

ORDINANCE NO. 698-2025

AN ORDINANCE AMENDING, AFFIRMING AND RATIFYING ORDINANCE NO. 683-2024, AS AMENDED HEREIN, GRANTING A NON-EXCLUSIVE FRANCHISE TO SOUTHERN LIGHT, LLC, FOR THE PURPOSE OF MAINTAINING FIBER OPTIC TRANSMISSION LINES WITHIN THE PUBLIC RIGHTS-OF-WAY WITHIN THE CITY OF SPANISH FORT, ALABAMA

WHEREAS, the City Council of the City of Spanish Fort adopted Ordinance No. 683-2024 on October 21, 2024, granting a non-exclusive franchise to Southern Light, LLC (“Southern Light”); and

WHEREAS, Southern Light executed the franchise agreement with a revision to Appendix C – FRANCHISE FEE AND PAYMENTS in order to further clarify the application and payment of the franchise fee; and

WHEREAS, the City Council desires to amend, approve, affirm and ratify Ordinance No. 683-2024, as amended and executed by Southern Light.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SPANISH FORT, ALABAMA, AS FOLLOWS:

SECTION 1. Approval and Authorization. The City Council of the City of Spanish Fort does hereby amend, approve, affirm and ratify Ordinance No. 683-2024, as amended and executed by Southern Light. A copy of Ordinance No. 683-2024, as amended and executed by Southern Light, is attached hereto as Exhibit 1. The Mayor is hereby authorized to execute the franchise agreement as amended.

SECTION 2. Severability Clause. If any part, section or subdivision of this Ordinance shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Ordinance, which shall continue in full force and effect notwithstanding such holding.

SECTION 3. Repealer Clause. Any Ordinance heretofore adopted by the City Council of the City of Spanish Fort, Alabama, which is in conflict with this Ordinance is hereby repealed to the extent of such conflict.

SECTION 4. Effective Date. This Ordinance shall become effective upon its adoption.

ADOPTED AND APPROVED this _____ *day of* _____, 2025.

CITY OF SPANISH FORT, ALABAMA

BY: _____
Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines
City Clerk, CMC

ORDINANCE NO. 683-2024

AN ORDINANCE GRANTING A NON-EXCLUSIVE FRANCHISE TO SOUTHERN LIGHT, LLC, FOR THE PURPOSE OF MAINTAINING FIBER OPTIC TRANSMISSION LINES WITHIN THE PUBLIC RIGHTS-OF-WAY WITHIN THE CITY OF SPANISH FORT, ALABAMA

WHEREAS, on May 18, 2020, the City of Spanish Fort, Alabama ("City") adopted Ordinance No. 562-2020 which granted Southern Light, LLC ("Southern Light "). a non-exclusive franchise ("Southern Light 2020 Franchise") to construct and operate a fiber optic transmission line in the City; and

WHEREAS, Southern Light is an indirectly owned subsidiary of Uniti Group Inc. ("Uniti Group"); and

WHEREAS, Uniti Fiber GulfCo LLC ("Uniti GulfCo") is also an indirectly owned subsidiary of Uniti Group; and

WHEREAS, Uniti Group now seeks from the City another franchise to secure an asset backed securities lending facility ("ABS") whereby Uniti Group will transfer certain assets from Southern Light to Uniti GulfCo; and

WHEREAS, Uniti Group will assign certain assets to Uniti GulfCo in support of the ABS; and

WHEREAS, certain facilities installed and operating in the City's right-of-way may be owned by Uniti GulfCo while others will be owned and operated by Southern Light; and

WHEREAS, to the extent that the facilities in the rights-of-way are shared between Uniti GulfCo and Southern Light, Uniti GulfCo and Southern Light will enter an intercompany agreement to allow access to those shared facilities; and

WHEREAS, for the purpose of accommodating the parties' request related to the aforementioned financing transaction, the City intends by adoption of this Agreement to grant Southern Light a new franchise, and the City also plans to adopt a separate, substantially identical franchise agreement for Uniti GulfCo; and

WHEREAS, Uniti GulfCo and Southern Light will be jointly and severally liable for any noncompliance that may occur under the Uniti GulfCo franchise agreement and the Southern Light franchise agreement since each franchise contains identical terms for the use of the right-of-way in the City of Spanish Fort, Alabama; and

WHEREAS, the City Council wishes to grant a franchise for the construction and maintenance of the fiber-optic transmission line in accordance with the terms and conditions contained herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SPANISH FORT, ALABAMA, AS FOLLOWS:

SECTION 1. The City Council of the City of Spanish Fort does hereby grant to Southern Light, LLC, a Delaware limited liability company, a non-exclusive franchise granting the authority to construct and maintain fiber optic transmission lines for the provision of internet service in the City of Spanish Fort, subject to the terms and conditions set forth in the following agreement and any changes thereto deemed necessary by the Mayor :

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Franchise Agreement

between

City of Spanish Fort, Alabama

and

Southern Light, LLC

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AGREEMENT

This **AGREEMENT** is effective as of the ____ day of _____, 2024 (the “Effective Date”), and is between the City of Spanish Fort, Alabama (the “Franchising Authority” or the “City”), and Southern Light, LLC (the “Company”). For purposes of this Agreement, unless otherwise defined in this Agreement, the capitalized terms, phrases, words, and their derivations, shall have the meanings set forth in Appendix A.

The Franchising Authority, having determined that the financial, legal, and technical ability of the Company is reasonably sufficient to provide the services, facilities, and equipment necessary to meet the current and future telecommunications-related needs of the community, desires to enter into this Agreement with the Company for the construction, operation, and maintenance of a Telecommunications System on the terms and conditions set forth herein. In consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

SECTION 1 GRANT OF AUTHORITY

1.1 Grant of Franchise. The Franchising Authority hereby grants under the Telecommunications Act a nonexclusive franchise (the “Franchise”) to occupy and use the Streets within the Franchise Area in order to construct, operate, maintain, upgrade, repair, and remove the Telecommunications System, and provide Telecommunications Services through the Telecommunications System, subject to the terms and conditions of this Agreement. This Franchise authorizes Telecommunications Service, and it does not grant or prohibit the right(s) of the Company to provide other services.

1.2 Term of Franchise. This Franchise shall be in effect for a period of ten (10) years commencing on the Effective Date, unless renewed or lawfully terminated in accordance with this Agreement and the Telecommunications Act.

1.3 Renewal. The Franchising Authority reserves the right to grant or deny renewal of the Franchise.

1.4 Reservation of Authority. The Company specifically agrees to comply with the lawful provisions of the City and applicable regulations of the Franchising Authority. Subject to any express federal or state preemption, the Company acknowledges that the Franchising Authority may modify its City code, ordinances or any regulatory policies by lawful exercise of the Franchising Authority’s police powers throughout the term of this Agreement. The Company agrees to comply with such lawful modifications to the City code, ordinances or regulations; however, the Company reserves all rights it may have to challenge such modifications to the City code, ordinances or regulations. The Franchising Authority reserves all of its rights and defenses to such challenges. Nothing in this Agreement shall (i) abrogate the right of the Franchising Authority to perform any public works or public improvements of any description, (ii) be construed as a waiver of any codes or ordinances of the Franchising Authority or of the Franchising Authority’s right to require the Company or any Person utilizing the Telecommunications System

to secure the appropriate permits or authorizations for its use, or (iii) be construed as a waiver or release of the rights of the Franchising Authority in and to the Streets. Notwithstanding the above, in the event of any conflict between this Agreement and any City code, ordinance or regulation adopted by the Franchising Authority in the exercise of its police powers, the terms and conditions of such code, ordinance or regulation shall prevail.

1.5 Competitive Equity and Subsequent Action Provisions.

NOTE: AS LONG AS THE COMPANY DOES NOT PROVIDE VIDEO SERVICE OR CABLE SERVICE, THIS SECTION 1.5 SHALL NOT APPLY. IN THE EVENT THE COMPANY ELECTS TO PROVIDE VIDEO OR CABLE SERVICE, A NEW FRANCHISE WILL BE REQUIRED TO AUTHORIZE AND ALLOW SUCH SERVICES.

1.5.1 Purposes. The Company and the Franchising Authority acknowledge that there is increasing competition in the video marketplace among cable operators, direct broadcast satellite providers, telephone companies, broadband content providers, and others; new technologies are emerging that enable the provision of new and advanced services to City residents; and changes in the scope and application of the traditional regulatory framework governing the provision of Video Services are being considered in a variety of federal, state, and local venues. To foster an environment where all Cable Service Providers and Video Service Providers using the Streets can compete on a competitively neutral and nondiscriminatory basis; encourage the provision of new and advanced services to City residents; promote local communications infrastructure investments and economic opportunities in the City; and provide flexibility in the event of subsequent changes in the law, the Company and the Franchising Authority have agreed to the provisions in this Section 1.5, and these provisions should be interpreted and applied with these purposes in mind. The parties agree that the Franchising Authority shall not be required to execute a franchise agreement or authorization with a competitive CSP or VSP that is identical, word-for-word, with this Agreement to avoid triggering the provisions of this Section 1.5, so long as the regulatory and financial burdens on and benefits to each CSP or VSP are materially equivalent to the burdens on and benefits to the Company. “Materially equivalent” provisions include but are not limited to: franchise fees and the definition of Gross Revenues; system build-out requirements; security instruments; public, education and government access channels and support; customer service standards; and audits.

1.5.2 Fair Terms for All Providers. Notwithstanding any other provision of this Agreement or any other provision of law,

(a) If any VSP or CSP enters into any agreement with the Franchising Authority to provide Video Services or Cable Services to Subscribers in the Franchise Area, the Franchising Authority and the Company, upon written request of the Company, will use best efforts in good faith to negotiate the Company’s proposed Franchise modifications, and such negotiation will proceed and conclude within sixty (60) days, unless that period is reduced or extended by mutual agreement of the parties. If the Franchising Authority and the Company agree to Franchise modifications pursuant to such negotiations, then the Franchising Authority shall amend this Agreement to include the modifications.

If there is no written agreement or other authorization between the new VSP or CSP and the Franchising Authority, the Company and the Franchising Authority shall use the sixty (60) day period to develop and enter into an agreement or other appropriate authorization (to the extent the Company determines an agreement or authorization is necessary) that to the maximum extent possible contains provisions that will ensure competitive equity between the Company and other VSPs or CSPs, taking into account the terms and conditions under which the new VSP or CSP is allowed to provide Video Services or Cable Services to Subscribers in the Franchise Area.

(b) Following the Franchise modification negotiations provided for in Section 1.5.2(a), if the Franchising Authority and the Company fail to reach agreement in such negotiations, the Company may, at its option, elect to replace this Agreement by opting in to the same franchise agreement or other lawful authorization that the Franchising Authority has granted to the new VSP or CSP.

1.5.3 Subsequent Change in Law. If there is a change in federal, state, or local law that provides for a new or alternative form of authorization, subsequent to the Effective Date, for a VSP or CSP utilizing the Streets to provide Video Services or Cable Services to Subscribers in the Franchise Area, or that otherwise changes the nature or extent of the obligations that the Franchising Authority may request from or impose on a VSP or CSP providing Video Services or Cable Services to Subscribers in the Franchise Area, the Franchising Authority and Company agree that, notwithstanding any other provision of law, upon the written request by either party, the Franchising Authority shall: (i) permit the Company to provide Video Services or Cable Services to Subscribers in the Franchise Area on substantially the same terms and conditions as are applicable to a VSP or CSP under the changed law; (ii) modify this Agreement to comply with the changed law; or (iii) modify this Agreement to ensure competitive equity between the Company and other VSPs or CSPs, taking into account the conditions under which other VSPs or CSPs are permitted to provide Video Services or Cable Services to Subscribers in the Franchise Area. The Franchising Authority and the Company shall implement the provisions of this Section 1.5.3 within sixty (60) days after either party submits a written request to the other party. Should the Franchising Authority fail to implement these provisions within the time specified, this Agreement shall, at the Company's option and upon written notice to the Franchising Authority, be deemed amended as initially requested by the Company under this Section 1.5.3. Notwithstanding any provision of law that imposes a time or other limitation on the Company's ability to take advantage of the changed law's provisions, the Company may exercise its rights under this Section 1.5.3 at any time, but not sooner than thirty (30) days after the changed law goes into effect.

1.5.4 Effect on This Agreement. Any agreement, authorization, right, or determination to provide Cable Services or Video Services to Subscribers in the Franchise Area under this Section 1.5 shall supersede this Agreement.

SECTION 2
THE TELECOMMUNICATIONS SYSTEM

2.1 The System and Its Operations.

2.1.1 Service Area. As of the Effective Date, the Company operates a Telecommunications System within the Franchise Area.

2.1.2 System. As of the Effective Date, the Company maintains and operates a Telecommunications System which consists of pipes, transmission lines, meters, equipment and other facilities associated with the operation of a fiber optic transmission line by the Franchisee to provide Telecommunications Service.

2.1.3 System Technical Standards. Throughout the term of this Agreement, the Telecommunications System shall be designed, maintained, and operated such that quality and reliability of System Signal will be in compliance with all applicable consumer electronics equipment compatibility standards, including, but not limited to, the Telecommunications Act, as may be amended from time to time.

2.1.4 Testing Procedures; Technical Performance. Throughout the term of this Agreement, the Company shall operate and maintain the Telecommunications System in accordance with the testing procedures and the technical performance standards of the FCC.

2.2 Requirements with Respect to Work on the System.

2.2.1 General Requirements. The Company shall comply with ordinances, rules, and regulations established by the Franchising Authority pursuant to the lawful exercise of its police powers. Subject to Section 1.4 above, to the extent that local ordinances, rules, or regulations clearly conflict with the terms and conditions of this Agreement, the terms and conditions of such local ordinances, rules, or regulations shall prevail.

2.2.2 Protection of Underground Utilities. The Company shall comply with the Alabama Underground Damage Prevention Act (Ala. Code § 37-15-1, *et seq.*), relating to notification prior to excavation near underground utilities, as may be amended from time to time.

2.3 Permits and General Obligations.

2.3.1 The Company shall be responsible for obtaining all permits, licenses, or other forms of approval or authorization necessary to construct, operate, maintain, or repair the Telecommunications System, or any part thereof, prior to the commencement of any such activity. The Franchising Authority shall make all reasonable efforts to issue permits, licenses, or other approvals within ten (10) business days. The Company shall be solely responsible, either through its employees or its authorized contractors, for constructing, installing, and maintaining the Telecommunications System in a safe, thorough, and reliable manner in accordance with all applicable standards and using materials of good and durable quality. The Company shall assure that any person installing, maintaining, or

removing its facilities is fully qualified and familiar with all applicable standards. No third party shall tamper with, relocate, or otherwise interfere with the Company's facilities in the rights-of-way without the Company's approval and supervision; provided, however, that the Company shall make all reasonable efforts to coordinate with other users of the Streets to facilitate the execution of projects and minimize disruption in the public rights-of-way. All transmission and distribution structures, poles, other lines, and equipment installed by the Company for use in the Telecommunications System in accordance with this Agreement shall be located so as to minimize interference with the proper use of the Streets and the rights and reasonable convenience of property owners who own property adjoining the Streets.

2.3.2 Code Compliance. The Company shall comply with all applicable building, safety, and construction codes.

2.4 Conditions on Street Occupancy.

2.4.1 New Grades or Lines. If the grades or lines of any Street within the Franchise Area are lawfully changed at any time during the term of this Agreement, then the Company shall, upon at least ninety (90) days' advance written notice from the Franchising Authority and at the Company's own cost and expense, protect or promptly alter or relocate the Telecommunications System, or any part thereof, so as to conform with the new grades or lines. If public funds are available to any Person using the Street for the purpose of defraying the cost of any of the foregoing work, the Franchising Authority shall make application for such funds on behalf of the Company. The Company shall be entitled to reimbursement of its costs should any other utility be so compensated as a result of a required protection, alteration, or relocation of its facilities. Notwithstanding the above, the Company shall not be liable for the cost of protecting, altering, or relocating facilities, aerial or underground, where such work is required to accommodate a beautification project or private development project.

2.4.2 Relocation at Request of Third Party. The Company shall, upon reasonable prior written request of any Person holding a permit issued by the Franchising Authority to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Company may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Company agrees to arrange for such temporary relocation to be accomplished as soon as reasonably practicable, not to exceed ninety (90) days without the prior agreement of the Franchising Authority.

2.4.3 Restoration of Streets. If in connection with construction, operation, maintenance, or repair of the Telecommunications System, the Company disturbs, alters, or damages any Street, the Company agrees that it shall at its own cost and expense restore the Street according to the standards set forth in the Alabama Department of Transportation's Utilities Manual. If the Franchising Authority reasonably believes that the Company has not restored the Street appropriately, then the Franchising Authority, after providing ten (10) business days' advance written notice and a reasonable opportunity to cure, may have the Street restored and bill the Company for the cost of restoration.

2.4.4 Trimming of Trees and Shrubbery. The Company shall have the authority to trim trees or other natural growth overhanging any of its Telecommunications System in the Franchise Area so as to prevent contact with the Company's wires, lines, cables, or other equipment, subject to all applicable local ordinances, rules and regulations, and the cost of such trimming shall not be borne by the Franchising Authority.

2.4.5 Aerial and Underground Construction. If at the time of Telecommunications System construction all of the transmission and distribution facilities of all of the respective public or municipal utilities in the construction area are underground, the Company shall place its Telecommunications System's transmission and distribution facilities underground. At the time of Telecommunications System construction, in any place within the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Company shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aurally or underground; however, at such time as all existing aerial facilities of the respective public or municipal utilities are placed underground, the Company shall likewise place its facilities underground, subject to the provisions of Section 2.4.1. Company facilities placed underground at the property owner's request in any area where any of the transmission or distribution facilities of the respective public or municipal utilities are aerial shall be installed with the additional expense paid by the property owner. Nothing in this Section 2.4.5 shall be construed to require the Company to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment. The Company shall be entitled to expand and upgrade its System as it deems reasonably necessary.

2.4.6 Use of Existing Poles. Where possible, the Company shall attach its facilities to existing utility poles and shall use all reasonable efforts to enter into a pole attachment agreement with the owners of such existing utility poles. The Franchising Authority acknowledges that the Company may pass through to Subscribers the costs of attaching to existing utility poles in the Franchise Area, and does not object.

2.5 Change in Franchise Area. In the event that the borders of the Franchise Area change, through annexation or otherwise, the Franchising Authority shall provide to the Company written notice of such change, including an updated map of the Franchise Area. Franchise fees on gross revenues earned from Subscribers in annexed areas shall not be payable to the Franchising Authority until sixty (60) days after the Company's receipt of such updated map, and shall not be remitted to the Franchising Authority until the next regularly scheduled quarterly franchise fee payment as provided in Section 4.1.2 below.

SECTION 3 CUSTOMER SERVICE

Customer Service. The Company shall comply in all respects with the requirements set forth in Appendix B. A minor violation of those requirements does not constitute a breach of this Agreement.

SECTION 4
COMPENSATION AND OTHER PAYMENTS

4.1 Compensation to the Franchising Authority. As compensation for the Franchise, the Company shall pay or cause to be paid to the Franchising Authority the amounts set forth in this Section 4.1.

4.1.1 Franchise Fees—Amount. The Company shall pay to the Franchising Authority franchise fees in an amount equal to five percent (5%) of Gross Revenues derived from the operation of the Telecommunications System to provide Telecommunications Services in the Franchise Area. See Appendix C regarding Minimum Annual Franchise and payment of Franchise Fees.

4.1.2 Franchise Fees—Payment. Payments of franchise fees shall be made on a quarterly basis and shall be remitted not later than thirty (30) days after the last day of March, June, September, and December throughout the term of this Agreement.

4.1.3 Company to Submit Franchise Fee Report. The Company shall submit to the Franchising Authority, not later than thirty (30) days after the last day of March, June, September, and December throughout the term of this Agreement, a report setting forth the basis for the computation of Gross Revenues on which the quarterly payment of franchise fees is being made.

4.1.4 Franchise Fee Payments Subject to Audit; Remedy for Underpayment. No acceptance of any franchise fee payment by the Franchising Authority shall be construed as an accord and satisfaction that the amount paid is in fact the correct amount or a release of any claim that the Franchising Authority may have for further or additional sums payable under this Agreement. The Franchising Authority may conduct an audit no more than once annually to ensure payments in accordance with this Agreement. The audit of the Company's records shall take place at a location, in the State of Alabama, determined by the Company. The Franchising Authority is prohibited from removing any records, files, spreadsheets, or any other documents from the site of the audit. The audit period shall be limited to six (6) years preceding the end of the quarter of the most recent payment.

If, as a result of an audit or any other review, the Franchising Authority determines that the Company has underpaid franchise fees in any twelve (12) month period by ten percent (10%) or more, then, in addition to making full payment of the relevant obligation, the Company shall reimburse the Franchising Authority for all of the reasonable costs associated with the audit or review, including all reasonable out-of-pocket costs for attorneys, accountants, and other consultants. The Franchising Authority shall provide the Company with a written notice of audit results and a copy of the final report presented to the Franchising Authority. The Company shall remit any undisputed amounts owed to the Franchising Authority as the result of the audit within forty-five (45) days, or other mutually acceptable timeframe, after the date of an executed settlement and release agreement.

4.2 Payments Not to Be Set Off Against Taxes or Vice Versa. The parties agree that the compensation and other payments to be made pursuant to this Section 4 are not a tax and are not in the nature of a tax.

4.3 Interest on Late Payments. If any payment required by this Agreement is not actually received by the Franchising Authority on or before the applicable date fixed in this Agreement, the Company shall pay interest thereon, from the due date to the date paid, at a rate of one percent (1%) per month.

SECTION 5 COMPLIANCE REPORTS

5.1 Compliance. To the best of its knowledge, the Franchising Authority hereby acknowledges that as of the Effective Date, the Company is in material compliance with all material laws, rules, and ordinances of the Franchising Authority.

5.2 Reports. Upon written request by the Franchising Authority, the Company shall promptly submit to the Franchising Authority such information as may be necessary to reasonably demonstrate the Company's compliance with any term or condition of this Agreement.

5.3 File for Public Inspection. Throughout the term of this Agreement, the Company shall maintain and make available to the public those documents required pursuant to the FCC's rules and regulations.

5.4 Treatment of Proprietary Information. The Franchising Authority agrees to treat as confidential, to the maximum extent allowed under the Alabama Public Records Law (Ala. Code § 36-12-40, *et seq.*) or other applicable law, any requested documents submitted by the Company to the Franchising Authority that are labeled as "Confidential" or "Trade Secret" prior to submission. In the event that any documents submitted by the Company to the Franchising Authority are subject to a request for inspection or production, including but not limited to a request under the Alabama Public Records Law, the Franchising Authority shall notify the Company of the request as soon as practicable and in any case prior to the release of such information, by email or facsimile to the addresses provided in Section 10.6 of this Agreement, so that the Company may take appropriate steps to protect its interests in the requested records, including seeking an injunction against the release of the requested records. Upon receipt of said notice, the Company may review the requested records in the Franchising Authority's possession and designate as "Confidential" or "Trade Secret" any additional portions of the requested records that contain confidential or proprietary information.

5.5 Emergency Alert System. Company shall install and maintain an Emergency Alert System in the Franchise Area only as required under applicable federal and state laws. Additionally, the Franchising Authority shall permit only those Persons appropriately trained and authorized in accordance with applicable law to operate the Emergency Alert System equipment and shall take reasonable precautions to prevent any use of the Company's Telecommunications System in any manner that results in inappropriate use thereof, or any loss or damage to the Telecommunications System. Except to the extent expressly prohibited by law, the Franchising Authority shall hold the

Company and its employees, officers, and assigns harmless from any claims arising out of use of the Emergency Alert System, including but not limited to reasonable attorneys' fees and costs.

SECTION 6 ENFORCEMENT

6.1 Notice of Violation. If the Franchising Authority believes that the Company has not complied with the terms of this Agreement, the Franchising Authority shall first informally discuss the matter with the Company. If discussions do not lead to a resolution of the problem, the Franchising Authority shall notify the Company in writing of the nature of the alleged noncompliance ("Violation Notice").

6.2 Company's Right to Cure or Respond. The Company shall have thirty (30) days from the receipt of the Violation Notice, or any longer period specified by the Franchising Authority, to respond; cure the alleged noncompliance; or, if the alleged noncompliance, by its nature, cannot be cured within thirty (30) days, initiate reasonable steps to remedy the matter and provide the Franchising Authority a projected resolution date in writing.

6.3 Hearing. If the Company fails to respond to the Violation Notice received from the Franchising Authority, or the alleged noncompliance is not remedied within the cure period set forth above, the Franchising Authority's governing body shall schedule a hearing if it intends to continue its investigation into the matter. The Franchising Authority shall provide the Company at least thirty (30) days' prior written notice of the hearing, specifying the time, place, and purpose of the hearing. The Company shall have the right to present evidence and to question witnesses. The Franchising Authority shall determine if the Company has committed a violation and shall make written findings of fact relative to its determination. If a violation is found, the Company may petition for reconsideration before any competent tribunal having jurisdiction over such matters.

6.4 Enforcement. Subject to applicable federal and state law, if after the hearing provided for in Section 6.3, the Franchising Authority determines that the Company is in default of the provisions addressed in the Violation Notice, the Franchising Authority may

- (a) seek specific performance;
- (b) commence an action at law for monetary damages or seek other equitable relief; or
- (c) in the case of a substantial default of a material provision of this Agreement, seek to revoke the Franchise in accordance with subsection 6.5 below.

6.5 Revocation.

6.5.1 After the hearing and determination provided for in Section 6.3 and prior to the revocation or termination of the Franchise, the Franchising Authority shall give written notice to the Company of its intent to revoke the Franchise on the basis of an alleged substantial default of a material provision of this Agreement. The notice shall set forth the exact nature of the alleged default. The Company shall have thirty (30) days from receipt of such notice to submit its written objection to the Franchising Authority or to cure the

alleged default. If the Franchising Authority is not satisfied with the Company's response, the Franchising Authority may seek to revoke the Franchise at a public hearing. The Company shall be given at least thirty (30) days' prior written notice of the public hearing, specifying the time and place of the hearing and stating the Franchising Authority's intent to revoke the Franchise.

6.5.2 At the public hearing, the Company shall be permitted to state its position on the matter, present evidence, and question witnesses, after which the Franchising Authority's governing board shall determine whether or not the Franchise shall be revoked. The public hearing shall be on the record and a written transcript shall be made available to the Company within ten (10) business days. The decision of the Franchising Authority's governing board shall be made in writing and shall be delivered to the Company. The Company may appeal such decision to an appropriate court, which shall have the power to review the decision of the Franchising Authority's governing board. The Company may continue to operate the Telecommunications System until all legal appeals procedures have been exhausted.

6.5.3 Notwithstanding the provisions of this Section 6, the Company does not waive any of its rights under federal law or regulation.

6.6 Technical Violations. The parties hereby agree that it is not the Franchising Authority's intention to subject the Company to penalties, fines, forfeiture, or revocation of the Agreement for so-called "technical" breach(es) or violation(s) of the Agreement, where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Franchise Area or where strict performance would result in practical difficulties and hardship to the Company which outweigh the benefit to be derived by the Franchising Authority or Subscribers.

SECTION 7 ASSIGNMENTS AND OTHER TRANSFERS

The Franchise shall be fully transferable to any successor in interest to the Company. A notice of transfer shall be filed by the Company to the Franchising Authority within forty-five (45) days of such transfer. The transfer notification shall consist of an affidavit signed by an officer or general partner of the transferee that contains the following:

- (a) an affirmative declaration that the transferee shall comply with the terms and conditions of this Agreement, all applicable federal, state, and local laws, regulations, and ordinances regarding the placement and maintenance of facilities in any public right-of-way that are generally applicable to users of the public right-of-way and specifically including the Alabama Underground Damage Prevention Act (Ala. Code § 37-15-1, *et seq.*);
- (b) a description of the transferee's service area; and
- (c) the location of the transferee's principal place of business and the name or names of the principal executive officer or officers of the transferee.

No affidavit shall be required, however, for (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Company in the Franchise or in the

Telecommunications System in order to secure indebtedness, or (ii) a transfer to an entity directly or indirectly owned or controlled by Uniti Group Inc. or Southern Light, LLC.

SECTION 8 INSURANCE AND INDEMNITY

8.1 Insurance.

8.1.1 Liability Insurance. Throughout the term of this Agreement, the Company shall, at its sole expense, maintain comprehensive general liability insurance, issued by a company licensed to do business in the State of Alabama with a rating of not less than “A minus,” and provide the Franchising Authority certificates of insurance demonstrating that the Company has obtained the insurance required in this Section 8.1.1. This liability insurance policy or policies shall be in the minimum amount of One Million Dollars (\$1,000,000.00) for bodily injury or death of any one person, One Million Dollars (\$1,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and One Million Dollars (\$1,000,000.00) for property damage resulting from any one accident. The policy or policies shall not be canceled except upon thirty (30) days’ prior written notice of cancellation to the City.

8.1.2 Workers’ Compensation. The Company shall ensure its compliance with the Alabama Workers’ Compensation Law.

8.2 Indemnification. The Company shall indemnify, defend, and hold harmless the Franchising Authority, its officers, employees, and agents acting in their official capacities from and against any liability or claims resulting from property damage or bodily injury (including accidental death) that arise out of the Company’s construction, operation, maintenance, or removal of the Telecommunications System, including but not limited to reasonable attorneys’ fees and costs, provided that the Franchising Authority shall give the Company written notice of its obligation to indemnify and defend the Franchising Authority within thirty (30) business days of receipt of a claim or action pursuant to this Section 8.2. If the Franchising Authority determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchising Authority. Notwithstanding the foregoing, the Company shall not be obligated to indemnify the Franchising Authority for any damages, liability, or claims resulting from the willful misconduct of the Franchising Authority or for the Franchising Authority’s use of the Telecommunications System.

8.3 Liability and Indemnity. In accordance with the Telecommunications Act, the Franchising Authority, its officials, employees, members, or agents shall have no liability to the Company arising from the regulation of Telecommunications Service or from a decision of approval or disapproval with respect to a grant, renewal, transfer, or amendment of this Franchise. Any relief, to the extent such relief is required by any other provision of federal, state, or local law, shall be limited to injunctive relief and declaratory relief.

**SECTION 9
PUBLIC, EDUCATION, GOVERNMENT ACCESS**

NOTE: AS LONG AS THE COMPANY DOES NOT PROVIDE VIDEO SERVICE OR CABLE SERVICE, THIS SECTION 9 SHALL NOT APPLY.

9.1 Channel Capacity. The Company agrees to make available channel capacity, up to one (1) fully dedicated Channel position, on the digital tier, to be designated for non-commercial, non-revenue generating public, educational, or governmental (“PEG”) access purposes. Unused time on the PEG Channel position may be utilized by the Company subject to terms to be mutually agreed upon by the Company and the Franchising Authority. The Company shall provide the PEG channel within one hundred eighty (180) days of the Franchising Authority’s request.

9.2 Channel Positions. At any time during the term of this Agreement and at the Company’s sole option and discretion, the Company may (i) change the transmission technology by which PEG access programming is delivered to Subscribers, provided, however, that the quality of PEG access programming transmitted over the System to Subscribers is of a quality comparable to that which was delivered to the Company by the PEG programmer, or (ii) relocate any PEG programming to a Channel position on its lowest digital tier service delivered to all of the Company’s Subscribers. The Company shall notify the Franchising Authority at least thirty (30) days in advance of such changes.

9.3 Ownership. The Company does not relinquish its ownership of its ultimate right of control over a Channel position by designating it for PEG access use. A PEG access user, whether such user is an individual, educational, or governmental user, acquires no property or other interest in the Channel position by virtue of the use of a Channel position so designated.

9.4 Equipment. It shall be the sole responsibility of the Franchising Authority to obtain, provide, and maintain any equipment necessary to produce and broadcast PEG programming over the System. The Company shall not be responsible for obtaining, providing, or maintaining any such equipment.

9.5 No Liability. The Company shall have no liability nor shall it be required to provide indemnification to the Franchising Authority for PEG programming broadcast over the Telecommunications System.

**SECTION 10
MISCELLANEOUS**

10.1 Controlling Authorities. This Agreement is made with the understanding that its provisions are controlled by the Telecommunications Act, other federal laws, state laws, and all applicable local laws, ordinances, and regulations. Subject to Section 1.4 above, to the extent such local laws, ordinances, or regulations clearly conflict with the terms and conditions of this Agreement, the terms and conditions of such local laws, ordinances, or regulations shall prevail.

10.2 Appendices. The Appendices to this Agreement and all portions thereof are, except as otherwise specified in this Agreement, incorporated by reference in and expressly made a part of this Agreement.

10.3 Enforceability of Agreement; No Opposition. By execution of this Agreement, the Company and the Franchising Authority acknowledges the validity of the terms and conditions of this Agreement under applicable law in existence on the Effective Date and pledges that it will not assert in any manner at any time or in any forum that this Agreement, the Franchise, or the processes and procedures pursuant to which this Agreement was entered into and the Franchise was granted are not consistent with the applicable law in existence on the Effective Date.

10.4 Governmental Powers. The Franchising Authority expressly reserves the right to exercise the full scope of its powers, including, but not limited to, its police power and contracting and governmental authority, to promote the public interest and to protect the health, safety, and welfare of the citizens of the City of Spanish Fort, Alabama.

10.5 Entire Agreement. This Agreement, including all Appendices, embodies the entire understanding and agreement of the Franchising Authority and the Company with respect to the subject matter hereof and merges and supersedes all prior representations, agreements, and understandings, whether oral or written, between the Franchising Authority and the Company with respect to the subject matter hereof, including without limitation all prior drafts of this Agreement and any Appendix to this Agreement, and any and all written or oral statements or representations by any official, employee, agent, attorney, consultant, or independent contractor of the Franchising Authority or the Company.

10.6 Notices. All notices shall be in writing and shall be sufficiently given and served upon the other party by first class mail, registered or certified, return receipt requested, postage prepaid; by third-party commercial carrier; or via facsimile (with confirmation of transmission) and addressed as follows:

THE FRANCHISING AUTHORITY:
City of Spanish Fort
Attn: Mayor
7361 Spanish Fort Blvd
Spanish Fort, Alabama 36527

COMPANY:
Southern Light, LLC
Attn: Kelly A. McGriff, Esq.
Vice President and Deputy General Counsel
Uniti Group Inc.
107 St. Francis Street, Suite 1800
Mobile, Alabama 36602

10.7 Additional Representations and Warranties. In addition to the representations, warranties, and covenants of the Company to the Franchising Authority set forth elsewhere in this Agreement, the Company represents and warrants to the Franchising Authority and covenants and agrees (which representations, warranties, covenants and agreements shall not be affected or waived by any inspection or examination made by or on behalf of the Franchising Authority) that, as of the Effective Date:

10.7.1 Organization, Standing, and Authorization. The Company is a limited liability company validly existing and in good standing under the laws of the State of Alabama and is duly authorized to do business in the State of Alabama and in the Franchise Area.

10.7.2 Compliance with Law. The Company, to the best of its knowledge, has obtained all government licenses, permits, and authorizations necessary for the operation and maintenance of the Telecommunications System.

10.8 Maintenance of System in Good Working Order. Until the termination of this Agreement and the satisfaction in full by the Company of its obligations under this Agreement, in consideration of the Franchise, the Company agrees that it will maintain all of the material properties, assets, and equipment of the Telecommunications System, and all such items added in connection with any upgrade, in good repair and proper working order and condition throughout the term of this Agreement.

10.9 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted transferees, and assigns. All of the provisions of this Agreement apply to the Company, its successors and assigns.

10.10 No Waiver; Cumulative Remedies. No failure on the part of the Franchising Authority or the Company to exercise, and no delay in exercising, any right or remedy hereunder including without limitation the rights and remedies set forth in this Agreement, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other right or remedy, all subject to the conditions and limitations established in this Agreement. The rights and remedies provided in this Agreement including without limitation the rights and remedies set forth in Section 6 of this Agreement, are cumulative and not exclusive of any remedies provided by law, and nothing contained in this Agreement shall impair any of the rights or remedies of the Franchising Authority or Company under applicable law, subject in each case to the terms and conditions of this Agreement.

10.11 Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions of this Agreement, which shall continue in full force and effect.

10.12 No Agency. The Company shall conduct the work to be performed pursuant to this Agreement as an independent entity and not as an agent of the Franchising Authority.

10.13 Governing Law. This Agreement shall be deemed to be executed in the City of Spanish Fort, Alabama, and shall be governed in all respects, including validity, interpretation, and effect, by and construed in accordance with the laws of the State of Alabama, as applicable to contracts entered into and to be performed entirely within that state.

10.14 Claims Under Agreement. The Franchising Authority and the Company, agree that, except to the extent inconsistent with any applicable provisions of the Telecommunications Act, any and all claims asserted by or against the Franchising Authority arising under this Agreement or related thereto shall be heard and determined either in a court of the United States located in Alabama

("Federal Court") or in a court of the State of Alabama of appropriate jurisdiction ("Alabama State Court"). To effectuate this Agreement and intent, the Company agrees that if the Franchising Authority initiates any action against the Company in Federal Court or in Alabama State Court, service of process may be made on the Company either in person or by registered mail addressed to the Company at its offices as defined in Section 10.6, or to such other address as the Company may provide to the Franchising Authority in writing.

10.15 Modification. The Company and Franchising Authority may at any time during the term of this Agreement seek a modification, amendment, or waiver of any term or condition of this Agreement. No provision of this Agreement nor any Appendix to this Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the Franchising Authority and the Company, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution, letter of agreement, or order by the Franchising Authority, as required by applicable law.

10.16 Delays and Failures Beyond Control of Company. Notwithstanding any other provision of this Agreement, the Company shall not be liable for delay in performance of, or failure to perform, in whole or in part, its obligations pursuant to this Agreement due to strike, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, act of public enemy, accident, fire, flood or other act of God, technical failure, sabotage, or other events, where the Company has exercised all due care in the prevention thereof, to the extent that such causes or other events are beyond the control of the Company and such causes or events are without the fault or negligence of the Company. In the event that any such delay in performance or failure to perform affects only part of the Company's capacity to perform, the Company shall perform to the maximum extent it is able to do so and shall take all steps within its power to correct such cause(s). The Company agrees that in correcting such cause(s), it shall take all reasonable steps to do so in as expeditious a manner as possible. The Company shall promptly notify the Franchising Authority in writing of the occurrence of an event covered by this Section 10.16.

10.17 Duty to Act Reasonably and in Good Faith. The Company and the Franchising Authority shall fulfill their obligations and exercise their rights under this Agreement in a reasonable manner and in good faith. Notwithstanding the omission of the words "reasonable," "good faith," or similar terms in the provisions of this Agreement, every provision of this Agreement is subject to this section.

10.18 Contractual Rights Retained. Nothing in this Agreement is intended to impair the contractual rights of the Franchising Authority or the Company under this Agreement.

10.19 No Third-Party Beneficiaries. Nothing in this Agreement, or any prior agreement, is or was intended to confer third-party beneficiary status on any member of the public to enforce the terms of such agreements or Franchise.

10.20 Joint and Several Liability. Uniti Fiber GulfCo and Southern Light agree that both parties will be jointly and severally liable for compliance with all terms and conditions set forth in Ordinance No. 682-2024, and any amendments thereto, which grants a franchise to Uniti Fiber GulfCo, and Ordinance No. 683-2024, and any amendments thereto, which grants a franchise to

Southern Light. The Franchising Authority shall have the right to require written acceptance or further assurances from the parties as deemed necessary.

IN WITNESS WHEREOF, the party of the first part, by its Mayor, thereunto duly authorized by the City Council of said Franchising Authority, has caused the name of said Franchising Authority to be hereunto signed and the corporate seal of said Franchising Authority to be hereunto affixed, and the Company, the party of the second part, by its officers thereunto duly authorized, has caused its name to be hereunto signed and its seal to be hereunto affixed as of the date and year first above written.

City of Spanish Fort, Alabama

By: _____
Name: Michael M. McMillan
Title: Mayor
(Seal)

Attest: _____
Name: _____
Title: _____

Date: _____

Southern Light, LLC,
a Delaware limited liability company

By: Kelly A. McGriff
Name: Kelly A. McGriff
Title: Vice President and Deputy General Counsel

Attest: Jessica Kaiser
Name: Jessica Kaiser

Date: 12/20/24

APPENDIX A DEFINED TERMS

For purposes of the Agreement to which this Appendix A is appended, the following terms, phrases, words, and their derivations shall have the meanings set forth herein, unless the context clearly indicates that another meaning is intended.

“Agreement” means the Agreement to which this Appendix A is appended, together with all Appendices attached thereto and all amendments or modifications thereto.

“Cable Act” means Title VI of the Communications Act of 1934 as amended, 47 U.S.C. § 521, *et seq.*

“Cable Service” means the one-way transmission to Subscribers of Video Programming or other programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other programming service. “Telecommunications Service” does not include any Video Programming provided by a commercial mobile service provider as defined in 47 U.S.C. § 332(d).

“Cable Service Provider” or **“CSP”** means any person or group of persons (A) who provides Cable Service over a Cable System and directly or through one or more affiliates owns a significant interest in such Cable System, or (B) who otherwise controls or is responsible for, through any arrangement, the management and operation of such a Cable System.

“Cable System” means a facility, consisting of a set of closed transmission paths and associated Signal generation, reception, and control equipment, that is designed to provide Cable Service, which includes Video Programming and which is provided to multiple Subscribers within a community, but “Cable System” does not include:

(A) a facility that serves only to retransmit the television Signals of one (1) or more television broadcast stations;

(B) a facility that serves Subscribers without using any public right-of-way as defined herein;

(C) a facility of a common carrier which is subject, in whole or in part, to the provisions of 47 U.S.C. §§201–276, except that such facility shall be considered a Cable System, other than for purposes of 47 U.S.C. § 521, *et seq.*, to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services;

(D) an open video system that complies with 47 U.S.C. § 573; or

(E) any facilities of any electric utility used solely for operating its electric utility system.

“Channel” means a “channel” as defined in 47 U.S.C. § 521, *et seq.*...

“Company” means Southern Light, LLC, a limited liability company validly existing under the laws of the State of Delaware, or lawful successor, transferee, designee, or assignee thereof.

“FCC” means the Federal Communications Commission, its designee, or any successor thereto.

“Franchise Area” means the incorporated areas of the City of Spanish Fort, Alabama, including any areas annexed by the Franchising Authority during the term of the Franchise.

“Franchising Authority” means the City of Spanish Fort, Alabama, or lawful successor, transferee, designee, or assignee thereof.

“Gross Revenues” means: all revenue derived by Company, its affiliates, subsidiaries, or parent, or Person from the operation of its Telecommunications System to provide Telecommunications Service within the Franchise Area. Gross Revenues shall include, but not be limited to, Telecommunications Service fees, advertising sales booked in accordance with Applicable Laws and GAAP, home shopping revenue, installation, disconnection and reconnection fees, equipment rental fees, late fees, guides and Franchise Fees. The term Gross Revenue shall not include refundable deposits, bad debt (provided that if amounts previously representing bad debt are collected, then those amounts shall be included in Gross Revenues for the period in which they are collected), investment income, programming launch support payments so long as not booked as revenue by Company, nor any taxes on services furnished by Company imposed by any county, state, or other governmental unit and collected by Company for such governmental unit or non-sufficient fund charges. A Franchise Fee is not such a tax. The Franchising Authority acknowledges and accepts that Company maintains its books and records in accordance with Generally Accepted Accounting Principles ("GAAP").

Resolution of any disputes over the classification of revenue should first be attempted by agreement of the Parties, but should no resolution be reached, the Parties agree that deference shall be given to generally accepted accounting principles ("GAAP") as promulgated and defined by the Financial Accounting Standards Board ("FASB"), Emerging Issues Task Force ("EITF") and/ or the U.S. Securities and Exchange Commission ("SEC"). Notwithstanding the forgoing, the Franchising Authority reserves its right to challenge Company's calculation of Gross Revenues, including the use or interpretation of GAAP as promulgated and defined by the FASB, EITF and/or the SEC.

Notwithstanding anything in this Agreement to the contrary, the Franchising Authority reserves the right to charge a franchise fee on the gross revenues from any and all services or equipment provided by the Company to the extent allowed by law, as the same may be amended, and may impose, charge, levy, decrease or increase such fee upon sixty (60) days written notice to the Company.

“**Person**” means any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for-profit, but shall not mean the Franchising Authority.

“**Signal**” means any transmission of radio frequency energy or of optical information.

“**Streets**” means the surface of, and the space above and below, any and all streets, avenues, highways, boulevards, concourses, driveways, bridges, tunnels, parkways, and waterways within and belonging to the Franchising Authority and any other property within the Franchise Area to the extent to which there exist public easements or public rights-of-way.

“**Subscriber**” means any Person lawfully receiving Video Service from a Video Service Provider, Cable Service from a Cable Service Provider, or Telecommunications Service from a Telecommunications Service Provider.

“**Telecommunications**” means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

“**Telecommunications Service**” means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

“**Telecommunications Act**” means Title 47 of the Communications Act of 1934, 47 U.S.C. § 151, *et seq.*, as it may be amended and applicable to Franchisee.

“**Telecommunications Service Provider**” or “**TSP**” means any person or group of persons (A) who provides Telecommunications Service over a Telecommunications System and directly or through one or more affiliates owns a significant interest in such Telecommunications System, or (B) who otherwise controls or is responsible for, through any arrangement, the management and operation of such a Telecommunications System.

“**Telecommunications System**” means a facility, consisting of pipes, transmission lines, meters, equipment and other facilities associated with the operation of a fiber optics transmission line by the Franchisee to provide Telecommunications Service.

“**Video Programming**” means programming provided by or generally considered comparable to programming provided by a television broadcast station, as set forth in 47 U.S.C. § 522(20).

“**Video Service**” means the provision of Video Programming through wireline facilities located at least in part in the public rights-of-way without regard to delivery technology, including Internet protocol technology. This definition does not include any Video Programming provided by a commercial mobile service provider as defined in 47 U.S.C. § 332(d) or Video Programming provided as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public Internet.

“Video Service Provider” or **“VSP”** means an entity providing Video Service as defined herein, but does not include a Cable Service Provider.

APPENDIX B
CUSTOMER SERVICE STANDARDS

Customer service standards shall be such standards as may be set forth in the contracts between Franchisee and its customers and as required by municipal, state and federal laws, rules and regulations, including, but not limited to, the Telecommunications Act.

APPENDIX C

FRANCHISE FEE AND PAYMENTS

The Franchisee shall pay a quarterly fee equal to the greater of twenty-five percent (25%) of the Minimum Annual Franchisee Fee of Eighteen Thousand Dollars (\$18,000.00) or five percent (5%) of the Franchisee's quarterly gross receipts from the provision of services in the City.

All payments made under the terms of this Agreement shall be made within forty-five (45) business days after the close of each fiscal quarter, and the Franchisee shall file a statement with the City, signed by an authorized accounting or financial representative of the Franchisee, setting forth the gross receipts derived in the preceding quarter. Acceptance of any fee payment shall not be deemed a waiver or release of any claims the City may have for additional sums, nor construed as an accord or agreement that the amount paid is correct.

If any payment is not received by the City on the date due, the Franchisee shall pay interest on any such unpaid portion at the rate of fifteen percent (15%) per annum from the first day after the same shall become due until paid to the City, and the Franchisee shall reimburse the City for all costs incurred by the City in collecting or attempting to collect any sums due under this Agreement, including, but not limited to, reasonable attorney's fees and court costs.

Based on information provided by the Franchisee and in recognition of the expense and time required to design, install and construct the system, including individual customer services, the minimum annual franchisee fee shall be paid by the provision of services and equipment by Franchisee as follows:

1. The Franchisee shall be given a credit of \$18,000.00 toward the minimum annual franchise fee for the provision of the in-kind services set forth below:
 - A. The Franchisee shall provide (1) 50 Mbps of Fiber Optic Internet at the Community Center, (1) 50 Mbps of Fiber Optic Internet at the Police Department, (1) 50 Mbps of Fiber Optic Internet at the Fire Station 1 and (1) 50 Mbps Fiber Optic Internet at Fire Station 2. Each facility will be provided with one static IP address unless more are purchased.
 - B. The Franchisee shall provide the same Internet service to all City owned, operated or leased facilities, including, but not limited to, all municipal buildings, police department, fire department, library, and any other municipal building constructed or leased hereafter ("municipal property").
 - C. The Franchisee agrees to extend its existing backbone up to 1,000' along the rights-of-way to reach City owned, operated or

leased property and to extend all necessary lines to reach municipal facilities on said property.

- D. The Franchisee shall provide one IP/30 at each building.
- E. The following services will be provided as set forth below:
 - (i) Additional static IP addresses of /30s or \$10/month;
 - (ii) Additional 5 usable IPv4 addresses or /29 are \$50 per month; and
 - (iii) IPv6 addresses will be made available for no additional fees per month.

2. The Franchisee shall receive a credit of \$10,000.00 toward the application fee charged by the City by providing the following services:

A. The Franchisee shall provide fiber installation and services at the entrance to the Community Center. The Franchisee has established a market value for the services to be provided between \$5,000.00 and \$10,000.00. The Franchisee will provide service to any other City building entrance as described above at the Franchisee's cost.

B. The Franchisee will provide standard telecom equipment of the Franchisee's choosing for the delivery of IP service to the City at no cost. The Franchisee has established a market value for this item at approximately \$4,500.00. The Franchisee will be responsible for installing the aforementioned items at the Community Center and ensuring that the system is operational.

C. Franchisee shall provide all necessary equipment and lines to provide Fiber Optic Internet to the City and all facilities owned, operated or leased by the City.

3. In the event five percent (5%) of the Franchisees gross receipts from the provision of services in the corporate limits of the City of Spanish Fort exceeds \$18,000.00, the Franchisee shall be responsible for paying the difference in accordance with the terms set forth above.

After January 1, 2005, the City Council may elect at any time and from time to time to increase the franchise fee or compensation payable by the Franchisee to a percentage or amount deemed appropriate by the City Council, but in no event shall such percentage or amount be increased above the maximum percentage or amount allowable under the law.

Uniti Fiber GulfCo and Southern Light agree that both parties will be jointly and severally liable for compliance with all terms and conditions set forth in Ordinance No. 682-2024, and any amendments thereto, which grants a franchise to Uniti Fiber GulfCo, and Ordinance No. 683-2024, and any amendments thereto, which grants a franchise to Southern Light, including, but not limited compensation and payments. The Franchising Authority shall have the right to require written acceptance or further assurances from the parties as deemed necessary.

As an accommodation based on the relationship between the parties and the proposed financing transaction, it is agreed that Southern Light and Uniti Fiber GulfCo shall be obligated to pay only one Minimum Annual Franchise Fee of \$18,000 per year, subject to the terms and conditions set forth herein, and they shall be entitled to a single credit of \$18,000 for the provision of in-kind services set forth hereinabove against the total franchise fees due from Southern Light and Uniti Fiber GulfCo under both franchise agreements based on the combined total of their revenues. (By way of example, if Southern Light and Uniti Fiber GulfCo owe a combined total of \$30,000.00 in franchise fees under both franchise agreements, the franchise fees owed would be reduced by the credit of \$18,000.00, and the remaining balance of franchise fees owed in the amount of \$12,000.00 would be paid to the City by each entity in proportion to their respective revenues, for which they are both jointly liable.) They shall also be required to pay only a single application fee, which shall be deemed satisfied by the provision of the in-kind services set forth above. In the event either the Southern Light franchise agreement or the Uniti Fiber GulfCo franchise agreement is assigned to a third party, both franchise agreements shall be subject to the payment of Minimum Annual Franchise fee and any outstanding application fee, and the franchisees shall elect which entity is entitled to the credit for provision of in-kind services. In the event Uniti Fiber GulfCo ceases to do business or the Uniti Fiber GulfCo's franchise agreement is terminated, Southern Light shall be responsible for the payment of a Minimum Annual Franchise fee and any outstanding application fee.

SECTION 2. Severability Clause. If any part, section or subdivision of this Ordinance shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Ordinance, which shall continue in full force and effect notwithstanding such holding.

SECTION 3. Repealer Clause. Ordinance No. 562-2020 shall be repealed upon passage of Ordinance No. 682-2024 and Ordinance No. 683-2024 and the full execution of the franchise agreements approved thereunder by all parties.

SECTION 4. Effective Date. This Ordinance shall become effective only upon receipt of a written unconditional acceptance by the Franchisee of the terms and conditions contained in Ordinance No. 682-2024 and Ordinance No. 683-2024, respectively, within sixty (60) days of the passage of this Ordinance.

ADOPTED AND APPROVED this _____ *day of* _____, 2024.

CITY OF SPANISH FORT, ALABAMA

BY: _____

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines
City Clerk, CMC