

LICENSE RENEWAL

THIS LICENSE RENEWAL, made this ____ day of _____, 2024 by and between **THE CITY OF LAREDO, TEXAS**, a municipal corporation, hereinafter designated the “Licensor” and **VTX COMMUNICATIONS, LLC**, a Texas Limited Liability Company, hereinafter designated the “Licensee,” and collectively “Parties.”

Other than the rates found in Section 5 (d) infra, this License Renewal is identical in all ways to that agreement executed by the Parties in 2019.

AGREEMENT

1. The Licensor, in consideration of the fees to be paid and the covenants and agreements to be performed by the Licensee, does hereby grant nonexclusive permission unto the Licensee to use the following described premises and property situated in the Juarez Lincoln Bridge “Bridge” and appurtenant buildings, passages and manholes owned by the Licensor between the City of Laredo, Texas, USA and the International Boundary line between Mexico and the United States of America:

One (1) innerduct in a shared duct system in the Juarez Lincoln Bridge infrastructure together with sufficient and suitable right of access thereto and sufficient and suitable space in various splicing chambers thereof; for the installation, maintenance, repair and operation of cables, not to exceed 6 inches in diameter therein; the location of said duct and other detail being set forth on the Diagram attached hereto as Schedule “A” forming a part hereof.

2. All Parties acknowledge that it shall be the Licensee’s sole responsibility, and at Licensee’s sole cost to independently secure any right of access required by the Licensee in, through or on the Mexico side of the Bridge and areas within the United States not specifically conferred in this License.

3. All Parties further acknowledge that this License is not a franchise pursuant to Texas Transportation Code Ann. § 311.071 (West 1996), nor is it a permit to string or bury telecommunications lines in the public rights-of-way. Any such franchise or permit must be obtained separately from Licensor.

TERM, RENT AND RENEWAL

4. Term: The term of the permission herein granted shall be for a period of five (5) years commencing at twelve (12:00 a.m.) on the 4th day of February, 2024 and ending eleven fifty-nine (11:59 p.m.) on the 3rd day of February, 2029.

5. Annual Fees: Licensee hereby covenants and agrees to pay in advance both (a) an annual fee per duct and (b) an annual right-of-way fee (collectively referred to as “Annual Fees”), upon execution of this instrument, and on the same date each succeeding year thereafter as set forth respectively in the table below.

(a) Licensee shall also include a certification with the payment that this amount is no lower than the fee it, or any of its subsidiaries, pays for the use of a single duct to cross any international bridge in the State of Texas.

(b) The Parties agree that the rights-of-way fee is based on a six dollar (\$6.00) a linear foot rights-of-way fee that commenced in 2008 and has increased five percent (5%) per year such that commencing in 2024 the rights-of-way fee is \$13.05. The Parties further agree that the Licensee currently occupies six hundred and forty (640) linear feet.

(c) The Parties agree that unless prohibited by law, the linear rights-of-way foot fee and the Annual Fee per Duct shall increase by five percent (5%) every year this License is in effect in amounts as set forth and agreed to by the Parties in the Table below.

(d) Nothing in this License shall be read to prevent the Parties from expanding the number of ducts or linear feet of rights-of-way occupied by Licensee on comparable terms as agreed here.

<u>Year of Term</u>	<u>Annual Fee Per Duct</u>	<u>Right-of-Way Fee</u>	<u>Total Fee</u>
First	\$43,558.00	640' @\$13.05 = \$ 8,352.00	\$51,910.00
Second	\$45,736.00	640' @\$13.70 = \$ 8,768.00	\$54,504.00
Third	\$48,023.00	640' @\$14.39 = \$ 9,209.60	\$57,232.60
Fourth	\$50,424.00	640' @\$15.11 = \$ 9,670.40	\$60,094.40
Fifth	\$52,945.00	640' @\$15.87 = \$10,156.80	\$63,101.80

6. The Licensee agrees and covenants that the annual fees payable by it shall be absolutely net to the Licensors. Licensee further acknowledges its liability to pay any federal tax, state tax, or local tax which might be applicable and due including ad valorem taxes, municipal realty taxes or other rates and charges, if any, levied or imposed on or with respect to Licensee's use of said duct or any other facilities within Laredo.

7. The Licensee covenants and agrees that, without prejudice to any other remedy on behalf of the Licensors, interest on fees and other payments payable by or recoverable from the Licensee will be due at the rate of fifteen percent (15%) per annum if such fees or other payments are not paid or made when due.

EARLY TERMINATION

8. It is further understood and agreed by and between the Parties hereto that the licenses and permissions herein granted may be terminated by either party upon six (6) months written notice to the other and the Licensee shall remove, at Licensee's expense, its cables and equipment prior to such termination date; provided that if the Licensee fails to remove the same aforesaid, the Licensors may remove such cables and equipment and the expense of such removal shall be paid by and recoverable from the Licensee forthwith on demand. In the event of any such early termination, the annual fee for the use of the duct and rights-of-way shall be prorated accordingly, but only after any fees owed to Licensors for removal of Licensee's equipment have been deducted.

9. This License may be terminated by Licensee immediately upon written notice to Licensors of:

- (a) A required governmental certificate, permit, license or other approval being canceled; or
- (b) Any other action that affects the continuance of the License, so long as such cancellation or action is not the result of any act or omission by Licensee;
- (c) Licensors breach a representation or warranty contained in this License; or
- (d) Licensors fail to have proper ownership of the premises and/or authority to enter into this License.

10. It is further understood and agreed by and between the Parties hereto that if the Licensors or Licensee at any time exercises their power to:

- (a) Terminate this agreement;
- (b) Demand the removal of the Licensee's cables and equipment; or
- (c) Revoke the permission granted herein, neither the Licensors nor Licensee shall be liable to pay compensation for any loss, costs or damages, other than the removal costs provided for above, which may be incurred by the Licensee or Licensors or any person making such claims under the License by reason of such termination, demand, or revocation.

11. If this License is terminated at a time other than on the last day of the term year, annual fees shall be prorated as of the date of termination and all prepaid annual fees shall be refunded to the Licensee if the termination is brought about by the actions of Licensors. If the termination is brought about by the Licensee, then such prepaid refund shall not apply. Furthermore, rent shall be owed until Licensee has removed all of its equipment from the bridge and rights-of-way.

HOLD OVER STATUS

12. It is agreed that in the event of the Licensee herein holding over after the termination of the Term of this Agreement, the License shall be deemed to be on a month-to-month basis in the absence of a written agreement to the contrary. The payments for such holdover status will be at rates that are equal to the last year of the agreement's term, increased by fifty percent (50%) for each year of the holdover. Either party, upon one month prior written notice, may terminate the Agreement operating in a hold over status.

USE OF PREMISES

13. Licensee shall use the Premises for any lawful purpose. Still, the Parties recognize that Licensee intends to employ the premises for the deployment of telecommunications cabling

and must obtain Licensor permission before any other activity takes place. Such permission shall not be unreasonably withheld or delayed by Licensor.

14. Licensee shall, at its own expense, comply with all present and future federal, state, and local laws, ordinances, rules and regulations (including laws and ordinances relating to health, safety, radio frequency emissions, and radiation) in connection with the use, operation, maintenance, construction and/or installation of the Premises.

REPAIR

15. It is understood and agreed that if the premises hereby licensed shall be damaged or destroyed in whole or in part during the term thereof, the Licensor will repair and restore the same to a good and useable condition with reasonable dispatch and that the fees herein provided for shall be abated entirely until the said premises have been so repaired and restored.

16. It is further understood and agreed that the Licensor will maintain and repair the premises hereby licensed at its own expense. This duty shall be and remain during the Term of this License to keep the premises in a safe, suitable and proper condition for receiving and carrying the Licensee's said cables and so as to permit the proper operation of such cables therein. Provided, however, that in the event of total or substantially total damage to or destruction of the Bridge in whole or in part, such that repairs may not reasonably be effected within thirty (30) days thereof, either party may forthwith terminate this agreement upon written notice thereof, and paragraph 11 (Early Termination) hereof shall apply. In case Licensor does not repair the premises in such 30 days term, Licensee will be entitled to stop paying the annual fees until the reparation is made by Licensor or at its option terminate this agreement with no responsibility.

LIMITATION OF LIABILITY

17. The Licensor shall not be responsible or liable to the Licensee for any loss or damage to persons or property that may be occasioned by or through the acts or omissions of persons occupying adjoining ducts. Nor shall the Licensor be responsible or liable to the Licensee or its agents or employees for any loss or damage unless such loss or damage shall be caused by willful and intentional act or negligence of the Licensor or its agents or employees. The Licensor shall not be responsible or liable for any loss or damage to persons or property occasioned by the negligence of the Licensee or its agents or employees, the Licensee hereby agrees to accept full responsibility therefore and to indemnify Licensor as provided below against any claims that might arise from such actions.

18. Damage to or destruction of Licensee's property shall not be made the responsibility of Licensor, its agents, contractors, officers or employees.

19. In the event that a third party damages, by any means, the property of the Licensee, the Parties agree that the Licensor shall provide to the Licensee, upon written request, any relevant documentation or data in its possession, which is publicly available and necessary for the Licensee to legally proceed against such third party.

SUBLICENSE

20. Licensee represents and warrants that Licensee shall at all times maintain exclusive control over the inner duct and the fiber optic cable located in the inner duct. The sole right to access, maintain, repair, remove and otherwise utilize the inner duct and fiber optic cable located therein shall at all times be and remain exclusively under Licensee's sole control. Licensee may not sublicense the inner duct. Any unauthorized sublicense shall, at the Licensors discretion, result in immediate termination and forfeiture of any prepaid Annual Fees in addition to such other remedies available to Licensors at law or in equity for such breach.

OPERATIONAL RIGHTS

21. Subject to the approval of the Licensors, which approval shall not be unreasonably withheld or delayed, Licensee and its employees, servants, agents and contractors shall have the right of ingress and egress without charge to the said Bridge and appurtenant buildings and premises at any hour of any day for the purpose of maintenance, repair and installation of Licensee's property.

RELEASE/INSURANCE/INDEMNIFICATION

22. It is further understood and agreed by and between the Parties that by the execution of this agreement, the Licensee does hereby expressly and completely hold harmless, indemnify and release the Licensors from any and all liabilities, suits, claims and demand (whether for property damage or for personal injury or death and whether founded in tort, contract or quasi-contract) which at any time might be exerted by the Licensee arising out of the existence, use, repair, maintenance or removal of its cables, provided that any such liability, suit, claim or demand does not arise wholly from the Licensors negligence.

23. The Licensee further covenants and agrees to indemnify and save harmless Licensors from and against all loss, costs or damages which the Licensors may suffer or be put to and from against all claims or actions which may be made or brought against the Licensors by reason of said cables, their construction, existence, repair or maintenance or resulting therefrom in any way whatsoever, provided that any such loss, costs, damages, claims or actions does not arise wholly from the Licensors negligence.

24. Licensee and its contractors shall produce where applicable, prior to commencing any installation, repair, or maintenance work on the Premises, a certificate of original insurance policy evidencing that Licensee has obtained all insurances required by law, but at no time to be in amounts less than those outlined below:

- (a) Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate for bodily injury and property damage, which coverage shall include products/completed operations (\$1,000,000 products/ completed operations aggregate), and XCU (Explosion, Collapse, Underground) hazards. Coverage for products/completed operations must be maintained for at least two (2) years after the construction work has been completed. Coverage must be amended to provide for an each-project aggregate limit of insurance. An alternative would be to have separate limits for all lines of General Liability coverage for each project.

(b) Workers Compensation insurance at statutory limits, including Employers Liability coverage a minimum limits of \$1,000,000 each-occurrence, each accident/\$1,000,000 by disease, each-occurrence/\$1,000,000 by disease aggregate.

(c) Commercial Automobile Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence for bodily injury and property damage, including owned, non-owned, and hired car coverage.

(d) If applicable, Builders Risk coverage as follows:

(1) All Risk Builders Risk insurance, including collapse coverage, is required on a completed value form if the contract is for the construction of a structure or building.

(2) The Builders Risk policy must provide transit and off-premises coverage if the contract with the builder makes the City of Laredo responsible for materials. The deductible shall not exceed \$5,000.

25. With reference to the foregoing insurance requirement, Lessee shall specifically endorse applicable insurance policies as follows:

(a) The City of Laredo shall be named as an additional insured with respect to General Liability and Automobile Liability.

(b) All liability policies shall contain no cross liability exclusions or insured versus insured restrictions.

(c) A waiver of subrogation in favor of The City of Laredo shall be contained in the Workers Compensation, Builders Risk, and all liability policies.

(d) All insurance policies shall be endorsed to require the insurer to immediately notify The City of Laredo of any material change in the insurance coverage.

(e) All insurance policies shall be endorsed to the effect that The City of Laredo will receive at least sixty (60) days' notice prior to cancellation or non renewal of the insurance.

(f) All insurance policies, which name The City of Laredo as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.

(g) Required limits may be satisfied by any combination of primary and umbrella liability insurances.

(h) Licensee may maintain reasonable and customary deductibles, subject to approval by The City of Laredo.

(i) Insurance must be purchased from insurers that are financially acceptable to the City of Laredo.

26. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions representing and warranting the following:

(a) Sets forth all endorsements and insurance coverage according to requirements and instructions contained herein.

(b) Shall specifically set forth the notice-of-cancellation or termination provisions to The City of Laredo.

27. Upon request, Licensee shall furnish The City of Laredo with certified copies of all insurance policies.

COMPLIANCE WITH LAW

28. Licensee acknowledges that it shall be the Licensee's sole responsibility and at Licensee's sole cost to apply for and obtain any permit, authorization, or other permission from any international, federal, provincial or local government, board, tribunal, commission, agency or other authority exercising jurisdiction over the Licensee or relating to Licensee's operations and occupation in, on, to or through said Bridge.

HAZARDOUS SUBSTANCE INDEMNIFICATION

29. Licensee warrants that its use of the Premises herein will not generate any Hazardous Substance, as defined below, and that it will not store or dispose on the Premises, nor transport to or over the Premises, any Hazardous Substance in violation of law. "Hazardous Substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time.

INSPECTION

30. Notwithstanding any provision of this License to the contrary, in the event of an emergency Licenser retains the right to enter upon the licensed property, at any time and without notice to Licensee, and assuming no obligation to Licensee, to remove any of the licensed improvements or alterations thereof, whenever such removal is deemed necessary by Licenser for (a) exercising Licenser's rights or duties with respect to the licensed property; (b) protecting persons or property; or (c) the public health or safety with respect to the licensed property. At all other times, Licenser shall provide forty-eight (48) hours' notice of such an inspection.

DEFAULT AND CURE

31. The following shall be events of default:

(a) Licensee fails to make any payment or provision of Annual Fees or any other sums to Licensor when due, and does not cure such default within thirty (30) days after written notice from Licensor;

(b) Licensee fails to meet or perform any other covenant or condition of this License and does not cure such other default within thirty (30) days after written notice from Licensor specifying the default complained of;

(c) Licensee abandons or vacates the Premises without paying annual fees;

(d) Licensee is adjudicated a bankrupt or makes any assignment for the benefit of creditors.

32. If a non-monetary default may not reasonably be cured within a 30 day period, this License may not be terminated if the defaulting party commences action to cure the default within such thirty (30) day period and proceeds with due diligence to fully cure the default.

33. In the event of a default, Licensor shall have the right, at its option, in addition to and not exclusive of any other remedy Licensor may have by operation of law, without any further demand or notice, to re-enter the Premises and eject all persons therefrom, and either:

(a) Declare this License at an end, in which event Licensee shall immediately pay Licensor a sum of money equal to the total of:

(1) The amount of the unpaid annual fees accrued through the date of termination;

(2) The amount by which the unpaid annual fees reserved for the balance of the term exceeds the amount of such rental loss that the Licensee proves could be reasonably avoided (net of the reasonable costs of such reletting); and

(3) Any other reasonable amount necessary to compensate Licensor for all detriment proximately caused by Licensee's failure to perform its obligations under the License; provided, however, nothing contained herein shall in any way limit Licensor's duty to mitigate its damages, or

(b) Without terminating this License, re-license the Premises, or any part thereof, for the account of Licensee upon such terms and conditions as Licensor may deem advisable, and any monies received from such re-licensing shall be applied first to the expenses of such re-licensing and collection, including reasonable attorneys' fees, any commissions paid, and thereafter toward payment of all sums due or to become due Licensor hereunder. If a sufficient sum shall not be thus realized to pay such sums and other charges, Licensee shall pay Licensor any deficiency monthly, notwithstanding that Licensor may have received rental in excess of the annual fees stipulated in this License in previous or subsequent months, and Licensor may bring an action therefor as such monthly deficiency shall arise.

34. No re-entry and taking of possession of the Premises by Licensor shall be construed as an election on Licensor's part to terminate this License, unless written notice of such intention is given to Licensee by Licensor. Notwithstanding any re-licensing without termination, Licensor may at any time thereafter elect to terminate this License for such pervious breach.

SUCCESSOR, ASSIGNS AND MISCELLANEOUS

35. It is further understood and agreed by and between the Parties hereto that this agreement shall be binding upon and enures to the benefit of the Parties hereto and their respective successors and permitted assigns (it being acknowledged that the Licensor may not arbitrarily withhold its consent to any sublicensing or assignment of the permission granted herein), that this License consists of and incorporates the main body and the attached Schedule "A" and that words importing the masculine gender and the plural, as the case may be, and vice versa, respectively.

NOTICES

36. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or by overnight courier to the following addresses:

If to Landlord: City of Laredo
 1110 Houston
 Laredo, Texas 78040
 Attn: City Attorney and
 Telecommunications Director

With a copy to: Gerard Lavery Lederer
 Best Best & Krieger
 1800 K Street N.W.
 Suite 725
 Washington DC 20006

If to Licensee; VTX Communications, LLC
 Attn: General Manager
 881 E. Hidalgo Avenue
 Raymondville, Texas 78580

AUDIT AUTHORITY

37. Licensee shall be responsible for providing to Licensor all records necessary to confirm the accurate payment of rent due under the License.

38. Licensor shall have the right to inspect and copy Licensee's records, whether the records are held by the Licensee, an Affiliate, or any other entity that collects or receives funds related to the Licensee's operations governed by this License.

39. Intentionally Omitted.

40. Licensors' audit expenses shall be borne by the Licensor unless the audit discloses an underpayment of more than five percent (5%). In the event the underpayment is greater than five percent (5%), the costs of the audit shall be borne by Licensee. Any additional amounts and audit expenses due to Licensor as a result of the audit shall be paid within thirty (30) days following written notice to the Licensee of the underpayment, which notice shall include a copy of the audit report.

PRIORITY USE

41. This License is made expressly subject and subordinate to the present and future right of the Licensor, its successors, assign, lessees, grantees, and licensees, to construct, install, establish, maintain, use, operate and renew any public utilities or facilities, franchised public utilities, roads or streets, on, beneath or above the surface of the licensed property described in Schedule "A" provided, however, that Licensor shall endeavor to ensure that such improvements do not interfere with or destroy Licensee's use of the licensed property.

42. Nothing in this License shall be construed to limit, in any way, the power of the Licensor to widen, alter, or improve the licensed property subject to this License, pursuant to official action by the governing body of the City of Laredo, or its successors. Other than in the case of an emergency, Licensor shall provide Licensee a thirty (30) day notice of any construction activities that adversely impact Licensee's facilities.

(a) Licensor agrees, but not at the expense of Licensor, to cooperate with the Licensee, in effecting such widening, alteration or improvement of the licensed property so that Licensee's operations and improvements on the licensed property will not be materially affected thereby.

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SIGNATURES CONTINUE ON NEXT PAGES.

IN WITNESS WHEREOF, the Parties hereto have executed this License Agreement in accordance with law.

LICENSOR:

THE CITY OF LAREDO, TEXAS, USA

By: Joseph Neeb
CITY MANAGER

ATTEST:

BY: Jose A. Valdez, Jr
CITY SECRETARY

APPROVED AS TO FORM:
Doanh “Zone” T Nguyen
City Attorney

BY: Rodolfo Morales, III
ASSISTANT CITY ATTORNEY

IN WITNESS WHEREOF, the Parties hereto have executed this License Agreement in accordance with law.

LICENSEE:

VTX Communications, LLC

BY: Charly Vallez
Director of Wholesale Transport

