

CITY COUNCIL REPORT



Meeting Date: October 6, 2015
 General Plan Element: *Public Services & Facilities*
 General Plan Goal: *Provide reliable power and communication services that match the character of Scottsdale*

ACTION

Adopt Resolution No. 10217, authorizing the Mayor to execute Contract No. 2015-199-COS, a Video Services License with Google Arizona to install, operate and maintain a communications infrastructure providing video services and high-speed internet service.

BACKGROUND

In the spring of 2011, Google announced the selection of Kansas City as the first region for the build out of Google's fiber-optic network which offers television and high-speed (1 Gigabit) internet access to residents. Three years later, in February 2014, Google announced the potential expansion of these services to 34 cities in nine major metropolitan areas, including the Phoenix metro area (cities of Scottsdale, Tempe and Phoenix) and Atlanta, GA; Charlotte, NC; Nashville, TN; Portland, OR; Raleigh-Durham, NC; Salt Lake City, UT; San Antonio, TX and San Jose, CA.

At this point, Google has obtained licenses to build a fiber-optic network to provide video and internet services to the majority of the nine metropolitan areas. In the Phoenix metropolitan region, the City of Tempe approved a video services license in late July 2015 while the City of Phoenix approved a license in September 2015.

The license is the necessary "trigger" that will prompt Google to further examine the opportunity and viability of building their network and provide their video and internet services in Scottsdale. The approval of a video service license, however, does not guarantee that Google will build and operate a fiber-optic network in Scottsdale, or in any other local area.

ANALYSIS & ASSESSMENT

Recent Staff Action

Since February 2014, city staff has provided a significant amount of information regarding the city's processes related to the review of plans, permitting, and inspection for the construction of a fiber-optic network throughout the city. In addition, staff provided details on applicable city code, policies and practices.

In April 2014, the City Council approved an agreement with Google that allows for the installation of equipment shelters – a.k.a, “network huts” – on city property.

Policy Implications

The general terms contained in this video services license are consistent with licenses the city has with cable television providers and telecommunications corporations for the use of the rights-of-way to install, operate and maintain offered services. While some differences exist between this video services license and the licenses with the cable television providers, city staff is committed to meeting with the existing cable television providers to examine the areas of concern. If needed, city staff will bring forth amendments to the existing cable television licenses for Council to consider.

Traffic Impacts

At the time Google decides to construct their fiber-optic network, city staff will coordinate construction activity with Google to minimize disruption to traffic flows and ensure that all work follows existing policies regarding construction activity in the downtown area between November and April.

Community Involvement

Should Google decide to offer its services in Scottsdale, it will conduct extensive outreach and notification to residents in a specific neighborhood to determine the level of interest and commitment to obtain video and internet services. A neighborhood with enough residents who commit to purchasing Google services will become a “fiber-hood” and will be placed on the schedule for installation of the fiber-optic network that will provide access to video and internet services.

RESOURCE IMPACTS

Staffing, Workload Impact

The Planning Department will see the largest impact for plan review, permit and inspection of the construction activity. They are prepared to shift resources, if necessary, to provide Google with the timely processing of plans and permits.

Future Budget Implications

The City will actualize one-time revenues for plan review, permit and inspection of the construction work and once video services are installed, the city will receive recurring revenues equal to five-percent (5%) of the monthly fee for television services.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

Adopt Resolution No. 10217, authorizing the Mayor to execute Contract No. 2015-199-COS, a Video Services License with Google Arizona to install, operate and maintain a communications infrastructure providing video services and high-speed internet service.

RESPONSIBLE DEPARTMENT(S)

Information Technology

STAFF CONTACTS (S)

Kevin Sonoda, Telecommunications Policy, ksonoda@scottsdaleaz.gov

APPROVED BY



Bradley Hartig, Chief Information Officer
480 312-7615, bhartig@scottsdaleaz.gov

9/18/15

Date



Jeff Nichols, City Treasurer
480 312-2364. jenichols@scottsdaleaz.gov

9/18/15

Date

ATTACHMENTS

1. Resolution No. 10217
2. Contract No. 2015-199-COS

RESOLUTION NO. 10217

A RESOLUTION OF THE COUNCIL OF THE CITY
OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA
AUTHORIZING A VIDEO SERVICES RIGHT-OF-WAY
LICENSE AGREEMENT WITH GOOGLE FIBER
ARIZONA, LLC, AN ARIZONA LIMITED LIABILITY COMPANY

Google Fiber Arizona, LLC, an Arizona limited liability company, (Google Fiber) desires to provide to customers within the City of Scottsdale, video services and broadband internet access service; and

Google Fiber desires to install and operate its video distribution network equipment that carries video services from Google Fiber to its customers within the City's rights-of-way; and

The City is willing to grant to Google Fiber a License Agreement to install, maintain, operate, and repair its video distribution network equipment on the City's rights-of-way, subject to the terms and conditions of the License Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale as follows:

Section 1. The City Council hereby grants to Google Fiber Arizona, LLC, a License to install, maintain, operate and repair its video network equipment on the City of Scottsdale's rights-of-way, subject to the terms and conditions of the License Agreement, and authorizes and directs the Mayor to sign the Video Services Right-of-Way License Agreement with Google Fiber Arizona, LLC, an Arizona limited liability company.

PASSED AND ADOPTED by the Council of the City of Scottsdale this ____ day of October, 2015.

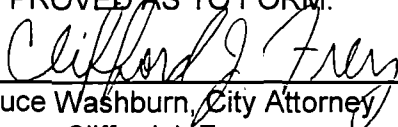
CITY OF SCOTTSDALE, an
Arizona municipal corporation

W. J. "Jim" Lane, Mayor

ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM:



Bruce Washburn, City Attorney

By: Clifford J. Frey
Senior Assistant City Attorney

VIDEO SERVICES RIGHT-OF-WAY LICENSE AGREEMENT

THIS VIDEO SERVICES RIGHT-OF-WAY LICENSE AGREEMENT (the "Agreement") is made this ____ day of _____, 2015, by and between the City of Scottsdale, an Arizona municipal corporation ("Licensor"), and Google Fiber Arizona, LLC, an Arizona limited liability company ("Licensee").

RECITALS

A. Licensor owns public street and rights-of-way and public utility easements within the boundaries of the City of Scottsdale (the "Boundaries") that are designated for use by public utility companies for installation, operation and repair of water, electrical and other public utilities pursuant to franchises, licenses or other agreements between utility companies and Licensor (collectively, the "Right-of-way").

B. Licensee desires to install and/or operate network equipment that enables Licensee to deliver video and other services to its customers (the "Private Plant") on the Right-of-way, subject to the requirements of this Agreement. The network communications huts are not considered a part of the "Private Plant."

C. Licensor desires to grant to Licensee a license to install, maintain, operate and/or repair the Private Plant (the "Permitted Uses") subject to the requirements of this Agreement to provide certain services, including but not limited to broadband Internet access and Video Service. "Video Service" is the delivery or transmission of programming provided by, or generally considered comparable to programming provided by, a television broadcast station and delivered to an end user using the Private Plant, regardless of delivery technology. Video Service does not include (a) video programming provided solely as part of and via a service that enables users to access content, information, electronic mail, messaging or other services provided over the public Internet, or (b) Internet access service.

D. Licensor desires to reserve rights to construct and use and allow others to construct and use all manner of additional improvements upon the Right-of-way.

NOW, THEREFORE, for and in consideration of the foregoing, the amounts hereinafter to be paid by Licensee, and the covenants and agreements contained herein to be kept and performed by Licensee, and other good and valuable consideration, Licensor and Licensee agree as follows:

I. USE AREAS

1. Use Areas. Licensor hereby grants to Licensee a license to use the Right-of-way as follows:

1.1 Right-of-way Defined. The Right-of-way is limited to the public street and alley rights-of-way and public utility easements that are owned by Licensor. The land comprising the Right-of-way will decrease, increase, and otherwise change over time due to abandonments, dedications, annexations, de-annexations, designations, de-designations and other events that affect the amount of land included in Licensor's public utility right-of-way network inventory. This

Agreement shall not allow Licensee to use Right-of-way that is abandoned, condemned, removed from the Boundaries, or is otherwise no longer part of Licensor's public street and alley right-of-way network or public utility easement network.

1.2 Non-Use Areas. Licensee shall not use or occupy any portion of the Right-of-way other than as necessary to perform its obligations under this Agreement.

1.3 Condition of Title. Licensee's rights hereunder are subject to all recorded or unrecorded matters or conditions of title to or agreements or documents regarding the Right-of-way (the "Site Documents"). Licensee's rights to use the Right-of-way under this Agreement are limited to a subset of the interests held by Licensor from time to time. Licensee shall not violate the Site Documents.

1.4 Condition of Right-of-way. The Right-of-way is being made available in an "as is" condition without any express or implied warranties of any kind, including without limitation any warranties or representations as to its condition or fitness for any use.

1.5 No Real Property Interest. Notwithstanding any provision hereof to the contrary, and notwithstanding any negotiation, correspondence, course of performance or dealing, or other statements or acts by or between the parties, Licensee's rights herein are limited to use and occupation of the Right-of-way for the Permitted Uses. Licensee's rights in the Right-of-way are limited to the specific limited license rights created by this Agreement.

1.6 Limited Rights in Right-of-way. This Agreement grants Licensee no rights to or further use of the Right-of-way other than those limited rights expressly granted herein. Licensee accepts the risk that subject to Licensor's and Licensee's compliance with this Agreement, Licensor may use the Right-of-way in a manner inconsistent with Licensee's use. In that event, Licensee's use shall be subordinated and Licensee shall not be entitled to compensation from Licensor.

1.7 Use Priority. This Agreement does not establish any priority for Licensee to use the Right-of-way over any other present or future users of the Right-of-way. Licensee's use of the Right-of-way shall be subordinate to any prior or subsequent lawful occupancy or use thereof by Licensor or any other governmental entity. The priority of use of the Right-of-way shall first be to Licensor (including uses Licensor may extend to the public generally), the second priority to the State of Arizona and its political subdivisions in the performance of their various functions, and, thereafter, as between recipients of license agreements and other permit holders, as determined by Licensor in the exercise of its powers, including the police power and other powers reserved to and conferred on Licensor by the State of Arizona and the people of the City of Scottsdale.

1.8 Right-of-way Management. Licensor shall have full authority to regulate use of the Right-of-way and to resolve competing demands and preferences regarding use of the Right-of-way and to require Licensee to cooperate and participate in implementing such resolutions.

1.9 Private Plant Relocation. When necessary for Licensor's management of the Right-of-way, Licensor may require Licensee to temporarily or permanently relocate or otherwise modify the Private Plant (the "Relocation Work") as follows:

1.9.1 Whenever Licensor shall require Licensee to perform Relocation Work, it shall be the obligation of Licensee, upon notice of such requirement and written demand made of Licensee, to commence the relocation within a reasonable time, but no more than thirty (30)

days after the date of notice. If permits for such work are required, "commencement" of relocation will mean a good faith application for such permits and the beginning of work promptly after issuance of the permits by Licensor. Licensee shall complete such relocation within a reasonable period of time, but no more than one hundred twenty (120) days from the date of permit issuance (if applicable) or the beginning of work, whichever is sooner, unless such time is extended by the City Manager. Licensor agrees to consult with Licensee regarding alternate space where available, within the Right-of-way, at no additional cost to Licensee.

1.9.2 Licensee shall perform the Relocation Work at its own expense when required by Licensor's city manager or designee.

1.9.3 The Relocation Work includes all work determined by Licensor to be necessary to accommodate competing activities, including without limitation temporarily or permanently removing, protecting, supporting, disconnecting, relocating or removing any portion of the Private Plant.

1.9.4 After notice to Licensee, Licensor may perform any part of the Relocation Work that has not been performed within the allotted time. Licensee shall reimburse Licensor for its actual and documented costs necessary to complete any Relocation Work.

1.9.5 Licensor has no obligation to move Licensee's, Licensor's or others' facilities.

1.9.6 All Relocation Work shall be subject to and comply with all other provisions of this Agreement.

1.9.7 If Relocation Work is required solely to accommodate a third party's facilities or third-party project, then Licensee is not obligated to move Licensee's facilities unless the third party bears the cost.

1.10 Disruption by Competing Users. Neither Licensor nor any agent, contractor or employee of Licensor shall be liable to Licensee, its customers or third parties for any service disruption or for any other harm caused them or the Private Plant due to competing users or competing activities.

1.11 Effect of Abandonment. In addition to Licensor's other rights, if Licensee abandons the Private Plant during the term of this Agreement, Licensor, at its option, may acquire ownership of the Private Plant; operate the Private Plant; designate another entity to operate the Private Plant temporarily until Licensee restores service under conditions acceptable to Licensor or until the license is revoked and a new Licensee selected by Licensor is providing service; or obtain an injunction requiring Licensee to continue operations. If Licensor operates or designates another entity to operate the Private Plant, Licensee shall reimburse Licensor or its designee for all reasonable costs and damages incurred that are in excess of the revenues from the Private Plant. Licensor shall give Licensee seven (7) days notice before operating or designating another entity to operate the Private Plant. If Licensee abandons only part of the Private Plant, then this paragraph shall apply to the part abandoned. A part of the Private Plant shall be deemed to be abandoned if Licensee fails to respond in the affirmative within sixty (60) days to a notice from Licensor requesting that Licensee confirm that Licensee is maintaining the part of the Private Plant and that it is available for use by Licensee's customers.

II. TERM OF AGREEMENT

2. Term of Agreement. The term of this Agreement is as follows:

2.1 Original Term Expiration. The original term of this Agreement shall terminate 11:59 p.m. on the date that is the fifteenth (15th) annual anniversary of this Agreement, unless sooner terminated as set forth in this Agreement. Licensee may terminate this Agreement on ninety (90) days written notice.

2.2 Extensions. The term of this Agreement may be extended for two (2) additional five (5) year periods subject to the following:

2.2.1 No extension shall be effective without the consent of both Licensor and Licensee. Both Licensor and Licensee may withhold their consent to an extension in their sole and absolute discretion.

2.2.2 Both Licensor and Licensee shall indicate whether or not they consent to an extension by giving written notice of consent to the other not more than one hundred eighty (180) days nor less than ninety (90) days prior to the end of the initial term (or, in the case of the second extension, the prior extension).

2.2.3 Licensee shall pay to Licensor an extension fee in the amount of One Thousand Five Hundred Dollars (\$1,500.00).

2.3 Holding Over. In any circumstance whereby Licensee would remain in possession or occupancy of the Right-of-way without protest by Licensor after the expiration of this Agreement, such holding over shall operate as a limited renewal or extension of this Agreement from month to month that may be terminated at any time by Licensor upon thirty (30) days notice to Licensee, or by Licensee upon sixty (60) days notice to Licensor.

2.4 Agreement Accepted. By accepting this Agreement, Licensee acknowledges having carefully read the terms and conditions of applicable laws and this Agreement and having accepted the obligations imposed thereby.

III. LICENSEE'S PAYMENTS

3. Licensee's Payments. For and in consideration of this Agreement, and as fair and reasonable compensation to Licensor for Licensee's use of the Right-of-way, Licensee shall make payments to Licensor as follows:

3.1 Use Fee Items. Licensee shall pay to Licensor each of the following separate and cumulative amounts (collectively the "Use Fee"):

3.1.1 An amount (the "Video License Fee") comprising a certain percentage of certain Licensee revenues.

3.1.2 An amount (the "Permit Use Fee") based on Licensee's permit review and other costs as set out below.

3.1.3 All other amounts required by this Agreement.

3.2 Video License Fee. The Video License Fee shall be calculated as a percentage of certain revenues and other proceeds (collectively the "Video Gross Revenue") from Licensee's use of the Right-of-way as follows:

3.2.1 Applicable Percentage. The percentage used to calculate Video License Fee shall be five percent (5.00%).

3.2.2 Video Gross Revenue Inclusions. Video Gross Revenue means all revenue from the provision of Video Service within the Boundaries. Such revenue from Video Service shall be measured in the same manner that A.R.S. §9-505(6) measures revenue for cable television service, except that late fees or late payment charges shall not be included as part of Video Gross Revenue.

3.2.3 Indirect Revenues. For purpose of calculating Video Gross Revenue, references to Licensee include Licensee, its affiliates, subsidiaries, parent and any person, firm, corporation or other entity in which Licensee has a financial interest or that has a financial interest in Licensee, or that controls, is controlled by or is under common control with Licensee. The same amount shall not be counted as Video Gross Revenue twice as it flows from customers through such entities, if applicable.

3.2.4 Bundled Services. If Licensee offers its customers a price discount if they obtain a bundle of Video Service and other goods and services, then the discount shall be allocated among the Video Services and other goods and services for purposes of computing Video Gross Revenue as follows:

3.2.4.1 The discount shall be allocated based on Licensee's standard, non-discounted, non-bundled rate for each of the services in the bundle.

3.2.4.2 The following examples illustrate how the discount will be allocated:

3.2.4.2.1 Assume a customer's charges for a given month for Video Services alone would be \$80.00, for local telephone service alone \$40.00 and for internet modem service alone \$80.00, for a total of \$200.00. If Licensee offers the three (3) services at a combined rate of \$160.00 (i.e. the customer in effect receives a twenty percent (20%) discount from the regular rental rates that would apply to the services if purchased separately), then the Video Gross Revenue from Video Service would be deemed to be \$64 (\$80 less 20% of \$80).

3.2.4.2.2 Assume the same facts as the preceding example, except that the customer also purchases an upgrade to Video Service (such as a premium movie channel) at a fixed fee of \$30 a month that is not included in the bundled service offering the discount (i.e. the discount does not apply to this service), for a total of \$190 (\$160 bundle offer, plus \$30). Video Gross Revenue would be \$94 (\$64 from the prior example of bundled services, plus the undiscounted \$30).

3.2.4.2.3 Nothing herein shall be construed to require Licensee to offer any service at a price in conflict with a price for the service mandated by law or regulation.

3.3 Permit Use Fee Amount. The amount of the Permit Use Fee shall be the total amount of all generally applicable fees (the "Ordinary Permit Charges") payable to Licensor for Licensor's review of plans, issuance of permits, and inspection of Licensee's work upon the

Right-of-way. Permit Use Fees shall not count toward or substitute for any other type of Use Fee.

3.4 Use Fee Payment Schedule. Licensee shall pay all Use Fees on the following schedule:

3.4.1 Licensee shall pay Permit Use Fees at the times and in the amounts specified by Licensor's normal processes for Ordinary Permit Charges.

3.4.2 All other Use Fees shall be payable quarterly in arrears and is due within 45 days after the end of each calendar quarter. For example, the Video License Fee for the first calendar quarter of a year shall be payable on or before May 15.

3.5 Use Fee Amount Report. Each installment of Use Fee other than Permit Use Fee shall include a report showing the manner in which each component of the Use Fee was calculated.

3.6 On-Demand Bond. Prior to the filing of its first construction permit, Licensee shall deliver to Licensor an on-demand bond or similar security instrument in the amount of \$250,000.00, and the bond shall be used as a security deposit guaranteeing Licensee's faithful performance of this Agreement, and to cover any cost or expenses incurred by the Licensor should Licensee damage or destroy improvements in the right-of-way and fail to cure the problem within the time permitted by this Agreement. The bond must be executed by a surety company or companies holding a Certificate of Authority to transact surety business in the State of Arizona, issued by the Director of the Arizona Department of Insurance. A copy of the Certificate of Authority must accompany the bond. The Certificate must be written or countersigned by an authorized representative of the surety, and the Certificate must be issued not more than two (2) years before the execution of this License. The bond must have attached a certified copy of the Power of Attorney of the signing official. If one Power of Attorney is submitted, it must be for twice the total of the face amount of the bond. If two Powers of Attorney are submitted; each must be for the face amount of the bond. Personal or individual bonds are not acceptable. The bond must be provided by a company which has been rated "A- or better" by the A.M. Best Company. The bond must remain in effect during the term of this License and any extensions thereof. In the event that Licensor collects or withdraws any funds from the bond, Licensee will amend the bond amount or provide a supplementary instrument to ensure that \$250,000.00 in funds are always available during the term of this License. The bond must be in a form reasonably acceptable to the City Attorney; a copy of a permitted form of the bond is attached hereto as Exhibit "A."

3.7 Late Fees. Use Fee is deemed paid only when Licensor receives actual payment. Should any Use Fee not be paid on or before the date due, a late fee shall be added to the amount due in the amount of the greater of ten percent (10%) of the amount due, or One Hundred Dollars (\$100). Furthermore, any Use Fee that is not timely paid shall accrue simple interest at the rate of one and one-half percent (1 ½ %) per month from the date the amount first came due until paid. Licensee expressly agrees that the foregoing represent fair and reasonable estimates by Licensor and Licensee of Licensor's costs (such as accounting, administrative, legal and processing costs, etc.) in the event of a delay in payment of Use Fee. Licensor shall have the right to allocate payments received from Licensee among Licensee's obligations.

3.8 Use Fee Amounts Cumulative. All amounts payable by Licensee hereunder or under any tax, assessment or other existing or future ordinance, law or other contract or obligations

to the City of Scottsdale or the State of Arizona shall be cumulative and payable in addition to each other payment required hereunder, and such amounts shall not be credited toward, substituted for, or setoff against each other in any manner.

IV. USE RESTRICTIONS

4. Use Restrictions. Licensee's use and occupation of the Right-of-way shall in all respects conform to all and each of the following cumulative provisions:

4.1 Permitted Uses. Licensee shall use the Right-of-way solely for the Permitted Uses and shall conduct no other activity at or from the Right-of-way. Licensee shall use the Private Plant only for:

4.1.1 Providing Video Service.

4.1.2 Providing broadband internet access service.

4.1.3 Providing other services using the Private Plant to the extent permitted by Federal and state law.

4.2 Prohibited Uses. All other uses of the Right-of-way and the Private Plant are prohibited.

4.3 Permitted and Prohibited Facilities. Licensee shall comply with all applicable permitting, zoning, and other regulations prior to placing its facilities in the Right-of-way. In any event, this Agreement does not grant Licensee any rights to place the following equipment in the Right-of-way:

4.3.1 Business offices, repair facilities and storage areas.

4.3.2 Switching stations or network communications huts.

4.3.3 All radio antennas, transmitters and receivers and supporting equipment except for radio equipment that uses only unlicensed radio spectrum (e.g., Wi-Fi), is smaller than a fifteen inch (15") cube, and is mounted entirely within a pedestal that is otherwise allowed by this Agreement or must be connected directly to and mounted at the same height as one of Licensee's aerial horizontal conductors allowed by this Agreement.

4.3.4 Any cabinet or other object (other than horizontal signal conductors and appurtenant support brackets) that is higher than 48 inches above grade or encloses more than 75 cubic feet.

4.4 Communications Operations Restriction. Licensee shall not install, operate, or allow the use of equipment, methodology or technology that may or would interfere with the use or operation of Licensor's existing or future fire, emergency or other communication equipment, methodology or technology (i.e., voice or other data carrying, receiving or transmitting equipment). If such interference should occur, Licensee shall upon notice from Licensor discontinue using the equipment, methodology or technology that causes the interference until Licensee takes corrective measures to alter the Private Plant to eliminate such interference. Any such corrective measures shall be made at no cost to Licensor.

4.5 Signs. All Private Plant signage is prohibited except Licensee shall install and maintain all signs and markings required for safe use of the Right-of-way by the public and other Right-of-way users.

4.6 Lighting. Lighting is prohibited except as this Agreement may specifically allow for construction activities.

4.7 Noise. Except for burglar alarms and other safety devices, devices for making noise are prohibited.

4.8 Use of Generators. Electrical generators are not allowed on the Right-of-way except as approved by Licensor from time to time.

4.9 Emergency Notification. Licensee shall provide Licensor with a twenty-four (24) hour emergency telephone number at which a representative of Licensee (not voicemail or a recording) can be reached.

4.10 Third Party Areas. Nothing in this Agreement provides Licensee with rights to use areas owned, controlled, or legally restricted by a third party beyond those rights granted to Licensor, and it is Licensee's obligation to obtain any necessary permissions from such third parties, copies of which must be provided to Licensor as soon as reasonably practicable.

4.11 Coordination Meetings. Licensee shall meet with Licensor and other Right-of-way users from time to time as reasonably requested by Licensor to coordinate and plan construction on the Right-of-way and all matters affected by this Agreement.

4.12 Hazardous Substances. Licensee's activities upon or about the Right-of-way shall be subject to the following regarding any hazardous or toxic substances, waste or materials or any substance now or hereafter subject to regulation under the Comprehensive Environmental Response and Liability Act, 42 U.S.C. §§ 9601, et seq., the Arizona Hazardous Waste Management Act, A.R.S. §§ 49-901, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. §§ 2601, et seq., or any other federal, state, county, or local law pertaining to hazardous substances, waste or toxic substances and their reporting requirements (collectively "Toxic Substances"):

4.12.1 Licensee shall not produce, dispose, transport, treat, disturb, use or store any Toxic Substances upon or about the Right-of-way. The prohibitions of the preceding sentence only shall not apply to:

4.12.1.1 Ordinary gasoline, diesel fuel or other fuels or lubricants necessary for ordinary use in motor vehicles and ordinary construction machinery permitted upon the Right-of-way. Such materials must be properly and lawfully contained in ordinary quantities in ordinary tanks and receptacles that are permanently installed in such vehicles and machinery, or small portable tanks that are being used for fueling permitted construction machinery.

4.12.1.2 Electric backup batteries.

4.12.2 Licensee shall dispose of any Toxic Substances away from the Right-of-way as required by law and as reasonably required by Licensor.

4.12.3 Licensee shall not use the Right-of-way in a manner inconsistent with regulations issued by the Arizona Department of Environmental Quality, or in a manner that would require a permit or approval from the Arizona Department of Environmental Quality or any other governmental agency. The preceding sentence does not prohibit ordinary permits required for routine dust control measures.

4.12.4 In addition to and without limitation of any other indemnities or obligations, Licensee shall pay, indemnify, defend and hold Licensor harmless against any loss or liability incurred by Licensor by reason of any Toxic Substance on or affecting the Right-of-way attributable to or caused by Licensee or anyone using the Right-of-way under this Agreement on behalf of Licensee.

4.12.5 Licensee shall immediately notify Licensor of any Toxic Substance at any time discovered or existing upon the Right-of-way.

4.12.6 Licensee understands the hazards presented to persons, property and the environment by dealing with Toxic Substances. Licensee acknowledges the possibility that the Right-of-way may contain actual or presumed asbestos and other Toxic Substances.

4.12.7 Promptly upon discovery of any violation by Licensee of this Agreement pertaining to Toxic Substances, Licensee shall report such violation to Licensor in writing.

4.13 Disturbance of Toxic Substances. Prior to undertaking any construction or other significant work, Licensee shall cause the Right-of-way to be inspected to prevent disturbance of potential asbestos or other Toxic Substances. Licensee shall cause any on-site or off-site storage, inspection, treatment, transportation, disposal, handling, or other work involving Toxic Substances by Licensee in connection with the Right-of-way to be performed by persons, equipment, facilities and other resources who are at all times properly and lawfully trained, authorized, licensed, permitted and otherwise qualified to perform such services. Licensee shall promptly deliver to Licensor copies of all reports or other information regarding Toxic Substances.

4.14 Identification. All Licensee employees, contractors and subcontractors who seek access to private property for purposes related to this Agreement must be clearly identified with and/or be able to provide the name and telephone number of Licensee or any pertinent subcontractor, and equipment must be clearly identified with the name and telephone number of Licensee or any subcontractor.

4.15 Access to Service. Licensee shall not deny service, deny access, or otherwise discriminate on the availability, rates, terms or conditions of Video Service provided to residential subscribers on the basis of race, color, creed, religion, ancestry, national origin, gender, sexual orientation, disability, age, familial status, marital status, or status with regard to public assistance. Licensee shall comply at all times with all applicable Federal, State and local laws and regulations relating to nondiscrimination. Licensee shall not deny or discriminate against any group of actual or potential residential subscribers on access to or the rates, terms and conditions of Video Service because of the income level or other demographics of the local area in which such group may be located. This paragraph does not require Licensee to build to all areas within the Boundaries. Licensee retains the discretion to determine the scope, location, and timing of the design and construction of its network, as well as the windows during which residential subscribers may sign up for services, so long as such decisions are consistent with this paragraph. Licensee, at its sole discretion, may determine separately defined geographic areas within the Boundaries where its Private Plant will be deployed.

4.16 Service Offers. Upon commencement of service within the Boundaries, Licensee shall make available to residents a "Basic" or other introductory-level service offering that is substantially similar to the then-current products and services Licensee generally makes available to its new subscribers in other municipalities.

4.17 Public Benefits. Licensee agrees to engage in initiatives designed to benefit the public based on an assessment of the particular needs of the community. Such initiatives may focus on increasing access to broadband services, improving digital literacy, and bridging the digital divide. Licensee further agrees to use good faith efforts to consult with Licensor in designing and implementing such initiatives. Nothing in this paragraph shall modify, offset, or otherwise affect Licensee's obligation to pay fees as provided in this License.

4.18 Customer Service Standards. Licensee shall maintain commercially reasonable systems and procedures for handling subscriber complaints and customer service issues. Licensee shall make information available to its subscribers regarding customer service and support channels and the submission of complaints and/or inquiries. Upon request, Licensee shall consult with Licensor to address resident complaints that Licensor receives.

4.19 Local Business Office. Licensee shall maintain a local business office for subscribers to address billing-related or service-related issues. The office shall be conveniently located and shall be open during normal business hours Monday through Friday, and shall include evening and weekend hours to meet customers' needs.

4.20 Public, Government and Education Channels. Licensee shall provide to Licensor at no cost two channels for use to transmit programming that is provided by Licensor or school districts selected by Licensor within the Boundaries. Licensee shall provide and maintain a video connection to Licensee's master headend from the Government Access Facility (City Cable 11) located at 7384 E. 2nd Street, Scottsdale, Arizona 85251. In no event shall Licensee be required to provide more or different PEG content, support, or programming than any licensed cable or other video operator. The parties agree to collaborate regarding the technical requirements for carriage of Licensor's PEG programming.

4.21 Actions by Others. Licensee shall be responsible to ensure compliance with this Agreement by all persons using the Right-of-way through or under Licensee or this Agreement. Licensee shall prevent all such persons from doing anything that this Agreement prohibits Licensee from doing.

4.22 Emergency Alerts. Licensee shall comply with all applicable federal, state, and local laws and regulations regarding emergency alert messaging.

V. IMPROVEMENTS BY LICENSOR

5. Improvements by Licensor. Licensor has not promised to and is not obligated in any manner to make any improvements or perform any other construction or other work upon the Right-of-way.

VI. LICENSEE'S IMPROVEMENTS GENERALLY

6. Licensee's Improvements Generally. All of Licensee's improvements and other construction work whether or not specifically described herein upon the Right-of-way (collectively "Licensee's Improvements") shall comply with the following:

6.1 System Maps. Annually, and upon request with at least thirty (30) days notice by the city manager or designee from time to time, Licensee shall deliver to Licensor route maps showing the location of the Private Plant within the City.

6.2 Permits and Inspections. Prior to performing work upon the Right-of-way, Licensee shall submit all work plans to Licensor for review by Licensor's staff in designated departments responsible for such review and shall obtain all permits and other approvals related thereto. For avoidance of doubt, the building permit processes, right-of-way management, zoning clearances and similar regulatory requirements that apply to Licensee's Improvements are separate from the requirements of this Agreement. Licensee must obtain all approvals in accordance with all present and future Licensor codes, policies and procedures. During the course of the work, Licensee shall observe inspection, safety and other rules.

6.3 Licensee's Improvements. Licensee's Improvements include, without limitation all modification, replacement, repairs, installation, construction, grading, structural alterations, utility, lighting or other alterations, parking or traffic alterations, removal, demolition or other cumulatively significant construction or similar work of any description, together with all installation or alteration of the Private Plant.

6.4 Work Standards and Improvements Quality. All work by Licensee under this Agreement shall conform to the standards of the Maricopa Association of Governments and of the City of Scottsdale Design Standards and Policies Manual, as either may be amended from time to time. All construction by Licensee must comply with applicable Right-of-way noise, light, timing, event planning, Blue Stake, dust and other policies in effect from time to time.

6.5 Cost of Licensee Improvements. All Licensee's Improvements shall be designed and constructed at no expense to City. Licensee shall bear the cost of all work required from time to time to cause the Right-of-way and Licensor's adjoining property (if directly affected by Licensee's work) to comply with local zoning rules, the Americans with Disabilities Act, building codes and all similar rules, regulations and other laws if such work is required because of work performed by Licensee, by Licensee's use of the Right-of-way, or by any exercise of the rights granted to Licensee under this Agreement.

6.6 Use of Poles. If Licensee extends new service into an area that already has available overhead utility poles, then Licensee may use such poles, subject to agreement with the pole owner. No underground facilities may be moved to poles. Licensee may not install any poles (except to replace a defective or overloaded pole owned by a third party).

6.7 Approved Equipment. Licensee shall not install above ground equipment ("Visible Equipment") upon the Right-of-Way unless Licensor has first approved the Visible Equipment.

6.7.1 Prior to Licensee's submittal of any permit application for the installation of any Visible Equipment, Licensee and Licensor shall develop a list of standards that will apply to all approved Visible Equipment. Such standards will include, at a minimum, details regarding the dimensions, color, and siting requirements for all Visible Equipment. Licensor may deny a permit request if any proposed Visible Equipment does not comply with the standards as mutually agreed to by the parties.

6.8 Coordination with Encroachment Permit Process. This Agreement serves as permission from Licensor for Licensee's Improvements to exist in the Right-of-way. Licensee shall not be required to obtain any further encroachment permit for the Private Plant for that purpose.

However, Licensee shall perform no construction work in the Right-of-way without obtaining through normal processes from Licensor a permit giving permission to work in the Right-of-way. Licensee shall not alter or perform any work to Licensor's Improvements without first obtaining through normal processes from Licensor a permit giving permission to alter Licensor's improvements. Licensee shall not in any way obstruct pedestrian or vehicular traffic within the right-of-way without first obtaining through normal processes from Licensor a permit giving permission to obstruct traffic.

6.9 Project Managers. Upon execution of this Agreement, Licensor and Licensee shall each designate a project manager to coordinate the respective party's participation in designing and constructing the Private Plant. Each project manager shall devote such time and effort to the Private Plant as may be necessary for timely and convenient coordination among the parties and their representatives involved with the Private Plant and compliance with this Agreement. Licensor's project manager will not be exclusively assigned to this Agreement or the Private Plant.

6.10 Licensor's Project Manager. Licensor's project manager's authority with respect to the Right-of-way is limited to the administration of the requirements of this Agreement. Without limitation no approval, consent or direction by Licensor's project manager or other persons affiliated with Licensor inconsistent with this Agreement shall be binding upon Licensor. Licensor's project manager's authority does not include zoning approvals or other governmental approvals, except as is required by the provisions of Section 6.7. Until otherwise specified by Licensor's city manager, Licensor's initial project manager shall be Kevin Sonoda.

6.11 Construction Notification. Licensor may establish requirements for notification of nearby residents and property owners prior to construction.

6.12 Work Time and Manner Restrictions. All installation, construction, maintenance, inspection, repair and other work of any kind shall be done in compliance with applicable Licensor policies and directions from time to time, taking into account the various sensitivities of traffic, tourism, events, adjoining land uses, other Right-of-way uses, and all other needs and concerns that could be affected by Licensee's work.

VII. LICENSEE'S INITIAL PROJECT CONSTRUCTION

7. Licensee's Initial Project Construction. Licensee is not required to construct any portion of the Private Plant by any particular deadline.

VIII. MAINTENANCE AND OPERATIONS

8. Maintenance and Operations. Except as expressly provided below, Licensee shall be solely responsible for all maintenance, repair and utilities for the Private Plant during the term of this Agreement. Without limitation, Licensee shall perform the following:

8.1 Public Safety. If the Private Plant or any other Licensee equipment, improvements or activities within the Right-of-way present any immediate hazard or impediment to the public, to Licensor, to other improvements or activities within or without the Right-of-way, or to Licensor's ability to safely and conveniently operate the Right-of-way or perform Licensor's utility, public safety and other public health, safety and welfare functions, then Licensee shall immediately remedy the hazard, comply with Licensor's requests to secure the Right-of-way, and otherwise cooperate with Licensor at no expense to Licensor to remove any such hazard or impediment.

8.2 Maintenance by Licensee. Licensee shall at all times repair and maintain its equipment in the Right-of-way in good and safe condition at Licensee's sole expense. Following installation, repair, or replacement work performed in the Right-of-way, Licensee shall restore disturbed areas of the Right-of-way to a condition equal to or better than the condition of the Right-of-way immediately prior to Licensee's activities. The preceding sentence does not require Licensee to repair or maintain Licensor's or third party facilities at the Right-of-way unless such work is attributable in whole or in part to Licensee's use of the Right-of-way. Licensee shall repair or replace to Licensor's standards, rules and policies published from time to time all pavement, sidewalks, curbs, landscaping and other Licensor's improvements of any description that may be damaged in the course of Licensee's activities under this Agreement.

8.3 Utility Service. Licensee shall contract for and pay all charges, fees, deposits and other amounts for electricity and telephone and other data communication service at the rates applicable thereto to the extent such charges and fees arise from Licensee's use of the Right-of-way.

8.4 Emergency Action. Notwithstanding any other provision in this Agreement to the contrary, in the event of an Emergency, Licensor shall have the right to remove, alter, tear out, relocate or damage portions of the Private Plant and take such other action as Licensor determines in its sole discretion to be necessary under the circumstances to address the Emergency, even though such actions may cause interference with or damage to the Private Plant or its operation. Neither Licensor, nor any agent, contractor or employee of Licensor, shall be liable to Licensee or its customers or third parties for any harm so caused to them or the Private Plant during such Emergency. "Emergency" means any disaster, including earthquakes, fires, and floods, or other publicly and officially declared emergency or unforeseen situation that presents an imminent threat to life or property. If Licensor takes action during an Emergency that causes interference, Licensor shall endeavor to:

8.4.1 Give Licensee notice of such action as quickly as practical under the circumstances.

8.4.2 To the extent practical under the circumstances, upon notice by Licensee of the existence of interference, minimize the duration and extent of such interference.

8.5 Maintenance by Licensor. Licensor has no maintenance or repair obligations for the Private Plant or the Right-of-way.

IX. BREACH BY LICENSEE

9. Breach by Licensee. Licensee shall comply with the terms and provisions of this Agreement and shall cause all persons using the Right-of-way under the authority granted Licensee by this Agreement to do the same.

9.1 Events of Default. This entire Agreement is made upon the condition that each and every one of the following events shall be deemed an "Event of Default" by Licensee of Licensee's material obligations under this Agreement:

9.1.1 If Licensee shall be in arrears in the payment of Use Fee due and not paid and shall not cure such arrearage within thirty (30) days after Licensor has notified Licensee of such arrearage.

9.1.2 If Licensee shall fail to maintain any insurance required by this Agreement, unless Licensee promptly upon notice provides insurance that covers the time period in question so that there is no gap in coverage.

9.1.3 If the issuer of any on-demand bond or letter of credit shall fail for any reason to timely and fully honor any request by Licensor for funds or other performance under the instrument and Licensee fails to cause the issuer to or some other person to honor the request within ten (10) days after Licensor notifies Licensee that such request has not been honored.

9.1.4 If any material information Licensee provides concerning activities, sales or other matters concerning the Right-of-way or this Agreement is knowingly false.

9.1.5 If Licensee shall engage in a pattern of repeated failure (or neglect) to timely do or perform or observe any material provision contained herein. After Licensor has once given notice of any failure by Licensee to comply with any provision of this Agreement, the following shall constitute a repeated failure by Licensee to comply with such provision:

9.1.5.1 Another failure to comply with any material provision of this Agreement during the following thirty (30) day period.

9.1.5.2 Three (3) or more failures to comply with any material provision of this Agreement during any ninety (90) day period.

9.1.5.3 Six (6) or more failures to comply with any material provision of this Agreement during any twelve (12) month period.

9.1.6 If Licensee shall fail to or neglect to timely and completely do or perform or observe any other material provisions contained herein and such failure or neglect shall continue for a period of thirty (30) days after Licensor has notified Licensee in writing of such failure or neglect. Notwithstanding the preceding sentence, Licensee shall not be in default if the cure cannot be reasonably completed within thirty (30) days, and also Licensee commences curing within the thirty (30) day cure period and thereafter diligently pursues the cure to completion, and also such cure is actually completed within sixty (60) days after the end of the original thirty (30) day cure period.

9.2 Licensor's Remedies. Upon the occurrence of any Event of Default or at any time thereafter, Licensor may, at its option and from time to time, exercise at Licensee's expense any or all or any combination of the following cumulative remedies in any order and repetitively at Licensor's option:

9.2.1 Terminate this Agreement. Termination of this Agreement due to Licensee's Event of Default or for any other reason does not terminate Licensee's obligations arising during the time simultaneous with or prior to the termination, and in no way terminates any of Licensee's liability related to any breach of this Agreement. Licensor shall not use such termination power without first conducting a hearing before its city manager or designee upon fifteen (15) days notice to Licensee, at which Licensee may appear and present evidence. At such hearing, the Rules of Evidence shall not apply and testimony will not be taken under oath. The person conducting the hearing shall state in writing his or her determination of the validity of the proposed termination and shall summarize his or her findings on the controversy. Such findings may be appealed by Licensor or Licensee to a court of competent jurisdiction for de novo review.

9.2.2 Abate at Licensee's expense any violation of this Agreement.

9.2.3 Notwithstanding anything in this Agreement to the contrary, unilaterally and without Licensee's or any other person's consent or approval, draw upon, withdraw or otherwise realize upon or obtain the value of any letter of credit, escrowed funds, insurance policies, or other deposits, sureties, bonds or other funds or security held by Licensor or pledged or otherwise obligated to Licensor by Licensee or by any third party (whether or not specifically mentioned herein) and use the proceeds for any remedy permitted by this Agreement.

9.2.4 Insist upon Licensee's full and faithful performance under this Agreement and upon Licensee's full and timely payment of all amounts during the entire remaining term of this Agreement.

9.2.5 Require an additional security deposit adequate in Licensor's sole discretion to protect Licensor and the Right-of-way.

9.2.6 Assert, exercise or otherwise pursue at Licensee's expense any and all other rights or remedies, legal or equitable, to which Licensor may be entitled.

9.3 Non-waiver. Licensee acknowledges Licensee's obligation to comply with this Agreement. No failure by Licensor to demand any performance required of Licensee under this Agreement, and no acceptance by Licensor of any imperfect or partial performances under this Agreement, shall excuse such performance or impair in any way Licensor's ability to insist, prospectively and retroactively, upon full compliance with this Agreement. Any waiver by Licensor of any breach of condition or covenant herein contained to be kept and performed by Licensee shall not be deemed or considered as a continuing waiver and shall not operate to bar or otherwise prevent an Event of Default for any breach or succeeding or continuing breach either of the same condition or covenant or otherwise. No waiver of any description (INCLUDING ANY WAIVER OF THIS SENTENCE OR PARAGRAPH) shall be effective against Licensor unless made in writing by a duly authorized representative of Licensor specifically identifying the particular provision being waived and specifically stating the scope of the waiver. LICENSEE EXPRESSLY DISCLAIMS AND SHALL NOT HAVE THE RIGHT TO RELY ON ANY SUPPOSED WAIVER OR OTHER CHANGE OR MODIFICATION, WHETHER BY WORD OR CONDUCT OR OTHERWISE, NOT CONFORMING TO THIS PARAGRAPH.

9.4 Reimbursement of Licensor's Expenses. Licensee shall pay to Licensor within thirty (30) days after Licensor's demand any and all necessary and documented amounts expended or incurred by Licensor in performing Licensee's obligations consistent with this Agreement together with interest thereon at the rate of twelve percent (12%) per annum from the date expended or incurred by Licensor.

9.5 Inspection. Licensor shall have access to all portions of the Right-of-way at all times upon reasonable notice (and at all times and without notice if there is an emergency) for the purpose of examining, inspecting, evaluating, planning, repairing, designing, maintaining or showing the Right-of-way or exercising Licensor's other rights hereunder. Licensee shall promptly undertake appropriate action to rectify any deficiency (identified by Licensor during such inspections or otherwise) in Licensee's compliance with this Agreement. This paragraph does not limit Licensor's other rights of access to the Right-of-way elsewhere in this Agreement or otherwise. This right of access is in addition to access rights for Licensor inspectors or other employees and officers acting within their legal authority.

9.6 Breach by Licensor. Notwithstanding anything in this Agreement to the contrary, if Licensor at any time is required to pay to Licensee any amount or render any performance, such amount or performance is not due until thirty (30) days after notice by Licensee to Licensor that the amount has become payable or that the performance is due. In the event a cure cannot be effected during that period, Licensor shall not be in default so long as Licensor commences cure during the period and diligently prosecutes the cure to completion provided such cure must be completed within sixty (60) days after the notice.

9.7 Right to Setoff and Credit. In addition to its other rights and remedies under this Agreement, Licensor shall have the right to setoff and credit from time to time and at any time, any and all amounts due from Licensee to Licensor, whether pursuant to this Agreement or otherwise, against any sum which may be due from Licensor to Licensee pursuant to this Agreement or otherwise.

9.8 Enforcement. Either party shall have the right to pursue litigation or otherwise enforce its rights under this Agreement or other legal or equitable rights it might have.

X. TERMINATION

10 Rights at Termination. The following provisions shall apply at the expiration of the term hereof or upon any other termination of this Agreement (taking into account any extensions of this Agreement):

10.1 Surviving Obligations. Expiration or termination of this Agreement for any other reason does not terminate Licensee's obligations existing or arising prior to or simultaneous with, or attributable to, the termination or events leading to or occurring before termination.

10.2 Delivery of Possession. Licensee shall cease using the Right-of-way. Licensee shall without demand, peaceably and quietly quit and deliver up the Right-of-way to Licensor maintained and repaired and in as good order and condition, reasonable use and wear excepted, as the Right-of-way may now be in or in such better condition as the Right-of-way may hereafter be placed.

10.3 New Approvals and Agreements. Upon expiration or termination of this Agreement for any reason, Licensee shall no longer have the right to use the Right-of-way except as permitted by law. After termination of this Agreement, any right, if any, for the Private Plant to be in the Right-of-way shall be pursuant to such new approvals and agreements, if any, and not pursuant to this Agreement.

10.4 Removal of Improvements. Notwithstanding anything in this paragraph or the remainder of this Agreement to the contrary, if this Agreement is terminated and Licensee does not have the right to maintain its Private Plant in the Right-of-way, unless Licensor directs otherwise, Licensee shall leave the cable, conduits, other appurtenances, and the remainder of the entire Private Plant in place in good condition. However, to the extent Licensor gives notice requesting the work, Licensee shall remove all of the Private Plant and restore the Right-of-way to its prior condition, or to a condition matching Licensor's surrounding land and improvements. Notwithstanding the preceding sentence, Licensee is not obligated to remove horizontal underground conduit, along with cables that are buried directly in the ground without conduits. Without limitation such work shall include revegetation and appropriate irrigation systems for revegetated areas. To the extent Licensee has abandoned the Private Plant and/or is not using the

Private Plant for an authorized purpose, title to any and all personal property installed by Licensee upon the Right-of-way that is not removed during that period shall automatically vest in Licensor.

XI. INSURANCE AND INDEMNITY

11. Insurance and Indemnity Responsibility. During the entire term of this Agreement, Licensee shall insure its property and activities at and about the Right-of-way and shall provide insurance and indemnification as follows:

11.1 Insurance Required. Not later than the date of this Agreement, and at all times thereafter when Licensee is occupying or using the Right-of-way in any way, Licensee shall obtain and cause to be in force and effect the following insurance:

11.1.1 Commercial General Liability. Commercial general liability insurance, with policy provisions with coverage equivalent to or broader than ISO CG24040509 with additional insured endorsements CG20100413 and CG20370413, including premises operations liability, completed operations liability, Independent Contractors Liability, Contractual Liability coverage, railroad protective coverage and coverage for property damage from perils of explosion, collapse or damage to underground utilities, commonly known as XCU coverage, in an amount not less than \$2,000,000 per occurrence, with a \$5,000,000 aggregate and a \$5,000,000 products completed operations aggregate.

11.1.2 Automobile Liability. Commercial automobile liability insurance that provides coverage for owned, hired, and non-owned automobiles, with Licensor as an additional insured, in the minimum amount of a combined single limit of \$2,000,000 per occurrence.

11.1.3 Workers' Compensation. Such workers' compensation and similar insurance as is required by law and employer's liability insurance with a minimum limit of Five Hundred Thousand Dollars (\$500,000) for each accident, Five Hundred Thousand Dollars (\$500,000) disease for each employee, One Million Dollars (\$1,000,000) policy limit for disease.

11.1.4 Special Risk Property. Unless waived by Licensor in writing, all risk property insurance covering damage to or destruction of all real and personal improvements to the Right-of-way in an amount equal to full replacement cost of all such improvements. Such insurance shall be special causes of loss policy form (minimally including perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft, vehicles, riot, civil commotion, theft, vandalism, malicious mischief, collapse and flood).

11.2 Policy Limit Escalation. Licensor may elect by notice to Licensee to increase the amount or type of any insurance to account for inflation, changes in risk, or any other factor that Licensor reasonably determines to affect the prudent amount of insurance to be provided.

11.3 Form of All Insurance. All insurance provided by Licensee with respect to the Right-of-way, whether required by this Agreement or not, shall meet the following requirements:

11.3.1 "Occurrence" coverage is required. "Claims made" insurance is not permitted, except for Broadcast Insurance.

11.3.2 If Licensee uses any excess insurance then such excess insurance shall be "follow form" equal to or broader in coverage than the underlying insurance.

11.3.3 Policies must also cover and insure Licensee's activities relating to the business operations and activities conducted away from the Right-of-way.

11.3.4 Licensee must clearly show by providing copies of insurance certificates, formal endorsements or other documentation acceptable to Licensor that all insurance coverage required by this Agreement is provided.

11.3.5 Licensee's insurance shall be primary insurance with respect to claims arising out of Licensee's operations, activities and obligations under this Agreement.

11.3.6 All policies, including workers' compensation, shall waive transfer rights of recovery (subrogation) against Licensor, and Licensor's employees, officials, representatives, officers and agents (all of whom, including Licensor, are collectively "Additional Insureds").

11.3.7 No deductibles, retentions, or "self-insured" amounts shall exceed One Hundred Thousand (\$100,000) in the aggregate per year, per policy. Licensee shall be solely responsible for any self-insurance amount or deductible. Notwithstanding the foregoing, at any time Licensee's net worth is more than One Hundred Million Dollars (\$100,000,000.00), Licensee may elect to self-insure or have a retention up to the amount of Ten Million and No/100 Dollars (\$10,000,000.00).

11.3.8 All policies except workers' compensation must name Licensor and the other Additional Insureds as additional insureds. Licensee shall cause coverage for Additional Insureds to be incorporated into each insurance policy by endorsement with respect to claims arising out of Licensee's operations, activities and obligations under this Agreement.

11.3.9 Any notice of cancellation of coverage will be delivered to Licensor in accordance with policy provisions, which shall include an endorsement indicating that the policy may not be canceled or modified without providing thirty (30) days prior written notice to Licensor. Licensee shall provide any notice not provided by an insurer.

11.4 Insurance Certificates. Licensee shall evidence all insurance by furnishing to Licensor certificates of insurance annually and with each change in insurance coverage. Certificates must evidence that the policy described by the certificate is in full force and effect and that the policy satisfies each requirement of this Agreement applicable to the policy. For example, certificates must evidence that Licensor and the other Additional Insureds are additional insureds. Certificates must be in a form acceptable to Licensor. Licensee shall provide updated certificates at Licensor's request.

11.5 Acceptable Insurers. All insurers shall be duly licensed (or qualified unlicensed non-admitted insurer) by the State of Arizona, Department of Insurance. At a minimum, all insurers shall have and maintain an A.M. Best, Inc. rating of B++ 6.

11.6 No Representation of Coverage Adequacy. By requiring insurance herein, Licensor does not represent that coverage and limits will be adequate to protect Licensee. Licensor reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Licensee from, nor be construed or deemed a waiver of, Licensee's obligation to maintain the required insurance at all times.

11.7 Indemnity. In addition to all other indemnities and other obligations hereunder, to the fullest extent permitted by law, throughout the term of this Agreement and until all obligations and performances under or related to this Agreement are satisfied and all matters described in this paragraph are completely resolved, Licensee agrees to indemnify, defend and hold harmless Licensor, its officers, elected representatives, and employees from liabilities, damages, losses and costs, including reasonable attorney fees and court costs, related to third party claims, but only to the extent caused by the negligence, recklessness or intentional wrongful conduct of Licensee or other persons employed or used by Licensee or arising out of Licensee's use or occupation of the Right-of-Way. This indemnity includes any claim or amount arising out of or recovered under Workers' Compensation Law or arising out of the failure of Licensee to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is agreed that Licensee will be responsible for primary loss investigation, defense and judgment costs where this indemnity applies. If, in Licensor's reasonable judgment, a conflict exists between the interests of Licensor and Licensee in such a claim, Licensor may retain its own counsel whose reasonable fees will be paid by Licensee.

11.8 Insurance to be provided by Others. If any work under this Agreement is subcontracted in any way, Licensee shall execute a written agreement with each subcontractor requiring liability coverage amounts commensurate with the scope of such subcontractor's work.

XII. CONDEMNATION

12. Condemnation. Licensor has not relinquished any right of condemnation or eminent domain over the Right-of-way.

XIII. DAMAGE TO RIGHT-OF-WAY

13. Damage to Right-of-way. Licensee shall repair any damage to the Private Plant caused by damage to or destruction of the Right-of-way by fire, explosion, the elements, the public enemy, or other casualty. Nothing in the preceding sentence shall be deemed to prevent Licensee from recovering from a third party the costs of any such repair to the extent the damage to the Private Plant was caused by a third party.

XIV. LICENSEE'S RECORDS

14. Licensee's Records. During the entire term of this Agreement, Licensee shall keep records and provide information to Licensor as follows:

14.1 Scope of Information. Unless otherwise specified, all of Licensee's recordkeeping and disclosure obligations under this article include and are limited to information about this Agreement and Licensor's and Licensee's rights and obligations hereunder (collectively, the "Covered Information").

14.2 Records Inspection. At Licensee's expense, and upon request of Licensor, Licensee shall:

14.2.1 Permit and assist Licensor and its representatives at all reasonable times to inspect, audit, and copy Licensee's records of Covered Information.

14.2.2 Make the records of Covered Information (and reasonable accommodations for Licensor's audit and inspection) available to Licensor within Licensor's Boundaries, or within a

reasonable distance from those Boundaries in Maricopa County, Arizona. If Licensee asserts that any Covered Information provided to Licensee is confidential or proprietary, it will give Licensor notice of its assertion when the Covered Information is provided to Licensor. If Licensor receives a public records request for that Covered Information, it will, within twenty (20) days, notify Licensee and it will be Licensee's sole and exclusive obligation to seek protection of that Covered Information in a court of competent jurisdiction.

14.2.3 Cause Licensee's employees and agents and accountants to give their reasonable cooperation and assistance in connection with Licensor's access to the Covered Information.

14.3 Record Retention. Licensee shall preserve records of the Covered Information for a period ending three (3) years after the time period reported by the records.

14.4 Costs of Audit. If an audit, inspection or examination discloses underpayments (or other matters adjusted in favor of Licensor) of any nature that exceed five percent (5%) of any payments or single payment, Licensee shall pay to Licensor, Licensor's actual cost (based on the amount paid by Licensor, or based on reasonable charges charged by private auditors and other service providers for comparable work if the examination is performed by Licensor's employees) of the examination, together with late fees, interest, and other amounts payable in connection with such adjustments of payments. Any adjustments and/or payments due as a result of any such examination shall be made within a reasonable amount of time (not to exceed 45 days) after Licensor gives to Licensee notice of Licensor's findings. Any such audit shall take place within one year following the close of each of Licensee's fiscal years.

XV. COMPLIANCE WITH LAW

15. Compliance with Law. Licensee shall perform its obligations under this Agreement in accordance with all federal, state, county and local laws, ordinances, regulations or other rules or policies as are now in effect or as may hereafter be adopted or amended. Without limiting in any way the generality of the foregoing, Licensee shall comply with all and each of the following:

15.1 Applicability of Municipal Law. Without limitation, Licensee shall comply with municipal laws as follows:

15.1.1 Licensee acknowledges that this Agreement does not constitute, and Licensor has not promised or offered, any type of waiver of, or agreement to waive (or show any type of forbearance, priority or favoritism to Licensee with regard to) any law, ordinance, power, regulation, tax, assessment or other legal requirement now or hereafter imposed by the City of Scottsdale or any other governmental body upon or affecting Licensee, the Right-of-way, or Licensee's use of the Right-of-way.

15.1.2 All of Licensee's obligations hereunder are in addition to, and cumulative upon (and not to any extent in substitution or satisfaction of), all existing or future laws and regulations applicable to Licensee.

15.1.3 Licensor's rights and remedies hereunder for Licensee's failure to comply with all applicable laws supplement and are in addition to and do not replace otherwise existing powers of the City of Scottsdale or any other governmental body.

15.1.4 Licensee's rights hereunder are subject to all present and future building restrictions, regulations, zoning laws, and all ordinances, resolutions, rules and orders of all bodies, bureaus, commissions and bodies of any municipal, county, state, or federal authority, now or hereafter having jurisdiction over the Right-of-way or Licensee's use thereof. Licensee shall comply with all of the foregoing.

15.1.5 This Agreement does not impair City of Scottsdale's power to enact, apply or enforce any laws or regulations, or exercise any police or other governmental powers affecting in any way Licensee or the Right-of-way.

15.2 Taxes, Liens and Assessments. In addition to all other amounts herein provided and to the extent consistent with applicable law, Licensee shall pay, when the same become due and payable, all applicable taxes and general and special fees, charges and assessments of every description that during the term of this Agreement may be levied upon or assessed upon or with respect to Licensee's use of the Right-of-way, Licensee's operations conducted therein, any amounts paid or other performances under this Agreement by either party, and all possessory interest in the Right-of-way and improvements and other Licensor or Licensee property thereon. Licensee shall pay, indemnify, defend and hold harmless Licensor from any and all such obligations, including any interest, penalties and other expenses which may be imposed, and from any lien therefor or sale or other proceedings to enforce payment thereof.

15.3 Change in Law. If a provision of this Agreement is affected by subsequent legislative action, this Agreement shall continue in force to the extent possible.

XVI. ASSIGNABILITY

16 Assignability. This Agreement is not assignable by Licensee (and any assignment shall be void and vest no rights in the purported assignee) unless the assignment is made in strict compliance with the following:

16.1 Assignments Affected. Every assignment of any of Licensee's right to use the Right-of-way or this Agreement or any of Licensee's rights or interests hereunder is prohibited unless Licensee first receives from Licensor notice of Licensor's consent to the assignment. All references in this Agreement to assignments by Licensee or to assignees shall be deemed also to apply to all of the following transactions, circumstances and conditions and to all persons claiming pursuant to such transactions, circumstances and conditions:

16.1.1 Any voluntary or involuntary assignment, conveyance or transfer of the right to use the Right-of-way or any interest therein or any rights under this Agreement, in whole or in part.

16.1.2 Any voluntary or involuntary pledge, lien, mortgage, security interest, judgment, claim or demand, whether arising from any contract, any agreement, any work of construction, repair, restoration, maintenance or removal, or otherwise affecting Licensee's rights to use the Right-of-way (collectively "Liens").

16.1.3 Any assignment by Licensee of any interest in this Agreement for the benefit of creditors, voluntary or involuntary.

16.1.4 A Licensee Insolvency.

16.1.5 The occurrence of any of the foregoing by operation of law or otherwise.

16.1.6 The occurrence of any of the foregoing with respect to any assignee or other successor to Licensee.

16.2 Pre-approved Assignments. Subject to certain conditions hereafter stated, Licensor hereby consents to certain assignments (the "Pre-approved Assignments"). Only the following assignments are Pre-approved Assignments:

16.2.1 Complete Sale of Private Plant. Licensee's complete assignment of all of Licensee's rights and interests in the Right-of-way and this Agreement to a single assignee who meets all of the following requirements, as determined by Licensor in Licensor's reasonable discretion (a "Qualified Operator"):

16.2.1.1 The assignee has experience, management, credit standing, regulatory approvals and financial capacity and other resources and obligations adequate to successfully perform under this Agreement.

16.2.1.2 The assignee has a net worth of not less than One Billion and No/100 Dollars (\$1,000,000,000.00).

16.2.2 Stock Transfers. The transfer of publicly traded stock, regardless of quantity.

16.2.3 Merger. The merger or consolidation of Licensee with another entity that is a Qualified Operator.

16.2.4 Common Ownership Transfer. Licensee's complete assignment of all of Licensee's rights to use the Right-of-way and this Agreement to a single assignee who is and remains an affiliate of Google, Inc., a Delaware corporation.

16.3 Limitations on Assignments. Licensor's consent to any assignment, including without limitation, Pre-approved Assignments, is not effective until the following conditions are satisfied:

16.3.1 Except for the transfer of publicly traded stock, Licensee shall provide to Licensor a complete copy of the document assigning this Agreement.

16.3.2 Each Pre-approved Assignment must satisfy all other requirements of this Agreement pertaining to assignments.

16.4 Assignment Remedies. Any assignment without Licensor's consent shall be void and shall not result in the assignee obtaining any rights or interests in, under or related to this Agreement. Licensor may, in its sole discretion and in addition to all other remedies available to Licensor under this Agreement or otherwise, and in any combination, terminate this Agreement, collect Use Fee from the assignee and/or declare the assignment to be void, all without prejudicing any other right or remedy of Licensor under this Agreement. No cure or grace periods shall apply to assignments prohibited by this Agreement or to enforcement of any provision of this Agreement against an assignee who did not receive Licensor's consent.

16.5 Effect of Assignment. Prior to any assignment, each assignee must execute an assumption of this Agreement in form acceptable to Licensor. Consent by Licensor to an assignment shall not relieve Licensee from obtaining Licensor's consent to any further assignment. No assignment shall release Licensee from any liability hereunder.

16.6 Unity of Assignment. Any assignment must cover Licensee's entire interest in the Private Plant and this Agreement. All of Licensee's rights under this Agreement must at all times remain in the hands of a single person or entity so that Licensor is only dealing with a single Licensee as to this Agreement and the Private Plant.

16.7 Enforceability after Assignment. No consent by Licensor shall be deemed to be a novation. Licensor's consent to any assignment does not in any way expand or modify this Agreement or waive, diminish or modify any of Licensor's rights or remedies under this Agreement. This Agreement shall be enforceable against Licensee and each successor, partial or total, and regardless of the method of succession, to Licensee's interest hereunder. Each successor having actual or constructive notice of this Agreement shall be deemed to have agreed to the preceding sentence.

16.8 Grounds for Refusal. Except for the Preapproved Assignments, no assignment of this Agreement by Licensee is contemplated or bargained for. Without limitation, Licensor has the right to impose upon any consent to assignment such conditions and requirements as Licensor may deem appropriate.

16.9 Form of Assignment. Any assignment shall be by agreement in form and content acceptable to Licensor. Without limitation, any assignment shall specify and require that each assignee acquiring any interest under this Agreement shall assume and be bound by, and be obligated to perform the terms and conditions of this Agreement.

16.10 Consent to Assignments. Licensee shall attach to each Pre-approved Assignment a copy of Licensee's notice to Licensor of the Pre-approved Assignment and other required documents, Licensee shall attach to each other assignment, a copy of Licensor's notice to Licensee of Licensor's consent to the assignment. This Agreement shall control any conflict with any documents relating to an assignment.

16.11 Assignment Fee. Licensee shall pay to Licensor in advance the sum of Three Thousand Five Hundred Dollars (\$3,500) as a nonrefundable fee for legal, administrative and other expenses related to every Pre-approved Assignment (other than the sale of publicly traded stock) or to any request for a consent to assignment, whether or not Licensor grants such request.

XVII. MISCELLANEOUS

17. Miscellaneous. The following additional provisions apply to this Agreement:

17.1. Amendments. This Agreement may not be amended except by a formal writing executed by all of the parties.

17.2. Time of Essence. Time is of the essence of each and every provision of this Agreement.

17.3. Survival of Liability. All obligations of Licensee and Licensor hereunder and all warranties and indemnities of Licensee hereunder shall survive termination of this Agreement for any reason.

17.4. Severability. If any term, condition, covenant, stipulation, agreement or other provision of this Agreement shall be ruled by a court or agency of competent jurisdiction to be invalid or unenforceable for any reason, then:

17.4.1. The invalidity or unenforceability of such provision shall not affect the validity of any remaining provisions of this Agreement.

17.4.2. This Agreement shall be automatically reformed to secure to the parties the benefits of the unenforceable provision, to the maximum extent consistent with law.

17.5. Conflicts of Interest. No officer, representative or employee of Licensor shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement that is prohibited by law.

17.6. No Partnership. This Agreement and the transactions and performances contemplated hereby shall not create any sort of partnership, joint venture or similar relationship between the parties.

17.7. Non-liability of Officials and Employees. No official, representative or employee of Licensor shall be personally liable or otherwise responsible to any party, or to any successor in interest to any party, for any default or breach by Licensor or for any amount which may become due to any party or successor, or with respect to any obligation of Licensor or otherwise under the terms of this Agreement or related to this Agreement.

17.8. Notices. Notices hereunder shall be given in writing delivered to the other party or mailed by registered or certified mail, return receipt requested, postage prepaid addressed to:

If to Licensor: City Manager
 City of Scottsdale
 3939 North Drinkwater Boulevard
 Scottsdale, AZ 85251

Copy to: Wireline Telecommunications License Administrator
 City of Scottsdale
 7384 E. 2nd Street
 Scottsdale, AZ 85251

Copy to: City Attorney
 City of Scottsdale
 3939 N. Drinkwater Blvd.
 Scottsdale, AZ 85251

If to Licensee: Google Fiber Arizona, LLC
 ATTN: General Manager
 1600 Amphitheatre Parkway
 Mountain View, CA 94043
 Fax: (650) 253-0001
 Email: googlefibernotices@google.com

Copy to: Google Fiber Inc.
ATTN: Google Fiber Legal Department
1600 Amphitheatre Parkway
Mountain View, CA 94043
Email: legal-notices@google.com

By notice from time to time, a person may designate any other street address within Maricopa County, Arizona as its address for giving notice hereunder. Service of any notice by mail shall be deemed to be complete three (3) days (excluding Saturday, Sunday and legal holidays) after the notice is deposited in the United States mail.

17.9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement, understanding, negotiation, draft agreements, discussion outlines, correspondence, memoranda and representation regarding the Right-of-way.

17.10. Construction. Whenever the context of this Agreement requires, the singular shall include the plural, and the masculine shall include the feminine. This Agreement was negotiated on the basis that it shall be construed according to its plain meaning and neither for nor against any party, regardless of their respective roles in preparing this Agreement. The terms of this Agreement were established in light of the plain meaning of this Agreement and this Agreement shall therefore be interpreted according to its plain meaning and without regard to rules of interpretation, if any,

17.11. Paragraph Headings. The paragraph headings contained herein are for convenience in reference and not intended to define or limit the scope of any provision of this Agreement.

17.12. No Third Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement or shall have any right or cause of action hereunder. Licensor shall have no liability to third parties for any approval of plans, Licensee's construction of improvements, Licensee's negligence, Licensee's failure to comply with the provisions of this Agreement (including any absence or inadequacy of insurance required to be carried by Licensee), or otherwise as a result of the existence of this Agreement.

17.13. Exhibits. Any Exhibits specifically stated to be attached hereto as specified herein are hereby incorporated into and made an integral part of this Agreement for all purposes.

17.14. Attorneys' Fees. If any action, suit or proceeding is brought by either party hereunder to enforce this Agreement or for failure to observe any of the covenants of this Agreement or to vindicate or exercise any rights or remedies hereunder, the prevailing party in such proceeding shall be entitled to recover from the other party such prevailing party's reasonable attorneys' fees and other reasonable litigation costs (as determined by the court (and not a jury) in such proceeding).

17.15. Choice of Law. This Agreement shall be governed by the internal laws of the State of Arizona without regard to choice of law rules. Licensor has not waived its claims procedures as respects this Agreement. Exclusive proper venue for any action regarding this Agreement shall be Maricopa County Superior Court or a Federal district court sitting in Maricopa County. City and Lessee consent to personal jurisdiction in such courts.

17.16. Approvals and Inspections. All approvals, reviews and inspections by Licensor under this Agreement or otherwise are for Licensor's sole benefit and not for the benefit of Licensee, its contractors, engineers or other consultants or agents, or any other person.

17.17. No Partnership. This Agreement and the transactions and performances contemplated hereby shall not create any sort of partnership, joint venture or similar relationship between the parties.

17.18. Recording. This Agreement shall not be recorded.

17.19. Statutory Cancellation Right. In addition to its other rights hereunder, Licensor shall have the rights specified in A.R.S. § 38-511.

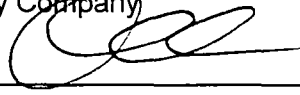
17.20. Recitals. The Recitals are, by this reference, made a part of this Agreement.

(Signatures on next page)

EXECUTED as of the date first given above.

LICENSEE: Google Fiber Arizona, LLC, an Arizona Limited Liability Company

By:



Dennis Kish

Its: Authorized signatory

LICENSOR: CITY OF SCOTTSDALE,
an Arizona municipal corporation

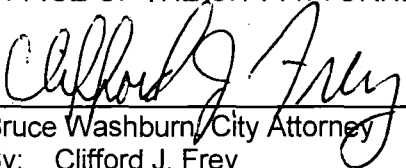
By:

W.J. "Jim" Lane, Mayor

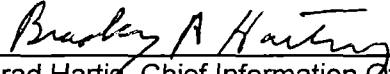
ATTEST:

Carolyn Jagger, City Clerk

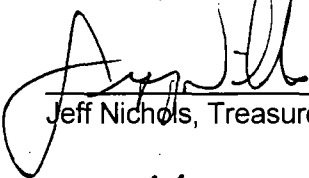
APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY



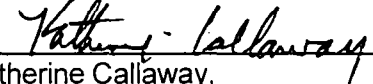
Bruce Washburn, City Attorney
By: Clifford J. Frey
Senior Assistant City Attorney



Brad Hartig, Chief Information Officer



Jeff Nichols, Treasurer



Katherine Callaway,
Risk Management Director



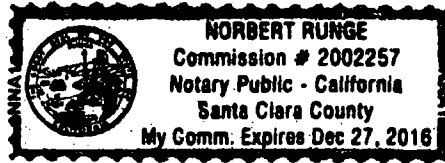
STATE OF California)
County of Santa Clara) ss.

The foregoing instrument was acknowledged before me this 17th day of September, 20 15, by DENNIS GEORGEKISH of Google Fiber Arizona, LLC, an Arizona limited liability company.

Norbert Runge
Notary Public CA

My Commission Expires:

Dec. 27, 2016



STATE OF ARIZONA)
County of Maricopa) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by W.J. "Jim" Lane, mayor of the City of Scottsdale, an Arizona municipal corporation.

Notary Public

My Commission Expires:

EXHIBIT "A"

ON-DEMAND BOND

Bond No. _____

Effective Date: _____

KNOW ALL MEN BY THESE PRESENTS:

THAT WE Google, Inc., as Principal, and Travelers Casualty and Surety Company of America, a corporation duly incorporated under the laws of the State of Connecticut and authorized to do business in the State of Arizona, as Surety, are held and firmly bound unto City of Scottsdale, as Obligee, in the sum of \$_____, for the payment of which we hereby bind ourselves, our heirs, executors and administrators, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written agreement entitled "Cable Television License Agreement" ("Agreement") with the Obligee; and

WHEREAS, Obligee requires a security instrument under the Agreement;

NOW, THEREFORE, Surety agrees to issue this on-demand bond ("Bond") and make payment under it on the following terms:

1. This bond shall be deemed to run continuously and shall remain in full force and effect until and unless the bond is canceled in the manner provided herein. This bond may be canceled at any time upon one hundred twenty (120) days advance written notice of the cancellation from Surety to Obligee. Such notice shall not discharge the Surety from its obligations hereunder provided, however, the Demand of the Obligee must be received prior to the effective date of such cancellation. It is understood and agreed that the Obligee may recover the full amount of the Bond less any previous amounts paid to Obligee under the Bond if the Surety cancels the Bond and, within thirty (30) days prior to the effective date of cancellation, the Obligee has not received collateral from the Principal acceptable to Obligee to replace the Bond.
2. Regardless of the number of years this Bond is in force or the number of continuation certificates issued, the liability of the Surety shall not be cumulative in amounts from period to period and shall in no event exceed the amount set forth above, or as amended by rider.
3. To collect on the Bond, the Obligee will present a written demand substantially in the form attached as Exhibit A to the Surety for any amount up to the total sum of the Bond. Within ten (10) business days of receipt of a written demand from the Obligee, the Surety shall submit payment to the Obligee for the amount requested up to the total sum of the Bond. Written demands must be presented by hand or overnight courier to:

Travelers Casualty and Surety Company of America
Attn: Bond Claim
One Tower Square
Hartford, CT 06183
Email:
Fax:

SIGNED, SEALED AND DATED this _____ day of _____, _____.

Google Fiber Arizona, LLC

Travelers Casualty and Surety Company of America

_____, Attorney-in-Fact

FORM OF DRAFT LETTER FOR ON-DEMAND BOND

To: _____

From:
Chief Financial Officer
[Insert city details]

Re: _____ [Company Name]
Bond Number: _____
Agreement No. _____ dated _____, 201_

Date: _____, 20__

Ladies and Gentlemen:

Pursuant to your On-Demand Bond No. _____, the City of Scottsdale hereby demands cash _____ payment _____ in _____ the _____ amount _____ of _____ (\$ _____).

Please make your payment to the City of Scottsdale in the form of a wire deposit and indicate the amount is coming from the on-demand bond issued to Google Fiber Arizona, LLC to:

If such deposit cannot be accomplished immediately for any reason, please make your payment in the form of a cashier's check issued by your institution and delivered to me at the address listed above.

I certify that I am the Chief Financial Officer of the City of Scottsdale.

If there is any imperfection or defect in this draft or its presentation, please inform me immediately at [phone number] so that I can correct it. Also, please immediately notify the City Attorney at [Phone number]

Thank you.

City of Scottsdale, Chief Financial Officer