

1 WHEREAS, CRIMSON has further requested that the Union Oil 12" Line be
2 consolidated into and made a part of a renewed and extended CRIMSON FRANCHISE;
3 and,

4 WHEREAS, CRIMSON has requested the City Council to renew and extend the
5 Shell Franchise (as it relates to the Shell 10" Line) and the Union Oil License into a single
6 CRIMSON FRANCHISE; and,

7 WHEREAS, the Shell 10" Line and the Union Oil 12" Line have been in continuous
8 operation for over 25 years, with such operation being without incident; and,

9 WHEREAS, the City Council, to ensure the continued protection of the public health,
10 safety, and welfare, has provided direction to CITY MANAGER to enter into negotiations
11 with CRIMSON for the purposes of updating the decades-old Shell Franchise and Union Oil
12 License, especially in the areas of safety precautions, including obtaining adequate levels
13 and appropriate types of insurance to protect the interests of CITY and its residents; and,
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15 WHEREAS, pursuant to Resolution No. 2015-R045, adopted on June 8, 2015, the
16 CITY COUNCIL declared its intention to approve the renewed and extended Shell
17 Franchise and Union Oil License as consolidated into this CRIMSON FRANCHISE; and,
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19 WHEREAS, on August 24, 2015, the CITY COUNCIL held a public hearing on the
20 application submitted by CRIMSON and, following public testimony and thorough
21 discussion of CRIMSON's application, determined to approve the application on the terms
22 and conditions provided herein.
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24 NOW THEREFORE, the CITY COUNCIL of the City of Culver City, California, DOES
25 HEREBY ORDAIN as follows:
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1 **SECTION 1. CLARIFICATION, ASSIGNMENT, AND GRANT OF FRANCHISE**

2 1. The Shell Franchise (as it relates to the Shell 10” Line) and the
3 Union Oil License are hereby renewed and extended as consolidated into this CRIMSON
4 FRANCHISE, subject to each of the terms and conditions of this Ordinance No. 2015-____;

5 2. The CRIMSON FRANCHISE reads as follows:

6 **SECTION 1A. DEFINITIONS**

7 The following CAPITALIZED TERMS shall have the meaning as set forth in this
8 Section:

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10 **ABANDONMENT:** The permanent discontinuance of the use of the PIPELINES under this
11 CRIMSON FRANCHISE or the PIPELINES have been idle for a period of not less than six
12 months.

13 **APPURTENANCES:** Items such as, but not limited to, scraper traps, manholes, flanges,
14 conduits, culverts, valves, appliances, cathodic protection systems, vaults, attachments and
15 other accessories necessary for the proper operation of the PIPELINES, including safety
16 monitoring devices.

17 **ANNIVERSARY DATE:** January 1 of each year this CRIMSON FRANCHISE is in full force
18 and effect.

19 **ANNUAL FRANCHISE FEE:** The fee payable to CITY by CRIMSON in return for the rights
20 and privileges enjoyed by CRIMSON pursuant to this CRIMSON FRANCHISE.

21 **CITY:** The City of Culver City, California – a Charter City.

22 **CITY ATTORNEY:** The duly acting and appointed City Attorney of CITY.

23 **CITY CLERK:** The duly appointed and acting City Clerk of CITY.

24 **CITY COUNCIL:** The duly elected City Council of CITY.
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1 **CITY MANAGER:** The duly appointed and acting City Manager of CITY or his/her duly
2 authorized representative.

3 **CRIMSON FRANCHISE:** This franchise.

4 **DIRECTOR:** The duly appointed and acting Director of Public Works/City Engineer of CITY
5 or his/her duly authorized representative.

6 **EFFECTIVE DATE:** The 31st calendar day after the adoption of this ORDINANCE by the
7 CITY COUNCIL.

8 **EMERGENCY:** Situations in which persons are endangered or property or environmental
9 damage may result, or other requirements of law, rule, regulation, or government order may
10 be violated, if work is delayed pending issuance of a permit.

11 **FRANCHISE RENEWAL AND EXTENSION FEE:** The sum of \$10,000 payable in lawful
12 money of the United States of America.

13 **FRANCHISE TERM:** The period of time this CRIMSON FRANCHISE shall be in full force
14 and effect.

15 **GRANTEE OR CRIMSON:** Crimson California Pipeline, L.P., a California limited
16 partnership.

17 **PIPELINES:** The system of pipelines built and/or operated by CRIMSON under this
18 CRIMSON FRANCHISE as set forth in Exhibit A hereof.

19 **REPAIR:** Work undertaken to maintain the PIPELINES in compliance with the latest
20 revision of the Standard Plans for Public Works Construction and the Standard
21 Specifications for Public Works and standard plans for street repair as approved by the
22 DIRECTOR. Such work may include, but is not necessarily limited to, excavation of
23 STREETS.

24 **STREETS:** Those public roads, highways and alleys, and other public rights-of-way under
25 the control of CITY under which PIPELINES are located.

1 **TERM:** The period of time commencing on the EFFECTIVE DATE and concluding on
2 December 31, 2025.

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4 **SECTION 2. GENERAL TERMS AND CONDITIONS OF FRANCHISE**

5 **A. Grant of Franchise**

6 This CRIMSON FRANCHISE is hereby granted to GRANTEE for the TERM
7 effective on the EFFECTIVE DATE, subject to all of the limitations and restrictions herein
8 contained. Pursuant to Section 6265 of the California Public Utilities Code, as such code
9 existed on the EFFECTIVE DATE, this CRIMSON FRANCHISE grants to GRANTEE the
10 right to use the PIPELINES and the APPURTENANCES for the purpose of transmitting and
11 distributing oil or products thereof and shall include the right and privilege to operate,
12 maintain, replace, and REPAIR the PIPELINES for such purposes, under, along and across
13 STREETS in CITY, as such PIPELINES are shown on the maps attached hereto as Exhibit
14 "A." This CRIMSON FRANCHISE may be terminated by voluntary surrender or
15 ABANDONMENT by GRANTEE or by forfeiture for non-compliance with the terms and
16 provisions of this CRIMSON FRANCHISE.
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19 **B. Appurtenances**

20 Subject to GRANTEE's compliance with the provisions of Section 10 below,
21 GRANTEE shall have the right to operate, maintain, REPAIR or replace such
22 APPURTENANCES as may be necessary or convenient for the proper maintenance and
23 operation of the PIPELINES under this CRIMSON FRANCHISE.
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1 including the date of either (1) the last day of the month in which actual removal of the
2 PIPELINES was completed; or (2) the last day of the month in which falls the effective date
3 of any properly approved abandonment "in place" as may be authorized by CITY, or until
4 the GRANTEE shall have fully complied with all the provisions of law or ordinances relative
5 to such abandonments, whichever is later.

6 In the event of partial abandonment of the PIPELINES with the approval of
7 CITY as elsewhere in this CRIMSON FRANCHISE provided, or in the event of partial
8 removal of such PIPELINES by GRANTEE, the payments otherwise due CITY for
9 occupancy of the STREETS by such PIPELINES shall be reduced by the length of
10 PIPELINES abandoned or the actual PIPELINES removed beginning with the first day of
11 the next succeeding calendar year, and for each calendar year thereafter; provided,
12 however, that the said base rate shall be modified to reflect the adjustment per Section 7
13 hereof applicable to such abandoned or removed PIPELINES at the beginning of the next
14 succeeding calendar year following abandonment or removal.

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16 F. GRANTEE shall pay to CITY, on demand, the cost of all REPAIRS
17 made at the cost of CITY to public property made necessary by any operation of the
18 GRANTEE under this CRIMSON FRANCHISE. In addition, if any private property is
19 damaged by an accident, spill, discharge, release, escape, accident, leaks or breaks in the
20 PIPELINES or APPURTENANCES or from any cause arising in whole or in part from the
21 operation or existence of the PIPELINES or APPURTENANCES or from any act or
22 omission of GRANTEE, GRANTEE shall pay all damages or compensation to which the
23 owners are entitled and GRANTEE shall REPAIR its facilities to protect the damaged
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1 private property from further damage to the extent permitted and in conformity with Federal,
2 State and local law, rule, regulation or order.

3 G. Any payment due from GRANTEE to CITY under any provision of this
4 CRIMSON FRANCHISE which is not paid when due shall bear interest at the highest
5 amount allowed by law, but the payment of such interest shall not excuse nor cure any
6 other default by GRANTEE under this CRIMSON FRANCHISE. All payments shall be paid
7 without deduction or offset except as herein provided, in lawful money of the United States
8 to CITY at the following address: City of Culver City Attn: Chief Financial Officer, 9770
9 Culver Boulevard, Culver City, California 90232, or at such place as CITY may from time to
10 time designate in writing.
11

12 In addition to the interest payable pursuant to the Section above, in the event
13 any payment required under this Section is late, the following schedule of late charges shall
14 be applicable to that portion which is overdue as follows: late 10 days but fewer than 30
15 days -- 2% of the amount due; for each additional 30 days or fraction thereof over 30 days -
16 - an additional 2% of the amount, including interest due under this Section.
17

18 AUDIT: The City shall have the right to inspect GRANTEE'S records relating
19 to its annual report and to audit and recompute any and all amounts payable to CITY under
20 this CRIMSON FRANCHISE. Costs of audit shall be borne by GRANTEE when audits
21 result in an increase of more than five percent of GRANTEE'S annual payments due CITY.
22 Acceptance of any payment shall not be construed as a release, waiver, acquiescence, or
23 accord and satisfaction of any claim CITY may have for further or additional sums payable
24 under this CRIMSON FRANCHISE or for the performance of any other obligation
25 hereunder.
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1 disturbed by said REPAIRS and according to current ordinances of CITY and all other
2 applicable law, rules, and regulations.

3 E. In the event City elects to perform work on STREETS that requires
4 relocation or alteration of GRANTEE'S facilities which are the subject matter of this
5 CRIMSON FRANCHISE, GRANTEE hereby agrees to move and alter its PIPELINES and
6 APPURTENANCES, either permanently or temporarily, as required by the DIRECTOR, at
7 GRANTEE'S sole cost.

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9 F. GRANTEE shall coordinate REPAIRS undertaken under this Section
10 with CITY in order to minimize disruption of the STREETS especially the disturbance of
11 roadways that have been repaved within five years of the date of the proposed REPAIRS.
12 In the case GRANTEE shall be permitted by CITY to perform REPAIRS on such roadways,
13 subject to GRANTEE's compliance with the provisions of Section 10 below, GRANTEE
14 shall, at its sole cost, provide for the REPAIRS and re-pavement of the roadway.
15

16 **SECTION 5. UNPLANNED MAINTENANCE AND REPAIRS**

17 A. GRANTEE shall report immediately any unplanned REPAIRS,
18 including but not limited to those undertaken in response to spills or leaks, to CITY. If any
19 portion of any STREET is damaged by reason of operation of PIPELINES and/or
20 APPURTENANCES, or if any STREET, sidewalk, sewer, storm drain, other facility or
21 private property is contaminated with any products transported in PIPELINES, GRANTEE
22 shall, at its sole expense, immediately REPAIR or clean up or cause to be REPAIRED or
23 cleaned up any such damage or contamination and REPAIR such STREET or other facility
24 to the satisfaction of DIRECTOR. Such cleanups shall be accomplished in a timely
25 manner, with as little public disruption as possible.
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1 B. GRANTEE shall reimburse CITY for all costs associated with CITY
2 services provided for such unplanned maintenance and REPAIRS. Such reimbursement
3 shall include, but not be limited to, the current rate of overhead being charged by CITY for
4 reimbursable work. Reimbursable work shall include, but not be limited to, inspection,
5 traffic control, police, fire, STREET, environmental, and any other CITY response forces or
6 services.

7 **SECTION 6. EMERGENCY MAINTENANCE AND REPAIRS**

8 A. In the case of EMERGENCY, as that term is defined in this CRIMSON
9 FRANCHISE, GRANTEE shall coordinate its response with all Federal, State, Regional,
10 and CITY forces to respond to and rectify such emergency. Such coordination shall
11 include, but not be limited to, providing notice to CITY immediately of such emergency
12 condition.

13 B. EMERGENCY CREWS - At all times during the term of this CRIMSON
14 FRANCHISE, GRANTEE shall maintain, on a twenty-four (24) hour basis, personnel to
15 operate PIPELINE and APPURTENANCES, including but not limited to the leak detection
16 and other safety or operations systems used in the operation of the PIPELINES. In
17 addition, during the term of this CRIMSON FRANCHISE, GRANTEE shall maintain, on a
18 twenty-four (24) hour basis, adequate standby equipment and properly trained emergency
19 standby crews for the purpose of implementing emergency response such as REPAIRS, oil
20 spill cleanup, preventing or minimizing damage or the threat of damage to people, property
21 and the environment in the event of an emergency resulting from an earthquake, act of war,
22 civil disturbance, flood, leakage, or other cause. As soon as practicable following discovery
23 of an EMERGENCY, GRANTEE shall report the emergency to the National Response
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1 Center and other applicable Federal, State, Regional, and agencies and departments and
2 call out the emergency standby crews and equipment.
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4 **SECTION 7. REMOVAL OR ABANDONMENT OF FACILITIES**

5 **A. Application to DIRECTOR**

6 At the expiration, revocation or termination of this CRIMSON FRANCHISE or
7 upon the permanent discontinuance of the use of its PIPELINES or any portion thereof,
8 GRANTEE shall, within thirty (30) days thereafter, make a written application to DIRECTOR
9 for authority to abandon all or a portion of such PIPELINES. Such application shall
10 describe the PIPELINES desired to be abandoned or removed and shall also describe with
11 reasonable accuracy the relative physical condition of such PIPELINES. Upon
12 abandonment, as-built plans of the PIPELINES as they exist at the time of abandonment
13 shall be provided to CITY. Abandonment of the PIPELINES shall be accomplished as
14 required by the Pipeline Safety Act, State or Federal regulations, or any successor
15 legislation.
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18 **B. Determination of DIRECTOR**

19 DIRECTOR shall review the application submitted pursuant to this Section
20 and, within 30 days of such application being deemed complete by DIRECTOR, determine
21 whether such proposed abandonment or removal may be effected without detriment to the
22 public interest or under what conditions such proposed abandonment or removal may be
23 safely effected. DIRECTOR shall notify GRANTEE of the DIRECTOR'S determination to
24 approve, conditionally approve, or deny such application, and, in the case such application
25 is approved or conditionally approved, in accordance with such requirements and
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1 conditions as shall be specified by DIRECTOR in any permit issued as a result of the
2 application submitted pursuant to this Section, including but not limited to applicable state
3 and federal regulations, GRANTEE shall, within ninety (90) days of such determination,
4 either:

- 5 1. Remove all or a portion of such PIPELINES, or
- 6 2. Abandon in place all or a portion of such PIPELINES, as set

7 forth in the approved Permit.
8

9 C. **Failure to Properly Abandon**

10 If any PIPELINES to be abandoned in place subject to prescribed conditions
11 shall not be abandoned in accordance with all such conditions, then DIRECTOR may make
12 additional appropriate orders, including, if deemed desirable, an order that GRANTEE shall
13 remove all such PIPELINES in accordance with applicable requirements of the Pipeline
14 Safety Act or other governing law or statute. In the event GRANTEE shall fail to remove
15 any facilities which it is obligated to remove in accordance with such applicable
16 requirements within such time as may be prescribed by DIRECTOR, then CITY may
17 remove or cause to be removed such PIPELINES at GRANTEE'S expense, and GRANTEE
18 shall pay CITY the actual cost thereof plus the current rate of overhead being charged by
19 CITY for reimbursable work, as such overhead rate may have been set by action of CITY
20 COUNCIL or as may reasonably be calculated by CITY MANAGER
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23 **SECTION 8. REARRANGEMENT/RELOCATION OF FACILITIES**

24 A. **Expense of GRANTEE**

25 Whenever, during the FRANCHISE TERM, CITY shall change the grade,
26 width, or location of any STREET or improve any STREET in any manner including the
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1 laying of any sewer, storm drain, conduits, gas, water, or other pipes owned or operated by
2 CITY or any other public agency or utility, or construct any pedestrian tunnels or other work
3 of CITY (the right to do all of which is specifically reserved to CITY without any admission
4 on its part that it would not otherwise have such rights) and such work shall, in the opinion
5 of DIRECTOR, render necessary any change in the position or location of any PIPELINES
6 in the STREET, GRANTEE shall, at its sole cost and expense, do any and all things to
7 effect such change in position or location in conformity with the written notice of
8 DIRECTOR as provided in this Section; provided, however, that CITY shall not require
9 GRANTEE to remove PIPELINES in their entirety.
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11 **B. Expense of Others**

12 Except as provided in Paragraph A of this Section, when such
13 rearrangement/relocation is done for the accommodation of any person, firm, or
14 corporation, the cost of such rearrangement shall be borne by the accommodated party.
15 Such accommodated party, in advance of such rearrangement, shall (a) deposit with
16 GRANTEE either cash or a corporate surety bond in an amount, as in the reasonable
17 discretion of GRANTEE shall be required to pay the costs of such rearrangement, and (b)
18 shall execute an instrument agreeing to indemnify and hold harmless GRANTEE from any
19 and all damages or claims caused by such rearrangement.
20

21 **C. Rearrangement/Relocation of the Facilities of Others**

22 Nothing in this CRIMSON FRANCHISE shall be construed to require
23 GRANTEE to move, alter, or relocate any of the facilities upon said STREETS for the
24 convenience, accommodation, or necessity of any other public or private utility, person,
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1 firm, or corporation, or to require CITY or any person, firm, or corporation now or hereafter
2 owning a public utility system of any type or nature to move, alter, or relocate any part of its
3 system upon said STREETS for the convenience, accommodation, or necessity of
4 GRANTEE.

5 D. **Notice Related to Rearrangement/Relocation of Facilities**

6 Prior to commencement of any rearrangement of facilities which GRANTEE is
7 required to make hereunder, GRANTEE shall be given not less than thirty (30) days' written
8 notice, which notice shall specify the time that such work is to be accomplished. In the
9 event that CITY shall change the planned rearrangement/relocation of facilities, or the
10 notice given to GRANTEE, GRANTEE may require an additional period no fewer than sixty
11 (60) days to accomplish such work, unless GRANTEE shall waive such additional period in
12 whole or in part.
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14 **SECTION 9. SUSPENSION OF OPERATIONS**

15 If, for any reason, GRANTEE suspends operations on PIPELINES, during any
16 period of suspended operations and while maintenance and REPAIRS are effectuated,
17 GRANTEE shall maintain its normal pipeline surveillance and safety monitoring processes,
18 including all cathodic protection systems, to ensure ongoing pipeline integrity. This shall
19 continue until such a time as the line is returned to service or abandoned in accordance
20 with this CRIMSON FRANCHISE. Subject to the foregoing, this will confirm that performing
21 maintenance or REPAIR of the PIPELINES shall not be construed as suspending
22 operations.
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25 **SECTION 10. SAFETY REQUIREMENTS AND REPORTING**

26 A. **Conformance with Pressure Piping Code**

1 The PIPELINES and APPURTANCES shall be operated, maintained,
2 replaced or REPAIRED in accordance with the latest revision of the "American National
3 Standard Code for Pressure Piping ANSI/ASME B31 4-1979," American Petroleum Institute
4 Standard 1104, Code of Federal Regulations, Part 195, Title 49 USC and other applicable
5 standards and codes, whichever is the most stringent.

6 **B. Conformance with Federal and State Law**

7 The PIPELINES and APPUTENANCES shall be operated, maintained,
8 replaced or REPAIRED in accordance with all applicable Federal and/or State standards
9 for the constructing and operation of interstate pipelines as set forth in State or Federal
10 laws, rules or regulations. Whenever there is a conflict with the Federal or State standards,
11 the more stringent standard will prevail.
12

13 **C. Conformance with City Ordinances, Regulations, and**
14 **Permits**

15 The PIPELINES and APPURTENANCES shall be operated, maintained,
16 replaced, or REPAIRED in conformity with all applicable CITY ordinances, rules or
17 regulations (including, without limitation, City's Standard Plans for Public Works
18 Construction and the Standard Specifications for Public Works and standard plans for
19 street REPAIR), not in conflict with Federal or State standards, or as otherwise prescribed
20 by CITY COUNCIL, not in conflict with Federal or State standards, and in accordance with
21 the terms and conditions of any permit issued by the DIRECTOR.
22

23 **D. Reporting**

1 GRANTEE shall maintain and make reasonably available to CITY upon
2 request by CITY to inspect all records as may be required by any regulatory authority,
3 including the California Public Utilities Commission, the California State Fire Marshal, and
4 any other Federal or State body or official.

5 Prior to the EFFECTIVE DATE, GRANTEE shall provide, at sole cost of
6 GRANTEE, to the DIRECTOR, a report verified under oath or penalty of perjury by a duly
7 authorized officer of GRANTEE, which describes in full the following information:

- 8 (i) The length of PIPELINES prescribed in this CRIMSON FRANCHISE;
- 9 (ii) The nominal internal diameter of PIPELINES;
- 10 (iii) The method used to calculate the ANNUAL FRANCHISE FEE,
11 including the total amount due to the CITY; and
12 (iv) Maps or suitable diagrams indicating the accurate "as-built" location
13 and size of the PIPELINES and contingency plans for any pipeline emergencies.
14

15 Should any of the information set forth in the report change at any time during
16 the FRANCHISE TERM, GRANTEE shall, within sixty (60) days, provide to the DIRECTOR
17 a report reflecting the changes verified under oath or penalty of perjury by a duly authorized
18 officer of GRANTEE. CITY reserves the right to revise and to amend the safety and
19 reporting requirements prescribed in this CRIMSON FRANCHISE in conformity with all
20 rules and regulations now or hereafter adopted or prescribed by any State or Federal law.
21

22 **SECTION 11. INDEMNIFICATION, INSURANCE, AND BONDS**

23 A. Indemnification: Grantee shall indemnify, defend, and hold CITY, CITY
24 COUNCIL as well as CITY's boards, commissions, officers, agents, servants, volunteers
25 and employees harmless from and against any and all claims, demands, or causes of
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1 action which may be asserted, prosecuted, or established against them, or any of them, for
2 damage to persons or property, of whatever nature, arising out of GRANTEE's use of
3 STREETS hereunder or arising out of any of the operations or activities of GRANTEE
4 pursuant to this CRIMSON FRANCHISE, whether such damage shall be caused by
5 GRANTEE's negligence or otherwise, including reasonable attorneys' fees regardless of
6 the merit or outcome of any such claim or suit.

7
8 B. GRANTEE shall indemnify, defend, and hold harmless CITY, CITY
9 COUNCIL as well as CITY's boards, commissions, officers, agents, servants, volunteers
10 and employees, from and against any and all claims and losses whatsoever, including
11 reasonable attorney's fees, accruing or resulting to any and all persons, firms or
12 corporations furnishing or supplying work, services, materials, equipment, or supplies to
13 GRANTEE or to its contractors in connection with activities or work conducted or performed
14 pursuant to this CRIMSON FRANCHISE and arising out of such activities or work, and from
15 any and all claims or losses whatsoever, including reasonable attorneys' fees, accruing or
16 resulting to any person, firm or corporation for damage, injury, or death arising out of
17 GRANTEE's operations.

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19 C. GRANTEE shall indemnify, defend and hold harmless CITY, CITY
20 COUNCIL, as well as CITY's boards, commissions, officers, agents, servants, volunteers,
21 and employees from and against any and all claims and losses whatsoever, including
22 reasonable attorney's fees, for any act in connection with approving this CRIMSON
23 FRANCHISE.

24
25 D. Insurance: GRANTEE at all times during the FRANCHISE TERM shall
26 maintain insurance for all operations of GRANTEE relating to the operation of PIPELINES

1 within CITY in the amounts and coverages specified and described in Exhibit "B" attached
2 hereto and incorporated herein by this reference.

3 E. Upon request of DIRECTOR, GRANTEE shall file with CITY a bond in
4 the amount of Seventy-Five Thousand Dollars (\$75,000.00) in favor of CITY, in a form
5 approved by CITY ATTORNEY, to ensure satisfactory REPAIRS of PIPELINES,
6 APPURTENANCES, STREETS and public and private property. For each additional
7 renewal period thereafter, the amount of the required bond shall be reviewed and shall be
8 increased based on the then current pipeline franchise standard. In no event shall the
9 amount of the bond be reduced below Seventy-Five Thousand Dollars (\$75,000.00);
10 provided, however, to the extent all or any segment of the PIPELINES located in the CITY
11 is, from time to time, removed or abandoned in accordance with the provisions of this
12 CRIMSON FRANCHISE, the amount of the bond shall be reviewed by CITY and
13 GRANTEE and shall be reduced in accordance with the then current pipeline franchise
14 standard.
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17 SECTION 12. DEFAULT

18 A. Effect of Default

19 In the event that GRANTEE shall default in the performance of any of the
20 terms, covenants, and conditions herein and such default is curable, CITY may give written
21 notice to GRANTEE of such default. In the event that GRANTEE does not commence the
22 work necessary to cure such default within thirty (30) days after such notice is sent or
23 prosecute such work diligently to completion, CITY may declare this CRIMSON
24 FRANCHISE forfeited. Upon giving written notice thereof to GRANTEE, this CRIMSON
25 FRANCHISE shall be void and the rights of GRANTEE hereunder shall terminate, and
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1 GRANTEE shall execute an instrument of surrender and deliver the same to CITY. Upon
2 giving notice of such forfeiture to GRANTEE and the State Fire Marshal, CITY may require
3 GRANTEE to immediately shut off the access valves to the PIPELINES. Further, CITY
4 may require GRANTEE to effect the removal of PIPELINES at the sole cost of GRANTEE.
5 In the event GRANTEE does not commence removal of the facilities within 60 days of
6 receipt of notice from CITY that removal is required, then CITY may commence removal of
7 such facilities and pursue remedies against GRANTEES, including but not limited to, the
8 exercise of its rights under any bonds provided under this CRIMSON FRANCHISE.
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10 **B. Force Majeure**

11 In the event GRANTEE is unable to perform any of the terms of this
12 CRIMSON FRANCHISE by reason of strikes, riots, acts of God, acts of public enemies, or
13 other such cause beyond its control, it shall not be deemed to be in default or have forfeited
14 its rights hereunder if it shall commence and prosecute such performance with all
15 deliberate speed.
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17 **C. Cumulative Remedies**

18 No provision herein made for the purpose of securing the enforcement of
19 terms and conditions of this CRIMSON FRANCHISE shall be deemed an exclusive
20 remedy, or to afford the exclusive procedure, for the enforcement of said terms and
21 conditions, but the remedies and procedures herein provided, in addition to those provided
22 by law, shall be deemed to be cumulative.
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24 **SECTION 13. SCOPE OF RESERVATION**

25 The enumeration herein of specific rights reserved shall not be construed as
26 exclusive or as limiting such rights as CITY may now or hereafter have in law.
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2 **SECTION 14. NOTICE**

3 Any notice required to be given under the terms of this CRIMSON
4 FRANCHISE, the manner of services of which is not specifically provided for elsewhere
5 herein, may be served as follows:

6 (1) Upon CITY, by serving the City Clerk personally, or by
7 addressing a written notice to the City Clerk of the City of Culver City, City
8 Hall, 9770 Culver Boulevard, P. O. Box 507, Culver City, California 90232-
9 0507, or at such address as may be subsequently provided to GRANTEE,
10 and depositing such notice in the United States mail, postage prepaid or,
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12 (2) Upon GRANTEE, by personal delivery to the Chief Operating
13 Officer or by addressing a written notice to GRANTEE addressed as follows:

14
15 Crimson California Pipeline, L.P.
16 3780 Kilroy Airport Way, Suite 400
17 Long Beach, California 90806
18 Attn: Land Department

19 and depositing such notice in the United States mail, postage prepaid, or
20 such other address as may from time to time be furnished in writing by one
21 party to the other, and depositing said notice in the United States mail.
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23 When the service of any such notice is made by mail, the time of such
24 notice shall begin with and run from the date of the deposit of same in the
25 United States mail.
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1 file said written acceptance subjects this CRIMSON FRANCHISE to revocation by CITY
2 upon CITY providing written notice thereof to GRANTEE.

3 **SECTION 17. COSTS OF LITIGATION**

4 If any legal action is necessary to enforce any provision hereof or for
5 damages by reason of an alleged breach of any provisions of this CRIMSON FRANCHISE,
6 the prevailing party shall be entitled to receive from the losing party reasonable costs and
7 expenses in such amount as the court or arbitrator may adjudge to be reasonable
8 attorney's fees and costs incurred by the prevailing party in such action or proceeding.
9

10 **SECTION 18. CAPTIONS FOR CONVENIENCE**

11 The captions herein are for convenience and references only and are not a
12 part of this CRIMSON FRANCHISE and do not in any way limit, define or amplify the terms
13 and provisions hereof.

14 **SECTION 19. FRANCHISE TO BE STRICTLY CONSTRUED AGAINST**
15 **GRANTEE**

16 A. This CRIMSON FRANCHISE is granted upon each and every
17 condition herein contained and shall ever be strictly construed against GRANTEE.

18 B. If any section, subsection, sentence or clause or phrase of this
19 ordinance is for any reason held to be invalid or unconstitutional by the decision of any
20 court of competent jurisdiction, such decision shall not affect the validity of the remaining
21 portions of this ordinance. CITY COUNCIL hereby declares that it would have passed this
22 ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective
23 of the fact that any one or more sections, subsections, sentences, clauses or phrases are
24 declared invalid or unconstitutional.
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26

1 but not limited to, specific enforcement of any provision of this agreement, declaratory relief
2 or injunctive relief), and report a finding and judgment thereon. If the parties are unable to
3 agree upon a referee, either party may seek to have one appointed, pursuant to California
4 Code of Civil Procedure Sections 638 and 640. The cost of such proceeding shall initially
5 be borne equally by the parties. However, the prevailing party shall be entitled, in addition
6 to all other costs, to the costs of the reference as an item of recoverable costs.

7
8 C. Notwithstanding the provisions of this Section 21, either party shall be
9 entitled to seek declaratory and injunctive relief in any court of competent jurisdiction to
10 enforce the terms of this CRIMSON FRANCHISE or to enjoin the other party from an
11 asserted breach thereof, pending the selection of a referee, on a showing that the moving
12 party would otherwise suffer irreparable harm.

13 **SECTION 22. EXECUTION**

14 The Mayor of the City shall sign and CITY CLERK shall attest to the passage
15 of this ordinance. This ordinance shall take effect thirty (30) days from the date of its
16 adoption and prior to the expiration of fifteen (15) days from the adoption hereof CITY
17 CLERK, pursuant to Section 616 of the City Charter, shall cause a summary of this
18 ordinance to be published and shall post in the Office of the City Clerk a copy of the full text
19 of this ordinance along with the record of the vote thereon.
20

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26 //////////////

1 APPROVED and ADOPTED this ____ day of _____, 2015.

2
3
4 _____
5 MICHEÁL O'LEARY, Mayor
6 City of Culver City, California

7
8
9 ATTEST

APPROVED AS TO FORM

10
11 _____
12 MARTIN R. COLE
13 City Clerk

14
15 _____
16 *for* CAROL A. SCHWAB
17 City Attorney
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