REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Radiant Cordero, Chair; Matt Weyer, Vice Chair;
Esther Kia'āina, Calvin K.Y. Say, Augie Tulba

Committee Meeting Held
November 21, 2024

Honorable Tommy Waters
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Resolution 24-192 entitled:

"RESOLUTION APPROVING A COMMUNICATION SITE LEASE AGREEMENT TO STC TWO, LLC FOR ITS EXISTING TELECOMMUNICATION FACILITY WITHIN THE LĀ'IE CORPORATION YARD, 56-020 KAMEHAMEHA HIGHWAY, LĀ'IE, O'AHU, HAWAI'I, TMK: 5-6-006:001"

transmitted by Departmental Communication 553, dated July 12, 2024, from the Department of Budget and Fiscal Services, reports as follows:

The purpose of the resolution is to approve the communication site lease agreement with STC Two, LLC for its existing telecommunication facility located within the City-owned Lā'ie Corporation Yard, TMK: 5-6-006:001, with an area of 480 square feet.

The Director of Budget and Fiscal Services testified and responded to Councilmembers' questions.

HONOLULU CITY COUNCIL
Ke Kanihela o ke Kalana o Honolulu
CITY AND COUNTY OF HONOLULU

ADOPTED ON DEC 11 2024

COMMITTEE REPORT NO. 358

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Radiant Cordero, Chair; Matt Weyer, Vice Chair;
Esther Kia'āina, Calvin K.Y. Say, Augie Tulba

Your Committee considered and approved a proposed posted CD1 version that makes the following amendments:

A. Amends the title to read APPROVING A COMMUNICATIONS SITE LEASE AGREEMENT WITH STC TWO, LLC FOR ITS EXISTING TELECOMMUNICATIONS FACILITY WITHIN THE LĀ'IE CORPORATION YARD, 56-020 KAMEHAMEHA HIGHWAY, LĀ'IE, O'AHU, HAWAI'I, TMK: 5-6-006:001.

B. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee on Budget is in accord with the intent and purpose of Resolution 24-192, as amended herein, and recommends its adoption in the form attached hereto as Resolution 24-192, CD1. (Ayes: Cordero, Kia'āina, Say, Tulba, Weyer – 5; Noes: None.)

Respectfully submitted,

Radiant Cordero
Committee Chair

HONOLULU CITY COUNCIL
Ke Kanihela o ke Kalana o Honolulu
CITY AND COUNTY OF HONOLULU

ADOPTED ON DEC 11 2024

COMMITTEE REPORT NO. 358

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No. 24-192, CD1

RESOLUTION

APPROVING A COMMUNICATIONS SITE LEASE AGREEMENT WITH STC TWO, LLC FOR ITS EXISTING TELECOMMUNICATIONS FACILITY WITHIN THE LĀʻIE CORPORATION YARD, 56-020 KAMEHAMEHA HIGHWAY, LĀʻIE, OʻAHU, HAWAIʻI, TMK: 5-6-006:001.

WHEREAS, the licensing of City and County of Honolulu ("City") property for telecommunications facilities is governed by Chapter 38, Article 12, Revised Ordinances of Honolulu 2021 ("ROH"); and

WHEREAS, in 1998, Sprintcom, Inc., a Kansas corporation, now known as STC Two, LLC, a Delaware limited liability company ("STC Two"), entered into a Non-Exclusive Communication Utilities Easement Agreement with the City to construct its telecommunications facilities with a total area of 480 square feet within a portion of the City-owned Lāʻie Corporation Yard, located at 56-020 Kamehameha Highway, Lāʻie, Hawaiʻi, 96762, identified as Tax Map Key Number 5-6-006:001 ("Property"); and

WHEREAS, STC Two was certified by the State of Hawaiʻi ("State") Department of Commerce and Consumer Affairs to transact business in the State as a Limited Liability Company in 2005; and

WHEREAS, STC Two desires to continue the operation of its telecommunications facilities within a portion of the Property; and

WHEREAS, the Director of Information Technology recommends that the City enter into a communications site lease agreement with STC Two to allow continued operation of its Type II telecommunications facilities within the Property; and

WHEREAS, unless otherwise authorized by the City Council, monthly telecommunication license fees to be charged by the City are as set forth in ROH Section 38-12.3; and

WHEREAS, the Department of Information Technology has determined that following the monthly telecommunications rental fee table, as outlined in ROH Section 38-12.3, is not feasible or equitable for the City; and

WHEREAS, the recommended use fee for STC Two is $2,080 per month or an annual fee of $24,960, to be increased by 4 percent each year, compounded annually, for the duration of the agreement; and

RESOLUTION

WHEREAS, the agreement with STC Two shall be for a term of five years with the option to extend for four additional five-year periods, not exceeding a total of 25 years, and shall be subject to the additional terms and conditions set forth in the proposed agreement, which is attached hereto as Exhibit A and by reference incorporated herein; and

WHEREAS, in order to permit STC Two to enter into an agreement for more than five years, STC Two is required to expend more than $25,000 for capital assets or for the renovation or maintenance of any capital asset for the term of the agreement, as outlined in ROH Section 38-4.1(1); and

WHEREAS, the Department of Facility Maintenance, which has jurisdictional control of the Property, has no objection to the lease agreement; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the Council consents to and approves the proposed communications site lease agreement with STC Two, LLC ("STC Two") for its existing telecommunications facility within the Lā'ie Corporation Yard, 56-020 Kamehameha Highway, Lā'ie, O'ahu, Hawai'i, TMK: 5-6-006:001, which is attached hereto as Exhibit A and by reference made a part of this resolution; and

BE IT FURTHER RESOLVED that the Director of Budget and Fiscal Services and/or official designee is hereby authorized to:

1. Execute a Communications Site Lease Agreement with STC Two in substantially the same form as the proposed agreement attached hereto as Exhibit A; and

2. Execute any incidental or related agreements and documents in furtherance of the above agreement, so long as such agreements and documents do not incur additional obligations on the part of the City; and

BE IT FURTHER RESOLVED that the City Council approves of the deposit of all fees received under the lease agreement into the City's general fund; and

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No. **24-192, CD1**

RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Director of Budget and Fiscal Services, the Chief Engineer of the Department of Facility Maintenance, and the Director of Information Technology.

INTRODUCED BY:

Tommy Waters (br)

DATE OF INTRODUCTION:

July 18, 2024
Honolulu, Hawai'i

Councilmembers

EXHIBIT A

COMMUNICATIONS SITE LEASE AGREEMENT

CITY AND COUNTY OF HONOLULU
56-020 KAMEHAMEHA HIGHWAY, LĀ'IE, HI

This Communications Site Lease Agreement (hereinafter referred to as this "Lease" or this "Agreement") is entered into as of _____ _____, 2024, by and between CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawai'i, whose address is 530 South King Street, Honolulu, Hawai'i 96813, hereinafter called "Lessor", and STC TWO LLC, a Delaware limited liability company, by and through GLOBAL SIGNAL ACQUISITIONS II LLC, a Delaware limited liability company, its Attorney in Fact, whose mailing address is STC Two LLC, 2000 Corporate Drive, Canonsburg, Pennsylvania 15317, hereinafter called "Lessee."

WITNESSETH

WHEREAS, Lessor is the fee owner of certain real property and improvements (if any) thereon, situated in the City and County of Honolulu, State of Hawai'i (the "Property"), which is legally described on Exhibit A attached hereto and incorporated herein by reference and which includes a portion referred to hereinafter as the "Premises" as defined below;

WHEREAS, Lessee is a duly licensed "telecommunications carrier" or "telecommunications common carrier" as those terms are defined by Hawai'i Revised Statutes, Section 269-1 (2005), registered and licensed to do business in the State of Hawai'i;

WHEREAS, Lessor and Lessee have determined that it is in their best interest for Lessor to lease to Lessee and for Lessee to lease from Lessor the Premises described below for the Term (defined below) and subject to and upon the consideration of the terms, duties, obligations, covenants, conditions, and special agreements set forth in this Lease.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Lessor and Lessee do hereby agree as follows:

ARTICLE 1
SPECIFIC PROVISIONS AND EXHIBITS

1.01 Specific Provisions. The following constitute specific provisions of this Lease:

(A) Description of the Premises: Laie/City & County Corporation Yard, 56-020 Kamehameha Highway, Lā'ie, Hawai'i 96762, identified as Tax Map Key Number: 5-6-006:001, as shown on Exhibit B attached hereto.

(B) Leased Area: four hundred eighty (480) sq. ft.

(C) Term: Five (5) years, with four (4) options to renew for additional five (5) year terms, not to exceed a total lease period of twenty-five (25) years.

(i) Commencement Date: First day of the first full month following full execution of this Agreement ("Commencement Date").

(ii) Final Expiration Date: _____ ("Final Expiration Date").

(D) Lease Fee: Two Thousand Eighty and 00/100 Dollars ($2,080.00) per month or Twenty-Four Thousand Nine Hundred Sixty and 00/100 Dollars ($24,960.00) per annum, subject to the increases in Sections 3.01 and 3.06, payable in advance, by or before the first day of each month.

1.02 Permitted Use of the Premises. Lessee is permitted to construct, install, operate, maintain, repair, remove and replace Telecommunication Facilities as that term is defined below, pursuant to Exhibit B and attached hereto and incorporated herein, and for no other purposes except as may be agreed to in writing by the parties.

1.03 Information for Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given upon receipt if personally delivered or mailed, certified mail, return receipt requested, or sent by overnight carrier to the following address(es):

If Lessee, to:

STC Two LLC
c/o Crown Castle
Attention: Legal - Real Estate Department
2000 Corporate Drive
Canonsburg, Pennsylvania 15317

If Lessor, to:

City and County of Honolulu
Department of Budget and Fiscal Services
530 S. King Street, Room 208
Honolulu, Hawai'i 96813

With a copy to:
City and County of Honolulu
Department of Facility Maintenance
1000 Uluohia Street, Suite 215
Kapolei, Hawai'i 96707
Phone: (808) 768-3343

ARTICLE 2
DEFINITIONS

Unless the context otherwise specifies or requires, the following terms shall have the meanings hereinafter specified:

2.01 "Antenna" or "Antennae" shall mean any system of wires, poles, rods, reflecting discs, dishes or similar devices used for the transmission or reception of wireless communications services signals.

2.02 "Improvements" shall mean all improvements existing on the Commencement Date or at any time thereafter built, installed, or finished by anyone authorized by Lessee in the Premises, including, without limitation, all mechanical and electrical conduits, wiring fixtures and equipment; floor covering, other fixtures of all kinds; and water, electricity, telephone and other utility lines, ducts, conduits and facilities serving other portions of the Facility which may pass through the Premises.

2.03 "Facility" or "Facilities" shall mean either (a) any Telecommunication Facilities or any portion thereof attached to or supported by any permanent building or other structure located

on the Premises (Type I Telecommunication Facility), or (b) any free-standing, self-supported Telecommunication Facilities or any portion thereof detached from or not supported by any permanent building or other structure located on the Premises (Type II Telecommunication Facility). In some instances, this term shall be identified as FCC Antenna Structure Number.

2.04 "Premises" shall mean the space leased hereunder and all Improvements therein together with access and utilities on the Property. The Premises shall consist of the area indicated on Exhibit B.

2.05 "Telecommunication Facilities" shall mean the plant, equipment, and property, including but not limited to pedestals, Antenna or Antennae, equipment shelters, communication tower, emergency generators, utility wires, electric meters, poles, conduit, pipes, cable line over, under, and across said leased area, electronics, and other appurtenances used to transmit, distribute, provide or offer telecommunications.

2.06 "Telecommunications" shall mean the offering of transmission between or among points specified by a user, of information of the user's choosing, including but not limited to voice, data, image, graphics, and video without change in the form or content of the information, as sent and received, by means of electromagnetic transmission, or other similarly capable means of transmission, with or without benefit or any closed transmission medium, but does not include cable service as defined in section Hawai'i Revised Statues §440G-3.

2.07 "Term" shall mean the initial term and any renewal option exercised, unless sooner terminated as provided in this Lease.

ARTICLE 3
RENT, TERM, AND SECURITY DEPOSIT

3.01 The inital fee for this Lease (the "Lease Fee") shall be Two Thousand Eighty and 00/100 Dollars ($2,080.00) per month or an annual fee of Twenty-Four Thousand Nine Hundred Sixty and 00/100 Dollars ($24,960.00), payable without notice or demand to Lessor. The Lease Fee is payable in advance, on or before the first day of each month. The Lease Fee for each subsequent year shall be calculated annually, to the beginning of the next annual period, by applying four percent (4%) to the fee for the current year as follows:

Year	Current Lease Fee	% Increase	Annual Increase	New Annual Lease Fee
1	$24,960.00	4%	$ 998.40	$25,958.40
2	$25,958.40	4%	$1,038.34	$26,996.74
3	$26,996.74	4%	$1,079.87	$28,076.61
4	$28,076.61	4%	$1,123.07	$29,199.68
5	$29,199.68	4%	$1,167.99	$30,367.67

3.02 Late Payment Charges. Every installment of the Lease fee and every other payment due hereunder from Lessee to Lessor which has not been paid within thirty (30) days after the installment or payment has become due shall bear interest from the date that the installment or payment became due and payable until the installment or payment is paid, whether or not demand be made therefore, at the rate of one percent (1%) per month, or fraction thereof.

3.03 Lease payments shall be made to:

City and County of Honolulu
Department of Budget and Fiscal Services
Division of Purchasing
530 S. King Street, Room 115
Honolulu, Hawai'i 96813
Reference: Lā'ie Corporation Yard, 56-020 Kamehameha Highway

3.04 Non-waiver of rights. Acceptance of any late payment or charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder.

3.05 Initial Term. The initial term of this Lease shall be for a period of five (5) years commencing on the Commencement Date.

3.06 Additional Five-Year Terms. Lessee is hereby granted options for four (4) additional five (5) year terms (each a "Renewal Option"), not to exceed a total lease period of twenty-five (25) years. Lessee may exercise each Renewal Option by providing a notice to Lessor no less than twelve (12) months before expiration. Notice shall be sent to the address listed in Paragraph 3.03. Lessor retains its right to terminate or revoke this Lease as provided herein, notwithstanding Lessee's exercise of any Renewal Option. Such notice shall only be effective if delivered at a time when Lessee is not in default hereunder. Within thirty (30) days following its receipt of Lessee's notice of its desire to exercise the Renewal Option, given at the time and in the manner provided above, Lessor shall prepare and transmit to Lessee an appropriate amendment to this Lease extending the Term for each Renewal Option, and specifying the proposed Annual Fee for such extension.

ARTICLE 4
LEASED SPACE

4.01 This Agreement is for the exclusive rental of the Premises.

4.02 No Exclusive Right in Remainder of the Property. Nothing contained in this Lease shall be construed as granting to Lessee the exclusive right to conduct any particular business on the Property. This Agreement shall not prohibit Lessor from making such uses of the Property, which do not unreasonably interfere with the exercise by Lessee of the rights herein granted. Lessor may from time-to-time grant similar agreements on other portions of the Property, subject to this Lease hereby granted, to other applicants whose use will not unreasonably interfere with Lessee's use of the Premises. All revenue derived from said other agreements shall be payable to Lessor.

4.03 Easement and Setbacks. This Lease is subject to all prior easements, setbacks and rights-of-ways granted to construct, install, operate, maintain, repair and replace lines and other transmission facilities and appurtenances for electricity, telephone, water, sewers, drainage and any other services and utilities over, across and under such easements according to the respective designation thereof. Lessor further excepts and reserves the right to grant such additional easements and right-of-way outside of the Premises as from time to time appear to Lessor to be necessary or expedient for the economic development of the Property and/or other property owned or controlled by Lessor.

4.04 Access and Utilities. Lessor grants and conveys to Lessee and its lessees, licensees and invitees the nonexclusive right of ingress, egress and regress for vehicular and pedestrian traffic over, across, and under the Property, from the nearest public right-of-way to the Premises, together with the right to install, replace and maintain utility wires, poles, cables, conduits and pipes as more fully shown on Exhibit B.

ARTICLE 5
LESSEE'S INSPECTION OF & UNDERSTANDING REGARDING THE PREMISES

5.01 Assumption of Risk. Lessee understands that Lessor makes no guarantee of the suitability or safety of the Premises including the structures, improvements, or tower, and Lessee agrees to assume all risk, corporate and personal, for the use of the Premises.

5.02 Care of Premises. Lessee shall, at Lessee's sole expense and in accordance with the terms of this Lease, keep the Premises and all improvements in good order, repair, and condition at all times during the Term.

5.03 Capital Asset Conditions. Lessee is required to expend the sum of Twenty-Five Thousand and 00/100 Dollars ($25,000.00) or more for capital assets, or for the renovation, maintenance or repairs of any capital asset for the term of this agreement. This includes money spent on the installation of furniture or fixtures, as well as money spent on the construction of improvements.

5.04 Inspection of and access to Premises. Lessor and Lessor's employees and agents shall have access to the Premises at all times upon seventy-two (72) hours' notice to Lessee and accompanied by Lessee's representative. Upon such notice and accompanied by a representative, Lessee will permit Lessor, and Lessor's agents, at all reasonable times during the Term of this Lease or during an emergency, to enter the Premises and examine the state of repair and condition of the Premises. In the event of an emergency where Lessor cannot reasonably comply with the foregoing notice requirement, Lessor shall, within forty-eight (48) hours of such access, inform Lessee of (i) the date and time of emergency access and (ii) the nature of the event requiring emergency access.

5.05 Compliance with Laws. In the exercise of its rights granted hereunder, Lessee shall comply with all applicable laws, statutes, ordinances, rules and regulations of the Federal, State, and City and County of Honolulu governments or any agency thereof, now in force or which may hereinafter be in force, including but not limited to, obtaining any necessary permits and approvals from Lessor in its regulatory capacity prior to commencement of any construction and installation work, obtaining approvals from the State Department of Land and Natural Resources whenever the project is within a conservation area, notifying the neighborhood board(s) if required by City ordinance, and complying with any applicable rules and regulations enforced by such community or homeowner's associations if required by law.

5.06 Ownership. All alterations, additions, or improvements to the Premises, whether temporary or permanent, made by Lessee shall be owned by Lessee, and shall be for the benefit of Lessee.

5.07 Emergency Resources. Should any emergency situation arise at the Premises, Lessor will require that a representative of Lessee be available. Primary contact information for Network Operations is 866-482-8890.

5.08 Sale of Lessor's Interest. Lessor shall have the right to sell, convey, transfer or assign all or any part of its interest in the Premises, or all or any of its rights and obligations under this Lease without prior written notice to Lessee, provided such sale will be subject to this Lease and Lessor will provide subsequent written notice to effectuate a transfer in the Lease Fee to the new owner not less than thirty (30) days prior to the effective date of such transfer in the Lease Fee.

5.09 Lessee Attornment. Upon receipt of written notice of such transfer, Lessee shall attorn to any purchaser or assignee under Section 5.08.

5.10 Sale or Assignment by Lessor. Lessor shall be automatically freed and relieved from all liability respecting the performance of any covenants or obligations on the part of Lessor contained in this Lease that arises on or after the date of a sale, conveyance or assignment, and the buyer, grantee or assignee shall become responsible for all of the covenants and conditions herein contained and or the part of Lessor to be observed or performed after the time of such sale or conveyance.

5.11 Surrender of the Premises. Upon the expiration or earlier termination of this Lease, Lessee will surrender and deliver to Lessor possession of the Premises in good condition and repair, ordinary use, and wear excepted. Lessee may, or if Lessor shall so require will, remove all Telecommunications Facilities and trade fixtures erected or placed in the Premises. Lessee shall repair all damage to the Premises and remaining Improvements caused by or resulting from such removal and leave the Premises in a clean and orderly condition. In the event Lessee fails to perform such removal and restoration within thirty (30) days following written notice, Lessor may do so and Lessee, upon demand, will apply to Lessor the cost thereof. This obligation shall survive the expiration or termination of this Lease. Any property left upon the Premises by Lessee at the expiration or termination of this Lease, and after thirty (30) days written notice to Lessee, may, at the option of Lessor, be (a) removed and stored by Lessor, at Lessee's cost, or (b) be deemed by Lessor to have been abandoned by Lessee, in which case Lessor may, at Lessee's cost, appropriate, destroy or dispose of the same without liability or accountability to Lessee, including, but not limited to, conducting an auction of such property at the Premises at which Lessor may, but is not obligated to, bid for and purchase such property.

5.12 Holding Over. If Lessee fails to vacate the Premises after the expiration or sooner termination of this Lease, all the terms, covenants and agreements hereof shall continue to apply and bind Lessee so long as Lessee fails to vacate the Premises, insofar as the same are applicable, except, that, if Lessee fails to vacate the Premises, (a) Lessee's continued occupancy shall be on the basis of a month-to-month tenancy, (b) in lieu of the Lease Fee payment, Lessee shall pay Lessor an amount of money equal to one hundred fifty percent (150%) of the sum of the Lease Fee payment for the last month of the Term, prorated on a daily basis for each day that Lessee fails to vacate, (c) Lessee shall pay any other amounts owed to Lessor, and (d) Lessee shall also be liable to Lessor for any damages resulting from failure to vacate. If Lessor provides written notice to vacate, Lessee shall have a continuing duty to vacate the Premises without notice by Lessor. If Lessee remains in possession with Lessor's written consent, such tenancy shall be from month-to-month, terminable by either party by not less than twenty-five (25) days prior written notice.

5.13 Consequential Damages. Neither party shall be responsible for any consequential damages to the other party, and this clause shall survive the termination of this Lease.

5.14 No Consent or Waiver Implied. Except as provided herein, Lessee acknowledges that nothing in this Article shall be construed to affect or in any way diminish Lessee's obligation to surrender possession of the Premises to Lessor on expiration or termination of this Lease. The provisions of this Article shall not be considered to limit or constitute a waiver of any other rights or remedies of either party provided in this Lease or at law.

5.15 Lessor's Right to Cancel Agreement. Following the initial 5-year term of this Lease, if Lessor deems it necessary to use the Premises for any public purpose and/or physical expansion of its current operations at any time in the future, Lessee shall remove, at Lessee's own cost and expense, its Telecommunications Facilities from the Premises, and without any liability on Lessor's part; provided however, that Lessor shall give Lessee at least twenty-four (24) months prior written notice of any requirement for such removal. Upon such removal of the Telecommunications Facilities from the Premises, Lessee's obligations hereunder shall terminate and Lessee shall be entitled to a prorated refund of any Lease Fee and other amounts, if any, paid in advance. Lessee shall be responsible during such removal for any and all damages to the Premises and/or the Facility, unless such damage is caused by the negligence or intentional acts of Lessor or its agents.

ARTICLE 6
ADDITIONAL COVENANTS BY LESSOR AND LESSEE

6.01 Utility Services.

(A) All utility services (electricity, telephone, gas, water, etc.) required by Lessee for the construction, maintenance and operation of the Telecommunications Facilities (but not including the utility services produced by Lessee's operations, if any), unless otherwise provided in this Agreement, shall be arranged and paid for by Lessee. Whenever utility work, e.g., underground trenching, etc., interferes with any operation by Lessor, Lessee shall obtain Lessor's prior consent, such consent not to be unreasonably withheld, conditioned or delayed and schedule its work to minimize any disruptions to Lessor's operations.

(B) Lessor shall not be responsible for the interruption of AC power to the site as a result of power failure or supply on the part of the supplying Electric Company or its suppliers, or future providers, except to the extent caused by the negligence or willful misconduct of Lessor.

6.02 Repairs.

(A) Lessee shall be required to make any and all repairs to the Property that are necessitated by reason of the default or neglect of Lessee. Failure to make said repairs to the Property within thirty (30) days of Lessee's receipt of notice regarding this matter shall constitute default under the terms of this Agreement; provided Lessee shall have such extended periods as may be required beyond the thirty (30) day cure period if the nature of the cure is such that it reasonably requires more than thirty (30) days to cure, and Lessee commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. Upon expiration or termination of this Lease, Lessee shall restore the Premises to the condition in which it existed upon execution of this Lease, reasonable

wear and tear and loss by casualty or other causes beyond Lessee's control.

(B) Lessee shall maintain in good and safe condition and repair all such Telecommunications Facilities, including equipment and antennae, for the Term of this Agreement, and shall not make, permit, or suffer waste, nuisance, or unlawful use of the Premises. Upon termination or expiration of this Agreement, Lessee shall remove, all installed items of the Telecommunications Facilities in accordance with Section 5.11.

6.03 Installation, Maintenance, and Operation of Equipment. All installation, maintenance or operations by Lessee on the Premises shall be done in accordance with Lessor's prior written approval. All cost for such installation, maintenance and operation shall be borne wholly by Lessee. Any proposed changes to the equipment or the operations of the Premises shall be made only upon written approval of Lessor, such approval not to be unreasonably withheld, conditioned or delayed, except in the event of an emergency. Lessee shall submit a written notice for such proposed changes to Lessor at least forty-five (45) days prior to such proposed changes, except in the event of emergency. Lessor shall approve or disapprove such request within forty-five (45) days. In the event Lessor fails to execute and return such consent or approval to Lessee within forty-five (45) days from the date of the written request, then Lessor's consent or approval shall be deemed approved. Lessee acknowledges that any such changes in equipment may result in increases in the Lease Fee payable hereunder.

6.04 Access to Premises. Lessee shall have access to the Premises only during the work hours of 7:00 am – 3:30 pm, Monday through Friday excluding State Holidays, except in the event of an emergency. Beyond these hours, Lessee will pay Lessor an overtime rate of one and one half (1 ½) times the hourly rate plus fringe benefits for the Superintendent to be present during repairs. Repairs must be scheduled at least forty-eight (48) hours in advance and no non-emergency work may be performed without this advanced notice or longer than eight (8) hours.

6.05 Indemnity. Lessee agrees to hold harmless and indemnify Lessor from any and all responsibility for injury sustained by Lessee, Lessee's employees, Lessee's contractors, or any other person or persons acting for Lessee, or claiming by, through or under Lessee, at the Premises. Additionally, Lessee certifies that its employees, contractors, and other personnel acting for Lessee are trained in applicable FCC and other government guidelines on Radio Frequency ("RF") Exposure when working in areas that exceed the General Population Limits as defined in FCC OET 65. Lessee shall indemnify and hold harmless Lessor for any injury sustained as a result of RF Exposure.

Further, Lessee shall indemnify, defend and save harmless Lessor, its elected and appointed officials, employees and agents, against all loss or damage to the Premises and property of Lessor or to the property of others and from all claims, penalties or liabilities for the injury to or death of persons or damage to property when such loss, damage, injury or death arises as a result of the construction, maintenance, operation or removal of said Telecommunications Facilities, or when such loss, damage, injury or death directly or indirectly arises or results from the exercise or enjoyment of the rights and privileges granted hereunder by Lessor, its elected and appointed officials, agents or employees, including but not limited to loss, damage, injury or death sustained as a result of RF Exposure; provided, however, that such indemnification shall not apply to loss, damage, injury or death resulting from the negligence or intentional acts or omissions of Lessor, its elected and appointed officials, agents or employees.

6.06 Insurance. Lessee shall obtain and maintain in full force and effect for the duration of this Agreement, the following types of insurance or applicable umbrella insurance with minimum limits as outlined below:

- Commercial General Liability insurance written on an "occurrence" form covering claims arising out of Lessee's premises, operations or independent contractors resulting from bodily injury & property damage, products & completed operations, and personal & advertising injury liability with minimum limits of:

General Aggregate	$2,000,000
Products/Completed Operations Aggregate	$2,000,000
Personal/Advertising Injury	$1,000,000
Each Occurrence	$1,000,000

Automobile Liability insurance, including coverage for all owned, hired and non-owned autos with minimum limits of $1,000,000 combined single limit bodily injury and property damage.

- Workers Compensation Insurance as required by statute, and Employer's Liability coverage with limits of:

Bodily Injury — Each Accident	$1,000,000
Disease - Policy Limit	$1,000,000
Disease — Each Employee	$1,000,000

The insurance policies shall name the City and County of Honolulu as an additional insured, with the exception of the workers' compensation policy. Lessee shall furnish copies of the required certificate of insurance to Lessor. Lessee will provide Lessor with thirty (30) days prior written notice of cancellation.

Lessee hereby waives, on behalf of Lessee and on behalf of any insurance carrier of Lessee, any claim or other right which Lessee might otherwise have against Lessor arising out of loss or damage, including consequential loss or damage, to any property of Lessee. Because Lessee's employees work in and around Lessor's premises and Lessee accepts the condition of these premises as is, Lessee further agrees to require its workers compensation carrier to waive its right of subrogation against Lessor.

Lessor does not in any way represent that the insurance coverage or the limits of insurance hereinafter specified are sufficient or adequate to protect Lessee's or Lessor's interests or liabilities and Lessee's liability under the terms of this Agreement shall not be limited to the minimum limits as required to be carried by Lessee herein.

6.07 Security/Loss. Lessee shall maintain the Premises in as secure a manner as possible. Lessor shall not be responsible for any and all loss or damage to Lessee's Telecommunications Facilities, including Lessee's equipment or antennas, due to, among other things, fire, flood, acts of God, theft, or vandalism unless caused by the negligence or willful misconduct of Lessor.

6.08 Operating Frequencies. Lessee shall operate in accordance with FCC regulations.

6.09 Permits, Licenses, etc.

(A) Lessee shall be responsible for obtaining any and all necessary permits, easements, licenses, or rights of way that may be required of it by any agency governing Lessee's construction, maintenance, and operation of the Telecommunications Facilities at the Premises.

(B) Lessee shall provide to Lessor a copy of all permits, easements, licenses, or rights of way required of Lessee for its operation, if requested in writing by Lessor. Additionally, Lessee shall maintain a copy of its Federal Communications Commission License, or other Government authorization, if required, authorizing Lessee's operation at the Premises. Lessee shall post any signs on or near Lessee's Telecommunications Facilities as required by law.

6.10 Non-Interference To Others. Lessee shall operate Lessee's Telecommunications Facilities in a manner that will not cause material interference to Lessor and other lessees or licensees of the Premises, provided that their installations predate that of Lessee's equipment and comply with FCC regulations. Lessee shall cooperate fully in identifying and correcting any interference problems Lessee's equipment may cause to such other existing users of the Premises. If such interference cannot be corrected, Lessor may declare a default of this Lease at any time. Subsequent to the installation of Lessee's equipment, Lessor shall not permit itself, its lessees or licensees to install, permanently, new equipment at the Premises, if such equipment is likely to cause interference with Lessee's operations. Such new equipment operated by Lessor or its lessees may be temporarily installed to determine if such harmful interference does in fact occur, and if such interference does occur, must be remedied, to the satisfaction of Lessee, at no expense to Lessee, or such equipment will be removed by Lessor. All operations by Lessee shall be in compliance with all applicable regulations of the Federal Communications Commission ("FCC"), National Telecommunications and Information Administration ("NTIA"), and all other applicable regulatory agencies.

6.11 Environmental Requirements. Lessee, for itself, its successors, assigns, and agents, represents, warrants and agrees, that it will conduct its activities on the Premises in compliance with all applicable Environmental Laws, as described below in this section. Further, Lessor represents, warrants and agrees that it has in the past and will in the future conduct its activities on the Property in compliance with all applicable Environmental Laws and that the Premises is free of Hazardous Substances, as described below in this section, as of the date of this Agreement.

As used in this Agreement, "Environmental Laws" means all federal, state and local environmental and health laws, rules, regulation, ordinances, judicial or administrative decrees, orders, decision, authorizations or permits, including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901, et seq., the Clean Air Act, 42 U.S.C. §§ 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. §§ 1101, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. §§ 2601, et seq., the Oil Pollution Control Act, 33 U.S.C. §§ 2701, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq., the Safe

Drinking Water Act, 42 U.S.C. §§ 300j, and any amendments thereto, and state laws, or any other comparable local, state or federal statute or ordinance pertaining to the environment or natural resources and all regulations pertaining thereto.

As used in this Agreement, "Hazardous Substances" mean any hazardous substances, hazardous materials or hazardous wastes as defined by any of the Environmental Laws; any and all material or substance defined as hazardous, toxic or harmful to human health, natural resources or the environment pursuant to any federal, state or local laws or regulations or order; and any substance which is or becomes regulated by any federal, state or local governmental authority; any oil, petroleum products and their by-products.

Lessor shall be responsible for and shall promptly conduct any investigation and remediation as required by any Environmental Laws or common law of all spills or other releases of Hazardous Substances, except to the extent caused by Lessee or its operations or activities, that have occurred or which may occur on the Premises.

Lessee agrees to defend, indemnify and hold Lessor harmless from and against any and all claims, causes of action, demands and liability including, but not limited to, damages, costs, expenses, assessments, penalties, fines, losses, judgments and attorney's fees that Lessor may suffer due to the existence or discovery of any Hazardous Substances on the Premises or the migration of any Hazardous Substances to other properties or release into the environment arising solely from Lessee or its operations or activities on the Premises.

This paragraph shall survive the termination of this Agreement.

6.12 Conservation of Energy. Lessee shall endeavor that all unneeded lights and other electrical devices are turned off when unneeded and when leaving the Premises.

6.13 Reimbursement of Costs. If an action is instituted by either party in any court of law or equity pertaining to the enforcement of this Lease, the prevailing party in any final or non-appealable decision on the merits shall be entitled to recover, in addition to any judgment or decree rendered therein, all court costs, including reasonable attorneys' fees as determined by a court of competent jurisdiction.

6.14 Taxes.

(A) Lessee shall pay its pro rata share of real property taxes for the Property.

(B) Tax Clearance. Lessee shall provide a current tax clearance from both the Hawai'i State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) within sixty (60) days of entering into this Agreement with Lessor. Lessee must obtain and provide the tax clearances when requested in writing by Lessor not more than once per calendar year. Failure to obtain and provide the tax clearances upon request may result in default of this Agreement.

6.15 Early Termination. If Lessee desires to terminate this Lease prior to the expiration date, Lessee shall remove all of Lessee's Telecommunications Facilities, including antennae and equipment from the Premises at any time on or before the expiration date, and notify Lessor when such removal has been accomplished. If Lessee has made a payment, in accordance with Section 3.01 for a new one-year period, and that period has not been started at the time Lessee

removes all Telecommunications Facilities and terminates this Lease, then that one-year payment will be refunded.

6.16 Permitted Use of Premises. The Premises may be used and occupied only for the use set forth in Section 1.02 and for no other purposes, except as consented to in writing by Lessor.

6.17 Legal Compliance. Lessee will comply, at its own expense, with all applicable laws and ordinances and governmental rules and regulations applicable to the Premises, including without limitation, all laws related to the handling, disposal, and storage of hazardous materials.

6.18 Signage. Lessee shall not inscribe any inscription or post, place or in any manner display any sign, notice, picture, placard or poster, or any advertising matter whatsoever, anywhere in or about the Premises, except as required by law.

6.19 Legally Required. If, during the Term, any change, alteration, or addition or correction shall be required by any governmental authority to be made in or to the Premises or any portion thereof, such change, alteration, addition or correction shall be made by Lessee.

ARTICLE 7
DEFAULT

7.01 Event of Default. Each of the following shall be deemed an "Event of Default":

(A) The failure of Lessee to make any payment required under this Agreement within fifteen (15) days after written demand therefore; and

(B) The failure of either party to cure a non-monetary default within thirty (30) days following written notice from the non-defaulting party; provided that the defaulting party shall have such extended periods as may be required beyond the thirty (30) day cure period to cure any non-monetary default if the nature of the cure is such that it reasonably requires more than thirty (30) days to cure, and the defaulting party commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion.

7.02 Upon the occurrence of any such Event of Default, the non-defaulting party in its sole discretion may declare this Agreement to be terminated. The parties shall have the right to commence, appear in or defend any action or proceeding arising from this Agreement, including the enforcement of parties' rights under this Agreement. If any action is instituted by either party in any court of law or equity arising from an Event of Default, the prevailing party in any final or non-appealable decision on the merits shall be entitled to recover, in addition to any judgment or decree rendered therein, all court costs, including reasonable attorneys' fees as determined by a court of competent jurisdiction.

ARTICLE 8
MISCELLANEOUS COVENANTS

8.01 Complete Agreement; Amendment; Severability. This Agreement constitutes the entire Agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this

Agreement must be in writing and executed by both parties. If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

8.02 Cooperation in Execution of Documents and Approvals. Each party agrees to cooperate with the other in executing any documents necessary to protect its rights of use of the Premises. During the term of this Lease, Lessor shall: (i) reasonably cooperate with Lessee in its efforts to obtain all of the certificates, permits, licenses and other approvals that Lessee, in its sole discretion, deems necessary for the permitted use of the Premises ("Approvals"), including all appeals; and (ii) take no action that would adversely affect the Premises. Lessor acknowledges that Lessee's ability to use the Premises is contingent upon Lessee obtaining and maintaining the Approvals. If requested by Lessee, Lessor agrees to execute, at Lessee's sole cost and expense, such documents as may be necessary to obtain and thereafter maintain the Approvals, including documents necessary to petition the appropriate public bodies for the Approvals, and agrees to be named as the applicant for said Approvals.

8.03 Sexual Harassment Policy. Lessee shall have and enforce a policy prohibiting sexual harassment. Lessee's sexual harassment policy must set forth the same or greater protection than those contained or required by City Ordinance No. 93-84. City Ordinance No. 93-84 is on file and available for viewing in the Purchasing Division, or if a copy is needed, Lessee may pick up the ordinance from the Office of the City Clerk, Room 203, City Hall, 530 S. King Street, Honolulu, Hawai'i 96813.

8.04 Assignment. This Agreement or any rights granted herein shall not be sold, assigned, conveyed, leased, subleased, mortgaged or otherwise transferred or disposed of, directly or by operation of law, except with the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed, except that Lessee may assign this Lease without Lessor's consent to any of Lessee's parent, subsidiary, or affiliated entities or pursuant to the sale of all or substantially all of the assets or stock of Lessee or pursuant to the sale of all or substantially all of the assets or operations of the division of Lessee that is operating the Facility pursuant to this Lease.

8.05 Co-locations. Lessee may sublease use of the Premises upon Lessor's approval, such approval not to be unreasonably withheld, conditioned or delayed. Lessor shall require Lessee's co-locators to submit an application to Lessor for approval. In addition to the Lease Fee set forth in provision 1.01(D), Lessee shall pay to Lessor a minimum of Nine Hundred and 00/100 Dollars ($900.00) per month for each approved co-locator, if no additional ground space is required. Should co-locators require additional ground space, Lessee shall pay to Lessor the amount per month specified in Revised Ordinances of Honolulu §38-12.2 attributable to the additional aggregate footprint used or required to support the co-locator. Lessee may charge the co-locators reasonable charges for use of Lessee's Facilities and other improvements on the Premises which are used by the co-locators.

8.06 Assumption of Risks. It is understood that Lessee has inspected the Premises and knows the conditions thereof, accepts the condition of the Premises "as is", and fully assumes the risk that adverse physical conditions may not have been revealed by its investigation and all risks incident to its use.

8.07 Governing Law. The provisions of this Agreement shall be interpreted in accordance with the law of the State of Hawai'i as that law is construed and amended from time to time.

8.08 Headings. The titles of headings of sections, subsections, and paragraphs are intended for convenience of reference and shall not be considered as having any bearing on their interpretation.

8.09 Construction. All words used in the singular shall extend to and include the plural. All words used in the plural shall extend to and include the singular. All words used in any gender shall extend to and include all genders.

8.10 Interpretation of Agreement. Except for disputes between Lessor and Lessee regarding the terms and provisions of this Agreement, or any claim that arises under Paragraph 5 of this Agreement, if any question arises with respect to any provision of this Agreement as part of a dispute between a third party and either Lessor or Lessee, the interpretation given and made by the Director of Budget and Fiscal Services of the City and County of Honolulu, shall govern and control Lessor's interpretation.

8.11 No Party Deemed Drafter. The parties agree that neither party shall be deemed to be the drafter of this Agreement and that in the event this Agreement is ever construed by a court of law, such court shall not construe this Agreement or any provision hereof against either party as the drafter of this Agreement, Lessor and Lessee acknowledging that both parties have contributed substantially and materially to the preparation of this Agreement.

8.12 Non-Waiver. No delay or omission to execute a right or remedy accruing to either party on any breach or default by the other party shall impair any such right or remedy, and such delays or omissions shall not be construed to be a waiver of any such future breach or default. Any waiver must be in writing and shall be effective only to the extent specifically allowed by such writing.

8.13 Successors and Assigns. All terms, covenants and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and the parties' successors and permitted assigns.

8.14 Authority of Executors. The persons who have executed this Agreement represent and warrant that they are duly authorized to execute this Agreement in their individual or representative capacity as indicated.

8.15 Counterparts. This Agreement may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which shall constitute a single instrument.

[END OF TEXT, SIGNATURES ON NEXT PAGE]

This Lease is entered into this _____ day of _____, _____.

CITY AND COUNTY OF HONOLULU,
a municipal corporation of the State of Hawai'i

By: _____

Name: Andrew T. Kawano, Director

Title: Department of Budget and Fiscal Services

"Lessor"

STC TWO LLC,
a Delaware limited liability company

By: GLOBAL SIGNAL ACQUISITIONS II LLC,
a Delaware limited liability company
Its: Attorney in Fact

By: _____

Name: _____

Title: _____

"Lessee"

APPROVED AS TO CONTENTS:

By: _____

Name: Gene C. Albano, P.E.

Title: Director and Chief Engineer
Department of Facility Maintenance

By: _____

Name: Mark D. Wong, Director

Title: Department of Information Technology

APPROVED AS TO FORM AND LEGALITY:

By: _____

Name: _____

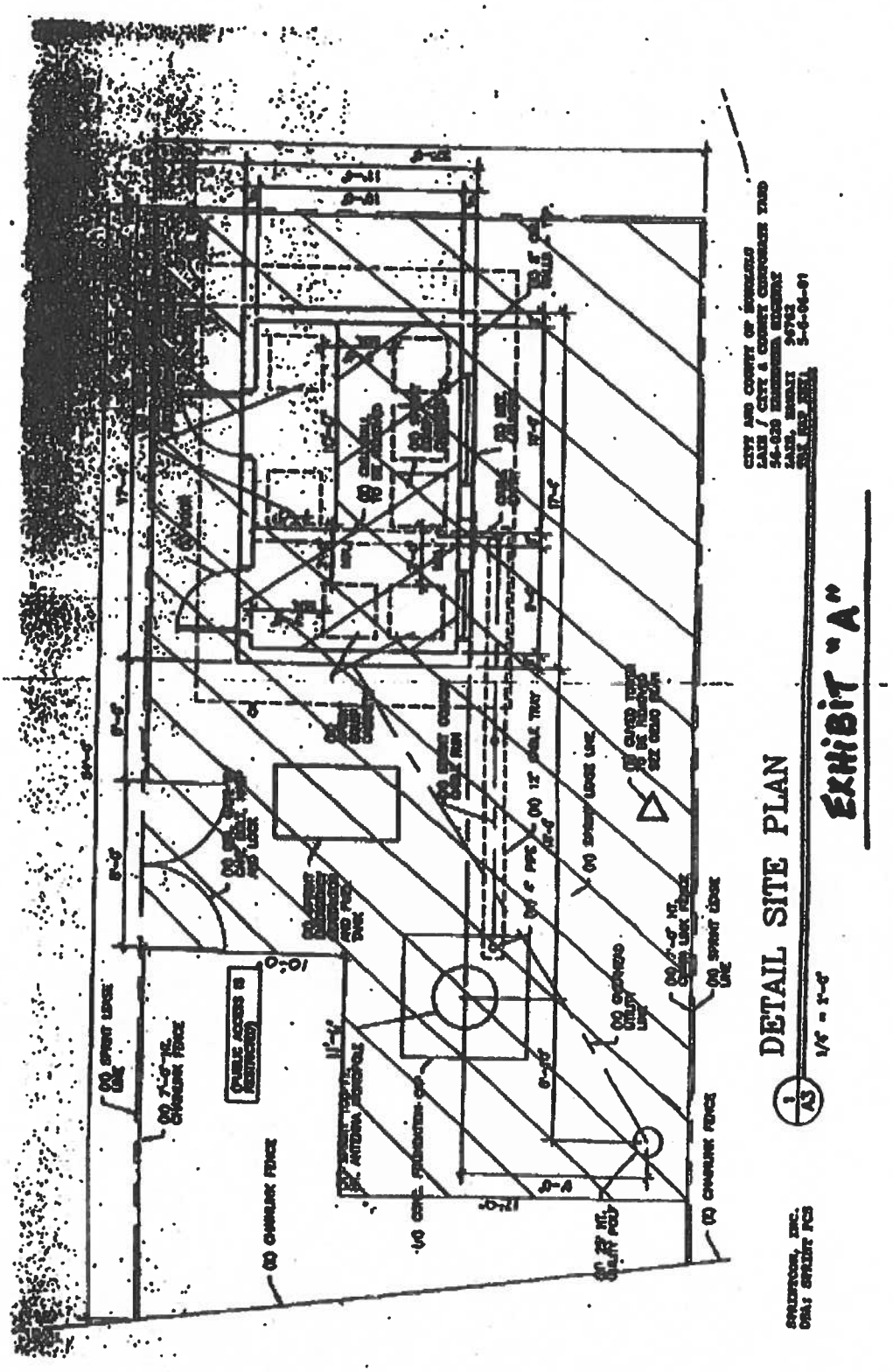
Title: Deputy Corporation Counsel

EXHIBIT A

LĀ'IE / CITY AND COUNTY CORPORATION YARD, 56-020 KAMEHAMEHA HIGHWAY, LĀ'IE, HAWAI'I 96762 (TMK: 5-6-006-001)

DRAFT

EXHIBIT B



Report Title:
Communication Site Lease Agreement; STC Two, LLC; Lā'ie Corporation Yard

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.