CITY OF CHANDLER TELECOMMUNICATION SERVICES (CLASS 4) AND FIBER OPTIC CABLE, INTERSTATE TELECOMMUNICATION, AND OTHER COMMUNICATION SERVICES (CLASS 5) LICENSE ISSUED TO GILA LOCAL EXCHANGE CARRIER, INC. D/B/A ALLUVION COMMUNICATIONS

City of Chandler Document No. _____

City Council Meeting Date: _____

THIS LICENSE ("License") is issued by the City of Chandler, an Arizona municipal corporation ("City") to Gila Local Exchange Carrier, Inc. d/b/a Alluvion Communications, a corporation organized under the laws of the Gila River Indian Community ("Licensee"). (The City and Licensee are each a "Party" and collectively the "Parties") effective ("Effective Date").

RECITALS

A. On or about November 5, 2025, Licensee applied to the City for permission to construct, install, operate, maintain, and use the Public Rights of Way within the City to provide Telecommunications Services (Class 4 License) and Fiber Optic Cable, Interstate Services, and Other Communication Facilities (Class 5 License) (collectively "Telecommunication Services") as appropriate; and

B. By the authority conferred by A.R.S. §§ 9-581-583, the Chandler City Charter, and Chandler City Code Chapter 46, the City is authorized to grant this License; and

C. The City Council has authorized the Mayor or his designee to execute a license with Licensee to construct, install, operate, maintain, and use a System (defined hereinafter) in, along, under, over, and across certain Public Rights-of-Way within the City or on other City-owned property to provide Telecommunications Services as appropriate.

LICENSE

NOW, THEREFORE, City hereby grants Licensee this License under the following terms and conditions:

SECTION 1. DEFINITIONS

For this License, unless the context otherwise requires, the following terms, phrases, words, and their derivatives have these meanings. When not inconsistent with the context, words in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural. The word "shall" is always mandatory and not merely directory. The terms, phrases, words, and their derivatives used in this License have the meanings given in Chapter 46 of the Chandler City Code as amended. If a conflict or ambiguity exists among the definitions in Arizona Revised Statutes, the Chandler City Code, and this License, the definitions in the following order prevail and control: (1) Arizona Revised Statutes; (2) Chandler City Code; (3) this License. Additional definitions for this License include:

"ACC" means the Arizona Corporation Commission.

“A.R.S." means Arizona Revised Statutes, as amended.

"Cable Services", "Cable System", “Video Services”, and “Video Services Network” have the same meaning as defined in Chapter 46 of the Chandler City Code.

“City” means the City of Chandler, Arizona.

"City Council" means the Council of the City of Chandler.

"Commercial Mobile Radio Services" means two-way voice commercial mobile radio services as defined by the Federal Communications Commission in 47 United States Code § 157.

“Day” means calendar day unless noted otherwise.

“Encroachment Permit” means the nonexclusive permission granted by the City to Licensee within the Public Rights-of- Way for the specific location of Licensee’s System and includes fees (if any) for the specific location, and other terms and conditions in accordance with the City Code, applicable Rights-of-Way construction regulations, and other applicable law.

"Environmental Laws" means all federal, state, and local laws, ordinances, rules, regulations, statutes, and judicial decisions now or subsequently in effect, in any way relating to or regulating human health, or safety, or industrial hygiene, or environmental conditions, or protection of the environment, or prevention or cleanup of pollution or contamination of the air, soil, surface water, or ground water.

"FCC" means the Federal Communications Commission.

"Gross Revenue" means: (i) all cash, credits, property of any kind or nature or other consideration that is received directly or indirectly by Licensee, its affiliates, or any person, firm, or corporation in which Licensee has a financial interest or that has a financial interest in Licensee and that is derived from Licensee’s operation of its System to provide Telecommunication Services in the Service Area; and (ii) includes all revenue from charges for Telecommunications Services to subscribers and all charges for installation, removal, connection or reinstatement of equipment necessary for a subscriber to receive Telecommunication Services and any other receipts from subscribers derived from Licensee’s operation of the System to provide Telecommunications Services, including receipts from forfeited deposits, sale or rental of equipment to provide Telecommunications Services, late charges, interest and sale of program guides; and (iii) the use or lease, in whole or in part, of Licensee’s System located in Public Right-of-Way. Gross Revenue does not include: (i) any revenue not received by Licensee, even if billed, such as bad debt net of any recoveries of bad debt or any refunds, credits, allowances or discounts to subscribers to the extent that the refund, rebate, credit, allowance or discount is attributed to Telecommunication Services; and (ii), license fees, taxes or other fees or charges that Licensee collects and pays to any governmental authority; and (iii) any increase in the value of any stock, security or asset, or any dividends or other distributions made from any stock or securities.

"Hazardous Substances" means those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Laws and the following substances: gasoline, kerosene, or other petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials.

"License" means this non-exclusive authorization granted by the City to construct, operate, maintain, reconstruct, repair, and remove the System.

"Licensee" means Gila Local Exchange Carrier, Inc. d/b/a Alluvion Communications, a corporation organized under the laws of the Gila River Indian Community, with its principal place of business at 7065 West Allison Road, Chandler, AZ 85226, to which this License is granted.

"Licensor" means the City of Chandler, Arizona, a municipal corporation of the State of Arizona as represented by the City Council and acting through the City Manager or the City Manager's designee.

"Pre-existing Environmental Condition" means the presence, emission, disposal, discharge, or release of any Hazardous Substance at, in, on, under, or about the System, however caused, existing prior to the placement of the System within the Public Rights-of-Way, whether the nature and extent of such contamination is known or unknown at the time.

"Provider" means a broadband internet access service and/or telecommunications provider that constructs, installs, operates, or maintains communications facilities in the Public Rights-of-Way.

"Public Rights-of-Way" means all roads, streets, alleys, and all other dedicated public rights-of-way and public utility easements located within the City's corporate boundaries.

"System" means Licensee's infrastructure and communications facilities and equipment including, but not limited to, conduit, fiber optic cables, splice cases, manholes, hand holes, power pedestals and other related and associated facilities installed in the Public Rights-of-Way, and when specifically authorized by the City on other City-owned property, and which are used to provide Telecommunication Services.

"Telecommunications" has the same meaning as defined in A.R.S. § 9-581(4), as amended.

"Telecommunications Corporation" has the same meaning as defined in A.R.S. § 9-581(5), as amended.

"Telecommunications Services" has the same meaning as defined in A.R.S. § 9-581(6), as amended.

SECTION 2. PERMISSION GRANTED

2.1. Grant. Subject to the provisions of this License, the Chandler City Charter, the Chandler City Code, and Arizona and federal law, the City grants to Licensee nonexclusive and revocable rights and nonexclusive and revocable privileges as set forth in this License to construct, install, operate, and maintain its System in the Public Rights- of-Way and on other City-owned property.

2.1.1 At any time during the term of this License, Licensee may apply to the City for encroachment permits that set forth the specific location of Licensee's System, fees (if any) for the specific location, and other terms and conditions. The City may approve, deny, or conditionally approve Licensee's encroachment permit application based on the following but not exclusive reasons: (i) availability of space at the location sought by Licensee; (ii) public health, safety, and welfare; and (iii) other considerations in accordance with the City Code, applicable construction regulations, and other applicable law.

2.1.2 Subject to the permission of the affected property owner, this License also authorizes Licensee to place its System on property owned by third parties, such as an electric utility company or other private property owners. Provided; however, to the extent the System is in the Public Rights-of-Way, the System installed or constructed by Licensee on the private property satisfies applicable Rights-of-Way Construction regulations and is installed underground in accordance with applicable law including Section 47-4 of the Chandler City Code. Licensee will indemnify, defend, save, and hold harmless the City as provided in this License and assume all liability and risk for Licensee's failure to possess the proper third-party permissions. By executing this License, the City does not waive any rights that City may have against any public utility or other third party to require such owners to obtain the City's prior approval for such uses of their property or facilities, or that revenues received by any public utility or other property owner from Licensee be included in the computation of the use fees owed by such parties to the City. Nothing contained in this paragraph or in this License authorizes Licensee to enter into an agreement with any third party that results in new

aerial attachments or aerial overlash of existing plant whether owned or leased from a third party. Licensee's attachment of facilities or equipment must be accomplished through existing infrastructure, and which results in no aerial overlash of existing infrastructure.

2.1.3 No component or part of Licensee's System may be installed, constructed, located on, or attached to any property within the City until Licensee has applied for and received approval for an encroachment permit under Chapter 46 of the Chandler City Code. Additionally, Licensee must comply with all other provisions of the Chandler City Code including, but not limited to, Chapter 35 related to zoning, Chapter 47 related to off-site construction, and other applicable City regulations. Any right or privilege claimed under this License by Licensee for any use in the Public Rights-of-Way and on other City-owned property is subordinate to any City prior or subsequent lawful occupancy or use or any other governmental entity and is subordinate to any prior easements. Provided; however, nothing in this License extinguishes or otherwise interferes with the Parties' property rights established independently of this License.

2.1.4 Nothing in this License will be construed to prevent the City from abandoning, altering, improving, repairing, or maintaining the City's facilities in the Public Rights-of-Way, and for any or more of such purposes or any other lawful purpose requiring Licensee, at Licensee's expense and no expense to the City, to remove, relocate, or abandon in place Licensee's System to accommodate the City's projects and activities. The City will not be liable for Licensee's lost revenues, however caused, due to any City activity or project in the Public Rights-of-Way, when such costs or lost revenues result from the construction, operation, or maintenance of City facilities and any other lawful project or activity in the Public Rights-of-Way. Provided; however, the City's activities and projects that result in such costs or lost revenues to Licensee are conducted in accordance with applicable laws and regulations.

2.2 Description of the Services, System, and its Construction.

2.2.1 Licensee uses its System to provide Communication Services, which includes Telecommunications Services and may include a high-speed fiber network offering broadband internet to residential and commercial customers throughout the City of Chandler. Licensee represents and warrants that Licensee does not provide services that are considered multichannel video programming services, video services provided by an open video system, cable television, or video services.

2.2.2 Licensee acknowledges, represents, warrants, and agrees that: (i) if a CC&N or other authorization is required by law for certain services, Licensee agrees that it will not provide these services under this License until Licensee receives the proper authorization; (ii) if Licensee obtains a CC&N or other legal authorization during the term of this License, Licensee will furnish a copy of any legal authorization to City as provided in this License within 30 days of receipt; and (iii) Licensee will indemnify, defend, save, and hold harmless the City as provided in this License and assume all liability and risk for Licensee's failure to possess the proper legal authorization to provide some or all of the services under this License.

2.2.3 As part of Licensee's authorized System, Licensee may install empty conduit and dark fiber within the Public Rights-of-Way or on other City-owned property.

2.2.4 Licensee must obtain the proper and necessary encroachment permit before Licensee begins any work or construction in the Public Rights-of-Way or on other City-owned property.

2.2.5 Unless otherwise required by applicable law, Licensee must install and construct Licensee's System underground by trenching or boring conduit along with surface mounted hand holes for access to the fiber for splicing. This license permits Licensee's construction of its System within the Public Rights-of-Way or on other City-owned property. It is the Parties' intent that the Parties will work to minimize inconvenience to Chandler residents other Public Rights-of-Way users. Before

Licensee installs the System, Licensee must submit specifications for proposed manholes and pull boxes to the City for approval, which approval the City will not unreasonably delay or withhold. All work on Licensee's System must comply with the Uniform Standard Specifications for Public Works Construction sponsored and distributed by the Maricopa Association of Governments as amended (hereinafter referred to as "MAG Specs"), the City supplements to MAG Specs, all lawful and reasonable requirements of the City Utility Manual and must follow and comply with industry best practices and standards. As required by City specifications, all of Licensee's conduits must be placed outside of the Public Rights-of-Way or on other City-owned property wherever and whenever possible except as otherwise allowed by Microtrenching (defined below) standards approved by the City. Provided; however, Licensee must build the System in accordance with plans approved by the City.

2.2.6 Any changes to the System must be approved in writing by the City Engineer's designee, which approval will not be unreasonably withheld or delayed.

2.2.7 Licensee shall retain an independent testing company, approved by City in its reasonable discretion without undue condition or delay, to test all materials that will be used to remediate City and third-party facilities, and which are subject to materials testing pursuant to MAG Specs and the City supplements to MAG Specs. All testing results must be sent to the City within 3 business days of Licensee's possession or knowledge of the results.

2.2.8 Licensee's installation of the System must be reasonably coordinated with other utilities and the City to accommodate opportunities for common installation along with Licensee's project as set forth in this License. In accordance with applicable law, all installations must be located underground and in conduit as reasonably approved by the City Engineer. Provided; however, nothing in this License requires Licensee to incur any material additional expense to accommodate common installations. The provisions relating to material additional expense in the foregoing sentence relate only to coordinated common installations and are not applicable to any other section of this License.

2.2.9 Licensee must install the System according to City approved details, standards, and requirements. Licensee may install portions of the System in trenches that are shallower or narrower than the City's preferred standards in areas of the City as allowed by the City Engineer and if Licensee's installation complies with City-approved microtrenching details, standards, and requirements (collectively "Microtrenching"). Licensee acknowledges, accepts, and agrees that the City will not be liable for any damage or harm caused by the City, its employees, officers, officials, agents, representatives, and contractors to any portion of Licensee's System installed using Microtrenching.

2.3 Location of the System.

2.3.1 At the time of proposed construction, Licensee must submit an encroachment permit application(s) together with the details, plans, and specifications for the City's review and approval, and pay all applicable application, review, and inspection fees before all construction work is performed under the rights and privileges granted under this License. This work includes but is not limited to the installation, operation, maintenance, and location of all the System. The proposed locations of Licensee's planned installation of its System including related facilities or equipment is depicted on the map attached and made a part of this License as Exhibit A ("Service Area"). The System must be depicted more specifically on engineering drawings provided to the City as part of the encroachment permit process and must be updated annually on the anniversary date of this License in accordance with section 4.2.5. Proposed locations of the System that are part of any encroachment permit(s) must also be made a part of a general depiction of Licensee's System in Exhibit A and must be updated at the time of License renewal or amendment of this License.

2.3.2 Although the exact placement and location of Licensee's System will be determined by the City through the Encroachment Permit process, Licensee has expressed its intent and the City has expressed its desire to have the System installed outside of the paved street areas whenever such location is feasible and reasonable. Further, it is the intent and desire of both Parties that when it is necessary for the System to intersect City streets or be placed under paved areas, Licensee must use directional boring unless a deviation is authorized by the City Engineer.

2.3.3 If Licensee desires to change the location of any of the System, including any related facilities or equipment, from the location depicted in initial encroachment permit application(s), Licensee must submit revised plans to apply for and obtain approval for an amendment to the encroachment permit, prior to installation and construction of the facilities or equipment.

SECTION 3. SCOPE

3.1 Licensing Requirements. This License satisfies the licensing requirements of, and is in accordance with, the provisions of Chapter 46 of the Chandler City Code.

3.2 Use of Licensee's System by Others. This License authorizes Licensee in its ordinary course of business: (i) to lease to or contract with others for use of all or part of the System, except to aerial overlash, attach to poles and/or store aerial fiber for purposes of leasing or contracting with others for use of all or part of the system, and (ii) to sell and transfer dark fibers, conduit, or any other facilities that are parts of the System to others that have an agreement, franchise, or other licenses with the City to use the Public Rights-of-Way and on other City-owned property. Under Section 3.2.2, Licensee must first provide written notice to the City of the identity of the proposed user or purchaser and a description of the proposed use or sale arrangement as provided in A.R.S. § 9-583(D). In the event the lease or agreement provides for the other entity to construct, install, operate, or maintain any of Licensee's System, no such arrangement may proceed until the other entity enters a License with the City for use of the Public Rights-of-Way.

3.2.1 Licensee may not allow third parties to use its System for any use that Licensee itself does not have the authority under this License.

3.2.2 Licensee may enter into agreements with third-party Communications Corporations in the ordinary course of business for the resale of Communication Services. Such agreements ("User Contracts") are subject to all requirements and provisions of this License.

3.3 Co-location. Licensee's installation of the System must be reasonably coordinated with other utility providers authorized by the City to have facilities in the City's right-of-way and the City to accommodate reasonably requested opportunities for common installation along with Licensee's project as set forth in this License. All installations must be located as approved by the City Engineer.

3.4 Compliance with Laws.

3.4.1 Licensee must comply with all applicable laws as amended from time to time including but not limited to, the Chandler City Code, the Chandler Charter, and Arizona and federal law in the exercise and performance of its rights and obligations under this License. If it is necessary for Licensee to comply with any law or regulation of the FCC or the Arizona Corporation Commission ("ACC") to engage in the business activities anticipated by this License, Licensee must comply with such laws or regulations as a condition precedent to exercising any rights granted by this License. Provided; however, no such law or regulation of the FCC or ACC may enlarge or modify any of the rights or duties granted by this License without a written modification to this License.

3.4.2 To the extent that Licensee uses the Public Rights-of-Way or other City-owned property to provide services other than intrastate calls through System, the use of the Public Rights-of-Way or other

City-owned property is subject to the terms and conditions of this License and any applicable permits and laws.

3.5 Reports.

3.5.1 Upon request, Licensee will provide to City copies of any non-confidential communications and reports submitted by Licensee to the FCC or any other federal or state regulatory commission or agency with jurisdiction into any matters that directly affect this License.

3.5.2 In addition to the reports required in Section 4.2.3 of this License, upon City's request, Licensee will provide City with regular reports, as needed, to establish Licensee's compliance with the various requirements, fees, and other provisions of this License.

3.6 Non-Interference.

3.6.1 Licensee's System must be constructed, installed, operated, and maintained to interfere as little as possible with traffic or other authorized uses over, under, or through the Public Rights-of-Way and on other City-owned property. All phases of permitting, construction, traffic control, backfilling, compaction and paving, and the location or relocation of the System are subject to the City's jurisdiction as described in MAG, City supplements to MAG, and the City of Chandler Utility Manual. Licensee must keep accurate construction and installation records of the location of all its System and facilities, both aboveground and underground within the City and furnish them to City within sixty (60) days of installation. Licensee must furnish such information in an electronic format compatible with the then current City electronic format.

3.6.2 Licensee must locate and relocate, at its own expense, any facilities, equipment, or other encroachment installed or maintained in, on, or under the Public Rights-of-Way and on other City-owned Property as may be necessary to facilitate any public purpose or any City project or activity whenever directed to do so by City in writing on a non-discriminatory basis. Such relocations must be accomplished in accordance with the directions from City including the City's construction schedule and made under the same terms and conditions as the initial installation allowed pursuant to this License and encroachment permit. Licensee must reimburse the City for any direct or indirect damages incurred by the City because of delays in locations or relocations as required by this paragraph if caused by Licensee's negligence, willful misconduct, or undue delay.

3.6.3 Licensee agrees to obtain permits as required by this License prior to removing, abandoning, relocating, or repairing any portion of its System in the Public Rights-of-Way and on other City-owned property. Notwithstanding the foregoing, City understands and acknowledges there may be instances when Licensee is required to make repairs that are of an emergency nature or in connection with an unscheduled disruption of the System. Licensee will maintain any annual permits required by the City for such repairs. Licensee will notify City, if practicable, before the repairs and will apply for and obtain the necessary permits the next business day after the repairs are initiated.

SECTION 4. FEES, CHARGES, LETTER OF CREDIT, SECURITY FUND, DAMAGE TO THE PUBLIC RIGHTS-OF-WAY AND OTHER CITY-OWNED PROPERTY

Licensee will be solely responsible for the payment of all fees and charges in connection with Licensee's performance under this License, including those set forth below.

4.1 Application Fee. Licensee must pay the City a fee in the amount of $3,000.00 to process the application for this License before approval of this License is submitted to the City Council.

4.2 Annual Fee. Licensee must pay an annual fee to use the Public Rights-of-Way and other City-owned property under the terms and conditions of this License and as calculated under this section (collectively "Annual Fee").

4.2.1 The City will assess, and Licensee must pay, any Annual Fee in accordance with A.R.S. §§ 9-582-583. Licensee bears the burden to show Licensee's payment of any Annual Fee is not required under A.R.S. §§ 9-582-583. Licensee must pay all taxes on intrastate telecommunications services as provided by applicable law and Licensee must pay any Annual Fee as provided in this License for the portions of Licensee's System that are not excluded under A.R.S. §§ 9-582-583.

4.2.2 If Licensee's System carries interstate traffic between and among Licensee's interstate points of presence or leases its dark fiber to another carrier for purposes of carrying interstate traffic between and among that telecommunications corporation's interstate points of presence, Licensee must pay the lesser amount of: (i) $2.79 (for calendar year 2026) per linear foot for trench located in the Public Rights-of-Way or on other City-owned property; or (ii) two percent (2%) of Gross Revenue for such use. Provided, however, Licensee must pay the amount of per linear foot for trench located in the Public Rights of-Way if Licensee has not received any Gross Revenue from Licensee's System for the applicable period. City may, but is not obliged to, accept in-kind consideration in lieu of the Annual Fee if offered by Licensee.

4.2.3 If Licensee's System carries interstate traffic between and among Licensee's interstate points of presence or leases its dark fiber to any entity not included in Section 4.2.2 of this License, Licensee must pay the lesser amount of: (i) $2.79 (for calendar year 2026) per linear foot for trench located in the Public Rights-of-Way or on other City-owned property; or (ii) two percent (2%) of Gross Revenue for such use. Provided, however, Licensee must pay the amount of per linear foot for trench located in the Public Rights of-Way if Licensee has not received any Gross Revenue from Licensee's System for the applicable period.

4.2.4 If Licensee places empty conduit in the Public Rights-of-Way or on other City-owned property for services other than those listed in Section 4.2.1, Licensee must pay the lesser amount of: (i) $2.79 (for calendar year 2026) per linear foot for trench located in the Public Rights-of-Way or on other City-owned property; or (ii) two percent (2%) of Gross Revenue for such use. Provided, however, Licensee must pay the amount of per linear foot for trench located in the Public Rights of-Way if Licensee has not received any Gross Revenue from Licensee's System for the applicable period.

4.2.5 On or before March 31 of each calendar year, Licensee will report to the City the amount of linear feet of trench, if any, or the amount of Gross Revenue, if any, subject to the Annual Fee for the prior calendar year under Sections 4.2.2, 4.2.3, or 4.2.4 permitted and installed in the Public Rights-of-Way or on other City-owned property. The Annual Fee for the coming year is part of the annual fee schedule adopted by the City Council. If the Annual Fee is based on the amount of linear feet of trench located in Public Rights-of-Way or on City-owned property, the Annual Fee is calculated by multiplying the current annual per linear foot fee, as adjusted by annual CPI under section 4.2.7 for the year of payment, by the linear footage of trench permitted or installed in the Public Rights-of-Way or on other City-owned property. If the Annual Fee is based on Gross Revenue, Licensee will report the amount of Gross Revenue generated during the prior calendar year and multiply this amount by two percent (2%). The Licensee must pay, and the City must receive, any Annual Fee that is due before the City will issue any new encroachment permits for additional facilities or equipment in the Public Rights-of-Way or other City-owned property.

4.2.6 In the event Licensee cancels or returns a permit and does not construct or install the System approved by such a permit, the fees Licensee previously paid for the respective permit may be applied as a credit to a future Annual License Fee or may be refunded to Licensee by City.

4.2.7 The Annual License Fee will be adjusted based on the percentage of change in the consumer price index ("CPI") for the previous twelve-month period. Any increase in the Annual License Fee will be

referred to herein as the "Adjusted Fee." In no event may the Adjusted Fee be less than the Annual License Fee for the prior year. For purposes of this License, CPI is defined as the Western Region Consumer Price Index for All Urban Customers, All Items, as published by the Bureau of Labor Statistics (BLS), United States Department of Labor. Base period 1982-84 = 100. Adjusted Fees will be effective upon the next subsequent anniversary of the Effective Date. The change in CPI will be calculated based on the change in the CPI for the previous twelve-month period. The City will compute the Adjusted Fee as follows. The following example illustrates calculation of the change factor for a twelve-month period ending in January 2018.

CPI January 2018	258.638
CPI January 2017 (prior year)	250.814
Calculated change in CPI	258.638/250.814
Change in CPI	1.031 (rounded to nearest tenth) = 3.1%

If the BLS ceases publication of the specified CPI, City and Licensee may determine an agreeable inflation index that most clearly approximates the Western Region CPI for the remaining term of the License.

4.3 License to Use City's Freeway Ducts and Conduit. If Licensee wishes to occupy one (1) four-inch (4") conduit owned by the City within the duct bank underneath a freeway located within the City and which City controls, Licensee must pay the City $18,000 per year for the term of this License for this use. Licensee may use the conduit solely to install and operate the System authorized under the terms and conditions of this License. Licensee's payment for use of the duct is due on or before the Effective Date and each annual anniversary thereafter. Licensee's use of the City's Freeway conduit(s) must be reflected in Exhibit A.

4.4 In Kind. This License does not currently require any in-kind payment to City by Licensee. However, if Licensee has not paid any fees required under Section 4, the Parties may agree in writing to new in-kind payments to offset to any fees not paid by Licensee. This subsection imposes no obligation on the City to agree to offset any fees in this License or in any future License.

4.5 Failure to Pay. Licensee agrees that if it fails to pay the Annual Fee owed to the City by the time prescribed for payment, Licensee must pay interest on the amounts owed, at the rate of one percent (1%) per month.

4.6 Invoice and Payment Information:

4.6.1 The City will send invoices for fees and charges under this License to Licensee at the following address:

Gila Local Exchange Carrier, Inc. d/b/a Alluvion Communications
Attn: Mike Staples
7065 West Allison Road
Chandler, AZ 85226
Invoicing contact information: mstaples@gilarivertel.com

4.6.2 Licensee will send payment to the City under this License made payable to the "City of Chandler" at the following address:

City of Chandler
ATTN: Development Services
Mail Stop 403
P.O. Box 4008
Chandler, AZ 85244-4008

Phone: 480-782-3000
Email: tuf@chandleraz.gov

4.7 Taxes. Licensee must obtain any required business/sales tax licenses and pay any applicable City, county, and state transaction privilege and use tax. The Annual Fee must not be an offset to the transaction privilege tax due and owing by Licensee.

4.8 Permit Fees and Construction Costs. In addition to the fees and taxes set forth above, Licensee must pay those fees and charges for encroachment permit applications, inspection, testing, plan review, pavement damage fees, and any other fees adopted by City and applicable to persons doing work in the Public Rights-of-Way or on City-owned property. Additionally, if the City reasonably requires retaining outside inspectors or other persons to review and inspect Licensee's plans, specifications and construction of the System, Licensee must reimburse the City for its actual and documented costs incurred in connection therewith.

4.9 Letter of Credit or Cash Bond.

4.9.1 Amount; Purpose. Within thirty (30) Days after the Effective Date of this License, Licensee must deposit with the City one of the following: (i) an irrevocable letter of credit ("LOC") in the amount of $50,000 ("LOC"); or (ii) a cash bond in the amount of $50,000 ("Bond"). The form and substance of the LOC or Bond must comply with the form, terms, and conditions as attached in Exhibit "B". The LOC or Bond will be used to assure: (a) the faithful performance by Licensee of all provisions of this License; (b) compliance with all orders, permits, and directions of any City department having jurisdiction over Licensee's acts or defaults under this License; and (c) Licensee's payment of any penalties, liquidated damages, claims, liens, and taxes due to the City that arise by reason of the construction, operation, or maintenance of the System, including cost of removal or abandonment of any of Licensee's property.

4.9.2 Drawing on Letter of Credit. The LOC may be drawn upon by the City by presentation of a draft at sight on the lending institution, accompanied by a written certificate signed by the City Manager certifying that Licensee has failed to comply with this License, stating the nature of noncompliance, and stating the amount being drawn. The rights reserved to the City with respect to the letter of credit are in addition to all other rights of the City, whether reserved by this License or authorized by law, and no action proceeding against a letter of credit will affect any other right the City may have.

4.9.3 Drawing on Cash Bond. The Bond may be drawn upon by the City by presentation of written notice to Licensee as provided in this License, signed by the City Engineer certifying that Licensee has failed to comply with this License, stating the nature of noncompliance, and stating the amount being drawn. The rights reserved to the City with respect to the Bond are in addition to all other rights of the City, whether reserved by this License or authorized by law, and no action proceeding against the Bond will affect any other right the City may have.

4.9.4 Replenishing. The LOC and Bond must be structured in such a manner so that if the City at any time draws upon the LOC or Bond, upon notice to Licensee by the issuing lending institution in the case of a LOC or by the City in the case of a Bond, Licensee must immediately increase the amount of available credit or Bond amount by the amount necessary to replenish that portion of the available credit or Bond exhausted by the honoring of the City's draft; provided, however the maximum amount available to be drawn on this LOC or Bond for any one event may not exceed $50,000. The intent of this Section is to always make available to the City a LOC or Bond in the amount of $50,000.

4.10 Damage to Public Property. Whenever the installation, removal, or relocation of any of Licensee's System is required or permitted under this License, and such installation, removal, or relocation causes damage to Public Rights of Way or other City-owned property, Licensee at its sole cost and expense must promptly repair and return public property in which the System components are located to a safe and satisfactory condition in accordance with

applicable laws, with provisions in the City of Chandler Utility Manual and the Maricopa Association of Governments (hereinafter referred to as "MAG") and the City's supplements to MAG, reasonably satisfactory to the City Engineer. If Licensee does not repair the Public Property as just described in a reasonable amount of time, then City shall have the option, upon fifteen (15) days prior written notice to Licensee, to perform or cause to be performed such reasonable and necessary work on behalf of Licensee and to charge Licensee for the actual documented costs incurred by the City at City's standard rates, plus an administrative fee of fifteen percent (15%). Upon the receipt of a demand for payment accompanied by explanation of cost and fees incurred by City, Licensee must, within forty-five (45) days, reimburse City for such costs. For any pavement cuts by Licensee, Licensee agrees to restore the pavement and to reimburse the City for all costs arising from the reduction in the service life of any public road, in accordance with the provisions of Chapter 46 of the Chandler City Code and the fees established by the City pursuant thereto. Licensee agrees to pay within forty-five (45) days from the date of issuance of an invoice and explanation of costs and fees from City.

SECTION 5. TERM OF LICENSE

The term of this License and duration of the rights, privileges, and authorizations granted hereunder will be for five (5) years from the Effective Date. The term will automatically renew for three (3) additional five-year terms for a total term of twenty (20) years unless either Party provides the other Party with prior written notice of its intent not to renew no less than six (6) months prior to the end of the then current term.

SECTION 6. ACCEPTANCE AND EFFECTIVE DATE

6.1 Written Acceptance. Licensee's execution of this License constitutes Licensee's acceptance of the License as granted and Licensee's agreement to be bound by and to comply with and to do everything, which is required of the Licensee by this License. Licensee's signature must be acknowledged before a notary public. This License is effective upon execution by both Parties.

6.2 Validity of License. Licensee must acknowledge that as a condition of acceptance of this License, Licensee was required to be represented throughout the negotiations of the License by its own attorneys and Licensee had the opportunity to consult with its own attorneys about its rights and obligations regarding the License. Licensee has reviewed City's authority to execute and enforce this License and has reviewed all applicable law, both federal and state, and, after considering same, Licensee acknowledges and accepts the right and authority of City to execute this License, to issue this License and to enforce the terms herein.

SECTION 7. INSURANCE AND INDEMNITY

7.1 Insurance Responsibility. During the entire term of this License, Licensee must insure its property and activities and must provide insurance and indemnification as follows. Licensee must procure and maintain, and must cause its contractors to procure and maintain as provided in Section 7.7 below, until all their respective obligations have been discharged, insurance against claims for injury to persons or damage to property that may arise from or in connection with Licensee's obligations under this License and Licensee's activities including, but not limited to, the installation, construction, relocation, removal, repair, operation, and maintenance of the System by Licensee, its agents, representatives, employees, or contractors. The insurance requirements herein are minimum requirements for this License and in no way limit the indemnity covenants contained in this License. The City in no way warrants that the minimum limits contained herein are sufficient to protect Licensee from liabilities that might arise out of this License by Licensee, its agents, representatives, employees or contractors, and Licensee is free to purchase such additional insurance as may be determined necessary.

7.2 Minimum Scope and Limits of Insurance. Licensee must provide coverage with limits of liability not less than those stated below. Such coverage limits may be satisfied through a combination of primary and excess or umbrella policies.

7.2.1 Commercial General Liability – Occurrence Form. Said insurance must also include coverage for products completed operations, independent contractors, personal injury, property damage, and advertising injury.

Products – Completed Operations Aggregate	$10,000,000
Each Occurrence	$10,000,000

If any excess insurance is utilized to fulfill the insurance requirements, the excess insurance must be “follow form” equal or broader in coverage scope than the underlying insurance. The policy must be endorsed to include the following additional insured language: "The City of Chandler, its agents, representatives, officers, directors, officials, employees, and volunteers must be included as an additional insured with respect to liability arising out of the activities performed by Licensee." This endorsement may not contain an exclusion or limitation of completed operations coverage as regards the additional insured except with respect to the stated aggregate limits of liability. The policy may not exclude the explosion/collapse/underground (“xcu”) hazard.

7.2.2 Automobile Liability – Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of work under this License.

Combined Single Limit (CSL)	$1,000,000

The policy must contain an “MCS-90” endorsement providing for clean-up of pollution conditions arising from transported product, if the work performed under the License requires the transportation of any Hazardous Substances by motor vehicle. The policy must also be endorsed to include the following additional insured language: "The City of Chandler its agents, representatives, officers, directors, officials, employees, and volunteers are included as an additional insured with respect to liability arising out of the activities performed by Licensee, including automobiles owned, leased, hired, or borrowed by Licensee.”

7.2.3 Worker’s Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	$1,000,000
Disease – Each Employee	$1,000,000
Disease – Policy Limit	$1,000,000

Policy must contain a waiver of subrogation against the City of Chandler.

7.2.4 Pollution Liability:

Per Occurrence	$5,000,000
Annual Aggregate	$5,000,000

(a) The policy must be endorsed to include the following additional insured language: "The City of Chandler its agents, representatives, officers, directors, officials, employees, and volunteers must be named as an additional insured with respect to liability arising out of the activities performed by Licensee."
(b) The policy must include coverage for: (a) cleanup of sudden or accidental pollution conditions arising from the System, as defined in the License; (b) cleanup of new conditions arising from Licensee’s operations and use of Public Rights-of-Way or City-owned property under this License and third-party claims for on and off-site bodily injury and property damage.

(c) Licensee warrants that any retroactive date under the policy must precede the Effective Date of this License; and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this License is completed.

7.2.5 Tech E&O, Network Security and Privacy Liability Insurance (Cyber):

Per Loss	$10,000,000
Annual Aggregate	$10,000,000

(a) In the event that the professional liability insurance required by this License is written on a claims-made basis, Licensee warrants that any retroactive date under the policy will precede the Effective Date of this License; and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the Effective Date of this License. If such insurance is maintained on an occurrence form basis, Licensee must maintain such insurance for an additional period of one (1) year following termination or expiration of this License. If such insurance is maintained on a claims-made basis, Licensee must maintain such insurance for an additional period of three (3) years following termination or expiration of this Licensee. If Licensee contends that any of the insurance it maintains pursuant to other sections of this clause satisfies this requirement (or otherwise insures the risks described in this section), Licensee must provide proof of same.

(b) The insurance must provide coverage for the following risks: (i) Liability arising from theft, dissemination and / or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc. information) stored or transmitted in electronic form; (ii) Network security liability arising from the unauthorized access to, use of or tampering with the System including hacker attacks, inability of an authorized third party, to gain access to your services including denial of service, unless caused by a mechanical or electrical failure; (iii) Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, the System, network or similar computer related property and the data, software, and programs thereon.

(c) The policy must provide a waiver of subrogation.

7.3 Additional Insurance Requirements. The policies must contain, or be endorsed to contain, the following provisions: Licensee's insurance coverage must be primary insurance and non-contributory with respect to the obligations that Licensee has undertaken under this License. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, volunteers, and employees, for losses arising from work performed by the Licensee under this License.

7.4 Notice of Cancellation. Each insurance policy required by the insurance provisions of this License must provide the required coverage and must not be canceled or materially changed except after thirty (30) days prior written notice has been given to the City. Such notice must be sent directly to the addresses listed below and must be sent by mail:

City of Chandler
Attention: Development Services Department
P.O. Box 4008, Mail Stop 405
Chandler, Arizona 85244-4008
Phone: (480) 782-3000
Email: tuf@chandleraz.gov

With a copy to: Office of the City Attorney
Attention: Risk Management
175 South Arizona Avenue P.O.
Box 4008 Mail Stop 602
Chandler, Arizona 85244-4008
Phone: (480) 782-4640
Fax: (480) 782-4652
Email: legal.notices@chandleraz.gov

7.5 Acceptability of Insurers. Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an "A.M. Best" rating of not less than A- VII. City in no way warrants that the above-required minimum insurer rating is sufficient to protect Licensee from potential insurer insolvency.

7.6 Verification of Coverage. Licensee must furnish City with certificates of insurance (ACORD form or equivalent approved by City) as required by this License. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by City before work commences. Blanket endorsements are acceptable. Each insurance policy required by this License must be in effect at or prior to commencement of work under this License and remain in effect for the duration of the License. Failure to maintain the insurance policies as required by this License or to provide evidence of renewal is a material breach of this License. All certificates required by this License must be sent directly to the City of Chandler Development Services Department with a copy to Risk Management as the addresses listed in Section 7.4. The License number and description are to be noted on the certificate of insurance. At City's request, Licensee must provide copies of certificates of insurance and all endorsements for all insurance policies required by this License.

7.7 Contractors. Licensee's certificate(s) must include all contractors as additional insureds under its policies or contractors must maintain separate insurance as determined by Licensee and contractors must name City of Chandler as an additional insured, however, contractor's limits of liability must not be less than $1,000,000 per occurrence, $2,000,000 aggregate.

7.8 Approval. Any modification or variation from the insurance requirements in this License must have prior approval from the Office of the City Attorney, whose decision will be final. Such action will not require a formal contract amendment but may be made by administrative action.

7.9 Indemnity. In addition to all other indemnities and other obligations hereunder, to the fullest extent permitted by law, throughout the term of this License or any and all permits and until all obligations and performances under or related to this License are satisfied and all matters described in this paragraph are completely resolved, Licensee and all other persons using, acting, working, or claiming through or for Licensee (if they or their subcontractor, employee, or other person or entity hired or directed by them participated in any way in causing the claim in question) must jointly and severally indemnify, defend, and hold harmless City and all other Additional Insureds for, from, and against any and all claims or harm related to Licensee's use of the Public Rights-of-Way or other City-owned property or the rights granted to Licensee with respect to the Public Rights-of-Way or City-owned property or Licensee's exercise of its rights under this License (the "Indemnity"). Without limitation, the Indemnity must include and apply to any and all allegations, demands, judgments, assessments, taxes, impositions, expenses, proceedings, liabilities, obligations, suits, actions, claims (including without limitation claims of personal injury, bodily injury, sickness, disease, death, property damage, destruction, loss of use, financial harm, or other impairment), damages, losses, expenses, penalties, fines, or other matters(together with all reasonable attorney fees, court costs, and the cost of appellate proceedings and all other costs and expenses of litigation or resolving the claim) (collectively "Claims") that may arise in any manner out of Licensee's use of the Public Rights-of-Way or other City-owned property pursuant to this License or any and all Permits, or any actions, acts, errors, mistakes or omissions relating to work or services in the performance of or related to this License by Licensee, including without limitation any injury or damages or cause of action claimed or caused by any employees, contractors, subcontractors, tenants, subtenants, agents, or other persons upon or using the Public Rights-of-Way or other City- owned property or surrounding areas related to Licensee's exercise of its rights under this License, except to the extent caused by City

or any other Additional Insured or anyone for whose mistakes, errors, omissions, or negligence City may be liable. Notwithstanding the foregoing, the Indemnity does not apply to: (i) Claims arising from the sole negligence or intentionally wrongful acts of City; or (ii) Claims that the law prohibits from being imposed upon the indemnitor.

7.10 Risk of Loss. Licensee assumes the risk of all loss, damage or claims related to Licensee's use of the Public Rights-of-Way or other City-owned property throughout the term of this License and the term(s) of all permits. Licensee must be responsible for all damage to its property and equipment related to this License unless caused by the negligence of the City or its agents or contractors.

7.11 Insurance to be Provided by Others. Licensee must cause its contractors or other persons occupying, working on or about, or using the Public rights-of-Way or City-owned property under this License to be covered by their own or Licensee's insurance as required by this License. The required policy limits for commercial general liability insurance provided by such persons must be $1,000,000 for each occurrence, $1,000,000 for products and completed operations annual aggregate, and $2,000,000 general aggregate limit per policy year. This paragraph does not apply to persons who do not actually perform physical labor in the Public Rights-of-Way or on other City-owned property (such as Licensee's consulting design engineers).

SECTION 8. TRANSFER OF LICENSE

8.1 No Assignment Without Consent. This License and the related rights and privileges may not be assigned or otherwise transferred without the express written consent of the City by an ordinance or resolution passed by the Chandler City Council, which consent will not be unreasonably withheld, conditioned or delayed. Any license that is assigned or otherwise transferred pursuant to this Section must be equally subject to all the obligations and privileges of this License including any amendments, which will remain in effect, as if the assigned License was the original License.

8.2 No Sublicense Without Consent. The License must not be sublicensed, nor must any of the related rights or privileges be sublicensed pursuant to an assignment, sale or transfer, either in whole or in part, nor must title, either legal or equitable, or any right or property interest pass to or vest in any person other than Licensee, by act of the Licensee or operation of law, without the written consent of City, which consent will not be unreasonably withheld or delayed. Prior to any proposed sublicense as noted above becoming final, Licensee must seek the City's consent which will not be unreasonably withheld, conditioned, or delayed.

8.3 Notice to City. The approval of any change in ownership interest must include an assignment agreement signed by the assignee, Licensee, and City. Licensee must provide City a copy of the deed, license, mortgage, lease, or other written instrument evidencing such sale, transfer, or sublicense, certified, and sworn to as correct by the Licensee. Licensee must notify the City within 60 days of any change in mailing address.

8.4 Binding on Assignee. After assignment, this License, including any amendments, shall be binding on the assignee to the full extent that is binding upon Licensee.

8.5 Conditional Ownership. Nothing in this Section 8 prohibits a pledge, hypothecation, mortgage, delegation, security interest or similar instrument transferring conditional ownership of all or part of Licensee's assets to a lender or creditor in the ordinary course of business. In the event a lender assumes control of the assets and operation of Licensee, the lender may assume the rights and obligations of the Licensee. The Lender may not transfer or change control of the License without submitting the change to the City for approval. If the lender does continue operation on any basis at any time, the lender shall be subject to all provisions of the License. No later than three years after assumption of control by the lender, the lender must apply to the City for the right to continue assumption of control or to transfer the License. Application by the Lender for approval of assumption of control or transfer must be subject to consent by the Chandler City Council that may not be unreasonably denied or withheld. A "Lender" for the purposes of this License does not include a Licensee, person, or corporation, or other entities that operate cable television systems or fiber optics Communications systems as a principal or important business. This paragraph is intended to prohibit the intentional use of lending and/or foreclosure as a method for effecting change of control or transfer of the License without City Council review and approval.

8.6 Assignment and Sublicense Exceptions. Notwithstanding the foregoing, prior consent will not be required for (A) Licensee's provision of services to its customers using the System, or (B) any transfer to (1) any company which owns or controls, is owned or controlled by, or under common control with the Licensee; (2) to any successor in interest of Licensee's business operations in City in connection with any merger, acquisition, or similar transaction if Licensee determines after a reasonable investigation that the successor in interest has the resources and ability to fulfill the obligations of this License; or (3) to any purchaser of all or substantially all of Licensee's Network Facilities in the City if the purchaser has the resources and ability to fulfill the obligations of this License. Provided that, no such transfer will be valid unless:

8.6.1 The proposed transferee has read, accepts, and agrees to be bound by the terms of the License.

8.6.2 The proposed transferee assumes all obligations, liabilities, and responsibility pursuant to the License for the acts and omissions of Licensee, known and unknown, for all purposes, and agrees that the transfer will not permit it to take any position or exercise any right which Licensee could not have exercised; and

8.6.3 The transfer will not substantially diminish the financial resources available to the Licensee.

8.7 Assignment Description. Prior to executing such assignment described in this Section 8, Licensee and the proposed assignee must submit to the City a description of the nature of the transfer and submit complete information regarding the effect of the assignment and transfer on the direct and indirect ownership and control of the Licensee. Licensee may be required to pay a new application fee of $3,000 to cover the legal, administrative, and other expenses related to every assignment and transfer (other than the sale of publicly traded stock) or to any request for a consent to assign or transfer.

SECTION 9. NON-EXCLUSIVE RIGHTS

9.1 Non-Exclusive Rights. This grant is not exclusive, and nothing herein contained may be construed to prevent City from granting other like or similar grants or privileges to any other person, firm, or corporation, or to deny to or lessen the powers and privileges granted City under the Constitution and laws of the State of Arizona.

9.2 Priority Rights. Any and all rights granted to Licensee under this License must be exercised at Licensee's sole cost and expense and are subject to the prior and continuing right of City to use all the Public Rights-of-Way and other City-owned property concurrently, with any other person or persons, and further will be subject to all deeds, easements, dedications, conditions, covenants, restrictions, encumbrances, and claims of title that may affect the Public Rights-of- Way and on other City-owned property. Nothing in this License will be construed to grant, convey, create, or vest a perpetual real property interest in land to Licensee, including any fee or leasehold interest, easement, or any City franchise rights.

SECTION 10. PUBLIC SAFETY

10.1 Public Safety Violation. Licensee, its affiliates, agents, employees, contractors, successors, assigns, and representatives must comply with and perform each obligation required of Licensee as set forth in this License. Licensee's failure to cure a public safety event of default as described in this Section within five (5) business days from the date of notice from the City constitutes a public safety violation by Licensee.

10.2 Public Safety Events of Default. All agreements and permits issued to Licensee under this License are approved upon the condition that each of the following events will be deemed a "Public Safety Event of Default" for Licensee's failure to perform or satisfy the following material obligations:

10.2.1 Licensee's failure to comply with the traffic barricade manual or any other public health, safety, or welfare law or regulation authorized by or located in the Chandler City Code and that applies to Public Property.

10.2.2 Licensee's acts, errors, or omissions violate any term or condition of an encroachment permit issued to Licensee.

10.2.3 Licensee's failure to obtain the appropriate encroachment permit to perform work on Public Property.

10.3 City's Remedies for Licensee's Public Safety Violations. Upon the occurrence of any public safety violation or at any time thereafter, City may, at its option, exercise at Licensee's expense any or all or any combination of the following cumulative remedies in any order and repetitively at City's option: (i) revoke any or all encroachment permits due to Licensee's failure to cure a Public Safety Event of Default as set forth in Section 10.1. The City's revocation does not terminate Licensee's obligations arising during the time simultaneous with or prior to the revocation, and in no way terminates any of Licensee's liability related to any breach of this License; (ii) pay or perform, for Licensee's account, in Licensee's name, and at Licensee's expense, any or all payments or performances required to be paid or performed by Licensee (iii) abate at Licensee's expense any violation of the encroachment permit; (iv) notwithstanding anything under this License 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 City or pledged or otherwise obligated to City by Licensee or by any third party (whether or not specifically mentioned herein) and use the proceeds for any remedy permitted by this License; (v) assert, exercise, or otherwise pursue at Licensee's expense, any and all other rights or remedies, legal or equitable, to which City may be entitled, subject only to the limitation set out below on City's ability to collect money damages in light of the Violation Use Fee; and (vii) impose civil sanctions for public safety violations as provided in this License.

10.4 Violation Use Fee. In lieu of certain money damages (the "Inconvenience Costs") set out below, the following use fees apply to Licensee's public safety violation (the "Violation Fee Provisions"): (i) The Inconvenience Costs are the money damages that City suffers in the form of administrative cost and inconvenience, disharmony among competing users, and general inconvenience in the use of Public Rights-of-Way by City, competing users, and the public when Licensee fails to comply with the Violation Fee Provisions; and (ii) Licensee's failure to comply with Violation Fee Provisions will result in Inconvenience Costs in an amount that is and will be impracticable to determine. Therefore, the Parties have agreed that, in lieu of Licensee paying to City as damages the actual amount of the Inconvenience Costs for violating the Violation Fee Provisions, Licensee must pay the following Violation Use Fees. The City may elect to draw upon the letter of credit or cash bond (as appropriate) to collect the Violation Use Fee. For continuing violations within a 24-hour period, each calendar day is considered a separate period for purposes of recovery of violation use fees. The Violation Fee Provisions and the amount of the Violation Use Fee per day or part thereof are as follows:

Use fee per day	Violation Use Fee Description
$600	Licensee's failure to properly restore Public Property within five (5) business days after notice, or timely perform work within five (5) business days after notice, or to correct related violations of specifications, code, ordinance, or standards within five (5) business days after notice.
$500	Three or more public safety violations by Licensee within 90 consecutive days. .
$250	Licensee's failure to make Licensee's books and records available as required by this License or one or more public safety violations by Licensee within 30 consecutive days.

A Violation Use Fee is only intended to remedy inconvenience costs that City suffers because of Licensee's public safety violations. Licensee's payment of Violation Use Fee does not in any way excuse any breach by Licensee of this License or limit in any way City's rights and interests in any other legal or equitable remedy provided by this

License or otherwise for such public safety violation. For example, Licensee's obligation to pay Violation Use Fee does not in any way satisfy Licensee's indemnity and insurance obligations under this License, which apply according to their terms in addition to Licensee's obligation to pay Violation Use Fee.

10.5 Enforcement of Violation Use Fees: Appeal. The City Manager is authorized to issue notices of violation of this License and may take those measures necessary to promote, preserve, and protect public health, safety, and welfare within the Public Rights-of-Way and City-owned property through Violation Use Fees. The City Manager will issue a warning for the first violation by a Licensee under this section. The City Manager will issue notice to the Licensee as listed in Section 14.16. If the City determines that Licensee is liable for a Violation Use Fee, the City will issue to Licensee a notice of City's assessment of a Violation Use Fee to Licensee as provided in Section 14.16. The notice will set forth the nature of the violation and the amount of the assessment. Licensee must pay the Violation Use Fee within ten days of the date of the City's notice or may appeal the notice of violation as provided in Chandler City Code § 1-7.

10.6 Public Safety Violations; Civil Sanctions. In addition to imposing a Violation Use Fee, the City Manager is authorized to issue notices of violation of this License, prosecute such violations as provided in Chandler City Code sec.1-8, and may take those measures necessary to promote, preserve, and protect public health, safety, and welfare within the Public Rights-of-Way and City-owned property. The City Manager will issue a warning for the first violation by a Licensee under this section. The City Manager will issue notice to the Licensee as listed in Section 14.16.

10.7 Failure to Pay Civil Sanction. Failure of a party to pay a civil sanction upon final adjudication of the civil action as provided by law may result in the automatic termination of this License and any such party may be prohibited from obtaining additional licenses or permits until all outstanding civil sanctions have been dismissed or paid in full.

10.8 Non-waiver. Licensee acknowledges Licensee's unconditional obligation to comply with this License. No failure by City to demand any performance required of Licensee under this License, and no acceptance by City of any imperfect or partial performances under this License, will excuse such performance or impair in any way City's ability to insist, prospectively and retroactively, upon full compliance with these terms and conditions. No acceptance by City of payments or other performances hereunder will be deemed a compromise or settlement of any right City may have for additional, different, or further payments or performances as provided for in these terms and conditions. Any waiver by City of any breach of condition or covenant herein contained to be kept and performed by Licensee will not be deemed or considered as a continuing waiver and will not operate to bar or otherwise prevent City from declaring a default for any breach or succeeding or continuing breach either of the same condition or covenant or otherwise. No statement, bill, or notice by City or Licensee concerning payments or other performances due hereunder, or failure by City to demand any performance hereunder, will excuse Licensee from compliance with its obligations nor estop City (or otherwise impair City's ability) to, at any time, correct such notice and/or insist prospectively and retroactively upon full compliance with this License. No waiver of any description (including any waiver of this sentence or paragraph) will be effective against City unless made in writing by a duly authorized representative of City specifically identifying the particular provision being waived and specifically stating the scope of the waiver.

10.9 Reimbursement of City's Expenses. Licensee must pay to City within 45 days after City's demand all amounts expended or incurred by City in performing Licensee's obligations (upon Licensee's failure to perform the same after notice from City) together with interest thereon at the rate of 1% per annum from the date expended or incurred by City.

SECTION 11. ABANDONMENT

11.1 Abandonment; Removal of Facilities. In the event that the use of a substantial part of any of the System is discontinued for any reason for a continuous period of two (2) years for reasons other than Force Majeure, or in the event such System or property has been installed in any Public Rights-of-Way or other City-owned property without complying with the requirements of this License, or this License has terminated or been revoked, Licensee must

promptly, upon being given 60 days' notice from the City, begin removal of the System and related appurtenances from the Public Rights-of-Way and other City-owned property other than such underground facilities which the City may permit to be abandoned in place. In the event of such removal, Licensee must promptly restore the Public Rights-of-Way and other City-owned property or other area from which such property has been removed to a condition satisfactory to the City subject to the City's customary practice to review upon request of Licensee. As a minimum, Licensee must restore the Public Rights-of-Way and other City-owned property to a condition as existed prior to the removal of the structure or property.

11.2 Permanent Abandonment. The System and any other property of Licensee remaining in the Public Rights-of-Way and other City-owned property without the consent of the City 180 days after the revocation of the License will be at the option of the City considered permanently abandoned. Any Licensee property permitted to be abandoned in place will be abandoned consistent with C.C.C. §§ 46-2.9, 46-8.12(K), the Utility Permit Manual, Transportation and Development Policy TDP-275, and any other applicable law.

SECTION 12. LICENSE REVOCATION, ALTERATION, SUSPENSION

In addition to the remedies set forth in Section 10, the City may revoke, alter, or suspend this License as follows.

12.1 License Events of Default. In addition to the remedies listed in C.C.C. chapter 46 and subject to these terms and conditions, this License may, after City Council consideration, be revoked, altered, or suspended by the City as the City deems necessary for any of the following events of default following the cure period specified in Section 12.2: (i) Licensee's failure to maintain any faithful insurance coverage, or pay any fees or taxes due and owing as required under this License; (ii) Licensee's failure to comply with an applicable law, rule, or regulation related to the System, this License, or as required by the appropriate regulatory authority; (iii) fraud by Licensee, in its conduct or relations under this License; (iv) Licensee's willful or grossly negligent violation of this License; (v) Licensee's failure to comply with any federal, state, local, or administrative order, law, permit, regulation, or consent decree as such may apply to Licensee's activities and services as contemplated in this License; (vi) permanent or temporary suspension of Licensee's services for a period of 180 or greater consecutive calendar days by the United States or the State of Arizona for any authorizations legally required for Licensee to own, operate, maintain, or construct the System; (vii) If Licensee is the subject of a voluntary or involuntary bankruptcy, receivership, insolvency, or similar proceeding or if any assignment of any of Licensee's property is made for the benefit of creditors or if Licensee is not regularly paying its debts as they come due; (viii) If City incurs any liability, obligation, damage, cost, expense, or other claim of any description for which is not liable and for which Licensee is obligated pursuant to this License to indemnify, defend, and hold harmless the City, unless Licensee gives prompt statement or notice to City of Licensee's commitment to indemnify, defend, and hold City harmless against such claim and Licensee does in fact promptly commence and continue to indemnify, defend, and hold City harmless against such claim to the extent required under this License, unless Licensee believes in good faith that it is not obligated to indemnify, defend and hold the City harmless; and (ix) Licensee is found liable under Section 10 for five (5) public safety violations within a period of twelve (12) consecutive months.

12.2 Additional Cure Period. Due to the gravity of the license events of default listed in Section "12.1", Licensee is provided additional time (when compared to Section 10) to cure these events of default. If any of the foregoing events in Section "12.1" occur, Licensee must cure the default within 60 days after receipt of notice from the City. Licensee will be held in material breach under this Section "12": (i) if Licensee fails to cure the license event of default listed in Section "12.1" within 60 days after notice from the City; or (ii) if a license event of a default listed in Section "12.1" cannot be cured within 60 days after notice from the City and Licensee fails to begin and diligently pursue to cure the default.

12.3 City Determination; City Council Consideration. If Licensee is held in material breach as provided in Section "12.2", the City will notify Licensee as provided in Section 14.16 of the City's determination to terminate, postpone for a period, or proceed with the revocation, alteration, or suspension of this License. As part of this determination, the City will state the principal reasons that support the City's determination. Licensee may appeal the City's determination as provided in Chandler City Code sec.1-7 within (10) ten business days from the date of the determination. If Licensee fails to timely appeal the City's determination or if Licensee's appeal fails, the City may

proceed to terminate, postpone for a period, or proceed with the revocation, alteration, or suspension of this License by presenting this matter to the Chandler City Council for consideration at the Council's next regularly scheduled Council meeting. The City will send a written statement of proposed action by certified U.S. mail, return receipt requested, to Licensee as provided in Section 14.16. The written statement of proposed action must include the date and time of the City Council meeting and the principal reasons for the proposed action. The City Council may take any final action the Council deems necessary and prudent related to this License. Licensee will retain all legal remedies should it choose to contest the City's proposed action.

12.4 Removal of Facilities. Upon revocation of this License, the City may declare a forfeiture, whereupon all rights and privileges of Licensee under this License will immediately be divested without a further act upon the part of Licensee, and Licensee must remove its structures or property from the Public Rights-of-Way and other City-owned property and restore the Public Rights-of-Way and other City-owned property to the condition as existed prior to the removal of the structure or property. Upon Licensee's failure to do so within six months of revocation, the City may perform the work and collect the City's cost from Licensee. At the City's option, Licensee may abandon structures or property in place as provided in this License. At a minimum, the Public Rights-of- Way and other City-owned property must be restored to a condition as existed before the removal of the structures or property.

SECTION 13. EFFECT OF EXPIRATION, REVOCATION, OR TERMINATION OF LICENSE

13.1 Services. Upon expiration, revocation, or termination of this License for any reason, Licensee may enter good-faith negotiations with the City or other governmental authority for a period of 180 days from the date of expiration, revocation, or termination to obtain a license, permit, or other approval or agreement that may be lawfully required to allow Licensee to continue use of the Public Rights-of-Way and other City-owned property.

13.2 Holding Over. In any circumstance whereby Licensee continues to occupy the Public Rights-of-Way and other City-owned property after the expiration of this License, the Licensee's hold over operates as a renewal or extension of this License on a month-to-month basis that may be terminated at any time by the City upon 60 days' written notice to Licensee, or by Licensee upon 60 days' written notice to the City.

SECTION 14. GENERAL CONDITIONS

14.1 License Administrator and Enforcement. In all matters of License administration, the City Manager has authority to determine Licensee's compliance with the terms and provisions of the License, and in the event of non-compliance, to exercise any or all the remedies included in this License.

14.2 Right of Inspection of Construction. The City may inspect all construction or installation work performed subject to the provisions of this License and to make such tests as it deems necessary to ensure compliance with the terms of this License and other pertinent provisions of law.

14.3 Right of Intervention. The City may intervene in any suit or proceeding related to or arising out of this License to which Licensee is party, and Licensee may not oppose such intervention by the City.

14.4 Public Records Acknowledgment. Notwithstanding any provision in this License, Licensee acknowledges and understands that the City is a political subdivision of the State of Arizona and is subject to the disclosure requirements of Arizona's Public Records Law (A.R.S. §§ 39-121 et seq.).

14.5 Permission of Property Owner Required. This License does not convey the right to install any part of Licensee's System on private property.

14.6 Compliance With Laws. Licensee must comply with all federal, state, and City ordinances, resolutions, rules, and regulations related to the rights and duties granted Licensee under this License.

14.7 Reserved.

14.8 Non-Enforcement by the City. Licensee will not be relieved of its obligation to comply with any of the provisions of this License by reason of the City's failure to insist upon or to seek compliance with any term and condition.

14.9 License Documents. Licensee must submit to the City the letter of credit or Cash Bond and insurance certificates as required by the License within 90 days of the Effective Date. The License granted is not legally operative until all of Licensee's requirements in this Section are completed. In the event Licensee does not timely satisfy these, this License will be deemed null and void unless Licensee's period to comply is extended by the Council.

14.10 Survival of Warranties. Licensee's representations and warranties made as part of the grant of this License, or any permit issued under this License survive termination or revocation of this License.

14.11 Hazardous Substances. Licensee will, at its own cost, be responsible for proper investigation and management of all Hazardous Substances under its control, including Hazardous Substances Licensee uses, generates, or disposes of, and must comply with all Environmental Laws to carry out its obligations under this License. If Licensee releases Hazardous Substances under its control to the environment, to the extent that a governmental agency with jurisdiction requires reporting, investigation, cleanup, or remedial measures to be taken, Licensee must, at its sole cost and expense, promptly undertake such required actions. If Licensee discovers a Preexisting Environmental Condition, Licensee will immediately notify the City in writing as provided in Section 14.16.

14.12 Right of Cancellation. Licensee acknowledges that this License is subject to cancellation by the City under A.R.S. § 38-511.

14.13 Covenant Against Contingent Fees. Licensee warrants that no person has been employed or retained to solicit or secure this License upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee; and that no member of the City Council, or any employee of the City has any interest, financially or otherwise, in this License. For breach or violation of this warranty, the City has the right to annul this License without liability or at its discretion to deduct from the License price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

14.14 Independent Contractor. Any provision in this License that may appear to give the City the right to direct Licensee or Licensee the right to direct the City as to the details of accomplishing the work or to exercise a measure of control over the work means that the party will follow the wishes of the other party as to the results of the work only.

14.15 Jurisdiction; Governing Law; Venue. As a condition of the grant of this License, Licensee acknowledges and accepts that Licensee is subject to personal and subject matter jurisdiction of Arizona state courts. Arizona law governs this License, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding to enforce this License must be instituted in a court located in Maricopa County, Arizona.

14.16 Delivery, Procedure of Notices and Communications. All notices, consent, or other communication under this License must be in writing and: (i) delivered in person; or (ii) sent by electronic mail and deposited in the United States mail, postage prepaid, certified mail, return receipt requested; or (iii) deposited with any commercial air courier or express service and addressed as follows:

To Licensee: Gila Local Exchange Carrier, Inc. d/b/a Alluvion Communications
Attn: Mike Staples, Engineering & Construction Manager 7065
West Allison Road
Chandler, AZ 85226
Email: mstaples@gilarivertel.com

With a copy to: Gila River Telecommunications, Inc.
Attn: Legal Department
7065 West Allison Road
Chandler, AZ 85226 Email:

To the City: City of Chandler
Attention: Development Services Department
P.O. Box 4008, Mail Stop 405
Chandler, Arizona 85244-4008
Phone: (480) 782-3000
Email: tuf@chandleraz.gov

With a copy to: Office of the City Attorney
175 South Arizona Avenue P.O.
Box 4008 Mail Stop 602
Chandler, Arizona 85244-4008
Phone: (480) 782-4640
Fax: (480) 782-4652
Email: legal.notices@chandleraz.gov

Notice will be deemed received at the time it is personally served on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) calendar days after the notice is deposited in the United States mail as evidenced by the certified mail receipt. Any period stated in a notice will be computed from the time the notice is deemed received unless noted otherwise. Any party may change its mailing address, phone number, email address or the person to receive notice by notifying the other party as provided in this Section. Notices sent by electronic mail must also be sent by certified mail to the recipient at the above address.

14.17 Organization/Employment Disclaimer. This License is not intended to constitute, create, give rise to, or otherwise recognize a joint venture, agreement, or relationship, partnership, or formal business organization of any kind, and the rights and obligations of the Parties will be only those expressly set forth in this License.

14.18 Entire Agreement; Amendment; Waivers. This License, and the below listed exhibits which are incorporated herein by this reference and are attached and/or on file at the City and available for inspection, constitute the entire agreement between the City and Licensee with respect to the transactions contemplated therein and supersede all prior negotiations, communications, discussions, and correspondence, whether written or oral, concerning the subject matter hereof. No supplement, modification, or amendment of any term of this License will be deemed binding or effective unless executed in writing by the Parties. No waiver of any of the provisions of this License will be deemed, or will constitute, a waiver of any other provisions, whether similar, nor will any waiver constitute a continuing waiver. No waiver is binding unless expressly executed in writing by the Party making the waiver.

Exhibit A – Service Area
Exhibit B – Form Letter of Credit

14.19 Right of Parties. Nothing in this License, whether express or implied, is intended to confer any right or remedies under or by reason of this License on any persons other than the Parties to this License and their respective successors and permitted assigns, nor is anything in this License intended to relieve or discharge any obligation or liability of any person who is not a party to this License, nor will any provisions in this License give any persons not a party to this License any right of subrogation or action over or against any Party to this License.

14.20 Construction. This License is the result of negotiations between the Parties, none of whom has acted under any duress or compulsion, whether legal, economic, or otherwise. Accordingly, the terms and provisions of this License will be construed in accordance with their usual and customary meanings. The Parties hereby waive the

application of any rule of law that otherwise would be applicable in connection with the construction of this License that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed License or any earlier draft of the same. Unless the context of this License otherwise clearly requires, references to the plural include the singular and the singular the plural. The words "hereof," "herein," "hereunder" and similar terms in this License refer to this License as a whole and not to any particular provision of this License. All references to "Sections" herein refer to the sections and paragraphs of this License unless specifically stated otherwise. The section and other headings contained in this License are inserted for convenience of reference only, and they neither form a part of this License nor are they to be used in the construction or interpretation of this License.

14.21 Severability. If any covenant, condition, term, or provision of this License is held to be illegal, or if the application of this License to any person or in any circumstances to any extent be judicially determined to be invalid or unenforceable, the remainder of this License or the application of such covenant, condition, term, or provision to persons or in circumstances other than those to which it is held invalid or unenforceable, must not be affected, and each covenant, term, and condition of this License is valid and enforceable to the fullest extent permitted by law.

14.22 Cooperation and Further Documentation. Each of the Parties agree to provide the other with such additional and other duly executed documents as are reasonably requested to fulfill the intent of this License.

14.23 Force Majeure. For the purpose of any of the provisions of this License, neither Licensee nor the City, as the case may be, will be considered in breach of or in default of their obligations under this License as a result of the enforced delay in performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to: acts of God, acts of the public enemy, acts of the Federal Government, acts of the Salt River Project, acts of Maricopa County, acts of the State of Arizona or any of its departments, acts of any railroad, fire, floods, epidemics, pandemics, strikes, lock outs, freight embargoes, and unusually severe weather; it being the purpose and intent of this provision that in the occurrence of any such enforced delay, the time for performance of Licensee's and the City's obligations, as the case may be, will be extended for the period of the enforced delay, provided that the party seeking the benefit of this provision will have notified the other party in writing of the cause or causes, and requested an extension for the period of the enforced delay. If notice by the party claiming such extension is sent to the other party more than 30 days after commencement of the cause, the period of delay will be deemed to commence 30 days prior to the giving of such notice.

14.24 On-Call Assistance. Licensee or its agents must be available 24 hours a day, seven days a week to City staff of any City department with jurisdiction over Licensee's activities related to problems or complaints resulting from the installation, operation, maintenance, or removal of the System.

14.25 Legal Worker Requirements. A.R.S. § 41-4401 prohibits the City from awarding a contract to any party who fails, or whose contractors fail, to comply with A.R.S. § 23-214(A). Therefore, Licensee and each contractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with§ 23-214, subsection A. A breach of this warranty will be deemed a material breach of this License and may be subject to penalties up to and including revocation of the License. City retains the legal right to inspect the papers of Licensee's or contractor's employees who provide services under this License to ensure that Licensee and its contractors comply with this warranty.

14.26 Lawful Presence Requirement. A.R.S. §§ 1-501-502 prohibit the City from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

14.27 Written Acceptance. Licensee's execution of this License constitutes Licensee's acceptance of this License as granted and its agreement to be bound by and to comply with the terms and conditions of this License. Licensee's signature must be acknowledged by Licensee before a notary public.

14.28 Data Confidentiality and Data Security. As used in this License, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted from one Party to the other Party as part of the terms and conditions of this License. Except as specifically provided in this License, the Parties must not divulge data to any third party without the other Party's prior written consent. These prohibitions do not apply to the following data: (i) data which was known to the receiving Party prior to the Effective Date; or (ii) data which was acquired by the receiving Party in its performance under this License and which was disclosed to the receiving Party by a third party, who to the best of the receiving Party's knowledge and belief, had the legal right to make such disclosure and the receiving Party is not otherwise required to hold such data in confidence; or (iii) data which is required to be disclosed by virtue of law, regulation, or court order, to which the Parties are subject. Each Party assumes all liability to maintain the confidentiality of the data in its possession and agrees to be liable for damages incurred by the other Party if any of the provisions of this Section are violated by the receiving Party, its employees, agents, or subcontractors. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court.

14.29 Personal Identifying Information-Data Security. Personal identifying information, financial account information, or restricted information of a Party, whether electronic format or hard copy, must be secured and always protected by the receiving Party. At a minimum, the receiving Party must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted information, regardless of its format, is no longer necessary for the receiving Party to use, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. If data collected or obtained by a Party or its agents in connection with this License is believed to have been compromised, such Party or its agents must immediately notify the other Party's contact. The receiving Party agrees to reimburse the other Party for any costs incurred by the other Party to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. The obligations of each Party under this Section must survive the termination of this License.

14.30 Public Emergency. City shall have the right, because of a public emergency, to sever, disrupt, dig-up or otherwise destroy facilities of Licensee without any prior notice to Licensee, if the action is deemed reasonably necessary by the City Manager, Fire Chief, Police Chief, City Street Transportation Director, Public Works Director or Water Services Director. A public emergency may be any condition which, in the opinion of any of the officials named, poses an immediate threat to the lives or property of the residents of the City or others caused by any natural or man-made disaster, including but not limited to, storms, floods, fire, accidents, explosions, major water main breaks, hazardous material spills, etc. Licensee will be notified by the City of the public emergency and the action taken by the City as soon as reasonably possible. Licensee shall be responsible for repair at its sole expense of any of its facilities damaged pursuant to any such action taken by City.

14.31 Blue Stake. Licensee must comply with A.R.S. §§ 40-360.21-360.32 by participating as a member of the Arizona Blue Stake Center with the necessary records and persons to provide location service of Licensees facilities upon receipt of a locate call or as promptly as possible, but in no event later than two (2) working days. A copy of the License or proof of membership must be filed with the City.

14.32 Inspection and Audit of License Provisions. All books, accounts, reports, files, and other records related to or arising out Licensee's payment obligations under this License (collectively "Records") are subject at all reasonable times to inspection and audit by the City including for three years after the expiration or termination of this License. Licensee must produce the Records at a mutually agreed to time and location within Maricopa County, Arizona.

14.33 Authority. Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter, and bind such party to the commitments and obligations set forth herein.

IN WITNESS WHEREOF, the Parties duly execute and agree to be bound by this License as of the Effective Date.

CITY OF CHANDLER, an Arizona municipal Corporation

_____
Mayor

APPROVED AS TO FORM:

_____
City Attorney JWB

ATTEST:

_____
City Clerk

GILA LOCAL EXCHANGE CARRIER, INC. D/B/A ALLUVION COMMUNICATIONS

By: Clarice Chiago-Jones

Clarice Chiago-Jones
Name of Authorized Signer

Title: CEO/GM

ATTEST:

_____
Name and Title

EXHIBIT A SERVICE AREA

EXHIBIT B STANDARDS FOR LETTER OF CREDIT

In addition to any other requirements imposed upon a letter of credit (the "Letter of Credit") issued pursuant to this License, the Letter of Credit shall meet and be governed by the following additional standards and requirements:

1. Letter of Credit Requirements. The Letter of Credit shall be printed on Bank Safety Paper. The following terms and no others shall be stated on the face of the Letter of Credit:

1.1 The Letter of Credit is clean, unconditional, irrevocable, independent, and standby.
1.2 The Letter of Credit is payable to City upon presentation of City's draft.
1.3 City may make partial draws upon the Letter of Credit.
1.4 The Letter of Credit is for payment solely upon presentation of a sight draft and a copy of the Letter of Credit.
1.5 Within ten (10) days after City's draft on the Letter of Credit is honored, City must make the original of the Letter of Credit available to the issuer in Maricopa County, Arizona upon which the issuer may endorse its payments.
1.6 The issuer specifies a telefax number, email address, and street address at which City may present drafts on the Letter of Credit.
1.7 The Letter of Credit is valid until a specified date.
1.8 The Letter of Credit will be automatically renewed for successive one (1) year periods, unless at least 30 days prior to expiration the issuer notifies City in writing, by either registered or certified mail, that issuer elects not to renew the Letter of Credit for the additional period. In the event of such notification, any then unused portion of the Letter of Credit shall be available by draft on or before the then current expiration date.
1.9 The Letter of Credit is otherwise subject to the most recent edition of the Uniform Customs and Practices for Documentary Credits, published by the International Chamber of Commerce including, but not limited to, International Standby Practices 1998 (ISP98) (International Chamber of Commerce Publication No. 590; ISP98 Model Government Standby (U.S.) Form 11.1 and annexes (2017)).
1.10 The Letter of Credit need not be transferable.

2. Approved Forms. The form of the Letter of Credit and of drafts upon the Letter of Credit shall be as follows:

2.1 Except as approved in writing by City's Development Services Department, the form of the Letter of Credit shall be in the form set out below.
2.2 Except as approved in writing by City's Development Services Department, the form of drafts upon the Letter of Credit shall be in the form set out below.

3. Issuer Requirements. The issuer of the Letter of Credit shall meet all of the following requirements:
3.1 The issuer shall be a federally insured financial institution with offices in Maricopa County, Arizona, at which drafts upon the Letter of Credit may be presented.
3.2 The issuer shall be a member of the New York Clearing House Association or a commercial bank or trust Company satisfactory to City.
3.3 The issuer shall have a net worth of not less than $1 billion.

FORM OF LETTER OF CREDIT (ISP98 Model Government Standby (U.S.) Form 11.1)

Date _____, 20

Letter of Credit No.:_____

Development Services Department
City of Chandler
P.O. Box 4008 Mail
Stop 405
Chandler, AZ 85244-4008

Dear Sir or Madam:

Issuance. At the request and for the account of [*name and address of applicant*] ("Applicant"), we [*name and address of issuer at place of issuance*] ("Issuer") issue the irrevocable independent standby letter of credit number [*reference number*] ("Standby") in favor of [*name and address of beneficiary*] ("Beneficiary") in the maximum aggregate amount of USD [*amount*].

Undertaking. Issuer undertakes to Beneficiary to pay Beneficiary's demand for payment for an amount available under the Standby and in the form of Annex A (Payment Demand) [or *Annex B (Payment Demand after Notice of Non-Extension)*] completed as indicated and presented to Issuer at the following place for presentation: in Maricopa County, Arizona at or before the close of business on the expiration date.

Overdrawing. If a demand exceeds the amount available, but the presentation otherwise complies, Issuer undertakes to pay the amount available.

Expiration. The expiration date of this Standby is valid until _____ 20_.

Automatic Extension. The expiration date of this Standby shall be automatically extended for successive one-year periods, unless [30] or more calendar days before the then current expiration date Issuer gives written notice to Beneficiary that Issuer elects not to extend the expiration date. Issuer's written notice must be sent by *registered, certified, or priority express mail or nationally recognized overnight courier* to Beneficiary's above-stated address [*and to the attention of [office, officer, or other attention party] or, alternatively, be received by Beneficiary's attention party*] [30] or more calendar days before the then current expiration date.

Payment. Payment against a complying presentation shall be made within three business days after presentation at the place for presentation or by wire transfer to a duly requested account of Beneficiary.

ISP98. This Standby is issued subject to the International Standby Practices 1998 (ISP98) (International Chamber of Commerce Publication No. 590). This Letter of Credit is not assignable.

Issuer's Charges and Fees. Issuer's charges and fees for issuing, amending, or honoring this Standby are for Applicant's account and shall not be deducted from any payment Issuer makes under this Standby. [*Issuer undertakes to Beneficiary to pay the charges and fees of any bank nominated in this Standby to advise [and confirm] this Standby for acting on such nomination.*]

[*Communications. Communications other than demands may be made to Issuer in the manner and at the place for presentation and also as follows:* ***[address for mailed, couriered, telephone, telefax, or electronic communications].*** *Communications other than for notices of non-extension may be made to Beneficiary at Beneficiary's above-stated address and also as follows:* ***addresses for mailed, couriered, telephone, telefax, or electronic communications]****.]*

[*Issuer's name*]
[*signature*]

_____

Authorized Signature

_____ [bank name] _____, a _____

By _____ [bank officer's signature] _____

_____ [bank officer's name printed] _____

Its _____ [bank officer's title] _____

Phone: ___ [bank officer's phone number] _____

ANNEX A: PAYMENT DEMAND
(ISP98 Model Government Standby (U.S.) Form 11.1

To: [*Issuer name and address*]

From: Development Services Department
City of Chandler
P.O. Box 4008 Mail
Stop 405
Chandler, AZ 85244-4008

Date: _____, 20_____

Re: Standby Letter of Credit No. [*reference number*], dated [*date*], issued by [*issuers name*] ("Standby").

Ladies and Gentlemen:

The undersigned beneficiary demands payment of USD [*insert amount*] under the Standby. Beneficiary states that Applicant is obligated to pay to Beneficiary the amount demanded as provided in [*the contract, regulation, or other document that identifies the underlying obligations to the government beneficiary*]. Beneficiary requests that payment be made by wire transfer to an account of Beneficiary as follows: [*Insert name, address, and routing number of beneficiary's bank, and name and number of beneficiary's account*].

[*Beneficiary's name and address*] By
its authorized officer:
[*Insert original signature*]
[*Insert typed/printed name and title*]

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 Development Services Director of the City of Chandler.

If there is any imperfection or defect in this draft or its presentation, please inform me immediately at (480) 782-3410 so that I can correct it. Also, please immediately notify the City Attorney at (480) 782-4656.

Thank you.

_____
City of Chandler, Development Services Director