

EXHIBIT "A"
MAPS REFLECTING LOCATION OF PIPELINES

Culver City Franchise

Los Angeles

Culver City

Arizona Ave

Sepulveda Blvd

W Centinella Ave

Legend

- Union 12" Pipeline
- - - City Limits Boundary



0 300 600
Feet

Image courtesy of USGS Image courtesy of PLAR, Inc Earthstar
Geographics - 310 © 2015 InteloSoft Corporation

Culver City Franchise

Los Angeles

Culver City

W Washington Blvd

Inglewood Blvd

Legend

- Union 12" Pipeline
- - - City Limits Boundary



0 100 200
Feet

Culver City Franchise



EXHIBIT "B"

INSURANCE REQUIREMENTS

Without limiting Grantee's duty to indemnify City, Grantee shall procure and maintain, for the duration of the Franchise, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the operation, use, maintenance or any other privilege exercised under the Franchise:

Minimum Scope/Limits of Insurance

Coverage may be arranged through any combination of primary and excess or umbrella policies to reach the required minimum limits. Required coverage shall be as follows:

1. **Commercial General Liability (CGL):** Providing coverage at least as broad as Insurance Services Office Form CG 00 01 and covering bodily injury, property damage, personal injury and advertising injury. The CGL policy shall be scheduled under the Excess or Umbrella policy identified in Paragraph 3, below. This policy shall contain no exclusions for:
 - a. Hazards commonly referred to as "XCU," including explosion, collapse and underground property damage; or
 - b. Work performed within 50 feet of a railroad.
2. **Business Auto Liability:** Providing coverage at least as broad as Insurance Services Office Form CA 00 01. This policy shall cover "any auto" (symbol "1"). This policy shall be scheduled under the Excess or Umbrella policy identified in Paragraph 3, below.
3. **Excess or Umbrella Liability:** Providing coverage at least as broad as specified above for the CGL and Business Auto coverage, with total limits of not less than \$10,000,000 per occurrence and in the aggregate. Such policy or policies shall include the following terms and conditions:
 - a. A drop down feature requiring the policy to respond in the event that any primary insurance that would otherwise have applied proves to be uncollectable, in whole or in part, for any reason;
 - b. Pay on behalf of wording, as opposed to reimbursement;
 - c. Concurrency of effective dates with primary policies;
 - d. Policies shall "follow form" to the underlying primary policies;

- e. Insureds under primary policies shall also be insureds under the umbrella or excess policies.
4. Pollution Legal Liability and/or Asbestos Pollution Legal Liability: Insurance appropriate to the work being performed, with limits of no less than \$35,000,000 per claim or occurrence. All activities contemplated in this Franchise shall be specifically scheduled on the policy as "covered operations." This policy shall specifically provide for a duty to defend on the part of the insurer. Coverage shall be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using subcontractors, the policy must include work performed "by or on behalf" of the insured.

If the Grantee maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Grantee.

Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

- a. Additional Insured Status (all policies): The City, its officers, officials, employees and volunteers are to be covered as additional insureds on the CGL, Umbrella and Pollution policies.
- b. Primary Coverage (all policies): For any claims related to this Franchise, the Grantee's insurance shall be primary as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Grantee's insurance and shall not contribute with it.
- c. Notice of Cancellation (all policies): Each insurance policy required herein shall state that coverage shall not be cancelled, except after 30 days prior written notice of reasons for cancellation (other than non-payment of premium) has been given to the City.
- d. Waiver of Subrogation (all policies): Grantee hereby grants to the City a waiver of any right of subrogation which any insurer of said Grantee may acquire against the City by virtue of payment of any loss. Grantee agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Requirements Not Limiting

Requirements of specific coverage features or limits contained in this Exhibit B are not intended as a limitation on coverage, limits or other requirements, nor as a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for

purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Grantee to reduce or eliminate the deductible or retention applicable to this Franchise or provide satisfactory proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A-:VII, unless otherwise acceptable to the City.

Timely Notice of Claims

Grantee shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Grantee's performance under this Franchise, and that involve or may involve coverage under any of the required liability policies.

Claims Made Policies

If the Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors & Omissions policy provides "claims made" coverage:

- a. The Retroactive Date must be shown, and must be before the effective date of this Franchise.
- b. The insurance must be maintained and evidence of insurance must be provided for at least 5 years after termination of the Franchise.
- c. If the policy is cancelled or not renewed, and not replaced with another "claims made" policy form with a Retroactive Date prior to the effective date of the Franchise, the Grantee must purchase "extended reporting" coverage for a minimum of 5 years after termination of the Franchise.
- d. A copy of the claims reporting requirements must be submitted to the City for review.

Verification of Coverage

Grantee shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required herein. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain required documents prior to the work beginning shall not waive the Grantee's obligation to provide them. Grantee acknowledges and agrees that any

actual or alleged failure on the part of the City to inform Grantee of non-compliance with any insurance requirement imposes no additional obligations on the City nor does it waive any rights hereunder. The City reserves the right to require complete, certified copies of all required insurance policies, including the endorsements required herein, at any time.

EXHIBIT "C"

FRANCHISE FEE CALCULATION

The length of pipe expressed in feet located within the City, rounded to the nearest foot, shall be multiplied by the applicable CPUC (California Public Utilities Code) base rate (see Table 2 below). The applicable base rate shall be multiplied by the Consumer Price Index (CPI-U), All Items for the Los Angeles-Riverside-Orange County areas, as published by the United States Department of Labor, Bureau of Labor Statistics for the month of September immediately preceding the month in which payment is due and payable, and divided by the Consumer Price Index for June 30, 1989, which is declared to be 100.0. Under no circumstances shall the multiplying factor be less than one. Under the CPUC the base rate is adjusted based on CPI (Consumer Price Index) series ID CUURA421SA0 (see Table 1 below):

Table 1

Consumer Price Index -- All Urban Consumers
Original Data Value

Series ID: CUURA421SA0
Not Seasonally Adjusted
Area: Los Angeles-Riverside-Orange County, CA
Item: All items
Base Period: 1982-84=100
Years: 1989 to 2014

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1989	124.6	125.5	126.2	127.2	128.3	128.7	129.0	128.9	130.1	130.0	130.0	130.6	128.3	126.8	129.8
1990	132.1	133.6	134.5	134.2	134.6	135.0	135.6	136.3	137.7	138.7	138.9	139.2	135.9	134.0	137.7
1991	140.0	139.9	139.7	140.7	140.8	140.8	141.5	141.7	142.6	142.9	143.5	143.1	141.4	140.3	142.6
1992	144.3	144.9	145.5	145.8	146.0	146.2	146.7	146.9	147.4	148.4	148.2	148.2	146.5	145.5	147.6
1993	149.2	150.0	149.8	149.9	150.1	149.7	149.8	149.9	150.2	150.9	151.6	151.9	150.3	149.8	150.7
1994	152.2	152.2	152.5	152.0	151.4	151.3	151.7	152.0	152.7	153.4	152.9	153.4	152.3	151.9	152.7
1995	154.3	154.5	154.6	154.7	155.1	154.8	154.5	154.4	154.6	155.2	154.4	154.6	154.6	154.7	154.6
1996	155.7	156.2	157.3	157.7	157.5	156.7	157.6	157.3	158.2	158.8	158.4	158.3	157.5	158.9	158.1
1997	159.1	159.2	159.8	159.9	159.5	159.4	159.5	159.7	160.5	161.1	160.7	161.2	160.0	159.5	160.5
1998	161.0	161.1	161.4	161.8	162.3	162.2	162.1	162.6	162.6	163.2	163.4	163.5	162.3	161.6	162.9
1999	164.2	164.6	165.0	166.6	166.2	165.4	165.8	166.3	167.2	167.2	167.1	167.3	166.1	165.3	166.8
2000	167.9	169.3	170.7	170.6	171.1	171.0	171.7	172.2	173.3	173.8	173.5	173.5	171.6	170.1	173.0
2001	174.2	175.4	176.2	176.6	177.5	178.9	178.3	178.4	178.8	178.3	178.1	177.1	177.3	176.5	178.2
2002	178.9	180.1	181.1	182.2	182.6	181.9	182.2	183.0	183.4	183.7	184.0	183.7	182.2	181.1	183.3
2003	185.2	188.5	188.2	187.6	186.4	186.3	186.3	186.9	188.2	187.8	187.1	187.0	187.0	186.7	187.2
2004	188.5	190.1	191.5	191.9	193.3	193.7	193.4	193.1	194.5	196.3	196.9	195.2	193.2	191.5	194.9
2005	195.4	197.4	199.2	201.1	201.5	200.7	201.4	203.1	205.8	206.9	205.6	203.9	201.8	199.2	204.5
2006	206.0	207.5	208.5	210.5	212.4	211.1	211.4	211.9	212.9	211.4	211.1	210.6	210.4	209.3	211.6
2007	212.584	214.760	216.500	217.845	218.596	217.273	217.454	217.330	217.697	218.696	219.943	219.373	217.338	216.260	218.416
2008	220.918	221.431	223.606	224.625	226.651	229.033	229.886	228.484	227.449	226.159	222.229	219.620	225.008	224.377	225.638
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	223.219	221.943	224.495
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623					242.122	

Table 2

CPUC 1989 Table Pipe Size (internal diameter in inches)	Base rate per lineal foot
0 – 4	\$0.088
6	0.132
8	0.176
10	0.220
12	0.264
14	0.308
16	0.352
18	0.396
20	0.440
22	0.484
24	0.528
26	0.572
28	0.616
30	0.660

Formula for Franchise Fee Calculations:

- $\text{CPI Adjustment} = \text{Current Year CPI} / \text{Original Year (June 30, 1989) CPI}$ (from Table 1).
- $\text{Payment Amount} = \text{Linear Feet of Pipe} \times \text{CPUC Base Rate (from Table 2)} \times \text{CPI Adjustment}$:
 1. 1,186 feet of 10" pipe:
 $\text{CPI Adjustment} = 243.623 / 128.7 = 1.893$
 $\text{Payment Amount} = 1,186 \times \$0.220 \times 1.893 = \mathbf{\$493.92}$
 2. 1,588 feet of 12" pipe:
 $\text{CPI Adjustment} = 243.623 / 128.7 = 1.893$
 $\text{Payment Amount} = 1,588 \times \$0.264 \times 1.893 = \mathbf{\$793.60}$

Franchise Fee for 2015: \$1,287.52