

1 made application for the City of Inglewood to consent to a transfer of the interest
2 of said Franchise from Conoco Phillips Pipeline to Crimson California Pipeline L.P.
3 (hereinafter referred to as the "Grantee") pursuant to Section 10 of Ordinance No.:
4 04-09 which provides that the terms of the Franchise shall inure to the benefit of or
5 shall bind, as the case may be, the successor of said Franchise; and

6 **WHEREAS**, Grantee now seeks a new, 10-year Franchise from the City of
7 Inglewood (hereinafter referred to as the "Grantor").

8 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD,**
9 **CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

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

11 A. Definitions

- 12 1. "Applicable Law" - means all present or future federal, state,
13 municipal, local, administrative or judicial laws, regulations,
14 ordinances, orders, policies, actions, common law, guidelines, permit
15 requirements, directives, judgments, injunctions or decrees or any
16 order or directive issued by any governmental agency.
- 17 2. "City Engineer" - means the engineer of the City of Inglewood, unless
18 otherwise designated by the City Manager.
- 19 3. "City Manager" - means the City Manager of the City of Inglewood.
- 20 4. "Code" - means the Inglewood Municipal Code unless otherwise
21 identified.
- 22 5. "Contaminant" - means any substance or constituent, material,
23 chemical or waste, whether solid, liquid, semisolid, or gaseous in
24 nature which has the following characteristics:
- 25 a. Is or shall be listed or defined by any governmental agency as
26 hazardous, toxic, or dangerous, or as having toxic
27 characteristics, under any Applicable Law; or

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- b. Is a liquid or gaseous hydrocarbon substance or petroleum product or any fraction or constituent thereof; or
- c. Is toxic, explosive, corrosive, flammable, infectious, reactive, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental agency; or
- d. Is or contains asbestos or polychlorinated biphenyl; or
- e. Is considered a hazardous waste, material or substance, or solid waste (as defined by the Resources Conservation and Recovery Act ("RCRA") [42 U.S.C. 6901, et seq.]), or is considered a hazardous liquid (as defined in 49 C.F.R. 195.2), or is considered a pollutant or contaminant, as those terms are defined in their broadest sense by any Applicable Law, including the meanings assigned to the terms "hazardous substance" in Section 736(f)(3) of the California Code of Civil Procedure and "Hazardous Material" including but not limited to petroleum and its fractions and constituents; or
- f. Is listed in the United States Department of Transportation Table [49 C.F.R. 172.101] as a hazardous material, or by the Environmental Protection Agency or any successor agency, as a hazardous substance [40 C.F.R. Part 302] or designated pursuant to 33 U.S.C. 1321 or listed pursuant to 33 U.S.C. 1317; or the presence of which:
 - i Causes or threatens to cause a trespass or nuisance or any violation of any Applicable Law, or poses or threatens to pose a hazard to the health and safety of persons or the environment; or
 - ii Requires investigation, treatment, mitigation, removal or

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remediation under Applicable Law or the investigation, mitigation, treatment, removal or remediation of which is required by any governmental agency.

- 6. "Facility," "Facilities" - means all property of the Grantee, including, but not limited to, pipes, pipelines, pump stations, service connections and appurtenances, such as valve and corrosion control devices, whether installed by the Grantee or not, erected, constructed, laid, operated or maintained in, upon, over, under, along or across any Public Place within the Grantor or on property owned by the Grantor, pursuant to any right or privilege granted by Franchise and includes without limitation all items defined as a "facility" under Section 101(9) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (hereinafter referred to as "CERCLA") [42 U.S.C. 9601(9)].
- 7. "Franchise" - means a grant of the rights and privileges by the Grantor pursuant to and as described in this Agreement.
- 8. "Grantee" - means the person or corporation to whom the Franchise is granted, and any person or corporation to whom it is lawfully assigned.
- 9. "Grantor" or "City" - means the City Council of the City of Inglewood.
- 10. The phrase "Environmental Claim" shall mean any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to Grantee's operations and arising or alleged to arise under any applicable Environmental Law.
- 11. The phrase "Environmental Cleanup Liability" shall mean any reasonable and necessary cost or expense incurred to contain,

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remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the site occurring as a result of Grantee's operations pursuant to this Ordinance including the groundwater thereunder, including, without limitation, (A) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (B) any reasonable and necessary cost, expense, loss or damage incurred with respect to the site or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

12. The phrase "Environmental Law" - shall mean any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment relating to (A) pollution or protection of the environment, including natural resources, (B) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (C) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities, or (D) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

13. The phrase "Hazardous Material" - shall mean and is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government during the term of this

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Ordinance. The term "Hazardous Material" includes, without limitation, a substance or waste that because of its physical, chemical, or other characteristics may pose a risk of endangering human health or safety or of degrading the environment. "Hazardous Material" shall also include the following: a hazardous substance, as defined in Health and Safety Code Sections, 25281, 25316, 25117, a waste, as defined in Section 13050 of the Water Code or as defined in paragraph (2) of subdivision (b) of Section 101075 or any material or substance which is: (A) petroleum or oil or gas or any direct or derivative product or byproduct thereof; (B) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (C) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (D) defined as a "Hazardous Material," "hazardous substance," or "hazardous waste" as defined herein, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (E) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (F) "used oil" as defined under Section 25250.1 of the California Health and Safety Code; (G) asbestos; (H) listed under Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations; (I) defined as "waste" or a

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"hazardous substance" pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (J) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. 1317; (K) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq. (42 U.S.C. 6903); (L) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq. (42 U.S.C. 9601); (M) defined as "Hazardous Material" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. 5101 et seq.; or (N) defined as such or regulated by any "Superfund" or "Superlien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines, as now, or at any time hereafter, in effect.

- 14. "Pipeline" and "Pipe," - means Facilities necessary for the transmission of oil, gasoline, petroleum, gas of any type or nature, hydrocarbon substances, hydrogen, water, waste water, mud, steam, and other liquid and gaseous substances, including pipes, pipelines, mains, services, traps, vents, vaults, manholes, meters, gauges, regulators, valves, conduits, taps and compressors, appliances, attachments, communication circuits, and other equipment located or to be located under, along, across or upon the Public Places of the Grantor and necessary or proper in transmitting the foregoing described substances.
- 15. "Public Place" - means any street, lane, alley, court or other

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Grantor-owned property within the City of Inglewood.

16. "Street" - means all streets, highways, avenues, boulevards, alleys, courts, places, squares or other public ways in the City which have been or may hereafter be dedicated and open to public use, or such other public property so designated in any law of this State.

B. Terms of Franchise

This Franchise is hereby granted to Grantee, for a term of ten (10) years from the date of approval of this Ordinance granting said Franchise. However, said Franchise may be sooner terminated by voluntary surrender or abandonment by Grantee, or by forfeiture for noncompliance with the terms and provisions hereof. Any extension of this Franchise shall be negotiated by the parties and shall be in accordance with the maximum fee prescribed by the California Public Utilities Code, Section 6231.5, as it may be amended from time to time. Grantee shall give the Grantor notice of its desire to negotiate an extension this Franchise no later than twelve (12) months prior to expiration of the initial term.

C. Grant of Franchise

This Franchise grants to Grantee the right and privilege to construct, operate, maintain, replace and repair a twelve-inch (12") diameter pipeline, for the transportation of oil, petroleum, gas, gasoline, or other hydrocarbon substances, or water in, under, along and across certain public streets, highways and alleys, hereinafter for convenience collectively referred to as "streets," in the City of Inglewood, County of Los Angeles, State of California, and generally following a route in La Cienega Boulevard beginning at Thornburn Street and continuing south in La Cienega Boulevard to the south City of Inglewood boundary at Century Boulevard, and shown on the map attached hereto as Exhibit "A". The Grantee currently transports crude oil and it is not anticipated that a different oil product will be shipped through on the pipeline. In the event that the Grantee changes its

1 intention to ship an oil product other than crude oil, then the Grantee shall notify
2 the Grantor of its intentions, a minimum of forty-five (45) days in advance of any
3 such change.

4 D. Appurtenances

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

11 E. Non-Permitted Uses

12 Nothing in this Franchise shall be construed to permit the Grantee to
13 construct new poles or other facilities above or below ground, except as permitted
14 in writing by the City Engineer. Fiber optic or telecommunications facilities or similar
15 facilities may be used only for Pipeline operations, maintenance and safety, and
16 for no other purposes, unless the Franchise agreement expressly provides for such
17 other use. Nothing herein shall allow the Grantee to allow third parties to use such
18 facilities. The Grantee shall not use the Pipeline for any purpose not approved in
19 writing by the City Engineer or by its Franchise.

20 F. Non-Exclusive Franchise

21 Any Pipeline franchise granted by the Grantor to Grantee shall be a
22 non-exclusive and determinate franchise to construct, maintain and use Pipes and
23 Appurtenances necessary or proper for the transmission of the liquid or gaseous
24 substances approved in writing by the City Engineer under, along, across or upon
25 the Public Places with the Grantor. The grant of a franchise shall not be construed
26 to prevent the Grantor from granting any identical or similar franchise to any person
27 or entity other than to Grantee.

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SECTION 2. MAINTENANCE AND REPAIR

- A. Grantee shall maintain the pipeline in a good, workmanlike manner and in conformity with all applicable and lawful federal, state and local rules and regulations and shall perform any necessary repairs. Grantor agrees to process all permit and excavation applications in a timely manner and for a reasonable fee not to exceed the time periods and fees charged to other utilities serving the citizens of the Grantor.
- B. Grantee shall conduct maintenance and repair of the pipeline with the least possible hindrance to the use of the streets for purposes of travel, and as soon as such work is completed, all portions of the streets which have been excavated or otherwise damaged thereby, shall be placed in as good condition as the same were before the commencement of such work, to the reasonable satisfaction of the Grantor, and any damage or injury suffered by any person by reason of any excavation or obstruction being improperly guarded during said work shall be borne by Grantee.
- C. Grantee, upon completing any street opening, shall restore all streets, highways, private and public property to at least as good condition as the same existed, immediately prior to said opening, and does by this Franchise, guarantee that the work of restoration shall be good against all faulty workmanship and materials, and shall, for a period of one (1) year thereafter, maintain all such restored street surfaces; normal wear and tear excepted; in as good condition as other portions of said street, not disturbed by said opening.
- D. Grantee shall make such deposits of money or shall file such bonds upon request of the Grantor, with the Grantor as may be required to insure satisfaction and completion of all construction within public rights of way.

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1 E. For those pipelines subject to the provisions of the Pipeline Safety Act of 1981,
2 (California Government Section 51010, et seq.), the testing shall be
3 conducted as required by the State Fire Marshal, and certified test results
4 shall be requested by the Grantor from the State Fire Marshal. In the event
5 the State Fire Marshal shall fail to provide such certified test results to the
6 Grantor, Grantee shall provide such results to the Grantor upon request.

7 **SECTION 3. SAFETY REQUIREMENTS**

8 A. Conformance with Pressure Piping Code

9 The pipeline and appurtenances shall be operated, maintained, replaced
10 or repaired in accordance with the latest revision of the "American National
11 Standard Code for Pressure Piping ANSI/ASME B31.4-1979," American Petroleum
12 Institute Standard 1104; Code of Federal Regulations, Part 195, Title 49 U.S.C. and
13 other applicable standards and codes, whichever is the most stringent.

14 B. Conformance with Federal and State Codes

15 The pipeline and appurtenances shall be operated, maintained, replaced
16 or repaired in accordance with all Federal standards for the constructing of
17 interstate pipelines as set forth in Federal laws, rules or regulations. Whenever there
18 is a conflict in the Federal or State standards, the more stringent standard will
19 prevail.

20 C. Conformance with City Ordinances and Permits

21 The pipeline and appurtenances shall be operated, maintained, replaced
22 or repaired in conformity with all applicable ordinances, rules or regulations in
23 effect at the time of granting of the Franchise, or as may be later prescribed by the
24 City Council, and in accordances with the terms and conditions of any permit
25 issued by the City Engineer.

26 B. Periodic Pipeline Testing Reports

27 The Grantor shall be provided with access to inspect any and all periodic
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1 pipeline testing reports, including but not limited to the State Fire Marshall Reports,
2 upon request from the City Engineer, in accordance with the provisions of any
3 relevant State or federal law or regulations.

4 **SECTION 4. STREET EXCAVATION RULES**

5 A. Permit Required

6 Except in an emergency, the Grantee shall not excavate in a City street
7 without having first obtained a Construction-Excavation Permit from the City
8 Engineer. The Grantee shall pay any fees required by such permit.

9 B. Duty to Repair Streets

10 As soon as any street excavation work is completed, all portions of the streets
11 excavated or otherwise damaged thereby shall be placed in as good condition
12 as they were in before the commencement of such work, to the reasonable
13 satisfaction of the City Engineer. All street repair work shall be made by the
14 Grantee at the expense of the Grantee in accordance with the Ordinances of the
15 City and the conditions of the Construction-Excavation Permit issued therefor by
16 the City Engineer.

17 **SECTION 5. CLEAN UP OF BREAKS AND LEAKS**

18 If any portion of any street shall be damaged by reason of breaks or leaks in
19 any Pipe or conduit operated or maintained under this Franchise, or if any street,
20 sidewalk, sewer, storm drain or other Facility is damaged by reason of breaks or
21 leaks, then the Grantee shall replace, restore or repair said street in as good a
22 condition as it was before such break or leak, to the satisfaction of the City
23 Engineer. Such cleanups shall be accomplished in a timely manner, with as little
24 public disruption as possible. Any damage or injury suffered by any person,
25 property or thing by reason of such break or leak, or by any obstruction undertaken
26 by Grantee and found to have been improperly guarded during said work shall be
27 completely borne by the Grantee.

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SECTION 6. EMERGENCY CREWS

At all times during the term of this Franchise the Grantee shall maintain on a twenty-four (24) hour basis personnel to operate the Pipeline system. In addition, during the term of this Franchise, the Grantee shall maintain on a twenty-four (24) hour basis adequate standby equipment and properly trained emergency standby crews, for the purposes of implementing emergency response such as repairs, oil spill cleanup, preventing or minimizing damage or the threat of damage to people, property or the environment in the event of an emergency resulting from an earthquake, act of war, civil disturbance, flood leakage or other cause. The emergency standby crews and equipment shall be capable of being at the site requiring the call-out within two (2) hours of any call by Grantor. The Grantee shall be responsible for providing Grantor with a working number (or other contact information where Grantor can directly contact the Grantee) for making contact during emergencies. Grantee shall, within 60 business days after Grantor's submittal of written support, reimburse the Grantor for any reasonable costs Grantor incurs, including but not limited to, employee costs, equipment, supplies, or other resources expended by the Grantor for its participation in ameliorating any emergency of this Section.

SECTION 7. COMPENSATION TO THE GRANTOR

A. Grantee shall pay to the Grantor an annual fee for this Franchise, said payment to be those fees prescribed by the California Public Utilities Code Section 6231.5, provided that such payments are subject to an annual increase up to the maximum rate established in subsequent amendments of the California Public Utilities Code. Annual payments to be made pursuant to this Franchise shall be due and payable, in arrears, on the anniversary date of each year of this Franchise. The initial payment hereunder shall be prorated for the remainder of the current calendar year based on a 360-day year. At the time of payment of fees due by

1 Grantee, Grantee shall file a verified statement with the City Clerk, showing in detail
2 the number of linear feet and the diameter thereof, expressed in inches, of
3 pipelines covered by this Franchise during the previous calendar year, or portion
4 thereof."

5 B. The franchise fee set out in this Section shall in no way limit Grantee's
6 obligation to compensate the Grantor or any private citizen for any damage,
7 claim, expense or loss whatsoever as set forth in this Franchise.

8 C. Grantee shall pay to the Grantor, on demand, the cost of all repairs to public
9 property made necessary by any operation of the Grantee under this Franchise.

10 D. Any payment due from Grantee to the Grantor under any provision of this
11 Franchise which is not paid when due shall bear interest at the highest amount
12 allowable by law, but the payment of such interest shall not excuse or cure any
13 default by Grantee under this Franchise.

14 E. All payments shall be paid, without deduction or offset except as herein
15 provided, to the office of the Director of Finance of the Grantor at P.O. Box 6500,
16 Inglewood, California 90301, or at such place as the Grantor may from time to time
17 designate in writing.

18 **SECTION 8. ABANDONMENT**

19 Should the Grantee elect to abandon all or any part of the Pipeline, the
20 Grantee shall clean the Pipeline pursuant to the provisions of the Pipeline Safety
21 Act of 1981, (California Government Section 51010, et seq.), as overseen by the
22 State Fire Marshal. The Grantee shall remove all above ground Appurtenances
23 serving the Pipeline upon written request of the Grantor. Grantor shall have the first
24 right of refusal to accept the pipeline at no cost to it. Should Grantor refuse to
25 accept the Pipeline, all below grade Pipelines to be abandoned shall, after first
26 having been cleaned, filled with a sand cement slurry or an inert, environmentally
27 acceptable gas or other material and capped, all as required by the City Engineer.

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1 The Grantee shall not owe the Grantor any compensation for the privilege of said
2 abandonment, nor shall Grantee be required to continue paying Grantor an
3 annual fee.

4 **SECTION 9. REARRANGEMENT OF FACILITIES**

5 A. Expense of Grantee

6 Whenever, during the existence of this Franchise, the Grantor shall change
7 the grade, width or location of any street or improve any street in any manner,
8 including the laying of any sewer, storm drain, conduits, gas, water or other pipes
9 owned or operated by the Grantor or any other public agency, or construct any
10 pedestrian tunnels, or other work of the Grantor, (the right to do all of which is
11 specifically reserved to the Grantor without any admission on its part that it would
12 not otherwise have such rights) and such work shall, in the opinion of the City
13 Engineer, render necessary any change in the position or location of any facilities
14 of the Grantee in the street, the Grantee shall, at its own cost and expense, do any
15 and all things to effect such change in position or location in conformity with the
16 written notice of the City Engineer as provided in Paragraph D below; provided
17 however, that the Grantor shall not require the Grantee to remove its lines or other
18 improvements entirely from the street.

19 B. Expense of Others

20 Except as provided in Paragraph A of this Section 9, when such
21 rearrangement is done for the accommodation of any person, firm or corporation,
22 the cost of such rearrangement shall be borne by the accommodated party. Such
23 accommodated party, in advance of such rearrangement, shall (a) deposit with
24 the Grantee either cash or a corporate surety bond in an amount, as in the
25 reasonable discretion of the Grantee shall be required to pay the costs of such
26 rearrangement; and (b) shall execute an instrument agreeing to indemnify and
27 hold harmless the Grantee from any and all damages or claims caused by such
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1 rearrangement. This provision shall not be construed to require Grantee to
2 rearrange facilities. Any accommodation for rearrangement of Grantee's facilities
3 shall be made at the discretion of Grantee.

4 C. Rearrangement of the Facilities of Others

5 Nothing contained in this Franchise shall be construed to require the
6 Grantor to move, alter or relocate any of the facilities upon said streets, at its own
7 expense, for the convenience, accommodation or necessity of any other public
8 utility, person, firm or corporation; or to require the Grantor or any person, firm or
9 corporation now or hereafter owning a public utility system of any type or nature,
10 to move, alter or relocate any part of its system upon said streets for the
11 convenience, accommodation or necessity of the Grantee.

12 D. Notice

13 The Grantee shall be given not less than thirty (30) business days written
14 notice of any rearrangement of facilities which the Grantee is required to make
15 hereunder. Such notice shall specify a reasonable time for such work to
16 commence and be accomplished. In the event that the Grantor shall change
17 the provision of any such notice given to the Grantee, the Grantee shall be given
18 an additional period of not less than sixty (60) business days to commence any
19 rearrangement of facilities. Such additional notice shall specify a reasonable time
20 by which such work needs to be commenced and diligently prosecuted to
21 completion.

22 **SECTION 10. SUSPENSION OF OPERATIONS**

23 If, for any reason Grantee suspends operations on the pipeline contained in
24 this Franchise for a period in excess of ninety (90) days, it shall notify the City
25 Engineer in writing. During this period of suspended operations, the Grantee shall
26 maintain its normal pipeline surveillance and all cathodic protection systems to
27 insure pipeline integrity. This shall continue until such a time as the line is returned
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1 to service or abandoned according to Section 8 herein.

2 **SECTION 11. PIPELINE EMERGENCY PLAN**

3 Grantee shall file, upon full execution of this Franchise, with the City Engineer
4 its Pipeline Emergency Plan and shall update said Plan for the life of this Franchise
5 every five (5) years (unless a shorter time is required by federal or state laws, rules
6 or regulations), if required by Federal regulations 49 C.F.R 195.402, the State of
7 California Pipeline Safety Act of 1981, as amended or other Applicable Laws. Said
8 Pipeline Emergency Plan shall require the approval of the California State Fire
9 Marshal and the City Engineer prior to filing or updating.

10 **SECTION 12. INDEMNIFICATION BY GRANTEE**

11 A. Grantee agrees to indemnify the Grantor, its officers, employees, volunteers
12 and agents against, and shall hold and save them and each of them harmless
13 from, any and all actions, suits, claims, damages to persons or property, losses,
14 costs, penalties, obligations, errors, omissions or liabilities, (herein "claims or
15 liabilities") that may be asserted or claimed by any person, firm or entity arising out
16 of or in connection with the use by Grantee of the streets or the making of
17 excavations in said streets, or the work, operations or activities of Grantee, its
18 agents, employees, subcontractors, or invitees, provided for herein, or arising from
19 the acts or omissions of Grantee hereunder, or arising from Grantee's performance
20 of or failure to perform any terms, provision, covenant or condition of this franchise,
21 whether or not there is concurrent passive or active negligence on the part of
22 Grantor, its officer, agents, volunteers or employees. but excluding such claims or
23 liabilities arising from the sole negligence or willful misconduct of the Grantor its
24 officers, agents, volunteers or employees, who are directly responsible to the
25 Grantor and in connection therewith:

26 1. Grantee shall defend any action or actions filed in connection with
27 any of said claims or liabilities and shall pay all costs and expenses,
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including legal costs and attorneys' fees, incurred in connection therewith;

2. Grantee shall promptly pay any judgment rendered against the Grantor, its officers, agents, volunteers or employees for any such claims or liabilities arising out of or in connection with such work, operations or activities of Grantee hereunder; and Grantee agrees to save and hold the Grantor, its officers, agents, volunteers and employees harmless therefrom;

3. In the event the Grantor, its officers, agents, volunteers or employees are made a party to any action or proceeding filed or prosecuted against Grantee for such damages or other claims arising out of or in connection with the work operation or activities of Grantee hereunder, Grantee agrees to pay to the Grantor, its officers, agents, volunteers or employees, any reasonable and necessary legal costs and attorneys' fees incurred by the Grantor, its officers, agents, volunteers or employees in such action or proceeding.

4. The indemnity, defense and hold harmless provisions of this Section shall include any claim of damage resulting from or relating to environmental contamination including any and all Environmental Claims, Environmental Clean Up Liability, Environmental Compliance Costs and any other claims which arise under Environmental Law from the leakage or spillage of the contents of Grantee's Pipeline, whether by slow seeping or breakage.

B. Grantee waives its right to subrogate against the Grantor its officers, officials, employees and volunteers for losses or injuries, including those of its employees.

SECTION 13. INSURANCE REQUIREMENTS

A. The Grantee shall at all times during the term of this Franchise maintain

1 insurance as required below:

2 1. Commercial General Liability Insurance

3 Such insurance shall contain limits not less than \$10,000,000 each occurrence
4 and: CGL insurance shall be written on ISO occurrence form CG 00 01 10 01 (or a
5 substitute form providing equivalent coverage).

6 2. Pollution Liability Insurance.

7 Such insurance shall cover bodily injury, property damage, cleanup and
8 defense costs and shall contain limits not less than \$25,000,000 each occurrence.

9 1. Workers' Compensation Insurance

10 Such insurance shall cover the Grantee's statutory obligation under
11 California Law for injury to employees, and employer's liability insurance not less
12 than \$1,000,000 each accident and disease. The Workers' Compensation
13 insurance shall contain an endorsement waiving the insurer's or self-insurer's right
14 of subrogation against the Grantor, its officers, agents, volunteers or employees.
15 If The Grantee is self-insured for workers' compensation, evidence must be
16 provided of current State Certificate to self-insure and that the required
17 self-insurer's bond is in effect.

18 a. The Commercial General Liability and Pollution Liability
19 Insurance shall contain an endorsement naming the Grantor, its
20 officers, agents, volunteers or employees as additional insureds.

21 b. The Grantee shall notify the Grantor in writing within 10 days of
22 receipt of written notice of cancellation or non-renewal of any
23 insurance policy required herein.

24 c. Within ten (10) days after the effective execution date of this
25 Franchise, the Grantee shall furnish to the City Clerk of the City
26 of Inglewood evidence of insurance, including all required
27 endorsements, required herein.

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d. By requiring insurance herein, Grantor does not represent that coverage and limits will necessarily be adequate to protect Grantee, and such coverage and limits shall not be deemed as a limitation on Grantee's liability under the indemnities granted to Grantor and its officers, employees, volunteers and agents in this contract.

4. Automobile Insurance

a. Grantee shall maintain commercial automobile liability insurance written on ISO form CA 00 01 or a substitute form providing equivalent automobile liability coverage with a limit of not less than \$1,500,000 each accident and covering liability arising out of the use of any auto ("Symbol 1"). Grantee shall require its contractors and subcontractors to maintain commercial automobile liability insurance with limits at the discretion of Grantee.

~~b. Grantee shall have the option to self-insure as may be approved by the City's Risk Management Department. Grantee's program of self-insurance shall meet the following requirements:~~

i. To the extent Grantee satisfies these requirements through self insurance, Grantee agrees to be subject to the same legal requirements regarding obligations to defend and indemnify Grantor as would a commercial insurer under California law.

ii. A formal declaration of self-insurance shall be approved by City's Risk Management Department. This can be in the form of a certified statement from an authorized representative of the Grantee.

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1 **SECTION 14. DEFAULT**

2 A. Effect of Default

3 In the event that the Grantee defaults in the performance of any of the
4 terms, covenants and conditions herein, and such default is curable, the Grantor
5 may give written notice to the Grantee of such default. In the event that the
6 Grantee does not commence the work necessary to cure such default within forty-
7 five (45) days after such notice is sent or fails to prosecute such work diligently to
8 completion, the Grantor may declare this Franchise forfeited. Upon giving written
9 notice thereof to the Grantee, this Franchise shall be void and the rights of the
10 Grantee hereunder shall terminate and the Grantee shall execute an instrument
11 of surrender and deliver the same to the Grantor.

12 B. Force Majeure

13 In the event Grantee is unable to perform any of the terms of this Franchise
14 by reason of strikes, riots, or other natural disasters, acts of public enemies or other
15 such causes beyond its control, it shall not be deemed to be in default or have
16 forfeited its right hereunder if:

- 17 1. The event is beyond the Grantee's reasonable control; and
- 18 2. The Grantee gives the Grantor notice immediately after the
19 occurrence of the event causing the delay or default or that is
20 reasonably expected to cause a delay or default; and
- 21 3. It shall commence and prosecute such performance with reasonable
22 promptness as soon as possible to do so.

23 C. Cumulative Remedies

24 No provision herein made for the purpose of securing the enforcement of the
25 terms and conditions of this Franchise shall be deemed an exclusive remedy, or to
26 afford the exclusive procedure, for the enforcement of said terms and conditions,
27 but the remedies and procedures herein provided, in addition to those provided

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1 by law, shall be deemed to be cumulative.

2 **SECTION 15. SCOPE OF RESERVATION**

3 The enumeration herein of specific rights reserved shall not be construed as
4 exclusive or as limiting any general reservation herein made or as limiting such
5 rights as the Grantor may now or hereafter have in law.

6 **SECTION 16. NOTICE**

7 A. Any notice required to be given under the terms of this Franchise, the
8 manner of services of which is not specifically provided for, may be served as
9 follows:

10 1. Upon the Grantor, by serving the City Clerk personally or by addressing
11 a written notice to the City Clerk of the City of Inglewood, City Hall,
12 P.O. Box 6500, Inglewood, California 90301, and depositing such
13 notice in the United States mail, postage prepaid.

14 2. Upon the Grantee, by personal delivery to a person in charge of
15 Crimson Pipeline, L.P., Attn: Land Department, or by addressed and
16 mailed United States mail, postage prepared to Crimson Pipeline, L.P.,
17 3780 Kilroy Airport Way, Ste 400, Long Beach, California 90806

18 B. Notice may be given at such other address as may from time to time be
19 furnished in writing by one party to the other and depositing said notice in the
20 United States mail, postage prepaid.

21 C. When the service of any such notice is made by mail, the time such notice
22 shall begin and run from the date of the deposit of same in the United States mail.

23 **SECTION 17. SUCCESSORS**

24 The terms herein shall inure to the benefit of or shall bind, as the case may be,
25 the successors and assigns of the parties hereto.

26 **SECTION 18. AUDIT**

27 Grantee shall maintain any and all records or documents pursuant to this
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1 Franchise, and the same shall be made available for inspection, audit and
2 copying, at any reasonable times, upon written request by Grantor or its duly
3 designated representatives. Copies of such documents or records shall be
4 provided directly to the Grantor for inspection, audit and copying when it is
5 practical to do so otherwise, unless an alterative is mutually agreed upon, such
6 documents and records shall be made available at Grantor's address indicated
7 for receipt of notices in this Franchise.

8 **SECTION 19. RIGHT TO INSPECT RECORDS**

9 Grantor shall have the right to inspect or review the specific documents or
10 records reasonably required expressly or by inference not classified as proprietary
11 in nature pursuant to this Franchise, or any other similar records or reports of
12 Grantee or its Affiliates not classified as proprietary in nature that Grantor shall
13 deem necessary to evaluate annual reports, compensation applications provided
14 for in this Franchise and Grantee's performance provided for in this Franchise.
15 Grantee shall make all records and documents not classified as proprietary in
16 nature to be reviewed and inspected by Grantor as a part of any audit or other
17 record review conducted by Grantor, available for Grantor's review, inspection
18 and copying within a reasonably and mutually acceptable time of receiving
19 written notice from Grantor requesting the same.

20 **SECTION 20. ACCEPTANCE OF FRANCHISE**

21 This Franchise is granted and shall be held and enjoyed only upon the terms
22 and conditions herein contained, and the Grantee must, within ten (10) days after
23 the adoption of the Ordinance granting said Franchise, file with the City Clerk of
24 the City of Inglewood, a written acceptance of such terms and conditions.

25 **SECTION 21. COSTS OF LITIGATION**

26 If any legal action is necessary to enforce any provisions hereof or for
27 damage by reason of any alleged breach of any provisions of this Franchise, the
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1 prevailing party shall be entitled to receive from the losing party reasonable costs
2 and expenses and such amount as the court may adjudge to be reasonable
3 attorneys' fees for the costs incurred by the prevailing party in such action or
4 proceeding.

5 **SECTION 19. COUNTERPARTS**

6 This Franchise may be executed in several counterparts, each of which is an
7 original, and all of which is an original, and all of which together constitute but one
8 and the same document.

9 **SECTION 20. CAPTIONS FOR CONVENIENCE**

10 A. No party shall be deemed to be the drafter of this Agreement, or of any
11 particular provision or provisions, and no part of this Franchise Agreement shall be
12 construed against any part on the basis that the particular party is the drafter of this
13 Franchise Agreement.

14 B. This Franchise Agreement may be executed in several counterparts, each
15 of which is an original, and all of which together constitute but one and the same
16 document.

17 C. The captions are convenience and reference only and are not a part of this
18 Franchise Agreement and do not in any way limit, define or amplify the terms and
19 provisions hereof.

20 D. If any Section, subsection, paragraph, sentence, clause or phrase of this
21 Franchise Agreement is for any reason determined to be invalid or unconstitutional,
22 such determination shall not affect the validity of the remaining portions of this
23 Franchise Agreement. The Council declares that it would have passed each
24 Section, subsection, paragraph, sentence, clause or phrase, as the case may be,
25 irrespective of the fact that any one or more of such Sections, subsections,
26 paragraphs, sentences, clauses or phrases have been determined to be invalid or
27 unconstitutional.

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SECTION 21. GOVERNING LAW - VENUE

This Franchise has been made and shall be constructed and interpreted in accordance with the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Central District, located at 111 North Hill Street, Los Angeles, California 90012-3117. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

SECTION 22. EXECUTION

The Mayor of the City shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within fifteen (15) days after its adoption. This Ordinance shall become effective thirty (30) days from its adoption.

PASSED, APPROVED AND ADOPTED, this 21st day of October, 2014.

JAMES T. BUTTS, JR.

James T. Butts, Jr.,
Mayor

ATTEST:

YVONNE HORTON

Yvonne Horton,
City Clerk