17 113. **Rule 23(b)(3)**. Common questions of law and fact predominate over  
18 any questions affecting only individual Class members and a class action is  
19 superior to individual litigation. The amount of damages available to individual  
20 plaintiffs are insufficient to make litigation addressing Defendants' conduct  
21 economically feasible in the absence of the class action procedure. Individualized  
22 litigation also presents a potential for inconsistent or contradictory judgments, and  
23 increases the delay and expense to all parties and the court system presented by the  
24 legal and factual issues of the case. By contrast, the class action device presents  
25 far fewer case management difficulties and provides the benefits of a single  
26 adjudication, economy of scale, and comprehensive supervision by a single court.

27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

114. **Rule 23(c)(4)**. The claims of Class members are composed of particular issues that are common to all Class members and capable of class wide resolution that will significantly advance the litigation.

**First Claim for Relief**

**Breach of Written Easement Contract**

*All Plaintiffs and Class Members against All Defendants*

115. Plaintiffs incorporate by reference each and every prior and subsequent allegation of this Complaint as if fully restated here.

116. As alleged herein, Plaintiffs and Defendants have written contracts under which Plaintiffs granted Defendants an easement over Plaintiffs’ land for Defendants to “maintain, operate, repair, replace, and remove” the Pipeline.

117. The easement contracts for all Plaintiffs and putative class members contain similar material language regarding the purpose of the easement.

118. The easement contracts create duties on the part of Defendants to install, repair, monitor, maintain, operate, remove, or replace the Pipeline so as not to unreasonably interfere with the property owners’ right to fully use and enjoy their properties.

119. Defendants have not adequately installed, repaired, maintained, operated, removed, or replaced the Pipeline, but rather Defendants have left the Pipeline in disrepair, unmaintained, unsafe, and in need of repair and/or restoration.

120. Defendants permanently suppressed and concealed from Plaintiffs and putative class members that the Pipeline was in disrepair, unmaintained, unsafe, and in need of repair and/or restoration. Despite having knowledge that the Pipeline was in disrepair, unmaintained, unsafe, and in need of repair and/or restoration, Defendants knowingly transported hazardous materials (including unauthorized toxins) at a high volume through the Pipeline.

1 121. Defendants' Pipeline interfered with and continues to interfere with  
2 Plaintiffs' rights to fully use and enjoy their properties.

3 122. The entire Pipeline is unsound, in disrepair, unmaintained, unsafe, and  
4 poorly maintained. The breach of the easement contracts resulted from a  
5 predominating course of corporate policy, pattern, practice, and conduct involving  
6 pipeline inspection, maintenance, operation, evaluation, and analysis by  
7 Defendants.

8 123. Defendants' failure to install, repair, maintain, operate, remove, and  
9 replace the Pipeline is a material breach of the contractual easement for the  
10 Plaintiffs and the putative class members located along the Pipeline.

11 124. Defendants' material breach of the contractual easements has deprived  
12 Plaintiffs and class members of their benefit of the bargain and their rights under  
13 the easements to fully use and enjoy their real properties..

14 125. Plaintiffs have performed all conditions, covenants, and promises  
15 required by them on their part to be performed in accordance with the terms and  
16 conditions of the contracts, except for those they were prevented from performing  
17 or which were waived or excused by Defendants' misconduct.

18 126. As a proximate result of Defendants' breach of contract, Plaintiffs are  
19 entitled to require repair and/or restoration of the unsafe and unsound Pipeline, to  
20 require safe and continuous maintenance and to receive adequate compensation for  
21 the additional burden on their land needed to restore the Pipeline and ensure its  
22 ongoing safe operation, and damages for Defendants' breach of contract, in an  
23 amount to be proved at trial.

24 ///

25 ///

26 ///

27 ///

28 ///

1 **Second Claim for Relief**

2 **Reformation of Easement Contracts**

3 **(Mutual Mistake of Fact)**

4 ***All Plaintiffs and Class Members against All Defendants***

5 127. Plaintiffs incorporate by reference each and every prior and subsequent  
6 allegation of this Complaint as if fully restated here.

7 128. As alleged herein, Plaintiffs and Defendants have written contracts for  
8 easements (Right-Of-Way Grants), under which Plaintiffs have granted Defendants  
9 easements over Plaintiffs' real properties for Defendants to maintain the Pipeline  
10 in exchange for certain consideration.

11 129. The parties to the easement contracts believed that after the initial  
12 installation of the Pipeline, the rights-of-way provided in the easements would be  
13 sufficient for Defendants to repair, maintain, operate, remove, and replace the  
14 Pipeline.

15 130. The parties were mistaken. The true fact was that the rights-of-way  
16 provided in the easement contracts were insufficient, particularly in light of  
17 Defendants' failure to consistently maintain the Pipeline. Defendants instead need  
18 additional access and land within which to complete the extensive repair and/or  
19 restoration and additional safety features required to safely operate and maintain  
20 the Pipeline, particularly given the more hazardous substances Plains now typically  
21 transports through the Pipeline.

22 131. The parties' mistaken belief was an essential part of the inducement  
23 for the easement contracts. The parties would not have entered into the easement  
24 contracts had the true facts been known.

25 132. Plaintiffs discovered the error in the written easement contracts when  
26 they learned that Defendants required additional access to repair and/or restore the  
27 Pipeline on Plaintiff Grey Fox's Lot X following the May 2015 rupture.  
28



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

133. As a result, the easement contracts as written do not accurately set forth the intentions of the parties and should be reformed to accurately reflect the parties’ intentions. The easement contracts should provide for additional easement land area as required for repair and/or restoration of the Pipeline and payment of consideration to Plaintiffs for the increased access and burden on their properties.

**Third Claim for Relief**

**Reformation of Easement Contracts**

**(Unilateral Mistake of Fact)**

***All Plaintiffs and Class Members against All Defendants***

134. Plaintiffs incorporate by reference each and every prior and subsequent allegation of this Complaint as if fully restated here.

135. As alleged herein, Plaintiffs and Defendants have written contracts for easements (Right-Of-Way Grants), under which Plaintiffs have granted Defendants easements over Plaintiffs’ real properties for Defendants to maintain the Pipeline in exchange for certain consideration.

136. Plaintiffs believed that after the initial installation of the Pipeline, the rights-of-way provided in the easements would be sufficient for Defendants to repair, maintain, operate, remove, and replace the Pipeline.

137. Plaintiffs were mistaken. The true fact was that the rights-of-way provided in the easement contracts were insufficient. Defendants instead need additional land area within which to repair and/or restore the Pipeline.

138. The failure of the written easement contracts to reflect the true intent of the parties resulted from a unilateral mistake on the part of Plaintiffs, in that Plaintiffs mistakenly believed that the easement contracts correctly expressed the terms intended by the parties.

139. Defendants knew of or suspected the mistake at the time of execution of the written easement contracts.

1 140. Plaintiffs discovered the error in the written easement contracts when  
2 they learned that Defendants required additional access to repair and/or restore the  
3 Pipeline on Plaintiff Grey Fox's Lot X following the May 2015 rupture.

4 141. As a result, the easement contracts as written do not accurately set  
5 forth the true intentions of the parties and should be reformed to accurately reflect  
6 the parties' intentions. The easement contracts should provide an easement  
7 increase for repair and/or restoration of the Pipeline and payment of consideration  
8 to Plaintiffs for the increased access and burden on their properties.

9 **Fourth Claim for Relief**

10 **Negligent Misrepresentation**

11 *All Plaintiffs and Class Members against All Defendants*

12 142. Plaintiffs incorporate by reference each and every prior and subsequent  
13 allegation of this Complaint as if fully restated here.

14 143. As alleged herein, Defendants' predecessors-in-interest represented to  
15 Plaintiffs predecessors-in-interest that once installed, the Pipeline would be  
16 properly monitored and maintained, and could be repaired, maintained, operated,  
17 removed, and replaced within the parameters of the rights-of-way provided in the  
18 easements.

19 144. When Defendants made these representations, they had no reasonable  
20 ground for believing them to be true.

21 145. Defendants made these representations with the intention of inducing  
22 Plaintiffs to act in reliance on these representations and grant Defendants the  
23 easements over their properties.

24 146. The representations made by Defendants were in fact false. The true  
25 facts were that Defendants were not going to properly maintain the Pipeline and  
26 Defendants could not maintain, repair, remove, or replace the Pipeline within the  
27 parameters of the easements.  
28

1 147. Plaintiffs, at the time these representations were made by Defendants  
2 and at the time Plaintiffs granted Defendants the easements over their properties,  
3 were ignorant of the falsity of Defendants' representations and believed them to be  
4 true. In reliance on these representations, Plaintiffs were induced to and did grant  
5 Defendants the easements over their properties. Had Plaintiffs known the actual  
6 facts, they would not have taken such action. Plaintiffs' reliance on Defendants'  
7 representations was reasonable and justified.

8 148. As a proximate result of Defendants' conduct, Plaintiffs granted  
9 Defendants easements over Plaintiffs' properties for Defendants to repair,  
10 maintain, operate, remove, and replace the Pipeline, Defendants failed to properly  
11 monitor and maintain the Pipeline, the Pipeline has become a dangerous hazard to  
12 health and the environment, and Defendants cannot repair, maintain, operate,  
13 remove, or replace the Pipeline within the parameters of the easements. Plaintiffs  
14 have been damaged in an amount to be proved at trial.

### 15 **Fifth Claim for Relief**

#### 16 **Negligence**

#### 17 *All Plaintiffs and Class Members against All Defendants*

18 149. Plaintiffs incorporate by reference each and every prior and subsequent  
19 allegation of this Complaint as if fully restated here.

20 150. Defendants owed a duty to Plaintiffs to exercise reasonable and  
21 ordinary care. That duty arose under the easement contracts and property law  
22 generally, as well as from, among other things, federal, state, and local laws,  
23 ordinances, and regulations that require Defendants to comply with all applicable  
24 safety standards, including without limitation, the Pipeline Safety Act ("PSA") (49  
25 U.S.C. § 60101, et seq.), the Lempert-Keene Act, Government Code Section 8670,  
26 et seq., the Porter-Cologne Act, Water Code Sections 13000, et seq., Cal. Fish &  
27 Game Code Section 5650, et seq., the Federal Clean Water Act, 33 U.S.C. § 1251  
28

1 *et seq.*, Santa Barbara County Code, Chapter 25, §§ 25-7(g) and 25-37, and state  
2 and federal spill response and notification laws.

3 151. A special relationship exists between Defendants and Plaintiffs as a  
4 result of Defendants' transportation of hazardous materials through Plaintiffs'  
5 properties, and Defendants' responsibility to properly maintain the Pipeline  
6 through which those hazardous materials move. Defendants had a duty to  
7 maintain, repair and/or restore the Pipeline that would have avoided unnecessary  
8 injury to Plaintiffs' property values. The construction of the Pipeline was intended  
9 to, and did, affect Plaintiffs. Failure to maintain, repair and/or restore the Pipeline  
10 was a clearly foreseeable harm to Plaintiffs' property. Plaintiffs have suffered  
11 physical injury to and interference with their properties, as well as economic harm  
12 as a result of Defendants' failure to maintain the Pipeline. Defendants' conduct is  
13 a direct and proximate cause of the injury suffered. Given the toxic nature of the  
14 substances in the Pipeline, Defendants' track record of repeated violations of  
15 pipeline safety regulation, and the clear warning signs that the Pipeline required  
16 repair and/or restoration, there is a sound policy and moral reasons for holding  
17 Defendants accountable for their failure to maintain, repair and/or restore the  
18 Pipeline.

19 152. As set forth herein, Defendants breached their duty to Plaintiffs by,  
20 among other things, failing to detect and repair the corrosion, anomalies, leaks, and  
21 potential rupture points along the entire length of the Pipeline and failing to install,  
22 operate, monitor, maintain, repair and/or restore the Pipeline in a reasonable  
23 manner consistent with all applicable safety standards.

24 153. Defendants, in the exercise of reasonable care, should have known  
25 that the Pipeline could corrode and degrade and that it could leak, fail, rupture, and  
26 spill significant amounts of hazardous materials. Defendants have acknowledged  
27 that spills have occurred on their pipelines in the past and will occur, and have in  
28 fact occurred, again. Yet, Defendants have a history of failing to take reasonable,

1 commonsense steps to monitor, detect and repair the corrosion and other anomalies  
2 known to exist in its Pipeline facilities. Defendants' conduct, or lack thereof,  
3 increases the risk of ruptures and catastrophic spills and unnecessarily threatens  
4 lives and property.

5 154. In addition, Defendants' violations of the statutes, ordinances, and  
6 regulations cited herein resulted in precisely the harm to Plaintiffs that the laws  
7 were designed to prevent, and Plaintiffs are members of the class of persons for  
8 whose protection those laws were adopted.

9 155. At all times herein mentioned, Defendants negligently, wantonly,  
10 carelessly and/or recklessly maintained and operated the Pipeline.

11 156. As a direct and proximate result of Defendants' negligence, Plaintiffs  
12 have suffered and will continue to suffer physical injury to and interference with  
13 their properties, as well as economic harm and other damages, including but not  
14 limited to the loss of use and enjoyment of Plaintiffs' properties; the loss of profits  
15 due to failed real property marketing and sales to buyers who, but for the Pipeline,  
16 would have purchased Plaintiffs' properties; and the diminished value of Plaintiffs'  
17 properties and future lost profits due to the taboo associated with the Pipeline and  
18 the May 2015 rupture, which has and will continue to drive down the value and  
19 desirability of Plaintiffs' properties.

20 157. As described herein, the acts and omissions of Defendants were done  
21 with oppression, fraud, and/or malice, thereby justifying an award of punitive  
22 damages in accordance with proof at trial.

23 **Sixth Claim for Relief**

24 **Violations of California's Unfair Competition Law**

25 **(Cal. Bus. & Prof. Code §§ 17200, *et seq.*)**

26 ***All Plaintiffs and Class Members against All Defendants***

27 158. Plaintiffs incorporate by reference each and every prior and subsequent  
28 allegation of this Complaint as if fully restated here.

1 159. Defendants have engaged in and continue to engage in unfair  
2 competition in violation of California’s Unfair Competition Law (“UCL”).

3 160. In the easement contracts, Defendants represented that (1) they would  
4 install, operate, repair, and maintain the Pipeline in a manner that would meet all  
5 applicable safety standards and (2) they would have the capability, whenever  
6 necessary, to operate, maintain, repair and/or restore the Pipeline within the  
7 parameters of the easement.

8 161. No Plaintiff, and no reasonable property owner, would have granted an  
9 easement knowing the Pipeline was not going to be maintained in a reasonable  
10 manner consistent with all applicable safety standards and/or that the operator of  
11 the Pipeline lacked the capability to do so within the parameters of the easement.

12 162. Moreover, it is axiomatic that in order to maintain and operate the  
13 Pipeline, Defendants must comply with all applicable safety standards, including  
14 the Pipeline Safety Act (“PSA”). These standards are mandatory, and a pipeline  
15 may be legally operated only if the standards’ express terms have been met.  
16 Accordingly, an easement which grants the right to operate a pipeline must, if the  
17 easement is not to be wholly illusory, imply the right to operate the pipeline in a  
18 reasonable manner and in accordance with applicable laws and regulations.

19 163. As set forth herein, Defendants have failed to install, operate, monitor,  
20 maintain, repair and/or restore the Pipeline in a reasonable manner that meets all  
21 applicable safety standards, and they have admitted, in the Temporary Property  
22 Access and Remediation Agreement with Grey Fox, that they do not have the  
23 capability to install, operate, repair, maintain, remove and replace the Pipeline  
24 within the parameters of the easements.

25 164. Each Plaintiff relied on Plains’ representations in deciding to grant the  
26 easements. Each Plaintiff was induced to grant and did grant the easement due to  
27 the false and misleading representation, and would not have granted Defendants an  
28 easement absent Defendants’ representations, which were reasonably relied upon.

1           165. In granting the easements to Defendants, each Plaintiff gave up certain  
2 rights in their properties in exchange for certain amounts of consideration.

3           166. Defendants’ conduct constitutes “fraudulent” business practices within  
4 the meaning of UCL in that Defendants have all but ignored the maintenance of  
5 the Pipeline as evidenced by the degradation and failure of the Pipeline.  
6 Defendants’ conduct amounts to “unfair” business practices because of the  
7 negative consequences of Defendants’ failure to maintain the Pipeline far exceed  
8 the cost of actual compliance. Defendants’ conduct is “unlawful” because it  
9 violated laws including but not limited to the PSA (which includes the Natural Gas  
10 Pipeline Safety Act of 1968, the Federal Pipeline Safety Act of 1979, the Pipeline  
11 Inspection, Protection, Enforcement and Safety Act of 2006, and the Pipeline  
12 Safety, Regulatory Certainty, and Job Creation Act of 2011), and all related  
13 regulations that set minimum safety standards for the design, installation,  
14 inspection, emergency plans and procedures, testing, extension, construction,  
15 operation, replacement and maintenance of pipeline facilities.

16           167. Plaintiffs’ right to have their properties free from unlawful  
17 encroachments must be protected. In order to continue to operate the Pipeline,  
18 Defendants must operate, maintain, repair and/or restore the Pipeline as the  
19 easement contemplates, and comply with all safety regulations.

20           168. Defendants presently cannot legally operate the Pipeline in compliance  
21 with all regulations. Defendants also cannot adequately repair and/or restore the  
22 Pipeline within the parameters of the easements and without encroaching  
23 unlawfully on Plaintiffs’ properties beyond the scope of the existing easements.  
24 The easements will have to be reformed to provide additional access for  
25 Defendants to work and compensation to Plaintiffs for the access and the  
26 additional burden imposed on their properties.

27 ///

28 ///

1 169. As a proximate result of Defendants' unfair, fraudulent, and unlawful  
2 methods of competition, Plaintiffs have been harmed. Injunctive relief is  
3 necessary to require Plains to meet modern safety standards.

4 170. As a further proximate result of Defendants' unfair, fraudulent, and  
5 unlawful methods of competition, Plaintiffs suffered a loss of property when they  
6 granted Defendants the easements. Defendants should be required to make  
7 appropriate restitution payments to Plaintiffs.

8 **Seventh Claim for Relief**

9 **Breach of Implied Covenant of Good Faith and Fair Dealing**

10 *All Plaintiffs and Class Members against All Defendants*

11 171. Plaintiffs incorporate by reference each and every prior and subsequent  
12 allegation of this Complaint as if fully restated here.

13 172. As alleged herein, Plaintiffs have private easement contracts with  
14 Defendants.

15 173. There is implied in all of the agreements between Plaintiffs and  
16 Defendants a covenant of good faith and fair dealing whereby Defendants  
17 impliedly covenanted that they would act in good faith and in the exercise of fair  
18 dealing, deal with Plaintiffs fairly and honestly and do nothing to impair, interfere  
19 with, hinder, or potentially injure Plaintiffs' rights.

20 174. As alleged herein, Defendants breached the covenant and frustrated  
21 Plaintiffs' enjoyment of their contractual rights. Defendants' acts include but are  
22 not limited to:

- 23 i. Disregarding their duty under the private easement contracts to  
24 adequately monitor, repair, maintain, operate, remove, and replace the  
25 Pipeline;
- 26 ii. Operating an unsafe Pipeline through Plaintiffs' properties;
- 27 iii. Impairing, interfering with, hindering, and injuring Plaintiffs' rights;
- 28



- 1 iv. Promoting a predominating course of corporate policy, pattern,
- 2 practice, and conduct involving grossly negligent pipeline inspection,
- 3 maintenance, operation, evaluation, and analysis;
- 4 v. Exposing Plaintiffs and class members to the unsafe Pipeline;
- 5 vi. Depriving Plaintiffs and class members of their reasonable right to
- 6 fully use and enjoy their real property;
- 7 vii. Using the Pipeline to carry toxic chemicals, other than crude oil,
- 8 known to pose severe threats to human health;
- 9 viii. Using the Pipeline to carry toxic chemicals that are associated with
- 10 fracking – which is a procedure not known to exist at the time the
- 11 property owners agreed to the easements, was not an intended risk
- 12 assumed by the property owners, was not accounted for as part of the
- 13 consideration exchanged, and was beyond the scope of the easements.
- 14 ix. Failing to comply with industry rules and policies pertaining to the
- 15 maintenance, inspection, and integrity management of hazardous
- 16 liquid pipelines;
- 17 x. Evading the spirit of the bargain made with Plaintiffs; and
- 18 xi. Otherwise failing to do everything the easement contracts
- 19 presupposed the Defendants would do to accomplish their purpose.

20 175. Plaintiffs have performed all conditions, covenants and promises  
21 required by them on their part to be performed in accordance with the terms and  
22 conditions of the easement contracts, except for those they were prevented from  
23 performing or which were waived or excused by Defendants' misconduct.

24 176. As a proximate result of Defendants' acts, Plaintiffs and class  
25 members are entitled to repair and/or restoration of the unsafe Pipeline, adequate  
26 compensation for the additional burden on their land needed to repair and/or  
27 restore the Pipeline, and damages for Defendants' material breach of contract, in  
28 an amount to be proved at trial.

1 **Eighth Claim for Relief**

2 **Permanent Nuisance**

3 *All Plaintiffs and Class Members against All Defendants*

4 177. Plaintiffs incorporate by reference each and every prior and subsequent  
5 allegation of this Complaint as if fully restated here.

6 178. Defendants' Pipeline, because of the hazards it has created, is a  
7 nuisance. At all times herein mentioned, Defendants have failed to properly  
8 install, maintain, repair and/or restore the Pipeline, creating an unsafe,  
9 ultrahazardous Pipeline that is extremely dangerous to Plaintiffs' health, indecent  
10 and offensive to Plaintiffs' senses, an obstruction to the reasonable use of  
11 Plaintiffs' property, and interferes with the comfortable enjoyment of Plaintiffs'  
12 life and property.

13 179. Defendants' conduct has caused the Pipeline to corrode, rupture,  
14 damage the environment, and threaten the people and properties near it. The  
15 hazardous conditions are not limited to the area immediately surrounding the May  
16 2015 rupture on El Rancho Tajiguas Lot X. The Pipeline, along its entire length, is  
17 riddled with corrosion, other known anomalies, leaks, and potential rupture points,  
18 all of which are harmful to both human health and the environment and interfere  
19 with Plaintiffs' comfortable use and enjoyment of their real properties.

20 180. Property owners with land subject to easements along the Pipeline  
21 have suffered real damage because the unsafe Pipeline runs through and under  
22 their properties. The corroded Pipeline, its defective insulation, and the residual  
23 hazardous materials left behind on Plaintiffs' properties have resulted in physical  
24 injury to the properties, and have damaged and unreasonably interfered with the  
25 properties of all Plaintiffs along the entire length of the Pipeline.

26 181. Defendants were, at all relevant times, in sufficient control of the  
27 Pipeline to have known of the hazards. Defendants knew or should have known  
28 that their operation of the Pipeline would have, and did, cause the hazards,

1 including catastrophic failures due to corrosion, anomalies, leaks, and releases of  
2 hazardous materials.

3 182. Despite knowledge and forewarning, Defendants failed to take  
4 reasonable steps to prevent the catastrophic failure of the Pipeline due to corrosion,  
5 anomalies, leaks, and releases of hazardous materials.

6 183. Plaintiffs did not consent to the ongoing damage to the use and  
7 enjoyment of their properties as a result of Defendants' actions and inactions.

8 184. As a direct and proximate cause, Defendants' acts and omissions have  
9 caused substantial actual damage and immediate and ongoing diminution of the  
10 value of Plaintiffs' real properties, as well as the loss of use and enjoyment of their  
11 properties, in amounts to be determined at trial.

12 185. The nuisance caused by Defendants' conduct is permanent, and the  
13 health, well-being, and comfortable enjoyment of life and property of Plaintiffs,  
14 Plaintiffs' families and the surrounding community have suffered irreparable  
15 damage.

16 186. Plaintiffs have no plain, speedy, or adequate remedy at law, and  
17 injunctive relief is warranted. A preliminary and permanent injunction should  
18 therefore be issued, ordering Defendants to repair and/or restore and improve the  
19 Pipeline and associated hazards; to take all steps necessary to ensure that the  
20 Pipeline operates within the parameters of all applicable safety standards,  
21 including without limitation installing automatic shutoff valves, before  
22 transporting any hazardous materials over or through Plaintiffs' properties; and to  
23 provide appropriate compensation to Plaintiffs for the additional risk of continued  
24 use of the pipeline and the burden and access needed to complete the restoration  
25 process.

26 ///

27 ///

28 ///

1 **Ninth Claim for Relief**

2 **Threatened Nuisance**

3 *All Plaintiffs and Class Members against All Defendants*

4 187. Plaintiffs incorporate by reference each and every prior and subsequent  
5 allegation of this Complaint as if fully restated here.

6 188. Defendants plan to reopen the Pipeline and continue operating it.  
7 However, the continued operation of the Pipeline in its current state will create a  
8 probable and imminent danger to life, property, and the environment.

9 189. In order to continue to safely transport crude oil through Plaintiffs'  
10 properties, Defendants will have to restore the Pipeline to its original condition and  
11 install modern safety features. Yet, as explained herein, the easement does not  
12 provide sufficient access to complete the necessary work, and any such work will  
13 necessarily burden Plaintiffs' properties unreasonably beyond the parameters of  
14 the existing easements and create an additional nuisance and trespass.

15 190. The necessary work will also cause noise, vibration, dust and the  
16 release of noxious and malodorous gases, fumes, and other contaminants to further  
17 pollute the land and air in the vicinity of and over Plaintiffs' properties.

18 191. The continued use of the Pipeline and any attempt to repair and/or  
19 restore it will result in interference with Plaintiffs' comfortable enjoyment of life  
20 and property and injury to the health of Plaintiffs and their families.

21 192. Plaintiffs have no adequate remedy at law for the threatened nuisances  
22 in that the threatened contamination and pollution will cause significant health  
23 hazards to Plaintiffs and their families, and the threatened interference with their  
24 property rights will cause additional burdens to be placed on their properties  
25 beyond the scope of their current easements. It will be impossible for Plaintiffs to  
26 determine the precise amount of damage which they will suffer if Defendants'  
27 threatened conduct is not restrained.

28

1 193. Unless Defendants are enjoined, Plaintiffs will suffer irreparable injury  
2 in that their health will be compromised, the usefulness and economic value of  
3 their properties will be substantially diminished, and they will be deprived of the  
4 reasonable and comfortable enjoyment of their properties.

5 194. An injunction should therefore be issued, ordering Defendants to  
6 repair and/or restore the Pipeline and bring it within the parameters of all  
7 applicable safety standards, including without limitation installing automatic  
8 shutoff valves, and provide appropriate compensation to Plaintiffs for the  
9 additional ongoing risk, burden and access needed to complete the process and  
10 consistently maintain the Pipeline in a sound matter.

11 **Tenth Claim for Relief**

12 **Permanent Injunction**

13 ***All Plaintiffs and Class Members against All Defendants***

14 195. Plaintiffs incorporate by reference each and every prior and subsequent  
15 allegation of this Complaint as if fully restated here.

16 196. Defendants have wrongfully and unlawfully failed to maintain the  
17 Pipeline and failed to safely, and within the parameters of the easements, monitor,  
18 maintain, repair and/or restore the Pipeline.

19 197. In the absence of an injunction, Defendants will continue to violate  
20 the rights of Plaintiffs. Defendants, and each of them, have refused and still refuse  
21 to refrain from their wrongful conduct.

22 198. Defendants' wrongful conduct, unless and until enjoined and  
23 restrained by order of this court, will cause great and irreparable injury to  
24 Plaintiffs.

25 199. Plaintiffs have no adequate remedy at law for the injuries that will  
26 result from failure of the Defendants to repair and/or restore and maintain the  
27 Pipeline, in that *inter alia*, Plaintiffs will suffer ongoing nuisance and be forced to  
28 bring a multiplicity of suits, and it could be impossible for Plaintiffs to determine

1 the precise amount of damages they will suffer if Defendants' conduct is not  
2 restrained.

3 200. Plaintiffs have no plain, speedy or adequate remedy at law, and  
4 injunctive relief is warranted. A preliminary and permanent injunction should  
5 therefore be issued, ordering Defendants to repair and/or restore and improve the  
6 Pipeline and associated hazards; to take all steps necessary to ensure that the  
7 Pipeline operates within the parameters of all applicable safety standards,  
8 including without limitation installing automatic shutoff valves, before  
9 transporting any hazardous materials over or through Plaintiffs' properties; and to  
10 provide appropriate compensation to Plaintiffs for the additional risk of continued  
11 use of the Pipeline and the burden and access needed to complete the restoration  
12 process.

13 **Eleventh Claim for Relief**

14 **Declaratory Relief**

15 ***All Plaintiffs and Class Members against All Defendants***

16 201. Plaintiffs incorporate by reference each and every prior and subsequent  
17 allegation of this Complaint as if fully restated here.

18 202. As alleged herein, Plaintiffs and Defendants have written contracts for  
19 easements (Right-of-Way Grants).

20 203. Plaintiffs contend that Defendants acknowledge the need to repair  
21 and/or restore the Pipeline running through their properties.

22 204. Plaintiffs furthermore contend that Defendants have breached the  
23 contracts by their failure to maintain, repair and/or restore the Pipeline.

24 205. Plaintiffs moreover contend that Defendants cannot adequately repair  
25 and/or restore the Pipeline within the terms of the contract.

26 206. Plaintiffs additionally contend that the easements do not permit  
27 Defendants access to the Plaintiffs' properties beyond the terms of the easement.  
28

1           207. Plaintiffs desire and seek a judicial determination of the validity and  
2 extent of the easement contracts between the parties. An actual and justiciable  
3 controversy exists between Plaintiffs and Plains concerning the status and extent of  
4 the contracts, given Defendants' stated plans to repair and/or restore the Pipeline.

5   **Twelfth Claim for Relief**

6   **Trespass**

7   ***Plaintiff Grey Fox against All Defendants***

8           208. Plaintiffs incorporate by reference each and every prior and  
9 subsequent allegation of this Complaint as if fully restated here.

10          209. Plaintiff Grey Fox has a real property interest in Lot X. Defendants  
11 discharged a polluting matter which invaded Lot X and caused harm. Plaintiff  
12 Grey Fox seeks its damages for which it was not compensated pursuant to the  
13 Temporary Property Access and Remediation Agreement.

14          210. By discharging polluting matter, Defendants entered, invaded, and  
15 intruded on the real property of Plaintiff Grey Fox without privilege, permission,  
16 invitation, or justification.

17          211. Defendants had a duty to use reasonable care not to enter, intrude on,  
18 or invade Plaintiff's real property. Defendants also owed a duty to Plaintiff Grey  
19 Fox to exercise reasonable care in the manufacture, installation, maintenance, and  
20 operation of the Pipeline.

21          212. Defendants had a heightened duty of care to Plaintiff Grey Fox  
22 because of the great danger associated with transporting oil through Plaintiff's  
23 property and so near to pristine coastal areas.

24          213. Defendants breached the duty they owed to Plaintiff Grey Fox when  
25 they failed to exercise reasonable care in the construction, installation, monitoring,  
26 maintenance, and operation of the Pipeline, which conduct resulted in entry,  
27 intrusion or invasion on Plaintiff's real property.

28

1 214. Defendants knew or should have known that their conduct would  
2 foreseeably result in a disastrous oil spill, causing damage to Plaintiff's property.

3 215. As a direct and proximate result of Defendants' trespass, Plaintiff  
4 Grey Fox has suffered legal injury and damages, in an amount to be proven at trial,  
5 including, but not limited to, property damage, diminution of value of real estate,  
6 loss of income, and other economic loss.

7 216. As described herein, the acts and omissions of Defendants were done  
8 with oppression, fraud, and/or malice, thereby justifying an award of punitive  
9 damages in accordance with proof at trial.

10 **Thirteenth Claim for Relief**

11 **Strict Liability for Ultrahazardous Activities**

12 ***Plaintiff Grey Fox against All Defendants***

13 217. Plaintiffs incorporate by reference each and every prior and  
14 subsequent allegation of this Complaint as if fully restated here.

15 218. At all times herein, Defendants owned and operated the Pipeline.

16 219. At all times relevant to this action, Defendants had supervision,  
17 custody, and control of the Pipeline.

18 220. At all times herein, Defendants were under a continuing duty to  
19 protect Plaintiff Grey Fox from the harm caused by the Pipeline.

20 221. Defendants were engaged in ultrahazardous activities by transporting  
21 flammable, hazardous, and toxic oil through the Pipeline.

22 222. Plaintiff Grey Fox has suffered harm from the discharge of toxic oil  
23 and other hazardous materials from the Pipeline.

24 223. The injuries sustained by Plaintiff Grey Fox as a result of the oil spill  
25 were the direct and proximate result of Defendants' activities and/or inactions.

26 224. The harm to Plaintiff Grey Fox was and is the kind of harm that  
27 would be reasonably anticipated as a result of the risks created by transporting  
28



1 flammable, hazardous, and toxic oil and other hazardous materials in the Pipeline  
2 and not properly maintaining the Pipeline.

3 225. Defendants' operation of the Pipeline and its failure was a substantial  
4 factor in causing the harms suffered by Plaintiff Grey Fox.

5 226. Due to Defendants' strict liability, Plaintiff Grey Fox is entitled to  
6 recover actual damages.

7 227. As described herein, the acts and omissions of Defendants were done  
8 with oppression, fraud, and/or malice, thereby justifying an award of punitive  
9 damages in accordance with proof at trial.

10 **Fourteenth Claim for Relief**

11 **Negligence**

12 ***Plaintiffs Grey Fox, MAZ Properties, Bean Blossom and Winter Hawk against***  
13 ***All Defendants***

14 228. Plaintiffs incorporate by reference each and every prior and  
15 subsequent allegation of this Complaint as if fully restated here.

16 229. Defendants owed a duty to Plaintiffs to exercise reasonable and  
17 ordinary care. That duty arose under the easement contracts and property law  
18 generally, as well as from, among other things, federal, state, and local laws,  
19 ordinances, and regulations that require Defendants to comply with all applicable  
20 safety standards, including without limitation, the Pipeline Safety Act ("PSA") (49  
21 U.S.C. § 60101, et seq.), the Lempert-Keene Act, Government Code Section 8670,  
22 et seq., the Porter-Cologne Act, Water Code Sections 13000, et seq., Cal. Fish &  
23 Game Code Section 5650, et seq., the Federal Clean Water Act, 33 U.S.C. § 1251  
24 et seq., Santa Barbara County Code, Chapter 25, §§ 25-7(g) and 25-37, and state  
25 and federal spill response and notification laws.

26 230. A special relationship exists between Defendants and these Plaintiffs  
27 as a result of the failure of Defendants' Pipeline in the immediate vicinity of their  
28 properties. Defendants had a duty to operate the Pipeline in a manner that would

1 have avoided unnecessary injury to Plaintiffs' property values from the spill of oil  
2 and other toxic chemicals on and near their properties, as well as the resulting  
3 noise, vibration, dust and the release of noxious and malodorous gases, fumes, and  
4 other contaminants that further polluted the land and air in the vicinity of, under  
5 and over Plaintiffs' properties following the spill. Failure to maintain, repair  
6 and/or restore the Pipeline was a clearly foreseeable harm to these Plaintiffs'  
7 properties. Plaintiffs have suffered physical injury to and interference with their  
8 properties, as well as economic harm as a result of Defendants' failure to maintain  
9 the Pipeline and prevent the spill. Defendants' conduct is a direct and proximate  
10 cause of the injury suffered. Given the toxic nature of the substances in the  
11 Pipeline, Defendants' track record of repeated violations of pipeline safety  
12 regulation, and the clear warning signs that the Pipeline required repair and/or  
13 restoration, there is a sound policy and moral reasons for holding Defendants  
14 accountable for their failure to maintain, repair and/or restore the Pipeline.

15 231. As set forth herein, Defendants breached their duty to Plaintiffs by,  
16 among other things, failing to detect and repair the corrosion, anomalies, leaks, and  
17 potential rupture points, by failing to install, operate, monitor, maintain, repair  
18 and/or restore the Pipeline in a reasonable manner consistent with all applicable  
19 safety standards, and by failing to respond adequately and promptly to the spill.

20 232. Defendants, in the exercise of reasonable care, should have known  
21 that the Pipeline could corrode and degrade and that it could leak, fail, rupture, and  
22 spill significant amounts of hazardous materials. Defendants have acknowledged  
23 that spills have occurred on their pipelines in the past and will occur, and have in  
24 fact occurred, again. Yet, Defendants have a history of failing to take reasonable,  
25 commonsense steps to monitor, detect and repair the corrosion and other anomalies  
26 known to exist in its Pipeline facilities. Defendants' conduct, or lack thereof,  
27 increases the risk of ruptures and catastrophic spills and unnecessarily threatens  
28 lives and property.

1 233. In addition, Defendants' violations of the statutes, ordinances, and  
2 regulations cited herein resulted in precisely the harm to Plaintiffs that the laws  
3 were designed to prevent, and Plaintiffs are members of the class of persons for  
4 whose protection those laws were adopted.

5 234. At all times herein mentioned, Defendants negligently, wantonly,  
6 carelessly and/or recklessly maintained and operated the Pipeline.

7 235. As a direct and proximate result of Defendants' negligence, Plaintiffs  
8 have suffered and will continue to suffer physical injury to and interference with  
9 their properties, economic harm and other damages, including but not limited to  
10 the loss of use and enjoyment of Plaintiffs' properties; the loss of profits due to  
11 failed real property marketing and sales to buyers who, but for the Pipeline, would  
12 have purchased Plaintiffs' properties; and the diminished value of Plaintiffs'  
13 properties and future lost profits due to the taboo associated with the Pipeline and  
14 the May, 2015 rupture, which has and will continue to drive down the value and  
15 desirability of Plaintiffs' properties.

16 236. As described herein, the acts and omissions of Defendants were done  
17 with oppression, fraud, and/or malice, thereby justifying an award of punitive  
18 damages in accordance with proof at trial.

19 **Fifteenth Claim for Relief**

20 **Breach of Contract**

21 ***Plaintiff Grey Fox against Defendant Plains Pipeline, LP***

22 237. Plaintiff incorporates by reference each and every prior and subsequent  
23 allegation of this Complaint as if fully restated here.

24 238. Plaintiff Grey Fox and Defendant Plains Pipeline, LP are parties to a  
25 contract entered into after the spill, the Temporary Property Access and  
26 Remediation Agreement, which obligates Plains to pay a Use Fee in the amount of  
27 \$5,500 per day for use of the Grey Fox property, and separately to protect Grey  
28 Fox against, among other things any and all damages, losses, costs or expenses

1 whatsoever, including attorneys' fees and experts' fees arising out of any physical  
2 or property damage.

3 239. Plaintiff Grey Fox has performed all conditions, covenants, and  
4 promises required by it on its part to be performed in accordance with the terms  
5 and conditions of the contract, except for those they were prevented from  
6 performing or which were waived or excused by Defendant's misconduct..

7 240. Defendant Plains materially breached the contract by refusing to pay  
8 for Use Fees owed and refusing to pay fees and costs owed arising out of damage  
9 to the property.

10 241. As a result of Defendant's breach, Plaintiff has incurred damages in  
11 the amount of \$137,500 in unpaid Use Fees, and \$221,666.74 in fees and costs  
12 incurred as a result of damage to the property. Plaintiff Grey Fox believes there  
13 are and will be additional fees and expenses owed in an amount to be proved at  
14 trial.

## 15 **VII. REQUEST FOR RELIEF**

16 Plaintiffs, individually and on behalf of all others similarly situated, request  
17 judgment against Defendants, and each of them, as follows:

18 A. For an order certifying the Class, appointing Plaintiffs as  
19 representatives of the Class, and appointing the lawyers and law firms representing  
20 Plaintiffs as counsel for the Class;

21 B. For reformation of the easements;

22 C. For specific performance of the reformed easements;

23 D. For injunctive relief;

24 E. For compensatory damages sustained by Plaintiffs and the Class;

25 F. For treble damages insofar as they are allowed by applicable laws;

26 G. For appropriate individual relief;

27 H. For costs and expenses;

28

- 1 I. For both pre-judgment and post-judgment interest on any amounts
- 2 awarded;
- 3 J. For payment of attorney fees and expert fees as may be allowable
- 4 under applicable law;
- 5 K. For exemplary and punitive damages;
- 6 L. For such other and further relief, including declaratory relief, as the
- 7 Court may deem just and proper.

**VIII. DEMAND FOR JURY TRIAL**

8 Plaintiffs hereby demand a trial by jury on all issues so triable.

9  
10  
11  
12 Dated: May 6, 2016

Respectfully submitted,

13 CAPPELLO & NOËL LLP

14 By: /s/ A. Barry Cappello  
15 A. Barry Cappello

16 A. Barry Cappello (CSB No. 037835)  
17 Leila J. Noël (CSB No. 114307)  
18 Lawrence J. Conlan (CSB No. 221350)  
19 CAPPELLO & NOËL LLP  
20 831 State Street  
21 Santa Barbara, CA 93101-3227  
22 Telephone: (805)564-2444  
23 Facsimile: (805)965-5950

24 Robert L. Lief (CSB No. 037568)  
25 Elizabeth J. Cabraser (CSB No. 083151)  
26 Robert J. Nelson (CSB No. 132797)  
27 Wilson M. Dunlavey (CSB No. 307719)  
28 LIEFF CABRASER HEIMANN &  
BERNSTEIN, LLP  
275 Battery Street, 29th Floor  
San Francisco, CA 94111-3339  
Telephone: (415) 956-1000  
Facsimile: (415) 956-1008

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Juli Farris (CSB No. 141716)  
Matthew J. Preusch (CSB No. 298144)  
KELLER ROHRBACK L.L.P.  
1129 State Street, Suite 8  
Santa Barbara, CA 93101  
Telephone: (805) 456-1496  
Facsimile: (805) 456-1497

Lynn Lincoln Sarko  
*(Admitted Pro Hac Vice)*  
Gretchen Freeman Cappio  
*(Admitted Pro Hac Vice)*  
Daniel Mensher  
*(Admitted Pro Hac Vice)*  
KELLER ROHRBACK L.L.P.  
1201 Third Ave, Suite 3200  
Seattle, WA 98101  
Telephone: (206) 623-1900  
Facsimile: (206) 623-3384

*Attorneys for Individual and  
Representative Plaintiffs*

# EXHIBIT 1

H.C. MENZEL CLERK RECORDER

SANTA BARBARA CO. CA.

1986-045016

1986 JUL 23 PM 12: 16

RECORDING REQUESTED BY  
WHEN RECORDED MAIL TO:

ALL AMERICAN PIPELINE COMPANY  
1321 STINE ROAD, SUITE B-1  
BAKERSFIELD, CALIFORNIA 93309  
ATTN: RIGHT-OF-WAY DEPARTMENT

DOCUMENTARY TRANSFER TAXS: *155.00 UN*  
 Computed on full value of property conveyed, or  
 Computed on full value less liens & encumbrances  
remaining thereon at time of sale.

*Robert J. Menzel*  
Signature of declarant or agent determining tax - firm name

1	7/23/86	9.00	RE
2	7/23/86	1.00	RE
3	7/23/86	7.00	AU
30	7/23/86	50.00	UN

R-05/22/86  
 Tract No. OSB-007/009.01-PN  
 County of Santa Barbara  
 State of California  
 Draft No. 0456

RIGHT-OF-WAY GRANT

For and in consideration of the sum of FIFTY THOUSAND

*no*  Dollars (\$50,000<sup>00</sup>) and other good and valuable consideration, to the undersigned the receipt and sufficiency of which is hereby acknowledged, Grantor herein, hereby grants unto CELERON PIPELINE COMPANY OF CALIFORNIA, a Delaware corporation, whose address is 1321 Stine Road, Suite B-1, Bakersfield, California, 93309, Grantee herein, its successors and assigns, a non-exclusive right-of-way and easement, with the right of ingress and egress incidental thereto,

1) to survey, lay, maintain, operate, repair, replace, and remove one underground pipeline and appurtenances thereto for the transportation of oil, gas, water and other substances, including but not limited to devices for controlling electrolysis for use in connection with said pipeline, and to lay, construct, maintain, operate, repair, replace, alter and remove underground telephone and power lines and appurtenances thereto, and,

2) to survey, lay, maintain, operate, repair, replace, and remove an underground communications cable, associated equipment and appurtenances thereto for telecommunications transmissions, including but not limited to voice, data, and information transmissions,

on, over, through, under and across a portion of that certain parcel of land situated in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

Reference Exhibit "B" attached hereto and made a part hereof.

This right of way and easement shall have a temporary width as necessary to construct the pipeline but not to exceed one hundred (100) feet which width shall revert to a permanent width of twenty-five (25) feet six months after commencement of construction of the pipeline. The Centerline of the Permanent Right-of-Way and Easement herein granted is more particularly described by "Exhibit A" attached hereto and made a part hereof.

Grantee shall, at the time of construction, bury the pipeline, communications cable and all of the facilities placed in said easement to a depth of at least thirty six (36) inches below the surface of the ground, except that where solid rock is encountered Grantee shall bury the pipeline and communications cable to a depth of at least twenty four (24) inches below the surface. Grantee shall pay for all damages to growing crops, trees, fences, timber and any improvements on said land which may be caused by the exercise of the rights granted hereunder, provided that after the pipeline has been constructed, Grantee shall not be liable for damages caused by keeping the right of way area clear of trees, undergrowth, brush and obstructions.

In the event of any legal action to enforce or interpret the provisions of this easement, the prevailing party in such action shall be entitled, in addition to any other relief, to reasonable attorney's fees incurred therein.

Grantee may lay said pipeline, telephone, power lines or communications cable under adjacent roads and streets insofar as the interests of the Grantor extend herein.

Upon completion of the underground pipeline, telephone, power lines, and communications cable, Grantee shall, as soon as reasonably possible, fully restore and level the surface of the land to the same condition as the land was in prior to any such operations as is reasonably possible.



Any payment provided hereunder may be made by check or draft, either directly or by mail to Grantor, or to N.A. who is hereby appointed agent and authorized to receive and give receipt for such payment. No change in the ownership of the land affected by this Grant shall affect payment hereunder until thirty (30) days after Grantee shall have received a copy of a recorded instrument evidencing such a change. If two or more persons are entitled to receive any payment hereunder, the proportionate part of such payment to which each person is entitled may be made to such person or his agent separately as provided above. The payment tendered to such person or his agent of his portion of such payment shall maintain this agreement as to such person and interest in the above-described land.

Grantor reserves the right to use and enjoy said land except as Grantee's use may be necessary for the purposes herein granted, provided Grantor shall not construct or permit to be constructed, any house, structure, reservoir or other major construction or excavation on, over or within said right-of-way and easement and shall not change the grade over any pipeline and/or communications cable constructed hereunder.

It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns shall fail to install or operate and maintain said pipeline for a period of five (5) consecutive years.

Nothing herein shall be construed or deemed as permitting the construction or placement of any pipeline, cable, appurtenances thereto or any other equipment or device whatsoever upon the surface of the land, except markers, vent pipes and/or test leads which shall be located only at roads, fences or property lines if installed.

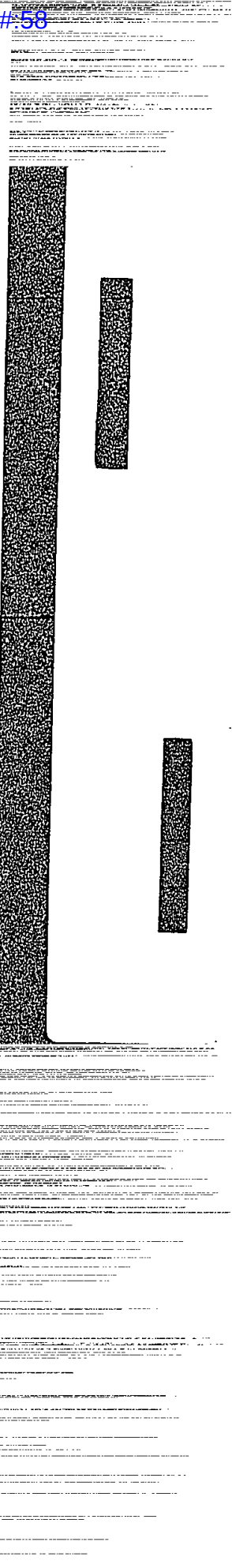
Grantee assumes all risks of and shall indemnify and save Grantor harmless from and against all claims, demands, actions, or suits (including reasonable costs and expenses incident thereto) for or on account of injuries to persons or property of others arising out of the laying, maintaining, operations of, changes in, alterations to or removal of Grantee's pipeline, or in otherwise exercising the rights herein granted, excluding claims, demands, actions, or suits for or on account of injuries to persons or damages to property as a direct result of Grantor's negligence.

Nothing herein shall be construed to prevent Grantor, its successors or assigns, from constructing any desired streets, public or private water or utility lines over and/or through and across the lands embraced by the easement herein granted, provided that in no event shall any such installation be constructed longitudinally within the easement area. Grantor shall notify Grantee, in writing, at least ninety (90) days prior to construction of said streets or such lines.

This agreement may be executed in counterparts and shall be binding upon each party executing any counterpart. The acceptance by Grantee of this agreement is evidenced by Grantee's payment to Grantor of the consideration first recited above.

The terms and provisions hereof shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Grantor and Grantee, and Grantee is expressly granted the right to assign this right of way and easement, or any part thereof or interest therein, and the same shall be divisible among two or more parties as to any right or interest created hereunder; provided however, no assignment shall be made to any person or entity whose primary business is not the transportation of oil or gas by pipeline without the express written consent of Grantor first having been obtained. Grantee shall notify Grantor, in writing, of the name and address of any such assignee, and, notwithstanding the foregoing, no rights hereunder shall be assignable by Grantee to any public utility power company.

This agreement, as written, covers the entire agreement between the parties and no other representations or agreements, written or oral, have been made modifying, adding to or changing the terms hereof or inducing the execution hereof and the person obtaining this agreement on behalf of Grantee has no authority to make any promise, agreement or representation not expressly set forth herein.



IN WITNESS WHEREOF, This instrument is executed this 30 day of May, 1986.

GRANTOR:  
MAZ PROPERTIES, INC.  
a California corporation

WITNESS:  
Robert J. Donaldson  
Robert J. Donaldson

BY: Donald W. Weaver  
Donald W. Weaver - President

BY: \_\_\_\_\_

STATE OF CALIFORNIA    )  
                                  )    SS.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, the undersigned, a Notary Public in and for said State, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the \_\_\_\_\_ of the Corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

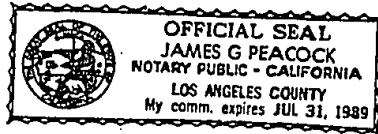
WITNESS my hand and official seal.

NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

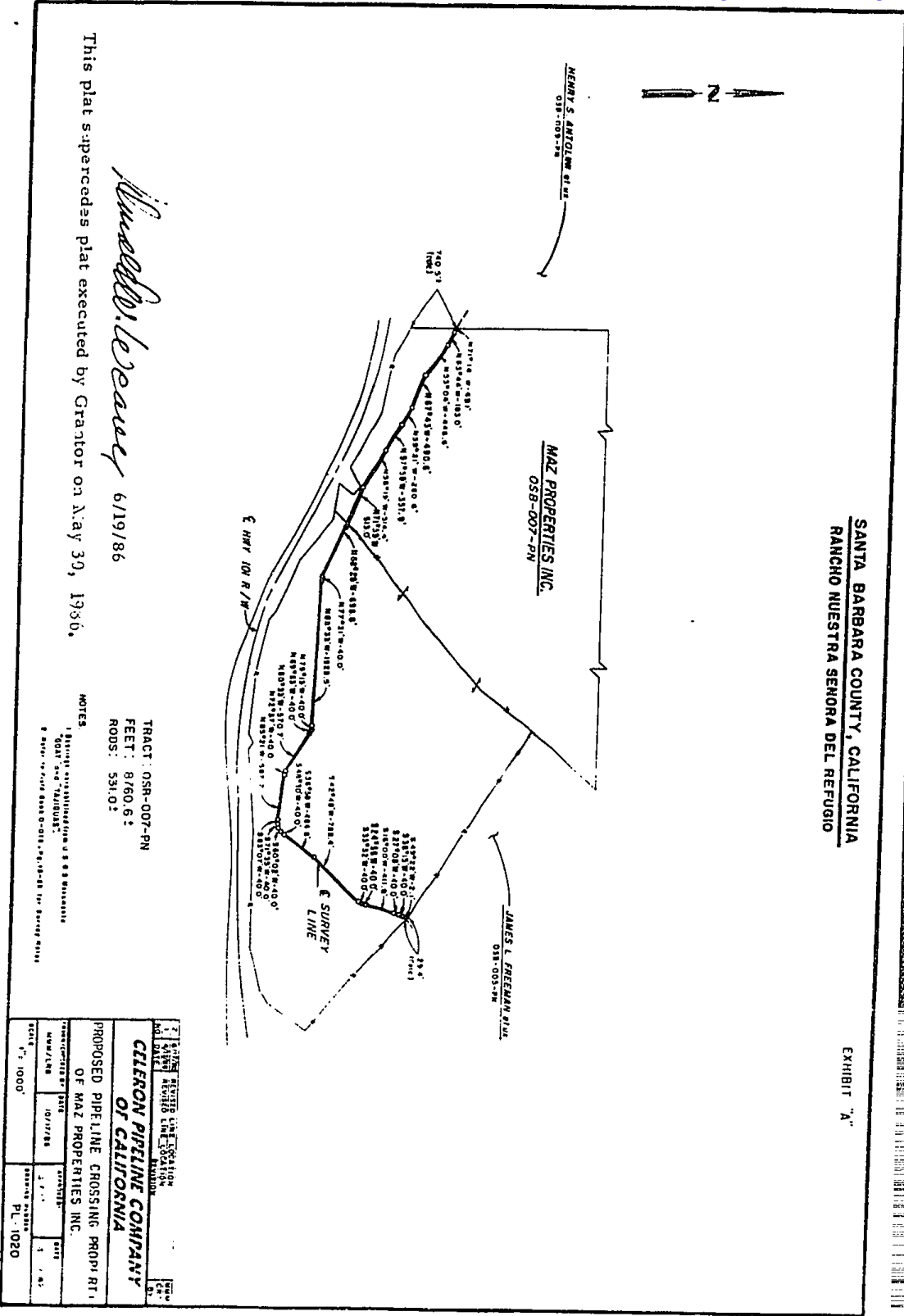
STATE OF CALIFORNIA )  
 )  
 ) SS.  
COUNTY OF Kern )

On July 9, 1986 before me, the undersigned, a  
Notary Public in and for said State, personally appeared Robert J. Donaldson  
Robert J. Donaldson,  
personally known to me to be the person whose name is subscribed to the within  
instrument, or proved to be such by the oath of a credible Witness who is personally  
known to me, as being the subscribing Witness thereto, said subscribing Witness being  
by me duly sworn, deposes and says: That this Witness resides in Thousand Oaks, California  
Thousand Oaks, California and that said Witness was present and  
saw Donald W. Weaver of Maz Properties, Inc., A California Corporation  
personally known to said Witness to be the same person described in and  
whose name(s) is subscribed to the within and annexed  
instrument as the President  
President  
of the Corporation that executed the within instrument, and acknowledged to me that  
such corporation executed the within instrument pursuant to its by-laws or a  
resolution of its Board of Directors, and that affiant subscribed His/Her name to the  
within instrument as a Witness.

WITNESS my hand and official seal.



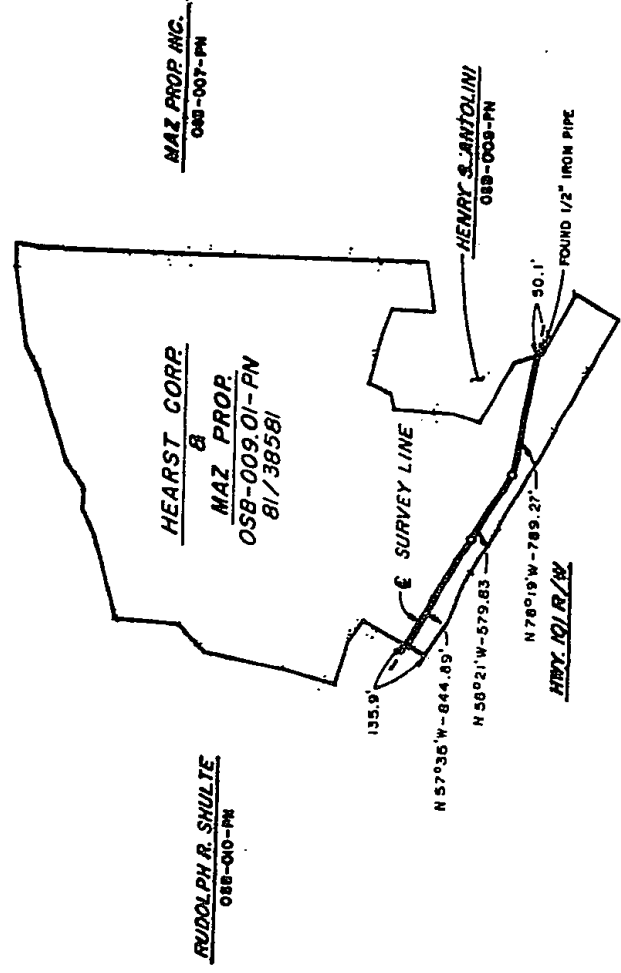
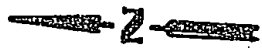
James G. Peacock  
NOTARY PUBLIC IN AND FOR THE STATE OF  
CALIFORNIA



This plat supercedes plat executed by Grantor on May 30, 1930,  
*Wm. H. Leary* 6/19/86

**SANTA BARBARA COUNTY, CALIFORNIA**  
**RANCHO NUESTRA SENORA DEL REFUGIO**

EXHIBIT "A"



*Handwritten signature: D. W. W. W.*

TRACT: OSB-009.01-PN  
 FEET: 2214.0  
 RODS: 134.18

**NOTES:**

1. See also copy attached from Record of Survey Map as recorded in Bk. 114, Pg. 41 of the Record of Surveys in the County Records Office, in Santa Barbara Co.
2. Refer to Field Bk. O-015, Pg. 23-24 for Survey Notes.

<b>CELESTON PIPELINE COMPANY</b> <b>OF CALIFORNIA</b>		<b>PROPOSED PIPELINE CROSSING PROPERTY</b> <b>OF HEARST CORP. &amp; MAZ PROP. INC.</b>	
DESIGNED/CONDUCTED BY: S.M.H./L.R.B.	DATE: 10/23/84	APPROVED BY: S.F.O.	DATE: 3/14/85
SCALE: 1"=1000'		DRAWING NUMBER: PL-1021	

**Exhibit "B"**

Parcel "B" of Parcel Map No. 12,115 being a portion of Rancho Nuestra Senora del Refugio, as per map of survey filed in Book 14, Pages 85, 86 and 87 of Parcel Maps, in the office of the County Recorder of said County.

Parcel "B" of Parcel Map No. 12,702 being a portion of Rancho Nuestra Senora del Refugio shown as Tract No. 4 of the Bruno Orella Estate filed in Book 2, Page 16 of Maps, and Surveys; said Parcel "B" is shown per map of survey filed in Book 20, Page 94 & 95 of Parcel Maps, in the office of the County Recorder of said County.

That portion of the Rancho Nuestra Senora del Refugio, in the County of Santa Barbara, State of California, more particularly described by metes and bounds as PARCEL NINE, TEN AND ELEVEN in Deed dated June 17, 1981 from Tajiguas Exchange Corporation to MAZ Properties, Inc. and recorded in Reel No. 81-38581 of the Official Records in the office of the County Recorder of said County.

That portion of the Rancho Nuestra Senora del Refugio, in the County of Santa Barbara, State of California, more particularly described by metes and bounds as PARCEL FIFTEEN in Deed dated June 17, 1981 from Tajiguas Exchange Corporation to MAZ Properties, Inc. and recorded in Reel No. 81-38581 of the Official Records in the office of the County Recorder of said County.

# EXHIBIT 2

RECORDING REQUESTED BY  
WHEN RECORDED MAIL TO  
ALL AMERICAN PIPELINE COMPANY  
8800 MING AVENUE, SUITE 300  
BAKERSFIELD, CALIFORNIA 93309  
ATT: RIGHT-OF-WAY DEPARTMENT

County of  
Santa Barbara  
Kenneth A Pettit  
Recorder  
1:00pm 20-Nov-90

CB 5

DOCUMENTARY TRANSFER TAXES -0-  
 Computed on full value of property conveyed, or  
 Computed on full value less liens & encumbrances  
remaining thereon at time of sale.  
*[Signature]*  
Signature of declarant or agent determining tax - firm name

6/08/90  
TRACT NO. OSB-007-PN  
LAS FLORES 24" EXTENSION  
COUNTY OF SANTA BARBARA  
STATE OF CALIFORNIA

AMENDMENT NO. 1 TO RIGHT-OF-WAY GRANT

THIS AMENDMENT made and entered into this 1st day of August, 1990, between MAZ PROPERTIES, INC., a California corporation, (herein called "Grantor"), and ALL AMERICAN PIPELINE COMPANY, a Texas corporation (herein called "Grantee").

# 30

WITNESSETH THAT:

Pursuant to that certain Right-of-Way Grant dated as of May 30, 1986 and recorded July 23, 1986 to Instrument No. 1986-045016 of the Official Records of Santa Barbara County, State of California (hereinafter called "Grant"), Grantor granted to Celeron Pipeline Company of California, a Delaware corporation, a right-of-way and easement twenty-five (25) feet in width for the purpose, among other things, of constructing, operating and maintaining one (1) pipeline, telephone and power lines, communications cable, and appurtenances thereto on, over, through, under and across certain lands situated in Rancho Nuestra Senora del Refugio in Santa Barbara County, State of California, more particularly described in said Grant and attached thereto as Exhibit "B" for reference purposes.

WHEREAS, Celeron Pipeline Company of California was merged into an affiliate company All American Pipeline Company effective May 31, 1989, and the surviving company is the Grantee herein.

WHEREAS, the Grantor and Grantee desire to, and have agreed to, amend said Grant as to the location of the twenty-five (25) foot wide right-of-way and easement ONLY INsofar AS it affects the following described lands of Grantor:

Parcel "B" of Parcel Map No. 12,115 being a portion of Rancho Nuestra Senora del Refugio, as per map of survey filed in Book 14, Pages 85, 86 and 87 of Parcel Maps, in the office of the County Recorder of said County.

Parcel "B" of Parcel Map No. 12,702 being a portion of Rancho Nuestra Senora del Refugio shown as Tract No. 4 of the Bruno Orella Estate filed in Book 2, Page 16 of Maps, and Surveys; said Parcel "B" is shown per map of survey filed in Book 20, Page 94 & 95 of Parcel Maps, in the office of the County Recorder of said County.

That portion of the Rancho Nuestra Senora del Refugio, in the County of Santa Barbara, State of California, more particularly described by metes and bounds as PARCEL NINE, TEN AND ELEVEN in Deed dated June 17, 1981 from Tajiguas Exchange Corporation to MAZ Properties, Inc. and recorded in Reel No. 81-38581 of the Official Records in the office of the County Recorder of said County.

NOW THEREFORE, for valuable consideration the receipt and sufficiency of which are hereby acknowledged by Grantor, and of the mutual covenants and agreements to be kept and performed by the parties hereto, it is hereby agreed to amend said Grant as follows:



The centerline of the twenty-five (25) foot wide right-of-way and easement across the above-described lands of Grantor is more particularly described by Drawing No. PL-1020 revised ~~June 27~~ <sup>June 29</sup>, 1990, attached hereto and labeled Exhibit "A-1" and which drawing is hereby substituted for Drawing No. PL-1020, revised June 17, 1986, labeled Exhibit "A" and attached to said Grant.

*gh* L.M. Grant.

Said Grant, as hereby amended, shall inure to the benefit of and be binding upon Grantor and Grantee and their respective successors and assigns.

Except as hereby amended, all terms, conditions, and provisions of the original Grant are continued in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

WITNESS:

  
GARY L. CHAMBERS

GRANTOR:

MAZ PROPERTIES, INC., a California corporation

By: *Leo Murillo*

Title: *Vice President*

GRANTEE:

ALL AMERICAN PIPELINE COMPANY, a Texas corporation

By: *Harry M. Weed*  
Harry M. Weed  
Vice President - Operations

SANTA BARBARA  
RANCHO NUESTRA



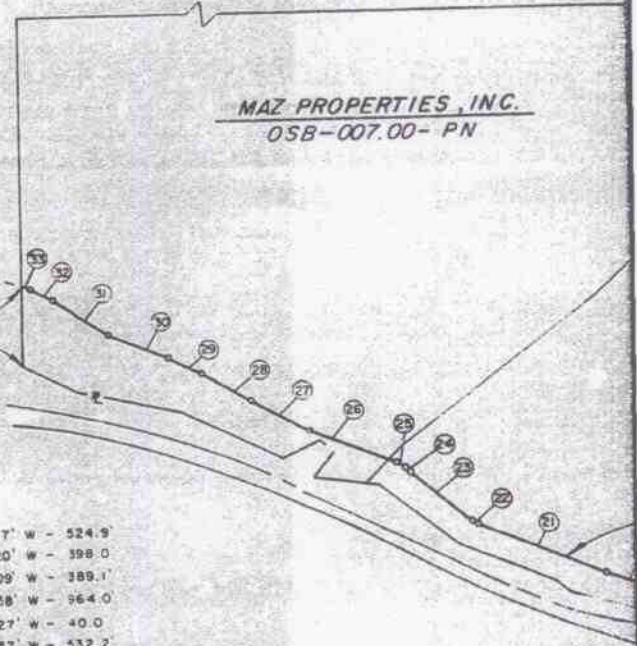
HENRY S. ANTOLINI, #1 ux  
OSB-009.00-PN

MAZ PROPERTIES, INC.  
OSB-007.00-PN

740.5'  
(Calc.)

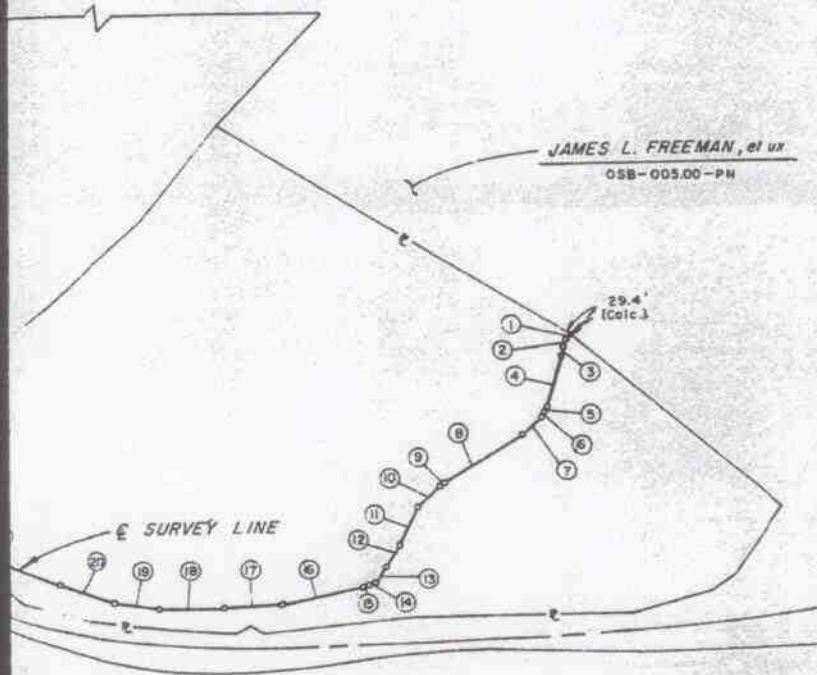
1	S 49° 22' W - 2.1'
2	S 38° 15' W - 40.0'
3	S 27° 08' W - 40.0'
4	S 16° 00' W - 411.8'
5	S 24° 56' W - 40.0'
6	S 33° 52' W - 40.0'
7	S 42° 48' W - 217.9'
8	S 53° 26' W - 559.3'
9	S 44° 55' W - 40.0'
10	S 36° 24' W - 197.5'
11	S 24° 24' W - 279.1'
12	S 32° 24' W - 179.5'
13	S 42° 24' W - 136.8'
14	S 53° 40' W - 40.0'
15	S 64° 56' W - 40.0'
16	S 76° .1' W - 612.8'
17	S 84° 34' W - 439.0'

18	S 89° 17' W - 524.9'
19	N 77° 20' W - 398.0'
20	N 68° 09' W - 389.1'
21	N 54° 58' W - 964.0'
22	N 55° 27' W - 40.0'
23	N 45° 57' W - 532.2'
24	N 53° 17' W - 40.0'
25	N 60° 37' W - 75.3'
26	N 71° 59' W - 471.9'
27	N 58° 19' W - 514.4'
28	N 57° 58' W - 357.3'
29	N 59° 21' W - 260.6'
30	N 67° 43' W - 490.6'
31	N 53° 04' W - 446.6'
32	N 53° 44' W - 183.0'
33	N 71° 14' W - 49.1'



ARA COUNTY, CALIFORNIA

TRA SENORA DEL REFUGIO



TRACT : OSB-007.00-PN  
 FEET : 9053.4  
 RODS : 548.7

NOTES:

1. Bearings were obtained from U. S. G.S. Monuments "GOAT" and "TAJIGUAS".
2. Refer to Field Book O-012, Pg.13-23 for Survey Notes.

NO.	DATE	REVISION	BY
3	7/29/00	REVISED LINE LOCATION	CRC
2	9/17/00	REVISED LINE LOCATION	MMM
1	4/17/98	REVISED LINE LOCATION	CRC

**ALL AMERICAN PIPELINE COMPANY**

PROPOSED PIPELINE CROSSING PROPERTY OF MAZ PROPERTIES INC.

DRAWN/CHECKED BY	DATE	APPROVED BY	DATE
MMW/LRG	10/17/86	J.F.O.	4/18/86

SCALE	DRAWING NUMBER
1" = 1000'	PL-1020

# EXHIBIT 3

## TEMPORARY PROPERTY ACCESS AND REMEDIATION AGREEMENT

This Temporary Property Access and Remediation Agreement (“**Agreement**”) is made and entered into by Grey Fox, LLC, a California limited liability company, successor in interest to MAZ Properties, Inc., a California corporation (“**Owner**”), and Plains Pipeline, L.P., a Texas limited partnership (“**Plains**”) (sometimes, individually a “**Party**” and collectively, the “**Parties**”), and shall be effective as of May 19, 2015 (“**Effective Date**”).

In consideration of the terms and conditions set forth herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Right of Entry. On May 19, 2015, an accidental release of crude oil occurred on Plains’ Line 901 in Santa Barbara, County (the “**Event**”). Upon the terms and subject to the conditions set forth in this Agreement, Owner does hereby grant to Plains and its employees, representatives, officers, contractors, consultants and agents (collectively, “**Plains’ Representatives**”) a temporary, nonexclusive, right to enter upon such portion of the Owner’s property identified in **Exhibit A** attached hereto (the “**Property**”), to conduct sampling and remediation, including related field activities to collect soil, water, building material or other samples, to perform excavation, backfill, removal, and restoration before and after demobilization, to stage and operate equipment, as necessary to achieve compliance with the terms of this Agreement and to fully remediate damage to the Property resulting from the Event (collectively, the “**Work**”). During the term of this Agreement, Owner also grants access to local, state, and federal agencies for the performance of oversight of the Work as further provided in the Order for Removal, Mitigation or Prevention of a Substantial Threat of Oil Discharge (Order No. 2015-01-FPN A15017)(Paragraph 30). Any other required access desired by Plains or required by local, state or federal agencies relating to the Event and/or the Work shall require Owner’s prior written approval.

Except in the event of an emergency, in connection with any entry by Plains or Plains’ Representatives onto the Property, Plains shall give Owner at least one (1) business day prior written notice of such entry, and shall allow a representative of Owner to be present during all such inspections. Plains and Plains’ Representatives shall conduct any and all activities at the Property so as to: (i) not cause any damage or destruction at the Property; (ii) minimize any interference with the operations of Owner; (iii) reasonably protect and preserve the Property and every part thereof; and (iv) not bring or otherwise import onto the Property any contaminated materials or contaminated soil (materials or soil that exceed the Stipulated Remediation Level as that term is defined in section 7 below). Completion of the Work for purposes of this Agreement shall be determined by confirmatory soil sampling demonstrating that all contaminated soil from the Event or the Work have either been removed or remediated to the Stipulated Remediation Level as set forth in section 7 “Extent and Scope of Remediation” of this Agreement. Owner represents and warrants that it has full lawful authority to grant access to the Property for the purposes described in this Agreement. Plains represents and warrants that it has full and lawful authority to accept access to the Property for the purposes described in this Agreement.

The Parties anticipate that Plains will require physical access to and/or use of the Property from and after completion of the Work and demobilization to conduct limited post work activities, as necessary (“**Post Work Activities**”). The rights and obligations applicable to the Work under this Agreement shall be applicable to Post Work Activities.

2. Soils Storage. No contaminated soil excavated or removed as part of Grantee's remediation operation arising from the Event shall be stored anywhere on Owner's property beyond after the termination of this Agreement. No contaminated soils or other contaminated materials arising from the Plains clean-up operation occurring off of Owner's Property shall be brought onto Owner's Property for any purpose.

3. Term. This Agreement shall be deemed effective as of the Effective Date irrespective of the date of execution by the Parties and shall continue in effect until completion of the Work as set forth in section 1 above, pursuant to the provisions hereof and including obtaining final approvals from all applicable governmental agencies, unless this Agreement is modified by mutual written agreement of the Parties.

4. Documents. Plains shall promptly comply with Owner's requests to provide copies of any records, reports, documents, photographs, video recordings, and/or other information (including records, reports, documents, and other information in whatever form they are kept) that Plains provides to or receives from the Unified Command relating to the performance and completion of the Work.

5. Conduct of Work; Permits and Approvals; Compliance with Laws. The Work shall be performed at Plains' sole cost and expense and shall be performed in accordance with all applicable federal, state and local laws, ordinances, rules and regulations (the "**Applicable Law**") and the provisions of this Agreement. Plains and Plains' Representatives shall keep the Property reasonably free from debris and rubbish that may result from the performance of the Work. Plains and Plains' Representatives shall also, at their own cost and expense, obtain all permits and governmental approvals necessary for it to perform the Work and comply with Applicable Law.

6. Restoration. Plains shall, promptly upon completion of the activities authorized by this Agreement, restore, repair and replace any construction, destruction, or damage to the Property arising out of or related to the Work to the same condition which existed prior to the Work and consistent with the requirements of Applicable Law and section 7 of this Agreement This shall include, but not be limited to, restoring the site to its original grade seeded with a mixture approved by Owner, and the site's historic drainage pattern(s) as determined by Owner in the exercise of reasonable discretion.

7. Extent and Scope of Remediation. Plains shall remove from the Property and transport to an approved disposal site any material contaminated from the Event or from the Work that has not been remediated to the State Water Resources Control Board – San Francisco Regional Board's residential ESLs for TPH and other compounds ("**Stipulated Remediation Level**"). The removal of contaminated materials shall include any and all crude oil released from the Event into the storm drain systems on the Property, together with the removal of any storm drain improvements that cannot be remediated to the Stipulated Remediation Level. After such removal, Plains shall conduct confirmatory sampling consistent with the requirements of Applicable Law and this Agreement, and under the schedule mandated by Unified Command, which demonstrates that all contaminated materials from the Event or the Work have been either removed or remediated to the Stipulated Remediation Level.

8. Indemnity. To the fullest extent permitted by law Plains shall protect, indemnify, defend and hold harmless the Owner and Owner's subsidiaries, partners, members, participants, and affiliates, and the officers, directors, shareholders, employers, agents, representatives, contractors, and invitees of all of the foregoing, and the heirs, executors, successors and assigns of all of the

foregoing (collectively, "**Owner's Parties**") harmless from and against any and all damages, demands, claims, losses, liabilities, injuries, penalties, fines, liens, judgments, suits, actions, investigations, proceedings, costs or expenses whatsoever (including, without limitation, reasonable attorneys' and experts' fees) (collectively "**Claims**") arising out of or relating to any physical harm, physical or property damage or personal injury or death (collectively "**Damages** ") caused by: 1) performance of the Work and/or 2) the Event and release of crude oil from the pipeline on the Property, excluding Claims arising out of or relating to Damages caused by the sole or gross negligence of Owner's Parties. The foregoing indemnity shall survive the termination of this Agreement.

9. Insurance. Plains agrees to obtain and/or maintain at its own cost and expense liability insurance in the sum of not less than one million dollars (\$1,000,000) for each occurrence and not less than two million dollars (\$2,000,000) combined limit and provide proof of such coverage to Owner.

10. Use Fee. Plains agrees to pay Owner Five Thousand Five Hundred Dollars (\$5,500) per day for use of the Property to complete the Work commencing from the Effective Date until completion of the Work, demobilization (removal of equipment from the Property) and physical vacation of the Property by Plains and others responding to the Event (the "**Use Fee**").

Plains shall pay Owner the Use Fee for each day that Post Work Activities are conducted on the Property, and/or access beyond that authorized in the easement referred in section 13 below is required. Plains shall not pay any Use Fee for any Post Work Activities that are conducted entirely in or on the pipeline right of way on the Property, as described in section 13, and no additional access is required. For all other Post Work Activities, Plains shall provide Owner with a minimum of 24 hours prior written notice before accessing the Property.

Plains shall pay this Use Fee to the Owner on a monthly basis for each day that the Work or the Post Work Activities occur. Each monthly payment shall be made by Plains to Owner no later than the third day of the succeeding month Notwithstanding such payment, the Parties are not in agreement as to the monetary value for the use of the Property by Plains as contemplated in this Agreement, and both Parties are reserving all of their rights on the question of the reasonable value of the use of the Property by Plains to complete the Work for the period of time that the Work and Post Work Activities are occurring. Should it be determined by a court that the reasonable value of such use is different than Five Thousand Five Hundred Dollars (\$5,500) per day, said differential shall be used as an adjustment to any amounts due.

11. Status of Owner. This Agreement shall not be construed as creating a partnership or joint venture between Plains and Owner or between either of them and any third party. Owner has no responsibility, arising from this Agreement, for investigating or remediating any contaminated soil and/or water present on the Property.

12. Reservation of Rights. Nothing in this Agreement shall limit any right or claim, legal or otherwise, the Owner may have against Plains, and Owner expressly reserves all of its rights and claims it has or will have against Plains. Notwithstanding the foregoing, Plains shall be entitled to claim setoffs and credits in connection with any payment or the performance of any obligations under this Agreement between Owner and Plains.

13. Ownership. It is expressly understood that this Agreement does not provide any lienholder, ownership interest or any other rights to the Property. Notwithstanding the foregoing, this Agreement shall not affect Plains' easement with Owner for the pipeline right of way on the

Property.

14. Reporting to Owner. To allow Owner to properly monitor the Work, Plains will provide Owner's representative Mark Lloyd ([mlloyd\\_lp@yahoo.com](mailto:mlloyd_lp@yahoo.com)) via email a copy of the daily report provided to the Unified Command during the performance of the Work, together with any responses from Unified Command, to the extent that any responses from Unified Command are relevant to the Work. The daily report materials shall be provided to Mr. Lloyd promptly after being provided to or received from the Unified Command.

15. Sale of On-Site Dirt by Owner to Plains. Owner agrees to sell to Plains dirt from the lands adjacent to or adjoining the Property held by Owner or Owner related entities, which dirt is to be used as backfill material. In the event of such sale, the Parties will enter into a separate written agreement pertaining to the purchase, delivery and use of the dirt. Plains understands that Owner makes no representation or warranty regarding the quality of the dirt and, in particular, whether it is free from contamination. Plains will conduct appropriate in situ sampling before backfilling with dirt purchased from Owner to ensure that the soil is not contaminated, and shall indemnify Owner, as set forth in section 8 above, for all damages, demands, claims, losses, liabilities, and injuries suffered by the Owner or Owner's Parties caused by the backfilling of contaminated dirt sold to Plains by Owner.

16. Liens and Encumbrances. Plains shall keep the Property free from any liens or encumbrances which might arise out of conducting the Work. Plains must promptly pay when due all costs and charges associated with its exercise of the rights granted in this Agreement, and must take all steps necessary to avoid the filing of any mechanics' liens against the Property as a result of the conducting of the Work. In the event any such lien is filed against the Property, Plains must cause the same to be immediately paid, discharged, released and satisfied.

17. No Waiver. The failure on the part of any Party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provision in the future.

18. Modification. The Parties may modify this Agreement only by mutual consent. Any modification shall be effective only if written, signed by the authorized representatives of each party, and attached to this Agreement.

19. Assignment. Plains may not assign this Agreement or the rights and privileges hereunder, in whole or in part, without the prior written consent of Owner, which consent shall be in the Owner's sole and absolute discretion. Notwithstanding any assignment, Plains shall remain primarily liable and responsible for fulfilling the terms and conditions of this Agreement, unless the Owner otherwise agrees in writing.

20. Meet and Confer. If there is a dispute that arises from any term of this Agreement, the Parties agree to meet and confer in good faith, in person and with representatives who have authority, in an effort to resolve the dispute prior to the filing of any litigation.

21. Attorneys' Fees. If any claim arising out of this Agreement is brought by a Party against another Party in a court of law, including any action for declaratory or injunctive relief, the prevailing Party shall be entitled to reasonable attorneys' fees and costs and expenses of litigation and investigation, and any judgment or decree rendered in any such action or proceedings shall include an award of reasonable attorneys' fees, costs, and expenses.



22. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by and construed according to the laws of the State of California.

23. Integration and Amendment. This Agreement constitutes the entire agreement of the Parties and as such is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Agreement specifically displays a mutual intent to amend a particular part of this Agreement, general conflicts in language between any such attachment and this Agreement shall be construed consistent with the terms of this Agreement. Unless otherwise expressly authorized by the terms of this Agreement, no modification or amendment to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto. The inclusions in the Agreement of statements pertaining to facts relating to or arising from the Event shall not be deemed admissions by the Parties.

24. Time of the Essence. Time is of the essence for all provisions of this Agreement to allow for full and prompt restoration of the Property and Owner's use of the Property. Plains agrees it will not challenge the validity of this provision of the Agreement.

25. Payment. Plains shall make payment to Owner pursuant to the terms of the Agreement by wire transfer using the wire transfer instructions attached hereto as **Exhibit B**.

26. Notices. All notices and other communications required under this Agreement shall be in writing and shall be deemed delivered (i) if by registered mail, four (4) days after the notice's deposit in the mail (postage prepaid return receipt requested), (ii) if by email, the date the notice is delivered (with proof of confirmation of transmission), (iii) if by overnight delivery service, on the day of delivery, and (iv) if by hand delivery, on the date of hand delivery.

**If to Plains:** Plains Pipeline, L.P.  
333 Clay Street, Suite 1600  
Houston, TX 77002  
Attn: Steven A. Kaplan, Senior Attorney  
Phone: 713-646-4100  
Email: [sakaplan@paalp.com](mailto:sakaplan@paalp.com)

**If to Grey Fox:** Grey Fox, LLC  
P. O. Box 1984  
Santa Monica, CA 90406  
Attn: John E. Vallance  
Phone: 213-624-6464  
Email: [jev@tag.ch](mailto:jev@tag.ch)

**With a Copy to:**

Christopher A. Jacobs  
Brownstein Hyatt Farber Schreck, LLP  
1020 State Street  
Santa Barbara, CA 93101  
Phone: 805-963-7000  
Email: CJacobs@bhfs.com

27. Grey Fox LLC's Representations and Warranties. Grey Fox LLC represents and warrants, upon which representation and warranty Plains is relying as material inducement in entering into this Agreement, that the undersigned representative, John E. Vallance, has authority to enter into, and to execute this Agreement on behalf of, and binding upon Grey Fox LLC.

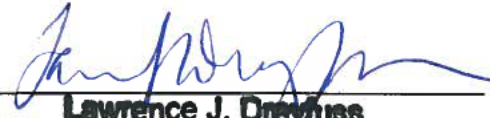

28. Plains' Representations and Warranties. Plains represents and warrants, upon which representation and warranty Grey Fox LLC is relying as material inducement in entering into this Agreement, that the undersigned representative, Lawrence J. Dreyfuss, has authority to enter into, and to execute this Agreement on behalf of, and binding upon Plains.

In WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the date first above written:

**GREY FOX, LLC:**

By: \_\_\_\_\_  
Name: John E. Vallance  
Title: Chief Executive Officer

**PLAINS PIPELINE, L.P.**  
**By Plains GP LLC,**  
**Its General Partner**

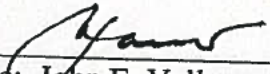
By:  \_\_\_\_\_  
Name: **Lawrence J. Dreyfuss**  
Title: **Senior Vice President** 

**Attachments:**

- Exhibit A – Legal Description of Property
- Exhibit B – Wire Transfer Instructions

In WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the date first above written:

**GREY FOX, LLC:**

By:   
Name: John E. Vallance  
Title: Chief Executive Officer

**PLAINS PIPELINE, L.P.**  
**By Plains GP LLC,**  
**Its General Partner**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Attachments:**

- Exhibit A – Legal Description of Property
- Exhibit B – Wire Transfer Instructions

**EXHIBIT A**

**EXHIBIT A**  
**Legal Description**

**Parcel 1:**

A strip of land twenty (30.00) feet wide over that portion of Parcel B of Parcel Map No. 12,702, in the County of Santa Barbara, State of California, as shown on the map thereof filed in Book 20, Page 95 of Parcel Maps, in the Office of the County Recorder of said County, the centerline of said strip being more particularly described as follows:

Commencing at the southeasterly terminus of a line shown on said Parcel Map as having a bearing and distance of N. 50°59' W. 614.08 feet, thence, northwesterly along the boundary of said Parcel B, North 50°59'00" West a distance of 347.59 feet to the True Point of Beginning.

Thence 1<sup>st</sup>, South 72°58'10" East, a distance of 147.89 feet;

Thence 2<sup>nd</sup>, South 75°53'38" East, a distance of 252.38 feet;

Thence 3<sup>rd</sup>, South 78°44'35" East, a distance of 141.43 feet;

Thence 4<sup>th</sup>, South 73°43'29" East, a distance of 157.23 feet;

Thence 5<sup>th</sup>, South 82°45'48" East, a distance of 143.58 feet (at 79.32 feet to a point hereinafter referred to as Point "A");

Thence 6<sup>th</sup>, South 75°51'46" East, a distance of 96.85 feet;

Thence 7<sup>th</sup>, South 85°38'41" East, a distance of 92.33 feet;

Thence 8<sup>th</sup>, South 65°35'20" East, a distance of 92.16 feet;

Thence 9<sup>th</sup>, South 54°07'29" East, a distance of 125.98 feet;

Thence 10<sup>th</sup>, South 43°28'27" East, a distance of 90.57 feet;

Thence 11<sup>th</sup>, South 63°52'31" East, a distance of 33.61 feet;

Thence 12<sup>th</sup>, South 81°12'01" East, a distance of 30.03 feet;

Thence 13<sup>th</sup>, North 84°05'09" East, a distance of 37.43 feet;

Thence 14<sup>th</sup>, South 81°53'32" East, a distance of 29.57 feet;

Thence 15<sup>th</sup>, South 67°44'13" East, a distance of 48.46 feet;

Thence 16<sup>th</sup>, South 74°48'47" East, a distance of 62.90 feet;

Thence 17<sup>th</sup>, South 80°45'28" East, a distance of 40.11 feet;

Thence 18<sup>th</sup>, South 81°48'55" East, a distance of 28.70 feet;

Thence 19<sup>th</sup>, South 72°52'01" East, a distance of 50.68 feet;

Thence 20<sup>th</sup>, North 89°50'44" East, a distance of 36.26 feet;

Thence 21<sup>st</sup>, North 77°26'18" East, a distance of 77.75 feet;

Thence 22<sup>nd</sup>, North 84°25'31" East, a distance of 50.11 feet;

Thence 23<sup>rd</sup>, South 48°54'26" East, a distance of 35.89 feet;

Thence 24<sup>th</sup>, South 65°30'30" East, a distance of 39.84 feet;

Thence 25<sup>th</sup>, South 75°25'00" East, a distance of 76.81 feet;

Thence 26<sup>th</sup>, South 56°34'50" East, a distance of 59.72 feet;

Thence 27<sup>th</sup>, South 62°36'10" East, a distance of 102.12 feet;

Thence 28<sup>th</sup>, South 71°06'36" East, a distance of 46.30 feet;

Thence 29<sup>th</sup>, South 80°38'08" East, a distance of 127.87 feet;

Thence 30<sup>th</sup>, South 87°27'30" East, a distance of 84.48 feet;

Thence 31<sup>st</sup>, South 76°56'25" East, a distance of 139.11 feet;

Thence 32<sup>nd</sup>, South 84°01'41" East, a distance of 97.27 feet to the beginning of a curve, concave southwesterly and having a radius of 50.00 feet;

Thence easterly, southeasterly and southerly along the arc of said curve, through a central angle of 58°05'49" and an arc distance of 50.70 feet;

Thence South 25°55'52" East, a distance of 111.35 feet to the beginning of a curve, concave northeasterly and having a radius of 50.00 feet;

Thence southerly, southeasterly and easterly along the arc of said curve, through a central angle of 69°02'27" and an arc distance of 60.25 feet;

Thence North 85°01'41" East, a distance of 96.12 feet to the beginning of a curve, concave northwesterly and having a radius of 75.00 feet;

Thence easterly, northeasterly and northerly along the arc of said curve, through a central angle of 73°21'57" and an arc distance of 96.04 feet;

Thence North 11°39'44" East, a distance of 203.47 feet;

Thence North 88°24'57" East, a distance of 23.79 feet to a point hereinafter referred to as Point "B".

The sidelines of said strip shall be lengthened or shortened as necessary to begin on the southwesterly boundary of said Parcel B, meet at angle points and terminate on a line with a bearing of North 01°35'03" West.

Containing 2.28 acres, more or less.

**Parcel 2:**

That portion of Parcel B of Parcel Map 12,702, in the County of Santa Barbara, State of California, as shown on the map thereof filed in Book 20, Page 95 of Parcel Maps, in the Office of the County Recorder of said County, being more particularly described as follows:

Beginning at hereinbefore described Point "B",

Thence 1<sup>st</sup>, North 01°35'03" West, a distance of 21.18 feet;

Thence 2<sup>nd</sup>, North 12°34'35" East, a distance of 55.37 feet;

Thence 3<sup>rd</sup>, North 07°18'15" East, a distance of 45.22 feet;

Thence 4<sup>th</sup>, South 84°51'48" East, a distance of 207.03 feet;

Thence 5<sup>th</sup>, North 89°14'41" East, a distance of 128.35 feet;

Thence 6<sup>th</sup>, North 85°48'10" East, a distance of 69.77 feet;

Thence 7<sup>th</sup>, South 84°05'31" East, a distance of 116.76 feet;

Thence 8<sup>th</sup>, North 86°54'08" East, a distance of 150.04 feet;

Thence 9<sup>th</sup>, North 72°09'36" East, a distance of 167.89 feet;

Thence 10<sup>th</sup>, North 76°57'10" East, a distance of 26.15 feet;

Thence 11<sup>th</sup>, North 88°20'47" East, a distance of 88.87 feet;

Thence 12<sup>th</sup>, South 37°22'54" East, a distance of 177.96 feet;

Thence 13<sup>th</sup>, North 88°32'25" East, a distance of 107.67 feet;

Thence 14<sup>th</sup>, South 00°26'35" West, a distance of 54.94 feet;

Thence 15<sup>th</sup>, South 87°54'02" West, a distance of 104.11 feet;

Thence 16<sup>th</sup>, South 47°23'15" West, a distance of 156.33 feet;

Thence 17<sup>th</sup>, South 01°08'54" West, a distance of 93.56 feet to a point on the southerly boundary of said Parcel B, said point being the beginning of a non-tangent curve,



concave south and having a radius of 3,580.23 feet, the radial center of which bears South 00°38'08" East;

Thence 18<sup>th</sup>, along the southerly boundary of said Parcel B, westerly along the arc of said curve, through a central angle of 02°21'06" and an arc distance of 146.94 feet to an angle point therein;

Thence 19<sup>th</sup>, continuing along the southerly boundary of said Parcel B, South 86°59'49" West, a distance of 804.59 feet;

Thence 20<sup>th</sup>, leaving the southerly boundary of said Parcel B, North 01°04'33" West, a distance of 264.39 feet to a point distant South 01°35'03" East 15.00 feet from said Point "B";

Thence 21<sup>st</sup>, North 01°35'03" West, a distance of 15.00 feet to the point of beginning.

Containing 8.71 acres, more or less.

**Parcel 3:**

That portion of Parcel B of Parcel Map 12,702, in the County of Santa Barbara, State of California, as shown on the map thereof filed in Book 20, Page 95 of Parcel Maps, in the Office of the County Recorder of said County, being more particularly described as follows:

Beginning at hereinbefore described Point "A";

Thence 1<sup>st</sup>, South 85°53'26" East, a distance of 15.00 feet;

Thence 2<sup>nd</sup>, South 04°06'34" West, a distance of 86.27 feet;

Thence 3<sup>rd</sup>, South 19°15'31" West, a distance of 71.71 feet;

Thence 4<sup>th</sup>, South 56°26'18" East, a distance of 95.40 feet;

Thence 5<sup>th</sup>, North 17°07'02" East, a distance of 29.74 feet;

Thence 6<sup>th</sup>, South 68°51'49" East, a distance of 57.39 feet;

Thence 7<sup>th</sup>, North 39°30'17" East, a distance of 59.72 feet;

Thence 8<sup>th</sup>, North 19°56'45" East, a distance of 129.92 feet;

Thence 9<sup>th</sup>, South 70°03'15" East, a distance of 30.00 feet;

Thence 10<sup>th</sup>, South 19°56'45" West, a distance of 129.92 feet;

Thence 11<sup>th</sup>, South 13°00'16" West, a distance of 57.88 feet;

Thence 12<sup>th</sup>, South 68°51'49" East, a distance of 15.00 feet;

Thence 13<sup>th</sup>, South 23°05'50" West, a distance of 94.19 feet to a point on the southerly boundary of said Parcel B, said point being the southeasterly terminus of a line as shown on said Parcel Map as having a bearing and distance of N. 66°24'51" W. 700.04 feet;

Thence 14<sup>th</sup>, along the southerly boundary of said Parcel B, North 66°24'51" West, a distance of 245.07 feet;

Thence 15<sup>th</sup>, leaving the southerly boundary of said Parcel B, North 19°15'31" East, a distance of 141.42 feet;

Thence 16<sup>th</sup>, North 04°06'34" East, a distance of 82.28 feet to a point distant North 85°53'26" West 15.00 feet from said Point "A";

Thence 17<sup>th</sup>, South 85°53'26" East, a distance of 15.00 feet to the point of beginning.

Excepting therefrom any portion within the boundary of said Parcel 1.

Containing 0.69 acres, more or less.



3 WEST CARRILLO STREET  
SUITE 205  
SANTA BARBARA, CA 93101  
(805) 962-4611

P.N. 10-013.01 1" = 600'

### GRAPHIC DEPICTION OF EXHIBIT A

APN 081-210-047  
SANTA BARBARA COUNTY, CALIFORNIA

**EXHIBIT B**  
**Wire Transfer Instructions**

JPMorgan Chase Bank, N.A.  
500 Stanton Christiana Rd  
Newark, DE 19713

ABA # 021 000 021

Account Number – [REDACTED]

For Account of – Grey Fox LLC

036094\0026\12296932.8