



1 WHEREAS, the City Council, to ensure the continued protection of the public  
2 health, safety, and welfare, has directed the City Manager to enter into negotiations with  
3 Torrance Valley for the purpose of granting a new franchise to Torrance Valley; and

4 WHEREAS, pursuant to Resolution No. 2021-R037 adopted on May 10, 2021,  
5 the City Council declared its intention to grant Torrance Valley's franchise application;  
6 and

7 WHEREAS, on June 14, 2021, the City Council held a public hearing on the  
8 application submitted by Torrance Valley and, following public testimony and thorough  
9 discussion of Torrance Valley's application, approved the application on the terms and  
10 conditions provided herein.

11 NOW THEREFORE, the City Council of the City of Culver City, California, DOES  
12 HEREBY ORDAIN as follows:

13 **SECTION 1. TERMS AND CONDITIONS OF FRANCHISE**

14 **A. Terms of Franchise**

15 This franchise is hereby granted to Torrance Valley Pipeline Company LLC,  
16 (herein after referred to as "Grantee") for a term of ten years (the "initial term")  
17 from the effective date of this franchise, subject to all of the limitations and  
18 restrictions herein contained. This franchise may be terminated by voluntary  
19 surrender or abandonment by Grantee, or by forfeiture for non-compliance of the  
20 terms and provisions hereof.

21 **B. Grant of Franchise**

22 This franchise grants to Grantee the right and privilege to install, operate,  
23 maintain, replace and repair a sixteen-inch (16") diameter Pipeline (hereinafter  
24 for convenience referred to as "Pipeline"), for the transportation of crude oil in,  
25 under, along and across certain public streets, highways and alleys, hereinafter  
26 for the convenience collectively referred to as "streets", in the City of Culver City,  
27 County of Los Angeles, State of California, hereinafter referred to as "City". The  
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1 Pipeline is described in the attached Exhibit "A" and depicted in the map attached  
2 hereto as Exhibit "B".

3 **C. Appurtenances**

4 Grantee shall have the right to operate, maintain, repair or replace such scraper  
5 traps, manholes, flanges, conduits, culverts, valves, appliances, cathodic  
6 protection systems, attachments and other appurtenances (hereinafter for  
7 convenience collectively referred to as "appurtenances") as may be necessary or  
8 convenient for the proper maintenance and operation of the Pipeline under this  
9 franchise.

10 **SECTION 2. COMPENSATION TO CITY**

11 **A.** Upon approval of this ordinance, the Grantee shall pay to the City the sum  
12 of \$10,000.00 which shall be an administrative fee for City services incurred in  
13 processing this franchise application.

14 **B.** During the franchise term, Grantee shall pay to the City an annual  
15 franchise fee for the right to install, repair and for continued access to the  
16 Pipeline. The franchise fee shall be calculated in accordance with the provisions  
17 of Section 2.C. The first franchise fee shall be paid on or before the effective date  
18 of this franchise and annually thereafter, on or before the anniversary of the  
19 effective date of this franchise, for the 12-month period following the anniversary  
20 date.

21 **C.** The franchise fee shall be calculated as follows: a base of \$64,139.85  
22 shall be multiplied by a multiplying factor. For the first year of this franchise, the  
23 multiplying factor will be the Producer Price Index for All Commodities (1982=100  
24 reference base, Not Seasonally Adjusted), published by the United States  
25 Department of Labor, Bureau of Labor Statistics ("Index"), nearest the effective  
26 date of this franchise agreement divided by the Index for September 1992, which  
27 is stipulated to be 117.8. For all subsequent years, the multiplying factor will be  
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1 the Index nearest the anniversary date of this franchise agreement divided by the  
2 Index for September 1992, which is stipulated to be 117.8. Under no  
3 circumstances shall the multiplying factor be less than one.

4 Formula:

$$5 \frac{\text{Base } (\$64,139.85) \quad (X) \quad [\text{nearest Index}]}{6 \quad [\text{Index for September 1992}]} = \text{franchise fee}$$

7  
8 Example:

9  
10 If the anniversary date is November 26, and the nearest published Index to that  
11 November 26th is 120.0, then the franchise fee for that year will be equal to:

$$12 \frac{\$64,139.85 \quad (X) \quad 120.0}{13 \quad 117.8} = \$65,337.71$$

14  
15 If the Index is discontinued or revised during the term, such other mutually  
16 agreeable governmental index or computation with which it is replaced shall be  
17 used in order to obtain substantially the same results that would be obtained if  
18 the Index had not been discontinued or revised.

19 **D.** Torrance Valley previously paid \$106,391.57 on November 10, 2020 as a  
20 pre-payment for the franchise fee for the period November 26, 2020 through  
21 November 25, 2021. Therefore, if the effective date of this franchise occurs prior  
22 to November 26, 2021, the first annual franchise fee due under this agreement  
23 shall be reduced by an amount calculated as follows: the franchise fee (as  
24 calculated using the methodology in Section 2.C, above) prorated by the number  
25 of days left in the period between the effective date of the franchise and  
26 November 26, 2021.

1 Formula:

2  
3 
$$\frac{\text{franchise fee for 1st period (X) \# days before 11/26/21}}{365} = \text{franchise fee reduction}$$

4 Example:

5  
6 If the effective date of this agreement is October 12, 2021, the franchise fee for  
7 the first period of this agreement as calculated in Section 2.C is \$100,000 and  
8 the number of days left in the period is 45, then the franchise fee shall be  
9 reduced by \$12,328.77, an amount derived as follows:

10  
11 
$$\frac{\$100,000}{365} (X) 45 = \$12,328.77$$

12 **E.** If in any calendar year, the average annual throughput of crude oil  
13 exceeds 95,000 barrels per day, then Grantee shall pay the City a fee in the  
14 amount of five cents (\$0.05) for each barrel the cumulative amount of crude oil  
15 transported through Culver City that year exceeds the annual average of 95,000  
16 barrels per day times the number of days in that year. Such payment shall be  
17 made within thirty (30) days after the reports provided for in Section 9.D(v).

18 **F.** The annual franchise fee set forth in this Section shall in no way limit  
19 Grantee's obligation to compensate City or any private citizen for any damage,  
20 claim, expense, or loss whatsoever arising from Grantee's acts or the acts of  
21 Grantee's agents pursuant to this franchise.

22 **G.** In the event of complete removal of the Pipeline, Grantee shall be liable to  
23 pay City the annual franchise fee for the period to and including the last day of  
24 the month in which Grantee actually removes all of the Pipeline and complies  
25 with all provisions of law or ordinances pertaining to the removal of the Pipeline.  
26 Similarly, in the event of abandonment of the entire Pipeline in place, Grantee  
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1 shall be liable to pay City the annual franchise fee for the period to and including  
2 the last day of the month in which Grantee complies with all applicable provisions  
3 of Section 6 of this franchise and with all the provisions of law or ordinances  
4 relative to such abandonments.

5 **H.** In the event of partial abandonment of the Pipeline with the approval of  
6 City as elsewhere in this franchise provided, or in the event of partial removal of  
7 such Pipeline by Grantee, the franchise fee subsequently due City for occupancy  
8 of the streets by such Pipeline shall be reduced by a percentage reflecting the  
9 percentage of the Pipeline which has been partially abandoned or partially  
10 removed relative to the length of the Pipeline immediately before the involved  
11 abandonment or removal.

12 **I.** Grantee shall pay to City, on demand, the cost of all repairs made to  
13 public property if the need for such repairs was caused by any operation of the  
14 Grantee or Grantee's agents under this franchise. In addition, if any private  
15 property is damaged by an accident, spill, discharge, release, escape, accident,  
16 leaks or breaks in the Pipeline or appurtenances or from any cause arising in  
17 whole or in part from the operation or existence of the Pipeline or appurtenances  
18 or from any act or omission of Grantee or Grantee's agents, Grantee shall pay all  
19 damages or compensation to which the owners of the private property are  
20 entitled and Grantee shall repair its facilities to protect all property from further  
21 damage to the extent permitted and in conformity with Federal, State and local  
22 law, rule, regulation or order.

23 **J.** Any payment due from Grantee to City under any provision of this  
24 franchise which is not paid when due shall bear interest at the highest amount  
25 allowed by law, but the payment of such interest shall not excuse nor cure any  
26 other default by Grantee under this franchise. All payments shall be paid without  
27 deduction or offset except as herein provided, in lawful money of the United  
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1 States to City at the following address: City of Culver City Attn: Chief Financial  
2 Officer, 9770 Culver Boulevard, Culver City, California 90232, or at such place as  
3 City may from time to time designate in writing.

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

10 **SECTION 3. ROUTINE MAINTENANCE AND REPAIR**

11 **A.** The Pipeline laid, constructed or maintained under the terms of this  
12 franchise shall be installed, maintained, and inspected by the Grantee in a  
13 satisfactory, safe, and workmanlike manner. The Pipeline shall be of good  
14 material, and in conformity with all ordinances, rules, or regulations now or  
15 hereafter adopted or prescribed by any State or Federal law. All Pipeline shall be  
16 designed, manufactured, installed, constructed and inspected in accordance with  
17 applicable law.

18 **B.** At all times during the term of this franchise, Grantee shall maintain and  
19 assure the ability to immediately locate any operating difficulty or irregularity, so  
20 as to minimize any risk to public health, safety and welfare. If at any time during  
21 the term of this franchise any State or Federal regulatory authority finds or  
22 determines that the Pipeline does not comply with applicable health, safety  
23 and/or welfare regulations, Grantee shall promptly make, at Grantee's own  
24 expense, all corrections required by the involved State or Federal regulatory  
25 authority.

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1           **C.**       For all required maintenance activities, the City agrees to process permit  
2 applications for such repairs in a timely manner, subject to the payment of the fee  
3 therefor as set by City Council.

4           **D.**       Subject to Grantee's compliance with all applicable provisions of Section 9  
5 below, Grantee, at Grantee's sole cost, shall conduct repairs of Pipeline and  
6 appurtenances and coordinate with the City to ensure the least possible  
7 hindrance to the use of streets, and as soon as such work is completed, the  
8 entire width of all portions of streets which have been excavated or otherwise  
9 damaged thereby shall be repaired to the satisfaction of the Public Works  
10 Director.

11          **E.**       Should Grantee plan any known routine repairs to Pipeline during any  
12 calendar year, the plans for such repairs, showing location and approximate date  
13 and length of time of work, must be submitted to the Culver City's Public Works  
14 Director ("Public Works Director") six months prior to the time in which the repairs  
15 are to take place. Any repairs not scheduled in accordance herewith may be  
16 denied unless the work is an emergency, determined to be regulatory required,  
17 or the need is unforeseen.

18          **F.**       Grantee, upon completing repairs under this Section, guarantees that the  
19 repairs shall be good against all faulty work and materials and shall, for a period  
20 of one (1) year thereafter, maintain all such restored street surfaces in a like-new  
21 condition and according to current ordinances of City and all other applicable law,  
22 rules, and regulations. Grantee shall not be held liable for damage to the area of  
23 repairs found to be the result of 3rd parties or City maintenance activities.

24          **G.**       In the event City elects to perform work on streets that requires relocation  
25 or alteration of Grantee's facilities which are the subject matter of this franchise,  
26 Grantee hereby agrees to move and alter its Pipeline and appurtenances, as  
27 required by the Public Works Director at Grantee's sole cost.  
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1           **SECTION 4. UNPLANNED MAINTENANCE AND REPAIRS**

2           **A.**     Grantee shall report immediately any unplanned repairs, including but not  
3           limited to those undertaken in response to spills or leaks, to City. If any portion of  
4           any street is damaged by reason of operation of Pipeline and/or appurtenances,  
5           or if any street, sidewalk, sewer, storm drain, other facility or private property is  
6           contaminated with any products transported in Pipeline, Grantee shall, at its sole  
7           expense, immediately repair or clean up or cause to be repaired or cleaned up  
8           any such damage or contamination and repair the entire width of such street or  
9           other facility to a like-new condition, to the satisfaction of the Public Works  
10          Director. Such repairs or cleanups shall be accomplished in a timely manner,  
11          with as little public disruption as possible.

12          **B.**     Grantee shall reimburse City for all costs associated with City services  
13          provided for such unplanned maintenance and repairs. Such reimbursement  
14          shall include, but not be limited to, the current rate of overhead being charged by  
15          City for reimbursable work. Reimbursable work shall include, but not be limited  
16          to, inspection, traffic control, police, fire, street, environmental, and any other City  
17          response forces or services.

18          **C.**     Grantee shall promptly repair any damage to or leaks or breaks in the  
19          Pipeline from whatever cause. If any street or other public rights of way or  
20          property shall be damaged by any accident, spill, discharge, release, escape,  
21          leak or break in the Pipeline or by reason of any cause arising from or related to  
22          in whole or in part the acts or omissions of Grantee or to the operation or  
23          existence of the Pipeline, Grantee shall promptly repair, remediate and restore to  
24          a like-new condition, to the satisfaction of the Public Works Director, any damage  
25          arising from or related to the accident, spill, discharge, release, escape, leak or  
26          break.

27          / / / / /

1           **D.**     In addition to any other notifications required by law, the City of Culver City  
2 Fire Department shall immediately be notified, and the Public Works Director  
3 shall be notified within 72 hours, in the event of any break in or accident to any  
4 portion of the Pipeline , as well as any spill, discharge, release, leak, or escape of  
5 any petroleum, oil, gas, hydrocarbon, chemical, water, wastewater, mud or other  
6 product or substance of any kind from the Pipeline within the boundaries of the  
7 City or if a discharge, release or escape occurs outside the boundaries of the  
8 City and can reasonably be expected to impact the City.

9           **E.**     If Grantee, within ten (10) days after receipt of notice from the City,  
10 instructing it to repair any damage, fails to commence work or to comply with the  
11 instructions, or otherwise fails to diligently prosecute the work to completion, or to  
12 the satisfaction of the Director of Public Works, then the City may immediately do  
13 whatever work is necessary to carry out the work at the cost and expense of  
14 Grantee, which cost and expense, by the acceptance of the franchise, Grantee  
15 agrees to pay upon demand. If the damage constitutes an immediate danger to  
16 public health or safety, requiring immediate repair, the City, without notice, may  
17 repair the damage, and Grantee, by the acceptance of this franchise, agrees to  
18 pay all cost and expense upon demand.

19           **SECTION 5. EMERGENCY MAINTENANCE AND REPAIRS**

20           **A.**     In the case of emergency, Grantee shall coordinate its response with all  
21 Federal, State, Regional, and City forces to respond to and rectify such  
22 emergency. Such coordination shall include, but not be limited to, providing  
23 notice to City immediately of such emergency condition.

24           **B.**     Emergency crews: At all times during the term of this franchise, Grantee  
25 shall maintain, on a twenty-four (24) hour basis, personnel to operate Pipeline  
26 and appurtenances, including but not limited to the leak detection and other  
27 safety or operations systems used in the operation of the Pipeline. Such  
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1 personnel shall reach the site of any emergency involving the Pipeline within  
2 Culver City within one (1) hour of receiving notification of the existence of such  
3 emergency, provided however such access to site maybe extended beyond the  
4 one (1) hour timeframe to accommodate conditions outside of Grantee's control.  
5 In addition, during the term of this franchise, Grantee shall maintain, on a twenty-  
6 four (24) hour basis, adequate standby equipment and properly trained  
7 emergency crews for the purpose of implementing emergency response such as  
8 repairs, oil spill cleanup, preventing or minimizing damage or the threat of  
9 damage to people, property and the environment in the event of an emergency  
10 resulting from an earthquake, act of war, civil disturbance, flood, leakage, or  
11 other cause. As soon as practicable following discovery of an emergency,  
12 Grantee shall report the emergency to the National Response Center and other  
13 applicable Federal, State, Regional agencies and departments and call out the  
14 emergency standby crews and equipment.

15 **C.** Within ninety (90) days of the effective date of this franchise, Grantee  
16 shall provide the City with an emergency preparedness plan. Thereafter, within  
17 90 days of a reasonable request from the City, Grantee shall update its plan to  
18 the satisfaction of the City.

## 19 **SECTION 6. REMOVAL OR ABANDONMENT OF FACILITIES**

### 20 **A. Abandonment**

21 During the term of this franchise, Grantee shall obtain permission from the Public  
22 Works Director to abandon any facilities. No Pipeline shall be abandoned in-  
23 place without the express written permission of the Public Works Director, who in  
24 his or her reasonable discretion may set the terms and conditions of the  
25 abandonment, including the amount of payment to the City for the privilege of  
26 such an abandonment.

27 / / / / /

1           **B.     Application to the Public Works Director**

2           At least one hundred eighty (180) days prior to the expiration or termination of  
3           this franchise, the Grantee shall make a written application to the Public Works  
4           Director to remove or abandon the Pipeline. The application shall describe in  
5           detail how the removal or abandonment will occur.

6           **C.     Determination of the Public Works Director**

7           The Public Works Director shall review the application submitted pursuant to this  
8           Section and, within 30 days of such application being deemed complete by the  
9           Public Works Director, determine whether such proposed abandonment or  
10          removal may be effected without detriment to the public interest or under what  
11          conditions such proposed abandonment or removal may be safely effected. The  
12          Public Works Director shall notify Grantee of the Public Works Director's  
13          determination to approve, conditionally approve, or deny such application, and, in  
14          the case such application is approved or conditionally approved, in accordance  
15          with such requirements and conditions as shall be specified by the Public Works  
16          Director in any permit issued as a result of the application submitted pursuant to  
17          this Section, including but not limited to applicable state and federal regulations,  
18          Grantee shall, within ninety (90) days of such determination, either:

- 19          1.     Remove all or a portion of such Pipeline, or  
20          2.     Abandon in place all or a portion of such Pipeline, as set forth in the  
21          approved Permit.

22          **D.     Failure to Properly Abandon**

23          If any Pipeline to be abandoned in place subject to prescribed conditions shall  
24          not be abandoned in accordance with all such conditions, then the Public Works  
25          Director may make additional appropriate orders, including, if deemed desirable,  
26          an order that Grantee shall remove all such Pipeline in accordance with  
27          applicable requirements of the Pipeline Safety Act or other governing law or  
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1 statute. In the event Grantee shall fail to remove any facilities which it is obligated  
2 to remove in accordance with such applicable requirements within such time as  
3 may be prescribed by the Public Works Director, then City may remove or cause  
4 to be removed such Pipeline at Grantee's expense, and Grantee shall pay City  
5 the actual cost thereof plus the current rate of overhead being charged by City for  
6 reimbursable work, as such overhead rate may have been set by action of City  
7 Council or as may reasonably be calculated by City Manager.

## 8 **SECTION 7. REARRANGEMENT/RELOCATION OF FACILITIES**

### 9 **A. Expense of Grantee**

10 Whenever, during the franchise term, City shall change the grade, width, or  
11 location of any Street or improve any Street in any manner including the laying of  
12 any sewer, storm drain, conduits, gas, water, or other pipes owned or operated  
13 by City or any other public agency or utility, or construct any pedestrian tunnels  
14 or other work of City (the right to do all of which is specifically reserved to City  
15 without any admission on its part that it would not otherwise have such rights)  
16 and such work shall, in the opinion of the Public Works Director, render  
17 necessary any change in the position or location of any Pipeline in the Street,  
18 Grantee shall, at its sole cost and expense, do any and all things to effect such  
19 change in position or location in conformity with the written notice of the Public  
20 Works Director as provided in this Section; provided, however, that City shall not  
21 require Grantee to remove Pipeline in its entirety.

### 22 **B. Expense of Others**

23 Except as provided in Paragraph A of this Section, when such  
24 rearrangement/relocation is done for the accommodation of any person, firm, or  
25 corporation, the cost of such rearrangement shall be borne by the  
26 accommodated party. Such accommodated party, in advance of such  
27 rearrangement, shall (a) deposit with Grantee either cash or a corporate surety  
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1 bond in an amount, as in the reasonable discretion of Grantee shall be required  
2 to pay the costs of such rearrangement, and (b) shall execute an instrument  
3 agreeing to indemnify and hold harmless Grantee from any and all damages or  
4 claims caused by such rearrangement.

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

6 Nothing in this franchise shall be construed to require Grantee to move, alter, or  
7 relocate any of the facilities upon said streets for the convenience,  
8 accommodation, or necessity of any other public or private utility, person, firm, or  
9 corporation, or to require City or any person, firm, or corporation now or hereafter  
10 owning a public utility system of any type or nature to move, alter, or relocate any  
11 part of its system upon said streets for the convenience, accommodation, or  
12 necessity of Grantee.

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

14 Prior to commencement of any rearrangement of facilities which Grantee is  
15 required to make hereunder, Grantee shall be given not less than thirty (30) days'  
16 written notice, which notice shall specify the time that such work is to be  
17 accomplished. In the event that City shall change the planned  
18 rearrangement/relocation of facilities, or the notice given to Grantee, Grantee  
19 may require an additional period of no fewer than sixty (60) days to accomplish  
20 such work, unless Grantee shall waive such additional period in whole or in part.

21 **SECTION 8. SUSPENSION OF OPERATIONS**

22 If, for any reason, Grantee suspends operations on Pipeline, during any period of  
23 suspended operations and while maintenance and Repairs are effectuated,  
24 Grantee shall maintain its normal Pipeline surveillance and safety monitoring  
25 processes, including all cathodic protection systems, to ensure ongoing Pipeline  
26 integrity. This shall continue until such a time as the line is returned to service or  
27 abandoned in accordance with this franchise. Subject to the foregoing, this will  
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1 confirm that performing maintenance or repair of the Pipeline shall not be  
2 construed as suspending operations.

3 **SECTION 9. SAFETY REQUIREMENTS AND REPORTING**

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

5 The Pipeline and appurtenances shall be operated, maintained, replaced or  
6 repaired in accordance with the latest revision of the "American National  
7 Standard Code for Pressure Piping ANSI/ASME B31 4-1979," American  
8 Petroleum Institute Standard 1104, Code of Federal Regulations, Part 195, Title  
9 49 USC and other applicable standards and codes, whichever is the most  
10 stringent.

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

12 The Pipeline and appurtenances shall be operated, maintained, replaced or  
13 repaired in accordance with all applicable Federal and/or State standards for the  
14 constructing and operation of interstate Pipelines as set forth in State or Federal  
15 laws, rules or regulations. Whenever there is a conflict with the Federal or State  
16 standards, the more stringent standard will prevail.

17 **C. Conformance with City Ordinances, Regulations, and Permits**

18 The Pipeline and appurtenances shall be operated, maintained, replaced, or  
19 repaired in conformity with all applicable City ordinances, rules or regulations  
20 (including, without limitation, City's Standard Plans for Public Works Construction  
21 and the Standard Specifications for Public Works and standard plans for street  
22 repair), not in conflict with Federal or State standards, or as otherwise prescribed  
23 by City Council, not in conflict with Federal or State standards, and in accordance  
24 with the terms and conditions of any permit issued by the Public Works Director.

25 **D. Reporting**

26 The Grantee shall provide to the Public Works Director, on or before the effective  
27 date of this franchise and annually thereafter on or before the anniversary of the  
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1 effective date of this franchise, a report verified under oath or penalty of perjury  
2 by a duly authorized officer of the Grantee, which describes in full the following  
3 information:

- 4 (i) The length of lines prescribed in this franchise;
- 5 (ii) The nominal internal diameter of such lines;
- 6 (iii) The method used to calculate the franchise fee for the following franchise  
7 year, including the total amount due to the City; and
- 8 (iv) Maps or suitable diagrams indicating the accurate "as-built" location,  
9 depth, and size of the Pipeline that changed over the past 12-month period and  
10 contingency plans for any pipeline emergencies impacted by such change; and
- 11 (v) Throughput reports of the amount of crude oil transported through the  
12 Pipeline within Culver City during the preceding calendar year. Such reports shall  
13 be based on the figures developed at the Torrance terminus of the Pipeline.  
14 The City reserves the right to revise and to amend the safety and reporting  
15 requirements prescribed in this franchise in conformity with all rules or  
16 regulations now or hereafter adopted or prescribed by any State or Federal law.  
17 Once every 5 years, on or before the anniversary of the effective date of this  
18 franchise, Grantee shall provide an audit of the throughput reports in Section  
19 9.D(v) prepared by an independent, internationally-recognized accounting firm  
20 with significant crude oil accounting experience. Any such audit report shall cover  
21 the 5-year period prior to the date of submission of subject report.
- 22 (vi) A summary of all regulatory required testing performed on the Pipeline for  
23 the prior 12-month period.

24 **E.** For those pipelines and appurtenance subject to the provisions of the  
25 Elder Pipeline Safety Act of 1981 (Government Code §51010, et seq.), the  
26 testing will be performed in accordance with State Fire Marshal requirements,  
27 and all tests results and expert opinion as to the current operational condition of  
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1 Grantee’s pipeline will be requested by the City from the State Fire Marshal. In  
2 the even the State Fire Marshal fails to provide test results to the City, Grantee  
3 will provide the test results upon written request. City acknowledges the State  
4 Fire Marshal’s has regulatory oversight and jurisdiction over the operation and  
5 maintenance of the Pipeline covered by this section.

## 6 **SECTION 10. INDEMNIFICATION, INSURANCE, AND BONDS**

### 7 **A. Indemnification**

8 Grantee shall indemnify, defend and hold City, its City Council, boards and  
9 commissions, officers, agents, servants and employees harmless from and  
10 against any and all loss, damages, liability, claims, suits, costs, fees and  
11 expenses of any kind whatsoever, including reasonable attorneys' fees  
12 (“Claims”), arising from any act or omission by Grantee or Grantee’s agents and  
13 arising from this franchise, the Pipeline, or the transport of any hazardous  
14 substance or hazardous waste, including but not limited to petroleum and crude  
15 oil, any of their fractions or constituent products or by-products, regardless  
16 whether any act or omission complained of is authorized, allowed, or prohibited  
17 by the franchise; provided, however, the provisions of this indemnity shall not  
18 apply to the extent that any Claims arise as a result of the negligence or willful  
19 misconduct of the City or third parties. This indemnity includes, but is not limited  
20 to any repair, cleanup or detoxification, or the preparation and implementation of  
21 any removal, remediation, response, closure or other plan (regardless of whether  
22 undertaken due to governmental action) concerning any facilities or equipment or  
23 the effects of such facilities or equipment authorized by this franchise, and any  
24 hazardous substance or hazardous wastes, including petroleum and any of its  
25 fractions or constituent products as defined in the Comprehensive Environmental  
26 Response, Compensation and Liability Act [“CERCLA”; 42 U.S.C. § 9601, et  
27 seq.], the Resource Conservation and Recovery Act [“RCRA”; 42 U.S.C. § 6901  
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1 et seq.] and California Health & Safety Code § 25280 et seq. This indemnity is  
2 intended to supplement and not replace any other indemnity from any source.  
3 This indemnity is also intended to operate as an agreement pursuant to Section  
4 107(e) of CERCLA and California Health & Safety Code Section 25364, to  
5 assure, protect, hold harmless and indemnify City from liability.

6 **B.** Grantee shall indemnify, protect, defend, and hold harmless the City, its City  
7 Council, officers, officials, employees, servants and agents against any and all  
8 claims, demands, losses, costs, expenses, fees, penalties, damages, or liability  
9 of any kind or nature resulting from, or arising with respect to, the award of this  
10 franchise.

11 **C.** The indemnity provided for in Sections 10.A and 10.B shall survive the  
12 termination of this franchise.

13 **D.** As indemnitees, the City, City Council as well as the City's boards,  
14 commissions, officers, agents, volunteers and employees shall have the right to  
15 approve the attorneys selected by Grantee to represent them. In the event  
16 Grantee does not provide attorneys acceptable to the indemnified parties, the  
17 indemnified parties may select attorneys of their choice, so long as the attorney's  
18 rates do not exceed the greater of the rates the indemnified parties pay for other  
19 legal services, or the amount the Grantee pays for their legal services in the  
20 matter.

21 **E. Insurance**

22 Grantee at all times during the franchise term shall maintain insurance for all  
23 operations of Grantee relating to the operation of Pipeline within City in the  
24 amounts and coverage's specified and described in Exhibit "C" attached hereto  
25 and incorporated herein by this reference.

26 **F.** Upon request of the Public Works Director, Grantee shall file with City a  
27 bond in the amount of two hundred thousand dollars (\$200,000.00) in favor of  
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1 City, in a form approved by City Attorney. For each additional renewal period  
2 thereafter, the amount of the required bond shall be reviewed by the City and  
3 shall be increased based on the then current Pipeline franchise standard. In no  
4 event shall the amount of the bond be reduced below two hundred thousand  
5 dollars (\$200,000.00).

## 6 **SECTION 11. DEFAULT**

### 7 **A. Effect of Default**

8 In the event that Grantee shall default in the performance of any of the terms,  
9 covenants, and conditions herein and such default is curable, City may give  
10 written notice to Grantee of such default. In the event that Grantee does not  
11 commence the work necessary to cure such default within thirty (30) days after  
12 such notice is sent or prosecute such work diligently to completion, City may  
13 declare this franchise forfeited. Upon giving written notice thereof to Grantee, this  
14 franchise shall be void, the rights of Grantee hereunder shall terminate, City may  
15 exclude the Grantee from further occupancy or use of all City streets and other  
16 public rights of way, and Grantee shall execute an instrument of surrender and  
17 deliver the same to City. Upon giving notice of such forfeiture to Grantee and the  
18 State Fire Marshal, City may require Grantee to immediately shut off the access  
19 valves to the Pipeline. Further, City may require Grantee to effect the removal of  
20 Pipeline at the sole cost of Grantee. In the event Grantee does not commence  
21 removal of the facilities within 60 days of receipt of notice from City that removal  
22 is required, then City may commence removal of such facilities and pursue  
23 remedies against Grantees, including but not limited to, the exercise of its rights  
24 under any bonds provided under this franchise.

25 If the City declares this franchise forfeited pursuant to the provisions of Section  
26 11.A, such forfeiture shall not operate to release any bond filed for this franchise.  
27 Upon declaring this franchise forfeited, the City may elect to take and accept the  
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1 bond as liquidated damages therefor and pursue any other legal remedy for any  
2 damage, loss or injury suffered by the City as a result of such breach. After any  
3 forfeiture, the bond shall remain in full force and effect for a period of one (1) year  
4 unless exonerated by the City. No bond shall be exonerated unless a release is  
5 obtained from the Public Works Director and is filed with the Clerk of the City.

6 The release shall state whether all excavations have been back filled, all  
7 obstructions removed, and whether the substratum or surface of City streets or  
8 public rights of way occupied or used by Grantee have been placed in good and  
9 serviceable condition. Any release shall not constitute a waiver of any right or  
10 remedy which the City may have against the Grantee or any person, firm or  
11 corporation for any damage, loss or injury suffered by the City as a result of any  
12 work or activity performed by the Grantee in the exercise of this franchise.

13 **B. Force Majeure**

14 In the event Grantee is unable to perform any of the terms of this franchise by  
15 reason of strikes, riots, acts of God, acts of public enemies, or other such cause  
16 beyond its control, it shall not be deemed to be in default or have forfeited its  
17 rights hereunder if it shall commence and prosecute such performance with all  
18 deliberate speed.

19 **C. Cumulative Remedies**

20 No provision herein made for the purpose of securing the enforcement of terms  
21 and conditions of this franchise shall be deemed an exclusive remedy, or to  
22 afford the exclusive procedure, for the enforcement of said terms and conditions,  
23 but the remedies and procedures herein provided, in addition to those provided  
24 by law, shall be deemed to be cumulative.

25 **SECTION 12. SCOPE OF RESERVATION**

26 The enumeration herein of specific rights reserved shall not be construed as  
27 exclusive or as limiting such rights as City may now or hereafter have in law.  
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1           **SECTION 13. NOTICE**

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

5           (1)     Upon City, by serving the City Clerk personally, or by addressing a written  
6           notice to the City Clerk of the City of Culver City, City Hall, 9770 Culver  
7           Boulevard, P. O. Box 507, Culver City, California 90232-0507, or at such address  
8           as City may subsequently provide to Grantee, and depositing such notice in the  
9           United States mail, postage prepaid or,

10          (2)     Upon Grantee, by personal delivery to the Chief Operating Officer or by  
11          addressing a written notice to Grantee addressed to Torrance Pipeline Company  
12          LLC, Attn: Manager, Rights of Way Department, 12851 E. 166th Street, Cerritos,  
13          California 90703, and depositing such notice in the United States mail, postage  
14          prepaid, or such other address as may from time to time be furnished in writing  
15          by Grantee to City, and depositing said notice in the United States mail. When  
16          the service of any such notice is made by mail, the time of such notice shall  
17          begin with and run from the date of the deposit of same in the United States mail.

18           **SECTION 14. SUCCESSORS AND ASSIGNMENT**

19          **A.**     Grantee shall not transfer, sell, hypothecate, sublet or assign this  
20          franchise, nor shall any of the rights or privileges therein be hypothecated,  
21          leased, assigned, sold or transferred, either in whole or in part, nor shall title  
22          thereto, either legal or equitable, or any right, interest or property therein, pass to  
23          or vest in any person, except the Grantee, either by act of the Grantee or by  
24          operation of law, nor shall there be any change in control, as defined below,  
25          without the prior consent of the City Council adopted by resolution.

26          **B.**     Any sale, lease, assignment or transfer of this franchise or the rights or  
27          privileges granted by it, or any change in control of Grantee without the prior  
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1 written consent of the City Council first having been obtained, whether by  
2 operation of law or otherwise, shall be null and void.

3 **C.** The City shall not unreasonably withhold its consent to a franchise transfer  
4 or a change in control of Grantee. For the purpose of determining whether it  
5 shall consent to such transfer, City may inquire into the qualifications of the  
6 prospective transferee or controlling party, and Grantee shall assist City in any  
7 such inquiry. In seeking City's consent to any change of ownership or change in  
8 control, Grantee shall have the responsibility of ensuring that the prospective  
9 transferee completes an application in a form and substance reasonably  
10 satisfactory to City. Such application shall be submitted to City not less than  
11 ninety (90) days prior to the date of transfer. The Grantee shall be required to  
12 establish that it is in material compliance with this franchise prior to City  
13 considering consenting to a franchise transfer or change in control. The  
14 prospective transferee shall be required to establish that it possesses the  
15 qualifications and financial and technical capability to operate and maintain the  
16 Pipeline and comply with all franchise requirements for the remainder of the term  
17 of the franchise. If the City finds that the legal, financial, character, technical and  
18 other public interest qualities of the prospective transferee are satisfactory, and  
19 that the prospective transferee has the capability to operate and maintain the  
20 Pipeline and comply with all franchise requirements for the then remaining term,  
21 the City shall consent to the transfer and assignment of the rights and obligations  
22 of such franchise. The City may condition the transfer to ensure the prospective  
23 transferee is in material compliance, and remains in material compliance, with  
24 the franchise. For purposes of this Section 14, a change in control of Grantee  
25 shall be deemed to be a transfer requiring the City's consent. Nothing in this  
26 provision is intended to waive or contract away the City's police power.

1       **D.**     Change in control means (i) any merger, consolidation or other  
2 reorganization of Grantee in which Grantee, or an affiliate of Grantee, is not the  
3 surviving entity, (ii) any transfer or change in ownership of fifty percent (50%) or  
4 more of the capital stock, capital accounts, equity interests or memberships, as  
5 the case may be, of Grantee, (iii) the acquisition of management control by any  
6 owner or new owner of interests in Grantee that previously did not control the  
7 management of Grantee, or (iv) the sale of fifty percent (50%) or more of the  
8 market value of the assets of Grantee.

9       **E.**     The provisions of this Section shall not apply to Grantee's assignment of  
10 rights, duties and obligations under the franchise to any affiliate or subsidiary of  
11 Grantee. As used in this franchise, the term "affiliate" or "subsidiary" shall mean  
12 an entity controlling, controlled by or under common control with the entity to  
13 which the term applies, whether by ownership, contract or voting control.  
14 Grantee and the entity to whom the rights are to be assigned shall sign an  
15 assignment and assumption agreement whereby the transferee agrees to be  
16 bound by and comply with the terms of this franchise.

17       **SECTION 15. RECEIVERSHIP OR FORECLOSURE**

18       **A.**     Subject to applicable provisions of the Bankruptcy Code, this franchise  
19 shall, at the option of the City, cease and terminate one hundred twenty (120)  
20 days after the appointment of a receiver or trustee to take over and conduct the  
21 business of the Grantee whether in a receivership, reorganization, bankruptcy or  
22 other action or proceeding unless such receivership or trusteeship shall have  
23 been vacated prior to the expiration of said one hundred twenty (120) days, or  
24 unless:

25       (1)     Such receiver or trustee shall have, within one hundred twenty (120) days  
26 after his or her election or appointment, fully complied with all terms of this  
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1 franchise and remedied all breaches of this franchise or provided a plan for the  
2 remedy of such breaches which is satisfactory to the City; and

3 (2) Such receiver or trustee shall, within said one hundred twenty (120) days,  
4 execute an agreement duly approved by the court having jurisdiction, whereby  
5 such receiver or trustee assumes and agrees to be bound by each and every  
6 term, provision and limitation of this franchise.

7 **B.** Upon the foreclosure or other judicial sale of all or a substantial part of a  
8 Pipeline System, the Grantee shall notify the City Clerk of such fact, and such  
9 notification shall be treated as a notification that a change in ownership of the  
10 Grantee has taken place and the provisions of Section 14, above, governing  
11 such changes shall apply.

12 **SECTION 16. ACCEPTANCE OF FRANCHISE**

13 This franchise is granted and shall be held and enjoyed only upon the terms and  
14 conditions herein contained, and Grantee must, within thirty (30) days after the  
15 ordinance granting said franchise becomes effective, file with City Clerk a written  
16 acceptance of such terms and conditions. The required written acceptance is  
17 found on the last page of this franchise ordinance (on the page numbered "29").  
18 Failure of Grantee to file said written acceptance subjects this franchise to  
19 revocation by City upon City providing written notice thereof to Grantee.

20 **SECTION 17. COSTS OF LITIGATION**

21 If any legal action is necessary to enforce any provision hereof or for damages by  
22 reason of an alleged breach of any provisions of this franchise, the prevailing  
23 party shall be entitled to receive from the losing party reasonable costs and  
24 expenses in such amount as the court or arbitrator may adjudge to be  
25 reasonable attorney's fees and costs incurred by the prevailing party in such  
26 action or proceeding.

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1           **SECTION 18. CAPTIONS FOR CONVENIENCE**

2           The captions herein are for convenience and references only and are not a part  
3           of this franchise and do not in any way limit, define or amplify the terms and  
4           provisions hereof.

5           **SECTION 19. FRANCHISE TO BE STRICTLY CONSTRUED AGAINST**  
6           **GRANTEE**

7           **A.**     This franchise is granted upon each and every condition herein contained  
8           and shall ever be strictly construed against Grantee.

9           **B.**     If any section, subsection, sentence or clause or phrase of this ordinance  
10          is for any reason held to be invalid or unconstitutional by the decision of any  
11          court of competent jurisdiction, such decision shall not affect the validity of the  
12          remaining portions of this ordinance. City Council hereby declares that it would  
13          have passed this ordinance and each section, subsection, sentence, clause and  
14          phrase thereof, irrespective of the fact that any one or more sections,  
15          subsections, sentences, clauses or phrases are declared invalid or  
16          unconstitutional.

17          **SECTION 20. GOVERNING LAW**

18          This franchise has been made and shall be constructed and interpreted in  
19          accordance with the laws of the State of California.

20          **SECTION 21. MEDIATION/REFERENCE**

21          **A.**     If a dispute arises between the parties relating to this franchise, the parties  
22          agree to use the following procedure prior to using the reference procedure  
23          described in Section 21.B below. A meeting shall be held promptly between the  
24          parties, attended by individuals with decision-making authority regarding the  
25          dispute, to attempt in good faith to negotiate a resolution of the dispute. If, within  
26          thirty (30) days after such meeting, the parties have not succeeded in negotiating  
27          a resolution of the dispute, they agree to submit the dispute to mediation in  
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1 accordance with the commercial Mediation Rules of the American Arbitration  
2 Association. Grantee shall advance the costs of mediation. The parties shall  
3 jointly appoint a mutually acceptable mediator, seeking assistance in such regard  
4 from the American Arbitration Association if they have been unable to agree  
5 upon such appointment within twenty (20) days from the conclusion of the  
6 negotiation period. The parties agree to participate in good faith in the mediation  
7 and negotiations related thereto for a period of thirty (30) days. Any decision of  
8 the mediator shall be supported by written findings of facts and conclusions of  
9 law. The mediator shall apportion the costs of mediation.

10 **B.** If the parties are not successful in resolving the dispute through mediation,  
11 the matter shall be heard by a referee pursuant to the provisions of California  
12 Code of Civil Procedure Sections 638 to 645.2, inclusive. The parties hereto shall  
13 agree upon a single referee who shall try all issues of fact, whether at law or in  
14 equity (including, but not limited to, specific enforcement of any provision of this  
15 agreement, declaratory relief or injunctive relief), and report a finding and  
16 judgment thereon. If the parties are unable to agree upon a referee, either party  
17 may seek to have one appointed, pursuant to California Code of Civil Procedure  
18 Sections 638 and 640. The cost of such proceeding shall initially be borne  
19 equally by the parties. However, the prevailing party shall be entitled, in addition  
20 to all other costs, to the costs of the reference as an item of recoverable costs.

21 **C.** Notwithstanding the provisions of this Section 21, either party shall be  
22 entitled to seek declaratory and injunctive relief in any court of competent  
23 jurisdiction to enforce the terms of this franchise or to enjoin the other party from  
24 an asserted breach thereof, pending the selection of a referee, on a showing that  
25 the moving party would otherwise suffer irreparable harm.

26 **D.** As part of its procedures to adjust claims of the residents of Culver City,  
27 Grantee shall and does hereby agree to binding arbitration before a retired judge  
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1 from the Judicial & Mediation Services, Inc. (J.A.M.S.) within the County of Los  
2 Angeles, appointed pursuant to J.A.M.S. procedures. Any individual resident or  
3 property owner within the City of Culver City may submit the dispute to such  
4 binding arbitration as an alternative to litigation should efforts to resolve claims  
5 with Grantee not be successful. Grantee agrees to advance the costs of the  
6 arbitrator. As a condition of said arbitration, the arbitrator may award attorneys'  
7 fees and costs to the prevailing party. Any decision of the arbitrator shall be  
8 supported by findings of fact and conclusions of law. Grantee will agree to  
9 maintain a bond in the amount of \$100,000, in a form satisfactory to the City  
10 Attorney, to secure payment of award to any claimant who elects to proceed with  
11 its claim against Grantee through use of the arbitration procedure employing the  
12 Judicial Mediation Services, Inc. (J.A.M.S.) as set forth in this paragraph. The  
13 bond may be drawn upon by any Arbitrator appointed by JAMS to pay such  
14 award, if an award is made by the Arbitrator to the claimant, and the claimant  
15 presents satisfactory evidence to the Arbitrator that the award has not been paid  
16 by or on behalf of Grantee within 30 days of the rendering of such award.

17 **SECTION 22. NO WAIVERS**

18 No waiver of the breach of any of the covenants, agreements, restrictions, or  
19 conditions of this franchise by the City shall be construed to be a waiver of any  
20 such succeeding breach of the same or other covenants, agreements,  
21 restrictions or conditions of this franchise. No delay or omission of the City in  
22 exercising the right, power or remedy herein provided in the event of default shall  
23 be construed as a waiver thereof, or acquiescence therein, nor shall the  
24 acceptance of any payments made in a manner or at a time other than is herein  
25 provided be construed as a waiver of or variation in any of the terms of this  
26 franchise.

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**SECTION 23. EXECUTION**

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

APPROVED and ADOPTED this \_\_\_\_\_ day of June, 2021.

\_\_\_\_\_  
ALEX FISCH, Mayor  
City of Culver City, California

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
JEREMY GREENE  
City Clerk

  
\_\_\_\_\_  
CAROL A. SCHWAB  
City Attorney

EXHIBIT "A"

Description of Pipeline Location

[behind this page]

## EXHIBIT "A"

### **Segment 1**

Beginning at the intersection of Venice Boulevard., and Sepulveda Boulevard,  
thence South along Sepulveda Boulevard to the intersection of Culver Boulevard;  
thence Westerly along culver Boulevard to Sawtelle Boulevard;  
thence South along Sawtelle Boulevard to the City of Culver City and the City of Los Angeles boundaries;

### **Segment 2**

Beginning at the City boundary at Sawtelle Boulevard North of McDonald Street,  
thence Southeasterly along Sawtelle Boulevard to the Alley East of Segrell Way;  
thence South along the Alley East of Segrell Way to Slauson Avenue;  
thence East along Slauson Avenue to Sepulveda Boulevard;  
thence South along Sepulveda Boulevard to a point where the pipeline enters Centinela Creek Channel  
Right of Way (excluding approximately 477 feet of Sepulveda Boulevard which is under City of Los  
Angeles jurisdiction).

### **Segment 3**

Beginning at the City of Culver City boundary at Bristol Parkway, crossing Bristol Parkway and  
proceeding Southerly to Centinela Boulevard;  
thence Southeasterly along Centinela Boulevard to the Culver City boundary.

EXHIBIT "B"

Map of Pipeline Location

[behind this page]



CITY OF LOS ANGELES

CULVER CITY

Venture Blvd

187

Dufresne Ct

Prospect Ave

Huron Ave

Tilden Ave

Bentley Ave

Matteson Ave

Sepulveda Blvd

Tuller Ave

Globe Ave

Globe Ave

Albright Ave

Bledsoe Ave

Minerva Ave

Berryman Ave

Charles Ave

Huron Ave

Tilden Ave

Harter Ave

M-70 Newhall to Torrance

Culver Blvd

405

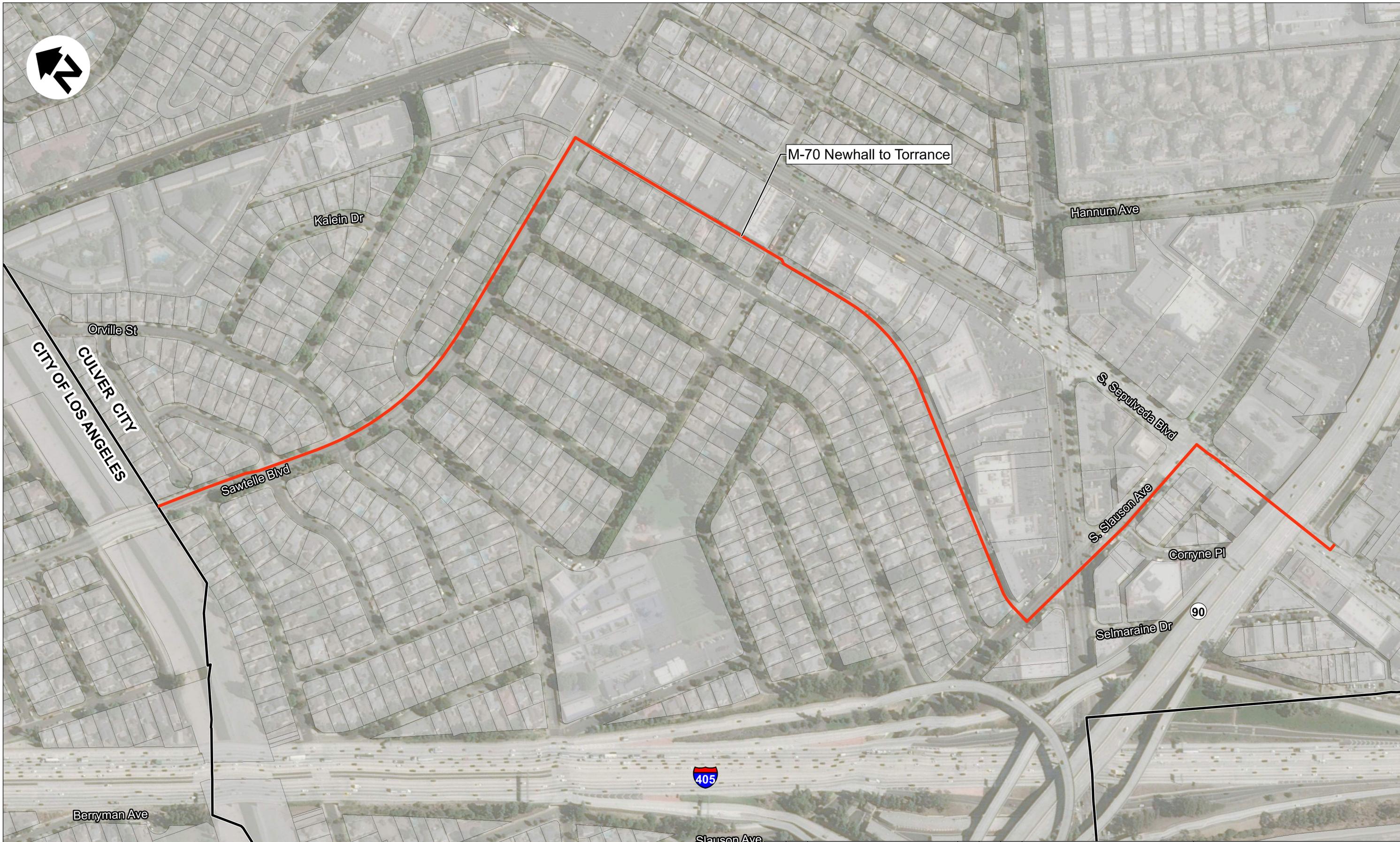
Sawtelle Blvd

CULVER CITY  
CITY OF LOS ANGELES

Purdue Ave

Butler Ave

										TORRANCE VALLEY PIPELINE COMPANY LLC.				CITY OF LOS ANGELES				
										ENGINEERING				CERRITOS, CALIF.				
										DRAWN		DP		PROJECT ENGR				
										DRAFTING CHECK				SECTION SUPV				
										DRAFTING SUPV				APPROVED		TS		
W.O. NO.	NO.	REVISION		DATE	CHK	APR					SCALE		DWG NO.		SHT		REV	
											1 in = 200 ft		EXHIBIT "B"		1 of 3		A	



M-70 Newhall to Torrance

Kalein Dr

Hannum Ave

Orville St

CITY OF LOS ANGELES  
CULVER CITY

Sawtelle Blvd

S. Sepulveda Blvd

S. Stauson Ave

Corryne Pl

90

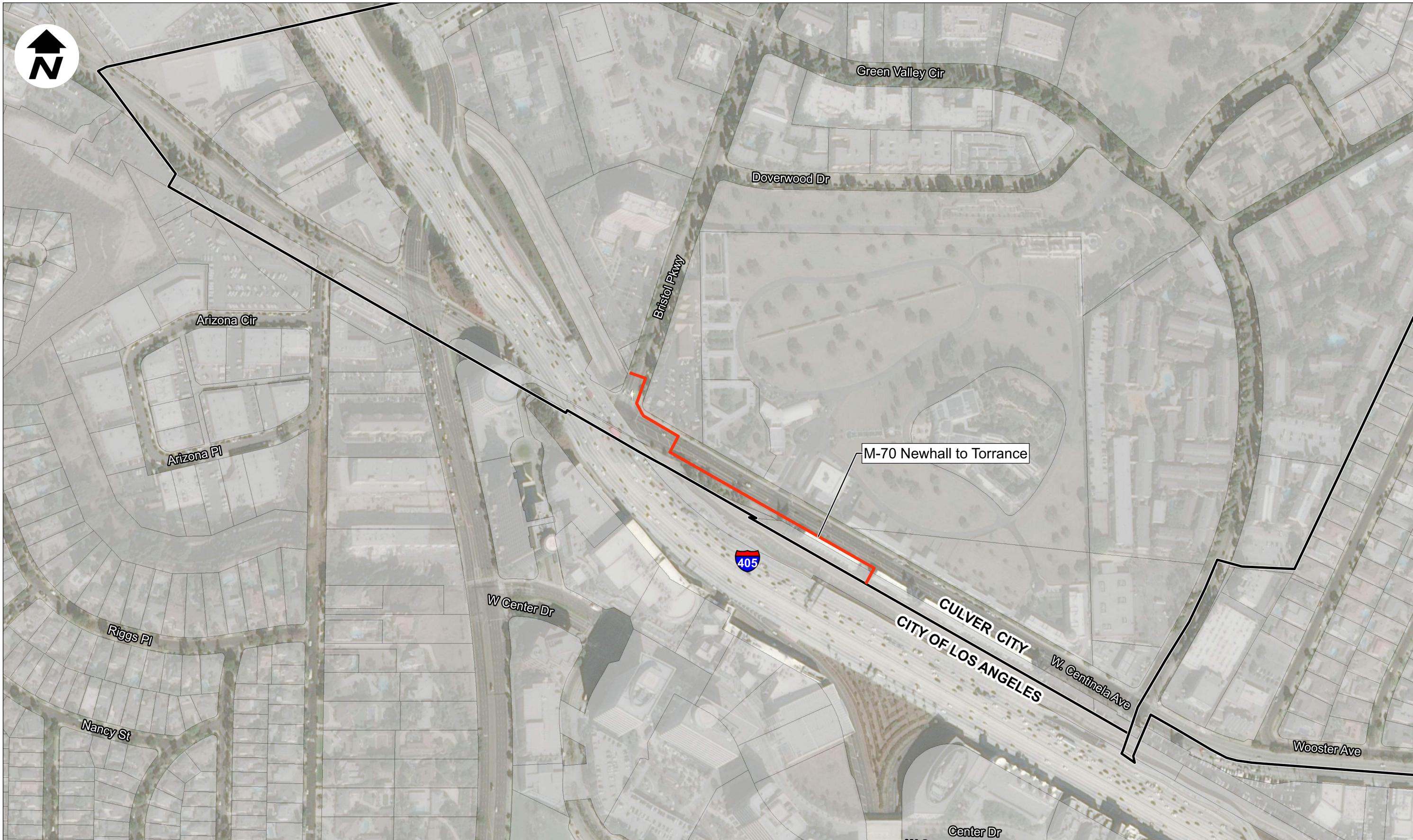
Selmaraine Dr

Berryman Ave



Slauson Ave

										TORRANCE VALLEY PIPELINE COMPANY LLC.			CITY OF CULVER CITY SEGMENT "2"				
										ENGINEERING			CERRITOS, CALIF.				
										DRAWN	DP	PROJECT ENGR					
										DRAFTING CHECK		SECTION SUPV					
										DRAFTING SUPV		APPROVED	TS	SCALE	DWG NO.	SHT	REV
W.O. NO.	NO.	REVISION	DATE	CHK	APR	DRAFTING SUPV		APPROVED		TS	1 in = 150 ft	EXHIBIT "B"	2 of 3	A			



										TORRANCE VALLEY PIPELINE COMPANY LLC.				CITY OF CULVER CITY SEGMENT "3"			
										ENGINEERING				CERRITOS, CALIF			
										DRAWN		DP		PROJECT ENGR			
										DRAFTING CHECK				SECTION SUPV			
										DRAFTING SUPV				APPROVED		TS	
W.O. NO.	NO.	REVISION		DATE	CHK	APR	DRAFTING SUPV				SCALE		DWG NO.	SHT		REV	
											1 in = 150 ft			3 of 3		A	
													EXHIBIT "B"				

## EXHIBIT "C"

### 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. General, excess and pollution liability coverage must be location-specific or in the alternative, endorsed to provide a separate aggregate limit per location. 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, with minimum limits of \$1,000,000 per occurrence, \$2,000,000 general aggregate, and \$2,000,000 products and completed operations aggregate. 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 with a minimum of \$1,000,000 combined single limit. 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 \$50,000,000 per occurrence and aggregate. Such policy or policies shall include the following terms and conditions:
  - a. Pay on behalf of wording, as opposed to reimbursement;
  - b. Concurrency of effective dates with primary policies;
  - c. Policies shall be excess to the underlying primary policies;
  - d. Insureds under primary policies shall also be insureds under the umbrella or excess policies.

4. Pollution Legal Liability and/or Asbestos Pollution Legal Liability on an occurrence basis: Insurance appropriate to the work being performed, with limits of no less than \$75,000,000 per 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.

The minimum limits required in this agreement are not limiting on coverage. 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. The City shall not accept any additional insured endorsement or policy provision that attempts to limit the amount of the additional insureds’ protection under the policy.

### **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. Grantee shall ensure that the additional insured’s status remains current on subsequent annual policies for as long as this franchise remains in effect.
- 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 Right of Recovery and Subrogation (all policies): All policies, except for worker’s compensation and professional liability, shall allow or shall be endorsed to allow Grantee to waive its right of recovery prior to loss. Grantee hereby waives its right to recovery with respect to the City, its officers, officials, employees, and volunteers. If any policy, except for worker’s compensation and professional liability, does not have a provision whereby the insurer’s right of subrogation is deemed waived by the insured’s pre-loss waiver of recovery, Grantee shall obtain an endorsement waiving Grantee’s insurer’s right of subrogation against the City, its officers, officials, employees and volunteers. The waiver

provisions of this sub-paragraph d. shall apply whether or not City has received a waiver of subrogation endorsement from the Grantee's insurer. Worker's compensation and professional liability policies shall be endorsed to waive the insurer's right of subrogation against the City, its officers, officials, employees and volunteers.

- e. Bankruptcy or Insolvency of the Insured: All policies must provide that bankruptcy or insolvency of the insured shall not relieve the insurer of its obligations under the policy.

### **Requirements Not Limiting**

Requirements of specific coverage features or limits contained in this Exhibit "C" 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. Grantee shall ensure that the relevant Insurance Policy expressly permits (but does not obligate) City, or a designee of City, to pay the self-insured retention to satisfy any policy condition requiring payment of the self-insured retention for coverage to apply. If Grantee or the entity responsible for the self-insured retention does not pay the self-insured retention amount when due, then City may, but is not obligated to, pay the self-insured retention amount on behalf of such entity, and Grantee shall indemnify City for such amount and any other Losses incurred by City in connection with the Grantee's or the relevant entity's failure to pay the self-insured retention amount when due.

### **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.

**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.

**ACCEPTANCE**

I, \_\_\_\_\_, am authorized to execute this acceptance on  
(Print Name)

behalf of Torrance Valley Pipeline. Torrance Valley Pipeline hereby accepts the terms  
and conditions of the franchise ordinance that this acceptance is a part of and which  
was granted by the City of Culver City by its adoption of Ordinance No. 2021- \_\_\_\_\_  
on June \_\_\_\_\_, 2021.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Date)