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City of Redondo Beach

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City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277

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City of Redondo Beach
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**ENCROACHMENT AGREEMENT BETWEEN THE CITY OF REDONDO
BEACH AND GU HOLDINGS, INC.**

This Agreement ("Agreement") for the term specified, is dated February 17, 2026 (the "Execution Date"), by and between the CITY OF REDONDO BEACH ("CITY") and GU HOLDINGS, INC ("GU").

RECITALS

WHEREAS, CITY owns, operates and maintains the Public Rights-of-Way and/or Public Property within CITY for the purpose of providing public services to its citizens; and

WHEREAS, GU, desires to maintain certain Network Facilities (as defined herein) within the Public Rights-of-Way and/or Public Property to provide Telecommunications Services; and

WHEREAS, CITY has the authority to establish certain terms and conditions for use of the Public Rights-of-Way and/or Public Property for the construction, installation and maintenance of Network Facilities by telecommunications service providers; and

WHEREAS, CITY has determined that the terms and conditions herein are appropriate given the specific nature of the Network Facilities and their construction, together with the other circumstances under which this Agreement has been agreed to and will be carried out.

WHEREAS, CITY and GU intended to execute a certain encroachment agreement (substantially similar to this Agreement) on January 1, 2012 (the "Effective Date"). That certain encroachment agreement was never executed. CITY and GU now want to execute this Agreement to memorialize CITY's and GU's respective obligations to one another for the period beginning on the Effective Date through the Execution Date (the "Prior Term") and the remainder of the term, and otherwise agree to the terms set forth herein.

NOW, THEREFORE, in consideration of the recitals and the mutual promises contained herein, CITY and GU agree as follows:

AGREEMENT

SECTION 1 DEFINITIONS

- 1.1 **Affiliate** – means an entity that controls, is controlled by, or is under common control with another entity. For purposes of this definition, “control” means actual working control, however exercised.
- 1.2 **CITY** – means the **City of Redondo Beach**, a charter city and municipal corporation of the State of California, and includes the duly elected or appointed officers, agents, and employees of the City of Redondo Beach, individually or collectively.
- 1.3 **City Engineer** – means the City Engineer, or designee, of the City of Redondo Beach, California.
- 1.4 **City Manager** – means the City Manager, or designee, of the City of Redondo Beach, California.
- 1.5 **Network Facilities** – means any and all telecommunications facilities, cables, lines, conduits, boxes, and other similar equipment and devices located in the Public Right-of-Way and/or Public Property, that are described in “Schedule 2” attached to the August 15, 2011 letter to the CITY, entitled Request for Consent to Assign the Encroachment Agreement, executed by Tata Communications (America) Inc. and GU, and which Schedule is attached as Exhibit “A” hereto and is incorporated by reference herein.
- 1.6 **Public Property** – means the surface, the air space above the surface and the area below the surface of any City-owned property not considered to be a Public Right-of-Way.
- 1.7 **Public Rights-of-Way** – means the surface, the air space above the surface and the area below the surface of any public street, highway, lane, path, alley, sidewalk, boulevard, drive, bridge, tunnel, parkway, dedicated public utility easement or similar public right-of-way in which CITY now or hereafter holds any property interest which, consistent with the purposes for which it was dedicated, may be used for the purpose of installing and maintaining Network Facilities.
- 1.8 **Route** – means the specific parts of the Public Rights-of-way occupied by the Network Facilities and described in Exhibit “A” to this Agreement.
- 1.9 **Telecommunications** – means the electronic transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received.

1.10 GU – means GU Holdings, Inc., a Delaware corporation, its successors and assigns.

SECTION 2
TERM OF THE AGREEMENT

2.1 This Agreement shall become effective on the Effective Date and shall continue for fifteen (15) years and will continue thereafter on an annual basis until terminated by either Party upon no less than ninety (90) days prior written notice (“Agreement Term”)

SECTION 3
SCOPE OF USE OF PUBLIC RIGHTS-OF-WAY

3.1 CITY hereby grants an encroachment permit to GU, subject to the reservations, covenants and conditions herein contained, to repair, operate, maintain, and remove Network Facilities within Public Rights-of-Way to provide Telecommunications along the Route as described in Exhibit A.

3.2 This Agreement does not authorize GU or any other entity to install any new facilities without first obtaining written authorizations and all required permits from the CITY.

3.3 This Agreement does not authorize any use of the Network Facilities except as specified in this Agreement without first obtaining written authorizations and all required permits from the CITY.

3.4 If GU or any other entity wishes to place in the Public Rights-of-Way any new facilities (including any other facilities or equipment enclosed within the Network Facilities conduit), or to use the Network Facilities for purposes other than as specified in this Agreement, then GU and/or such other entity shall first mutually agree with the CITY on the terms and conditions for such placement or use, either through written amendment of this Agreement or through a separate written agreement or agreements.

3.5 This Agreement does not authorize use of any property other than the Public Rights-of-Way. Any use of any other CITY property, including but not limited to poles and conduits, shall require a separate written agreement.

3.6 The encroachment permit issued pursuant to this Agreement is not a grant by the CITY of any property interest but is made subject and subordinate to the prior and continuing right of CITY and its assigns to use all the Public Rights-of-Way in the performance of its duties, including but not limited to public use as a street and for the purpose of laying, installing, maintaining, repairing, protecting, replacing and removing sanitary sewers, water mains, storm drains, gas mains, poles, overhead and underground electric, and telephone lines, cable television and other utility and municipal uses together with appurtenances thereof and with right of ingress and egress, along, over, across and in the Public Rights-of-Way; and GU shall have a duty to remove, relocate and rearrange its Network Facilities therefor in accordance with the requirements of CITY.

3.7 The encroachment permit issued pursuant to this Agreement is made subject to all easements, restrictions, conditions, covenants, encumbrances and claims of title which may affect the Public Right-of-Way and/or Public Property, and it is understood that GU, at its own cost and expense, shall obtain all such permission as may be necessary consistent with any other existing rights.

3.8 The operation, repair and maintenance of Network Facilities shall be in accordance with all applicable Federal, State and local laws, including, without limitation, zoning laws, construction codes and CITY's Standard Specifications and Details, all as may be amended, replaced, or superseded from time-to-time.

3.9 GU shall comply with any generally applicable annual registration requirements CITY may adopt, amend, replace, or supersede from time-to-time.

3.10 The CITY does not guarantee that its interest or other rights to control the use of the Public Rights-of-Way is sufficient to permit its use for GU's purposes, and GU shall be deemed to gain only those rights to use the property as CITY may have the right and power to give. However, CITY warrants and represents that to the best of its knowledge, CITY has the right to grant GU the rights specified in this Agreement.

SECTION 4

CONSTRUCTION AND MAINTENANCE STANDARDS

4.1 In connection with its operation, maintenance, repair and/or removal of Network Facilities, GU shall comply with CITY's established construction-related conditions and specifications as described in the Engineering Permit Guidelines for the City of Redondo Beach, Version No. 3, dated July 2000, or any successor Guidelines, as they may be amended, replaced, or superseded, by the CITY in the future. Such conditions shall include, without limitation, compliance with: the times of day and days of week during which construction is able to occur; any special traffic control studies required to be approved prior to construction; Work Area Traffic Control Handbook (WATCH) requirements (as may be amended, replaced, or superseded); and any conditions agreed to as part of any general notes required by CITY in the construction drawings.

4.2 GU shall at all times exercise care within the meaning of applicable law and industry standards and shall install, maintain and use commonly accepted industry-wide methods and devices for preventing failures and accidents that may cause damage, injury or nuisance to the public. The maintenance, repair and/or removal of network Facilities shall be accomplished at GU's sole cost and expense and subject to the written approval of the City Engineer in such a manner as not to endanger personnel or property, or unreasonably obstruct travel on any portion, or other access thereon, within the Public Rights-of-Way.

4.3 GU shall repair, operate, maintain, and remove its Network Facilities so as not to endanger or interfere with improvements CITY shall deem appropriate to make or to interfere in any manner with the Public Rights-of-Way or legal rights of any property owner or to unnecessarily hinder or obstruct pedestrian or vehicular traffic.

4.4 GU shall operate, maintain, repair and/or remove Network Facilities in strict conformance with the provisions of this Agreement, and so as to not interfere with, including, but not limited to, any gas, electric, telephone, telecommunications, water, sewer or other utility facilities or obstruct or hinder in any manner any such provider's use of any Public Rights-of-Way.

4.5 Nothing in this Agreement shall affect CITY's right to use reserved fiber (if any) in the Network Facilities without cost to CITY.

4.6 GU shall keep the Network Facilities in good and safe condition and free from any nuisance, liens, or encumbrances.

4.7 Any and all Public Right-of-Way and/or Public Property, or private property that is disturbed or damaged by GU during the operation, maintenance, repair and/or removal of Network Facilities shall be promptly repaired by GU, to a condition equal to or (at GU's discretion) better than that which existed prior to the damage.

4.8 Any contractor or subcontractor used for the maintenance, repair or removal of the Network Facilities equipment shall be properly and currently licensed by the California Contractors State License Board, and under the laws of California and all applicable local ordinances and each contractor or subcontractor shall have the same licensing and other obligations with respect to its work as GU would have under this Agreement and applicable law as if the work were performed by GU.

4.9 GU shall be responsible for ensuring that the work of contractors and subcontractors is performed consistent with this Agreement and all applicable laws and shall be solely responsible for all acts or omissions of contractors or subcontractors.

4.10 Nothing in this section is meant to alter any tort liability of GU to third parties.

SECTION 5

IDENTIFICATION OF NETWORK FACILITIES

5.1 GU shall identify the Network Facilities installed in the Public Rights-of-Way by means of aboveground flexible line marker posts, with height of either feet above grade or as otherwise approved by the City Engineer, color orange, reflective, and marked as follows: "WARNING UNDERGROUND FIBER OPTIC CABLE, CALL BEFORE YOU DIG, UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA, 811 or (800) 422-4133." These markers will be placed approximately every 500 linear feet along the Route, within the Public Right-of-Way and/or Public Property, on the closest side of the street.

SECTION 6
NO OWNERSHIP OR VESTED INTEREST CREATED

6.1 No use of any Public Rights-of-Way or other interest or property under this Agreement shall create or vest in GU any ownership interest in the Public Right-of-Way and/or Public Property, streets or any other property or interest of CITY.

6.2 Nothing in this agreement shall be construed as granting or creating any franchise rights.

6.3 This Agreement and the rights granted herein are not exclusive and do not preclude the issuance of other franchises, permits or agreements to use Public Rights-of-Way for any purpose, subject to the conditions specified in this Agreement.

SECTION 7
PAYMENTS TO THE CITY

7.1 GU shall pay the CITY a rental fee which shall be \$10.22 per annum per lineal foot of six-inch conduit in the Public Property beginning in 2026 which shall increase by five percent (5%) for each subsequent year of the term. GU shall only be responsible for payment to CITY for the Prior Term, and any remaining portion of the calendar year 2026 from the Execution Date through December 31, 2026, as set forth in Section 7.7 below.

7.2 The rental fee specified in Section 7.1 shall be paid annually, in advance and without any invoice requirement beginning upon the effective date of this Agreement and subsequently paid on January 1 of each year.

7.3 The parties agree that the length of Public Rights-of-Way occupied by the Network Facilities is equal to 879 feet.

7.4 The payment requirements of this Section shall be in addition to any generally applicable permit or other fees for which GU may be liable including without limitation to permit fees and inspection fees.

7.5 GU acknowledges and accepts the responsibility to collect and remit to CITY any fees due from its customers under the Utility Users Tax as set forth in Title 8, Chapter 9 of the Redondo Beach Municipal Code, as it now reads or may hereafter be amended. As of the date of this Agreement, based on GU's description of the Network Facilities and their use, the parties understand that GU will not be a telephone communications services supplier for any person in CITY.

7.6 GU shall provide such records to CITY as CITY may lawfully require to confirm compliance with the requirements of this section.

7.7 As additional and required consideration to induce CITY to enter into this Agreement, and without which CITY would not enter into this Agreement, GU shall pay CITY a Signing Bonus of One Hundred Seventy-Five Thousand Seven Hundred Ninety Five 56/100 (\$175,795.56) within thirty (30) days after GU's receipt of this fully executed

Agreement. The Signing Bonus includes the following costs for the Prior Term: (a) License Agreement Administration Fee (\$15,000), (b) Permit Fee (\$50), and (c) Inspection Fee (\$1,100).

7.8 Upon CITY's receipt of the Signing Bonus, City agrees that GU is current on all rental fees and other CITY fees incurred or related to GU's occupancy of the Rights of Way in Exhibit A during the entirety of the Prior Term.

7.9 Payment Summary

7.9.1 Signing Bonus: \$175,795.56

7.9.2 2027 Rental Fee: \$9,429.27

7.9.3 2028 Rental Fee: \$9,900.73

7.9.4 2029 Rental Fee: \$10,395.77

7.9.5 2030 Rental Fee: \$10,915.56

7.9.6 2031 Rental Fee: \$11,461.34

7.9.7 2032 Rental Fee: \$12,034.40

7.9.8 2033 Rental Fee: \$12,636.12

7.9.9 2034 Rental Fee: \$13,267.93

7.9.10 2035 Rental Fee: \$13,931.33

7.9.11 Each subsequent year's Rental Fees shall be the prior year's Rental Fee increased by five percent (5%).

7.10 Delivery of Signing Bonus and All Subsequent Rental Fee Payments

7.10.1 The Signing Bonus and all subsequent Payments must be delivered to CITY at the following address:

City Of Redondo Beach
Attention: Finance Department
[415 Diamond Street](#)
[Redondo Beach, CA 90277](#)

7.10.2 City may change its payment addressee and/or addresses above from time-to-time by delivery of thirty (30) days' prior written notice to GU at the then-current notice address of GU.

7.10.3 The Signing Bonus must be delivered to CITY within thirty (30) days following GU's receipt of CITY's executed copy of this Agreement.

7.10.4 All Payments are due and must be delivered to CITY on the first business day in January in each year.

7.10.5 Rental Fee Payments not delivered to CITY within five (5) business days of the due date are subject to a late payment fee (a "Late Fee") of ten percent (10%) of the amount then due. The Parties agree that such a Late Fee represents a fair and reasonable estimate of the costs CITY incurs by reason of late payment by GU.

SECTION 8 **REMOVAL AND RELOCATION**

8.1 GU shall promptly relocate its facilities to accommodate the reasonable governmental needs of CITY or other government agencies who are authorized to use the Public Right-of-Way and/or Public Property. In the event of an emergency, or where Network Facilities create or are contributing to an imminent danger to health, safety or property, CITY at GU's sole cost and expense may remove, re-lay or relocate any or all parts of those Network Facilities without prior notice. However, CITY shall make reasonable efforts to provide prior notice and to permit GU to remove any Network Facilities that are associated with such danger, or if not reasonably possible CITY shall provide GU with such notice after the fact.

8.2 Should GU be required to relocate its Network Facilities for any nongovernmental need, the reasonable cost of the relocation shall be borne by the requesting party except where (i) the Network Facilities must be relocated because they were not properly installed, or were installed without obtaining necessary authorizations; or (ii) state or federal law provides otherwise. GU may condition such rearrangement of its facilities on an agreement by the applicable parties described in this Section 8.2 to pay the reasonable cost of relocation, which agreement shall be subject to the exceptions listed in Section 8.2 (i) and (ii).

8.3 GU shall remove or relocate, without any cost or expense to CITY, any Network Facilities used and maintained under this Agreement if and when made necessary by any lawful change of grade, alignment or width of any street, including, but not limited to, the construction, maintenance or operation of any underground facility by CITY and/or construction, maintenance or operation of any other CITY underground or aboveground facilities. GU shall, by a time specified by CITY but (given the specific nature of the Network Facilities and their construction) not to be less than six months from the date the CITY delivers written notice to GU, protect, support, or relocate any of its property when necessary and required by CITY or any other governmental entity by reason of traffic conditions; public safety; Public Right-of-Way and/or Public Property construction; maintenance or repair (including resurfacing or widening) by CITY; change of Public Right-of-Way and/or Public Property grade; construction, installation or repair of sewers, drains, water pipes, power lines, signal lines, tracks or any other type of government-owned system, public work or improvement or any government-owned utility; or Public Right-of-Way vacation or sale or other transfer of Public Property.

8.4 In the event all or any portion of the Public Rights-of-Way and/or Public Property occupied by the Network Facilities shall be needed by CITY for governmental purposes or in the event that the existence of the Network Facilities shall be considered materially detrimental to governmental activities, including but not limited to, material interference with CITY construction projects, or is reasonably in conflict vertically and/or horizontally with any CITY installation, GU shall, by written direction of CITY's Public Works Director, remove and relocate such Network Facilities to such other location or locations in the Public Rights-of-Way and/or on Public Property as may reasonably be designated by CITY, by a time specified by CITY but (given the specific nature of the Network Facilities and their construction) not to be less than six months from the date the CITY delivers written notice to GU.

8.5 In the event such Network Facilities are not removed or relocated within the time periods indicated in paragraphs 8.1 through 8.4 of this Agreement, CITY may cause the same to be done at the sole expense of GU.

8.6 If any portions or all of the Network Facilities covered under this Agreement other than redundant facilities or facilities for emergency use are no longer used by GU, or are abandoned for a period in excess of one (1) year, or if GU ceases through termination of this Agreement to have authority to maintain the Network Facilities in CITY's Public Right-of-Way and/or Public Property, then GU shall notify CITY and shall either promptly vacate and remove the facilities at its own expense or, at the sole discretion of CITY, convey title to same to CITY or a party designated by CITY.

8.7 Should GU remove the Network Facilities from the Public Right-of-Way and/or Public Property, GU shall, within ten (10) days after such removal, deliver written notice thereof to CITY specifying the Public Rights-of-Way affected and the location thereof as well as the date of removal, and certify that the Public Rights-of-Way have been restored to the standard outlined in paragraph 4.7 and Section 11 of this Agreement.

SECTION 9 **CONSTRUCTION PERMITS**

9.1 GU shall obtain all necessary construction permits by application to the City Engineer pursuant to CITY's generally applicable permit procedures and fees, and shall pay all processing, field marking, engineering and inspection fees in connection with such construction permits in accordance with the rates in effect at the time of payment.

9.2 All work shall be constructed and installed in accordance with the Redondo Beach Municipal Code, CITY's Standard Specifications, state and federal standards and specifications, and this Agreement, as any or all of which may be amended, replaced, or superseded from time-to-time.

SECTION 10 **PERFORMANCE BOND**

10.1 Prior to the commencement of any maintenance, repair or removal activities involving any construction in the Public Right-of-Way and/or Public Property, GU shall

provide CITY with a performance bond or other security satisfactory to CITY, name CITY as obligee in the amount equal to one hundred percent (100%) of the full value of the work to be performed by or on behalf of GU within and affecting the Public Right-of-Way and/or Public Property, to guarantee and assure the faithful performance of GU's construction obligations under this Agreement.

10.2 CITY shall have the right to draw against the performance bond in the event of a default by GU or in the event that GU fails to meet and fully perform any of its obligations.

10.3 The form of the performance bond shall be approved by CITY, which approval shall not be unreasonably withheld or delayed.

10.4 The performance bond shall remain in full force until the work to be performed is complete, and the restoration of the Public Rights-of-Way has been inspected and accepted in the City Engineer's reasonable discretion.

SECTION 11

DAMAGE TO PUBLIC RIGHTS-OF-WAY

11.1 GU shall be responsible for all damage, ordinary wear and tear excepted, to CITY street pavements, existing utilities, curbs, gutters, sidewalks and all other Public Property or private property and facilities due to its use, operation, maintenance, repair or removal of the Network Facilities in Public Right-of-Way and/or Public Property, and shall repair, replace and restore in kind such damaged facilities at its sole expense.

11.2 Any premature deterioration of surface and subsurface improvements, such as pavement or concrete over the facilities or trench or adjacent area, or reduction in the life of the Public Right-of-Way and/or Public Property, normal wear and tear excepted, which directly results from GU's acts or omissions, in connection with GU's use, operation, maintenance, repair or removal of the Network Facilities, shall be the sole responsibility of GU and remediated at GU's sole cost and expense.

11.3 GU shall complete all necessary repairs within thirty (30) days of CITY's delivery of written notice that such damage is GU's responsibility, or a reasonable longer period to complete the repair as may be agreed to by GU and CITY (with such reasonable period not to exceed sixty (60) days); provided, however, should the City Engineer (or designee) determine that any such damage jeopardizes public health and safety, CITY may immediately perform all necessary public health and safety repairs and GU will be responsible for the costs of such repairs to the extent such costs directly arise from repairs attributable to GU's use, operation, maintenance, repair, or removal of the Network Facilities, and/or use of the Public Right-of-Way or Public Property on a joint and several basis with other users. Under no circumstances shall the City bear any costs associated with work required or performed under this Section.

11.3.1 If GU fails to make any non-public health and safety repairs within such thirty (30) day period, or the reasonable longer period as may be agreed to by GU and CITY, CITY may have repairs made with the cost being billed to and promptly paid by GU.

11.3.2 If the repair cannot fully reverse such deterioration, CITY may require GU to pay for the damage suffered as a result.

11.4 This obligation shall extend for one (1) year from the termination or earlier expiration of this Agreement, or one (1) year after the Network Facilities are conveyed to CITY pursuant to Section 8.6, whichever occurs first.

SECTION 12

PREEXISTING INSTALLATIONS

12.1 If the Public Right-of-Way and/or Public Property to be used by GU have preexisting installation(s) placed therein, GU assumes the sole responsibility to verify the location of the preexisting installation(s) and notify CITY and any third-party owner prior to conducting any activities that could adversely affect such installation(s).

12.2 GU shall be solely responsible for the costs of repair to any preexisting installation damaged by GU's activities.

12.3 CITY is under no obligation to move its existing utilities to accommodate or make room for GU's Network Facilities.

SECTION 13

RECORDS AND FIELD LOCATIONS

13.1 GU shall maintain accurate maps and improvement plans of the Network Facilities.

13.2 GU shall, upon demand of the City Engineer, deliver to the office of the Public Works Department free of charge, and for a reasonable charge upon request to other third parties interested in performing work within the Public Right-of-Way and/or Public Property, within thirty (30) days after such request, such "as-built" maps and plans as may be required to show in detail the exact location, size, depth, and nature of the Network Facilities.

13.3 GU shall submit such plans in digital electronic format specified by the City Engineer

13.4 GU shall be a member of the regional notification center for subsurface installations (Underground Service Alert) and shall field mark, at its sole expense, the locations of its underground Network Facilities upon notification in accordance with the requirements of Section 4216 of the State of California Government code, as it now reads or may hereinafter be amended.

SECTION 14

HOLD HARMLESS AND INDEMNIFICATION

14.1 To the maximum extent permitted by law, GU, jointly and severally, for itself, its successors, agents, contractors, and GU's employees, agrees to indemnify, defend (with reasonable notice to GU and with counsel reasonably acceptable to CITY) and hold

harmless CITY, its elected official, officers, employees, agents, and volunteers, and any successors to CITY's interest from and against any and all claims, demands, losses, damages, liabilities, fines, penalties, charges, liens, stop notices, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and environmental cleanup actions of any kind, all costs and expenses incurred in connection therewith, including, without limitation, reasonable attorney's fees and costs of defense (collectively, the "Losses") arising directly or indirectly out of the activities described in this Agreement and/or the presence, operation, maintenance, removal and/or repair of the Network Facilities.

14.2 GU shall not be obligated to indemnify CITY, its elected officials, officers, employees, agents, and volunteers, or any successors to CITY's interest for losses to the percentage extent directly arising from the CITY's active negligence or willful misconduct as established by final court decision or agreement of the parties.

14.3 GU's indemnification, defense and hold harmless obligations under this Section 14 are specifically conditioned on the following: (a) the CITY shall provide prompt notification to GU in writing of any such claim or demand; (b) the CITY shall cooperate reasonably to facilitate the defense of such claim or the negotiation for its settlement. CITY and GU must concur in any settlement or in any substantive defense affecting CITY's rights.

14.4 CITY shall not be responsible for any damages, losses, or liability of any kind occurring by reason of anything done or omitted to be done by CITY, except for acts which constitute CITY's active negligence or willful misconduct, or by any third party, including, without limitation, damages, losses or liability arising from the issuance by CITY of a permit or approval to any third party or any interruption in service.

14.5 GU, for itself and its successors and assigns, hereby waives all claims and causes of action, whether now existing or hereafter arising, against CITY or its elected officials, officers, employees, agents, and volunteers, for damages, physical or otherwise, to any of the Network Facilities from any cause whatsoever, excluding those arising as a result of CITY's active negligence or willful misconduct.

SECTION 15 **INSURANCE**

15.1 GU shall maintain insurance during the entire term of this Agreement, including any renewals or extensions, against claims for injuries to persons or damages to property which in any way relate to, arise from, or are connected with the presence, operation, maintenance or repair of the Network Facilities in the Public Rights-of-Way by GU, or any entity acting on its behalf, and shall keep such insurance in effect in accordance with the minimum insurance scope CITY may reasonably set from time to time.

15.2 GU shall maintain in full force and effect throughout the term of this Agreement the insurance policies set forth in the following Sections.

- 15.2.1 Worker's Compensation Insurance: GU shall obtain statutory Worker's Compensation Insurance and Employer's Liability insurance in the amount of One Million Dollars (\$1,000,000) per accident.
- 15.2.2 Commercial General Liability/Automobile Liability Insurance: GU shall obtain Commercial General Liability insurance including operations, products and completed operations and Automobile Liability insurance, in the amount of Two Million Dollars (\$2,000,000) per occurrence. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract or the general aggregate limit shall be twice the required occurrence limit. GU's insurance coverage shall be written on an occurrence basis and shall waive the right of subrogation as to the City additional insureds.
- 15.2.3 Acceptability of Insurers: Insurance is to be placed with insurers admitted and duly authorized to transact business under the laws of the State of California and with a current Best Rating of A:VII or better.
- 15.2.4 Verification of Coverage: Insurance, deductibles and self-insurance retentions shall be subject to CITY's approval. The basis for this approval shall be the Original Certificates of Insurance which will be provided by GU. Original Certificates of Insurance with endorsements shall be received and approved by CITY before work commences, and insurance must be in effect for the duration of this Agreement.
- 15.2.5 Other Insurance Provisions: The City of Redondo Beach, its officers, officials, employees, agents and volunteers are to be covered as additional insureds, by a comprehensive commercial general liability endorsement no less than Endorsement CG 20 10 11 85 or equivalent, or as otherwise permitted in writing by CITY's risk manager.
- 15.2.6 For any claims related to this project, GU's insurance coverage shall be primary.
- 15.2.7 Each insurance policy required shall be endorsed that a thirty (30) day written notice be delivered to CITY in the event of cancellation or modification to the stipulated insurance coverage.
- 15.2.8 It shall be the responsibility of GU to ensure that all subcontractors comply with the same insurance requirements that are stated in this Agreement.
- 15.2.9 The existence of insurance shall not act as a limitation on GU's liability.

SECTION 16 **ASSIGNMENT**

16.1 GU shall not assign, sublet or transfer any interest in this Agreement nor the performance of any GU's obligations hereunder, without the prior written consent of CITY and any attempt by GU to so assign this Agreement or any rights, duties or obligations arising hereunder without CITY's consent shall be void and of no effect.

16.2 Notwithstanding the foregoing, GU shall have the right to assign all of its rights under this Agreement at any time without CITY's consent to an affiliate or subsidiary, provided that such assignment shall not relieve GU of its obligations to perform and remain responsible under this Agreement, if

- (a) GU delivers CITY written notice of the assignment; and
- (b) The assignee does not have a record of behavior with respect to public rights-of-way in CITY or elsewhere to which CITY reasonably objects.

16.3 Any successor or assignee of GU shall agree in writing to be bound by all of the provisions, terms and conditions of this Agreement.

SECTION 17 **ENFORCEMENT**

17.1 Failure to comply with the terms and conditions of this Agreement may result in CITY's determination that the Network Facilities constitute a nuisance, or at CITY's election may result in enforcement pursuant to the Redondo Beach Municipal Code, and/or CITY's reliance on any other applicable remedy the CITY may now or in the future have at law or equity.

SECTION 18 **TERMINATION**

18.1 This Agreement shall remain in effect for the duration of its term, unless terminated under the following circumstances:

- 18.1.1 This Agreement may be terminated by CITY upon at least one hundred eighty (180) days' written notice to GU if CITY reasonably, necessarily, and lawfully determines that the provisions herein interfere with the use or disposal of the Public Rights-of-Way or any part thereof by CITY; provided however, that where all or a portion of GU's Network Facilities interferes with the use or disposal of the Public Right-of-Way and/or Public Property, and relocation is reasonably possible, CITY shall allow GU to relocate such portion in accordance with other Sections of this Agreement.
- 18.1.2 This Agreement may be terminated by CITY upon thirty (30) days' written notice for failure, neglect or refusal by GU to fully and promptly comply with any and all of the material conditions of this Agreement, unless GU delivers written notice and the CITY agrees within thirty (30) days of receipt of the notice that the cited condition has been corrected.
- 18.1.3 This Agreement shall terminate if CITY adopts a general ordinance governing telecommunications uses of the Public Rights-of-Way and/or Public Property that is applicable to the Network Facilities, in which case GU shall have the opportunity to make new arrangements with CITY for its use of the Public Rights-of-Way and/or Public Property pursuant to such ordinance, provided,

however, that such termination shall occur only if such new arrangements do not alter, except as provided in Section 7.1, the rental fee paid pursuant to that Section during the time period covered by the original term of this Agreement as specified in Section 2.1.

SECTION 19 **NOTICE**

19.1 GU shall provide a single telephonic point of contact which shall be available to CITY staff 24 hours a day, 7 days a week, regarding problems or complaints resulting from the Network Facilities. GU shall also provide an escalation list, including cell phone numbers, of responsible operations personnel within GU.

19.1.1 GU shall promptly respond to such call(s) and promptly perform the required repair or correct any adverse impact to CITY's use or operations or the use or operations of a third party cause by GU's Network Facilities in the Public Rights-of-Way and/or Public Property at no cost to CITY.

19.1.2 GU shall designate a person or legal entity located within California who or that is authorized to accept service of process on behalf of GU.

19.2 All notices given or which may be given pursuant to this Agreement shall be delivered in writing and transmitted by certified or registered United States mail with prepaid postage and return receipt requested, or by established private delivery systems that maintain delivery records and conditions, such as Federal Express or UPS and addressed as follows:

To CITY at: City of Redondo Beach
Attn: City Engineer
City Hall, 415 Diamond Street
Redondo Beach, California 94088-3707

With a copy to: City of Redondo Beach
Attn: City Attorney
City Hall, 415 Diamond Street
Redondo Beach, California 94088-3707

To GU at: GU Holdings Inc
1600 Amphitheatre Parkway
Mountain View, CA 94304
Attn: Global Infrastructure Manager

Either Party may change its notice addressee and/or addresses above from time-to-time by delivery of thirty (30) days' prior written notice to the then-current notice address of the other Party. All notices, demands, or other correspondence in connection with this Agreement will be deemed to have been delivered upon actual delivery or actual refusal. Copies to legal counsel constitute a mandatory administrative step and not actual notice.

SECTION 20
MISCELLANEOUS PROVISIONS

- 20.1 This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understanding (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein.
- 20.2 This Agreement may not be amended except pursuant to a written instruction signed by the authorized representative of each Party.
- 20.3 Nothing in this Agreement shall be construed to waive or prevent the CITY's lawful exercise of its police powers or any other lawful authority, provided, however, that such exercise shall not alter the rental fee paid pursuant to Section 7.1 during the term of this Agreement except as provided in that Section.
- 20.4 This Agreement is entered into as a onetime grant of authority for entry and use of the Public Rights-of-Way and/or Public Property as designated in Exhibit "A" and does not constitute any waiver of the CITY's authority over future applications by GU or other telecommunications providers for use of the Public Rights-of-Way.
- 20.5 If any one or more of the provisions of this Agreement shall be held by a court of competent jurisdiction in a final judicial action to be void, avoidable, or unenforceable, such provision(s) shall be deemed separable from the remaining provisions of this Agreement and shall in no way affect the validity of the remaining portions of this Agreement.
- 20.6 In any action brought for breach or to enforce any provision of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs of experts, and all court costs.
- 20.7 This Agreement shall be governed in all respects by the law of the State of California, with exclusive venue to hear disputes under this Agreement in federal and state courts of competent jurisdiction for Redondo Beach, California.
- 20.8 CITY and GU agree that the above recitals are true and correct and are hereby incorporated herein as though set forth in full.
- 20.9 CITY and GU hereby warrant, represent and certify as of the Execution Date, that:
1. Neither CITY (including its elected officials, officers, employees, agents and volunteers nor GU or any party claiming by or through GU have incurred any Losses arising directly or indirectly out of the activities described in this Agreement and/or the presence, operation, maintenance, removal and/or repair of the Network Facilities during the entire Prior Term.

2. CITY (including its elected officials, officers, employees, agents and volunteers and GU hereby waive any and all rights to recover any and all Losses from one another arising directly or indirectly out of the activities described in this Agreement and/or the presence, operation, maintenance, removal and/or repair of the Network Facilities during the Prior Term.
3. Upon payment of the amounts identified in Section 7.7 above, GU has fulfilled any and all of its payment obligations to CITY for the Prior Term and any remaining portion of the calendar year 2024, and CITY (including its officers, employees and agents and any successors to CITY's interest) has no further claim for any additional payment from GU for the Prior Term or any remaining portion of the calendar year 2024 from the Execution Date through December 31, 2024, including but not limited, additional payment for rental fees and/or any License Agreement Administration Fees, Permit Fees, or Inspection Fees.
4. CITY and GU have complied with all terms and conditions of this Agreement for the entirety of the Prior Term.

[Signatures follow on next page]

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate as of the date first written above.

CITY OF REDONDO BEACH, a Charter City and Municipal Corporation

James A. Light, Mayor

APPROVED AS TO FORM:

Joy A. Ford, City Attorney

APPROVED:

Diane Strickfaden, Risk Manager

ATTEST:

Eleanor Manzano, City Clerk

GU HOLDINGS, INC., a Delaware Corporation
(Two Corporate Signatures Required)

Name (Print)

Name (Print)

Title, an authorized signatory

Title, an authorized signatory

Signature

Signature

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name of notary)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name of notary)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

From intermediate manhole no. 2 in Hermosa Beach, CA to intermediate manhole no. 2A in Redondo Beach, CA.: two (2) 1.25-inch and one (1) 1.0-inch sub-ducts.

From intermediate manhole no. 2A in Redondo Beach, CA to intermediate manhole no. 2B in Redondo Beach, CA.: (2) 1.25-inch and one (1) 1.0-inch sub-ducts.

From intermediate manhole no. 2B in to intermediate manhole no. 3 in Redondo Beach, CA.:
NONE

From intermediate manhole no. 2B in to Redondo Beach, CA to intermediate manhole no. 4 in Redondo Beach, CA.: four (4) 1.25-inch and one (1) 1.0-inch sub-ducts.

EXHIBIT "B"

Reserved Fiber (if any)