

**Torrance Valley Pipeline Franchise Agreement - Summary of Key Terms**

<b>Agreement Length</b>	10 years
<b>Administrative Fee</b>	\$10,000
<b>Annual Franchise Fee</b>	\$64,189.85 x CPI Adjustment (currently approximately \$100,00/year)
<b>Oil Throughput Penalty Fee</b>	\$0.05/barrel for each barrel over 95,000 barrels/day in years when annual daily average is over 95,000 barrels/day.
<b>Emergency Maintenance &amp; Repair</b>	24/7/365 availability of emergency crew to respond within 1 hour
<b>Annual Reporting</b>	Oil throughput, summary of all regulatory testing
<b>Test Results Data</b>	TVP to provide to City if not provided by State Fire Marshall
<b>Audit of Oil Throughput</b>	Every 5 years
<b>Surety Bond</b>	\$200,000
<b>Bond for Public Claims</b>	\$100,000
<b>Insurance Minimums</b>	\$1 million CGL / \$50 million excess / \$75 million pollution