



20270

15-140

Introduce: 11-23-15

ORDINANCE NO. 20270

1 AN ORDINANCE accepting and approving a Conduit System Lease Agreement between  
2 the City of Lincoln, Nebraska and Allo Communications, LLC to occupy space in the City's  
3 Lincoln Technology Improvement District conduit system for a twenty five year term.

4 BE IT ORDAINED by the City Council of the City of Lincoln, Nebraska:

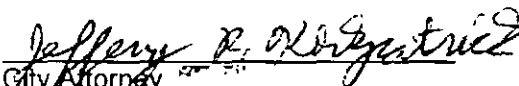
5 Section 1. That the Conduit System Lease Agreement between the City of Lincoln,  
6 Nebraska and Allo Communications, LLC, which is attached hereto marked as Attachment "A"  
7 and made a part hereof by reference, under which Allo Communications, LLC will lease space  
8 in the City's Lincoln Technology Improvement District conduit system for a period of twenty five  
9 years, upon the terms and conditions as set forth in said Conduit System Lease Agreement, is  
10 hereby accepted and approved, and the Mayor is authorized to execute said Conduit System  
11 Lease Agreement and any necessary amendments on behalf of the City.

12 Section 2. The City Clerk is directed to return one fully executed original of said  
13 Conduit System Lease Agreement to David Young, Fiber Infrastructure and Right of Way  
14 Manager, Public Works & Utilities Department, for transmittal to Allo Communications, LLC.

15 Section 3. Pursuant to Article VII, Section 7 of the City Charter, this ordinance shall  
16 be posted on the official bulletin board of the City, located on the wall across from the City  
17 Clerk's office at 555 S. 10th Street, in lieu of and in place of newspaper publication with notice  
18 of passage and such posting to be given by publication one time in the official newspaper by the  
19 City Clerk. This ordinance shall take effect and be in force from and after its passage and  
20 publication as herein and in the City Charter provided.

See further Council Proceedings on  
next page. Thank you.

Approved as to Form and Legality:

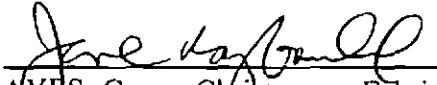
  
City Attorney


PASSED

DEC 14 2015

BY CITY COUNCIL

Introduced by:

  
AYES: Camp, Christensen, Eskridge,  
Fellers, Gaylor Baird, Lamm,  
Raybould; NAYS: None.

Approved this 11 day of Dec. 2015:  
  
Mayor

15-140

**12/14/15 Council Proceedings:**

CHRISTENSEN Moved Motion to Amend #1 to amend Bill No. 15-140 in the following manner:

By replacing the Conduit Lease Agreement which is attached to the ordinance with the Conduit Lease Agreement attached hereto.

Seconded by Gaylor Baird and carried by the following vote: AYES: Camp, Christensen, Eskridge, Fellers, Gaylor Baird, Lamm, Raybould; NAYS: None.

15-140

## MOTION TO AMEND NO. 1


I hereby move to amend Bill No. 15-140 by replacing the Conduit Lease Agreement which is attached to the ordinance with the Conduit Lease Agreement attached hereto.

Introduced by:



AYES: Camp, Christenen, Eskridge,  
Fellers, Gaylor Baird, Lamm,  
Raybould; NAYS: None.

Approved as to Form and Legality:

  
City Attorney

Requested by: Law Department

Reason for Request: Changes were made to correct grammatical errors throughout the Conduit Lease Agreement, as well as modifying existing page 9, paragraph 20.(f), to remove unnecessary language.

PASSED

DEC 14 2015

BY CITY COUNCIL

## CONDUIT SYSTEM LEASE AGREEMENT

This Conduit System Lease Agreement (hereinafter "Agreement") is made and entered into by and between the City of Lincoln, Nebraska, a municipal corporation, 555 S. 10th Street, Lincoln NE 68508 (hereinafter referred to as "City"), and Allo Communications, LLC, a Nebraska limited liability company (hereinafter referred to as "Lessee"), as of the Effective Date (as hereinafter defined).

WHEREAS, City owns a system of conduit, innerduct, manholes, and hand holes (hereinafter "Conduit System"), as generally depicted in Exhibit B, within and under certain public street, sidewalk, and alley Right of Way in the Lincoln Technology Improvement District ("LTID") as depicted on the map attached hereto as Exhibit B and as described in Exhibit C attached hereto, and it is the intent of the City to provide the Conduit System specifically for the use of telecommunication providers, and expressly for the purpose of providing fiber optic based broadband connectivity within the LTID; and,

WHEREAS, the Conduit System is intended (i) to limit the number of utility street cuts by co-location of fiber optic facilities within the City's Right of Way located in the area that comprises the LTID (these public Right of Way located within the LTID being collectively referred to in this Agreement as the "ROW") and (ii) to increase the availability of fiber optic based broadband to broadband users located within the LTID, including but not limited to those users that are currently underserved, in part, due to the limited space available for conduit placement within the ROW; and

WHEREAS, Lessee owns and/or operates, or will own and/or will operate, within the City of Lincoln certain telecommunications facilities not subject to this Agreement, portions of which are located within the LTID, the extent of which may change over time ("Lessee Network"); and

WHEREAS, Lessee desires to install, use, and maintain its fiber optic telecommunication cables and appurtenances ("Lessee Fiber Optics") in the Conduit System, all at the sole cost and expense of the Lessee; and

WHEREAS, separate and apart from this Agreement, Lessee and City are willing and intend to negotiate, consider, and enter into a franchise agreement with respect to cable Internet Protocol Television (IPTV) services and Broadband Internet Services that would be intended to be offered to a majority of households located in the LTID or the City, all under terms and conditions as may be mutually agreeable to the Parties;

NOW, THEREFORE, in consideration of the foregoing and the following covenants and agreements, it is hereby agreed by and between City and Lessee (hereinafter "Parties") as follows:

1. USE OF CONDUIT SYSTEM. City hereby leases space in the Conduit System (hereinafter "Space") to Lessee on a non-exclusive basis, for Lessee to install, use, and maintain Lessee Fiber Optics, in a single innerduct as assigned by City, in all or any part of the Conduit System, anywhere within the LTID, including all future additions to the Conduit System as the City may build or acquire, inclusive of Main Line Extensions, Building Extensions, and Non-Typical Conduits as defined in Exhibit A hereto. The Space provided to Lessee shall have a minimum nominal diameter of 1". As used in this Agreement, the boundaries of the LTID are as defined in Exhibit C.

### 2. TERM.

(a) Term. The term of this Agreement shall begin on the Effective Date, and shall end on the date that is twenty-five (25) years from the Effective Date, unless earlier terminated as provided herein ("Term").

(b) Renewal Term. If Lessee desires to renew this conduit agreement for an additional term, it shall, not less than one hundred eighty (180) days before expiration of the current lease, give written notice to the City requesting renewal. The parties shall negotiate in good faith on all issues including compensation.

Within ninety (90) days after receiving a written renewal request, the Mayor shall make a written recommendation to the City Council to grant or deny the request in whole or in part. After receipt of the recommendation, the City Council shall conduct a public hearing and make a decision. If the renewal request is denied, the written determination shall include the reason(s) for non-renewal. The City Council may continue consideration of the request for a period not to exceed thirty (30) days. The decision to grant or deny a renewal request shall be based upon the following standards:

(i) The continuing capacity of the Right of Way or the conduit system to accommodate the Lessee's existing facilities;

(ii) Lessee's compliance with the requirements of this conduit lease agreement; and

(iii) Such other factors as may demonstrate that the continued grant to use the Right of Way and conduit system will serve the community interest, including indications of significant customer satisfaction or dissatisfaction with Lessee's provision of services; and

(iv) Mutual agreement on compensation issues. If the parties are in agreement on compliance with standards in subsection (b)(i)-(iii) but have not reached agreement on subsection (b)(iv), the Lessee shall be allowed to continue its operations under the existing terms and conditions until agreement or a decision to recommend denial is reached.

### 3. MONTHLY RENT.

(a) During the Term of this Agreement, Lessee agrees to pay rent in the amount of three dollars (\$3.00) per customer, per month utilizing the Lessee Fiber Optics for broadband ("Users"). Users will include all customers with service provided by any third party service providers utilizing Lessee Fiber Optics.

(b) Initial Payment. The first payment shall be made within thirty (30) days after the connection of the first customer. Subsequent payments shall be due monthly thereafter, on the first day of each succeeding month.

(c) Late Payment. In the event any payment is not received within thirty (30) days from the first day of each month, Lessee shall be assessed a late fee of 5% of the payment due and shall be assessed interest at the rate of 8 1/2%, compounded daily.

(d) Pre-payment. Lessee may pre-pay all or part of this rent for the Term in an amount to be mutually agreed upon. With each payment, Lessee shall also provide to City the number of Users subscribing to broadband services.

(e) Escalation of Rent. Commencing on the 1st day of January next following the execution date of this Agreement and on each January 1 thereafter (each such date a "Rent Adjustment Date"), the Monthly Rent then in effect shall be adjusted, upward only, by two cents (\$0.02) per customer, per month as outlined in Section 3 paragraph a above.

(d) Credit for In-Kind Payment. Within the ROW, any Main Line Extension and Building Extension or manhole and/or hand hole constructed by Lessee, and innerduct installed by Lessee in empty 4" Main Line conduit (collectively "Assets"), shall qualify as credit for in-kind payment pursuant to subsection 3(d)(i) below; provided, however, that nothing contained in this Agreement shall limit Lessee's ability to place its utility facilities in City right-of-way located within the LTID in accordance with federal, state, and local laws and regulations. Main Line Extension, Main Line, and Building Extension shall have the meaning as defined in Exhibit A hereto. As used herein, In-Kind Payment shall be calculated as sixty-five percent (65%) of the agreed upon cost of qualifying work performed by Lessee, and shall be credited against the amounts due under equal monthly amounts pro-rated over the remaining portion of the Term for Rent until such In-Kind Payment has been fully applied. The maximum credit allowed is one million and five hundred thousand dollars (\$1,500,000). Credit for In-Kind Payment shall apply only to Assets accepted by City pursuant to Section 8(b) and that become property of the City pursuant to Section 9 of this Agreement. All costs directly associated with construction and installation of Assets shall be borne by Lessee, including but not limited to, engineering, insurance, ROW restoration, building penetrations, building entrance fees, permits, traffic control, utility service, incidentals, or any other cost associated with construction or use of Assets. Credit for In-Kind Payment shall only apply to Assets constructed or installed within the first five (5) years of this Agreement.

(i) Qualifying In-Kind Costs. Sixty-five percent (65%) of direct labor and material costs associated with construction of an Asset to be owned by the City shall be available for In-Kind Payment credit. To qualify for In-Kind Payment credit, material must conform to the Technical Standards and Specifications ("TSS") set forth on Exhibit A to this Agreement and may include, but not be limited to, innerduct, conduit, manholes, and hand holes comprising the Asset, and restoration material such as concrete, asphalt, and brick. Non-qualifying material costs may be authorized by the City for In-Kind Payment credit if requested in writing and approved in advance by the Conduit System Manager provided said material is used specifically for the construction of an Asset to be owned by the City. Engineering service costs associated with GIS and initial project construction may not be considered for In-Kind Payment credit. At no time are inspection service costs, management service costs, overhead, or any other cost not specifically associated with the actual material and labor cost incurred during construction of an Asset available for the In-Kind Payment credit. No material or labor cost may be recovered for fiber optic cable, coaxial cable, other cable or wire, pulling rope, tape, or other equal alternate associated with installation of Lessee Fiber Optics.

4. STANDARDS AND SPECIFICATIONS. Lessee shall design, construct, install, secure, use, operate, and maintain the Lessee Fiber Optics according to the TSS set forth in Exhibit A hereto. Lessee shall notify City in writing in advance of any proposed changes to the TSS, which shall constitute a proposed amendment to this Agreement. City shall have thirty (30) business days to review such proposed changes before Lessee implements them. If City objects to the changes within the thirty (30) business day period, the Parties shall negotiate in good faith to reach an agreement respecting the changes. Absent an agreement, the changes shall not be implemented or become a part of this Agreement.

5. OTHER USE. This Agreement shall be subject to and subordinate to City's right to maintain and use the Conduit System, and to use, alter, or excavate any portion of the ROW or utilities; provided however that City shall use commercially reasonable efforts to minimize any adverse impact on Lessee Fiber Optics or Lessee's rights under this Agreement. In the event that the City desires to make planned changes to the Conduit System, the City shall provide Lessee not less than ninety (90) days prior written notice setting forth a description of any changes in the Conduit System that could reasonably result in a material diminution or reduction of Lessee's rights under this Agreement. Upon receipt of such notice as

described above, Lessee shall have the right to terminate the affected portions of this Agreement without further liability.

6. CITY'S TITLE. City is the owner and/or holder of the property comprising the ROW associated with the Conduit System and shall be the owner of the Conduit System, subject in each case to the terms and limitations under which they are owned or held, including but not limited to, covenants, conditions, restrictions, easements, including pre-existing fiber optic easements or licenses, reversionary interests, bond mortgages and indentures, and other matters, including but not limited to, encroachments, licenses, and permits, whether or not of record, and to the rights of tenants and licensees in possession. The rights granted herein are subject to each and every limitation, restriction, or reservation affecting the same; provided however, that City shall use commercially reasonable efforts to acquire and maintain the rights necessary to provide the Space leased hereunder in accordance with the terms of this Agreement and Lessee shall have the right to terminate the affected portions of this Agreement without further liability in the event that any limitation, restriction, or reservation in such rights has a material adverse impact on Lessee's ability to use the Space leased hereunder.

7. RESTRICTION. Lessee shall not (a) create, or permit to exist, any lien, encumbrance, or other property interest in the Conduit System, or (b) subject to the provisions of section 23 below, directly or indirectly sell or otherwise transfer any interest hereunder to any person or entity without the prior approval of City, which approval may be denied for reasonable cause shown. Without limiting the foregoing, City need not approve a sale or transfer hereunder unless in connection therewith such purchaser or transferee shall agree in writing to be bound by the terms and conditions of this Agreement (including without limitation those provisions which limit the liability of the Parties hereto), and Lessee's permitted successors or assigns shall be primarily liable for the performance of all of the obligations under this Agreement. Lessee shall not sub-lease its Space in the Conduit System to any third party. The foregoing notwithstanding, Lessee is not restricted in the normal sale or lease of products and services that utilize Lessee Fiber Optics installed within the Conduit System, including but not limited to selling or leasing dark fiber in Lessee Fiber Optics to third parties including Incumbent or Competitive Local Exchange Carriers and providers of Commercial Mobile Radio Service.

8. ACCEPTANCE.

(a) Pre-acceptance Inspection. Lessee shall have sixty (60) days from the Effective Date to inspect and accept the Conduit System. All costs associated with pre-acceptance inspection shall be borne by Lessee. The City shall cooperate with inspection operations and participate if requested, but at Lessee's sole cost and expense. Lessee shall provide City at least five (5) days' notice of Lessee's desire for City participation.

(b) Lessee-built Assets. Assets constructed or installed, and work performed related to the construction of said Assets within the ROW and attached to the Conduit System, by Lessee in compliance with the TSS shall be considered acceptable to the City. Acceptance shall not be unreasonably withheld or delayed by the City. Assets not accepted shall be brought into compliance with the TSS by Lessee. If physical conditions in the ROW prevent Lessee from satisfying the TSS, the Lessee and City shall work together to reach a solution mutually agreeable to both Parties. In the event a mutually agreeable solution is not reached, City shall make the decision in the exercise of its reasonable discretion.

9. OWNERSHIP. The Conduit System shall at all times be and remain the property of City. Assets constructed or installed by Lessee within the ROW, shall become property of the City immediately upon Acceptance. Lessee Fiber Optics shall at all times be and remain the property of Lessee. Lessee shall install and maintain the Lessee Fiber Optics at Lessee's own expense and risk. Further, facilities and equipment, including but not limited to, conduit, innerduct, and fiber optic cable, installed by Lessee

in the ROW or on private property and connected to the Conduit System for the sole purpose of interconnecting the Conduit System with the Lessee Network shall at all times be and remain the property of Lessee and shall be considered a part of the Lessee Network and shall not be a part of the Conduit System.

10. INTENDED USE. City certifies the continuity and integrity of the Conduit System, that it is acceptable for its intended use, and that the Space assigned to Lessee is capable of passing a solid mandrel of at least 6" long and 80% of the diameter of the conduit or innerduct in which the Space is assigned. When notified in writing by Lessee of deficiencies in the Space, the City shall correct such deficiencies expeditiously at City's sole cost and expense, or assign different Space to Lessee. During the pre-acceptance inspection described in Section 8(a) above, Lessee may refuse to accept the Conduit System and terminate this Agreement in the event City fails to correct said deficiencies within sixty (60) days of receipt of written notice from Lessee.

## 11. OBLIGATIONS.

### (a) Lessee Obligations.

(i) During the Term of this Agreement, Lessee shall maintain the Lessee Fiber Optics in a functional and safe condition. All installation and maintenance of the Lessee Fiber Optics shall be the responsibility of Lessee and shall be performed under its direction by contractors approved by City, such approval not to be unreasonably withheld. Lessee shall perform such maintenance as is reasonably necessary and customary for normal use of the Lessee Fiber Optics in the manner described in Exhibit A. The installation and maintenance of the Lessee Fiber Optics shall be performed in a manner that minimizes any interruption or disruption of the ROW, utilities, communications, or streets (including traffic control devices and systems) and shall restore the ROW, utilities, communications, and streets (including traffic control devices and systems) in accordance with Exhibit A. The Lessee shall follow reasonable guidance and instructions from City for this purpose which need not be the lowest cost or most cost effective method for Lessee.

(ii) If, in the course of Lessee's monitoring and maintenance of the Lessee Fiber Optics, Lessee identifies any degradation in service, failures, or defects in the Conduit System, Lessee shall promptly report such degradation in service, failures, or defects to the City.

(iii) In accordance with the Lincoln Revised Ordinances, Lessee shall be responsible for all damage, loss, and expense which may result by reason of defective material and/or workmanship in connection with work performed by Lessee under this Agreement, arising within a period of one (1) year from acceptance of said work by the City pursuant to Section 8(b) above. Lessee shall promptly repair such defect and pay, or cause to be paid, all expenses associated with said repair; and Lessee shall save and hold the City harmless from all damages, loss, and expense occasioned by or resulting from such defect.

### (b) City Obligations.

(i) Ongoing maintenance and repair of the Conduit System shall be the responsibility of the City and at City's sole expense, except that damage or degradation of the Conduit System that is attributable to the use or negligence of the Lessee shall be at the expense of the Lessee. The City shall maintain the Conduit System in good working condition, ensuring continuity between manholes, hand holes, and Building Entrance points, and that it is usable for its intended purpose. In the event that Lessee believes that the City has failed to maintain the



Conduit System as provided herein, Lessee shall provide the City with ninety (90) days written notice specifying any maintenance failures, and if the City fails to take corrective action within the ninety (90) day period, Lessee may perform or cause to be performed the maintenance and repair of the Conduit System and the costs thereof shall be credited against monthly Rent due hereunder.

(ii) Subject to construction notification requirements, the City shall keep confidential and not disclose to other occupants of the Conduit System, or otherwise make public, information concerning any Asset construction by Lessee, whether planned, in progress, or completed, until thirty (30) days after Acceptance of the Asset by the City.

## 12. LESSEE USE OF CONDUIT SYSTEM.

(a) Third Party Contracts. Lessee shall not act in any way which would interfere with City's performance of City contracts for provision of communication services utilizing the Conduit System.

(b) Damage from Misuse. Lessee shall not use the Conduit System except as intended under this Agreement. If Conduit System damage is attributable to misuse or abuse by Lessee, then Lessee shall pay City for the repair or replacement of the affected portion of Conduit System and any damage to City property in accordance with City schedule of time and material charges then in effect.

(c) Use in Accordance with Law. By agreeing to this Agreement, Lessee agrees to obey and comply with all applicable governmental ordinances laws, rules, regulations, or restrictions, including, but not limited to, the City of Lincoln Title 5 and Title 14. Subject to City ordinance, City permitting requirements, and Exhibit A, Lessee shall have unrestricted access to the Conduit System for purposes of operating, repairing, installing, inspecting, and removing Lessee Fiber Optics, interconnecting with the Space and the Lessee Network, and extending the Conduit System.

13. INDEMNIFICATION. Lessee shall indemnify and hold City harmless from any and all damages, losses, claims, suits, actions, or judgments, including all expenses, reasonable attorney fees, witness fees and costs of defending or prosecuting any such claim, or appeals therefrom, relating to personal injury (including death) and damage to tangible personal property to the extent arising from Lessee's negligent acts or omissions in connection with the performance of this Agreement (including Exhibit A) or Lessee's negligent acts or omissions in connection with the installation, use, or maintenance of the Lessee Fiber Optics or the Conduit System, including any interference or damage to any third person or property. Lessee agrees to investigate (and at City's election, defend with counsel approved by City), indemnify, and hold harmless City from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, and expenses (including, without limitation, attorney's fees) and causes of action of whatsoever character which City may be subjected to on account of loss of or damage to or destruction of property, including but not limited to the Conduit System and the Lessee Fiber Optics, and loss of use thereof to the extent arising from Lessee's, its agents' or contractors' negligent acts or omissions in connection with the performance of this Agreement (including Exhibit A) or Lessee's, its agents' or contractors' negligent acts or omissions in connection with the installation, use, or maintenance of the Lessee Fiber Optics or the Conduit System.

14. INSURANCE. Lessee agrees to maintain, during the term of this Agreement, policies of insurance in accordance with the City of Lincoln Revised Ordinances.

## 15. TERMINATION.

(a) By Lessee. Lessee may terminate this Agreement for any reason or no reason, upon ninety (90) days written notice to City. Any such termination shall also terminate the obligation of Lessee to pay rent, other than Early Termination charges listed in section 15(b) and the duties provided in this section 15(a). Upon termination of this Agreement as herein provided, at its sole cost and expense, Lessee shall, upon written demand from City, and within one (1) year after receipt of such demand, completely remove all of the Lessee Fiber Optics and restore the Conduit System and any other facilities, cables, public property, as nearly as possible, to the state and condition of its existence immediately prior to commencement of this Agreement with all cost borne by the Lessee. Failure to remove the Lessee Fiber Optics within the required timeframe shall constitute abandonment and title thereto shall pass to the City. If City does not demand removal, Lessee may, at its option, completely remove all the Lessee Fiber Optics or abandon said Lessee Fiber Optics to City ownership without cost or expense to City or to Lessee.

(b) Early Termination Charge. Upon termination in accordance with the terms of this Agreement by the City pursuant Section 16, or upon termination for convenience by Lessee (collectively "Early Termination"), City shall assess and collect from Lessee, and Lessee shall pay, an Early Termination charge of two hundred and fifty thousand dollars (\$250,000).

16. VIOLATIONS; TIME TO CURE; SUMMARY TERMINATION. If, at any time in the performance of this Agreement, Lessee should violate any material law(s) including but not limited to Lessees' Broadband Franchise, material standard(s) of good practice, or a material term of this Agreement, including Exhibit A, City may notify Lessee in writing of said violation, and Lessee shall have thirty (30) days to cure said violation to City's satisfaction, or such longer period as may be reasonably necessary under the circumstances provided that Lessee commences to cure such failure within such thirty (30) day period and thereafter diligently pursues such cure. If Lessee does not cure said violation to City's satisfaction within said period, City may summarily terminate this Agreement, upon ninety (90) day advance written notice to Lessee.

(a) Dispute Resolution. The Parties will attempt in good faith to resolve any dispute or claim arising out of or in relation to this Agreement through negotiations between the Conduit System Manager and the Lessee. If the dispute cannot be settled amicably within thirty (30) days from the date on which either Party has served written notice on the other of the dispute then the remaining provisions of this Clause shall apply.

(b) Escalation of Dispute Resolution. In the event of a dispute between the Conduit System Manager and the Lessee (other than a matter to be resolved pursuant to Clause concerning the interpretation of any provision of this Agreement or the performance of any of the terms of this Agreement) is not resolved, such matter or matters in dispute shall be escalated as follows:

(i) Lessee may submit a written request to the Public Works Director requesting a meeting to discuss the matter. The Public Works Director will meet with Lessee and issue a written response to the issue within fifteen (15) days of the meeting;

(ii) In the event the Lessee does not agree with the findings of the Public Works Director, the Lessee may submit a written request to the Office of the Mayor for a review of the issue in dispute. The Office of the Mayor will review the findings of the Conduit System Manager and the Public Works Director and issue a written response to the Lessee within thirty (30) days of receipt of the written request; and

(iii) In the event the Lessee does not agree with the findings of the Office of the Mayor, the Lessee may proceed to file litigation before the District Court of Lancaster County, Nebraska seeking to obtain a resolution of any remaining open issues.

17. NOTICES. City and Lessee agree to keep contact information complete and updated. Except as otherwise provided in this Agreement, any notice or other communication shall be given in writing and sent by registered or certified mail, postage prepaid, return receipt requested or by recognized overnight delivery, or by email provided the email is followed in writing by one of the aforementioned methods within seventy-two (72) hours. Except as otherwise specifically provided, notices and other communications shall be deemed given and received three days after the date of mailing or, in the case of notices or other communications delivered in person, when received at the recipient's designated address for notices. The addresses for notice may be changed by giving written notice in accordance with this Section.

(a) City. City's representative for notice and communications with Lessee is:

City of Lincoln  
Attn: Mayor's Office  
555 S. 10th Street  
Lincoln NE 68508

(b) Lessee. Lessee's representative for notice and communications with City is:

Allo Communications, LLC  
Attn: President  
121 South 13<sup>th</sup> Street  
Suite 201  
Lincoln, NE 68508

18. BINDING UPON SUCCESSORS. This Agreement shall bind both Parties hereto and their successors and permitted assigns.

19. ANNUAL PERFORMANCE REVIEW. Representatives of City and representatives of Lessee shall meet together on or about each anniversary of the execution of this Agreement to review the performance of this Agreement, identify problems, discuss areas of concern, and make suggestions for future performance and cooperation. By mutual agreement, the Parties may waive said meeting.

20. MISCELLANEOUS.

(a) Headings. The front page of this Agreement and the heading of the paragraphs of this Agreement are strictly for convenience and shall not in any way be construed as amplifying or limiting any of the content of this Agreement as set forth in the body of such paragraphs.

(b) Entire Agreement. This Agreement, with all its attached exhibits, constitutes the entire agreement between the Parties with respect to the subject matter to which it refers and supersedes all previous agreements, whether written or oral, between City and Lessee or their predecessors in these regards. Nothing herein is intended to benefit any person or entity not a party hereto.

(c) Counterparts. This Agreement may be executed by the Parties in two (2) separate counterparts, each of which shall be deemed to be an original copy, but which shall constitute but one agreement.

(d) Computation of Time. The time in which any act provided by this Agreement is to be done shall be computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday, or holiday, and then it is also excluded.

(e) No Partnership, Joint Venture, or Franchise. The relationship between the Parties to this Agreement shall not be that of partners, joint ventures, or franchisor/franchisee, and nothing contained in this Agreement shall be deemed to constitute a partnership, joint venture, or franchise. Neither Party hereto may represent to any third party that this relationship is one of partnership, joint venture, or franchise.

(f) Rules of Construction. The singular herein shall include the plural, and the plural herein shall include the singular, where appropriate. Related forms of capitalized terms shall carry the implied meaning of the defined term.

(g) Force Majeure. Neither Party shall be in breach of its obligations under this Agreement (other than payment obligations) or incur any liability to the other Party for any losses or damages of any nature whatsoever incurred or suffered by that other if and to the extent that it is prevented from carrying out those obligations by, or such losses or damages are caused by, a Force Majeure Event.

"Force Majeure Event" means the occurrence of: an act of war, invasion, terrorism, or civil disorder, a strike, labor disputes, explosion, embargo, earthquake, lightning, cyclones, hurricanes, floods, droughts, or such other extreme weather or environmental conditions, unanticipated geological or ground conditions, epidemic, famine, plague, or other natural calamities and acts of God.

(h) No Waiver. Lessee, by entering into this Agreement, does not waive, and hereby expressly reserves its rights pursuant to 47 U.S.C. §224, *Neb. Rev. Stat.* §§86-701 through 86-710 or other laws or regulations that grant Lessee rights to place equipment or facilities in the City's right-of-way.

21. EFFECTIVE DATE. The Effective Date of this Agreement shall be the later of the date on which it is executed by the City or Lessee.

22. CONFIDENTIALITY. Each Party may disclose confidential information to the other Party in connection with this Agreement. Confidential information includes information that is marked confidential or bears a marking of like import, or that the Party disclosing such information states is to be considered confidential and then confirms such confidentiality in writing within ten (10) days ("Confidential Information"). Confidential Information may only be used by the receiving Party in connection with its performance under this Agreement. Confidential Information may not be disclosed except to those officers, directors, or employees of the receiving Party or its affiliates with a need to know or to consultants or subcontractors of the receiving Party who agree to be bound by this Section. If the receiving Party is legally compelled by any means (including deposition, interrogatory, request for documents, - Nebraska Open Records Act, subpoena, civil investigative demand, etc.), or is required under federal securities laws or regulations to disclose Confidential Information, the receiving Party must make reasonable efforts to provide the disclosing Party with prompt notice of such legal requirement prior to disclosure so that the disclosing Party may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, receiving Party will furnish only that portion of the Confidential Information that it is legally required to furnish. Confidential Information does not include information that: (i) is or becomes generally available to the public through no wrongful act of the receiving Party; or (ii) is independently developed by the receiving Party. The obligations of this provision will survive for five (5) years after any termination or expiration of this Agreement.

23. ASSIGNMENT. Neither Party shall assign, encumber, or otherwise transfer this Agreement to any other Person without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, each Party shall have the right, without the other Party's consent, but with prior written notice to the other Party, to assign or otherwise transfer this Agreement (i) as collateral to any institutional lender of such Party subject to the prior rights and obligations of the Parties hereunder; and (ii) to any affiliate, parent, or subsidiary of such Party, or to any entity into which such Party may be merged or consolidated or which purchases all or substantially all of the equity or assets of such Party; provided that such Party shall not be released from its obligations hereunder without the other Party's consent. Any assignee or transferee shall also be subject to all of the provisions of this Agreement.


24. LIMIT OF OBLIGATIONS. Nothing contained herein pertaining to the use of or attachment to the Conduit System, or City control thereof, shall be construed as imposing an obligation on Lessee with regard to any fiber optic or other telecommunication facilities owned and/or operated by Lessee outside the ROW unless specifically noted in this Agreement and approved by Conduit System Manager, it being understood that "ROW" under this Agreement strictly refers to City Right of Way located within the LTID as defined in Exhibit C. Similarly, no such obligations shall be imposed on Lessee's equipment or facilities, existing or in the future, not specifically constructed or installed under this Agreement.

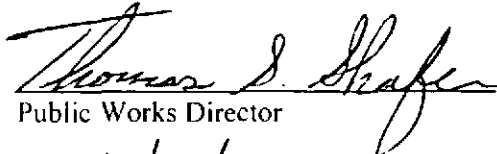
25. LIMITS OF LIABILITY. Except as provided in this Agreement or otherwise agreed in writing, the City and Lessee shall not be subject to any other obligation or liability, whether arising out of breach of contract, warranty, tort, or other theories of law, with respect to the subject matter of this Agreement, or the undertakings, acts, or omissions related thereto. Under no circumstances will either City or Lessee be liable for any incidental or consequential damages, or for any other loss, damage, or expense of any kind, including loss of profits, arising in connection with this Agreement or with the use of the Conduit System or liability for the City's services under this Agreement.

[Signatures follow on the next page.]

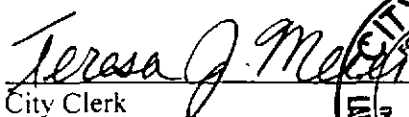
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates set forth below.

**CITY OF LINCOLN, NEBRASKA,**  
a municipal corporation,

  
Chris Beutler, Mayor  
Date: 12-17-15

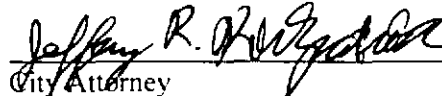
  
Public Works Director  
Date: 12/17/15

ATTEST:

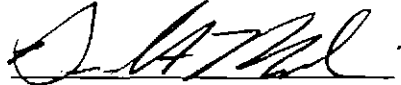
  
City Clerk



APPROVED:

  
City Attorney

**LESSEE:**  
Allo Communications, LLC

By:   
Name: BRADLEY A. MOLINE  
Title: PRESIDENT  
Date: 12/28/15

## **Exhibit A**

### **Technical Standards and Specifications**

These standards and specifications pertain only to use of the Conduit System as relates to this Agreement. The Conduit System is located within the Lincoln Technology Improvement District as shown in Exhibit B and generally described in Exhibit C of this Agreement.

#### **I. DEFINITIONS**

- A. **"Main Line"** means the portion of the Conduit System consisting of manholes, hand holes, 4", 3" and 2" conduit, the running line of which is as generally depicted in Exhibit B, and segments of which may be populated existing copper traffic operations wire.
- B. **"Main Line Extension"** means any extension of the Main Line subsequent to the Effective Date, whether constructed by the City or by any tenant in the Conduit System, including Lessee.
- C. **"Non-Typical Conduit"** means any existing 2" or 3" traffic conduit located within the Lincoln Technology Improvement District.
- D. **"Building Extension"** means that portion of the Conduit System, located within the ROW, originating at a manhole or hand hole in the Main Line and extending to a building entrance point, excluding the building entrance point.

#### **II. CONSTRUCTION STANDARDS**

##### **A. Materials**

- i. **Main Line Extensions.** All Steel, Fiberglass, PVC or HDPE conduit installed with the intent of becoming a Main Line Extension are to be 4" minimum in size and match the existing number of conduits in place. Steel conduit will be joined with threaded collars, Zap-Lok, or welding. All split steel conduit shall be flanged. All 4" conduits will be installed in such a manner as to allow for the installation of four (4) innerducts, three (3) innerducts will be 1 1/4" SDR 13.5 HDPE innerduct and one (1) 1" SDR 13.5 HDPE innerduct. All directional changes will be made with sweep 90 degree elbows and at no time will the conduit installations restrict the number of innerducts able to be installed to less than four (4). All Main Line Extension conduit locations and materials will be subject to approval by Conduit System Manager. Where site conditions warrant and at the request of the Lessee, the Conduit System Manager may approve the installation of six (6) 1 1/4" SDR 11 innerducts as a mainline extension.
- ii. **Building Extensions.** All Building Extensions are to consist of three (3) 1 1/4" SDR 13.5 ducts and one (1) SDR 13.5 innerduct, which may be installed within 4" HDPE conduit, or an equal alternate approved by Conduit System Manager. Where site conditions warrant and at the request of the Lessee, the Conduit System Manager may approve the installation of a six (6) cell MaxCell sock inside a building entry conduit.
- iii. **Non-Typical Conduit.** Non-Typical Conduit is provided where is and as is under this agreement. The use of Non-Typical Conduit is provided to the Lessee on an as-request basis and subject to the approval of the Conduit System Manager. Non-Typical Conduit sizes are typically 2" or 3" in diameter. Lessee will take precautions to avoid damaging any existing

City-owned cable while installing Lessee facilities in the Non-Typical Conduit. Lessee agrees to cooperate with the City in the removal and replacement of the existing cable in return for the use of the Non-Typical Conduit. MaxCell innerduct with a minimum capacity for four (4) cables will be installed in any Non-Typical Conduit prior to installing any Lessee facilities.

- iv. **Main Line Innerduct.** Any unoccupied 4" Main Line conduit in which Space is assigned to Lessee and which Lessee desires to utilize shall be first filled with a minimum of four (4) innerducts, three (3) innerducts will be 1 1/4" SDR 13.5 HDPE innerduct and one (1) 1" SDR 13.5 HDPE innerduct by Lessee prior to use. The use of smooth wall or corrugated exterior innerducts will be approved by Conduit System Manager on a case by case basis. Alternates must be approved in writing by the City in advance. Lessee will properly identify leased innerducts with cable tags.
- v. **Hand holes.** Unless otherwise approved by City, all hand holes will be located in the green spaces/landscaped areas or sidewalks within the Lincoln Technology Improvement District. All hand holes will have a minimum size of 30" x 48" x 36". All hand holes will be installed in accordance with ASSHTO-H20-44 Load rating and conform to the City of Lincoln Traffic Standards and Specifications.
- vi. **Manholes.** All manholes installed within the Lincoln Technology Improvement District shall comply with the City of Lincoln Construction Standard Specifications and Standard. No manholes constructed with masonry brick will be permitted within the Lincoln Technology Improvement District.
- vii. **Communication Cabling.** It is the intent of the City to increase the use of fiber optic based telecommunications within the Lincoln Technology Improvement District. Therefore, the desired communication cable to be used within the Conduit System will be fiber optic cable. An equitable alternate may be approved upon written request to the City. Fiber optic cable located in Non-Typical Conduit will not exceed 96 count.
- viii. **Locate Wire.** Locate wire will be placed inside all segments of the Conduit System. Locate wire will consist of a minimum of #14 stranded core PVC coated copper wire. An equitable alternate may be approved upon written request to the City. All locate wires will be attached with anchor clips to the walls of the manholes in a clean, secure and orderly manner. Locate wires will connected to termination blocks installed by the contractor no more than 10" below the manhole or hand hole lid.
- ix. **Subdivisions Extension Specifications.** Lessee and City shall cooperate in good faith to jointly develop reasonable specifications with respect to extension of the Conduit System for installation in more predominantly residential/non-central/non-arterial neighborhoods and locations within the LTID.

**B. General:**

- i. **Construction Plans.** Preliminary plans shall be submitted for each new construction or installation project at the time of application for a Conduit Access Permit. After completion of construction on each project, final as-built construction facility maps shall be submitted to the Conduit System Manager. Such as-built maps shall be based upon post-construction inspections to verify location. Copies of as-built maps in a digital format and level of accuracy acceptable to the City shall be submitted to the Conduit System Manager.



**ii. Depth.** Unless agreed to in writing in advance by the City, the depth of installed facilities shall be, at a minimum, as follows:

- a. Forty-eight (48) inches in soil;
- b. Forty-eight (48) inches below a projected slope from the flow line of a ditch at a three (3) horizontal and one (1) vertical slope;
- c. Forty-eight (48) inches under a roadway measured from the surface of said roadway to the top of the installation;
- d. Forty-eight (48) inches under a storm water or creek channel design flow line;
- e. In all other locations, including subdivisions and other predominantly residential/non-central/non-arterial neighborhoods and locations, depth standards will be agreed upon by the City and Lessee utilizing appropriate construction standards; and
- f. Lessee shall cross under all existing utility lines at a depth of twenty-four (24) inches.
- g. City may require Lessee's facilities be placed at a greater depth than minimum depths as defined by local, state, or federal standards to facilitate known projects or to correct deficiencies.

**iii. Lincoln Technology Improvement District Specific Locations.**

- a. Street – All conduits placed at a minimum 4' depth unless otherwise approved by Conduit System Manager.
- b. Alley – All conduits placed at a minimum 4' depth unless otherwise approved by Conduit System Manager.
- c. Sidewalk – All conduits placed at a minimum 4' depth unless otherwise approved by Conduit System Manager.
- d. Aerial – No aerial installations will be permitted unless on an existing pole. Any relocation of facilities from an aerial installation to underground will be at the sole discretion of the City and at the sole cost of the Lessee.
- e. Subdivision and other and other predominantly residential/non-central/non-arterial neighborhoods and locations in ROW – depth standards to be agreed upon by the City and Lessee utilizing appropriate construction standards.

**iv. Backfilling/Testing.** Excavations shall be promptly backfilled according to the City of Lincoln Standard Specifications for Municipal Construction on file with the Public Works Director and the surface shall be restored to original grade to assure no hazard to vehicular, animal, or pedestrian traffic. Lessee shall perform all necessary compaction tests in accordance with the latest design and construction specifications approved and disseminated by the Director of Public Works setting forth requirements for backfill and paving cut repairs (e.g., standard concrete pavement cut and repair; standard asphalt pavement cut and repair, etc.). All test reports shall be submitted to the Conduit System Manager.

**v. Pavement Cutting.** Lessee, Lessees' contractors and subcontractors shall comply with the latest City paving cut standard and applicable terms and conditions of the Lincoln Municipal Code prior to cutting any pavement.

**vi. Restoration and Replacement.** If public or private property is disturbed or damaged, Franchisee shall restore the property with like materials to as-good or better condition. The replacement of any sidewalk, curb, any driving surface, and the base of any roadway shall be the responsibility of Lessee paving cut contractor, unless otherwise approved by the Director.

The Lessee's paving cut contractor must be approved by the Director and in good standing with the City. In the absence of an approved Lessee paving cut contractor, The City shall make repairs per the terms of the Lincoln Municipal Code, at the expense of the Lessee as set forth in Title 14 and Lincoln Revised Ordinances.

All repairs and replacements shall comply with the City's Engineering Standards, pursuant to engineering plans on file with the City and will require additional removal to the nearest joint in all directions. Surface replacements shall be completed no later than ten (10) calendar days from completion of the underlying construction project. Specialty pavement sections must be constructed to restore the pavement to its original or an improved condition.

If weather or other conditions do not permit the complete restoration required by this section; the Lessee shall temporarily restore the affected ways or property. Such temporary restoration shall be at the Lessee's cost, and Lessee shall promptly undertake and complete the required permanent restoration when the weather or other conditions no longer prevent such permanent restoration.

All restoration work is subject to inspection and final approval by the City. If restoration is not made to the reasonable satisfaction of the City within the established time frame (or without notice where the disturbance or damage creates a risk to public health or safety, or cause delay or added expense to a public project or activity), the City may cause the repairs to be made at Lessee's expense and recover the cost of those repairs from Lessee. Lessee shall pay the City within thirty (30) days of receipt of an itemized list of those costs, including the costs of labor, materials and equipment.

**vii. Trenching.** Lessee shall not proceed with additional trench work exceeding a maximum of one hundred (100) feet of open trench without the approval of the Conduit System Manager. All excavation spoils and/or construction debris will be removed immediately.

**viii. Crossings.** All underground crossings of paved roadways and storm water and creek channels shall be made by a bore method approved by the Conduit System Manager. Any alternate method shall be reviewed and subject to approval by the Conduit System Manager. Voids and all holes shall be properly grouted. Crossings shall be at approximately right angles to the roadway and in no case shall any facility be placed in any culvert or drainage pipe or within ten (10) feet of a culvert or storm sewer unless approved by Conduit System Manager.

**ix. Boring Specifications:**

- a. Casing pipe or Conduit shall be placed as indicated on the drawings and shall be as specified in the section entitled "Materials."
- b. Casing pipe or Conduit shall be placed to the minimum depths indicated on the drawings. The horizontal tolerance shall be plus or minus 0.5 foot and the vertical alignment plus or minus 0.5 foot.
- c. The method of placement when indicated on the drawings as Boring shall mean that the casing or Conduit is placed between two points (either at grade or from an excavated bore pit) without disturbing the ground in between. Unless otherwise required by permit, all bores shall be guided and tracked by equipment that gives continuous, accurate monitoring of the drill bit position. All guidance equipment shall be subject to the acceptance of the engineer. Auger bores are acceptable when required by permit entities. This could possibly apply to RR crossings.

- d. Bore methods and procedures shall follow industry established best practices.
  - e. Non-guided boring (such as what has been referred to as "missile" or "thumper") shall not be permitted at any location within the corporate limits of the City of Lincoln.
  - f. The contractor is responsible to protect all existing utilities and private property. Existing utilities shall be potholed prior to boring. Drill fluid shall be bentonite based compatible with the environment. Waste oil or environmentally non-compatible polymers cannot be part of the composition.
  - g. Used drilling fluid shall be properly, immediately and legally, disposed of.
  - h. The contractor shall continuously monitor boring operations for the possible frac-out of drill fluid. Any frac-out or surface uplifting shall be immediately reported to the engineer, contained, repaired and cleaned up. Any drill fluid released into waterways shall be immediately reported to the Conduit System Manager, contractor and permit agency governing the water. In water, the frac-out shall be contained, in accordance with the permit. Clean up shall be in accordance with the permits. Drill fluid shall not be allowed to remain in the water.
  - i. The contractor shall be responsible for dewatering, diverting water, and controlling water surface runoff that would affect downstream water turbidity as required for the site conditions.
  - j. At bore locations with lengths in excess of 600 feet as indicated on the drawings, the contractor may be allowed to establish intermediate bore pits. The Conduit System Manager shall make the determination on the acceptability of intermediate bore pits.
  - k. Where pipe bends are required to be made in the field, such bends shall be made with approved bending tools, and following the pipe manufacture's approved method of procedure.
- x. **Erosion.** Erosion prevention measures shall be incorporated into all work within the ROW as described in the Storm Water Management Manual. All gutters, ditches, and other drainage features shall be maintained free and unobstructed of sediment, dirt, and debris. The handling, grading, excavating, or moving of excess construction materials or the movement or cleaning of construction vehicles or equipment shall be conducted in such a manner that materials and washout will not be deposited into catch basins, gutters, ditches, or areas where runoff may carry materials into any public or private storm water system.
- xi. **Inspection.** All construction inspection shall be coordinated with the Conduit System Manager.
- xii. **Nebraska One Call System.** Lessee and any contractor or subcontractor working on behalf of the Lessee agree to comply with the State's One Call notification/location system, known currently as the Nebraska One Call System. Lessee will be responsible for all locates of existing and post-acceptance newly constructed Conduit System occupied by Lessee. Lessee shall be responsible for locating Lessee Fiber Optics as provided for under the Nebraska Underground Facilities Damage Prevention Act.
- xiii. **Damages.** Lessee agrees to perform construction in such a manner as to avoid possible damage to the Conduit System. Should Lessee become aware of damage to the Conduit System or the facilities of its tenants, Lessee agrees to notify the City of damages. If damage is attributable to Lessee negligence, Lessee agrees to bear full responsibility for all cost associated with the repair and restoration of the affected area. Lessee and the Conduit System Manager shall cooperate to determine the best means of restoration. The contractor performing repairs shall be approved by the Conduit System Manager, provided contractor is

qualified and in good standing with the City.

- xiv. **Due Care.** All Facilities and connections in, over, under, and upon the streets of the City, wherever situated or located, shall at all times be kept and maintained in a safe, suitable, and substantial condition, and in good order and repair.

### **III. USE OF CONDUIT SYSTEM**

#### **A. Installation Procedures.**

##### **i. Permit Requirements.**

- a. Lessee shall be responsible for any third party supervision charges relating directly to damages attributable to Lessee negligence.
- b. Lessee will meet all requirements under Title 5, Chapter 17 in order to receive a permit prior to beginning any construction in the Conduit System.
- c. Lessee agrees to comply with the "Call Nebraska One Call System" or any successor utility location system requirements prior to beginning construction.
- d. **Construction Zone Identification.** Whenever the Lessee or Lessee's agent excavates or obstructs any portion of the ROW, Lessee shall erect a temporary sign displaying either:
  - (i) The names of Lessee, any contractors and/or subcontractors involved in the project, and the City permit number authorizing said activity; or
  - (ii) The names of the Lessee and a local telephone number or toll free number manned during regular business hours by a person who is knowledgeable about the construction project.The sign shall be visible from any adjacent traffic lane and shall be maintained throughout the duration of the project.
- e. **Vehicle Identification.** All vehicles used, parked, or stored by or on behalf of Lessee or Lessee's agent within a permitted construction zone shall be clearly marked, providing the name of Lessee or Lessee's agent. Any unmarked vehicles shall be subject to all moving and parking ordinances. Private vehicles shall not be allowed to be parked or stored within any permitted work zone at any time.
- f. **Cable Identification.** Lessee will attach cable identification tags to lessee-owned fiber cables within the LTID system.
  - (i) Cable identification tags will contain the name and contact information for the lessee and be located in each System manhole and hand hole where lessee-owned cable is present.

##### **ii. Access.**

- a. **Standard Access.** Advance notice as specified below is required prior to Lessee accessing the Conduit System. After receiving notification of access, the City will notify all parties with product in the affected area of the date and time of proposed access. Lessee can opt to have a representative on site at the time of access to monitor all construction activities. The Lessee will be responsible for any cost to the City associated with this access.
  - (i) **Manholes** – 5 business days written notification to Conduit System Manager or designee is required prior to accessing manholes.
  - (ii) **Hand holes** – 5 business days written notification to Conduit System Manager or designee is required prior to accessing hand holes.

- b. **Emergency Access.** In the event of an emergency, Lessee shall endeavor to provide City with notice immediately prior to accessing or working around the Conduit System, but in any case shall notify City within 4 hours of commencement of work or access into the Conduit System. On the first available business day City may notify all parties with product in the affected area.
- c. **Supervision.** Any customary charge incurred by the City for a City technician to supervise the installation, maintenance, or emergencies of the Lessee project will be the responsibility of the Lessee. In addition, Lessee shall be responsible for any 3rd party supervision charges relating directly to damages attributable to Lessee negligence. The City will provide Lessee with a City technician rate sheet and notify Lessee prior to any proposed rate change.
- d. **Notification.** City will notify Lessee of any emergency access to, or work performed around, the Conduit System on the first available business day after an Emergency Access by the City or any third party. Regarding Standard Access described in III (ii)(a.) above, the City shall provide Lessee with not less than five (5) days prior notice of proposed access to the Conduit System by the City or any third party.

**iii. Core bore location.**

- a. All manholes core bore locations or similar access will be subject to the approval of the Conduit System Manager. Such request must be made in writing, accompanied with a set of plans showing the location of all existing core bore locations in the manhole. The City shall take no more than fourteen (14) days to respond to core bore requests.
- b. All hand hole core bores or similar access locations will be subject to the approval of the Conduit System Manager. Such requested must be made in writing, accompanied with a set of plans showing the location of all existing core bore locations in the hand hole. The City shall take no more than fourteen (14) days to respond to core bore requests.
- c. Core bores will be accomplished using generally accepted industry practices. Requests will not be unreasonably delayed or denied by the City.

**iv. Open Cut.**

- a. **Removal of Spoil.** Any/all spoil from excavation, trenching, boring or other construction activity shall be removed from the ROW the same day it is excavated. No spoil will be left on the street, sidewalk, or any other traveling surface overnight.
- b. **Approval of Backfill.** Cement-based flow-able fill or Class A aggregate base compacted to 95% standard modified proctor as described in the City of Lincoln Standard Specifications for Municipal Construction shall be used as backfill under a street or alley. At no time shall any excavation spoil be used as backfill. At no time shall sand be used as bedding or backfill material. Only cement-based flow-able fill or other equal material will be approved for use by the Conduit System Manager.
- c. **Plating of open trench.** Any trench in the roadway to be left unattended for any length of time shall be plated.

**v. Pulling or Blowing Communication Cabling.**

- a. All fiber optic cable shall be installed using a powered pulling winch and hydraulic powered assist pulling wheels. The maximum pulling force to be applied to the fiber optic cable shall be 600 pounds. Sufficient pulling assists will be available and used

to insure the maximum pulling force is not exceeded at any point along the pull. The cable can also be installed via other methods as long as maximum pulling force on the cable does not exceed 600 pounds. All cables shall be lubricated with Polywater or approved equal. A pulling swivel with a break-away rated at 600 pounds shall be used at all times during the pulling operation.

- b. All splices and splice cases will be contained in manholes with locations of splice cases within the manholes to be approved by Conduit System Manager. Splices will not be approved in hand hole locations.
- c. Slack loops for Main Line cables will be fifty foot (50') maximum length of cable and may be installed in every Main Line manhole where space exists. Slack loops for Building Extension cable will be a maximum of twenty-five foot (25') in length and located in hand holes where space exists. The Conduit System Manager will review and approve all locations for slack loops. All slack loops and splice cases will be securely mounted to the manhole wall using generally accepted industry practices and will not interfere with conduit, innerduct, or manhole access. Slack loops may be prohibited in hand holes and manholes where physical space is not available or where the addition of slack may cause the hand hole or manhole to be unusable in the sole discretion of the System manager. No slack will be allowed on the manhole floor.
- d. Splice cases may be installed in any Main Line manhole. All mounting locations for splice cases and equipment racks will be approved by Conduit System Manager.
- e. All manholes and hand holes will be kept clean and free of trash, unsecured slack loops, unsecured splice cases, and or other debris at all times.
- f. All conduits, innerducts, locate wire and fiber shall have a lubricant applied at each conduit ingress and egress location and during the pull operation. Lubricant shall be Polywater (type specific to be approved per project) or equal.

## **B. Restoration.**

### **i. Street.**

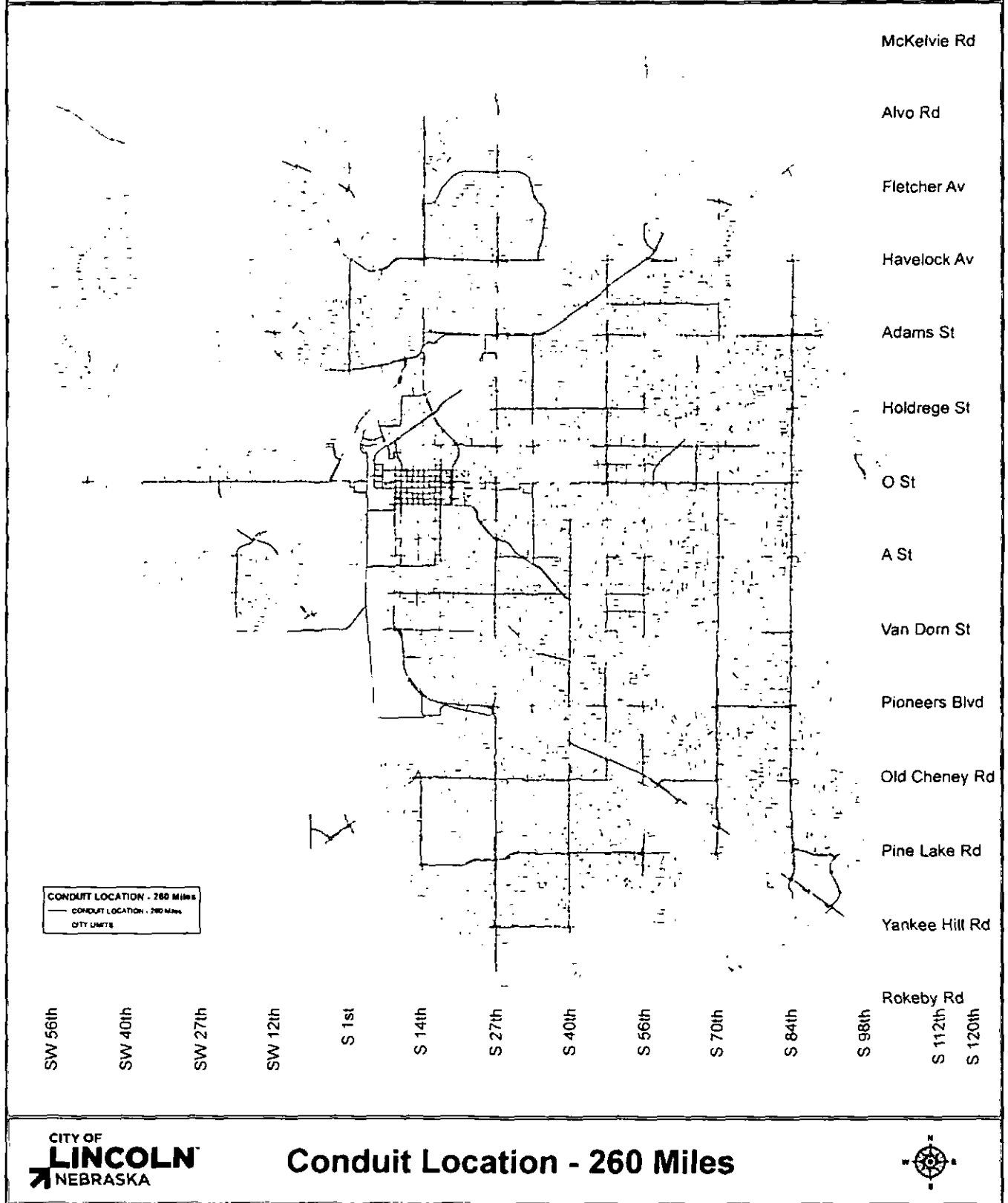
- a. Lessee shall comply with the terms and conditions of Title 14 and Lincoln Revised Ordinances prior to cutting any pavement.
- b. The replacement of any sidewalk, any driving surface, and the base of any roadway shall comply with City of Lincoln Standard Specifications for Municipal Construction, pursuant to engineering plans on file with the Public Works Department and will require additional removal to the nearest joint in all directions. This removal and all pavement restoration shall be the responsibility of the Lessee. The Lessee contractor shall be approved by the Conduit System Manager, which approval shall not be unreasonably withheld provided contractor is qualified and in good standing with the City, with all work done at the expense of the Lessee as set forth in Title 5, Title 14 and Lincoln Revised Ordinances.

### **ii. Alley.**

- a. All restoration in alleys shall comply with City of Lincoln Standard Specifications for Municipal Construction, pursuant to engineering plans on file with the Public Works Department. Conduit System Manager shall determine proper size, scope, and material used to repair alleys on a case by case basis.

- iii. **Contractor / Subcontractor Qualifications.** All Lessee contractors and subcontractors will meet the requirements set forth in by the Public Works Department and be in good standing with the City.
- iv. **Traffic Control and Safety.**
- a. Lessee, while occupying any portion of ROW in connection with access to the Conduit System, shall erect a barrier around the perimeter of any excavation and provide any and all traffic-control devices, signs, and lights appropriate to the level of complexity of the activity in order to protect, warn, and guide the public (vehicular and pedestrian) through the work zone. The manner and use of these devices shall be described within a traffic-control plan in accordance with the Manual on Uniform Traffic Control Devices and approved by the Traffic Engineer and submitted to the Conduit System Manager for review prior to commencing construction.
  - b. Lessee shall implement each traffic-control plan and agrees to be in compliance at all times with all applicable city, state, and federal requirements and maintain all devices in good repair. Lessees with open excavations awaiting final restoration shall maintain all devices until repair is complete or until the Public Works Department notifies the Lessee in writing that the City or the City's designated contractor is assuming responsibility for traffic control for the paving cut restoration.
  - c. Lessee shall designate a safety officer. The safety officer shall be responsible for safety-related issues affecting both the public and the Lessee's field employees and contractors for all job sites within the ROW.
- v. **Safety.** Lessee agrees to perform all work in strict accordance with all applicable federal, state, local rules and laws regarding safety and environmental issues, including those set forth by OSHA and the EPA.
- vi. **Construction Staging.** At no time shall the Lessee direct, nor shall a contractor or subcontractor working on behalf of the Lessee be directed to stage on any traveling surface within the Lincoln Technology Improvement District unless specifically approved in writing by the Conduit System Manager.
- vii. **Timeline.** Lessee agrees to perform all construction and attempt with all reasonable effort to complete projects in a timely manner.

# Public Works & Utilities





## **Exhibit C**

### **Lincoln Technology Improvement District ("LTID")** **Defined**

The LTID, as defined in the City of Lincoln is described as being all public Right of Ways located in the boundaries of the City.

The City of Lincoln reserves at its sole discretion, the right to expand the boundaries of the LTID in the future.

The City of Lincoln also reserves the right to designate any component of the conduit listed on the map as City only use. If and when any such component is designated as City only, the City shall work with providers to provide alternate routes.

# CITY OF LINCOLN REQUEST FORM

Submit one original to City Clerk

REQUEST FOR (please check one): ☒ ORDINANCE ☐ RESOLUTION

DESIRED DOCKET DATE: 11-23-15

REQUEST MADE BY: Steve Huggenberger

DEPARTMENT: Law

TO BE COMPLETED BY CITY CLERK	
BILL #:	15-140
DATE:	11/17/15
INTRO:	11/23/15
P.H.:	12/7/15

EMERGENCY MEASURE REQUIRED: ☒ No ☐ Yes  
IF EMERGENCY, GIVE REASON (See Art. 6, Sec. 2 of Charter):

DIRECTOR'S EST'D TIME/TESTIMONY, please check one:

☐ 0 - No Hearing (Consent Agenda) ☒ 1 - Short ☐ 2 - Average ☐ 3 - Long

REASONS OR JUSTIFICATION FOR PROPOSED LEGISLATION:

Approving a Conduit System Lease Agreement for a twenty five year term between the City of Lincoln and Allo Communications, LLC to occupy space in the City's Lincoln Technology Improvement District conduit system pursuant to the terms and conditions in the agreement.

FILED

NOV 17 2015

CITY CLERK'S OFFICE

DOES REQUESTOR WISH TO REVIEW AND APPROVE THIS ORDINANCE PRIOR TO ITS INTRODUCTION?

☐ DOES ☐ DOES NOT

  
DIRECTOR'S SIGNATURE

11-17-15  
DATE

## TO BE USED BY THE FINANCE DEPARTMENT

BUDGET REVIEW:

DATE:

ACCOUNT NUMBER AND APPROPRIATE BALANCES:

DATE:

FUND AVAILABILITY APPROVED

DATE:

FINANCE DIRECTOR'S SIGNATURE

DATE

City Council Introduction: November 23, 2015

BILL NUMBER: 15-140

Public Hearing: December 7, 2015

Date Factsheet Prepared: November 18, 2015

## FACTSHEET

**Instructions:** If a question does not apply, just put "NA". Please try to keep it to **ONE** page only. Submit **one original**, with your Request Form, to City Clerk.

**TITLE:** Conduit Lease Agreement **BOARD/COMMITTEE:**

**APPLICANT:** Law Department **RECOMMENDATION:**

**STAFF** **OTHER DEPARTMENTS**  
**RECOMMENDATION:** **AFFECTED:**

**SPONSOR:** **OPPONENTS:**

### REASON FOR LEGISLATION

Approving a Conduit System Lease Agreement between the City of Lincoln and Allo Communications, LLC to occupy space in the City's Lincoln Technology Improvement District conduit system for a twenty five year term.

### DISCUSSION / FINDINGS OF FACT:

This is a twenty five year contract with Allo Communications, LLC to occupy space in the City's Lincoln Technology Improvement District conduit system pursuant to the terms and conditions in the agreement.

**POLICY OR PROGRAM CHANGE:**      Yes   x   No

### OPERATIONAL IMPACT ASSESSMENT:

**COST OF TOTAL PROJECT:** n/a

**RELATED ANNUAL OPERATING COSTS:** n/a

**SOURCE OF FUNDS:** n/a

**CITY:**

**NON CITY:**

**FACTSHEET PREPARED BY:** Steve Huggenberger

**DATE:** 11/18/2015

**REVIEWED BY:**

**DATE:**

# VOID

## CONDUIT SYSTEM LEASE AGREEMENT

This Conduit System Lease Agreement (hereinafter "Agreement") is made and entered into by and between the City of Lincoln, Nebraska, a municipal corporation, 555 S. 10th Street, Lincoln NE 68508 (hereinafter referred to as "City"), and Allo Communications, LLC, a Nebraska limited liability company (hereinafter referred to as "Lessee"), as of the Effective Date (as hereinafter defined).

WHEREAS, City owns a system of conduit, innerduct, manholes and hand holes (hereinafter "Conduit System"), as generally depicted in Exhibit B, within and under certain public street, sidewalk and alley Right of Way in the Lincoln Technology Improvement District ("LTID") as depicted on the map attached hereto as Exhibit B and as described in Exhibit C attached hereto, and it is the intent of the City to provide the Conduit System specifically for the use of telecommunication providers, and expressly for the purpose of providing fiber optic based broadband connectivity within the LTID; and,

WHEREAS, the Conduit System is intended (i) to limit the number of utility street cuts by co-location of fiber optic facilities within the City's Right of Way located in the area that comprises the LTID (these public Right of Way located within the LTID being collectively referred to in this Agreement as the "ROW") and (ii) to increase the availability of fiber optic based broadband to broadband users located within the LTID, including but not limited to those users that are currently underserved, in part, due to the limited space available for conduit placement within the ROW; and

WHEREAS, Lessee owns and/or operates, or will own and/or will operate, within the City of Lincoln certain telecommunications facilities not subject to this Agreement, portions of which are located within the LTID, the extent of which may change over time ("Lessee Network"); and

WHEREAS, Lessee desires to install, use and maintain its fiber optic telecommunication cables and appurtenances ("Lessee Fiber Optics") in the Conduit System, all at the sole cost and expense of the Lessee; and

WHEREAS, separate and apart from this Agreement, Lessee and City are willing and intend to negotiate, consider and enter into a franchise agreement with respect to cable Internet Protocol Television (IPTV) services and Broadband Internet Services that would be intended to be offered to a majority of households located in the LTID or the City, all under terms and conditions as may be mutually agreeable to the Parties;

NOW, THEREFORE, in consideration of the foregoing and the following covenants and agreements, it is hereby agreed by and between City and Lessee (hereinafter "Parties") as follows:

1. USE OF CONDUIT SYSTEM. City hereby leases space in the Conduit System (hereinafter "Space") to Lessee on a non-exclusive basis, for Lessee to install, use and maintain Lessee Fiber Optics, in a single innerduct as assigned by City, in all or any part of the Conduit System, anywhere within the LTID, including all future additions to the Conduit System as the City may build or acquire, inclusive of Main Line Extensions, Building Extensions and Non-Typical Conduits as defined in Exhibit A hereto. The Space provided to Lessee shall have a minimum nominal diameter of 1". As used in this Agreement, the boundaries of the LTID are as defined in Exhibit C.

2. TERM.

(a) Term. The term of this Agreement shall begin on the Effective Date, and shall end on the date that is twenty-five (25) years from the Effective Date, unless earlier terminated as provided herein ("Term").

(b) Renewal Term. If Lessee desires to renew this conduit agreement for an additional term, it shall, not less than one hundred eighty (180) days before expiration of the current lease , give written notice to the City requesting renewal. The parties shall negotiate in good faith on all issues including compensation.

Within ninety (90) days after receiving a written renewal request, the Mayor shall make a written recommendation to the City Council to grant or deny the request in whole or in part. After receipt of the recommendation, the City Council shall conduct a public hearing and make a decision. If the renewal request is denied, the written determination shall include the reason(s) for non-renewal. The City Council may continue consideration of the request for a period not to exceed thirty (30) days. The decision to grant or deny a renewal request shall be based upon the following standards:

(i) The continuing capacity of the Right of Way or the conduit system to accommodate the Lessee's existing facilities;

(ii) Lessee's compliance with the requirements of this conduit lease agreement; and

(iii) Such other factors as may demonstrate that the continued grant to use the Right of Way and conduit system will serve the community interest, including indications of significant customer satisfaction or dissatisfaction with Lessee's provision of services.; and

(iv) Mutual agreement on compensation issues. If the parties are in agreement on compliance with standards in subsection (b)(i)-(iii) but have not reached agreement on subsection (b)(iv), the Lessee shall be allowed to continue its operations under the existing terms and conditions until agreement or a decision to recommend denial is reached.

### 3. MONTHLY RENT.

(a) During the Term of this Agreement, Lessee agrees to pay rent in the amount of three dollars (\$3.00) per customer, per month utilizing the Lessee Fiber Optics for broadband ("Users"). Users will include all customers with service provided by any third party service providers utilizing Lessee Fiber Optics.

(b) Initial Payment. The first payment shall be made within thirty (30) days after the connection of the first customer. Subsequent payments shall be due monthly thereafter, on the first day of each succeeding month.

(c) Late Payment. In the event any payment is not received within thirty (30) days from the first day of each month, Lessee shall be assessed a late fee of 5% of the payment due and shall be assessed interest at the rate of 8 1/2%, compounded daily.

(d) Pre-payment. Lessee may pre-pay all or part of this rent for the Term in an amount to be mutually agreed upon. With each payment, Lessee shall also provide to City, the number of Users subscribing to broadband services.

(e) Escalation of Rent. Commencing on the 1st day of January next following the execution date of this Agreement and on each January 1 thereafter (each such date a "Rent Adjustment Date"), the Monthly Rent then in effect shall be adjusted, upward only, by two cents (\$0.02 ) per customer, per month as outlined in Section 3 paragraph a above.

(d) Credit for In-Kind Payment. Within the ROW, any Main Line Extension and Building Extension or manhole and/or hand hole constructed by Lessee, and innerduct installed by Lessee in empty 4" Main Line conduit (collectively "Assets"), shall qualify as credit for in-kind payment pursuant to subsection 3(d)(i) below; provided, however, that nothing contained in this Agreement shall limit Lessee's ability to place its utility facilities in City right-of-way located within the LTID in accordance with federal, state and local laws and regulations. Main Line Extension, Main Line, and Building Extension shall have the meaning as defined in Exhibit A hereto. As used herein, In-Kind Payment shall be calculated as sixty-five percent (65%) of the agreed upon cost of qualifying work performed by Lessee, and shall be credited against the amounts due under equal monthly amounts pro-rated over the remaining portion of the Term for Rent until such In-Kind Payment has been fully applied. The maximum credit allowed is one million and five hundred thousand dollars (\$1,500,000). Credit for In-Kind Payment shall apply only to Assets accepted by City pursuant to Section 8(b) and that become property of the City pursuant to Section 9 of this Agreement. All costs directly associated with construction and installation of Assets shall be borne by Lessee, including but not limited to, engineering, insurance, ROW restoration, building penetrations, building entrance fees, permits, traffic control, utility service, incidentals, or any other cost associated with construction or use of Assets. Credit for In-Kind Payment shall only apply to Assets constructed or installed within the first five (5) years of this Agreement.

(i) Qualifying In-Kind Costs. Sixty-five percent (65%) of direct labor and material costs associated with construction of an Asset to be owned by the City shall be available for In-Kind Payment credit. To qualify for In-Kind Payment credit, material must conform to the Technical Standards and Specifications ("TSS") set forth on Exhibit A to this Agreement and may include, but not be limited to, innerduct, conduit, manholes, and hand holes comprising the Asset, and restoration material such as concrete, asphalt, and brick. Non-qualifying material costs may be authorized by the City for In-Kind Payment credit if requested in writing and approved in advance by the Conduit System Manager provided said material is used specifically for the construction of an Asset to be owned by the City. Engineering service costs associated with GIS and initial project construction may not be considered for In-Kind Payment credit. At no time are inspection service costs, management service costs, overhead or any other cost not specifically associated with the actual material and labor cost incurred during construction of an Asset available for the In-Kind Payment credit. No material or labor cost may be recovered for fiber optic cable, coaxial cable, other cable or wire, pulling rope, tape or other equal alternate associated with installation of Lessee Fiber Optics.

4. STANDARDS AND SPECIFICATIONS. Lessee shall design, construct, install, secure, use, operate and maintain the Lessee Fiber Optics according to the TSS set forth in Exhibit A hereto. Lessee shall notify City in writing in advance of any proposed changes to the TSS, which shall constitute a proposed amendment to this Agreement. City shall have thirty (30) business days to review such proposed changes before Lessee implements them. If City objects to the changes within the thirty (30) business day period, the Parties shall negotiate in good faith to reach an agreement respecting the changes. Absent an agreement, the changes shall not be implemented or become a part of this Agreement.

5. OTHER USE. This Agreement shall be subject to and subordinate to City's right to maintain and use the Conduit System, and to use, alter or excavate any portion of the ROW or utilities; provided however that City shall use commercially reasonable efforts to minimize any adverse impact on Lessee Fiber Optics or Lessee's rights under this Agreement. In the event that the City desires to make planned changes to the Conduit System, the City shall provide Lessee not less than ninety (90) days prior written notice setting forth a description of any changes in the Conduit System that could reasonably result in a material diminution or reduction of Lessee's rights under this Agreement. Upon receipt of such notice as

described above, Lessee shall have the right to terminate the affected portions of this Agreement without further liability.

6. CITY'S TITLE. City is the owner and/or holder of the property comprising the ROW associated with the Conduit System and shall be the owner of the Conduit System, subject in each case to the terms and limitations under which they are owned or held, including but not limited to covenants, conditions, restrictions, easements, including pre-existing fiber optic easements or licenses, reversionary interests, bond mortgages and indentures, and other matters, including but not limited to encroachments, licenses and permits, whether or not of record, and to the rights of tenants and licensees in possession. The rights granted herein are subject to each and every limitation, restriction or reservation affecting the same; provided however, that City shall use commercially reasonable efforts to acquire and maintain the rights necessary to provide the Space leased hereunder in accordance with the terms of this Agreement and Lessee shall have the right to terminate the affected portions of this Agreement without further liability in the event that any limitation, restriction or reservation in such rights has a material adverse impact on Lessee's ability to use the Space leased hereunder.

7. RESTRICTION. Lessee shall not (a) create, or permit to exist, any lien, encumbrance or other property interest in the Conduit System, or (b) subject to the provisions of section 23 below, directly or indirectly sell or otherwise transfer any interest hereunder to any person or entity without the prior approval of City, which approval may be denied for reasonable cause shown. Without limiting the foregoing, City need not approve a sale or transfer hereunder unless in connection therewith such purchaser or transferee shall agree in writing to be bound by the terms and conditions of this Agreement (including without limitation those provisions which limit the liability of the Parties hereto), and Lessee's permitted successors or assigns shall be primarily liable for the performance of all of the obligations under this Agreement. Lessee shall not sub-lease its Space in the Conduit System to any third party. The foregoing notwithstanding, Lessee is not restricted in the normal sale or lease of products and services that utilize Lessee Fiber Optics installed within the Conduit System, including but not limited to selling or leasing dark fiber in Lessee Fiber Optics to third parties including Incumbent or Competitive Local Exchange Carriers and providers of Commercial Mobile Radio Service.

#### 8. ACCEPTANCE.

(a) Pre-acceptance Inspection. Lessee shall have sixty (60) days from the Effective Date to inspect and accept the Conduit System. All costs associated with pre-acceptance inspection shall be borne by Lessee. The City shall cooperate with inspection operations and participate if requested, but at Lessee's sole cost and expense. Lessee shall provide City at least five (5) days' notice of Lessee's desire for City participation.

(b) Lessee-built Assets. Assets constructed or installed, and work performed related to the construction of said Assets within the ROW and attached to the Conduit System, by Lessee in compliance with the TSS shall be considered acceptable to the City. Acceptance shall not be unreasonably withheld or delayed by the City. Assets not accepted shall be brought into compliance with the TSS by Lessee. If physical conditions in the ROW prevent Lessee from satisfying the TSS, the Lessee and City shall work together to reach a solution mutually agreeable to both Parties. In the event a mutually agreeable solution is not reached, City shall make the decision in the exercise of its reasonable discretion.

9. OWNERSHIP. The Conduit System shall at all times be and remain the property of City. Assets constructed or installed by Lessee within the ROW, shall become property of the City immediately upon Acceptance. Lessee Fiber Optics shall at all times be and remain the property of Lessee. Lessee shall install and maintain the Lessee Fiber Optics at Lessee's own expense and risk. Further, facilities and equipment, including but not limited to conduit, innerduct, and fiber optic cable, installed by Lessee

in the ROW or on private property and connected to the Conduit System for the sole purpose of interconnecting the Conduit System with the Lessee Network shall at all times be and remain the property of Lessee and shall be considered a part of the Lessee Network and shall not be a part of the Conduit System.

10. INTENDED USE. City certifies the continuity and integrity of the Conduit System, that it is acceptable for its intended use, and that the Space assigned to Lessee is capable of passing a solid mandrel of at least 6" long and 80% of the diameter of the conduit or innerduct in which the Space is assigned. When notified in writing by Lessee of deficiencies in the Space, the City shall correct such deficiencies expeditiously at City's sole cost and expense, or assign different Space to Lessee. During the pre-acceptance inspection described in Section 8(a) above, Lessee may refuse to accept the Conduit System and terminate this Agreement in the event City fails to correct said deficiencies within sixty (60) days of receipt of written notice from Lessee.

## 11. OBLIGATIONS.

### (a) Lessee Obligations.

(i) During the Term of this Agreement, Lessee shall maintain the Lessee Fiber Optics in a functional and safe condition. All installation and maintenance of the Lessee Fiber Optics shall be the responsibility of Lessee and shall be performed under its direction by contractors approved by City, such approval not to be unreasonably withheld. Lessee shall perform such maintenance as is reasonably necessary and customary for normal use of the Lessee Fiber Optics in the manner described in Exhibit A. The installation and maintenance of the Lessee Fiber Optics shall be performed in a manner that minimizes any interruption or disruption of the ROW, utilities, communications or streets (including traffic control devices and systems) and shall restore the ROW, utilities, communications and streets (including traffic control devices and systems) in accordance with Exhibit A. The Lessee shall follow reasonable guidance and instructions from City for this purpose which need not be the lowest cost or most cost effective method for Lessee.

(ii) If, in the course of Lessee's monitoring and maintenance of the Lessee Fiber Optics, Lessee identifies any degradation in service, failures or defects in the Conduit System, Lessee shall promptly report such degradation in service, failures or defects to the City.

(iii) In accordance with the Lincoln Revised Ordinances, Lessee shall be responsible for all damage, loss, and expense which may result by reason of defective material and/or workmanship in connection with work performed by Lessee under this Agreement, arising within a period of one (1) year from acceptance of said work by the City pursuant to Section 8(b) above. Lessee shall promptly repair such defect and pay, or cause to be paid, all expenses associated with said repair; and Lessee shall save and hold the City harmless from all damages, loss, and expense occasioned by or resulting from such defect.

### (b) City Obligations.

(i) Ongoing maintenance and repair of the Conduit System shall be the responsibility of the City and at City's sole expense, except that damage or degradation of the Conduit System that is attributable to the use or negligence of the Lessee shall be at the expense of the Lessee. The City shall maintain the Conduit System in good working condition, ensuring continuity between manholes, hand holes and Building Entrance points, and usable for its intended purpose. In the event that Lessee believes that the City has failed to maintain the



Conduit System as provided herein, Lessee shall provide the City with ninety (90) days written notice specifying any maintenance failures, and if the City fails to take corrective action within the ninety (90) day period, Lessee may perform or cause to be performed the maintenance and repair of the Conduit System and the costs thereof shall be credited against monthly Rent due hereunder.

(ii) Subject to construction notification requirements, the City shall keep confidential and not disclose to other occupants of the Conduit System, or otherwise make public, information concerning any Asset construction by Lessee, whether planned, in progress, or completed, until thirty (30) days after Acceptance of the Asset by the City.

## 12. LESSEE USE OF CONDUIT SYSTEM.

(a) Third Party Contracts. Lessee shall not act in any way which would interfere with City's performance of City contracts for provision of communication services utilizing the Conduit System.

(b) Damage from Misuse. Lessee shall not use the Conduit System except as intended under this Agreement. If Conduit System damage is attributable to misuse or abuse by Lessee, then Lessee shall pay City for the repair or replacement of the affected portion of Conduit System and any damage to City property in accordance with City schedule of time and material charges then in effect.

(c) Use in Accordance with Law. By agreeing to this Agreement, Lessee agrees to obey and comply with all applicable governmental ordinances laws, rules, regulations, or restrictions, including, but not limited to, the City of Lincoln Title 5 and Title 14. Subject to City ordinance, City permitting requirements, and Exhibit A, Lessee shall have unrestricted access to the Conduit System for purposes of operating, repairing, installing, inspecting, and removing Lessee Fiber Optics, interconnecting with the Space and the Lessee Network, and extending the Conduit System.

13. INDEMNIFICATION. Lessee shall indemnify and hold City harmless from any and all damages, losses, claims, suits, actions or judgments, including all expenses, reasonable attorney fees, witness fees and costs of defending or prosecuting any such claim, or appeals therefrom, relating to personal injury (including death) and damage to tangible personal property to the extent arising from Lessee's negligent acts or omissions in connection with the performance of this Agreement (including Exhibit A) or Lessee's negligent acts or omissions in connection with the installation, use or maintenance of the Lessee Fiber Optics or the Conduit System, including any interference or damage to any third person or property. Lessee agrees to investigate (and at City's election, defend with counsel approved by City), indemnify, and hold harmless City from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges and expenses (including, without limitation, attorney's fees) and causes of action of whatsoever character which City may be subjected to on account of loss of or damage to or destruction of property, including but not limited to the Conduit System and the Lessee Fiber Optics, and loss of use thereof to the extent arising from Lessee's, its agents' or contractors' negligent acts or omissions in connection with the performance of this Agreement (including Exhibit A) or Lessee's, its agents' or contractors' negligent acts or omissions in connection with the installation, use or maintenance of the Lessee Fiber Optics or the Conduit System.

14. INSURANCE. Lessee agrees to maintain, during the term of this Agreement, policies of insurance in accordance with the City of Lincoln Revised Ordinances.

## 15. TERMINATION.

(a) By Lessee. Lessee may terminate this Agreement for any reason or no reason, upon ninety (90) days written notice to City. Any such termination shall also terminate the obligation of Lessee to pay rent, other than Early Termination charges listed in section 15(b) and the duties provided in this section 15(a). Upon termination of this Agreement as herein provided, at its sole cost and expense, Lessee shall, upon written demand from City, and within one (1) year after receipt of such demand, completely remove all of the Lessee Fiber Optics and restore the Conduit System and any other facilities, cables, public property, as nearly as possible, to the state and condition of its existence immediately prior to commencement of this Agreement with all cost borne by the Lessee. Failure to remove the Lessee Fiber Optics within the required timeframe shall constitute abandonment and title thereto shall pass to the City. If City does not demand removal, Lessee may, at its option, completely remove all the Lessee Fiber Optics or abandon said Lessee Fiber Optics to City ownership without cost or expense to City or to Lessee.

(b) Early Termination Charge. Upon termination in accordance with the terms of this Agreement by the City pursuant Section 16, or upon termination for convenience by Lessee (collectively "Early Termination"), City shall assess and collect from Lessee, and Lessee shall pay, an Early Termination charge of two hundred and fifty thousand dollars (\$250,000).

16. VIOLATIONS; TIME TO CURE; SUMMARY TERMINATION. If at any time in the performance of this Agreement, Lessee should violate any material law(s) including but not limited to Lessees' Broadband Franchise, material standard(s) of good practice, or a material term of this Agreement, including Exhibit A, City may notify Lessee in writing of said violation, and Lessee shall have thirty (30) days to cure said violation to City's satisfaction, or such longer period as may be reasonably necessary under the circumstances provided that Lessee commences to cure such failure within such thirty (30) day period and thereafter diligently pursues such cure. If Lessee does not cure said violation to City's satisfaction within said period, City may summarily terminate this Agreement, upon ninety (90) day advance written notice to Lessee.

(a) Dispute Resolution. The Parties will attempt in good faith to resolve any dispute or claim arising out of or in relation to this Agreement through negotiations between the Conduit System Manager and the Lessee. If the dispute cannot be settled amicably within thirty (30) days from the date on which either Party has served written notice on the other of the dispute then the remaining provisions of this Clause shall apply.

(b) Escalation of Dispute Resolution. In the event of a dispute between the Conduit System Manager and the Lessee (other than a matter to be resolved pursuant to Clause concerning the interpretation of any provision of this Agreement or the performance of any of the terms of this Agreement) is not resolved, such matter or matters in dispute shall be escalated as follows:

(i) Lessee may submit a written request to the Public Works Director requesting a *meeting to discuss the matter*. The Public Works Director will *meet with Lessee* and issue a written response to the issue within fifteen (15) days of the meeting;

(ii) In the event the Lessee does not agree with the findings of the Public Works Director, the Lessee may submit a written request to the Office of the Mayor for a review of the issue in dispute. The Office of the Mayor will review the findings of the Conduit System Manager and the Public Works Director and issue a written response to the Lessee within thirty (30) days of receipt of the written request; and

(iii) In the event the Lessee does not agree with the findings of the Office of the Mayor, the Lessee may proceed to file litigation before the District Court of Lancaster County, Nebraska seeking to obtain a resolution of any remaining open issues.

17. NOTICES. City and Lessee agree to keep contact information complete and updated. Except as otherwise provided in this Agreement, any notice or other communication shall be given in writing and sent by registered or certified mail, postage prepaid, return receipt requested or by recognized overnight delivery, or by email provided the email is followed in writing by one of the aforementioned methods within seventy-two (72) hours. Except as otherwise specifically provided, notices and other communications shall be deemed given and received three days after the date of mailing or, in the case of notices or other communications delivered in person, when received at the recipient's designated address for notices. The addresses for notice may be changed by giving written notice in accordance with this Section.

(a) City. City's representative for notice and communications with Lessee is:

City of Lincoln  
Attn: Mayor's Office  
555 S. 10th Street,  
Lincoln NE 68508

(b) Lessee. Lessee's representative for notice and communications with City is:

Allo Communications, LLC  
Attn: President  
121 South 13<sup>th</sup> Street  
Suite 201  
Lincoln, NE 68508

18. BINDING UPON SUCCESSORS. This Agreement, shall bind both Parties hereto, and their successors and permitted assigns.

19. ANNUAL PERFORMANCE REVIEW. Representatives of City and representatives of Lessee shall meet together on or about each anniversary of the execution of this Agreement, to review the performance of this Agreement, identify problems, discuss areas of concern, and make suggestions for future performance and cooperation. By mutual agreement, the Parties may waive the said meeting.

20. MISCELLANEOUS.

(a) Headings. The front page of this Agreement and the heading of the paragraphs of this Agreement are strictly for convenience and shall not in any way be construed as amplifying or limiting any of the content of this Agreement as set forth in the body of such paragraphs.

(b) Entire Agreement. This Agreement, with all its attached exhibits, constitutes the entire agreement between the Parties with respect to the subject matter to which it refers and supersedes all previous agreements, whether written or oral, between City and Lessee or their predecessors in these regards. Nothing herein is intended to benefit any person or entity not a party hereto.

(c) Counterparts. This Agreement may be executed by the Parties in two (2) separate counterparts, each of which shall be deemed to be an original copy, but which shall constitute but one agreement.

(d) Computation of Time. The time in which any act provided by this Agreement is to be done shall be computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or holiday, and then it is also excluded.

(e) No Partnership, Joint Venture or Franchise. The relationship between the Parties to this Agreement shall not be that of partners, joint ventures, or franchisor/franchisee, and nothing contained in this Agreement shall be deemed to constitute a partnership, joint venture or franchise. Neither Party hereto may represent to any third party that this relationship is one of partnership, joint venture or franchise.

(f) Rules of Construction. The headings of the Sections in this Agreement are strictly for convenience and shall not in any way be construed as amplifying or limiting any of the content of this Agreement as set forth in the body of such Sections. The singular herein shall include the plural, and the plural herein shall include the singular, where appropriate. Related forms of capitalized terms shall carry the implied meaning of the defined term.

(g) Force Majeure. Neither Party shall be in breach of its obligations under this Agreement (other than payment obligations) or incur any liability to the other Party for any losses or damages of any nature whatsoever incurred or suffered by that other if and to the extent that it is prevented from carrying out those obligations by, or such losses or damages are caused by, a Force Majeure Event.

"Force Majeure Event" means the occurrence of: an act of war, invasion, terrorism or civil disorder, a strike, labor disputes, explosion, embargo, earthquake, lightning, cyclones, hurricanes, floods, droughts or such other extreme weather or environmental conditions, unanticipated geological or ground conditions, epidemic, famine, plague or other natural calamities and acts of God.

(h) No Waiver. Lessee, by entering into this Agreement, does not waive, and hereby expressly reserves its rights pursuant to 47 U.S.C. §224, *Neb. Rev. Stat.* §§86-701 through 86-710 or other laws or regulations that grant Lessee rights to place equipment or facilities in the City's right-of-way.

21. EFFECTIVE DATE. The Effective Date of this Agreement shall be the later of the date on which it is executed by the City or Lessee.

22. CONFIDENTIALITY. Each Party may disclose confidential information to the other Party in connection with this Agreement. Confidential information includes information that is marked confidential or bears a marking of like import, or that the Party disclosing such information states is to be considered confidential and then confirms such confidentiality in writing within ten (10) days ("Confidential Information"). Confidential Information may only be used by the receiving Party in connection with its performance under this Agreement. Confidential Information may not be disclosed except to those officers, directors or employees of the receiving Party or its affiliates with a need to know or to consultants or subcontractors of the receiving Party who agree to be bound by this Section. If the receiving Party is legally compelled by any means (including deposition, interrogatory, request for documents, - Nebraska Open Records Act, subpoena, civil investigative demand, etc.), or is required under federal securities laws or regulations to disclose Confidential Information, the receiving Party must make reasonable efforts to provide the disclosing Party with prompt notice of such legal requirement prior to disclosure so that the disclosing Party may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, receiving Party will furnish only that portion of the Confidential Information that it is legally required to furnish Confidential Information does not include information that: (i) is or becomes generally available to the public through no wrongful act of the

receiving Party; or (ii) is independently developed by the receiving Party. The obligations of this provision will survive for five (5) years after any termination or expiration of this Agreement.

23. ASSIGNMENT. Neither Party shall assign, encumber or otherwise transfer this Agreement to any other Person without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, each Party shall have the right, without the other Party's consent, but with prior written notice to the other Party, to assign or otherwise transfer this Agreement (i) as collateral to any institutional lender of such Party subject to the prior rights and obligations of the Parties hereunder; and (ii) to any affiliate, parent or subsidiary of such Party, or to any entity into which such Party may be merged or consolidated or which purchases all or substantially all of the equity or assets of such Party; provided that such Party shall not be released from its obligations hereunder without the other Party's consent. Any assignee or transferee shall also be subject to all of the provisions of this Agreement.

24. LIMIT OF OBLIGATIONS. Nothing contained herein pertaining to the use of or attachment to the Conduit System, or City control thereof, shall be construed as imposing an obligation on Lessee with regard to any fiber optic or other telecommunication facilities owned and/or operated by Lessee outside the ROW unless specifically noted in this Agreement and approved by Conduit System Manager, it being understood that "ROW" under this Agreement strictly refers to City Right of Way located within the LTID as defined in Exhibit C. Similarly, no such obligations shall be imposed on Lessee's equipment or facilities, existing or in the future, not specifically constructed or installed under this Agreement.

25. LIMITS OF LIABILITY. Except as provided in this Agreement or otherwise agreed in writing, the City and Lessee shall not be subject to any other obligation or liability, whether arising out of breach of contract, warranty, tort or other theories of law, with respect to the subject matter of this Agreement, or the undertakings, acts or omissions related thereto. Under no circumstances will either City or Lessee be liable for any incidental or consequential damages, or for any other loss, damage or expense of any kind, including loss of profits, arising in connection with this Agreement or with the use of the Conduit System or liability for the City's services under this Agreement.

[Signatures follow on the next page.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates set forth below.

**CITY OF LINCOLN, NEBRASKA,**  
**a municipal corporation,**

\_\_\_\_\_  
Chris Beutler, Mayor

\_\_\_\_\_  
Public Works Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

**LESSEE:**  
Allo Communications, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Exhibit A**

### **Technical Standards and Specifications**

These standards and specifications pertain only to use of the Conduit System as relates to this Agreement. The Conduit System is located within the Lincoln Technology Improvement District as shown in Exhibit B and generally described in Exhibit C of this Agreement.

#### **I. DEFINITIONS**

- A. "Main Line" means the portion of the Conduit System consisting of manholes, hand holes, 4", 3" and 2" conduit, the running line of which is as generally depicted in Exhibit B, and segments of which may be populated existing copper traffic operations wire.
- B. "Main Line Extension" means any extension of the Main Line subsequent to the Effective Date, whether constructed by the City or by any tenant in the Conduit System, including Lessee.
- C. "Non-Typical Conduit" means any existing 2" or 3" traffic conduit located within the Lincoln Technology Improvement District.
- D. "Building Extension" means that portion of the Conduit System, located within the ROW, originating at a manhole or hand hole in the Main Line and extending to a building entrance point, excluding the building entrance point.

#### **II. CONSTRUCTION STANDARDS**

##### **A. Materials**

- i. **Main Line Extensions.** All Steel, Fiberglass, PVC or HDPE conduit installed with the intent of becoming a Main Line Extension are to be 4" minimum in size and match the existing number of conduits in place. Steel conduit will be joined with threaded collars, Zap-Lok, or welding. All split steel conduit shall be flanged. All 4" conduits will be installed in such a manner as to allow for the installation of four (4) innerducts, three (3) innerducts will be 1 1/4" SDR 13.5 HDPE innerduct and one (1) 1" SDR 13.5 HDPE innerduct. All directional changes will be made with sweep 90 degree elbows and at no time will the conduit installations restrict the number of innerducts able to be installed to less than four (4). All Main Line Extension conduit locations and materials will be subject to approval by Conduit System Manager. Where site conditions warrant and at the request of the Lessee, the Conduit System Manager may approve the installation of six (6) 1 1/4" SDR 11 innerducts as a mainline extension.
- ii. **Building Extensions.** All Building Extensions are to consist of three (3) 1 1/4" SDR 13.5 ducts and one (1) SDR 13.5 innerduct, which may be installed within 4" HDPE conduit, or an equal alternate approved by Conduit System Manager. Where site conditions warrant and at the request of the Lessee, the Conduit System Manager may approve the installation of a six (6) cell MaxCell sock inside a building entry conduit.
- iii. **Non-Typical Conduit.** Non-Typical Conduit is provided where is and as is under this agreement. The use of Non-Typical Conduit is provided to the Lessee on an as-request basis and subject to the approval of the Conduit System Manager. Non-Typical Conduit sizes are typically 2" or 3" in diameter. Lessee will take precautions to avoid damaging any existing

City-owned cable while installing Lessee facilities in the Non-Typical Conduit. Lessee agrees to cooperate with the City in the removal and replacement of the existing cable in return for the use of the Non-Typical Conduit. MaxCell innerduct with a minimum capacity for four (4) cables will be installed in any Non-Typical Conduit prior to installing any Lessee facilities.

- iv. **Main Line Innerduct.** Any unoccupied 4" Main Line conduit in which Space is assigned to Lessee and which Lessee desires to utilize shall be first filled with a minimum of four (4) innerducts, three (3) innerducts will be 1 1/4" SDR 13.5 HDPE innerduct and one (1) 1" SDR 13.5 HDPE innerduct by Lessee prior to use. The use of smooth wall or corrugated exterior innerducts will be approved by Conduit System Manager on a case by case basis. Alternates must be approved in writing by the City in advance. Lessee will properly identify leased innerducts with cable tags.
- v. **Hand holes.** Unless otherwise approved by City, all hand holes will be located in the green spaces/landscaped areas or sidewalks within the Lincoln Technology Improvement District. All hand holes will have a minimum size of 30" x 48" x 36". All hand holes will be installed in accordance with ASSHTO-H20-44 Load rating and conform to the City of Lincoln Traffic Standards and Specifications.
- vi. **Manholes.** All manholes installed within the Lincoln Technology Improvement District shall comply with the City of Lincoln Construction Standard Specifications and Standard. No manholes constructed with masonry brick will be permitted within the Lincoln Technology Improvement District.
- vii. **Communication Cabling.** It is the intent of the City to increase the use of fiber optic based telecommunications within the Lincoln Technology Improvement District. Therefore, the desired communication cable to be used within the Conduit System will be fiber optic cable. An equitable alternate may be approved upon written request to the City. Fiber optic cable located in Non-Typical Conduit will not exceed 96 count.
- viii. **Locate Wire.** Locate wire will be placed inside all segments of the Conduit System. Locate wire will consist of a minimum of #14 stranded core PVC coated copper wire. An equitable alternate may be approved upon written request to the City. All locate wires will be attached with anchor clips to the walls of the manholes in a clean, secure and orderly manner. Locate wires will connected to termination blocks installed by the contractor no more than 10" below the manhole or hand hole lid.
- ix. **Subdivisions Extension Specifications.** Lessee and City shall cooperate in good faith to jointly develop reasonable specifications with respect to extension of the Conduit System for installation in more predominantly residential/non-central/non-arterial neighborhoods and locations within the LTID.

**B. General:**

- i. **Construction Plans.** Preliminary plans shall be submitted for each new construction or installation project at the time of application for a Conduit Access Permit. After completion of construction on each project, final as-built construction facility maps shall be submitted to the Conduit System Manager. Such as-built maps shall be based upon post-construction inspections to verify location. Copies of as-built maps in a digital format and level of accuracy acceptable to the City shall be submitted to the Conduit System Manager.



ii. **Depth.** Unless agreed to in writing in advance by the City, the depth of installed facilities shall be, at a minimum, as follows:

- a. Forty-eight (48) inches in soil,
- b. Forty-eight (48) inches below a projected slope from the flow line of a ditch at a three (3) horizontal and one (1) vertical slope;
- c. Forty-eight (48) inches under a roadway measured from the surface of said roadway to the top of the installation;
- d. Forty-eight (48) inches under a storm water or creek channel design flow line;
- e. In all other locations, including subdivisions and other predominantly residential/non-central/non-arterial neighborhoods and locations, depth standards will be agreed upon by the City and Lessee utilizing appropriate construction standards; and
- f. Lessee shall cross under all existing utility lines at a depth of twenty-four (24) inches.
- g. City may require Lessee's facilities be placed at a greater depth than minimum depths as defined by local, state, or federal standards to facilitate known projects or to correct deficiencies, and

iii. **Lincoln Technology Improvement District Specific Locations.**

- a. Street – All conduits placed at a minimum 4' depth unless otherwise approved by Conduit System Manager
- b. Alley – All conduits placed at a minimum 4' depth unless otherwise approved by Conduit System Manager
- c. Sidewalk – All conduits placed at a minimum 4' depth unless otherwise approved by Conduit System Manager
- d. Aerial – No aerial installations will be permitted unless on an existing pole. Any relocation of facilities from an aerial installation to underground will be at the sole discretion of the City and at the sole cost of the Lessee.
- e. Subdivision and other and other predominantly residential/non-central/non-arterial neighborhoods and locations in ROW – depth standards to be agreed upon by the City and Lessee utilizing appropriate construction standards.

iv. **Backfilling/Testing.** Excavations shall be promptly backfilled according to the City of Lincoln Standard Specifications for Municipal Construction on file with the Public Works Director and the surface shall be restored to original grade to assure no hazard to vehicular, animal, or pedestrian traffic. Lessee shall perform all necessary compaction tests in accordance with the latest design and construction specifications approved and disseminated by the Director of Public Works setting forth requirements for backfill and paving cut repairs (e.g., standard concrete pavement cut and repair; standard asphalt pavement cut and repair, etc.). All test reports shall be submitted to the Conduit System Manager.

v. **Pavement Cutting.** Lessee, Lessees' contractors and subcontractors shall comply with the latest City paving cut standard and applicable terms and conditions of the Lincoln Municipal Code prior to cutting any pavement.

vi. **Restoration and Replacement.** If public or private property is disturbed or damaged, Franchisee shall restore the property with like materials to as-good or better condition. The replacement of any sidewalk, curb, any driving surface, and the base of any roadway shall be the responsibility of Lessee paving cut contractor, unless otherwise approved by the Director.

The Lessee's paving cut contractor must be approved by the Director and in good standing with the City. In the absence of an approved Lessee paving cut contractor, The City shall make repairs per the terms of the Lincoln Municipal Code, at the expense of the Lessee as set forth in Title 14 and Lincoln Revised Ordinances.

All repairs and replacements shall comply with the City's Engineering Standards, pursuant to engineering plans on file with the City and will require additional removal to the nearest joint in all directions. Surface replacements shall be completed no later than ten (10) calendar days from completion of the underlying construction project. Specialty pavement sections must be constructed to restore the pavement to its original or an improved condition.

If weather or other conditions do not permit the complete restoration required by this section; the Lessee shall temporarily restore the affected ways or property. Such temporary restoration shall be at the Lessee's cost, and Lessee shall promptly undertake and complete the required permanent restoration when the weather or other conditions no longer prevent such permanent restoration.

All restoration work is subject to inspection and final approval by the City. If restoration is not made to the reasonable satisfaction of the City within the established time frame (or without notice where the disturbance or damage creates a risk to public health or safety, or cause delay or added expense to a public project or activity), the City may cause the repairs to be made at Lessee's expense and recover the cost of those repairs from Lessee. Lessee shall pay the City within thirty (30) days of receipt of an itemized list of those costs, including the costs of labor, materials and equipment.

**vii. Trenching.** Lessee shall not proceed with additional trench work exceeding a maximum of one hundred (100) feet of open trench without the approval of the Conduit System Manager. All excavation spoils and/or construction debris will be removed immediately.

**viii. Crossings.** All underground crossings of paved roadways and storm water and creek channels shall be made by a bore method approved by the Conduit System Manager. Any alternate method shall be reviewed and subject to approval by the Conduit System Manager. Voids and all holes shall be properly grouted. Crossings shall be at approximately right angles to the roadway and in no case shall any facility be placed in any culvert or drainage pipe or within ten (10) feet of a culvert or storm sewer unless approved by Conduit System Manager.

**ix. Boring Specifications:**

- a. Casing pipe or Conduit shall be placed as indicated on the drawings and shall be as specified in the section entitled "Materials."
- b. Casing pipe or Conduit shall be placed to the minimum depths indicated on the drawings. The horizontal tolerance shall be plus or minus 0.5 foot and the vertical alignment plus or minus 0.5 foot.
- c. The method of placement when indicated on the drawings as Boring shall mean that the casing or Conduit is placed between two points (either at grade or from an excavated bore pit) without disturbing the ground in between. Unless otherwise required by permit, all bores shall be guided and tracked by equipment that gives continuous, accurate monitoring of the drill bit position. All guidance equipment shall be subject to the acceptance of the engineer. Auger bores are acceptable when required by permit entities. This could possibly apply to RR crossings.

- d. *Bore methods and procedures shall follow industry established best practices.*
  - e. Non-guided boring (such as what has been referred to as “missile” or “thumper”) shall not be permitted at any location within the corporate limits of the City of Lincoln.
  - f. The contractor is responsible to protect all existing utilities and private property. Existing utilities shall be potholed prior to boring. Drill fluid shall be bentonite based compatible with the environment. Waste oil or environmentally non-compatible polymers cannot be part of the composition.
  - g. *Used drilling fluid shall be properly, immediately and legally, disposed of.*
  - h. The contractor shall continuously monitor boring operations for the possible frac-out of drill fluid. Any frac-out or surface uplifting shall be immediately reported to the engineer, contained, repaired and cleaned up. Any drill fluid released into waterways shall be immediately reported to the Conduit System Manager, contractor and permit agency governing the water. In water, the frac-out shall be contained, in accordance with the permit. Clean up shall be in accordance with the permits. Drill fluid shall not be allowed to remain in the water.
  - i. The contractor shall be responsible for dewatering, diverting water, and controlling water surface runoff that would affect downstream water turbidity as required for the site conditions.
  - j. At bore locations with lengths in excess of 600 feet as indicated on the drawings, the contractor may be allowed to establish intermediate bore pits. The Conduit System Manager shall make the determination on the acceptability of intermediate bore pits.
  - k. Where pipe bends are required to be made in the field, such bends shall be made with approved bending tools, and following the pipe manufacture’s approved method of procedure.
- x. **Erosion.** Erosion prevention measures shall be incorporated into all work within the ROW as described in the Storm Water Management Manual. All gutters, ditches, and other drainage features shall be maintained free and unobstructed of sediment, dirt, and debris. The handling, grading, excavating, or moving of excess construction materials or the movement or cleaning of construction vehicles or equipment shall be conducted in such a manner that materials and washout will not be deposited into catch basins, gutters, ditches, or areas where runoff may carry materials into any public or private storm water system.
- xi. **Inspection.** All construction inspection shall be coordinated with the Conduit System Manager.
- xii. **Nebraska One Call System.** Lessee and any contractor or subcontractor working on behalf of the Lessee agree to comply with the State’s One Call notification/location system, known currently as the Nebraska One Call System. Lessee will be responsible for all locates of existing and post-acceptance newly constructed Conduit System occupied by Lessee. Lessee shall be responsible for locating Lessee Fiber Optics as provided for under the Nebraska Underground Facilities Damage Prevention Act.
- xiii. **Damages.** Lessee agrees to perform construction in such a manner as to avoid possible damage to the Conduit System. Should Lessee become aware of damage to the Conduit System or the facilities of its tenants, Lessee agrees to notify the City of damages. If damage is attributable to Lessee negligence, Lessee agrees to bear full responsibility for all cost associated with the repair and restoration of the affected area. Lessee and the Conduit System Manager shall cooperate to determine the best means of restoration. The contractor performing repairs shall be approved by the Conduit System Manager, provided contractor is

qualified and in good standing with the City.

- xiv. **Due Care.** All Facilities and connections in, over, under, and upon the streets of the City, wherever situated or located, shall at all times be kept and maintained in a safe, suitable, and substantial condition, and in good order and repair.

### III. USE OF CONDUIT SYSTEM

#### A. Installation Procedures.

##### i. Permit Requirements.

- a. Lessee shall be responsible for any third party supervision charges relating directly to damages attributable to Lessee negligence.
- b. Lessee will meet all requirements under Title 5, Chapter 17 in order to receive a permit prior to beginning any construction in the Conduit System.
- c. Lessee agrees to comply with the "Call Nebraska One Call System" or any successor utility location system requirements prior to beginning construction.
- d. **Construction Zone Identification.** Whenever the Lessee or Lessee's agent excavates or obstructs any portion of the ROW, Lessee shall erect a temporary sign displaying either:
  - (i) The names of Lessee, any contractors and/or subcontractors involved in the project, and the City permit number authorizing said activity; or
  - (ii) The names of the Lessee and a local telephone number or toll free number manned during regular business hours by a person who is knowledgeable about the construction project.The sign shall be visible from any adjacent traffic lane and shall be maintained throughout the duration of the project.
- e. **Vehicle Identification.** All vehicles used, parked, or stored by or on behalf of Lessee or Lessee's agent within a permitted construction zone shall be clearly marked, providing the name of Lessee or Lessee's agent. Any unmarked vehicles shall be subject to all moving and parking ordinances. Private vehicles shall not be allowed to be parked or stored within any permitted work zone at any time.
- f. **Cable Identification.** Lessee will attach cable identification tags to lessee-owned fiber cables within the LTID system.
  - (i) Cable identification tags will contain the name and contact information for the lessee and be located in each System manhole and hand hole where lessee-owned cable is present.

##### ii. Access.

- a. **Standard Access.** Advance notice as specified below is required prior to Lessee accessing the Conduit System. After receiving notification of access, the City will notify all parties with product in the affected area of the date and time of proposed access. Lessee can opt to have a representative on site at the time of access to monitor all construction activities. The Lessee will be responsible for any cost to the City associated with this access.
  - (i) **Manholes** – 5 business days written notification to Conduit System Manager or designee is required prior to accessing manholes.
  - (ii) **Hand holes** – 5 business days written notification to Conduit System Manager or designee is required prior to accessing hand holes.

- b. **Emergency Access.** In the event of an emergency, Lessee shall endeavor to provide City with notice immediately prior to accessing or working around the Conduit System, but in any case shall notify City within 4 hours of commencement of work or access into the Conduit System. On the first available business day City may notify all parties with product in the affected area.
- c. **Supervision.** Any customary charge incurred by the City for a City technician to supervise the installation, maintenance, or emergencies of the Lessee project will be the responsibility of the Lessee. In addition, Lessee shall be responsible for any 3rd party supervision charges relating directly to damages attributable to Lessee negligence. The City will provide Lessee with a City technician rate sheet and notify Lessee prior to any proposed rate change.
- d. **Notification.** City will notify Lessee of any emergency access to, or work performed around, the Conduit System on the first available business day after an Emergency Access by the City or any third party. Regarding Standard Access described in III (ii)(a.) above, the City shall provide Lessee with not less than five (5) days prior notice of proposed access to the Conduit System by the City or any third party.

**iii. Core bore location.**

- a. All manholes core bore locations or similar access will be subject to the approval of the Conduit System Manager. Such request must be made in writing, accompanied with a set of plans showing the location of all existing core bore locations in the manhole. The City shall take no more than fourteen (14) days to respond to core bore requests.
- b. All hand hole core bores or similar access locations will be subject to the approval of the Conduit System Manager. Such requested must be made in writing, accompanied with a set of plans showing the location of all existing core bore locations in the hand hole. The City shall take no more than fourteen (14) days to respond to core bore requests.
- c. Core bores will be accomplished using generally accepted industry practices. Requests will not be unreasonably delayed or denied by the City.

**iv. Open Cut.**

- a. **Removal of Spoil.** Any/all spoil from excavation, trenching, boring or other construction activity shall be removed from the ROW the same day it is excavated. No spoil will be left on the street, sidewalk, or any other traveling surface overnight.
- b. **Approval of Backfill.** Cement-based flow-able fill or Class A aggregate base compacted to 95% standard modified proctor as described in the City of Lincoln Standard Specifications for Municipal Construction shall be used as backfill under a street or alley. At no time shall any excavation spoil be used as backfill. At no time shall sand be used as bedding or backfill material. Only cement-based flow-able fill or other equal material will be approved for use by the Conduit System Manager.
- c. **Plating of open trench.** Any trench in the roadway to be left unattended for any length of time shall be plated.

**v. Pulling or Blowing Communication Cabling.**

- a. All fiber optic cable shall be installed using a powered pulling winch and hydraulic powered assist pulling wheels. The maximum pulling force to be applied to the fiber optic cable shall be 600 pounds. Sufficient pulling assists will be available and used

to insure the maximum pulling force is not exceeded at any point along the pull. The cable can also be installed via other methods as long as maximum pulling force on the cable does not exceed 600 pounds. All cables shall be lubricated with Polywater or approved equal. A pulling swivel with a break-away rated at 600 pounds shall be used at all times during the pulling operation.

- b. All splices and splice cases will be contained in manholes with locations of splice cases within the manholes to be approved by Conduit System Manager. Splices will not be approved in hand hole locations.
- c. Slack loops for Main Line cables will be fifty foot (50') maximum length of cable and may be installed in every Main Line manhole where space exists. Slack loops for Building Extension cable will be a maximum of twenty-five foot (25') in length and located in hand holes where space exists. The Conduit System Manager will review and approve all locations for slack loops. All slack loops and splice cases will be securely mounted to the manhole wall using generally accepted industry practices and will not interfere with conduit, innerduct, or manhole access. Slack loops may be prohibited in hand holes and manholes where physical space is not available or where the addition of slack may cause the hand hole or manhole to be unusable in the sole discretion of the System manager. No slack will be allowed on the manhole floor.
- d. Splice cases may be installed in any Main Line manhole. All mounting locations for splice cases and equipment racks will be approved by Conduit System Manager.
- e. All manholes and hand holes will be kept clean and free of trash, unsecured slack loops, unsecured splice cases, and or other debris at all times.
- f. All conduits, innerducts, locate wire and fiber shall have a lubricant applied at each conduit ingress and egress location and during the pull operation. Lubricant shall be Polywater (type specific to be approved per project) or equal.

## **B. Restoration.**

### **i. Street.**

- a. Lessee shall comply with the terms and conditions of Title 14 and Lincoln Revised Ordinances prior to cutting any pavement.
- b. The replacement of any sidewalk, any driving surface, and the base of any roadway shall comply with City of Lincoln Standard Specifications for Municipal Construction, pursuant to engineering plans on file with the Public Works Department and will require additional removal to the nearest joint in all directions. *This removal and all pavement restoration shall be the responsibility of the Lessee.* The Lessee contractor shall be approved by the Conduit System Manager, which approval shall not be unreasonably withheld provided contractor is qualified and in good standing with the City, with all work done at the expense of the Lessee as set forth in Title 5, Title 14 and Lincoln Revised Ordinances.

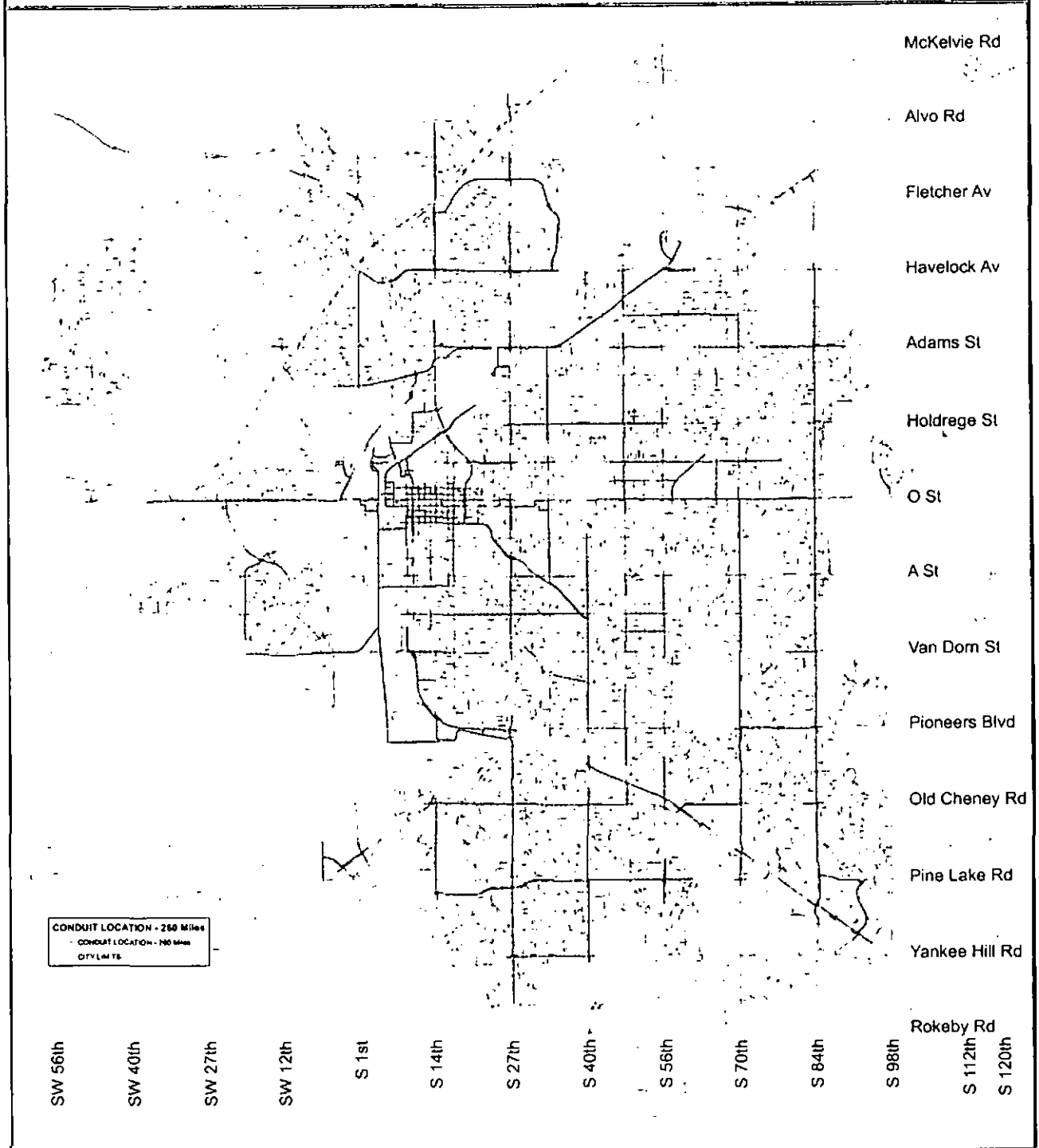
### **ii. Alley.**

- a. All restoration in alleys shall comply with City of Lincoln Standard Specifications for Municipal Construction, pursuant to engineering plans on file with the Public Works Department. Conduit System Manager shall determine proper size, scope, and material used to repair alleys on a case by case basis.

- iii. **Contractor / Subcontractor Qualifications.** All Lessee contractors and subcontractors will meet the requirements set forth in by the Public Works Department and be in good standing with the City.
- iv. **Traffic Control and Safety.**
- v.
  - a. Lessee, while occupying any portion of ROW in connection with access to the Conduit System, shall erect a barrier around the perimeter of any excavation and provide any and all traffic-control devices, signs, and lights appropriate to the level of complexity of the activity in order to protect, warn, and guide the public (vehicular and pedestrian) through the work zone. The manner and use of these devices shall be described within a traffic-control plan in accordance with the Manual on Uniform Traffic Control Devices and approved by the Traffic Engineer and submitted to the Conduit System Manager for review prior to commencing construction.
  - b. Lessee shall implement each traffic-control plan and agrees to be in compliance at all times with all applicable city, state, and federal requirements and maintain all devices in good repair. Lessees with open excavations awaiting final restoration shall maintain all devices until repair is complete or until the Public Works Department notifies the Lessee in writing that the City or the City's designated contractor is assuming responsibility for traffic control for the paving cut restoration.
  - c. Lessee shall designate a safety officer. The safety officer shall be responsible for safety-related issues affecting both the public and the Lessee's field employees and contractors for all job sites within the ROW.
- vi. **Safety.** Lessee agrees to perform all work in strict accordance with all applicable federal, state, local rules and laws regarding safety and environmental issues, including those set forth by OSHA and the EPA.
- vi. **Construction Staging.** At no time shall the Lessee direct, nor shall a contractor or subcontractor working on behalf of the Lessee be directed to stage on any traveling surface within the Lincoln Technology Improvement District unless specifically approved in writing by the Conduit System Manager.
- vii. **Timeline.** Lessee agrees to perform all construction and attempt with all reasonable effort to complete projects in a timely manner.

Exhibit B

# Public Works & Utilities





## **Exhibit C**

### **Lincoln Technology Improvement District ("LTID")** **Defined**

The LTID, as defined in the City of Lincoln is described as being all public Right of Ways located in the boundaries of the City.

The City of Lincoln reserves at its sole discretion, the right to expand the boundaries of the LTID in the future.

The City of Lincoln also reserves the right to designate any component of the conduit listed on the map as City only use. If and when any such component is designated as City only, the City shall work with providers to provide alternate routes.

ORDINANCE NO. 20270

AN ORDINANCE - Approving a Conduit Lease Agreement for a twenty five year term between the City of Lincoln and Allo Communications, LLC to occupy space in the City's Lincoln Technology Improvement District conduit system.

Read First Time November 23, 2015  
Read Second Time DEC 07 2015  
Read Third Time DEC 14 2015  
Passed DEC 14 2015  
Published in Lincoln Journal Star  
on Dec 25, 2015

CERTIFICATE

State of Nebraska )  
County of Lancaster ) ss

I, the undersigned, City Clerk of the City of Lincoln, Nebraska, do hereby certify that the within ordinance is the original Ordinance No. 20270 as passed by the City Council of said City, as indicated above, and as approved by the Mayor of said City and as the same appears of record in my office and is now in my charge remaining as City Clerk aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand officially and affixed the seal of the City of Lincoln, Nebraska this 17<sup>th</sup> day of December, 2015.

Teresa J. Meier  
City Clerk of Lincoln, Nebraska

