

**TELECOMMUNICATIONS FRANCHISE CONTRACT**  
**BY AND BETWEEN**  
**THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**  
**AND**  
**CENTURYTEL FIBER COMPANY II, LLC**

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THIS TELECOMMUNICATIONS FRANCHISE CONTRACT (hereinafter "Franchise Contract") is entered into this 15<sup>th</sup> day of Dec., 2009 by and between The Metropolitan Government of Nashville and Davidson County and CenturyTel Fiber Company II, LLC, d/b/a Light Core, a CenturyTel Company, a Delaware corporation duly authorized to do business in the State of Tennessee (hereinafter "LightCore" or "Grantee").

**WITNESSETH**

WHEREAS, LightCore has duly filed its application for a telecommunications franchise pursuant to the terms of Metropolitan Code of Laws Chapter 6.26; and,

WHEREAS, the grant of a franchise to LightCore has been approved by the Metropolitan Planning Commission in accordance with Section 11.505 of the Charter of The Metropolitan Government of Nashville and Davidson County; and,

WHEREAS, the grant of a telecommunications franchise to LightCore has been approved by ordinance of the Council of The Metropolitan Government of Nashville and Davidson County.

NOW, THEREFORE, pursuant to the authority granted by the Charter of The Metropolitan Government of Nashville and Davidson County and by Metropolitan Code of Laws Chapter 6.26, and for good and valuable consideration, The Metropolitan Government of Nashville and Davidson County hereby grants a telecommunications franchise to LightCore subject to the following terms and conditions:

1. Grantee's application for a franchise to construct and operate a

telecommunications system using fiber optic cable in whole or in part, which complete application was filed in the Office of the Metropolitan Clerk on August 24, 2009, and which is incorporated herein by reference is hereby accepted by The Metropolitan Government of Nashville and Davidson County (hereinafter "Metropolitan Government").

2. Pursuant to the terms of said application and the provisions of Metropolitan Code of Laws Chapter 6.26, Grantee is hereby awarded a franchise to construct, maintain and operate a telecommunications system, as defined in said ordinance, within Metropolitan Nashville and Davidson County.

3. Grantee hereby agrees to and accepts the terms and conditions contained in Metropolitan Code of Laws Chapter 6.26, which is hereby incorporated into this contract by reference.

4. Grantee acknowledges that the lawfulness of the compensation provisions set forth in Chapter 6.26 have been challenged in the Chancery Court for Davidson County, Tennessee. Grantee specifically acknowledges that the Metropolitan Government is permitted to collect a franchisee fee that is reasonably related to the Metropolitan Government's costs associated with owning, managing, and maintaining public rights-of-way. Grantee agrees that the consideration provisions set forth in Chapter 6.26 are fair and reasonable, and knowingly waives any right to challenge whether the consideration set forth therein is reasonably related to the Metropolitan Government's costs associated with owning, managing, and maintaining public rights-of-way. Additionally, Grantee hereby waives any right to challenge the validity of the terms of this paragraph. Furthermore, Grantee agrees that if the consideration provisions set forth in Chapter 6.26 are ever deemed invalid, Grantee will pay a franchisee fee for Grantee's past and continuing use that is reasonably related to the Metropolitan Government's costs associated with owning, managing, and maintaining public rights-of-way, as determined by a court of competent

jurisdiction. Grantee specifically acknowledges that its obligation to compensate the Metropolitan Government for use of public rights-of-way is an essential term of the parties' agreement that cannot be waived or severed.

5. Grantee understands and acknowledges that the Metropolitan Government intends to enact a franchise ordinance that will supplant Chapter 6.26. Grantee acknowledges that if and when such a substitute ordinance is passed, Grantee's rights and obligations, including the applicable franchise fee, shall be determined by the new ordinance, and that the compensation specified in that ordinance shall become the compensation owed by Grantee under this agreement as if the applicable terms of the ordinance were set forth herein.

6. Grantee shall, prior to execution of this Franchise Contract, file with the Metropolitan Government Director of Insurance and Safety a bond and certificate of insurance meeting the requirements of Metropolitan Code of Laws Chapter 6.26. Grantee shall not commence construction, operation or activation of its telecommunications system until these bond and insurance requirements are satisfied.

7. Grantee warrants that it has the financial capability to construct, maintain, and operate a telecommunications system and to comply with the provisions of Metropolitan Code of Laws Chapter 6.26.

8. Grantee shall provide no service regulated by the Federal Communications Commission and/or the Tennessee Public Service Commission until it has received all necessary approvals and permits from said commissions.

9. The Metropolitan Government of Nashville and Davidson County agrees to use its best efforts to preserve the confidentiality of information designated by Grantee as proprietary, to the extent permitted by law.

10. The time within which Grantee shall be required to perform any act under the

franchise ordinance shall be extended by a period of time equal to the number of days due to a force majeure. The term "force majeure" shall mean delays due to acts of God, inability to obtain governmental approvals, governmental restrictions, war, civil disturbances, fire, unavoidable casualty, construction delays due to weather, or other similar causes beyond the control of Grantee. Grantee shall not be excused from performance of any of its obligations under Metropolitan Code of Laws Chapter 6.26, by misfeasance or malfeasance of its directors, officers or employees or by mere economic hardship.

11. Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither part is authorized to, nor shall either party act toward third persons or the public in the manner which would indicate any such relationship with the other.

12. Upon the execution of this Franchise Contract, said Franchise Contract shall be deemed to constitute a contract by and between LightCore and the Metropolitan Government.

13. This Franchise Contract, all documents herein incorporated by reference and all attachments hereto represent the entire understanding and agreement between the parties hereto with respect to the subject matter hereof, and can be amended, supplemented, modified, or changed only as provided in Metropolitan Code of Laws Section 6.26.030C.

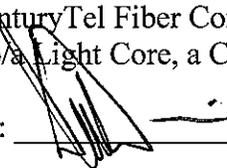
IN WITNESS WHEREOF, LightCore and the Metropolitan Government have executed this Franchise Contract by signatures of their lawfully designated representatives, on the date first above written.

METROPOLITAN MAYOR:

GRANTEE:

  
\_\_\_\_\_  
Honorable Karl F. Dean

CenturyTel Fiber Company II, LLC,  
d/b/a Light Core, a CenturyTel Company.

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

Name: DANIEL DAVIS

Title: VICE PRESIDENT

APPROVED AS TO FORM & LEGALITY:

*Myant O'Leary*  
Assistant Metropolitan Attorney

Sworn to and subscribed before me a Notary Public, this 30<sup>th</sup> day of October 2008.

*Pamela Rake*  
Notary Public

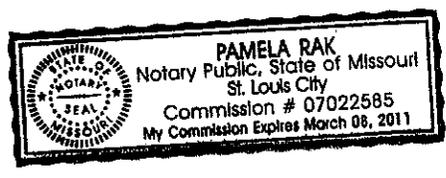
APPROVED AS TO AVAILABILITY OF FUNDS:

*Robert M. Leeks*  
Director of Finance

My Commission Expires: 3/8/11

APPROVED AS TO RISK & INSURANCE:

*TCN*  
Director of Insurance



FILED WITH THE OFFICE OF THE METROPOLITAN CLERK:

*Marilyn S. Swing*

DATE: 12/18/09  
BL2009-583

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/30/2009

**PRODUCER**  
Marsh USA Inc.  
601 Poydras Street, Suite 1850  
New Orleans, LA 70130-6031  
Attn: 212-948-0537 NewOrleans.CertRequest@marsh.com

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Discover Property And Casualty Ins Co	36463
INSURER B: Fidelity And Guaranty Insurance Co.	35386
INSURER C: United States Fidelity & Guaranty Company	25887
INSURER D:	
INSURER E:	

**INSURED**  
CenturyTel, Inc.  
and all subsidiaries (see below)  
100 CenturyTel Drive  
Monroe, LA 71203

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR, ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	X	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GENERAL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	D007L00091	12/15/08	12/15/09	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ N/A PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000
A	X	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	D007A00129	12/15/08	12/15/09	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
		<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
B C A		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	D007W00119 (AOS) D007W00118 (Retro) DW007W00122 (NV)	12/15/08 12/15/08 12/15/08	12/15/09 12/15/09 12/15/09	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 5,000,000 E.L. DISEASE - EA EMPLOYEE \$ 5,000,000 E.L. DISEASE - POLICY LIMIT \$ 5,000,000
		<b>OTHER</b>				

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS**  
 The City of Nashville is named as Additional Insured under the General Liability when required by written contract. \* CenturyTel Inc. and all subsidiaries for which the named insured has the responsibility of providing insurance and for which; coverage is not otherwise specifically provided.

CERTIFICATE HOLDER	HOU-001108874-03	CANCELLATION
Metro Government of Nashville & Davidson County 800 2nd Avenue, South Nashville, TN 37210		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <b>30</b> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Robert C. Hill

### **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

### **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



CABLE FRANCHISE BOND

Liberty Mutual Surety
1001 4th Avenue, Suite 1700
Seattle, WA 98154

Bond 6592238

KNOW ALL BY THESE PRESENTS: That CenturyTel Fiber Company II, LLC
as Principal,
and Safeco Insurance Company of America
as Surety, are
held and firmly bound unto City of Nashville, 205 Metropolitan Courthouse, Nashville, TN 37201

as Obligee,
in the sum of Five Hundred Thousand Dollars And Zero Cents

DOLLARS (\$ 500,000.00 ), to the payment whereof well and truly to be made to the Obligee, we bind ourselves,
our successors and assigns, firmly by these presents. Sealed with our seals and dated this 1st
day of
September, 2009.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That whereas the Obligee has granted unto the Principal, a
franchise beginning September 1, 2009, and whereas the said Principal is required to execute a bond in
the penal sum of Five Hundred Thousand Dollars And Zero Cents
(\$ 500,000.00 ) in favor of the Obligee, conditioned upon its performance of the obligations of the grantee under said
franchise;

NOW, THEREFORE, if the above bounden Principal shall perform the obligations of the grantee under said franchise, then this
obligation to be void otherwise to remain in full force and virtue. This bond may be canceled by the Surety upon thirty days
notice to the Obligee by registered mail.

ATTEST:
[Signature]

CenturyTel Fiber Company II, LLC
[Signature] (Principal)
BY:



Safeco Insurance Company of America
[Signature]
Melissa Haddick, Attorney-in-fact



POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
1001 4th Avenue
Suite 1700
Seattle, WA 98154

No. 5713

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

\*\*\*\*\*AMY FOWLER; DON ALD R. GIBSON; MELISSA HADDICK; JACQUELINE KIRK; JOE MARTINEZ; TANNIS MATTSON; TERRI MORRISON; SANDRA PARKER; MARY PENA; ELIZABETH RHODES; GINA A. RODRIGUEZ; Houston, Texas\*\*\*\*\*

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 21st day of March 2009

Dexter R. Legg

TAMIKOLAJEWSKI

Dexter R. Legg, Secretary

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business...

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 1st day of September 2009



Dexter R. Legg

Dexter R. Legg, Secretary