



## **PROVO MUNICIPAL COUNCIL**

### **Redevelopment Agency of Provo**

#### **Regular Meeting Agenda**

5:30 PM, Tuesday, April 23, 2013

Room 200, Municipal Council Chambers

351 West Center, Provo, Utah

#### **Decorum**

The Council requests that citizens help maintain the decorum of the meeting by turning off electronic devices, being respectful to the Council and others, and refraining from applauding during the proceedings of the meeting.

#### **Opening Ceremony**

- Roll Call
- Invocation and Pledge
- Approval of Minutes

#### **Presentations, Proclamations and Awards**

1. An update on County Issues (675)
2. A presentation of the 2013 Outstanding Program award, Kim Olson, President of URPA (Utah Recreation and Parks Association)

#### **Public Comment**

15 minutes have been set aside for any person to express ideas, concerns, comments, or issues that are not on the agenda:

Please state your name and city of residence into the microphone.

Please limit your comments to 90 seconds.

State Law prohibits the Council from acting on items that do not appear on the agenda.

#### **Municipal Council Public Hearings**

Items identified with an asterisk(\*) are anticipated to be opened up for public hearing, but not required to.

3. A resolution authorizing payment of \$25,000 to Downtown Provo, Inc. and applying to the Fiscal Year ending June 30, 2013. (12-161) (547)

4. A resolution appropriating \$648,000 in the waste water capital improvement fund for capital expenses related to the sewer main line project on State Street and 900 South and applying to the fiscal year ending June 30, 2013 (13-038) (747)

## **Municipal Council Agenda**

5. A resolution adding certain assets comprising, and related to, the city owned fiber network to the surplus property list and authorizing the Mayor to sell the property to Google Fiber, Inc.. (13-039) ()
6. A resolution granting Google Fiber Utah, LLC a nonexclusive franchise to operate a fiber-to-the premises broadband Internet access and IP video services system in Provo City, Utah. (13-040) ()
7. A resolution approving a lease agreement, with a possible future purchase option, between Provo City and Google Fiber Utah, LLC, regarding real property located generally at 744 North 300 West, Provo, Utah, otherwise known as the network operations center. (13-041)

## **Adjournment**

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The next scheduled Regular Council Meeting will be held on 05/07/2013 at 5:30 PM in the Council Chambers, 351 West Center Street, Provo, unless otherwise noticed. The Work Session meeting start times is to be determined and will be noticed at least 24 hours prior to the meeting time, but typically begins between 1:00 and 4:00pm.

## **Notice of Compliance with the Americans with Disabilities Act (ADA)**

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aides and services) during this meeting are invited to notify the Provo Council Office at 351 W. Center, Provo, Utah 84601, phone: (801) 852-6120 or email [ljorgensen@provo.utah.gov](mailto:ljorgensen@provo.utah.gov) at least three working days prior to the meeting. The meeting room in Provo City Center is fully accessible via the south parking garage access to the elevator. The Council Meeting is also broadcast live on cable channel 17 or online at [channel17.provo.org](http://channel17.provo.org).

## **Notice of Compliance with Public Noticing Regulations**

This meeting was noticed in compliance with Utah Code 52-4-202 and Provo City Code 14.02.010. Agendas and minutes are accessible through the Provo City website at [council.provo.gov](http://council.provo.gov). Council Meeting agendas are available through the Utah Public Meeting Notice website at [pmn.utah.gov](http://pmn.utah.gov). Email subscriptions to the Utah Public Meeting Notice are available through their website.

## **Notice of Telephonic Communications**

One or more Council members may participate by telephone or Internet communication in this meeting. Telephone or Internet communications will be amplified as needed so all Council members and others attending the meeting will be able to hear the person(s) participating electronically as well as those participating in person. The meeting will be conducted using the same procedures applicable to regular Municipal Council meetings.

*Network for Public Access: "ProvoGuest"*



# Provo City Municipal Council

Staff Memorandum

## Resolution appropriating \$25,000 to Downtown Provo, Inc.

April 23, 2013

<p><b>Council Coordinator</b> <a href="#">Bryce Mumford</a> (801) 852-6135</p> <p><b>Administration Coordinator</b></p> <p><b>Applicant</b> Council Office</p> <p><b>Meeting History</b> The Municipal Council has appropriated \$100,000 on a dollar-for-dollar match during Council Meeting on January 22, 2012. This resolution authorizes release of payment in the amount of \$25,000 for the second quarterly installment</p> <p><b>Neighborhood</b> Downtown</p> <p><b>IssueFile #</b> 12-161</p>	<p><b>Item Short Title</b> A resolution appropriating \$25,000 in the Mayor's Office of Economic Development of the General Fund for expenses relating to payment for Downtown Provo, Inc. and applying to the Fiscal Year ending June 30, 2013.</p> <p><b>Requested Action</b> Approve the resolution and provide Downtown Provo, Inc with matching funds as part of the agreement between Provo City and Downtown Provo, Inc.</p> <p><b>Summary of Key Issues</b> Has DPI met the relevant requirements as outlined in the Downtown Provo Partnership Agreement?  Does DPI qualify for the \$25,000 appropriation?</p> <p><b>Response from Administration on Key Issues:</b> Jared Morgan, Director of Downtown Provo, Inc., has provided the required information as outlined in the agreement.  Based on Council research, DPI qualifies to receive the second installment of the \$25,000 appropriation</p> <p><b>Budget Impact</b> The \$25,000 payment amount is to be taken from the General Fund.</p> <p><b>Related Council Policy</b></p>
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1 RESOLUTION 2013-.

2  
3 A RESOLUTION AUTHORIZING PAYMENT OF \$25,000 TO DOWNTOWN  
4 PROVO, INC. AND APPLYING TO THE FISCAL YEAR ENDING JUNE 30,  
5 2013. (12-161)  
6

7 WHEREAS, the Municipal Council approved Resolution 2013-08, as shown in Exhibit “1”,  
8 during the January 22, 2013 Council Meeting which appropriated \$100,000 in the Mayor’s Office of  
9 Economic Development of the General Fund for payment to Downtown Provo, Inc. on a dollar-for-  
10 dollar match basis; and  
11

12 WHEREAS, Downtown Provo, Inc. has requested release of payment in the amount of  
13 \$25,000 for the second quarterly installment, and  
14

15 WHEREAS, the Municipal Council identified basic terms of an agreement and the City  
16 entered into an agreement with Downtown Provo, Inc. to offer quarterly funding based on adherence  
17 to said terms, and  
18

19 WHEREAS, Downtown Provo, Inc. has met the agreed upon terms in a timely manner, and  
20 the Council has reviewed the submitted materials and found them satisfactory, and  
21

22 WHEREAS, the Municipal Council approved Resolution 2012-86 and Downtown Provo,  
23 Inc. agreed to the dollar-for-dollar match with accompanying terms found in Exhibit “2” ( Contract  
24 Agreement); and  
25

26 WHEREAS, the \$25,000 payment is funded by the prior appropriation in the Mayor’s Office  
27 of Economic Development of the General Fund; and  
28

29 WHEREAS, on April 23, 2013, the Municipal Council held a duly noticed public meeting to  
30 ascertain the facts regarding this matter, which facts and comments are found in the hearing record;  
31 and  
32

33 WHEREAS, after considering facts and comments presented to the Municipal Council, the  
34 Council finds the proposed appropriation reasonably furthers the health, safety, and general welfare  
35 of the citizens of Provo City.  
36

37 NOW, THEREFORE, be it resolved by the Municipal Council of Provo City, Utah as  
38 follows:  
39

40 PART I:  
41

42 The Mayor is hereby authorized to release payment in the amount of \$25,000 to Downtown  
43 Provo, Inc. as the second quarterly payment for services outlined in the contract.  
44

45 PART II:  
46

47           The Municipal Council approves the Downtown Provo Partnership Agreement established  
48 between Provo City Administration and Downtown Provo, Inc. shown in Exhibit 2.

49  
50 PART III:

51  
52           This resolution shall take effect immediately.

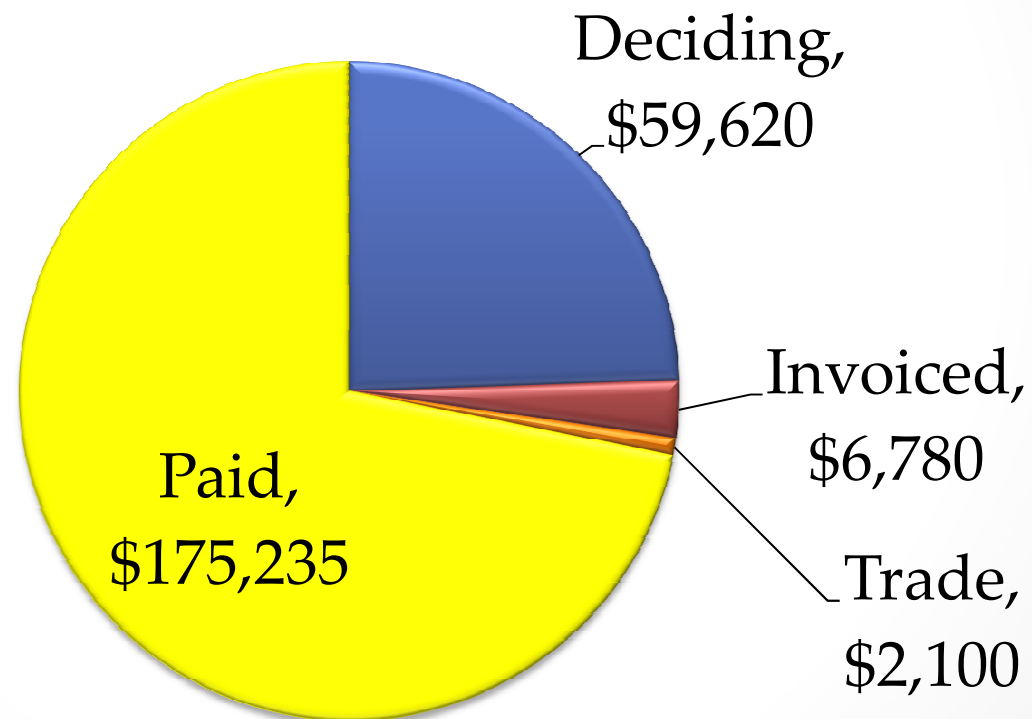
53  
54 END OF RESOLUTION.



## Quarter 1 Report (2013)



### Downtown Business Memberships Quarter 1 (2013)





### Downtown Provo Partnership Members

- 60 Business and Property Owners (Paid)
- 33 Business and Property Owners (Deciding)
- 10 Business and Property Owners (Invoiced)
- 51 Familiar Business and Property Owners (Not Yet Contacted)
- Please see [www.downtownprovo.org](http://www.downtownprovo.org) for the full list of current Downtown Provo Partners



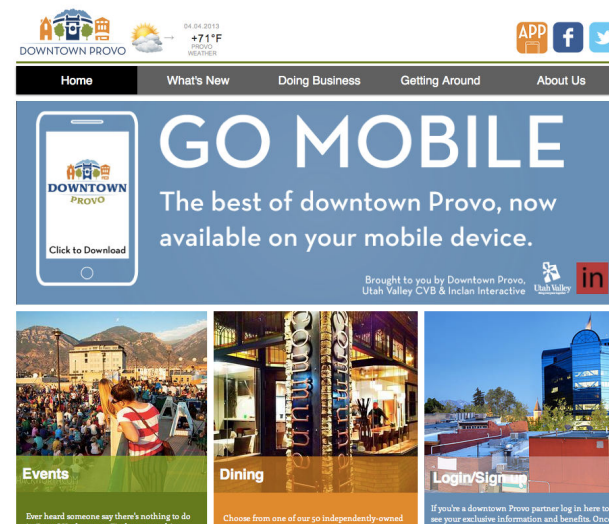


## Website, App & Facebook Traffic

- Average of 1,000 visitors a month
- 65 % of our website traffic is going to events
- 35% of our website traffic is Restaurants and Developments



- Facebook campaigns launched, 300 new likes





## Center Street Enhancement Initiatives



No vacancies on Center Street Campaign Support: Economic Development  
Work, new retailer (Encore Thrift Shop)  
Spring cleaning initiative in May  
A-Frame Sign Ordinance Amendment & Food trucks



## Events Update

Downtown Provo, Inc. has been in contact with the following groups to bring their events downtown in 2013:

- Moana Nui (3,000 attendees)
- Pacifica Festival (4,000 attendees)
- Taste of the Valley (5,000 attendees)
- Freeride Academy (10,000 attendees)
- Community Action Services (1,000)
- Provo Sites Series (1,000)
- Downtown DJ Series with Dean Judd (5,000)
- Encore Thrift Kickoff Party (500 attendees)
- Color Tour (1,000)
- Music for Africa (4,000)

\*\*Downtown Provo, Inc. has seen a substantial increase in the First Friday's attendance. All of our events begin in May 2013.\*\*

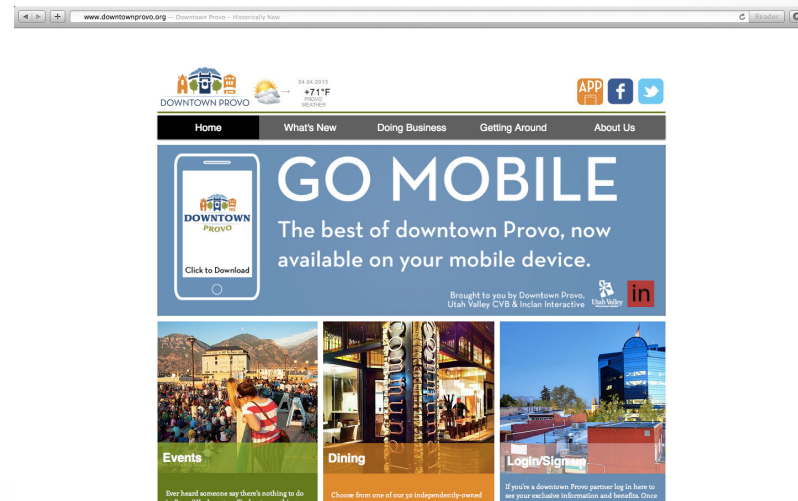


DOWNTOWN PROVO

## Marketing Initiatives



Provo City Library Historical Photographs



## MEMORANDUM

**DATE OF REPORT:** April 2, 2013

**ITEM:** Sewer Main Line Project on State Street and 900 South

**DATE OF PROPOSED ACTION:**

**STAFF RECOMMENDATION:** Approve

**FOR FURTHER INFORMATION, CONTACT:** Dave Decker, Public Works Director

**PERSON WHO WILL PRESENT AT COUNCIL/STUDY MEETING:** Dave Decker

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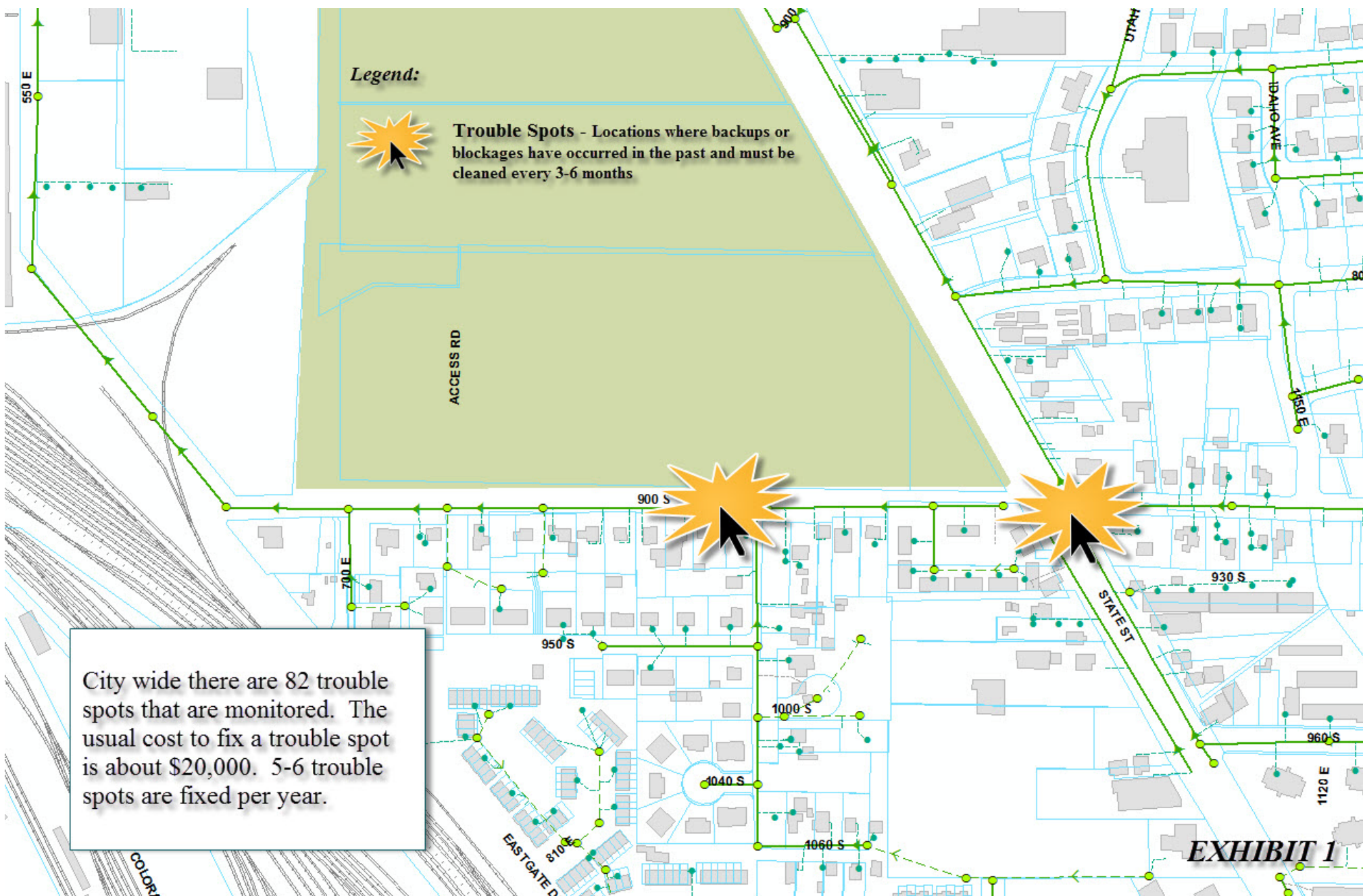
### **BACKGROUND INFORMATION:**

- \$929,000 in contingency money was budgeted for unforeseen and extenuating sewer projects during the 2012-2013 fiscal year.
- The City currently monitors 82 trouble spots in the sewer system. These are areas where a backup or blockage has occurred. The goal is to “jet” or clean these trouble spots every 3 months to reduce the risk of a sewer backup. Typically, it costs about \$20,000 to fix a trouble spot. Usually 30-50 feet of pipe can be dug up and relayed to eliminate a low spot or “belly” or fix a broken pipe.
- In November of last year, UDOT notified the Division of Water Resources that road improvements were planned along South State Street from 900 South to 960 South beginning spring of 2013. This information made the repair of a trouble spot at 900 South and State Street an immediate priority.
- Upon reviewing survey and video information, it became apparent that the trouble spot was caused by reverse slope in the sewer line. In other words, sewer was being forced to flow uphill. Considering all the options, it was decided that rerouting the sewer to flow west on 900 South and lowering the sewer line to have a steeper slope in the right direction would be the best solution. This means relaying the sewer line from 900 to 960 South and crossing State Street at 900 South at an estimated cost of \$287,000. Because of the road projects UDOT has planned in State Street, it is imperative that this project be completed as soon as possible in order to avoid having to dig up a newly constructed road.
- There was concern, however, that redirecting more flow down 900 South would exacerbate the trouble spot at 900 East on 900 South. Information regarding this trouble spot was obtained and it was determined that this trouble spot was also the result of a very flat sewer pipe. In order to fix the slope, the line has to be relayed from 600 East to 900 East at an estimated cost of \$361,000.

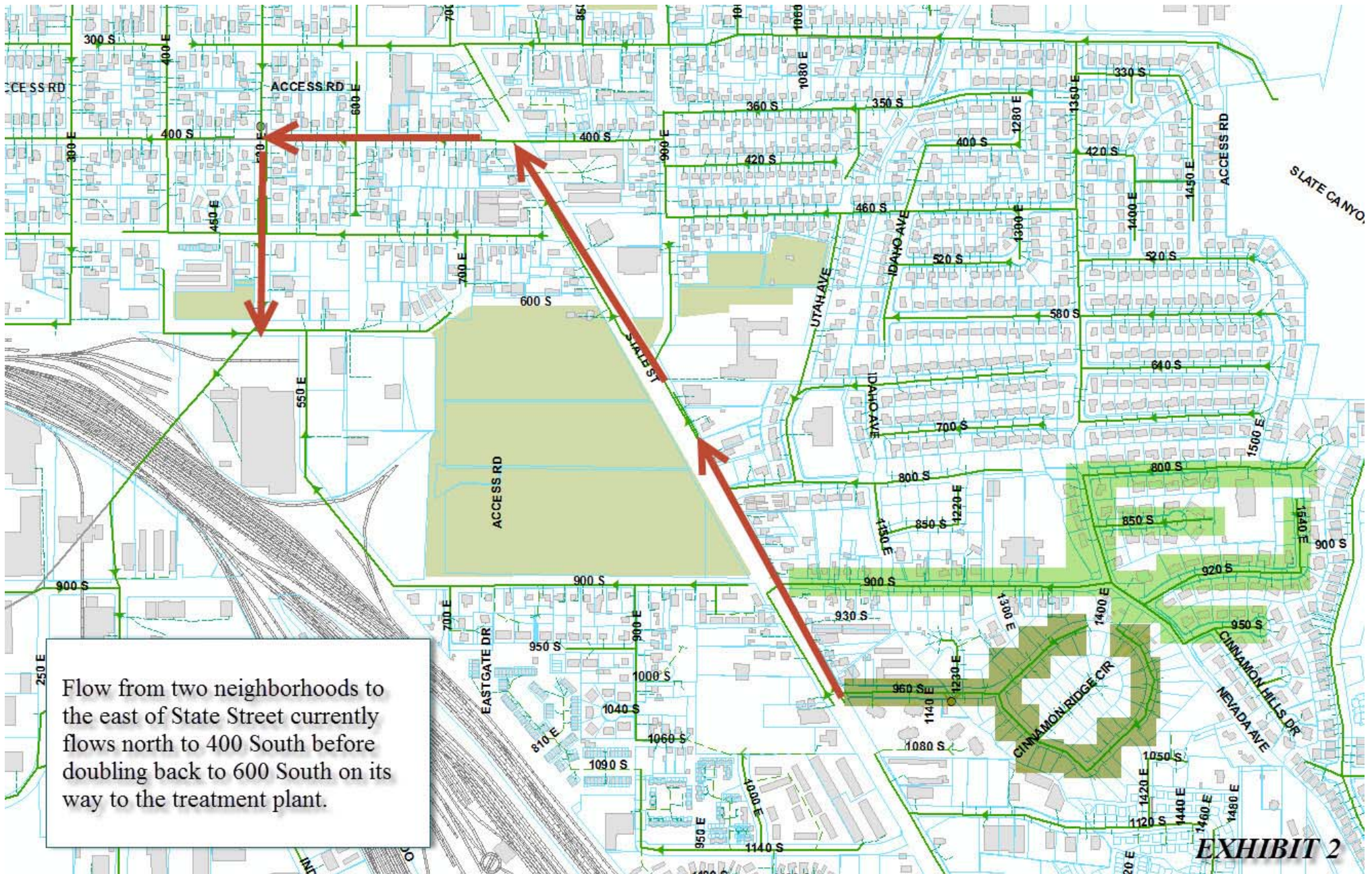
- It should be noted that all of the existing lines in the area are about 75 years old. They are old concrete pipes and some of the pipes have deteriorated considerably. Even if there were no trouble spots, the old lines are worn out and need to be replaced.
- The total cost to replace the sewer lines in State Street and 900 South is estimated to be \$648,000.

### **ACTIONS REQUESTED**

Approve designation of \$648,000 of \$929,000 budgeted contingency money as funding for State Street and 900 South Sewer Project.



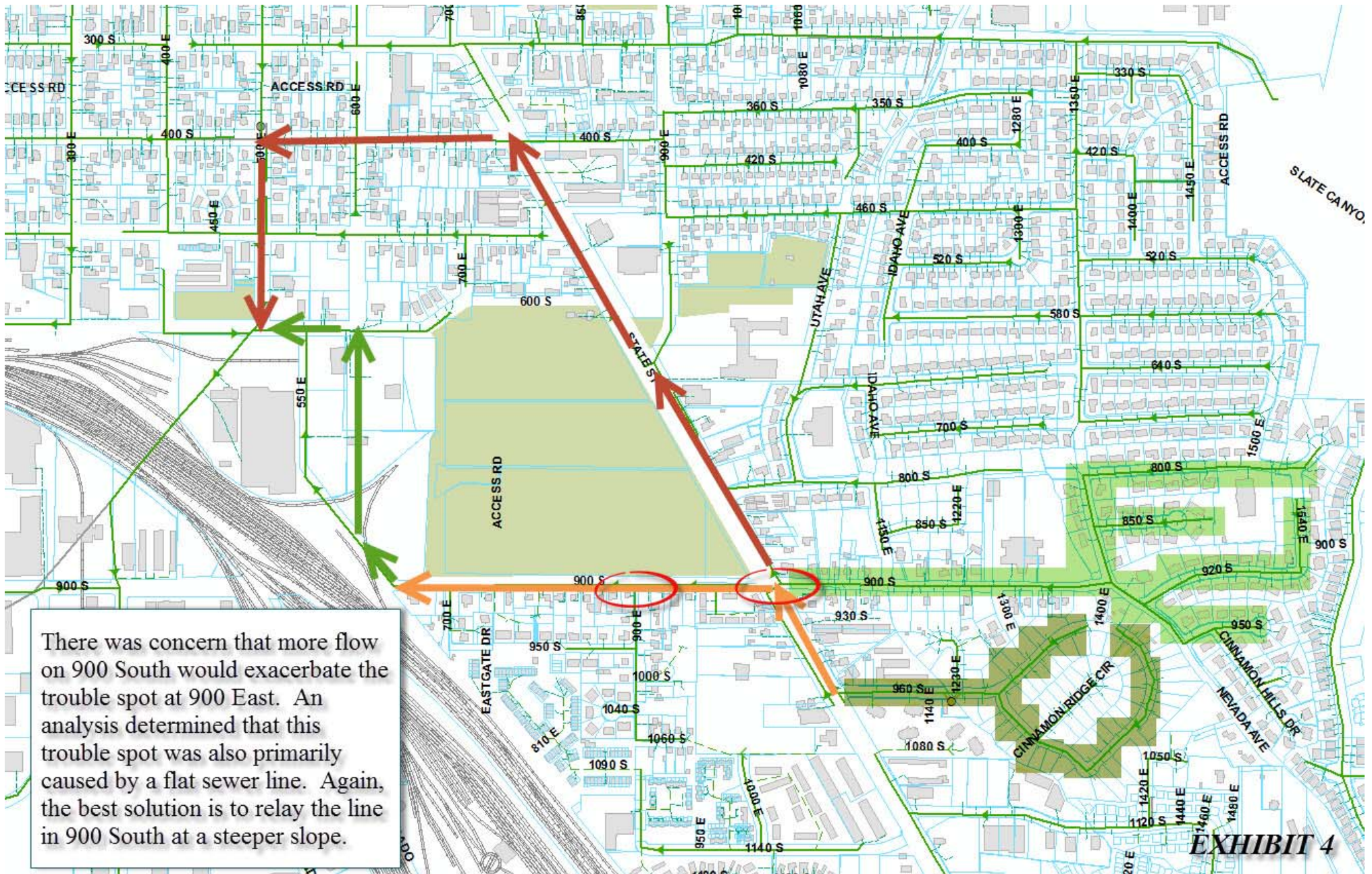




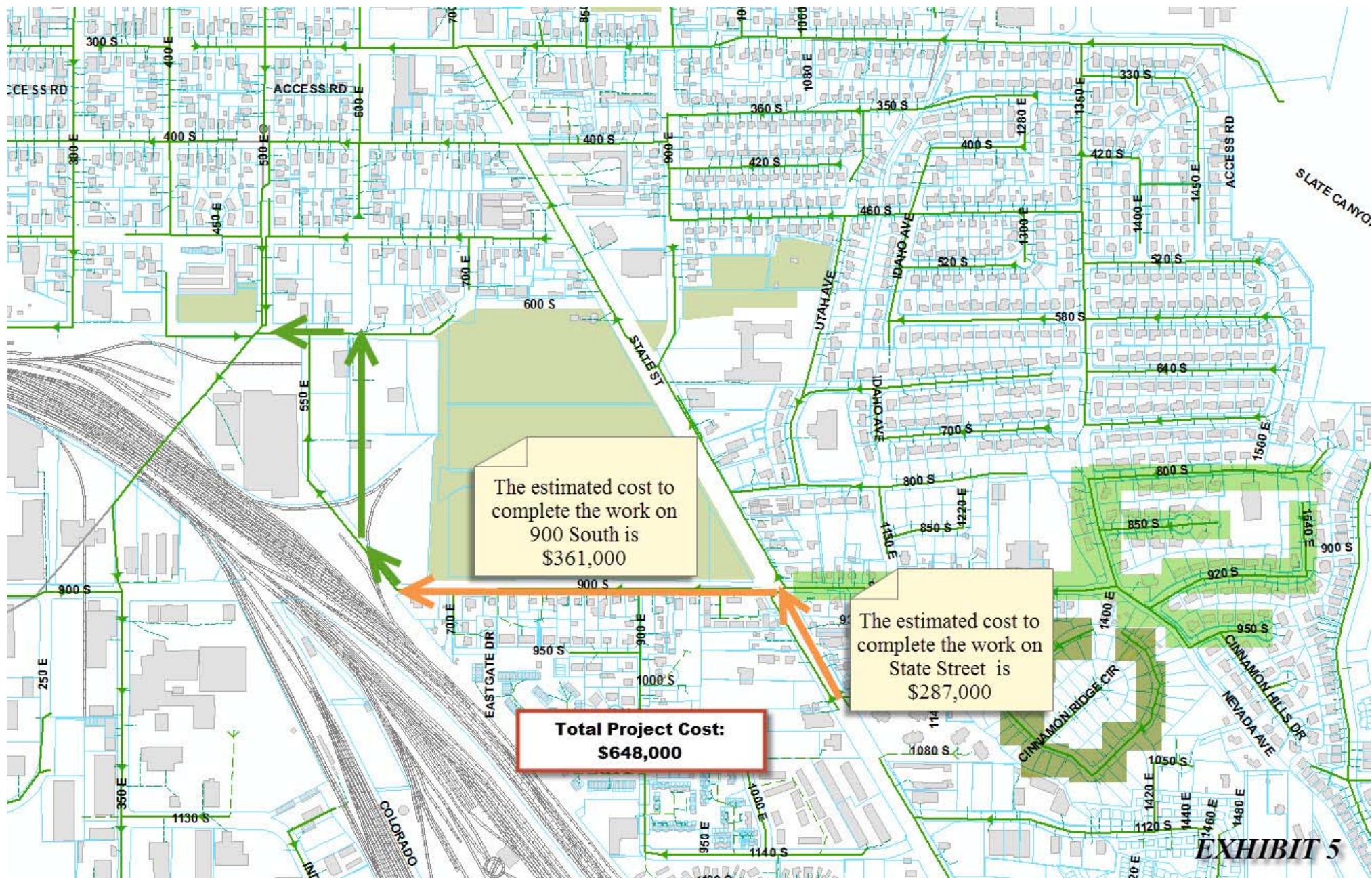












## RESOLUTION 2013-

A RESOLUTION APPROPRIATING \$648,000 IN THE WASTE WATER CAPITAL IMPROVEMENT FUND FOR CAPITAL EXPENSES RELATED TO THE SEWER MAIN LINE PROJECT ON STATE STREET AND 900 SOUTH AND APPLYING TO THE FISCAL YEAR ENDING JUNE 30, 2013. (13-038)

WHEREAS, the Municipal Council has received a recommendation from the Mayor that \$648,000 be appropriated in the Waste Water Capital Improvement Fund (Fund 525) into Project #4543 for capital expenses related to the sewer main line project on State Street and 900 South; and

WHEREAS, the appropriation is funded by a transfer from Project #4523 Contingency in the Waste Water Capital Improvement Fund; and

WHEREAS, on April 23, 2013 the Municipal Council held a duly noticed public hearing to receive public comment and ascertain the facts regarding this matter, which facts and comments are found in the hearing record; and

WHEREAS, all persons for and against the proposed appropriation were given an opportunity to be heard; and

WHEREAS, after considering the Mayor's recommendation, and facts and comments presented to the Municipal Council, the Council finds the proposed appropriation reasonably furthers the health, safety, and general welfare of the citizens of Provo City.

NOW, THEREFORE, be it resolved by the Municipal Council of Provo City, Utah as follows:

### PART I:

The Mayor is hereby authorized to appropriate \$648,000 in Project #4543 in the Waste Water Capital Improvement Fund.

### PART II:

This resolution shall take effect immediately.

1 RESOLUTION 2013-  
2

3 A RESOLUTION ADDING CERTAIN ASSETS COMPRISING, AND  
4 RELATED TO, THE CITY OWNED FIBER NETWORK TO THE SURPLUS  
5 PROPERTY LIST AND AUTHORIZING THE MAYOR TO SELL THE  
6 PROPERTY TO GOOGLE FIBER, INC. (13-\_\_\_\_)  
7  
8

9 WHEREAS, Provo City (the "City") owns certain assets, described more fully as the  
10 "Acquired Assets" in the Asset Purchase Agreement attached as Exhibit "A" (the "Property")  
11 which assets make up, or are related to, a fiber-to-the-premises communications network  
12 operated within the City (the "Network"); and  
13

14 WHEREAS, Google Fiber, Inc. ("Google Fiber") is desirous to purchase the Property in  
15 order to offer broadband Internet access and IP video services within the City; and  
16

17 WHEREAS, Google Fiber has expressed its intent to upgrade the Network to achieve  
18 broadband Internet service speed of up to one (1) Gbps and to offer (at lower speeds) free  
19 broadband Internet service to Provo residents for up to seven (7) years; and  
20

21 WHEREAS, the Mayor has recommended that the Property be added to the Surplus  
22 Property List by resolution pursuant to Provo City Code 3.04.030(1); and  
23

24 WHEREAS, pursuant to Provo City Code 3.04.030(7), on April 16, 2013, the Mayor  
25 executed the Asset Purchase Agreement in the attached Exhibit "A" thereby agreeing to sell the  
26 Property to Google Fiber, which Asset Purchase Agreement expressly provides that it shall not  
27 be effective until approved by the Municipal Council; and  
28

29 WHEREAS, on April 23, 2013, the Municipal Council held a duly noticed public  
30 meeting to consider the proposed sale and to ascertain the facts regarding this matter, which facts  
31 are found in the meeting record; and,  
32

33 WHEREAS, after considering the Mayor's recommendation, and facts and comments  
34 presented to the Municipal Council, the Council finds (i) the Property should be added to the  
35 Surplus Property List for sale and sold subject to the conditions set forth below and (ii) the sale  
36 of such Property reasonably furthers the best interests, and the health, safety and general welfare  
37 of the citizens of Provo City.  
38

39 NOW, THEREFORE, be it resolved by the Municipal Council of Provo City, Utah, as  
40 follows:  
41

42 PART I:  
43

- 44 1. The Property, as described by the term "Acquired Assets" in the Asset Purchase  
45 Agreement attached hereto as Exhibit "A," is hereby placed on the Surplus Property  
46 list.



47  
48 2. The Mayor is authorized to dispose of the Property by selling the Property according  
49 to the terms of the Asset Purchase Agreement and the related Transaction Documents,  
50 as that term is defined in the Asset Purchase Agreement.

51  
52 3. The Mayor's execution of the Asset Purchase Agreement is hereby approved and  
53 ratified in full. The Mayor is hereby authorized to execute all of the Transaction  
54 Documents (except the Franchise Agreement and the Network Operations Center  
55 Lease Agreement, which shall be approved by separate resolutions), the Collateral  
56 Documents, and any other documents necessary or convenient to accomplish the  
57 transaction described herein. To the extent any action relating to this transaction  
58 requires approval or ratification by the Municipal Council, or any document  
59 previously executed pursuant to the Mayor's authority in Provo City Code  
60 3.04.030(7) requires further approval or ratification, such action and said documents  
61 are hereby expressly approved and ratified.

62  
63 PART II:

64  
65 This resolution shall take effect immediately.

66  
67 END OF RESOLUTION.

1 RESOLUTION 2013-  
2

3 A RESOLUTION GRANTING GOOGLE FIBER UTAH, LLC A  
4 NONEXCLUSIVE FRANCHISE TO OPERATE A FIBER-TO-THE-PREMISES  
5 BROADBAND INTERNET ACCESS AND IP VIDEO SERVICES SYSTEM IN  
6 PROVO CITY, UTAH. (13-\_\_\_\_)  
7  
8

9 WHEREAS, Provo City and Google Fiber, Inc. have agreed by means of an Asset  
10 Purchase Agreement, dated April 16, 2013, that Google Fiber, Inc. will take ownership and  
11 operation of the fiber-to-the-premises network ("Network") currently owned by Provo City,  
12 subject to various conditions precedent to closing; and  
13

14 WHEREAS, Google Fiber Utah, LLC, a Utah limited liability company ("Google  
15 Fiber"), desires a nonexclusive franchise granting to Google Fiber the right and privilege to  
16 conduct a fiber-to-the-premises broadband internet access and IP video services system  
17 ("Internet and Video System") in Provo, Utah, after the transfer of ownership and operation of  
18 the Network to Google Fiber, Inc. has closed; and  
19

20 WHEREAS, Provo City and Google Fiber have negotiated a nonexclusive franchise  
21 agreement ("Franchise Agreement") setting forth Google Fiber's rights and duties with respect to  
22 its operation of an Internet and Video System in Provo, Utah, as set forth in the attached Exhibit  
23 "A"; and  
24

25 WHEREAS, on April 23, 2013, the Provo Municipal Council held a duly noticed public  
26 meeting to ascertain the facts regarding this matter, which facts are found in the meeting record;  
27 and  
28

29 WHEREAS, after considering the facts presented to the Municipal Council, the Council  
30 finds: (i) the attached Franchise Agreement should be approved, thereby granting to Google  
31 Fiber a franchise to operate an Internet and Video System in Provo, Utah, on the terms set forth  
32 in the Franchise Agreement; and (ii) such action furthers the health, safety, and welfare, and the  
33 best interests of the citizens of Provo.  
34

35 NOW, THEREFORE, be it resolved by the Municipal Council of Provo City, Utah, as  
36 follows:  
37

38 PART I:  
39

40 The attached Franchise Agreement between Provo City and Google Fiber is hereby  
41 approved and Google Fiber is hereby granted a franchise to operate a fiber-to-the-premises  
42 Internet and Video System in Provo, Utah, pursuant to the Franchise Agreement; provided,  
43 however, that the Mayor is also hereby authorized to amend the Franchise Agreement as may be  
44 needed to meet the requirements of applicable law.  
45

46           This approval and grant of this franchise is conditioned on and effective as of the Closing  
47 of the transaction contemplated in the Asset Purchase Agreement executed by the Mayor dated  
48 April 16, 2013. The Mayor is hereby authorized to execute the Franchise Agreement as part of  
49 that Closing. If the Closing does not occur, or the Asset Purchase Agreement is terminated, this  
50 approval and grant of a franchise is hereby revoked.

51  
52 PART II:

53  
54           This resolution shall take effect immediately.

55  
56 END OF RESOLUTION.



1 RESOLUTION 2013-  
2

3 A RESOLUTION APPROVING A LEASE AGREEMENT, WITH A POSSIBLE  
4 FUTURE PURCHASE OPTION, BETWEEN PROVO CITY AND GOOGLE  
5 FIBER UTAH, LLC, REGARDING REAL PROPERTY LOCATED  
6 GENERALLY AT 744 NORTH 300 WEST, PROVO, UTAH, OTHERWISE  
7 KNOWN AS THE NETWORK OPERATIONS CENTER. (13-\_\_\_\_)  
8  
9

10 WHEREAS, Provo City and Google Fiber, Inc. have agreed by means of an Asset  
11 Purchase Agreement, dated April 16, 2013, that Google Fiber, Inc. will take ownership and  
12 operation of the fiber-to-the-premises network ("Network") currently owned by Provo City,  
13 subject to various conditions precedent to closing; and  
14

15 WHEREAS, Google Fiber Utah, LLC, a Utah limited liability company ("Google  
16 Fiber"), desires to lease, with a possible future option to purchase, the property commonly  
17 known as the Network Operations Center, located generally at 744 North 300 West, Provo, Utah,  
18 when the transfer of ownership and operation of the Network to Google Fiber, Inc. has closed;  
19 and  
20

21 WHEREAS, Provo City and Google Fiber have negotiated a Network Operations Center  
22 Lease Agreement (the "Lease"), attached hereto as Exhibit "A," which governs the terms of the  
23 lease of the buildings, equipment, personal property, and real property collectively defined as the  
24 "Premises" in the Lease; and  
25

26 WHEREAS, on April 23, 2013, the Provo Municipal Council held a duly noticed public  
27 meeting to ascertain the facts regarding this matter, which facts are found in the meeting record;  
28 and  
29

30 WHEREAS, after considering the facts presented to the Municipal Council, the Council  
31 finds: (i) the Premises should be leased to Google Fiber under the terms proposed; (ii) the  
32 attached Lease should be approved; and (iii) such action furthers the health, safety, and welfare,  
33 and the best interests of the citizens of Provo.  
34

35 NOW, THEREFORE, be it resolved by the Municipal Council of Provo City, Utah, as  
36 follows:  
37

38 PART I:  
39

40 The lease of the "Premises," as that term is defined in Exhibit "A," by Google Fiber  
41 according to the terms stated in Exhibit "A" is hereby approved.  
42

43 The attached Network Operations Center Lease Agreement between Provo City and  
44 Google Fiber is hereby approved and the Mayor is authorized to execute the Lease as part of the  
45 Closing of the transaction contemplated in the Asset Purchase Agreement executed by the Mayor  
46 dated April 16, 2013.

47

48 PART II:

49

50           This resolution shall take effect immediately.

51

52 END OF RESOLUTION

## NETWORK OPERATION CENTER LEASE AGREEMENT

THIS NETWORK OPERATION CENTER LEASE AGREEMENT (this “**Lease**”), effective as of the \_\_\_\_ day of \_\_\_\_\_, 2013 (the “**Effective Date**”), is made by and between PROVO CITY CORPORATION, a Utah municipal corporation (together with its successors and assigns, the “**Landlord**”), and GOOGLE FIBER UTAH, LLC, a Utah limited liability company (together with its successors and assigns, the “**Tenant**”).

A. Landlord and Tenant are parties to that certain Asset Purchase Agreement dated \_\_\_\_\_, 2013 (the “**Purchase Agreement**”), wherein Landlord has agreed to sell and Tenant has agreed to purchase certain assets of Landlord related to the Fiber-to-the-Premises communications network within the boundaries of Provo, Utah commonly known as iProvo.

B. Pursuant to the Purchase Agreement, Landlord and Tenant agreed to enter into this Lease for the network operation center building and related facilities upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants, representations, warranties and mutual agreements hereinafter set forth, the parties hereto agree as follows:

### 1. LEASE

1.1 Lease of Premises. Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord that certain land (the “**Land**”) legally described on Exhibit A attached hereto, the Buildings (defined below) and other equipment and personal property described on Exhibit B attached hereto (hereinafter collectively, the “**Premises**”), known as the network operations center. This Lease is subject to the terms, covenants, and conditions set forth herein.

1.2 Delivery; Condition. Tenant is leasing the Premises “as is” and except as provided herein it shall be the responsibility of Tenant to make necessary improvements, if any, to facilitate its intended use. Landlord shall not be required to make any improvements to the Premises. Further, Landlord shall not provide Tenant with any allowance or funds for any Tenant improvements.

1.3 Subdivision. Landlord agrees, at its sole cost and expense, to use its best efforts to take any and all actions necessary to subdivide or adjust boundary lines of the Land and Landlord’s adjacent property (the “**Subdivision**”) from any larger tract or tracts of which the Land may presently be a part, all in accordance with applicable governmental zoning and subdivision regulations, if any, and if required a subdivision plat acceptable to Tenant, so that the Land will be and comprise a valid, conforming and separate legal parcel, and such Subdivision will be final without appeal and without being subject to further appeal, as soon after the Closing Date (as such term is defined in the Purchase Agreement) as is reasonably possible. The Subdivision shall be subject to Tenant’s review and written approval and provide adequate parking, frontage, access, setbacks and otherwise conform to all applicable zoning and subdivision ordinances. Tenant agrees to cooperate with Landlord’s efforts to obtain the Subdivision. Tenant shall have the right to obtain a survey of the Land prepared by a licensed surveyor setting forth the boundaries, configuration and size of the Subdivision and in such case, such survey shall be attached to this Lease as Exhibit C.

## 2. **TERM; TERMINATION**

2.1 Term. This Lease shall have a ninety-nine (99) year term (the “**Term**”) commencing on the Closing Date and terminating on the earlier to occur of (a) the last day of the ninety ninth (99<sup>th</sup>) anniversary of the Closing Date, or (b) the date of Tenant elects to terminate this Lease as set forth herein.

2.2 Termination by Tenant. Tenant shall have the right in its sole and absolute discretion to terminate this Lease by written notice to Landlord not less than sixty (60) days prior to the effective date of such termination.

2.3 Termination by City. Unless otherwise defined herein, the defined terms set forth in this Section 2.3, shall have the meanings set forth in the Network Services Agreement entered into between Landlord and Tenant (the “**Network Services Agreement**”). In the event Landlord exercises the Repurchase Right set forth in Section 1.4 of the Network Services Agreement and title to the Upgraded Network is transferred to Landlord, then Landlord shall have the right to terminate this Lease following the effective date of such purchase and transfer of title.

3. **RENT.** The rent for the Premises shall be \$1.00 per year (“**Base Rent**”). Landlord acknowledges receipt of Tenant’s full payment for Base Rent for the Term. The parties acknowledge and agree Landlord has pursuant to the Purchase Agreement and related agreements received good and valuable consideration for the Premises equivalent to the current fair market value of the Premises.

## 4. **NET LEASE**

4.1 Tenant to Bear Costs. It is the intent of both parties hereto that the Base Rent shall be absolutely net to Landlord throughout the Term and except for the items mentioned below, that all costs, expenses and obligations of every kind relating to the Premises which may arise or become due during the Term shall be paid by Tenant and that Landlord shall be indemnified by Tenant against such costs, expenses and obligations; provided, however, that, notwithstanding anything to the contrary in this Lease, Tenant shall not be responsible to pay any portion of any costs, expenses and obligations arising out of the negligence or intentional act of Landlord or its agents, contractors and employees.

### 4.2 Taxes.

(a) Tenant shall pay all real estate taxes or fees in lieu of taxes levied or assessed by lawful taxing authorities against the Land, buildings or improvements comprising the Premises.

(b) As used herein, “**Real Estate Taxes**” shall mean all real estate or rental taxes, assessments, ordinary or extraordinary, foreseen or unforeseen, which may be levied on, assessed against, or charged with respect to the ownership of, or other equivalent interest in the Premises.

(c) Tenant shall pay all Real Estate Taxes, if any, for the current tax year when due upon forty-five (45) day notice from Landlord. Landlord shall promptly deliver to Tenant any notices and bills for taxes assessed or levied it receives from taxing authorities, as

well as the items taxed with respect to the Premises. Notwithstanding the foregoing, Tenant shall not have the obligation to pay any tax, assessment, or charge that Tenant is disputing in good faith in appropriate proceedings prior to a final determination that such tax is properly assessed provided that no lien attaches to the Premises.

(d) Tenant shall also be solely responsible for and shall pay before delinquency all municipal, county, state or federal taxes assessed during the Term against any personal property of any kind, owned by or placed in, upon or around the Premises by Tenant, including, without limitation, leasehold improvements, trade fixtures, inventory, equipment, machinery, furniture and furnishings.

4.3 Utilities. Tenant shall activate and use the utilities under accounts in Tenant's name. Tenant agrees that it will not install any equipment which will exceed or overload the capacity of any utility facilities unless Tenant installs at Tenant's expense the necessary equipment to handle such increased capacity, as determined by Tenant at Tenant's reasonable discretion.

4.4 Insurance. Tenant shall maintain the following insurance coverages: (a) commercial general liability insurance, including, but not limited to contractual liability, covering the Premises against claims for bodily injury, personal injury, and damage to property with minimum limits of Two Million Dollars (\$2,000,000) combined single limit; and (b) fire and other hazard insurance policies, on any buildings erected upon the Premises, in an amount equal to the full insurable value thereof (i.e., replacement cost, excluding excavation, footing and foundation costs). Any insurance required to be maintained by Tenant may be maintained in whole or in part either under a plan of self-insurance, or from a carrier which specializes in providing blanket coverage to or for Tenant or its affiliates. Before taking possession of the Premises, Tenant shall provide Landlord with a certificate of insurance evidencing that such policies are in place.

5. **PERMITTED USE.** It is understood that during the first ten (10) years of the Term, Tenant's use of the Premises shall be solely for operating a fiber-optic communication system and delivering communication products and services including, but not limited to, voice video, data, and home security services over the system, and any related activities carried on in such a business. From and after the tenth anniversary of the Term, Tenant may use the Premises for any lawful purpose.

6. **USES PROHIBITED.** Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which is not within the permitted use of the Premises which will in any way increase the existing rate of or affect any fire or other insurance upon the building in which the Premises are located or any of its contents, or cause a cancellation of any insurance policy covering said building or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the buildings in which the Premises are located or injure or annoy them or use or allow the Premises to be used for any improper, unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises.

7. **COMPLIANCE WITH LAW.** Tenant shall not use the Premises, or permit anything to be done in or about the Premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies not or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. Landlord, at its sole cost, shall be responsible for any alterations or modifications necessary to ensure that the Premises, Buildings and any improvements comply as of the Closing Date with the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.) and regulations and guidelines promulgated thereunder (collectively, the "ADA") as all the same may be amended and supplemented from time to time. Tenant shall be responsible for ADA compliance after the Closing Date.

8. **HAZARDOUS SUBSTANCES AND TOXIC WASTE.** As used herein, the term "Hazardous Material" is defined as any hazardous or toxic substance, material or waste which now is or becomes regulated or restricted by any local, governmental authority, the State of Utah, or the United States Government. Tenant agrees to obey all laws and regulations concerning such Hazardous Materials and agrees to indemnify and hold Landlord harmless from and against all loss, claims, damages, suits (including reasonable attorneys' fees and costs) in connection with any Hazardous Material Tenant, its agents, employees, sublessees, concessionaires or others shall bring upon or release in the Premises. Notwithstanding the foregoing, Tenant shall have no responsibility for preexisting contamination or conditions at the Premises or for any cause of action, expense, damage, liability, claim or injury arising from the negligence or intentional act of Landlord or its agents, contractors and employees. In the event Tenant, in the normal course of operation of its business deals with the substances which may be considered Hazardous Material, Tenant shall be solely responsible for the proper use and disposal of such Hazardous Material in accordance with all applicable laws, and Tenant hereby agrees to indemnify Landlord with respect to the use and disposal of such Hazardous Materials (both during and after the Term) and shall provide Landlord with sufficient evidence of its compliance with the foregoing.

9. **ALTERATIONS AND ADDITIONS.** Tenant shall have the right to make or allow to be made alterations, additions or improvements to or of the Premises or any part thereof provided that Tenant shall deliver to Landlord reasonable notice of any material alterations, additions or improvements to the Premises. Without limiting Tenant's ability to make alterations, additions or improvements to or of said Premises, permanent alterations, additions, or improvement to or of said Premises that become and are a part of the realty at the termination of this Lease shall be surrendered with the Premises at the termination of the Lease.

10. **REPAIRS.** Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in a condition that meets or exceeds the condition of the Premises upon commencement of the Term of this Lease, normal wear and tear excepted, and repair, maintain, or replace, without limitation, any storefront, doors, window casements, glazing, and all plumbing, utility, and electrical systems, and shall be responsible for lawn maintenance and snow removal. Tenant shall, upon the expiration or earlier termination of this Lease hereof, surrender the Premises to the Landlord in a condition that meets or exceeds the condition of the Premises at the commencement of the Term of this Lease, ordinary wear and tear and damage

from causes beyond the reasonable control of Tenant excepted, and additionally, upon such surrender, all plumbing, utility, electrical and HVAC systems in the Premises at that time shall be in a condition that meets or exceeds the condition of the Premises at the commencement of the Term of this Lease, normal wear and tear excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

11. **LIENS.** Tenant shall keep the Premises free from any liens arising out of any work performed or materials furnished on or to the Premises, federal or state taxes, or obligations incurred by or on behalf of Tenant.

12. **ASSIGNMENT AND SUBLETTING.**

12.1 Except as provided in Section 12.2, Tenant shall have the right to assign this Lease provided that Tenant delivers advance written notice to Landlord of any such assignment and the assignee agrees in writing to assume all of the obligations of Tenant hereunder. Tenant shall have the right to sublet the Premises or any part thereof, enter into license agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant provided that any such agreement shall not relieve Tenant of any of its obligations hereunder.

12.2 During the first ten (10) years of the Term, Tenant shall obtain Landlord's consent to any assignment of this Lease or sublease of the Premises if the use of the Premises by the assignee or sublessee, will be materially different than the use permitted under Section 4. Landlord shall not unreasonably withhold, delay or condition its consent.

13. **HOLD HARMLESS.** Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work, or other things done permitted or suffered by the Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against any and all claims arising from and breach or default in the performance or any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorney's fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought against Landlord by reason of such claim. Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonable satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby agrees to insure against, and assumes all risk of, damage to property or injury to persons in, upon or about the Premises, and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of any injury, casualty or accidents on or in the Premises. Notwithstanding the foregoing, Tenant shall have no responsibility for any cause of action, expense, damage, liability, claim or injury arising from the negligence or intentional act of Landlord or its agents, contractors and employees.

14. **SUBROGATION.** Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss to the extent covered by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties.

15. **HOLDING OVER.** If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereto with the express written consent of Landlord, such occupancy shall be a tenancy from month to month.

16. **ENTRY BY LANDLORD.** Upon three (3) business days advance written notice to Tenant, Landlord reserves, and shall at any and all times have the right, except as provided herein, to enter the Premises to inspect the same, to show the Premises to prospective purchasers or tenants, to post notices of non-responsibility, to repair the Premises and any portion of the Buildings of which the Premises are a part that Landlord may deem necessary or desirable. Tenant shall have the right to have a representative accompany Landlord during any such entry of the Premises. Landlord agrees to treat and protect any proprietary information gained from any inspection as confidential information.

17. **TENANT'S DEFAULT.** The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

17.1 Tenant abandoning the Premises for a period of twelve (12) consecutive months and failing to maintain the Premises in accordance with Section 10 hereof.

17.2 The failure by Tenant to make any payment required pursuant to Section 4 hereof, other than Base Rent.

17.3 The failure by Tenant to keep current the policies of insurance required by Section 4.4 within thirty (30) days of receipt of written notice from Landlord.

17.4 The failure by Tenant to remove any tax or other liens within ninety (90) days.

17.5 The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be performed by the Tenant.

17.6 The filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy not dismissed within ninety (90) days after it is begun.

Except as otherwise set forth in Sections 17.3, 17.5 and 17.6, to cure any other default, Tenant shall have sixty (60) days after receipt of written notice by Landlord to cure the default provided however, that if the nature of Tenant's default is such that more than sixty (60) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant promptly commences such cure and thereafter diligently prosecutes such cure to completion.

18. **LANDLORD'S REMEDIES.** Upon the occurrence of any of the events set forth in Section 17, Landlord shall have the option to take any or all of the following actions, without further notice or demand of any kind to Tenant, or to any guarantor of this Lease, or to any other person:

18.1 Landlord may immediately reenter and remove all persons and property from the Premises, storing such property in a public place, warehouse, or elsewhere at the cost and risk of the Tenant, all without service of notice or resort to legal process (unless required by law) and without being deemed guilty of, or liable in, trespass, forcible entry or in damages resulting from



such reentry and removal. No such reentry or taking possession of the Premises by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given by Landlord to Tenant. All property of Tenant which is stored by Landlord pursuant hereto may be redeemed by Tenant within sixty (60) days after Landlord takes possession thereof upon payment to Landlord of all amounts due hereunder and of all cost incurred by Landlord in moving and storing such property.

18.2 Landlord may terminate this Lease immediately upon Tenant's failure to cure within the cure periods described in Section 17. In the event of such termination, Tenant agrees to immediately surrender possession of the Premises. Such termination shall not relieve Tenant of any obligations hereunder which has accrued prior to the date of such termination and in addition to such accrued rent and other obligations, Landlord may recover from Tenant all damages it has incurred by reason of Tenant's breach, including the cost of recovering the Premises and reasonable attorney's fees.

18.3 These remedies given to Landlord shall be cumulative and shall be in addition and supplemental to all other rights or remedies which Landlord may have at equity or under the laws then in force.

19. **DEFAULT BY LANDLORD.** Subject to the provisions in this Lease, Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord; provided, however, that if the nature of Landlord's obligation is such that more than thirty days are required for performance, then Landlord shall not be in default if Landlord commenced performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

20. **CASUALTY.** If the Buildings or any of Tenant's other improvements on the Premises are damaged or destroyed during the Term by a casualty loss, Tenant at its option may elect to (a) rebuild and restore the Buildings and improvements, or (b) terminate this Lease by written notice to Landlord within ninety (90) days after the occurrence of such damage or destruction. Tenant shall have full use of and the right to apply any insurance proceeds available for such rebuilding and restoration. In the event of any such termination by Tenant, insurance proceeds from the insurance policy required under Section 4.4(b) shall be paid to Landlord by Tenant and this Lease shall be of no further force or effect and neither party hereto shall have any further rights, duties or liabilities hereunder other than those rights, duties and liabilities which have arisen or accrued hereunder prior to the effective date of such termination.

21. **PARKING.** During the Term, Landlord shall provide Tenant with at least four (4) parking stalls for Tenant and its employees, customers and subcontractors. Tenant and its employees, customers and subcontractors shall have the right to utilize the parking areas located on the Land. During the Term, Landlord may relocate the designated parking areas to other sites in close proximity to the Buildings. The new parking areas will include an equivalent number of parking stalls as the old parking areas. Landlord will give the Tenant advance notice of any change in designated parking areas and the parties will coordinate in a manner to minimize disruption to business operations. With respect to any vehicles owned or operated by Tenant or Tenant's employees, customers and contractors that are parked in parking areas that have not been designated or approved for such use by Landlord. Landlord shall have the right to (1)

remove any such vehicles; and/or (2) assess Tenant a parking fee of \$200 per parking stall per month.

22. **SIGNS.** Tenant may affix and maintain such signs, names, and descriptive materials as shall be approved by the applicable governmental authority. Anything to the contrary in this Lease notwithstanding, Tenant shall not affix any sign to the roof. Such signs must comply with any sign criteria governed by any applicable city or country laws, regulations and ordinances. Any signs erected on the Premises by Tenant shall be removed, and all damage corrected by Tenant upon termination of this Lease.

23. **BROKERS.** Each party warrants to the other that no brokerage fees or commissions are due as a result of this Lease arising by virtue of actual or claimed agreements or obligations and each party agrees to indemnify and hold the other harmless from and against any and all claims, liabilities and expense (including reasonable attorney's fees) imposed upon, asserted or incurred as a consequence of any breach of this representation.

#### 24. **CONDEMNATION**

24.1 Total Taking. If the entire Premises shall be taken under power of eminent domain by any public or private authority or conveyed to said authority in lieu of such taking, then this Lease shall terminate on the date of such taking or conveyance, subject, however, to the right of Tenant, at its election, (i) to continue to occupy the Premises, subject to the terms and provisions of this Lease, for all or such part, as Tenant may determine, of the period between the date of such taking or conveyance and the date when possession of the Premises shall be taken by or conveyed to the appropriating authority; or (ii) to keep this Lease in full force and effect, if termination hereof would reduce any award to Tenant for a taking. In the event of any such termination, this Lease shall be of no further force or effect and neither party hereto shall have any further rights, duties or liabilities hereunder other than those rights, duties and liabilities which have arisen or accrued hereunder prior to the effective date of such termination.

24.2 Partial Taking. If any taking under the power of eminent domain by a public or private authority or any conveyance by Landlord in lieu thereof shall result in:

- (a) any reduction of the floor area of the Buildings;
- (b) a taking of a portion of the access roads to the Premises which, in Tenant's discretion, impedes or interferes with access to the Premises or affects the conduct of Tenant's business as theretofore conducted at the Premises;
- (c) the reduction of the parking serving the Premises;
- (d) the closing of any entrance or exit to the Premises; or
- (e) a material effect on Tenant's ability to operate its business;
- (f) then Tenant may, at its election, terminate this Lease by giving Landlord notice of the exercise of Tenant's election within sixty (60) days after Tenant shall receive actual written notice of such taking or conveyance. In the event of termination by Tenant under the provisions of this Section 24.2, this Lease shall terminate on the date of such taking, subject to

the right of Tenant, at its election, to continue to occupy the Premises, subject to the terms and provisions of this Lease, for all or such part, as Tenant may determine, of the period between the date of such taking and the date when possession of the Premises shall be taken by the appropriating authority. In the event of any such termination, this Lease shall be of no further force or effect and neither party hereto shall have any further rights, duties, or liabilities hereunder other than those rights, duties and liabilities which have arisen or accrued hereunder prior to the effective date of such termination. Notwithstanding anything in the foregoing to the contrary, if any condemnation award to Tenant for any taking would be reduced by the termination of this Lease with respect to a taking, as hereinabove set forth, then Tenant may elect to keep this Lease in full force and effect so as to obtain the highest possible award from the condemning authority.

24.3 Restoration. In the event of a taking or conveyance in respect of which Tenant shall not have the right to elect to terminate this Lease or, in the event Tenant, having such right, shall not elect to terminate this Lease, Tenant may elect to restore the remaining portions of the Premises.

24.4 Award. In the event of a condemnation of any portion of the Premises and the Lease is not terminated, the award paid by the condemning authority (after payment of expenses incurred in connection with collecting the same) shall be allocated as follows: (a) Tenant shall receive so much of the award as is necessary to restore the Premises and improvements; and (b) Landlord shall receive the balance, if any, of the award. In the event of a condemnation and this Lease is terminated as herein provided, the award paid by the condemning authority (after payment of expenses incurred in connection with collecting the same) shall be allocated as follows: (c) to the extent the award is allocable to the Premises and/or the leasehold estate under this Lease, including, without limitation, loss of business and goodwill, Tenant improvements, depreciation of merchandise and fixtures, fixture and equipment damage, removal and reinstallation costs, moving expenses, to Tenant the amount of the award for the value of the Premises and/or such leasehold estate taken; and (d) the balance of the award to Landlord.

24.5 Tenant Right to Participate. Whether or not the Lease is terminated pursuant to Section 24.1 or Section 24.2 above, Tenant shall be entitled to actively participate in and appear in any proceedings, and any negotiations with respect to a conveyance in lieu of such proceedings, either separately or in conjunction with Landlord. Tenant's written consent shall be required for the compromise or settlement of any action to condemn or fixing compensation therefor. Landlord shall promptly deliver to Tenant copies of all documents and correspondence with regard to the condemnation and condemnation proceedings, and shall give advance notice to Tenant of any meetings with the condemning authority, its agents or representatives, and permit Tenant to attend such meetings. Landlord shall reasonably consult with Tenant so that reasonable business accommodations, if possible, can be made for Tenant as part of any consent or agreement concerning the condemnation or the manner and form in which such appropriation shall occur.

## 25. **PURCHASE OPTION.**

25.1 Option; Term. Subject to the terms and conditions of this Section 25, Landlord hereby grants to Tenant an option to purchase the Premises ("**Purchase Option**"). The term of the Purchase Option shall commence on the date that (i) the Subdivision becomes final without

appeal and without being subject to further appeal; and (ii) Landlord's Repurchase Option in the Network Services Agreement expires, is terminated or otherwise waived or forfeited in accordance with the terms of the Network Services Agreement entered into between Landlord and Tenant (the "**Purchase Option Start Date**"). The Purchase Option in this Section 25 shall expire on the tenth (10<sup>th</sup>) anniversary following the Purchase Option Start Date (the "**Purchase Option Term**").

25.2 Purchase Price; Closing. The purchase price (the "**Purchase Price**") for the Premises shall be an amount equal to the costs normally incurred by a seller in connection with the Closing (defined herein) as set forth in Section 25.5 of this Lease. Base Rent paid under this Lease shall not be applicable to the Purchase Price. Tenant shall be entitled to exercise the Purchase Option by delivering written notice (the "**Option Notice**") to Landlord at any time during the Purchase Option Term, whereupon the closing (the "**Closing**") of the sale of the Premises shall take within thirty (30) days from the date of the Option Notice. At Closing, Tenant shall pay to Landlord the Purchase Price in certified funds. The Closing shall take place through an escrow established at a title company (the "**Title Company**") selected by Tenant.

25.3 Inspection. Landlord agrees to deliver to Buyer, within ten (10) days from the Option Notice all documents or information relating to Premises, including environmental studies, title opinions, title insurance policies, surveys, soils reports, architectural and engineering studies, grading plans, topographical maps, and notices from governmental agencies pertaining to the Premises or Landlord's operation thereof (collectively, "**Documents**"), if any, which are in Landlord's possession or control. If Tenant exercises the Purchase Option and purchase the Premises, Tenant shall be deemed to have the purchase the property on an "as is" basis upon its own review and inspection of the Premises.

25.4 Title. At Closing, Landlord shall convey good and marketable fee simple title in and to the Premises to Tenant, by special warranty deed, free and clear of any mortgages, deeds of trust, deeds to secure debt, mechanics' or materialmen's liens, judgment liens or similar monetary liens and encumbrances. Landlord shall deliver, as of the date of the Closing, vacant possession of the Premises free and clear of any tenants or other parties in possession of all or any portion of the Premises and/or claims to possession of all or any portion of the Premises. Landlord shall cooperate with Tenant, at Landlord's expense, to clear any unacceptable title matters encumbering the Premises.

25.5 Closing Costs. On the date of Closing, Landlord shall provide Tenant with a standard owner's policy of title insurance covering the Premises in an amount reasonably determined by Tenant. Tenant shall pay all recording fees arising from the sale of the Premises. All other charges of the closing of the sale of the Premises shall be shared equally between Landlord and Tenant, with each party paying its own attorneys' fees.

25.6 Approval by City Council. The sale and disposition of title to the Premises shall be subject to City Council approval in accordance with Section 3.04.030 of the Provo City Code.

## 26. **GENERAL PROVISIONS.**

26.1 Defined Terms. Unless otherwise indicated herein, all capitalized terms used in this Lease shall have the definitions assigned to them in the Purchase Agreement.

26.2 No Presumption. This Lease shall be interpreted and construed only by the contents hereof and there shall be no presumption or standard of construction in favor of or against either party.

26.3 Recording. This Lease shall not be recorded. Upon Tenant's request, Landlord agrees to execute a Memorandum of this Lease in the form attached hereto as Exhibit D which Tenant may record with the Utah County Recorder.

26.4 Quiet Enjoyment. Landlord covenants that Tenant, on performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Premises.

26.5 Time. Time is of the essence under this Lease and each and all of its provisions in which performance is a factor.

26.6 Successors and Assigns. The covenants and conditions herein contained, subject to the limitations and restrictions as to assignment, apply to the heirs, successors, executors, administrators and assigns of the parties hereto.

26.7 Quiet Possession. Upon Tenant or Tenant's assignee paying the sums reserved hereunder, and observing and performing all of the covenants, conditions and provisions on tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire Term, subject to all the provisions of this Lease and excluding acts of God, including, but not necessarily limited to lightning, earthquakes, fires, explosions, floods, other natural catastrophes, sabotage, utility outages, terrorist acts, acts of a public enemy, acts of government or regulatory agencies, wars, blockades, embargoes, insurrections, riots or civil disturbances.

26.8 Late Charges. If Tenant fails to pay sums due hereunder when due (except Base Rent), such overdue amount shall bear interest at the rate of one and one-half percent (1.5%) per month until paid.

26.9 Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

26.10 Choice of Law. This Lease shall be governed by the laws of the State of Utah without regard to conflicts of law principles that would require the application of any other law.

26.11 Attorneys' Fees. In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover for the fees of its attorneys in such action or proceeding, including costs and fees incurred in appeal or in bankruptcy court, in such amount as the court may adjudge reasonable as attorneys' fees. In addition, should it be necessary for a party to employ legal counsel to enforce any of the provisions herein contained, the other party agrees to pay all attorneys' fees and court costs reasonably incurred.

26.12 Notices. Any notices under this Lease shall be given in writing by registered or certified mail, postage prepaid, return receipt requested and addressed as follows:

To Landlord:

Provo City Corporation  
351 West Center Street  
Provo, UT 84601  
ATTN: Mayor

With a copy to (which copy will not constitute notice):

Provo City Attorney's Office  
PO Box 1849  
Provo, UT 84603  
ATTN: City Attorney

To Tenant:

Google Fiber Utah, LLC  
Attn: General Manager  
1600 Amphitheatre Parkway  
Mountain View, CA 94043  
fax no.: (650) 253-0001  
Email: googlefibernotices@google.com

With a copy to (which copy will not constitute notice):

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

or to such other addresses as may hereafter be designated in writing by the respective parties hereto. The time of rendition or giving of notice shall be deemed to be the time when the same is actually received or delivery is attempted by certified or registered mail.

26.13 Authority of Tenant and Landlord. Each individual executing this Lease on behalf of the parties represents and warrants that such individual is duly authorized to execute and deliver this Lease in accordance with the bylaws or other governing documents, and that this Lease is binding upon said party.

26.14 Counterparts. This Lease may be executed in one or more counterparts, each of which, when so executed, shall be deemed to be an original. Such counterparts shall together constitute and be one and the same instrument.

[Remainder of Page Intentionally Blank]



**Acknowledgment of Tenant**

STATE OF \_\_\_\_\_ )  
:SS  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2013, by \_\_\_\_\_, as \_\_\_\_\_ of  
GOOGLE FIBER UTAH, LLC, a Utah limited liability company.

\_\_\_\_\_  
NOTARY PUBLIC  
Residing at: \_\_\_\_\_

My Commission Expires:

\_\_\_\_\_



**EXHIBIT A  
TO  
NETWORK OPERATION CENTER LEASE AGREEMENT**

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(Legal Description of Land)

The Land is located in Utah County, Utah and is more particularly described as a portion of:

**PARCEL 1:**

Commencing North 355 feet and 30 degrees West from Northeast Corner of Block 113 Provo Plat A SLBM; West 146.69 feet; North 35 degrees 02' West 59.86 feet; North 1 degree 38' West 353.8 feet; West 12 feet; North 45 feet; West 435 feet; North 470 feet; East 470 feet; North 290 feet; East 225 feet; South 1190 feet to beginning.

Tax Serial No. 21:007:0004

**PARCEL 2:**

**ALL OF LOT 7, BLOCK 9, NORTH PARK SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF COUNTY OF UTAH, STATE OF UTAH, BEING A SUBDIVISION OF PART OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN.**

**EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PORTION CONVEYED TO THE CITY OF PROVO BY WARRANTY DEED DATED MARCH 20, 1945, AND RECORDED MARCH 22, 1945, IN BOOK 426, AT PAGE 515, RECORDS OF COUNTY OF UTAH, STATE OF UTAH.**

**THE SOUTH 9 FEET OF LOT 7, IN BLOCK 9, NORTH PARK SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF UTAH COUNTY, UTAH, BEING A SUBDIVISION OF PART OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 7 IN BLOCK 9; THENCE NORTH 01° EAST 9 FEET; THENCE NORTH 89°52' EAST 120.02 FEET; THENCE SOUTH 01° WEST 9 FEET; THENCE SOUTH 89°52' WEST 120.02 FEET TO BEGINNING.**

Tax Serial No. 47:024:0052

**EXHIBIT B  
TO  
NETWORK OPERATION CENTER LEASE AGREEMENT**

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(Description of Premises)

All buildings and structures (the “**Buildings**”) constructed on the Land located at 744 North 300 West, Provo, Utah, as shown on the attached plot plan;

(b) All leasehold improvements located at or on the Land or the Buildings, including, but not limited to, the specific parking spaces indicated on the attached plot plan. Additional parking spaces may be included within this Lease, upon advance written agreement of the parties as to additional rent to be paid;

(c) All trade fixtures that are physically attached to the Buildings, including, but not limited to racks and shelving; provided, however, that all computer, fiber optic, wiring and other communications equipment shall not be considered “trade fixtures” for purposes of this paragraph;

(d) All furnishings located in the Buildings: provided, however, that all computer, fiber optic, wiring and other communications equipment shall not be considered “furnishings” for purposes of this paragraph; and

(e) All heating, cooling, electrical, plumbing, mechanical, fire sprinkler, and all other equipment and systems of the Buildings, including, but not limited to, building electrical backup systems; provided, however, that all computer, fiber optic, wiring and other communications equipment shall not be considered “other equipment and systems of the Buildings” for purposes of this paragraph.

**EXHIBIT C  
TO  
NETWORK OPERATION CENTER LEASE AGREEMENT**

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(Survey of Land)

*To Be Attached*

**EXHIBIT D  
TO  
NETWORK OPERATION CENTER LEASE AGREEMENT**

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(Form of Memorandum of Lease)

**WHEN RECORDED, RETURN TO:**

PARSONS BEHLE & LATIMER  
One Utah Center  
201 South Main Street, Suite 1800  
Salt Lake City, Utah 84111  
Attention: Kerry L. Owens

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Space above for County Recorder's Use

**MEMORANDUM OF LEASE**

THIS MEMORANDUM OF LEASE ("**Memorandum**"), is made effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013 (the "**Effective Date**"), by and between PROVO CITY CORPORATION, a Utah municipal corporation (together with its successors and assigns, the "**Landlord**"), and GOOGLE FIBER UTAH, LLC, a Utah limited liability company (together with its successors and assigns, the "**Tenant**"), with respect to the following:

2. TERM AND PREMISES. For the term of ninety nine (99) years and upon the provisions set forth in that certain Network Operation Center Lease Agreement dated \_\_\_\_\_, 2013 between Landlord and Tenant (the "**Lease**"), all of which provisions are specifically made a part hereof as fully and completely as if set out in full herein, Landlord leases to Tenant and Tenant leases from Landlord those certain premises (the "**Premises**") located in Utah County, Utah as more particularly described on Exhibit "A" attached hereto.

2. OPTION TO PURCHASE. Reference is particularly made to Section 25 of the Lease wherein Tenant has the right to purchase the Premises pursuant to the terms and conditions set forth therein.

3. PURPOSE OF MEMORANDUM OF LEASE. This Memorandum of Lease is prepared for the purposes of recording a notification as to the existence of the Lease but in no way modifies the express and particular provisions of the Lease. In the event of a conflict between the terms of the Lease and the terms of this Memorandum of Lease, the terms of the Lease shall control.

4. ADDITIONAL INFORMATION. Additional information regarding the Lease may be obtained by contacting any of the following:

To Landlord: Provo City Corporation  
351 West Center Street  
Provo, UT 84601  
ATTN: Mayor

With a copy to (which copy will not constitute notice):

Provo City Attorney's Office  
PO Box 1849  
Provo, UT 84603  
ATTN: City Attorney

To Tenant: Google Fiber Utah, LLC  
Attn: General Manager  
1600 Amphitheatre Parkway  
Mountain View, CA 94043  
fax no.: (650) 253-0001  
Email: googlefibernotices@google.com

With a copy to (which copy will not constitute notice):

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

5. COUNTERPARTS. This Memorandum may be executed in any number of counterpart originals, each of which shall be deemed an original instrument for all purposes, but all of which shall comprise one and the same instrument.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this instrument as of the Effective Date.

**LANDLORD:**

PROVO CITY CORPORATION, a  
Utah municipal corporation

By: \_\_\_\_\_  
John R. Curtis, as Mayor

**TENANT:**

GOOGLE FIBER UTAH, LLC, a  
Utah limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Acknowledgment of Landlord

STATE OF UTAH )  
 :SS  
COUNTY OF UTAH )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by John R. Curtis, as Mayor of PROVO CITY CORPORATION, a Utah municipal corporation.

NOTARY PUBLIC  
Residing at: \_\_\_\_\_

My Commission Expires:

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### Acknowledgment of Tenant

STATE OF \_\_\_\_\_)  
COUNTY OF \_\_\_\_\_):SS

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_, as \_\_\_\_\_ of GOOGLE FIBER UTAH, LLC, a Utah limited liability company.

NOTARY PUBLIC  
Residing at: \_\_\_\_\_

My Commission Expires:

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**EXHIBIT A  
TO  
MEMORANDUM OF LEASE**

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**LEGAL DESCRIPTION**

The Land is located in Utah County, Utah and is more particularly described as a portion of :

**PARCEL 1:**

Commencing North 355 feet and 30 degrees West from Northeast Corner of Block 113 Provo Plat A SLBM; West 146.69 feet; North 35 degrees 02' West 59.86 feet; North 1 degree 38' West 353.8 feet; West 12 feet; North 45 feet; West 435 feet; North 470 feet; East 470 feet; North 290 feet; East 225 feet; South 1190 feet to beginning.

Tax Serial No. 21:007:0004

**PARCEL 2:**

**ALL OF LOT 7, BLOCK 9, NORTH PARK SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF COUNTY OF UTAH, STATE OF UTAH, BEING A SUBDIVISION OF PART OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN.**

**EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PORTION CONVEYED TO THE CITY OF PROVO BY WARRANTY DEED DATED MARCH 20, 1945, AND RECORDED MARCH 22, 1945, IN BOOK 426, AT PAGE 515, RECORDS OF COUNTY OF UTAH, STATE OF UTAH.**

**THE SOUTH 9 FEET OF LOT 7, IN BLOCK 9, NORTH PARK SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF UTAH COUNTY, UTAH, BEING A SUBDIVISION OF PART OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 7 IN BLOCK 9; THENCE NORTH 01° EAST 9 FEET; THENCE NORTH 89°52' EAST 120.02 FEET; THENCE SOUTH 01° WEST 9 FEET; THENCE SOUTH 89°52' WEST 120.02 FEET TO BEGINNING.**

Tax Serial No. 47:024:0052