

Attachment B

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REVISED

4600.000

Before the Board of Supervisors in and for the
County of Monterey, State of California

RECEIVED

JUN 22 2000 P.M.

PUBLIC WORKS - ADMIN

Resolution No. 00-272 extending)
a Private Purpose Franchise to)
Mobil Pacific Pipeline Company)

WHEREAS, Mobil Pacific Pipeline Company, a corporation organized under the laws of the State of Delaware, having its principal place of business in California at 3700 West 190th Street, Torrance, California, 90509, has applied to this Board for a franchise to use the subsurface of certain county highways in the unincorporated area of the County of Monterey for a purpose not involving the furnishing of any service or commodity to the public or any portion thereof, as specified below:

NOW, THEREFORE, BE IT RESOLVED that, subject to each and all of the terms and conditions hereinafter set forth, the right, privilege, and franchise is hereby granted to Mobil Pacific Pipeline Company a corporation organized under the laws of the State of Delaware, its successors and assigns, for the period of ten years, which is specified to be from May 17, 2000 through May 16, 2010, to lay or construct from time to time and to maintain, operate, repair, renew, change the size of, remove, or, as hereinafter provided, abandon in place underground pipes and pipelines for the transportation of oil, petroleum, gas, gasoline, water or other substances, together with all manholes, valves, appurtenances, and service connections necessary for the operation of said pipes or pipelines, in and under the county roads and highways in the unincorporated area of the County of Monterey described as follows:

Road Name and Number
Nacimiento Lake Drive, No. 0412
Jolon Road, 0406

Franchised Portion
Northerly six miles
Near Milepost 0.41

Existing pipelines that will be maintained by Mobil Pacific Pipeline Company under the current Franchise are as follows:

<u>Mobil Line #</u>	<u>Size</u>	<u>Length (feet +/-)</u>
M-120	10.00"	23,782.68'
	12.00"	3,422.90'
M-121	4.00"	27,534.94'
	TOTAL	54,740.52
		(10.36 miles)

The terms and conditions of said franchise are as follows:

1. Workmanship. The franchised facilities shall be constructed in a good and workmanlike manner and thereafter kept in such condition and repair as to prevent injury or damage to the highways and to persons and property.
2. Permits. Notwithstanding this franchise, the franchise holder shall at all times comply with all ordinances of the County of Monterey relating to work, excavations and encroachments in the county roads, obtaining all permits required thereby.

3. Maps. Upon written demand from the County of Monterey, the franchise holder shall provide it with maps or drawings which clearly show the sizes, locations, use, and other pertinent details of such holder's franchised facilities.
4. Public Improvements. Upon being given notice in writing, the franchise holder shall promptly and at its own expense protect, support, disconnect, relocate, or remove all pipelines and appurtenances hereby franchised whenever necessary to make way for, or accommodate, a proper governmental use of the roads.
5. Eminent Domain. In the event of the acquisition of the franchised property by the exercise of the power of eminent domain, or by the purchase thereof by a body politic possessing such power, this franchise shall be deemed to have no value.
6. Hold Harmless. The franchise holder shall indemnify and hold harmless the County of Monterey and its officers and employees from all liability for damages to third persons caused or resulting from the exercise or enjoyment of this franchise.
7. Franchise Fees. The franchise holder shall, during the extended life of this franchise, pay to the County of Monterey an annual fee consistent with the provisions set forth in Section 6231.5 of the California Public Utilities Code, as follows:

- A. The length of pipe expressed in feet located within the franchised area shall be multiplied by the applicable base rate, as adjusted pursuant to below subsection 7.B., in accordance with the following schedule:

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

For pipelines with an internal diameter not listed above, the fees shall be in the same proportion to the fees of a 12-inch diameter pipe as the diameter of the unlisted pipe is to 12 inches.

- B. The annual payment for each lineal foot of pipeline shall be computed and revised each calendar year as follows:
 - (1) The applicable base rate shall be multiplied by the Consumer Price Index, 1982-84=100, All Urban Consumers, for the San Francisco-Oakland-San Jose area, as published by the United States Department of Labor, Office of Information for the month of September (or August/September if published bi-monthly) immediately preceding the

month in which payment is due and payable, and divided by the Consumer Price Index for June 30, 1989, which is specified to be 126.2. Under no circumstances shall the multiplying factor be less than one.

- (2) If the United States Department of Labor, Office of Information discontinues the preparation or publication of a Consumer Price Index for the area, and if no translation table prepared by the Department of Labor is available so as to make those statistics which are then available applicable to the index of June 30, 1989, the municipality shall prescribe a rate of payment which shall, in its judgment, vary from the rates specified in this section in approximate proportion as commodity consumer prices then current vary from commodity consumer prices current in December 1988. On this point, the determination by the municipality shall be final and conclusive.

8. Bond. This franchise shall not become effective until the holder files with the Clerk to this Board a good and sufficient surety bond in the penal sum of \$50,000.00 in a form and with sureties satisfactory to the Board of Supervisors, with the County of Monterey as obligee, conditioned that the franchise holder will well and truly observe, fulfill and perform each and every term and condition of this franchise, and further providing that in case of any breach of condition of the bond the whole amount thereof may, in the discretion of the Board of Supervisors, be taken and deemed to be liquidated damages. Such bond shall be kept in full force and effect by the franchise holder throughout the term of the franchise plus one year.

Whenever a bond is taken and deemed to be liquidated damages for any breach of a term or condition of this franchise, the franchise holder must immediately file another bond of like amount and character, and if the franchise holder fails to do so within the time set by the Board of Supervisors, the Board may by resolution declare and order said franchise automatically forfeited.

Nothing herein shall insulate franchise holder from liability in excess of the amount of said bond or be construed as a waiver by the County of Monterey of any remedy at law or equity against the franchise holder for any breach of the terms and conditions of this franchise or for any damage, loss or injury suffered by any person, firm or corporation by reason of any work done or any activity conducted by the franchise holder in exercise of this franchise.

9. Assignment. The franchise holder shall not assign or transfer this franchise without the prior written consent of the Board of Supervisors of the County of Monterey. Upon such consent being given, an assignment or transfer is effective only upon the filing with the Clerk of said Board of a duly executed instrument in writing evidencing the same.
10. Forfeiture. Any neglect, failure or refusal of the franchise holder to comply with any term or condition of this franchise or of the bond shall be adequate ground for a forfeiture hereof and the Board of Supervisors may thereupon declare by resolution an automatic forfeiture of this franchise and may exclude the franchise holder from further occupancy or use of all county roads authorized under this franchise. A forfeiture of said franchise shall not of itself operate to release the bond filed for said franchise. Upon declaring a franchise forfeited the Board of Supervisors may elect to take and accept the bond as liquidated damages therefor, or to pursue any other legal

remedy for any damage, loss or injury suffered by the county as a result of such breach or both.

After forfeiture of said franchise the bond shall remain in full force and effect for a period of one year unless exonerated by the Board of Supervisors. No bond shall be exonerated unless a release is obtained from the Public Works Director of the County of Monterey and is filed with the Clerk of the Board of Supervisors. The release shall state whether all excavations have been backfilled, all obstructions removed, and whether the substratum or surface of county roads occupied or used have been placed in a good and serviceable condition. The release shall not constitute a waiver of any right or remedy which the County of Monterey may have against the franchise holder or any person, firm, or corporation for any damage, loss, or injury suffered by said County as a result of any work or activity performed by the franchise holder in the exercise of this franchise.

11. Title to Property. Title to all real or personal property placed on, embedded in, or buried under substratum or surface of county roads by the franchise holder in exercise of this franchise shall remain in the franchise holder; provided, however, title thereto shall transfer and vest in the County of Monterey if such properties are abandoned in place.
12. Removal or Abandonment in Place. The franchise holder shall have the right to abandon in place any or all of its pipes and pipelines after first notifying the County of Monterey, in writing 90 days prior to proposed abandonment, except when the pipes or pipelines proposed to be abandoned in place (a) may substantially obstruct or hinder construction, repair or maintenance work upon the road, or (b) are causing, or are reasonably likely to cause, damage to the road, or (c) are to be replaced by new pipes or pipelines in the same portion of road. In any of said three instances the franchise holder shall remove the pipes and pipelines it proposes to abandon, at its own expense, and if it fails to do so within a reasonable time the Board of Supervisors may provide for such removal and the franchise holder agrees to pay the cost thereof.
13. Litigation Expenses. In the event the County brings legal action against franchise holder to compel performance of, or to recover for breach of any covenant, agreement or condition contained in this franchise, franchise holder shall and will pay to County, in addition to any other relief obtained by County, such reasonable attorney's fees as are fixed by the judge of the court in which such action is brought.

Upon motion of Supervisor Salinas, seconded by Supervisor Johnsen, and carried, the foregoing resolution is adopted this 13th day of June 2000, by the following vote:

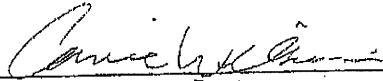
AYES: Supervisors Salinas, Pennycook, Calcagno, Johnsen, Potter
NOES: None
ABSENT: None

I, Sally R. Reed, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original resolution of said Board of Supervisors duly made and entered in the minutes thereof at page of Minute Book 20 on June 13, 2000.

Dated: 6/13/00

Sally R. Reed, Clerk of the Board of Supervisors, County of Monterey, State of California.

By



Deputy Carrie Wilkinson

cc: Mary Z

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