1 <u>2022-48 (1ST READING):</u> GRANTING A NON-EXCLUSIVE CONSENT 2 AGREEMENT TO DC BLOX, INC. TO INSTALL, MAINTAIN, AND OPERATE 3 TELECOMMUNICATION FACILITIES IN THE PUBLIC STREETS AND 4 RIGHTS-OF-WAY.

Applicant/Purpose: Staff / to grant a non-exclusive consent agreement to DC Blox to install, maintain, and operate telecommunication facilities in the public rights-of-way.

6 7 8

9

10

11

12

13

14

5

Brief:

- DC Blox is constructing a transoceanic subsea data cable that will make landing at Myrtle Beach State Park.
- To connect the cable to its data center located at 1401 Howard Avenue, DC Blox has requested to route the cable through the public rights-of-way along portions of Farrow Parkway, Shine Avenue, Phyllis Boulevard, and Howard Avenue.
- DC Blox has requested a Non-Exclusive Consent Agreement with the City authorizing the right to use and occupy the public streets and rights-of-way.

15 16 17

18 19

20 21

22

23 24

25

26

27

28 29

30

31

Issues:

- Initial term of 25 years with ability to renew for 2 additional 5-year terms (total of 35 years) with mutual consent of the parties
- Allows DC Blox to install its facilities underground in accordance with the route map attached to the Agreement as Exhibit A
- DC Blox will return the public streets and rights-of-way to at least the same or similar condition existing before such work was performed
- City is required to provide DC Blox with 180 days' notice if public improvements or public works projects will necessitate DC Blox to relocate its facilities; City retains the right to cut or move DC Blox facilities without prior notice in event of an emergency or to protect public safety
- DC Blox to procure commercial liability insurance (min. \$2 million); contractual liability insurance; workers' compensation insurance; automobile liability (min. \$1 million); pollution liability insurance (min. \$1 million); or a \$5 million umbrella policy
- DC Blox to indemnify the City, its officers, employees and agents from and against all claims, demands, costs, etc.

32 33 34

Public Notification: Normal meeting notification.

35 36

<u>Alternatives</u>: Do not allow such use of public streets and rights-of-way.

37 38 39

40

41

<u>Financial Impact</u>: Pursuant to S.C. Code Ann. § 58-9-2230, the City will receive an annual Consent Fee of \$1,000 for use of the public streets and rights-of-way by a telecommunications company. In addition, the City will receive an annual fee of \$4,000 in exchange for the agreement to provide 180 days' notice of the need for DC Blox to relocate its facilities due to non-emergency public improvements or public works projects.

42 43 44

Manager's Recommendation: I recommend 1st reading (10.25.22).

45 46

Attachment(s): Proposed ordinance, Non-Exclusive Consent Agreement

CITY OF MYRTLE BEACH

STATE OF SOUTH CAROLINA

COUNTY OF HORRY

TELECOMMUNICATION

NON-EXCLUSIVE

WHEREAS, DC BLOX, Inc. has requested consent of the City of Myrtle Beach to use the public streets and rights-of-way to construct, install, maintain, and operate its facilities for use in providing telecommunications services for its own business purposes and profit and to connect a transoceanic subsea data cable to the DC BLOX, Inc. cable landing station located at 1401 Howard Avenue, Myrtle Beach, South Carolina;

WHEREAS, the City has considered the request by DC BLOX, Inc. and determined such request is in accordance with the laws of this State;

GRANTING

OPERATE

AND RIGHTS-OF-WAY.

Α

CONSENT AGREEMENT TO DC BLOX.

INC. TO INSTALL. MAINTAIN, AND

FACILITIES IN THE PUBLIC STREETS

WHEREAS, the City finds granting such consent to DC BLOX, Inc. will serve to promote and expand the telecommunications and technology industries in Myrtle Beach and the surrounding areas, increase digital connectivity, and provide opportunity for continued growth and economic development in global commerce and connectivity; and

WHEREAS, the City is agreeable to allowing DC BLOX, Inc. to use the City's public streets and rights-of-way for the aforesaid purposes.

NOW, THEREFORE, PURSUANT TO THE CONSENT AND/OR FRANCHISE POWER OF THE CITY OF MYRTLE BEACH AND IN ACCORDANCE WITH S.C. CODE ANN. § 58-9-2200 *et seq.*, BE IT ORDAINED that the City Council hereby authorizes the City Manager and Assistant City Manager, or either one of them acting alone, to execute a Non-Exclusive Consent Agreement with DC BLOX, Inc. in the name of and on behalf of the City. The Non-Exclusive Consent Agreement is to be in substantially the form attached to this Ordinance as Exhibit A, with such changes as shall be approved by the City Manager or Assistant City Manager, or either one of them acting alone, such person's or persons' execution and delivery thereof to constitute conclusive evidence of approval of any and all changes or revisions therein from the Non-Exclusive Consent Agreement now before this meeting.

This ordinance is effective upon second reading.

BRENDA BETHUNE, MAYOR

45 ATTEST:

JENNIFER ADKINS, CITY CLERK

50 First reading: 10-25-2022

51 Second reading:

NONEXCLUSIVE CONSENT AGREEMENT WITH DC BLOX, INC.

This Nonexclusive Consent Agreement (hereinafter "Agreement") is made and entered into as of this ____ day of _____ ("Effective Date"), by and between the CITY OF MYRTLE BEACH, a South Carolina municipal corporation (hereinafter "City" or "Grantor"), and DC BLOX, INC., a Georgia corporation, (hereinafter "DC Blox" or "Grantee"), having its principal office at 6 West Druid Hills Drive NE, Atlanta, GA 30329.

WHEREAS, DC Blox, is a corporation duly organized and existing under the laws of the State of Georgia; and

WHEREAS, DC Blox desires to use and occupy the public streets and public rights-of-way (as hereinafter defined) located within the City for the purposes of constructing, installing and maintaining network facilities for telecommunication services within and through the City; and

WHEREAS, pursuant to Article 8, Section 15 of the Constitution of the State of South Carolina, S.C. Code Ann. §58-9-2230, and the Myrtle Beach Municipal Code, the City has the authority to grant franchises, consents and other authorizations for the use and occupancy of the public streets and public rights-of-way; and

WHEREAS, the City is agreeable to allowing DC Blox to use the public streets and public rightsof-way, subject to the terms and conditions hereinafter set forth and subject to any lawful telecommunications regulatory ordinance that has been or may be adopted by the City in the future;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the City and DC Blox agree as follows:

Section 1. Grant of Authority.

- (a) Subject to the terms of this Agreement, the City hereby grants to DC Blox the non-exclusive right to construct, install, maintain, locate, move, operate, place, replace, protect, reconstruct, reinstall, relocate, remove and replace fiber optic or other cable and related facilities for the provision of telecommunications service in the public streets and public rights-of-way in the City of Myrtle Beach, as more specifically described in **Exhibit A**. DC Blox shall have the exclusive right to occupy and utilize any fiber, cables, lines, telecommunications systems, Conduits, Ducts, and any other cable and/or related facilities that DC Blox or its underlying customers constructs, installs, locates, places, operates or maintains in City property pursuant to this Agreement, and the City shall have no right of use of such network facilities on behalf of itself, its agents, or any third parties unless such facilities are abandoned pursuant to Section 3 below.
- (b) DC Blox shall be solely responsible for obtaining any consents from state or federal agencies or private parties to the extent required. It is expressly agreed that this Agreement does not give DC Blox the right to occupy any public rights-of-way with permanent aboveground cabinets, poles, pads and other similar structures except pursuant to the express approval of the City, which approval shall not be unreasonably delayed, conditioned, or withheld, pursuant to any applicable federal, state, and local laws, ordinances, and

regulations, including any successor ordinance, and that nothing in this Agreement shall be construed as consent for DC Blox to provide fiber optic cable and service within the City, other than as expressly provided herein.

- (c) This Agreement is not a grant by the City of any fee simple or other property interest and is made subject and subordinate to the prior and continuing right of the City to exercise its police powers and use the public streets, public rights-of-way, and City property occupied by DC Blox for the purpose of laying, installing, maintaining, repairing, protecting, replacing, and removing, wastewater infrastructure, water infrastructure, storm drainage, gas infrastructure, poles and other equipment for municipal uses and with the right of ingress and egress, along, above, over, across and in said public streets, public rights-of way and City property.
- (d) This Agreement shall be in full force and effect from and after the date of its approval by the City Council governing body; provided, however, that notwithstanding such approval, this Agreement shall not become effective until all required bonds, letters of credit, certificates of insurance and other instruments required by this Agreement have been filed with, and accepted and approved by the City, which acceptance and approval shall not be unreasonably delayed, conditioned or withheld.
- (e) This Agreement shall not be construed to limit any right of the City to grant other franchise or consent agreements similar to or containing rights, privileges or authority materially similar to or the same as set forth herein.
- Section 2. Definitions. For the purpose of this Agreement, and the interpretation and enforcement thereof, the following words and phrases shall have the following meanings, unless the context of the sentence in which they are used shall indicate otherwise:

"Affiliate" means a person or entity that directly, or indirectly, through one or more intermediaries, owns, controls, is owned or controlled by, or is under common ownership or control with another person or entity.

"City" means the City of Myrtle Beach, South Carolina, and where appropriate to the context, its officers, agents, employees and volunteers.

"City Attorney" means the City Attorney or his designee.

"City Council" means the City Council of the City of Myrtle Beach.

"City Manager" means the City Manager or his designee.

"City property" means and includes all real property owned by the City, including public streets, public sidewalks and public rights-of-way, as those terms are defined herein, and all property held in a proprietary capacity by the City as set forth in **Exhibit A**.

"Conduit" means any materials, such as metal or plastic pipe, that protects wire, cable, lines, fiber optic cable or other technology for the provision of telecommunications service.

"Director of Public Works" means the Director of Public Works or her designee.

"Duct" means a pipe, tube, channel or similar item for carrying wires, lines, cables, fiber optic cable or other technology for the provision of telecommunications service.

"Fiber optic or other cable and related facilities" means fiber optic cables or other cables, facilities, conduits, converters, ground bars, splice boxes, handholds, manholes, vaults, equipment, drains, surface location markers, appurtenances and infrastructure related facilities located or to be located by DC Blox in the public streets or public rights-of-way of the City used or useful for the transmission of telecommunications services.

"Grantee" or "DC Blox" means DC Blox, Inc. and its contractors, subcontractors, agents, representatives and employees who are retained to perform any work including but not limited to installation, maintenance, repair, relocation and removal of telecommunications facilities.

"Grantor" means the City of Myrtle Beach, South Carolina.

"Public streets and public rights-of-way" include the surface of, and the space above and below, any public street, road, highway, avenue, sidewalk, way, bridge, viaduct, alley or other public right-of-way, including unimproved surfaces, now or hereafter held by the City, for the purpose of public travel, communications, alarm, street lighting, power distribution, water or wastewater or other public use, whether present or future, to the extent of the City's right, title, interest or authority to grant a franchise or give consent to occupy and use such streets for the purpose of providing telecommunications services.

"Public works project or public improvements" include, without limitation, the construction, maintenance, repair, realignment, paving or repaving change or grade, or other work on any public street, public right-of-way, or City property; as well as the construction, maintenance, repair or reconstruction of any water infrastructure, wastewater infrastructure, storm drainage or communications facility of the City.

"Telecommunications facilities" means the plant, equipment and property, including, but not limited to, the poles, pipes, mains, conduits, ducts, fiber optic and other cables, circuits, and wires, and any other equipment and property used by DC Blox or its customers to provide telecommunications service.

"Telecommunications service" means the providing or offering for rent, sale or lease, or in exchange for other value received, the transmittal of signals, including but not limited to, voice, data, image, graphic or video or other programming information, except cable television service, between or among points by wire, lines, cable, fiber optics, circuits, laser or infrared, microwave, radio, satellite or other telecommunications facilities, but not including cable television service.

Section 3. Term of Agreement.

(a) The term of this Agreement shall be for an initial term of twenty-five (25) years, commencing on the date of approval of this Agreement by the City Council. Upon mutual agreement of the parties, this

Agreement may be renewed for up to two (2) additional terms of five (5) years each, up to a total of thirty-five (35) years. Upon termination or expiration of this Agreement as herein provided, and unless the parties are in active good faith negotiation of a replacement agreement and agree in writing to an extension, DC Blox shall be prohibited from further access to or use of the public streets and public rights-of-way in the City.

(b) Upon the termination or expiration of this Agreement, including any renewal period, or if any portion of DC Blox's facilities is abandoned, DC Blox shall remove its telecommunications facilities at its own expense; provided, however, that DC Blox shall abandon in place such facilities that are below ground (i.e. Fiber optic or other cable and related facilities, Conduit, Ducts), and if directed by the City in writing, DC Blox shall abandon some or all of the other facilities in place, and such facilities shall become the property of the City upon their abandonment. In the event DC Blox fails to remove its facilities within one hundred eighty (180) days after abandonment or termination, except facilities abandoned in place at the direction of, or with the consent of the City, the City may cause such facilities to be removed, without further notice, and charge the reasonable, documented cost for removal to DC Blox, which shall pay such costs within thirty (30) days of receipt of an invoice outlining the removal costs without markup. The City may collect such costs, expenses and attorney's fees as debts owed to the City by bringing action in any court of competent jurisdiction to enforce this Section 3(b). The City shall also have a lien on the property of DC Blox in an amount equal to all such costs, expenses, and legal fees associated with collection efforts.

Section 4. Consideration

- (a) In consideration of the grant of authority to utilize and occupy the public streets and public rights-of-way and in accordance with applicable laws and ordinances, DC Blox shall pay the City such lawful franchise fees, consent fees, business license taxes and administrative fees as are permitted by Article 20 of Chapter 9 of Title 58 of the 1976 Code of Laws of South Carolina, as enacted in 1999, and as may be enacted and imposed by the City. Presently, such annual consent fee is \$1,000.00.
- (b) In addition to the annual consent fee for occupation of or work within the public streets and public rights-of-way permitted by Article 20 of Chapter 9 of Title 58 of the 1976 Code of Laws of South Carolina, DC Blox shall pay the City an annual fee of \$4,000.00 as consideration for the agreement set forth in Section 6(c) providing that, except in the case of an emergency, as necessary to preserve and protect public safety or in the exercise of the City's police powers, the City shall give DC Blox at least one hundred and eighty (180) days' written notice of the need for DC Blox to relocate or remove its facilities as a result of the construction, operation, maintenance, repair or removal of any public works or public improvements and shall not require DC Blox to relocate or remove its facilities in a manner that impacts its ability to maintain service over the facilities, if at all possible. The parties acknowledge that such agreement is separate and distinct from the City's consent for DC Blox to occupy or work within the public streets and public rights-of-way.
- (c) The initial annual fees shall be paid prior to the commencement of construction. Thereafter, the annual fees shall be paid by August 31 of each year. Fees shall be paid to:

City of Myrtle Beach ATTN: Director of Financial Management & Reporting P.O. Box 2468 Myrtle Beach, SC 29578

(d) Grantee shall also pay all such ad valorem taxes, service fees, business license fees, sales taxes or other taxes and fees as may now or hereafter be lawfully imposed on other businesses within the City. Provided, however, that in the event Article 20 of Chapter 9 of Title 58 of the 1976 Code of Laws of South Carolina, as enacted in 1999, or other laws governing franchise fees, consent fees, business license taxes and/or other fees with respect to Telecommunications service shall be modified by subsequent legislation or court decision, the provisions herein contained shall be brought into conformity with the changes in the applicable law by appropriate amendment to this Agreement. If the provisions pertaining to the amount of franchise fees, administrative fees, and business license taxes presently contained in Article 20 of Chapter 9 of Title 58 of the 1976 Code of Laws of South Carolina, as enacted in 1999, shall be removed or modified, the City shall be free, by amendment to this Agreement, to impose such fair, reasonable, competitively neutral and non-discriminatory fees and taxes as may then be permitted by the governing South Carolina or federal law.

Section 5. Compliance with Applicable Law.

DC Blox shall at all times during the term of this Agreement, including any renewal period, comply with all applicable federal, state, and local laws, ordinances, and regulations. The City expressly reserves the right to adopt, in addition to the provisions of this Agreement and existing laws, such additional ordinances and regulations as are necessary for the lawful exercise of its police power for the benefit and safety of the public, including but not limited to those pertaining to telecommunications, zoning, permitting, traffic control, construction and excavation, planning, aesthetics, and the environment.

Section 6. Construction; Location or Relocation of Facilities.

All facilities of DC Blox shall be constructed, installed and located in accordance with the following terms and conditions, unless otherwise specified by the City:

- (a) All telecommunication facilities within public streets, public rights-of-way or City property shall be underground including fiber, cables, lines, Conduit, Duct, and any other cable and/or related facilities as previously defined in Section 2. Manholes shall be permitted to access underground facilities in accordance with City of Myrtle Beach policies.
- (b) In the performance and exercise of its rights and obligations under this Agreement, DC Blox shall not interfere in any manner with the existence and operation of any public street and public or private right-of-way, wastewater infrastructure, water infrastructure, storm drainage, gas infrastructure, pole, overhead or underground electric and telephone wires, television cables, public works, facilities of other telecommunication providers, or City property, without the prior approval of the City, which approval shall not be unreasonably delayed, conditioned, or withheld.

- (c) Except as may be expressly provided herein, nothing in this Agreement shall be construed to abrogate or limit the right or obligation of the City to perform any public works or public improvements or exercise its police powers. If the City becomes aware of a need to relocate or remove DC Blox's facilities that may interfere with the construction, operation, maintenance, repair or removal of any public works or public improvements, within one hundred eighty (180) days after written notice by the City, DC Blox shall, at its own expense, remove, relocate, protect or alter such facilities as reasonably directed by the City Manager in a manner that does not impact the ability of DC Blox to maintain its services over the facilities, if at all possible. In planning and performing public works or public improvements or exercising its police powers under this Section 6(c), the City shall consider reasonable alternatives in an effort to limit the need for DC Blox to remove or relocate its facilities. However, the decision as to whether such facilities must be removed or relocated is within the sole discretion of the City. If removal or relocation is necessary, the City shall use reasonable efforts to afford DC Blox a reasonably equivalent alternate location for its facilities.
 - (i) If DC Blox fails to protect, alter, remove or relocate facilities and/or equipment in accordance with this Section 6(c), the City may break through, remove, alter or relocate the facilities and/or equipment of DC Blox without any liability to City, and DC Blox shall pay to the City the costs incurred in connection with such breaking through, removal, alteration or relocation. All out-of-pocket costs incurred by the City in connection with such breaking through, removal, alteration, relocation or restoration, as well as reasonable charges for City employee labor and use of City equipment, shall be charged against DC Blox and payable on demand or may be collected by exercising the City's right to claim under the surety bond. If DC Blox fails to pay such costs and charges incurred by the City in restoration of Damaged Property or the bond funds are not sufficient, then the City may collect such costs, and any expenses and attorneys' fees incurred in collecting such costs, as debts owed to the City, by bringing action in any court of competent jurisdiction or in any manner allowed by law. The City shall also have a lien on the property of DC Blox in an amount equal to all such costs, expenses, and legal fees associated with collection efforts.
 - (ii) Notwithstanding the provisions of this Section 6(c), the City retains the right and privilege to cut or move any telecommunications facilities located within the public rights-of-way or other areas of the City as the City may reasonably determine to be necessary in response to an emergency, as necessary to preserve and protect public safety or in the exercise of the City's police powers. The City will promptly notify DC Blox of such emergencies which may impact its telecommunications facilities prior to such actions being undertaken, if at all possible, and in the event that telecommunications facilities are cut or moved pursuant to this clause without prior notice being given, the City shall notify DC Blox of such cuts or movement no later than twenty-four (24) hours after such actions are undertaken. The City acknowledges that cables located within the facilities may carry high-voltage direct current electricity, and coordination with DC BLOX prior to cutting or removing cables is essential for the safety of personnel conducting any work on the facilities.
- (d) The facilities of DC Blox shall be located so as not to interfere with the public safety or the convenience of persons using the public streets or public rights-of-way. DC Blox shall construct, maintain and locate its telecommunications facilities so as not to interfere with the construction, location and maintenance

of wastewater, water, drainage, electrical, gas, telephone, signal, fiber optic facilities or other similar facilities of the City or other entities who have such existing facilities in place.

- (e) The City shall have the right to specifically designate the location of the facilities of DC Blox with reference to wastewater infrastructure, water infrastructure, storm drainage, gas infrastructure, fiber optic cable, signal poles and lines and similar services, other facilities such as public telephone utilities, public electric utilities, cable television facilities, railway, and street light (poles), communication and power lines, in such a manner as to protect the public safety and public and private property. Failure by the City to designate the location of DC Blox's facilities shall not relieve DC Blox of its responsibilities with respect to protecting public safety and public and private property, as provided in this Agreement.
- (f) DC Blox shall not open, disturb or obstruct, at any time, any more of the public streets or public rights-of-way than is reasonably necessary to enable it to lay or repair its telecommunications facilities. DC Blox shall not permit any public street or public right-of-way so opened, disturbed or obstructed by it to remain open, disturbed or obstructed for a longer period of time than shall be reasonably necessary. In all cases where any public street or public right-of-way is excavated, disturbed or obstructed by DC Blox, DC Blox shall take all precautions necessary or proper for the protection of the public and shall maintain adequate warning signs, barricades, signals and other devices necessary or proper to adequately give notice, protection and warning to the public of the existence of all actual conditions present, and shall comply with all federal, state, and local laws and regulations, including but not limited to the requirements of the Manual of Uniform Traffic Control Devices (MUTCD) and the requirements of the South Carolina Department of Transportation.
- (g) Neither DC Blox, nor any person acting on DC Blox's behalf, shall take any action or permit any action to be done which may impair or damage any City property, including but not limited to any public street, public right-of-way or other City property located in, on or adjacent thereto. DC Blox shall be responsible for all damage or defect to any City property, including but not limited to trees and other land-scaping, irrigation systems, street pavement, existing utilities, curbs, gutters and sidewalks (the "Damaged Property") due to DC Blox's installation, removal, relocation, construction, maintenance or repair of its telecommunications facilities in the public streets and public rights-of-way, and shall repair, replace and restore in kind, the Damaged Property at its sole expense to a minimum of the same or similar condition existing before such installation, removal, relocation, construction, maintenance or repair.
 - (i) All work undertaken by DC Blox to repair and restore the Damaged Property shall be completed in a manner acceptable to the Director of Public Works, acting reasonably. DC Blox shall promptly restore and replace Damaged Property with like materials to its former condition at DC Blox's expense; however, where it is necessary as reasonably determined by DC Blox and the Director of Public Works, and if so authorized by the Director of Public Works, in order to achieve the former conditions, DC Blox shall use materials whose type, specification and quantities may exceed those used in the initial installation by the City. In such instance, DC Blox shall provide such materials at its expense. All restoration work to Damaged Property shall be done in accordance with landscape plans approved by the City. Where a cut or disturbance is made in a section of sidewalk or paving, rather than replacing only the area actually cut, DC Blox shall replace the full width of the existing sidewalk or appropriate sections of paving as determined by the Director of Public Works and the full length of the section or sections cut, a section being defined as that area

marked by expansion joints or scoring or as determined by the Director of Public Works.

- (ii) DC Blox shall promptly remove, repair or replace any Damaged Property or any obstruction in any public street or public right-of-way caused by DC Blox in the installation, removal, relocation, construction, maintenance, or repair of DC Blox's telecommunications facilities. DC Blox shall perform the restoration work within forty-eight (48) hours subject to extension as provided in Section 6(g)(iii) below after the installation, removal, relocation, construction, maintenance or repair is completed. DC Blox warrants for a period of two (2) years following the date of repair or replacement all portions of public streets or public rights-of-way disturbed by DC Blox against defective workmanship or materials supplied by DC Blox. Outside of the above warranty, the general maintenance of the repaired or replaced public streets or public rights-of-way shall be the sole responsibility of the City.
- (iii) If weather or other conditions do not permit the complete repair or restoration required by this Section, DC Blox shall temporarily restore the affected property to the reasonable satisfaction of the Director of Public Works. Such temporary restoration shall be at DC Blox's sole expense and DC Blox shall promptly undertake and complete the required permanent repair or restoration when the weather or other conditions no longer prevent such permanent restoration.
- (iv) Upon failure of DC Blox to repair, replace and restore the Damaged Property, in a manner as may be reasonably specified by the City and to the reasonable satisfaction of the City and after five (5) days written notice from the City, the City may perform or cause to be performed any necessary repairs, as determined exclusively by the City. All out-of-pocket costs incurred by the City, as well as reasonable charges for City employee labor and use of City equipment, shall be charged against DC Blox and payable on demand or may be collected by exercising the City's right to claim under the surety bond. If DC Blox fails to pay such costs and charges incurred by the City in restoration of Damaged Property or the bond funds are not sufficient, then the City may collect such costs, and any expenses and attorneys' fees incurred in collecting such costs, as debts owed to the City, by bringing action in any court of competent jurisdiction or in any manner allowed by law. The City shall also have a lien on the property of DC Blox in an amount equal to all such costs, expenses, and legal fees associated with collection efforts.
- (h) In the event of an unexpected repair or emergency, DC Blox may commence such repair and emergency response work as required under the circumstances, provided DC Blox shall notify the City as promptly as possible before such repair or emergency work is started or as soon thereafter as possible if advance notice is not practicable, but in no event more than twelve (12) hours after DC Blox learns of the need for such emergency repairs. DC Blox shall perform the unexpected or emergency repair in the manner that causes the least interference with the use of the public streets and public rights of way and the City's infrastructure assets. Such unexpected or emergency repairs shall be completed, and the site returned to its former condition in accordance with Section 6(g) within forty-eight (48) hours, if at all possible. If repairs necessitate additional time, DC Blox will provide notice to the City as soon as it becomes apparent that repairs will not be completed in the specified initial forty-eight (48) hour period and include an estimate of the additional repair time, as well as a contingency plan to minimize interference with the use of the public streets and public rights of way and the City's infrastructure assets for the remaining duration of the repair.

- (i) Except in the cases of emergencies as set forth in Section 6(h), DC Blox shall not move, alter, change or extend any of its telecommunications facilities in any public street or public right-of-way unless thirty (30) days prior written notice of its intention to do so is given to the City Manager and permission in writing to do so is granted, or such requirement is waived, by the City Manager and all required encroachment permits or other permits are obtained. The City Manager shall use his best efforts to either approve or deny DC Blox's request to relocate it facilities within fifteen (15) days of receipt of DC Blox's request. Such permission shall be conditioned upon compliance with this Agreement. Such work by DC Blox shall also be coordinated with the City's annual paving program through the Department of Public Works.
- (j) DC Blox shall at all times employ a high standard of care and shall use industry standard methods and devices for preventing failure or accidents which are likely to cause damages, injuries or nuisances to the public. All work shall be performed in accordance with all applicable standards, codes, and regulations. DC Blox shall maintain its facilities in good and safe condition and in a manner that complies with all applicable federal, state and local requirements, laws, ordinances, and regulations. DC Blox acknowledges and agrees it is responsible for the work of all subcontractors or others performing work on behalf of DC Blox.
- (k) DC Blox shall obtain all required encroachment or other permits from the City and any other governmental entity having jurisdiction prior to commencing work necessitating such permits and shall comply with all terms and conditions of any such permit. A single encroachment permit may be issued for multiple excavations to be made in public streets and rights-of way. DC Blox shall provide an encroachment permit application to the City for any repair or excavations related to repairs. Exceptions to the requirement for a written encroachment permit may be allowed in cases of emergencies involving public safety or restoration of service. In the case of emergency excavations made in a public street or public right-of-way without an encroachment permit, DC Blox shall notify the City of each such excavation and submit an application within twelve (12) hours. Any encroachment permit applications related to repair or excavations shall be granted or denied within fifteen (15) business days from submission and, if denied, accompanied by a written explanation for the denial and, if the denial may be cured, the actions required to cure.
- (I) Except in the case of the City's gross negligence or intentional or willful misconduct, the City, its officers, agents, or employees, shall not be liable for any damage to or loss of any of DC Blox's telecommunications services or telecommunications facilities within the public rights-of-way or any other areas of the City as a result of or in connection with any public works projects, public improvements, construction, excavation, grading, filling, or work or activity or lack of any activity of any kind by or on behalf of the City. The City's liability, if any, shall be governed by the South Carolina Tort Claims Act, S.C. Code Ann. §15-78-10 et seq.
 - (m) DC Blox shall cooperate with the City in coordinating its construction activities as follows:
 - (i) Prior to its installation of any Telecommunications facilities in the public streets or public rights-of-way and after DC Blox provides the City with its proposed plans and schedule of its proposed construction activities for the Telecommunications facilities, the City may in its discretion designate certain locations to be excluded from use by DC Blox for its Telecommunications

facilities, including, but not limited to, ornamental or similar specially designed streets lights or other facilities or locations which, in the reasonable judgment of the Director of Public Works. do not have electrical service adequate for or appropriate for DC Blox's facilities or cannot safely bear the weight or wind loading thereof, or any other facility or location that in the reasonable judgment of the Director of Public Works is incompatible with the proposed Telecommunications facilities or would be rendered unsafe or unstable by the installation. The Director of Public Works may further exclude certain other facilities that have been designated or planned for other use or are not otherwise proprietary, legal or other limitations or restrictions as may be reasonably determined by the City. In the event such exclusions conflict with reasonable requirements of DC Blox, the City will cooperate in good faith with DC Blox to attempt to find suitable alternatives, if available, provided that the City shall not be required to incur financial costs or required to acquire new locations for DC Blox. DC Blox shall, prior to any excavation or installation within the public streets or public rights-of-way, provide sufficient notification and joint installation opportunity on a shared cost basis to potential users of the public streets or public rights-of-way as may be provided for by a separate City policy. Such notification and adopted policies shall be designed to maximize co-location of providers to minimize the disturbance to the public streets or public rights-of-way and maximize its useable capacity;

- (ii) Upon request, DC Blox shall meet, whether in person or via video/teleconference at the discretion of the parties, with the City and other users of the public rights-of-way to coordinate construction in the public rights-of-way; and
- (iii) DC Blox shall submit a written construction schedule to the Director of Public Works at least fifteen (15) business days before commencing any work in or about the public streets or public rights-of-way. DC Blox shall comply with the provisions of the South Carolina Underground Utility Damage Prevention Act, (S.C. Code of Laws, Title 58, Chapter 36), and in accordance with the guidance of Palmetto Underground Protection Services, Inc. d/b/a South Carolina 811 with regard to call before you dig notices.

Section 7. Mapping.

(a) DC Blox shall maintain and regularly update a map of its telecommunications facilities which shall be accurate in all material respects. DC Blox shall provide the City with "as built" drawings and map(s) showing the location of its facilities, including conduit lines and any other facilities requested by the City to include a digitized map(s) in both printed and electronic form readable by the current version of Auto-CAD and tied to the South Carolina State Plane Coordinate System and to the City's Survey Control monuments and geographic information system certifying the location of all telecommunication facilities within the City. DC Blox shall, upon request, provide updated maps annually. If no changes have occurred since the last update provided by DC Blox, an update shall not be required. DC Blox shall supply and specify the location of all of its underground facilities by depth, line, and grade, proximity to other facilities. DC Blox shall cause the location of such facilities to be verified by a registered state surveyor, to the extent required by the Director of Public Works. DC Blox shall relocate, at its sole expense, any facilities which are not located in compliance with permit requirements or this Agreement.

- (b) If DC Blox provides the City any information deemed proprietary, confidential or a trade secret, DC Blox will notify the City of this opinion and the City will keep such information confidential to the extent permitted by the South Carolina Freedom of Information Act or other similar law, regulation or rule. DC Blox will submit an existing Facilities Map as a condition precedent to the City's approval of this Agreement. As for additional installations not reflected in Exhibit A, DC Blox shall submit the proposed mapping of its plans for additional construction to the City prior to any construction. As-built drawings of any additional facilities shall be furnished to the City within one hundred twenty (120) days of completion of such construction. All as-built maps and drawings shall be drawn to scale and reference to a physical City benchmark to the extent the physical benchmark is in reasonable proximity to DC Blox's new installation. All mapping shall be provided in a format compatible to the City's present and future mapping systems. Alternatively, DC Blox will pay for the cost of making the mapping compatible.
- Section 8. Insurance Requirements. At all times during the term of this Agreement and any renewal period, DC Blox shall, at its expense, maintain the following insurance policies. Any insurance company providing coverage under this Agreement shall be authorized to do business in the State of South Carolina and have a rating of no less than A by A.M. Best Co.
 - (a) Commercial General Liability. Commercial General Liability insurance coverage on an occurrence basis insuring against all claims, loss, cost, damage, expense or liability from loss of life or damage or injury to persons or property arising out of any of the work or activity under or by virtue of this Agreement. The minimum limits of liability for such coverage shall be Two Million Dollars (\$2,000,000.00) combined single limit for any one occurrence. However, the parties acknowledge that DC Blox may meet the policy limit in this section by combination of DC Blox's General Commercial Liability Policy and DC Blox's Umbrella or Excess Liability Policy.
 - (b) Contractual Liability. Broad form Contractual Liability insurance, including the indemnification obligations of DC Blox set forth in this Agreement.
 - (c) Workers' Compensation. Workers' Compensation insurance covering DC Blox's statutory obligation under the laws of the State of South Carolina and Employer's Liability insurance for all its employees engaged in work under this Agreement.
 - (d) Automobile Liability. Automobile Liability insurance having minimum limits of liability of One Million Dollars (\$1,000,000.00) combined single limit applicable to owned or non-owned vehicles used in the performance of any work under this Agreement.
 - (e) Pollution Liability Insurance. DC Blox shall maintain during the life of this Agreement Pollution Liability Insurance in the amount of One Million Dollars (\$1,000,000.00) for each occurrence. Coverage shall be provided for bodily injury and property damage resulting from pollutants which are discharged suddenly and accidentally. Such insurance shall also provide coverage for cleanup costs.
 - (f) Umbrella Coverage. The insurance coverages and amounts set forth in this Section may be met by an umbrella liability policy following the form of the underlying primary coverage in a

minimum amount of Five Million Dollars (\$5,000,000.00). Should an umbrella liability insurance coverage policy be used, such coverage shall be accompanied by a certificate of endorsement stating that it applies to the specific policy numbers indicated for the insurance providing the coverages required by this section.

(g) Prior to commencing construction pursuant to this Agreement or within thirty (30) days after the granting of the consent contemplated by this Agreement, whichever is sooner, DC Blox shall furnish the City a memorandum certificate or certificates of insurance, showing the type, amount, effective dates and date of expiration of the policies, and thereafter prior to the expiration of any such policy or change in the amount or conditions, of coverage. Such certificate or certificates and evidence of insurance shall include the City, its officers, agents, and employees as additional insureds. DC Blox shall obtain a written obligation on the part of each insurance company not to cancel or materially alter the insurance except after thirty (30) days' written notice has been received by the City of Myrtle Beach and by DC Blox. Upon receipt of such notice from DC Blox's insurance company, DC Blox will immediately notify the Director of Public Works, or designee, with the City of Myrtle Beach on any of the required coverages that are not replaced.

Section 9. Surety.

- (a) Within thirty (30) days after this Agreement is approved by the City, and prior to the commencement of any construction by DC Blox, DC Blox shall furnish and file with the City a surety bond, to be issued by a company lawfully authorized to issue surety bonds in the State of South Carolina, in the sum of Seventy Five Thousand Dollars (\$75,000.00). The bond shall remain in effect or be renewed for the duration of this Agreement and guarantee DC Blox's faithful completion and performance of the terms and conditions of this Agreement, including, but not limited to: (1) the timely completion of construction; (2) compliance with applicable plans, encroachment permits, technical codes and standards; (3) proper location of the facilities as specified by the City; (4) restoration of the public rights-of-way and other property affected by the construction as required by this Agreement; (5) the submission of "as-built" drawings after completion of the work as required by this Agreement; (6) timely payment and satisfaction of all claims, demands or liens for labor, material or services provided in connection with the work; and (7) the payment by DC Blox of all lawful liens, taxes, damages, claims, costs or expenses which the City has been compelled to pay or has incurred by reason of any act or default of DC Blox under this Agreement and all other payments due the City from DC Blox pursuant to this Agreement.
- (b) Whenever the City determines that DC Blox has violated one (1) or more terms, conditions or provisions of this Agreement for which relief is available against the bond, a written notice shall be given to DC Blox. The written notice shall describe in reasonable detail the violation so as to afford DC Blox an opportunity to remedy the violation. DC Blox shall have twenty (20) days subsequent to receipt of the notice in which to correct the violation or, if such violation cannot reasonably be corrected within such time, DC Blox shall have twenty (20) days to commence correction of such violation and shall have such additional time as is reasonably necessary to diligently complete same, not to exceed ninety (90) days, before the City may make demand upon the bond.
 - (c) Upon written request of DC Blox and with consent of the City, the principal amounts of the bond

provided for hereinabove may be reduced to Twenty-Five Thousand Dollars (\$25,000.00), at such time as (1) DC Blox has completed construction of the fiber optic or other cable and related facilities contemplated in this Agreement and (2) the City has approved such construction, which approval shall not be unreasonably conditioned, delayed, or withheld. All other terms and conditions governing such bond shall remain in full force and effect.

(d) The City agrees to accept the bond provided for hereinabove from DC Blox's contractor in lieu of DC Blox, and agrees that any such bond provided by either DC Blox or DC Blox's contractor may be replaced at any time by either DC Blox or a transferee of DC Blox in the event of a City-authorized assignment of this Agreement.

Section 10. Transfer of ownership. Notwithstanding any provision of this Agreement, DC Blox may not assign, transfer, lease, or sell any of the rights and privileges granted hereunder without the approval of the City Manager, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that no consent need be obtained to assign, transfer, lease or sell any rights and privileges granted hereunder to any of DC Blox's affiliates, any party providing financing to DC Blox, or any successor to all or substantially all of the assets of DC Blox by way of merger, consolidation or sale of substantially all of its assets. No assignment, transfer, lease or sale shall be effective until the assignee, transferee, lessee, or the purchaser, including an affiliate, has filed with the City a duly executed instrument reciting the fact of such assignment, transfer, lease or sale and accepting the terms of this Agreement and agreeing to perform all of the conditions thereof.

Section 11. Indemnification. DC Blox agrees to indemnify, defend and hold harmless the City, its officers, employees, volunteers and agents from and against all claims, demands, suits, actions, losses, damages, liabilities, fines, and penalties, and all costs and expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees and costs of defense (collectively, the losses) arising out of any negligent, grossly negligent, intentional or willful act or omission of DC Blox, its officers, directors, employees, agents, contractors, subcontractors or representatives except to the extent caused solely by the gross negligence or willful misconduct of the City, its officers, employees and agents. In addition, DC Blox shall protect, defend, indemnify, and hold harmless the City, its officers, agents, and employees, from any and all demands for fees, claims, suits, actions, causes of action, or judgments based on the alleged infringement or violation of any patent, invention, article, arrangement, or other apparatus that may be used in the performance of any work or activity arising out of the use of any Telecommunication facilities or the provision of Telecommunication service.

Section 12. Hazardous Substances. In its performance of this Agreement, DC Blox shall not transport, dispose of or release any hazardous substance, material, or waste, except as necessary in performance of its work under this Agreement, and in any event DC Blox shall comply with all federal, state, and local laws, rules, regulations, and ordinances controlling air, water, noise, solid wastes, and other pollution, and relating to the storage, transport, release, or disposal of hazardous material, substances or waste. Regardless of the City's acquiescence, DC Blox shall indemnify and hold the City, its officers, agents, employees and volunteers harmless from all costs, claims, damages, causes of action, liabilities, fines or penalties, including reasonable attorney's fees, resulting from DC Blox's violation of this section and agrees to reimburse City for all costs and expenses incurred by the City in eliminating or remedying such violations.

DC Blox also agrees to reimburse the City and hold the City, its officers, agents, employees and volunteers harmless from any and all costs, expenses, attorney's fees and all penalties or civil judgments obtained against any of them as a result of DC Blox's use or release of any hazardous substance or waste onto the ground, or into the water or air from, near or upon the City's property. For purposes of this Section, the following definitions shall apply: "Hazardous Substances" means asbestos and any and all pollutants, dangerous substances, toxic substances, hazardous wastes, hazardous materials and hazardous substances as referenced or defined in, or pursuant to, any federal, state, local or other applicable environmental law, statute, ordinance, rule, order, regulation or standard in effect on the date hereof including, without limitation, the Resource Conservation and Recovery Act (42 U.S.C. § 6901, et seq.), as amended, the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 135, et seq.), as amended, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601, et seq.), as amended, (and the Toxic Substance Control Act (15 U.S.C. § 2601, et seq.), as amended.)

As used in this Section 12, "release" includes the placing, releasing, depositing, spilling, leaking, pumping, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any substance.

Section 13. General provisions.

- (a) Authority. DC Blox warrants and represents that it has obtained or prior to commencing construction shall have obtained, all necessary and appropriate authority and approval from all applicable federal and state agencies or authorities to do business in and provide all telecommunications facilities and services it intends to provide within the City, and upon request by the City will provide evidence of such authority.
- (b) Other remedies. Nothing in this Agreement shall be construed as waiving or limiting any rights or remedies that the City or DC Blox may have, at law or in equity, for enforcement of this Agreement.
- (c) Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Agreement, or its application to any person, is, for any reason, declared invalid, in whole or in part by any court or agency of competent jurisdiction, said decision shall not affect the validity of the remaining portions hereof.
- (d) Non-enforcement. Neither party shall be excused from complying with any of the provisions of this Agreement by any failure of the other party, upon any one or more occasions, to insist upon strict performance of this Agreement or to seek the other party's compliance with any one or more of such terms or conditions of this Agreement.
- (e) Conflicts of law. If there is a conflict between the provisions of this Agreement and any law, whether federal, state, or City, including all future laws and ordinances, the law and conflicting Agreement provision will, to the extent reasonably possible, be construed so as to be consistent with each other and if such construction is not reasonably possible, the conflicting provision of this Agreement shall be deemed superseded by such law and have no effect, notwithstanding the contract clause of the United States Constitution.

- (f) Controlling law and venue. By virtue of entering into this Agreement, DC Blox agrees and submits itself to a court of competent jurisdiction in the State of South Carolina and further agrees that this Agreement is controlled by the laws of the State of South Carolina or any applicable federal laws and that all claims, disputes and other matters shall be decided only by such court according to the laws of the State of South Carolina (without reference to the conflict of laws provisions of the State of South Carolina) or any applicable federal laws or by any regulatory body with jurisdiction, including the Federal Communications Commission.
- (g) Captions. The section captions and headings in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- (h) Nondiscrimination. During the performance of this Agreement, DC Blox agrees that it will not discriminate against any employee or applicant for employment on the basis of race, religion, color, sex, handicap or national origin. DC Blox agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. DC Blox, in all solicitations or advertisements for employees placed by or on behalf of DC Blox, will state that DC Blox is an equal opportunity employer. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements herein. DC Blox agrees to comply with the good faith minority business efforts required by the Myrtle Beach City Code.
- (i) DC Blox and the City agree that all parties participated in negotiating and drafting this Agreement and that no rule of construction shall apply to this Agreement which construes any language, whether ambiguous, unclear or otherwise, in favor of, or against any party by reason of that party's role in drafting this Agreement.
- (j) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all which together shall constitute one and the same instrument.
- (k) *Notices*. Notices given pursuant to this Agreement shall be in writing and addressed as follows:

To the City:

City of Myrtle Beach
Attn: City Manager
P.O. Box 2468
Myrtle Beach, SC 29578

City of Myrtle Beach Attn: Director of Public Works 3210 Mr. Joe White Ave. Myrtle Beach, SC 29578

With copies to:

City of Myrtle Beach Attn: City Attorney P.O. Box 2468 Myrtle Beach, SC 29578

To DC Blox:

DC Blox, Inc. Attn: Chief Financial Officer 6 West Druid Hills Drive NE Atlanta, GA 30329

With copies to:

Nexsen Pruet, LLC Attn: Franklin G. Daniels 1101 Johnson Avenue, Suite 300 Myrtle Beach, SC 29577

Either party may change the address at which it will receive notices by providing written notice of the change to the other party.

[Signature Page(s) to Follow]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

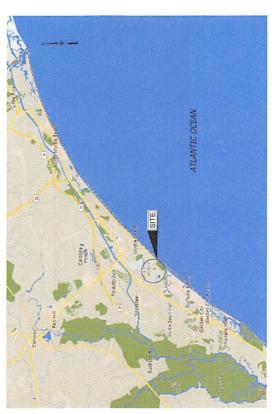
DC BLOX, INC.:		WITNESSES:		
Ву: _	Kevin O'Donnell			
	Chief Financial Officer			
Date:				
CITY	OF MYRTLE BEACH:	WITNESSES:		
Ву: _	Jonathan "Fox" Simons			
Its:	City Manager			
Date:				

<u>Exhibit A</u> **Description of City Property**

[See attached "Firmina Subsea Cable Fronthaul Construction Plan" dated June 2022]

FIRMINA SUBSEA CABLE FRONTHAUL CONSTRUCTION PLAN CITY OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA





MIES 0 2 MIES 4 MIES SCALEN FEET

	IFC .		SCALE
DC BLOX INC.	ATLANTA, GA 30329	MICHAEL BAKER INTERNATIONAL INC.	MOON TOWNSHIP, PENNSYLVANIA
A DC BLOX		Michael Baker	
Warrant .	EMIS SECTION OF THE PROPERTY O	The Treated	1/2 (BIND)
DESIGNED LICER		REVIEWED JAZ. KC \$.0. 188865	
DESI	CHE CHE	REVIEW S.O.	
REVISIONS DESCRIPTION			

G-001

FIRMINA SUBSEA CABLE FRONTHAUL CONDUIT SYSTEM COVER

