

THIRD AMENDMENT TO LICENSE AGREEMENT

This Third Amendment to License Agreement is made and entered into as of this _____ day of _____, 2015 by and between the City of Manhattan Beach, a California municipal corporation ("City") and Northrop Grumman Systems Corporation, a Delaware corporation ("Northrop Grumman").

WHEREAS, City and Northrop Grumman Space & Mission Systems Corp. ("Predecessor Licensee"), predecessor-in-interest to Northrop Grumman, entered into that certain License Agreement dated April 6, 2004 (the "License Agreement"), authorizing Northrop Grumman to install, in the public right of way and on public property owned by the City, an aerial fiber optic backbone cable that serves as a secondary/backup system to Northrop Grumman's primary underground pathway/backbone cabling;

WHEREAS, City and Predecessor Licensee entered into that certain First Amendment to License Agreement dated August 1, 2004 (the "First Amendment"), which extended the term of the License Agreement;

WHEREAS, the parties entered into that certain Second Amendment to License Agreement dated July 20, 2010 (the "Second Amendment"), which extended the term of the License Agreement until June 30, 2015, among other changes;

WHEREAS, the parties wish to enact this Third Amendment to License Agreement in order to extend the term of the Agreement (the License Agreement, as amended by the First Amendment and Second Amendment, is referred to herein as the "Agreement") to add renewal options, as well as to amend the fee schedule and notice provisions;

NOW THEREFORE, the parties agree to amend the Agreement as follows:

1. Paragraph 3, Termination of License, of the Agreement shall be deleted and replaced as follows:

"Licensor or Licensee may without cause at any time terminate this License Agreement upon thirty (30) days prior written notice to the other party. Licensee shall have thirty (30) days from the date of the notice to remove its lines and improvements from the Subject Property. Should Licensee fail to do so upon the expiration of the thirty (30) days, all such lines and improvements shall become the property of Licensor."

2. Paragraph 4, Consideration, of the Agreement shall be deleted in its entirety and replaced as follows:

"In consideration of the rights granted hereunder, Licensee shall pay to Licensor the amounts shown below per year or prorated thereof, as applicable:

<u>Payment Due Date</u>	<u>Term Year</u>	<u>Payment Amount</u>
July 1, 2015	7/1/15 – 6/30/16	\$1,292.00
July 1, 2016	7/1/16 – 6/30/17	\$1,318.00
July 1, 2017	7/1/17 – 6/30/18	\$1,344.00
July 1, 2018	7/1/18 - 6/30/19	\$1,371.00
July 1, 2019	7/1/19 – 6/30/20	\$1,398.00”

3. Paragraph 5, Term, of the Agreement shall be deleted in its entirety and replaced as follows:

“The term of this Agreement, if not terminated sooner by Licensor as provided for in Paragraph 3, Termination of Lease, is hereby extended for an additional five (5) year period beginning on July 1, 2015 and ending at 12:00 midnight on June 30, 2020. Licensee shall remove any equipment or improvements from the licensed property upon termination of this Agreement for any reason. Should Licensee fail to so remove any of its equipment or improvements within thirty (30) days of the termination date, it shall become the property of Licensor.

City hereby grants to Northrop Grumman the option to extend the Term of this License Agreement for an additional five (5) year period (July 1, 2020 through June 30, 2025 (the “Option Term”) on the same terms and conditions as set forth in this Agreement, except Licensee shall pay Licensor the yearly amounts as set forth below. The option must be exercised, if at all, by written notice delivered to the City at least six (6) months prior to the expiration of the then current term.

<u>Payment Due Date</u>	<u>Option Term Year</u>	<u>Payment Amount</u>
July 1, 2020	7/1/2020 – 6/30/2021	\$1,398.00
July 1, 2021	7/1/2021 – 6/30/2022	\$1,426.00
July 1, 2022	7/1/2022 – 6/30/2023	\$1,455.00
July 1, 2023	7/1/2023 – 6/30/2024	\$1,484.00
July 1, 2024	7/1/2024 – 6/30/2025	\$1,514.00”

4. Paragraph 7 of the Agreement regarding Notice shall be deleted in its entirety and replaced with the following:

“Notices. Any notices required or permitted to be given under the terms of this Agreement (“Notice or Notices”), shall be given by either party to the other hereunder in writing and shall be deemed effective on the date of delivery and if given by (A) United States certified or registered mail, postage prepaid, return receipt requested, (B) delivered by a nationally recognized overnight courier, or (C) delivered personally. Any Notice shall be sent, and delivered to City or Northrop Grumman at the appropriate address set forth below, or to such other place as City or Northrop Grumman from time to time designate in a Notice to the other. Any Notice shall be addressed as follows:

If to Northrop Grumman:

Northrop Grumman Systems Corporation
One Space Park, M/S: K02610/S
Redondo Beach, CA 90278
Attn: Sector Real Estate – Legal Notices

If to the City:

City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266
Attn: Director of Community
Development

With a copy to:

Northrop Grumman Systems Corporation
2908 Fairview Park Drive
Falls Church, VA 22042-4511
Attn: Law Department – Real Estate Legal Notices

With a copy to:

City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266
Attn: City Attorney

Northrop Grumman Systems Corporation
One Space Park, M/S: D2
Redondo Beach, CA 90278
Attn: Corporate Real Estate – Legal Notices”

5. Except as modified herein, all other terms and conditions of the Agreement shall remain in full force and effect. The Agreement as amended herein, shall constitute the entire agreement between the parties and supersede any previous written or oral agreements.


IN WITNESS WHEREOF, the City and Northrop Grumman have entered into this Third Amendment to License Agreement with the terms of this Agreement effective July 1, 2015.

CITY OF MANHATTAN BEACH


NORTHROP GRUMMAN SYSTEMS CORPORATION

By: _____
Name: Mark Danaj
Its: City Manager

By: _____
Name: A. J. Paz
Its: Corporate Director of Real Estate

 4/17/2015

APPROVED AS FORM:

By:  _____
Name: Quinn M. Barrow
Its: City Attorney

ATTEST:

Liza Tamura, City Clerk