

ORDINANCE NO. 2957

AN ORDINANCE GRANTING A FIBER OPTICS FRANCHISE TO UNITI FIBER GULFCO LLC, AN ALABAMA LIMITED LIABILITY COMPANY

WHEREAS, the City has reserved the right to exercise control of the highway, streets, alleys and public places and to require the City's consent prior to using highways, streets, alleys and public places; and

WHEREAS, state law confers to the City certain rights and requirements for a franchise and permission to use the public rights-of-way; and

WHEREAS, Uniti Fiber GulfCo LLC, an Alabama Limited Liability Company (the "Franchisee"), has requested from the City a franchise to use the streets and public ways of the City to conduct business as a telecommunications provider; and

WHEREAS, the City and the Franchisee have negotiated a Fiber Optics Franchise Agreement (the "Agreement"), a copy of which is attached hereto as Exhibit A and made a part hereof as if fully set out herein.

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

1. That the City Council does by the adoption of this Ordinance grant to the Franchisee a fiber optics franchise pursuant to the terms, conditions, restrictions and requirements set out in the Fiber Optics Franchise Agreement (the "Agreement") attached hereto as Exhibit A, the terms and conditions of which Agreement are specifically incorporated into this Ordinance as if fully set out herein.

2. That, pursuant to the laws of the State of Alabama, the City grants to the Franchisee a fiber optics franchise for a period of ten (10) years, granting to the Franchisee the right, privilege and authority to construct and maintain a communication system necessary for the Franchisee to act as a telecommunications provider pursuant to the Agreement.

3. That the Franchisee, by accepting this fiber optics franchise, agrees that it will, upon making any excavation of streets, avenues, alleys, public ways and other public places in the City, restore the surface or paving at the point of such excavation, in substantially the same condition as before such work was done, all as promptly as may be practical and within a reasonable length of time thereafter as required by the Agreement, or as otherwise required by any state, federal or local ordinances, rules or regulations.

4. That the rights, privileges, authority, consent and franchise hereby granted may be exercised by the Franchisee, but not by any of its successors as assigns without prior approval of the City.

5. That, upon acceptance of this Ordinance by the Franchisee, it constitutes a Fiber Optics Franchise Agreement between the City and the Franchisee, which acceptance shall be acknowledge by the execution of the Agreement attached hereto as Exhibit A by the Franchisee.

PASSED and ADOPTED this the 13 day of October, 2025, by and between the City of Homewood, Alabama, a municipal corporation, whose address is 2850 19th Street South, Homewood, Alabama 35209, and Uniti Fiber GulfCo LLC, an Alabama limited liability corporation.

CITY OF HOMEWOOD, ALABAMA

By: Glen T. Adams

Its: City Manager

ATTEST:

Bo Seagrist
Bo Seagrist, City Clerk

UNITI FIBER GULFCO LLC

By: Kelly A. McGriff

Its: Vice President and Deputy General Counsel

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned authority in and for said County and State, hereby certify that Kelly A. McGriff, whose name as VP & Dep. G.C. of Uniti Fiber GulfCo LLC is signed to the foregoing document, who is known to me, and who, being first duly sworn, acknowledged before me on this day that the statements contained herein are true and correct, that he/she has full authority to execute the same, and that he/she executed the same voluntarily on the day the same bears date.

Given under my hand this the 8th day of October, 2025.

Jessica Kaiser
Notary Public
My Commission Expires: 11/4/28



EXHIBIT A

UNITI FIBER GULFCO LLC FRANCHISE AGREEMENT

THIS FIBER OPTIC FRANCHISE AGREEMENT (“Agreement”) is entered into this 12th day of September, 2016, by and between the **CITY OF HOMEWOOD, ALABAMA**, a municipal corporation, whose address is 2850 19th Street South, Homewood, Alabama 35209 (hereinafter referred to as the “**City**”) and **UNITI FIBER GULFCO LLC**, an Alabama corporation duly organized and qualified to do business in the state of Alabama, whose address is 107 St. Francis Street, Suite 1800, Mobile, Alabama 36602 (hereinafter referred to as “**GulfCo**”).

WITNESSETH:

WHEREAS, Uniti Fiber GulfCo LLC, a limited liability company qualified to do business in the state of Alabama (“GulfCo”), desires to provide fiber optic services (the “Services”) within the City of Homewood, Alabama (“City”); and

WHEREAS, GulfCo desires to provide Services to business located in specified rights-of-way within the jurisdictional limits of City; and

WHEREAS, City and GulfCo have negotiated terms under which GulfCo shall install, construct and maintain a fiber optic network under terms and conditions of a Fiber Optic Franchise;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration receipt of which acknowledged, it is agreed by the parties as follows:

SECTION 1. GRANT OF NON-EXCLUSIVE FRANCHISE. A non-exclusive franchise is hereby granted to Uniti Fiber GulfCo LLC, (hereinafter referred to as “Franchisee”), subject to the City of Homewood's (hereinafter referred to as “City”) receipt of monetary and services compensation, to construct, maintain and operate in, over, under, across and through the public rights-of-way of the City of Homewood, Alabama, a fiber optics system within the City of

Homewood and any future additions thereto, the duration of such franchise to be a period of ten (10) years, to commence on the 1st day of October, 2025, provided that nothing in this franchise shall be construed as granting to Franchisee an exclusive franchise. The grant of this franchise is for the use by the Franchisee for the purpose of providing fiber optic services to end users and to provide communications services within the City of Homewood as a “competitive access provider” which directly connects end user customers within the franchise area with other businesses, local area networks, a local exchange carrier and interexchange carriers and for such other services, including local exchange and enhanced services, as may be authorized by the Alabama Public Service Commission or federal law, other than cable services as defined below. The Franchisee shall not permit any other person to place fiber or equipment in the ducts or conduits of Franchisee for the purpose of avoiding or seeking to avoid the need for a franchise from the City of Homewood for the business of another person. Franchisee shall not provide services directly regulated by the Alabama Public Service Commission (PSC) unless authorized by the PSC. Franchisee shall not operate a cable system as defined in the Cable Communications Policy Act of 1984 (47 USCA §521 et seq., as amended) without first having obtained a separate cable franchise with the City.

The parties shall have the option to renew this franchise on such terms and conditions as shall be mutually agreeable, provided that Franchisee shall have performed according to the terms hereof, and, further provided that statutory authority shall exist for the City of Homewood to renew this franchise. New terms and conditions may be required by the City for renewal if the telecommunications and broadband technology and rights-of-way laws change after the date of this franchise ordinance and cause substantial effects on service types, availability, character of service, system technology or the regulatory environment. New terms, provisions, or conditions may also be required by the City upon renewal which are applicable generally to other franchisees

for similar services or applicable generally to the industry to clarify the intent of this franchise, which may arise from any unforeseen circumstances or interpretations of this franchise, and/or which are based on the history of performance of the Franchisee. This franchise does not grant to Franchisee any guaranteed right of renewal, and there shall be no such right, the foregoing notwithstanding; provided, however, that the parties agree to negotiate new terms and conditions in good faith.

When used herein, the term "facilities" shall mean all or any part of a network of fiber optic cables and all related property, including but not limited to, conduit, carrier pipe, cable fibers, repeaters, power sources, and other attachments and appurtenances necessary for the fiber optics system and located within the City's rights-of-way.

It is the desire of the City of Homewood that all areas of the City are served with fiber optics telecommunications capability. Franchisee shall cooperate with the City in planning for the development of universal service within the City's corporate limits to the extent such expansion is commercially practicable.

SECTION 2. GENERAL TERMS. Franchisee, for the duration of this franchise and for the purposes hereinabove expressed, shall have the privilege to construct, operate and maintain underground conduits, subways and vaults, and place wires and cables therein and to make any and all necessary excavations therefore, in, over, under, across and through all or any of the portions of the streets, alleys, avenues or public ways of the City of Homewood, to utilize defined existing City owned conduit within the public rights-of-way as may be specifically approved in writing by the City Engineering Department and to utilize, with permission of the affected utility companies, their facilities within public rights-of-way for the purpose of providing a fiber optics system within the City of Homewood, to be exercised in such manner only, however, as to offer

the least interference with the public use of said streets, alleys, avenues and public ways; and Franchisee shall be subject to and shall comply with all laws and ordinances of the City of Homewood and shall be further subject to and shall comply with all rules, regulations and other restrictions of the City of Homewood set forth herein. The granting of this franchise shall not prohibit the City from granting other non-exclusive franchises or otherwise allowing or making other uses of the City's rights-of-way. The granting of this franchise shall in no way interfere with or hinder the use by the City of the rights-of-way for any purpose.

SECTION 3. SCOPE OF FRANCHISE. The franchise hereby granted shall extend to and include only those portions of streets, alleys, avenues and other public ways as are subsequently determined by the City to conform to the General Terms set forth in Section 2, above, and only as may be necessary to carry out the purpose of this franchise. A written description and site maps of the areas in which Franchisee will have a presence in the City of Homewood rights-of-way is attached hereto as Exhibit A, subject to approval of the City.

SECTION 4. INDEMNIFICATION. Franchisee hereby agrees to indemnify, defend and hold harmless the City, its Mayor and Council, appointed boards and commissions, officials, officers, employees and insurance carriers, individually and collectively from all losses, claims, suits, judgments, demands, expenses, subrogation, attorney's fees, costs or actions of any kind and nature resulting from personal injury to any person, including employees of Franchisee or of any contractor or subcontractor employed by Franchisee, (including bodily injury and death) or damages to any property, arising or alleged to have arisen out of the acts or omissions of Franchisee, its contractors, subcontractors, officers, agents and employees while exercising any of the rights or privileges granted by this franchise (collectively, "Claims"). The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope

of indemnity in this paragraph. The terms and provisions of this section are intended to be for the benefit of the City and Franchisee and are not intended to be for the benefit of any third party. Notwithstanding the foregoing, the Franchisee shall not be obligated to indemnify the City for Claims resulting solely from the negligent or willful acts of the City or its representatives.

SECTION 5. CITY TAKING PART IN LITIGATION. The Franchisee shall immediately notify the City of any litigation which would affect the franchise. The City shall have the right to take part, by intervention or otherwise at its option, in any suit, action, or proceeding instituted by or against Franchisee in which any judgment, decree, or order can be rendered affecting the rights, powers or duties of Franchisee to do or not to do anything which, by its franchise, it is obligated or may be required to do or not to do or affecting, such as by foreclosure or lien, Franchisee's title to any facility. Franchisee shall not object to the City's exercise of such right.

SECTION 6. BOND, CERTIFICATE OF DEPOSIT OR LETTER OF CREDIT. Franchisee shall obtain and maintain, or cause to be obtained and maintained, during the entire term of the franchise and any extensions and renewals thereof, at its cost and expense, and file with the City Clerk a corporate surety bond, certificate(s) of deposit assigned to the City or irrevocable, unconditional letter of credit in the amount of One Hundred Thousand Dollars (\$100,000) both to guarantee the timely construction and full activation of Franchisee's system and to secure the faithful performance of Franchisee of all its obligations provided under the franchise. Failure to timely obtain, file, assign and/or maintain said bond, certificate(s) of deposit or letter of credit at all times at the required amount shall constitute a substantial violation of this Agreement. If Franchisee elects to deposit and assign for the benefit of the City a certificate(s) of deposit, any interest earned on the principal sum required shall inure to the benefit of the

Franchisee and any tax liability on said interest will inure to the Franchisee. The bond shall provide and certificate(s) of deposit and letter of credit shall be subject to the following conditions:

1. There shall be recoverable by the City, jointly and severally from the principal and surety, or from the certificate(s) of deposit or letter of credit, any and all fines and penalties due to the City and any and all damages, losses, costs, and expenses suffered, incurred by or resulting from failure of Franchisee to: faithfully comply with the provisions of the franchise; comply with all applicable orders, permits and directives of any City agency or body having jurisdiction over its acts or defaults; pay any claims, liens or taxes due to the City which arises from or by reason of the construction, operation, maintenance or repair of the communications system.

2. The total amount of the bond, certificate(s) of deposit or letter of credit shall be forfeited in favor of the City in the event:

- (a) Franchisee abandons its system at any time during the term of the franchise or extension thereof or ceases operation of the system for a period in excess of six (6) months; and/or
- (b) Franchisee assigns the franchise without the express written consent of the City which shall not be unreasonably withheld.

The bond, certificate(s) of deposit or letter of credit required herein shall be in a form satisfactory to the City Attorney and the performance bond shall require thirty (30) days written notice of any non-renewal, alteration or cancellation to both the City and Franchisee. Franchisee shall, in the event of any such cancellation notice, obtain, pay all premiums for, and file with the City, written evidence of the issuance of a replacement bond within thirty (30) days following the receipt by the City or Franchisee of any notice of cancellation. Failure to do so shall constitute a substantial violation of this agreement. The surety bond, certificate(s) of deposit or letter of credit

shall at all times be maintained at the amount and levels as required in this section and shall be a continuing obligation for the duration of the franchise and thereafter until the Franchisee has liquidated all of its obligations with the City that may have arisen by reason of the construction, operation or maintenance of the system or breach or termination of the franchise. If the bond, certificate(s) of deposit or letter of credit is drawn-down for any reason, the bond, certificate(s) of deposit or letter of credit shall be renewed to the amounts required herein.

The City may draw against the surety bond, certificate of deposit or the letter of credit for any unpaid damages, fees or other amounts owing to it as provided herein which are thirty (30) or more days past due. The City shall notify the Franchisee in writing and allow Franchisee thirty (30) days to cure, unless such time to cure is extended by the City Attorney, before calling the surety bond or drawing upon the certificate of deposit or letter of credit.

SECTION 7. INSURANCE REQUIREMENTS. On or before the effective date of this Agreement, Franchisee shall file with the City a certificate of insurance and thereafter continually maintain in full force and effect at all times for the full term of the franchise, at the expense of Franchisee, a comprehensive general liability insurance policy, including underground property damage coverage, written by a company authorized to do business in the State of Alabama with a rating of at least B+, protecting the City against liability for loss of bodily injury and property damage occasioned by the installation, removal, maintenance or operation of the communications system by Franchisee in the following minimum amounts:

- (1) Ten Million Dollars (\$10,000,000.00) combined single limit, bodily injury and for real property damage in any one occurrence.
- (2) Ten Million Dollars (\$10,000,000.00) aggregate.

Franchisee shall also file with the City Clerk a certificate of insurance for a comprehensive

automobile liability insurance policy written by a company authorized to do business in the State of Alabama with a rating of at least B+, for all owned, non-owned, hired and leased vehicles operated by Franchisee, with limits not less than One Million Dollars (\$1,000,000.00) each accident, single limit, bodily injury and property damage combined.

Franchisee shall also maintain, and by its acceptance of any franchise granted hereunder, specifically agrees that it will continually maintain throughout the term of the franchise, workers compensation and employers liability, valid in the State, in the minimum amount of the statutory limit for workers compensation and Five Hundred Thousand Dollars (\$500,000.00) for employers liability.

All liability insurance required pursuant to this section shall name the City of Homewood and its officers, employees, board members and elected officials as additional insureds (as the interests of each insured may appear) and shall be kept in full force and effect by Franchisee during the existence of the franchise and until after the removal of all poles, wires, cables, underground conduits, manholes and any other conductors and fixtures installed by Franchisee incident to the maintenance and operation of the communications system as defined in this Agreement provided however, that the fiber optic cable and associated conduits, manholes, poles, wires, cables and other facilities which are provided to the City as part of this agreement shall not be removed without the written consent of the City. Failure to obtain and maintain continuously the required insurance shall constitute a substantial violation of this agreement. All policies shall be endorsed to give the City thirty (30) days written notice of the intent to amend or cancel by either Franchisee or the insuring company. Franchisee shall immediately provide written notification to the City Attorney of any actual or potential litigation that may develop that would affect this insurance.

Franchisee agrees and binds itself to indemnify, keep and hold free and harmless the City

from any and all liability and costs, including attorneys fees and court costs, pertaining thereto and arising from any activities herein authorized in that Franchisee shall pay, and by its acceptance of the franchise, Franchisee specifically agrees that it will pay all damages and penalties which the City may be legally required to pay as a result of the franchise. These damages or penalties shall include but not be limited to damages arising out of installation, operation or maintenance of the communication system authorized herein, whether its own expense repair, to the satisfaction of the City, all City owned water lines, traffic signal or street lighting cable, storm and sanitary sewer lines, service lines, water meters, streets, sidewalks, curbs, gutters or other property of the City damaged by any of the operations of the Franchisee, its contractors, subcontractors, employees, agents or assigns engaged in activities pursuant to this franchise. Franchisee further agrees that should any of its facilities installed pursuant to this franchise be damaged or destroyed or the network be disrupted or damaged by the City, its agents, employees, contractors or subcontractors, the Franchisee shall repair or replace such facilities at its own expense and shall waive any right, claim or action for damages or other available remedies which it may have against the City, its agents, employees, contractors or subcontractors. The foregoing sentence shall not extend to intentional, willful, grossly negligent or malicious damage to Franchisee property by City employees. The City will endeavor to use its best efforts to avoid damage to Franchisee's facilities, provided that Franchisee participates in Alabama Line Locators and has correctly identified the location of its facilities.

During construction or maintenance, if Franchisee, its contractors, subcontractors, employees, agents or assigns causes damage to or break in any lines, cables, ducts, conduit or other facilities located in the City's rights-of-way, notice shall be given immediately to the affected party and to the City.

SECTION 8. NON-ASSIGNMENT.

(a) The rights granted by this franchise or any interest therein shall not be assigned or transferred to any other unrelated entity without the express written consent of the Mayor and Council. A written copy of any such proposed assignment must be filed with the City. Any required consent is to be evidenced by an ordinance or resolution of the Council that fully recites the terms and conditions, if any, upon which consent is given. No sale or transfer of the Agreement, as allowed hereunder, shall be effective unless and until the vendee or assignee has filed in the office of the City Clerk an instrument, duly executed, reciting the fact of such sale or assignment, accepting the terms of this Agreement and agreeing to perform all the conditions thereof, and the City has approved said transfer, which approval shall not be unreasonably withheld. The City shall take action on such request for approval of transfer within sixty (60) days of filing of all information required by this section. This section shall not apply in connection with execution of secured financing agreements made by the Franchisee, assignment to an affiliate of Franchisee, and assignment made as part of a corporate reorganization or consolidation of Franchisee. In making a determination of whether to allow an assignment, the City may consider the following factors:

- i. Experience of the proposed assignee or transferee (including conducting an investigation of proposed assignee or transferee's service record in other communities);
- ii. Qualifications of the proposed assignee or transferee;
- iii. Legal integrity of the proposed assignee or transferee;
- iv. Financial ability and stability of the proposed assignee or transferee;
- v. If requested by the City, submittals from the proposed assignee or transferee,

regarding changes, if any, it intends to make in the operation and maintenance of the fiber optic system.

- vi. The corporate connection, if any, between the franchisee, and proposed assignee or transferee and/or between the franchisee and any holder of a like franchise within the City; Any other aspect of the proposed assignee's or transferee's background which could affect the health, safety, and welfare of the citizenry of the City as it relates to the operation of the fiber optic network;
- vii. Effect of the proposed action on competition.

A copy of the completed sales or transfer agreement, or a functionally equivalent instrument between the Franchisee and proposed Franchisee, shall be provided on a confidential basis to the City Attorney for his review, so that the City may discover the assumption of obligations by the Franchisee and proposed Franchisee with respect to the fiber optic system.

After receipt of the petition for proposed transfer or assignment, the City Council may, as it deems necessary or appropriate, schedule a public hearing on the petition. Further, the City Council may review Franchisee's performance under the terms and conditions of this franchise. The Franchisee shall provide all requested assistance to the City Council in connection with any such inquiry and, as appropriate, shall secure the cooperation and assistance of all persons involved in said action.

Should the Franchisee sell, assign, transfer, convey or otherwise dispose of any of its rights or interests under this franchise or attempt to do so in violation of this requirement to obtain prior consent of the City may revoke this franchise for default and the purported sale, transfer, assignment or conveyance shall be null and void.

- (b) Franchisee will not lease any part of its fiber optics system pursuant to this franchise

to any other unrelated company, which does not have a franchise, for the placement of any additional cable for the purpose of providing cable television services to subscribers or customers within the City as required by the City. Franchisee shall send notification to the City of any company which has requested Franchisee to provide such services and for which it is to enter a fiber lease agreement in order for the City to contact said company to determine whether said company needs to enter into a franchise with the City. Franchisee shall also notify any potential lessee of the necessity of obtaining a separate franchise from the City.

(c) A complete description of the ownership and control of Franchisee as of the effective date of this franchise is set forth in Exhibit B to this franchise attached hereto. Notwithstanding any other provision of this franchise, except as set forth in Exhibit B, no change in majority control of Franchisee, the system or the franchise granted herein shall occur after the effective date of the franchise, by act of Franchisee, by act of any person holding control of the Franchisee, the network or the franchise granted herein, by operation of law, or otherwise, without the prior written consent of the City Council, which consent shall not be unreasonably withheld. The requirements of this section shall also apply whenever any change in partial ownership is proposed which would result in a change of majority ownership or control of Franchisee, the system, the franchise granted herein or of any person holding control of Franchisee or in the system or in the franchise, and any other event which could result in a change in majority ownership or control of Franchisee, regardless of the manner in which such ownership or control is evidenced (e.g., stock, bonds, debt instruments or other indicia of ownership or control).

SECTION 9. LOCATION AND CONSTRUCTION OF FACILITIES.

(a) Except as provided in Section 11, facilities maintained or installed by Franchisee within the City shall be so located and constructed as not to:

- i. Interfere with usual travel (automotive and/or pedestrian) within the public rights-of-way;
 - ii. Interfere with the rights or reasonable convenience of property owners who adjoin such public rights-of-way;
 - iii. Interfere with access to or use of any water or fire hydrant;
 - iv. Obscure the vision of or interfere with the installation of any traffic control device or traffic or information sign or signal;
 - v. Interfere with sight distance established by any ordinance or law;
 - vi. Obscure the light from any street light;
 - vii. Cross any water or sewer line except at a 90 degree angle, except in accordance with a specific permit for such crossing issued by the City;
 - viii. Damage irrigation, landscaping or trees owned or maintained by the City;
 - ix. Damage any communications lines owned or maintained by the City.
- (b) Placement of facilities in the paved sidewalk area is prohibited unless authorized by the City.

(c) The City shall have authority to require Franchisee to remove or relocate any facility located in violation of this section at Franchisee's sole expense. Such relocation or removal shall be completed with thirty (30) days of written notice from the City. In the event thirty (30) days is not sufficient, Franchisee may in writing request an additional thirty (30) days to accomplish the relocation. The notice shall prescribe the area where the facility is located and any other special conditions deemed necessary by the City.

(d) Map of Network. Before Franchisee constructs new network facilities or extends existing network facilities, or before it uses network facilities that were in existence in the City

prior to the effective date of this franchise, the Franchisee shall provide to the City's GIS representative per instructions from the City its fiber optics location data in conformance with data definition standards defined jointly by the Franchisee and City GIS staff. The fiber optics location data layer shall be incorporated into the GIS data dictionary and any appropriate Franchisee documentation. The City shall provide GIS data to serve as the base for the fiber optics location data. The City shall provide to the Franchisee existing data in a format agreed to by the City and the Franchisee. Specific data layers that make up the base shall be defined in discussions with the Franchisee. At a minimum, the fiber optics location data layer shall represent the conduit duct banks, as well as overall size, material and configuration of the duct bank or any other underground burial and location of all aerial wiring. The fiber optics location data shall be returned to the City on the same type medium and format as previously identified.

After construction of new network facilities or extensions of existing network facilities, as a separate requirement, the Franchisee shall develop as built drawings and maps in a format as requested by the City and be provided to the City in that format.

SECTION 10. WORK IN PUBLIC RIGHT-OF-WAY: RESTORATION OF DAMAGED AREAS.

(a) Whenever Franchisee excavates or does other work in the public right-of-way, such excavation or other work shall be done in compliance with the laws and regulations of the City in effect at the time of such excavation or other work.

(b) Prior to the erection or installation by Franchisee of any poles, underground conduits, or fixtures for use in connection with the installation, construction, maintenance or operation of a fiber optics system, Franchisee shall first submit to the City and other appropriate parties for approval, a concise description of the facilities proposed to be erected or installed,

including engineering drawings, if required, together with a map and plans indicating the proposed location of all such facilities and shall include a description of the method of installation to be utilized.

(c) Franchisee shall not excavate or do other work in any public right-of-way unless Franchisee has applied for and received a written permit entitled "Street Use Permit" from the City, or its designee, granting permission for such excavation or other work. The permit shall describe the area where the excavation and/or work is expected to be completed, the method of construction and the contractor performing the work and any other conditions. If directional boring, trenching or other excavation is the method of construction, detailed plans shall be submitted describing how the work will be performed so as not to damage other lines and conduit located in the right-of-way. If the installation utilizes facilities of another entity, Franchisee shall provide written authorization for use of such facilities prior to a permit being issued. If the excavation or other work requires closure of a street lane or sidewalk, Franchisee shall, five (5) working days prior to said closure, submit a Traffic Control Plan to the City for approval. In emergencies involving service outages, Franchisee shall proceed with all necessary operations without first obtaining the permit, but shall obtain the required permit at its earliest opportunity.

(d) Franchisee shall not open, disturb or encumber, at any one time, any more public rights-of-way than may, in the opinion of the City, be necessary to enable Franchisee to economically install or repair its facilities; nor shall Franchisee permit any public right-of-way to remain open, disturbed or encumbered for a longer period of time than shall, in the opinion of the City, be necessary.

(e) Immediately upon completion of repairs or installation of any facility, Franchisee shall refill and compact any trench or excavation to the standards required by the City and the State

of Alabama Department of Transportation's "Standard Specifications of Roads and Structures". Promptly, and in no less than ten (10) business days after the completion of repair or installation, unless otherwise approved by the City, Franchisee shall restore or replace any pavement, sidewalk, curb, gutter, grass, landscaping material or other materials or structure damaged in the course of its work to City standards at Franchisee's sole expense. In the event excavation or disturbance of special sidewalk pavement areas is necessary, Franchisee shall restore those areas to their pre-existing conditions which restoration shall meet City standards. Failures within an area which has been disturbed, excavated or encumbered by Franchisee which are discovered within twelve (12) months of the restoration or replacement specified herein, shall be the responsibility of Franchisee pursuant to this provision.

(f) If Franchisee fails, neglects or refuses to refill any trench or excavation or to restore or replace any pavement, sidewalk, curb, gutter, grass, landscaping material, or other material or structure or to repair failed materials as specified herein, the City may do all or any part of the work that remains undone at the cost or expense of Franchisee and Franchisee shall pay such expenses plus an additional thirty percent (30%) of the total cost as an administrative fee within thirty (30) days of the City's presentation to it of a bill for the costs. Failure of Franchisee to reimburse the City within said time shall result in denial of any permit request made by Franchisee until payment is made. City may, at its option, recover such amount from the performance bond, certificate of deposit, letter of credit or insurance required herein.

(g) In any case where a public right-of-way is being excavated, disturbed or encumbered by Franchisee, Franchisee shall take all precautions required by law, in particular, the Manual on Uniform Traffic Control Devices, or otherwise necessary or proper for the protection of the public and shall maintain adequate warning signs, barricades, signals, and other devices

necessary or proper to give notice and warning to the public of the existence of actual conditions present.

(h) Any construction project shall be completed within ninety (90) days from the date that the City issues any necessary permits, provided that the City may allow reasonable extension due to weather or Acts of God, or other reasonable circumstances that in the sole discretion of the City justifies an extension of the project target completion date. If construction is not completed within the ninety (90) days from issuance of necessary permits, Franchisee may file a written request for an extension of the project target completion date, or for the cancellation of the project, with the City specifying the reasons for such justification.

If construction is not completed or cancelled by the ninety (90) day project target completion date or extension thereof permitted by the City, the Franchisee shall pay liquidated damages to the City in an amount determined by the City at the time the City issues permits for the construction project. The City and the Franchisee agree that the Franchisee's failure to abide by the schedule for a project subsection will result in damages that will be impracticable or difficult to ascertain. The Franchisee agrees to pay the City these liquidated damages for its failure to complete construction, modification, or relocation of any facilities, conduit or any other matter allowed pursuant to a permit granted by the City, provided the amount shall not exceed One Hundred Dollars (\$100) per day for the first thirty (30) days after the project target completion date; Five Hundred Dollars (\$500) per day for the next thirty (30) days after the project target completion date; and, thereafter, Seven Hundred and Fifty Dollars (\$750) dollars per day for each day after the project target completion date.

The City may collect liquidated damages owed either through the draw-down of the security required in Section 6, or through other means allowed by law. Unless the delay is excused

by resolution adopted by the City Council, the City may immediately request payment of any liquidated amount due to the City. The City shall notify the Franchisee in writing and allow Franchisee thirty (30) days to cure, unless such time to cure is extended by the City Attorney, before calling the surety bond or drawing upon the certificate of deposit or letter of credit, provided however, that during such time to cure and thereafter, liquidated damages will continue to accrue.

SECTION 11. USE OF STREETS.

(a) All installations shall be underground in those areas of the City where public utilities providing telephone and electric service are underground at the time of installation. In areas where either telephone or electric utility facilities are above ground at the time of installation, Franchisee may install its service above ground, provided that, at such time as those facilities are required to be placed underground by the City or are placed underground, Franchisee shall likewise place its services underground without additional cost to the City. Where not otherwise required to be placed underground by this franchise agreement, Franchisee's system shall be located underground at the request of the adjacent property owner, provided that the excess cost over the aerial location shall be borne by the property owner making the request. All new cable passing under the roadway shall be installed in conduit no less than eighteen (18) inches from the top of the conduit to the surface of the ground, private property and utilities. Franchisee's system and facilities, including poles, lines, equipment and all appurtenances, shall be located, erected and maintained so that such facilities shall:

- (1) Not endanger or interfere with the health, safety or lives of persons;
- (2) Not interfere with any improvements the City, County or State may deem proper to make;
- (3) Not interfere with the free and proper use of public streets, alleys, bridges,

easements or other public ways, places or property, except to the minimum extent possible during actual construction or repair;

- (4) Not interfere with the rights and reasonable convenience of private property owners, except to the minimum extent possible during actual construction or repair; or

- (5) Not obstruct, hinder or interfere with any gas, electric, traffic control, water or telephone facilities or other utilities located within the City.

(b) Work within right-of-way. The closing of any part of a publicly maintained street or right-of-way must be approved by the City and may be prohibited during peak travel hours, 7-9 A.M. and 4-6 P.M., Monday through Friday. During repairs or improvements, traffic on streets must be maintained. Where full closing of the street is required, the request for approval must be made to the City as soon as possible. All closings are to be protected with signage in accordance with the Manual on Uniform Traffic Control Devices (MUTCD).

(c) Removal of City Property. No City property is to be removed from the right-of-way, including signage on utility poles, without proper permission from the City.

SECTION 12. ACQUISITION OF RIGHT-OF-WAY. In acquiring or widening public rights-of-way, the City shall determine the minimum right-of-way necessary to accommodate paved streets, pedestrian walkways, landscaping, traffic signals, drainage, water and sewer lines and other governmental facilities.

SECTION 13. RELOCATION OF FACILITIES.

(a) Wherever a public right-of-way or other public property is being constructed, paved (whether or not such paving is part of a more extensive improvement project), resurfaced, relocated or otherwise altered or improved (including, but not limited to, the installation of sidewalk, curb,

gutter, drainage facilities, water mains, or sewer mains, traffic signals or trees), Franchisee shall, within ninety (90) days of written notice from the City and at no cost (direct or indirect) to the City, remove or relocate any of Franchisee's facility located within such public right-of-way or public property or perform such work as it deems necessary for the extension of new facilities.

(b) Failure of Franchisee to remove or relocate the facility to a location approved by the City within ninety (90) days of the City's written notice shall entitle the City to recover liquidated damages from Franchisee. The liquidated damages assessed Franchisee, if any, shall be the same as the liquidated damages specified in the City's contract with the prime contractor (either as executed at the time of the City's removal or relocation request or which will be executed prior to any construction for the project which requires the relocation or extension of new facilities). If work which requires removal or relocation of Franchisee's facilities is being constructed by a developer, who has submitted a plan which indicates said work will be dedicated to the City, the liquidated damages for failure to remove or relocate a facility shall be Two Hundred Fifty Dollars (\$250) per diem.

If Franchisee believes it will be unable to complete the relocation within ninety (90) days from receipt of notice from the City, Franchisee shall explain the reasons for its inability in detail and City and Franchisee shall attempt to agree on an alternate schedule, subject, however, it is the City's right to finally determine the schedule and liquidated damages, as long as its decision is not unreasonable.

The City may collect any such liquidated damages owed either through the draw-down of the security required in Section 6, or through other means allowed by law. Unless the delay is excused by resolution adopted by the City Council, the City may immediately request payment of any liquidated damages due to the City.

SECTION 14. TREES. Trimming of the trees and shrubbery within the public right-of-way to prevent contact with Franchisee's facilities shall be done only in accordance with standards approved by the City. Removal or severe pruning of any tree or shrub, work on the surface within five (5) feet of any tree or shrub, and underground excavation within the drip line of a tree or shrub, which will require cutting of ten percent (10%) or more of the circumference of the root system, may be undertaken only in accordance with a specified permit obtained from the City and in compliance with the special conditions of such permit and other standards established by this franchise or other law. Where trees or shrubs in the public right-of-way are damaged as a result of work undertaken by or on behalf of Franchisee, Franchisee shall pay the City, within thirty (30) days of submission of a statement by the City, the cost of any treatment required to preserve the tree or shrub and/or cost for removal and replacement of the tree or shrub with landscaping of equal value and/or the value of the tree or shrub prior to the damage or removal as determined by the City.

The City may collect such damages through draw-down of the security required in Section 6, through the insurance required in Section 7 or through other means allowed by law.

SECTION 15. CONSTRUCTION STAFFING. During the franchise term, Franchisee shall have sufficient full-time supervisors on staff solely to supervise construction plans and the construction practices of subcontractors. As a minimum standard, Franchisee shall provide at least one (1) full-time supervisor who shall have final decision making authority with respect to construction issues for each four (4) crews engaged in construction within the City. The Franchisee shall provide the means for immediate notification and communication by the City with the supervisor in the field by means of a pager, cellular phone or other similar means of communication during all phases of construction. All construction work or any other work

performed by Franchisee, its employees, agents, its duly licensed contractors and sub-contractors shall be in compliance with the plans and specifications approved by the City, and shall be subject to all applicable ordinances, rules and regulations, including licensing and permitting, as well as any licensing and permitting fees charged to all persons and businesses for construction and street opening.

SECTION 16. FRANCHISE NOT A JOINT VENTURE. Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party 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.

SECTION 17. SERVICE TO THE CITY.

(a) In addition to any franchise fee collected pursuant to Section 19 of this franchise, the Franchisee shall provide the fiber and facilities to the governmental and institutional facilities as follows:

- (1) The Franchisee shall provide the City without charge solely for the City's noncommercial telecommunications purposes, one (1) dark fiber pair (two (2) fibers) in all of the ducted, conduit and aerial facilities in its backbone network (i.e. network consisting of fully redundant self healing ring topology, where such ring topology exists), with necessary splice cases and industry standard fiber connectors to be specified by the City. Franchisee may choose at its own election to provide the City with more fiber strands along certain segments of its route, and may do so using a dedicated cable for the City's facilities, if the Franchisee determines it is more advantageous to do so from an engineering standpoint.
- (2) Within six (6) months of completion of any route, initial build or expansion,

Franchisee shall provide to the City lateral connections to and will terminate and splice the dark fibers at a patch panel to each City designated facility along the fiber optic transmission line run as required by the City and suitable for the City's stated needs and provide any necessary facilities to accomplish the interconnection of City telecommunications services at Franchisee's sole cost and expense or at Franchisee's cost to be reimbursed by the City as provided herein. Franchisee shall provide such facilities at the following governmental buildings (See Exhibit C) as the City may direct with respect to the initial build as hereinafter determined by Franchisee and City.

- (3) In addition, in any expansion route Franchisee will provide the City access to all governmental buildings which are adjacent to Franchisee's network as the City may direct at Franchisee's cost to be reimbursed by the City as provided herein. For purposes of this franchise, "adjacent to" shall mean located within a two hundred foot radius of Franchisee's backbone network. "Governmental buildings" shall mean buildings owned or controlled by the City or other governmental entities for which the City submits a written request to Franchisee for connection. Franchisee will provide the one hundred (100) feet of underground lateral connection or one hundred and fifty (150) feet of aerial lateral connection, fiber optic cable, patch panel and labor to install the cable to the patch panel in up to five (5) governmental buildings at no cost to the City; any footage of lateral connection in excess of one hundred (100) feet underground and one hundred and fifty (150) feet aerial and any governmental buildings connected by Franchisee in excess of five (5) will be done at Franchisee's cost to be reimbursed by the City as provided herein. In the event

the City is unable to provide access pursuant to subsection (h), Franchisee will construct entries to these buildings at its actual cost, to be borne by the City, unless the identified building is one which Franchisee also wishes to serve, in which case the cost of building entrances will be borne exclusively by Franchisee. Franchisee shall advise the City in writing of the cost of such construction prior to initiation of construction. Based upon specifications provided by the Franchisee, the City reserves the right to obtain proposals to accomplish building entries from vendors other than Franchisee and other franchisees.

- (4) The Franchisee shall coordinate all construction routing with the City in order to accommodate the connection of additional buildings identified by the City so as to allow the City to maximize the effectiveness of the dark fiber for public use if such routing is reasonably commercially practicable to the Franchisee.
- (5) The Franchisee shall provide adequate space on all poles owned by Franchisee on, over or within the City and shall assist the City in location of facilities on poles of third parties.
- (6) The Franchisee shall provide for co-location of City interface equipment in Franchisee's space in Franchisee's owned network hub locations of up to a physical size of three (3) feet by four (4) feet and a maximum height of six (6) feet, including necessary power and climate control for the City interface equipment. Franchisee will at the City's request, interconnect the fiber provided pursuant to subsection (a)(1) to fiber provided to the City by another franchisee; provided, however, that such interconnection must be accomplished only at a City building where Franchisee and the other franchisee have each terminated the City's fiber at a patch

panel as required by their respective franchises.

(b) Within forty-eight (48) months immediately following the final issuance of this franchise, Franchisee agrees that it shall have constructed or installed those initial elements of its fiber optic cable infrastructure as are identified in the maps produced to the City, and that such cable infrastructure shall be located adjacent buildings and/or addresses as are identified in Exhibit C attached hereto. Franchisee's failure to so install such infrastructure in such time period shall cause this franchise to terminate, at the election of the City.

(c) The City, in its sole discretion, may require Franchisee to lease to the City fiber optic transmission equipment if Franchisee ever provides transmission equipment to any of its lessees. Franchisee shall operate and maintain such equipment and provide network monitoring on the City's behalf at the locations as described herein, if required by the City. Any equipment lease and maintenance costs to the City shall be based upon Franchisee's direct cost plus ten percent (10%), or upon Franchisee's lowest rate it leases the same equipment to any similarly situated customer whichever is less.

(d) Charges for services provided by Franchisee to the City under this agreement shall be offset against the franchise fee payable by Franchisee to the City pursuant to Section 20 of this franchise agreement, provided however, that should any amounts be due and owing from the City to Franchisee for services hereunder in excess of any franchise fees payable from Franchisee to the City in any calendar month, these amounts shall accrue and shall be offset against future franchise fees due from Franchisee to the City.

(e) Franchisee acknowledges that the City has the right to connect its own equipment to the dark fibers to be provided hereunder for internal non-commercial municipal purposes, and to make full use at no cost or expense to the City of the fibers to be dedicated to the use of the City

hereunder.

(f) Franchisee agrees that any routine maintenance of fiber dedicated to the City shall be borne by Franchisee. The City shall pay only actual incremental labor costs to Franchisee to repair the City's share of dark fibers within any cable that is damaged as the result of any natural disaster. Nothing in this subsection (d) shall supersede the provisions of Section 14 of this franchise relating to the relocation of equipment at Franchisee's expense in the event of a City project.

(g) The City recognizes that Franchisee's agreements, if any, to occupy rights-of-way or for pole attachments may be subject to the control of third parties who may require Franchisee to relocate its cable. In the event of such required relocation by Franchisee, Franchisee shall provide notice thereof to the City as soon as reasonably possible. Franchisee shall provide replacement dark fibers to the City in any Franchisee replacement cable as soon as reasonably possible.

(h) The City will provide access when available to existing conduit, entry facilities, risers, drops or other entry facilities owned or controlled by the City.

SECTION 18. USE OF SYSTEM BY CITY. The City shall have the right to install, operate, and maintain City facilities on any above-ground facility owned or leased by Franchisee without charge, provided that leased facilities would be subject to approval by the lessor when necessary. Where the installation of such facilities by the City requires the adjustment of Franchisee's facilities on any pole or other above-ground facility (whether owned by Franchisee, another franchisee, the City, or another person), such adjustment shall be made by Franchisee at no cost to the City.

(a) Whenever it becomes necessary for the Franchisee to temporarily remove any wire,

sign or other property of the City from any Franchisee facility for Franchisee's own purposes, the City will not pay the expense of, but shall have the right to supervise, such removal and replacement and Franchisee shall make arrangements for alternative services if the City deems the facility is critical to maintain operation.

(b) Any City facility which is installed in or on any Franchisee facility pursuant to this section will be installed consistent with the applicable provisions of the National Electrical Safety Code.

(c) In the event any party interferes with the integrity of the underground facilities, specifically the conduit, conduit space, or cable provided to the City, the City shall be notified immediately.

SECTION 19. FRANCHISEE FEE: CONDITIONS.

(a) As consideration for this franchise, which provides for the rental and use by the Franchisee of the rights-of-way and other public places within the boundaries of the City, which are valuable public properties acquired and maintained by the City at great expense to its taxpayers and citizens, and that the grant to Franchisee of the use of said rights-of-way and other public places is a valuable property right without which Franchisee would be required to invest substantial capital in right-of-way costs and acquisitions, as compensation for the rights and privileges conferred herein, the Franchisee shall pay to the City an amount equal to five-percent (5%) of the gross revenue, as defined herein, collected by the Franchisee (the "Franchise Fee"). Gross revenues that originate in one municipality and terminate in another shall be evenly apportioned among the two municipalities for purposes of calculating the Franchise Fee owed to each municipality by the Company, such that the aggregate Franchise Fee paid by the Company to the two municipalities shall not exceed five percent (5%) of said gross revenues.

(b) In consideration of the agreement of the Franchisee to make such franchise payments, the City agrees that no business license shall be imposed upon or required of the Franchisee by the City during the term of this franchise. This provision shall not exempt the property of the Franchisee from lawful ad valorem taxes and local improvement district assessments. This provision shall also not exempt the Franchisee from conditions, exactions, fees and charges, which are generally applicable during Franchisee's real property development or use as required by the City's ordinances. This Agreement shall also not exempt any subcontractors or agents of the Franchisee working within the City from any applicable requirement to acquire a business license and/or to satisfy other permit fee obligations that might be due for the work conducted within the City. Under no circumstances shall Franchisee be liable to the City for any business license or permit fee obligations that the City claims are owed by any entity or person other than Franchisee.

(c) Commencing the month following the month this franchise becomes effective, the franchise fee shall be paid quarterly on the 20th day of April, July, October and January; such fee shall be for revenues received by the Franchisee for the preceding quarter. The Franchisee shall furnish to the City with each payment of compensation required by this section a written statement, showing the amount of gross revenue of the Franchisee within the City for the period covered by the payment. Such statement will be accorded confidential treatment to the extent permitted by law. Upon receipt of such payment the City shall issue a receipt to the Franchisee. To facilitate the City's annual budget process, on or before June 30, 2026, and each succeeding June 30th thereafter during the term of this franchise, the Franchisee will provide the City with an estimate of the gross revenue and resultant franchise fee for the following calendar year. Nothing herein shall preclude the Franchisee and the City from agreeing to a revised payment schedule.

(d) On or before the first (1st) day of February of each succeeding year, the Franchisee shall submit to the City a statement of the franchise fee actually due to the City based upon the actual gross revenue for the previous calendar year, together with a check for any amount due from the Franchisee or a statement for any amount due from the City. Such statement will be accorded confidential treatment to the extent permitted by law.

(e) In the event that the franchise fee set forth in this Franchise is declared illegal, unconstitutional or void for any reason by any court or proper authority, the Franchisee shall be contractually bound to pay the City, at the same times and in the same manners as provided for herein, an aggregate amount equal to the amount which would have been paid as a franchise fee. This section, however, shall not constitute a waiver of any claim the Company may assert against the City.

(f) Acceptance by the City of any payment due under this section shall not be deemed to be a waiver by the City of any breach of this franchise occurring prior thereto, nor shall the acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City.

(g) As used in this section, gross revenue shall mean all revenues (exclusive of sales tax) collected by Franchisee from operation of Franchisee's system installed pursuant to this franchise, and any related services provided by the Franchisee within the corporate limits of the City, including, but not limited to:

- i. All revenues from installation service charges,
- ii. All revenues from connection or disconnection fees,
- iii. All revenues from penalties or charges to customers for checks returned from banks, net of bank costs paid, and penalties, interest or charges for late payment,

- iv. All revenues from equipment sold or rented to customer upon customer premises,
- v. All revenues from authorized rental of conduit space located within the corporate limits of the City,
- vi. All revenues from authorized rentals of any portion of Franchisee's network within the corporate limits of the City, including plant, facilities, or capacity leased to others,
- vii. All other revenues collected by Franchisee from business pursued within the City, recoveries of bad debts previously written off and revenues from the sale or assignment of bad debts. Unrecovered bad debts charged off after diligent, unsuccessful efforts to collect are excludable from gross revenue, and
- viii. The value of any free services provided by Franchisee except (1) those free services required under this agreement; (2) services provided as a credit against non-recurring charges imposed on Franchisee's customers by a local exchange carrier for converting circuits to Franchisee.

Notwithstanding any provision contained in this Agreement, for purposes of calculating Franchise Fees owed to City by Franchisee, gross revenues shall include only Franchisee's revenues from Services that originate or terminate within the corporate limits of the City. Gross revenues shall not include Franchisee's revenues arising from or relating to Services that both originate and terminate outside the corporate limits of the City. Additionally, Franchisee shall not be liable to City for any Franchise Fees that the City claims may be owed on revenues received by any entity or person other than Franchisee.

Payment of money under this section shall in no way limit or inhibit any of the privileges or rights of the City of Homewood, whether under this franchise or otherwise. Except as provided

elsewhere in this franchise, all payments made by franchisee to the City pursuant to this franchise shall be made to the City Clerk. Franchisee shall file annually with the City Clerk no later than four (4) months after the end of Franchisee's fiscal year, an audited statement of revenues (for the year) attributable to the operations of the Franchisee's network within the City of Homewood pursuant to this franchise as provided in Section 20.

Any transactions which have the effect of circumventing payment of required franchise fees and/or evasion of payment of franchise fees by non-collection or non-reporting of gross receipts, bartering, or any other means which evade the actual collection of revenues for business pursued by Franchisee are prohibited and may constitute a default of this agreement.

If as a result of such audit or any other review, the City determines that the Franchisee has underpaid its fees by ten percent (10%) or more for any twelve (12) month period, then in addition to making full payment of the relevant obligation, the Franchisee shall reimburse the City 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 City may collect the costs associated with such audit or review either through the draw-down of the security required in Section 6, or through other means as allowed by law.

If as a result of such audit or other review, the City determines that the Franchisee has underpaid its fees for any twelve (12) month period, the Franchisee shall pay interest on such underpayment at the rate of ten percent (10%) interest or prime plus two percent (2%), whichever is greater. The underpayment and interest thereon may be collected by the City through the draw-down of the security required in Section 6, or through other means as allowed by law.

SECTION 20. ACCOUNTS AND OTHER RECORDS AND REPORTS AND INVESTIGATIONS. Franchisee shall keep the City fully informed as to all matters in connection

with or affecting the construction, reconstruction, removal, maintenance, operation and repair of Franchisee's network, Franchisee's accounting methods and procedures in connection therewith, and the recording and reporting by Franchisee of all revenues and uncollectables.

(a) Franchisee shall keep complete and accurate books of account and records of its business and operations pursuant to this franchise agreement in accordance with generally accepted accounting principles, subject to approval by the City.

(b) Franchisee shall file annually with the City Clerk for his review no later than one hundred twenty (120) days after the end of the Franchisee's fiscal year, a detailed account and statement of Franchisee's gross revenues, certified by an officer of Franchisee and a certified public accountant, covering the operations of the franchise within the corporate limits of the City of Homewood. The City may request such additional reports, statements and documents with respect to the Franchisee's properties, leases, customers and expenses related to its network operations within the City. Franchisee acknowledges that the City's records are subject to public review.

(c) Franchisee shall report to the City such other information within its possession relating to Franchisee as the City may consider useful and shall comply with the City's determination of forms for reports, the time for reports, the frequency with which any reports are to be made, and if reports are to be made under oath.

(d) Franchisee shall provide the City with access at reasonable times and for reasonable purposes, to examine, audit, review, and/or obtain copies of the papers, books, accounts, documents, maps, plans and other records of Franchisee pertaining to this franchise. Franchisee shall fully cooperate in making available its records and otherwise assisting in these activities.

(e) The City may, at any time, make inquiries pertaining to Franchisee's operation of

its network within the City of Homewood. Franchisee shall respond to such inquiries on a timely basis.

SECTION 21. NATURE OF FRANCHISE FEE PAYMENTS.

(a) The City and the Franchisee agree that the compensation and other payments to be made pursuant to this franchise are not a tax and are not in the nature of a tax, but are in addition to any and all taxes of general applicability or other fees or charges which the Franchisee shall be required to pay to the City or to any other governmental authority; and the Franchisee shall not have or make any claim for any deduction or other credit of all or any part of the amount of the compensation or other payments made pursuant to this franchise or from or against any taxes of general applicability or fees or damages which the Franchisee is required to pay.

(b) The payment of a franchise fee by the Franchisee in no way limits the right of the City to charge fees for any permits the Franchisee is required to obtain for any construction project.

SECTION 22. FORFEITURE AND TERMINATION.

(a) In addition to all other rights and powers of the City, the City reserves the right to forfeit and terminate this franchise and all rights and privileges of the Franchisee in the event of a material or substantial breach of its terms and conditions including, but not limited to, the following:

- i. The appointment of a receiver or trustee in bankruptcy to take over and conduct the business of the Franchisee;
- ii. A failure to begin construction of the fiber optics system within thirty-six (36) months of the effective date of this franchise;
- iii. A failure to provide insurance, bonds, certificates of deposit or letters of credit as required herein;

- iv. A failure to pay the required franchise fee or provide to the City as required herein;
- v. Permitting the use of its fiber optics system or facilities in any manner that would avoid or seek to avoid the need for a franchise with the City for the business of another person; or
- vi. A failure to operate the fiber optics system for a period of six (6) months.

(b) The Franchisee shall not be excused by mere economic hardship, nor by nonfeasance or malfeasance of its directors, officers, agents, subcontractors or employees.

(c) The City shall notify the Franchisee in writing of any breach specifying the nature of the breach. The Franchisee shall have thirty (30) days after the date of such notice to come back into compliance unless such period is extended by the City Attorney. Should the Franchisee fail or refuse to comply with the notice given by the City, the City may consider the franchise in default and pursue remedies as it determines. If the remedy elected by the City is to forfeit and terminate this franchise, the Franchisee may request an appeal of such decision to the Council of the City of Homewood which appeal must be filed in writing with the City Clerk no later than ten (10) days after the date of written notice of forfeiture and termination to the Franchisee. The Council shall set a public hearing on such appeal within thirty days after notice of appeal is received.

SECTION 23. REMEDIES AND PENALTIES NOT EXCLUSIVE. All remedies and penalties under this franchise are cumulative and not exclusive, and the recovery or enforcement by one available remedy or imposition of any penalty is not a bar to recovery or enforcement by any other such remedy or imposition of any other penalty. The City reserves the right to enforce the penalty provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition or obligation imposed upon the Franchisee by or pursuant to this franchise. A

specific waiver of a particular breach of any term, condition or obligation imposed upon the Franchisee by or pursuant to this franchise shall not be a waiver of any other or subsequent or future breach of the same or any other term, condition or obligation, or a waiver of the term, condition or obligation itself.

SECTION 24. CONTINUING OBLIGATION. In the event the Franchisee continues to operate all or any part of the network after the terms of this franchise agreement expire or are terminated, and before any renewal of the franchise by the City, then the Franchisee shall continue to comply with all applicable provisions of this franchise, including, without limitation, all compensation and other payment provisions of this franchise, throughout the period of such continued operation, provided that any such continued operation shall in no way be construed as a renewal or other extension of this franchise.

SECTION 25. LIMITATION ON PRIVILEGES. All rights, authority and grants herein contained or conferred are also conditioned upon the understanding and agreement that these privileges in the rights-of-way and other public ways of the City are not to operate in any way so as to be an enhancement of the franchise's properties or values or to be an asset or item of ownership in any appraisal thereof.

SECTION 26. THIS SECTION INTENTIONALLY LEFT BLANK.

SECTION 27. CAPTIONS. The captions given to various provisions of this franchise are for purposes of convenience only and are to have no impact upon the interpretation of any such provisions.

SECTION 28. ENTIRE AGREEMENT. This franchise, with its exhibits, comprises the entire agreement between the City and the Franchisee for purposes of this franchise.

SECTION 29. BURDEN OF PROOF. In any disagreement upon the terms and conditions

of this franchise, the Franchisee shall bear the burden of demonstrating its compliance with each term and condition of this franchise for all purposes.

SECTION 30. NO COERCION. The Franchisee enters into this franchise willingly and without coercion, undue influence or duress. The Franchisee has reviewed each and every obligation, term and condition of this franchise and hereby certifies that none of the obligations, terms or conditions imposed upon it by this franchise are commercially impracticable.

SECTION 31. SYSTEM IS ECONOMICALLY AND TECHNICALLY FEASIBLE AND VIABLE. The franchisee, after thoroughly considering all foreseeable economic and business risks, currently believes that the provision of all such services, facilities and equipment as required for this franchise is economically and technically feasible during the term of this franchise.

SECTION 32. FRANCHISEE SHALL NOT DISCRIMINATE IN EMPLOYMENT. The Franchisee shall comply in all respects with all applicable local, state and federal employment laws during the term of this franchise.

SECTION 33. COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES. Franchisee shall, at all times during the term of its franchise, be subject to the present ordinances, resolutions, rules, regulations, and laws of the City of Homewood and of the State of Alabama, and to the provisions of any further ordinance, resolution, rule, regulation, or law of the City or of the State of Alabama, so far as they may be applicable.

SECTION 34. ALABAMA LAW GOVERNS. In any controversy or dispute under this franchise, the laws and jurisdiction of the State of Alabama shall apply to the extent such law has not been superseded or preempted.

SECTION 35. NOTICE. Any notice required or permitted under this franchise shall be

deemed given if sent by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

To the City: Melody Salter
Homewood City Clerk
2850 19th St. S.
Homewood, AL 35209

To the Franchisee: Uniti Fiber GulfCo LLC
Kelly A. McGriff, General Counsel
107 St. Francis Street, Suite 1800
Mobile, Alabama 36602

or such other address as may be designated in the future in writing by either party.

SECTION 36. EFFECTIVE DATE AND PUBLICATION. After the execution hereof, this franchise shall be published once a week for three (3) consecutive weeks in a daily newspaper published in the City of Homewood at Franchisee's expense, and shall not take effect until such publication or thirty (30) days after the Ordinance or Resolution authorizing this franchise, whichever is later.

SECTION 37. MODIFICATION. This franchise, including all documents specifically incorporated herein, cannot be changed orally but only by an agreement in writing properly executed by the parties.

SECTION 38. SEVERABILITY. Should any part, term or provision of this franchise be held invalid or unenforceable by any court of competent jurisdiction, such part, term, or provision shall be deemed a separate, distinct and independent provision and such holding shall not invalidate or render unenforceable any other provision of this franchise.

SECTION 39. RIGHT TO NOTICE AND CURE. Other provisions herein to the contrary notwithstanding, prior to exercising its right to terminate or revoke this Agreement as provided herein, the City shall first give written notice to the Franchisee setting out the circumstance or

basis on which the City has the right to terminate or revoke this Agreement, and the Franchisee shall have a period of thirty (30) days after the receipt of the notice within which to cure, correct, or resolve the circumstance or basis, and if the Franchisee is successful in the cure, correction, or resolution thereof, then the City shall not exercise its right to terminate or revoke this Agreement. If the Franchisee has commenced the cure, correction, or resolution within thirty (30) days after its receipt of notice, but additional time is necessary to the completion thereof, then Franchisee shall have an additional thirty (30) days or such additional time upon which the parties can agree, not to be unreasonably withheld by either party, to accomplish the cure, correction, or resolution.

IN WITNESS WHEREOF, the parties have executed this franchise as of the ____ day of October, 2025.

CITY OF HOMEWOOD, a municipal corporation

By: Alex Wyatt
Its: Mayor

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned Notary Public, in and for said State and in said County, hereby certify that Alex Wyatt as Mayor of the City of Homewood, Alabama, whose name is signed to the foregoing Franchise Agreement, and who is known to me, acknowledged before me on this day, that being informed of the contents of the Franchise Agreement, he has executed the same voluntarily on behalf of the City of Homewood, Alabama, on the day the same bears date.

Given under my hand and official seal on this the ____ day of October, 2025.

Notary Public
My Commission Expires: _____

ATTEST

City Clerk

UNITI FIBER GULFCO LLC, Franchisee

By: Kelly A. McGriff
Its: Vice President and General Counsel

STATE OF ALABAMA)
COUNTY OF MOBILE)

I, the undersigned Notary Public, in and for said State and in said County, hereby certify that Kelly A. McGriff as Vice President and General Counsel of Uniti Fiber GulfCo LLC, whose name is signed to the foregoing Franchise Agreement, and who is known to me, acknowledged before me on this day, that being informed of the contents of the Franchise Agreement, he/she has executed the same voluntarily on behalf of Uniti Fiber GulfCo LLC on the day the same bears date.

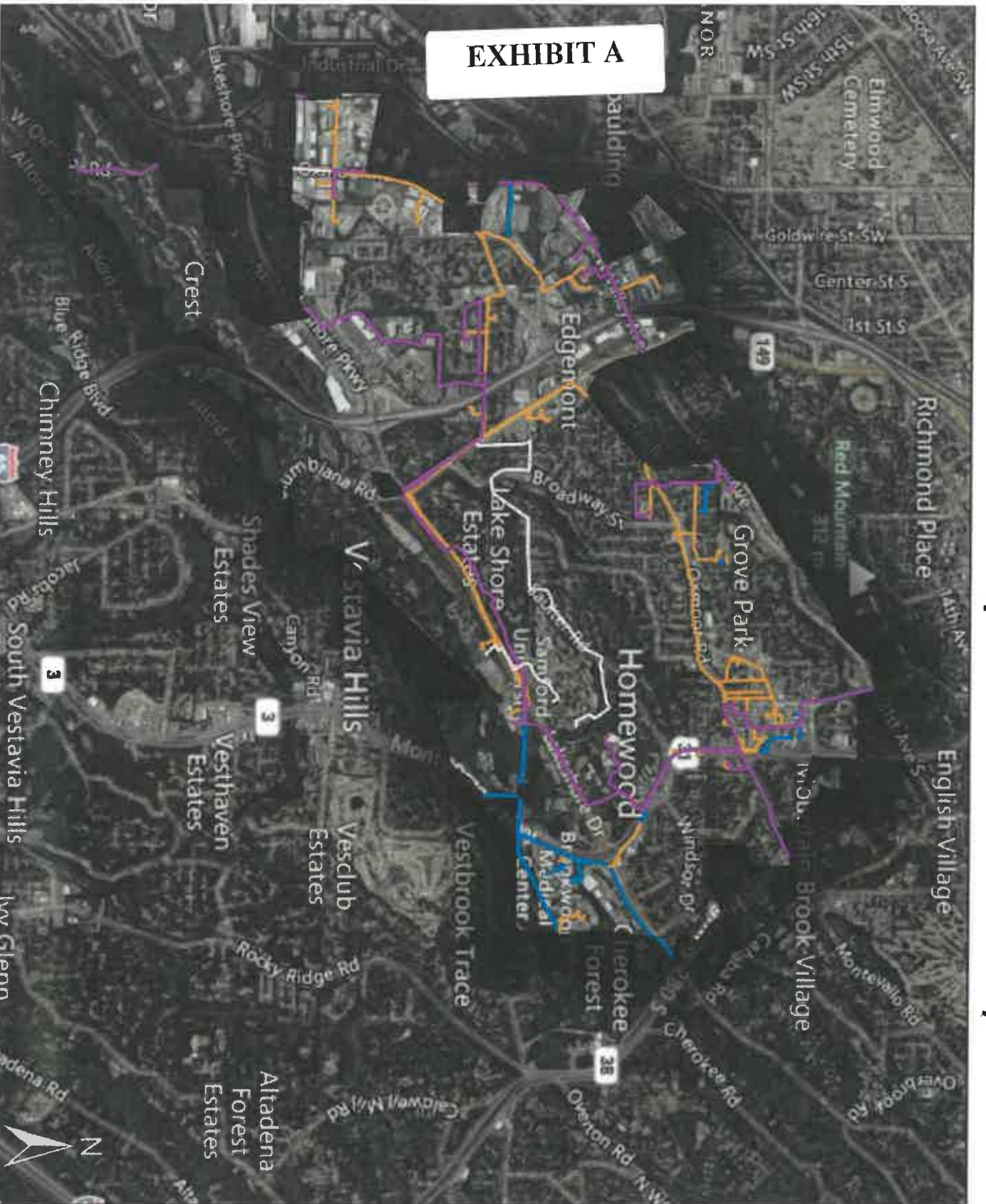
Given under my hand and official seal on this the _____ day of October, 2025.

Notary Public
My Commission Expires: _____

EXHIBIT A

[See attached map]

Uniti Footprint: Homewood, AL



Fiber Miles
Aerial: 8.11
Underground:
Non Uniti Duct
Owned By Other
REIT Asset: 3.0
Total: 53.78

- Fiber CableType**
- Aerial
 - Underground
 - Non Uniti Duct
 - Owned By Other
 - REIT Asset
 - City Boundary

Uniti Fiber cannot be held responsible for any misinterpretation of any information, guarantees or representations of accuracy or completeness. Uniti is not liable for any loss, damage or inconvenience resulting from reliance on this map. This product is for informational purposes only and may not have been prepared for engineering, or surveying purposes. The map is not a substitute for on-the-ground survey and represents the relative location of property boundaries.

EXHIBIT B

Uniti Fiber GulfCo LLC is wholly owned by Uniti Fiber Holdings, Inc., a Delaware corporation.

EXHIBIT C

GOVERNMENTAL BUILDINGS

1. Within six (6) months of execution of this Franchise Agreement to the extent commercially feasible, or otherwise with the natural buildout of Franchisee's fiber network, Franchisee will build fiber into the following public buildings and will interconnect said public buildings on dark fiber in two groups:

Group A

- Homewood City Hall, 2850 19th Street South, Homewood, AL
- Homewood Police Dept. and City Jail, 1833 29th Avenue South, Homewood, AL

Group B

- Homewood Police Training Center, 175 Citation Court, Homewood, AL
- Homewood Public Works Building, 187 Citation Court, Homewood, AL
- Homewood Fire Station 3, 250 Snow Drive, Homewood, AL

Franchisee will also bear the cost of providing a 1 Gigabit/second Ethernet connection from one of the buildings in Group A to one of the buildings in Group B, until such time in the ordinary course of the build-out of Franchisee's fiber optic network Franchisee can connect said buildings with dark fiber. Franchisee will work with the City's IT staff to determine which building in Group A and which building in Group B will be connected.

2. The following public buildings will be connected to the fiber optic network in the ordinary course of business as the fiber optic network is built-out by Franchisee:

- Homewood Public Library, 1721 Oxmoor Rd, Homewood, AL
- Homewood Police Dept-West Precinct, 120 Oxmoor Blvd., Suite 150, Homewood, AL
- Homewood Police Traffic Signs, Signals, Narcotics, and K-9 Operations, 66 Bagby Drive, Homewood, AL
- Homewood Parks & Recreation Dept., 1632 Oxmoor Rd, Homewood, AL
- Homewood Senior Center, 816 Oak Grove Rd, Homewood, AL
- Fire Station 1, 1675 28th Court South, Homewood, AL
- Fire Station 2, 430 Carr Avenue, Homewood, AL

3. The City shall provide a conduit path from all public buildings to the right of way to enable said buildings to be connected to the fiber optic network.

UNITI FIBER GULFCO LLC FRANCHISE AGREEMENT

THIS FIBER OPTIC FRANCHISE AGREEMENT (“Agreement”) is entered into this 12th day of September, 2016, by and between the **CITY OF HOMEWOOD, ALABAMA**, a municipal corporation, whose address is 2850 19th Street South, Homewood, Alabama 35209 (hereinafter referred to as the “**City**”) and **UNITI FIBER GULFCO LLC**, an Alabama corporation duly organized and qualified to do business in the state of Alabama, whose address is 107 St. Francis Street, Suite 1800, Mobile, Alabama 36602 (hereinafter referred to as “**GulfCo**”).

WITNESSETH:

WHEREAS, Uniti Fiber GulfCo LLC, a limited liability company qualified to do business in the state of Alabama (“GulfCo”), desires to provide fiber optic services (the “Services”) within the City of Homewood, Alabama (“City”); and

WHEREAS, GulfCo desires to provide Services to business located in specified rights-of-way within the jurisdictional limits of City; and

WHEREAS, City and GulfCo have negotiated terms under which GulfCo shall install, construct and maintain a fiber optic network under terms and conditions of a Fiber Optic Franchise;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration receipt of which acknowledged, it is agreed by the parties as follows:

SECTION 1. GRANT OF NON-EXCLUSIVE FRANCHISE. A non-exclusive franchise is hereby granted to Uniti Fiber GulfCo LLC, (hereinafter referred to as “Franchisee”), subject to the City of Homewood's (hereinafter referred to as “City”) receipt of monetary and services compensation, to construct, maintain and operate in, over, under, across and through the public rights-of-way of the City of Homewood, Alabama, a fiber optics system within the City of

Homewood and any future additions thereto, the duration of such franchise to be a period of ten (10) years, to commence on the 1st day of October, 2025, provided that nothing in this franchise shall be construed as granting to Franchisee an exclusive franchise. The grant of this franchise is for the use by the Franchisee for the purpose of providing fiber optic services to end users and to provide communications services within the City of Homewood as a “competitive access provider” which directly connects end user customers within the franchise area with other businesses, local area networks, a local exchange carrier and interexchange carriers and for such other services, including local exchange and enhanced services, as may be authorized by the Alabama Public Service Commission or federal law, other than cable services as defined below. The Franchisee shall not permit any other person to place fiber or equipment in the ducts or conduits of Franchisee for the purpose of avoiding or seeking to avoid the need for a franchise from the City of Homewood for the business of another person. Franchisee shall not provide services directly regulated by the Alabama Public Service Commission (PSC) unless authorized by the PSC. Franchisee shall not operate a cable system as defined in the Cable Communications Policy Act of 1984 (47 USCA §521 et seq., as amended) without first having obtained a separate cable franchise with the City.

The parties shall have the option to renew this franchise on such terms and conditions as shall be mutually agreeable, provided that Franchisee shall have performed according to the terms hereof, and, further provided that statutory authority shall exist for the City of Homewood to renew this franchise. New terms and conditions may be required by the City for renewal if the telecommunications and broadband technology and rights-of-way laws change after the date of this franchise ordinance and cause substantial effects on service types, availability, character of service, system technology or the regulatory environment. New terms, provisions, or conditions may also be required by the City upon renewal which are applicable generally to other franchisees

for similar services or applicable generally to the industry to clarify the intent of this franchise, which may arise from any unforeseen circumstances or interpretations of this franchise, and/or which are based on the history of performance of the Franchisee. This franchise does not grant to Franchisee any guaranteed right of renewal, and there shall be no such right, the foregoing notwithstanding; provided, however, that the parties agree to negotiate new terms and conditions in good faith.

When used herein, the term “facilities” shall mean all or any part of a network of fiber optic cables and all related property, including but not limited to, conduit, carrier pipe, cable fibers, repeaters, power sources, and other attachments and appurtenances necessary for the fiber optics system and located within the City's rights-of-way.

It is the desire of the City of Homewood that all areas of the City are served with fiber optics telecommunications capability. Franchisee shall cooperate with the City in planning for the development of universal service within the City’s corporate limits to the extent such expansion is commercially practicable.

SECTION 2. GENERAL TERMS. Franchisee, for the duration of this franchise and for the purposes hereinabove expressed, shall have the privilege to construct, operate and maintain underground conduits, subways and vaults, and place wires and cables therein and to make any and all necessary excavations therefore, in, over, under, across and through all or any of the portions of the streets, alleys, avenues or public ways of the City of Homewood, to utilize defined existing City owned conduit within the public rights-of-way as may be specifically approved in writing by the City Engineering Department and to utilize, with permission of the affected utility companies, their facilities within public rights-of-way for the purpose of providing a fiber optics system within the City of Homewood, to be exercised in such manner only, however, as to offer

the least interference with the public use of said streets, alleys, avenues and public ways; and Franchisee shall be subject to and shall comply with all laws and ordinances of the City of Homewood and shall be further subject to and shall comply with all rules, regulations and other restrictions of the City of Homewood set forth herein. The granting of this franchise shall not prohibit the City from granting other non-exclusive franchises or otherwise allowing or making other uses of the City's rights-of-way. The granting of this franchise shall in no way interfere with or hinder the use by the City of the rights-of-way for any purpose.

SECTION 3. SCOPE OF FRANCHISE. The franchise hereby granted shall extend to and include only those portions of streets, alleys, avenues and other public ways as are subsequently determined by the City to conform to the General Terms set forth in Section 2, above, and only as may be necessary to carry out the purpose of this franchise. A written description and site maps of the areas in which Franchisee will have a presence in the City of Homewood rights-of-way is attached hereto as Exhibit A, subject to approval of the City.

SECTION 4. INDEMNIFICATION. Franchisee hereby agrees to indemnify, defend and hold harmless the City, its Mayor and Council, appointed boards and commissions, officials, officers, employees and insurance carriers, individually and collectively from all losses, claims, suits, judgments, demands, expenses, subrogation, attorney's fees, costs or actions of any kind and nature resulting from personal injury to any person, including employees of Franchisee or of any contractor or subcontractor employed by Franchisee, (including bodily injury and death) or damages to any property, arising or alleged to have arisen out of the acts or omissions of Franchisee, its contractors, subcontractors, officers, agents and employees while exercising any of the rights or privileges granted by this franchise (collectively, "Claims"). The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope

of indemnity in this paragraph. The terms and provisions of this section are intended to be for the benefit of the City and Franchisee and are not intended to be for the benefit of any third party. Notwithstanding the foregoing, the Franchisee shall not be obligated to indemnify the City for Claims resulting solely from the negligent or willful acts of the City or its representatives.

SECTION 5. CITY TAKING PART IN LITIGATION. The Franchisee shall immediately notify the City of any litigation which would affect the franchise. The City shall have the right to take part, by intervention or otherwise at its option, in any suit, action, or proceeding instituted by or against Franchisee in which any judgment, decree, or order can be rendered affecting the rights, powers or duties of Franchisee to do or not to do anything which, by its franchise, it is obligated or may be required to do or not to do or affecting, such as by foreclosure or lien, Franchisee's title to any facility. Franchisee shall not object to the City's exercise of such right.

SECTION 6. BOND, CERTIFICATE OF DEPOSIT OR LETTER OF CREDIT. Franchisee shall obtain and maintain, or cause to be obtained and maintained, during the entire term of the franchise and any extensions and renewals thereof, at its cost and expense, and file with the City Clerk a corporate surety bond, certificate(s) of deposit assigned to the City or irrevocable, unconditional letter of credit in the amount of One Hundred Thousand Dollars (\$100,000) both to guarantee the timely construction and full activation of Franchisee's system and to secure the faithful performance of Franchisee of all its obligations provided under the franchise. Failure to timely obtain, file, assign and/or maintain said bond, certificate(s) of deposit or letter of credit at all times at the required amount shall constitute a substantial violation of this Agreement. If Franchisee elects to deposit and assign for the benefit of the City a certificate(s) of deposit, any interest earned on the principal sum required shall inure to the benefit of the

Franchisee and any tax liability on said interest will inure to the Franchisee. The bond shall provide and certificate(s) of deposit and letter of credit shall be subject to the following conditions:

1. There shall be recoverable by the City, jointly and severally from the principal and surety, or from the certificate(s) of deposit or letter of credit, any and all fines and penalties due to the City and any and all damages, losses, costs, and expenses suffered, incurred by or resulting from failure of Franchisee to: faithfully comply with the provisions of the franchise; comply with all applicable orders, permits and directives of any City agency or body having jurisdiction over its acts or defaults; pay any claims, liens or taxes due to the City which arises from or by reason of the construction, operation, maintenance or repair of the communications system.

2. The total amount of the bond, certificate(s) of deposit or letter of credit shall be forfeited in favor of the City in the event:

- (a) Franchisee abandons its system at any time during the term of the franchise or extension thereof or ceases operation of the system for a period in excess of six (6) months; and/or
- (b) Franchisee assigns the franchise without the express written consent of the City which shall not be unreasonably withheld.

The bond, certificate(s) of deposit or letter of credit required herein shall be in a form satisfactory to the City Attorney and the performance bond shall require thirty (30) days written notice of any non-renewal, alteration or cancellation to both the City and Franchisee. Franchisee shall, in the event of any such cancellation notice, obtain, pay all premiums for, and file with the City, written evidence of the issuance of a replacement bond within thirty (30) days following the receipt by the City or Franchisee of any notice of cancellation. Failure to do so shall constitute a substantial violation of this agreement. The surety bond, certificate(s) of deposit or letter of credit

shall at all times be maintained at the amount and levels as required in this section and shall be a continuing obligation for the duration of the franchise and thereafter until the Franchisee has liquidated all of its obligations with the City that may have arisen by reason of the construction, operation or maintenance of the system or breach or termination of the franchise. If the bond, certificate(s) of deposit or letter of credit is drawn-down for any reason, the bond, certificate(s) of deposit or letter of credit shall be renewed to the amounts required herein.

The City may draw against the surety bond, certificate of deposit or the letter of credit for any unpaid damages, fees or other amounts owing to it as provided herein which are thirty (30) or more days past due. The City shall notify the Franchisee in writing and allow Franchisee thirty (30) days to cure, unless such time to cure is extended by the City Attorney, before calling the surety bond or drawing upon the certificate of deposit or letter of credit.

SECTION 7. INSURANCE REQUIREMENTS. On or before the effective date of this Agreement, Franchisee shall file with the City a certificate of insurance and thereafter continually maintain in full force and effect at all times for the full term of the franchise, at the expense of Franchisee, a comprehensive general liability insurance policy, including underground property damage coverage, written by a company authorized to do business in the State of Alabama with a rating of at least B+, protecting the City against liability for loss of bodily injury and property damage occasioned by the installation, removal, maintenance or operation of the communications system by Franchisee in the following minimum amounts:

- (1) Ten Million Dollars (\$10,000,000.00) combined single limit, bodily injury and for real property damage in any one occurrence.
- (2) Ten Million Dollars (\$10,000,000.00) aggregate.

Franchisee shall also file with the City Clerk a certificate of insurance for a comprehensive

automobile liability insurance policy written by a company authorized to do business in the State of Alabama with a rating of at least B+, for all owned, non-owned, hired and leased vehicles operated by Franchisee, with limits not less than One Million Dollars (\$1,000,000.00) each accident, single limit, bodily injury and property damage combined.

Franchisee shall also maintain, and by its acceptance of any franchise granted hereunder, specifically agrees that it will continually maintain throughout the term of the franchise, workers compensation and employers liability, valid in the State, in the minimum amount of the statutory limit for workers compensation and Five Hundred Thousand Dollars (\$500,000.00) for employers liability.

All liability insurance required pursuant to this section shall name the City of Homewood and its officers, employees, board members and elected officials as additional insureds (as the interests of each insured may appear) and shall be kept in full force and effect by Franchisee during the existence of the franchise and until after the removal of all poles, wires, cables, underground conduits, manholes and any other conductors and fixtures installed by Franchisee incident to the maintenance and operation of the communications system as defined in this Agreement provided however, that the fiber optic cable and associated conduits, manholes, poles, wires, cables and other facilities which are provided to the City as part of this agreement shall not be removed without the written consent of the City. Failure to obtain and maintain continuously the required insurance shall constitute a substantial violation of this agreement. All policies shall be endorsed to give the City thirty (30) days written notice of the intent to amend or cancel by either Franchisee or the insuring company. Franchisee shall immediately provide written notification to the City Attorney of any actual or potential litigation that may develop that would affect this insurance.

Franchisee agrees and binds itself to indemnify, keep and hold free and harmless the City

from any and all liability and costs, including attorneys fees and court costs, pertaining thereto and arising from any activities herein authorized in that Franchisee shall pay, and by its acceptance of the franchise, Franchisee specifically agrees that it will pay all damages and penalties which the City may be legally required to pay as a result of the franchise. These damages or penalties shall include but not be limited to damages arising out of installation, operation or maintenance of the communication system authorized herein, whether its own expense repair, to the satisfaction of the City, all City owned water lines, traffic signal or street lighting cable, storm and sanitary sewer lines, service lines, water meters, streets, sidewalks, curbs, gutters or other property of the City damaged by any of the operations of the Franchisee, its contractors, subcontractors, employees, agents or assigns engaged in activities pursuant to this franchise. Franchisee further agrees that should any of its facilities installed pursuant to this franchise be damaged or destroyed or the network be disrupted or damaged by the City, its agents, employees, contractors or subcontractors, the Franchisee shall repair or replace such facilities at its own expense and shall waive any right, claim or action for damages or other available remedies which it may have against the City, its agents, employees, contractors or subcontractors. The foregoing sentence shall not extend to intentional, willful, grossly negligent or malicious damage to Franchisee property by City employees. The City will endeavor to use its best efforts to avoid damage to Franchisee's facilities, provided that Franchisee participates in Alabama Line Locators and has correctly identified the location of its facilities.

During construction or maintenance, if Franchisee, its contractors, subcontractors, employees, agents or assigns causes damage to or break in any lines, cables, ducts, conduit or other facilities located in the City's rights-of-way, notice shall be given immediately to the affected party and to the City.

SECTION 8. NON-ASSIGNMENT.

(a) The rights granted by this franchise or any interest therein shall not be assigned or transferred to any other unrelated entity without the express written consent of the Mayor and Council. A written copy of any such proposed assignment must be filed with the City. Any required consent is to be evidenced by an ordinance or resolution of the Council that fully recites the terms and conditions, if any, upon which consent is given. No sale or transfer of the Agreement, as allowed hereunder, shall be effective unless and until the vendee or assignee has filed in the office of the City Clerk an instrument, duly executed, reciting the fact of such sale or assignment, accepting the terms of this Agreement and agreeing to perform all the conditions thereof, and the City has approved said transfer, which approval shall not be unreasonably withheld. The City shall take action on such request for approval of transfer within sixty (60) days of filing of all information required by this section. This section shall not apply in connection with execution of secured financing agreements made by the Franchisee, assignment to an affiliate of Franchisee, and assignment made as part of a corporate reorganization or consolidation of Franchisee. In making a determination of whether to allow an assignment, the City may consider the following factors:

- i. Experience of the proposed assignee or transferee (including conducting an investigation of proposed assignee or transferee's service record in other communities);
- ii. Qualifications of the proposed assignee or transferee;
- iii. Legal integrity of the proposed assignee or transferee;
- iv. Financial ability and stability of the proposed assignee or transferee;
- v. If requested by the City, submittals from the proposed assignee or transferee,

regarding changes, if any, it intends to make in the operation and maintenance of the fiber optic system.

- vi. The corporate connection, if any, between the franchisee, and proposed assignee or transferee and/or between the franchisee and any holder of a like franchise within the City; Any other aspect of the proposed assignee's or transferee's background which could affect the health, safety, and welfare of the citizenry of the City as it relates to the operation of the fiber optic network;
- vii. Effect of the proposed action on competition.

A copy of the completed sales or transfer agreement, or a functionally equivalent instrument between the Franchisee and proposed Franchisee, shall be provided on a confidential basis to the City Attorney for his review, so that the City may discover the assumption of obligations by the Franchisee and proposed Franchisee with respect to the fiber optic system.

After receipt of the petition for proposed transfer or assignment, the City Council may, as it deems necessary or appropriate, schedule a public hearing on the petition. Further, the City Council may review Franchisee's performance under the terms and conditions of this franchise. The Franchisee shall provide all requested assistance to the City Council in connection with any such inquiry and, as appropriate, shall secure the cooperation and assistance of all persons involved in said action.

Should the Franchisee sell, assign, transfer, convey or otherwise dispose of any of its rights or interests under this franchise or attempt to do so in violation of this requirement to obtain prior consent of the City may revoke this franchise for default and the purported sale, transfer, assignment or conveyance shall be null and void.

- (b) Franchisee will not lease any part of its fiber optics system pursuant to this franchise

to any other unrelated company, which does not have a franchise, for the placement of any additional cable for the purpose of providing cable television services to subscribers or customers within the City as required by the City. Franchisee shall send notification to the City of any company which has requested Franchisee to provide such services and for which it is to enter a fiber lease agreement in order for the City to contact said company to determine whether said company needs to enter into a franchise with the City. Franchisee shall also notify any potential lessee of the necessity of obtaining a separate franchise from the City.

(c) A complete description of the ownership and control of Franchisee as of the effective date of this franchise is set forth in Exhibit B to this franchise attached hereto. Notwithstanding any other provision of this franchise, except as set forth in Exhibit B, no change in majority control of Franchisee, the system or the franchise granted herein shall occur after the effective date of the franchise, by act of Franchisee, by act of any person holding control of the Franchisee, the network or the franchise granted herein, by operation of law, or otherwise, without the prior written consent of the City Council, which consent shall not be unreasonably withheld. The requirements of this section shall also apply whenever any change in partial ownership is proposed which would result in a change of majority ownership or control of Franchisee, the system, the franchise granted herein or of any person holding control of Franchisee or in the system or in the franchise, and any other event which could result in a change in majority ownership or control of Franchisee, regardless of the manner in which such ownership or control is evidenced (e.g., stock, bonds, debt instruments or other indicia of ownership or control).

SECTION 9. LOCATION AND CONSTRUCTION OF FACILITIES.

(a) Except as provided in Section 11, facilities maintained or installed by Franchisee within the City shall be so located and constructed as not to:

- i. Interfere with usual travel (automotive and/or pedestrian) within the public rights-of-way;
- ii. Interfere with the rights or reasonable convenience of property owners who adjoin such public rights-of-way;
- iii. Interfere with access to or use of any water or fire hydrant;
- iv. Obscure the vision of or interfere with the installation of any traffic control device or traffic or information sign or signal;
- v. Interfere with sight distance established by any ordinance or law;
- vi. Obscure the light from any street light;
- vii. Cross any water or sewer line except at a 90 degree angle, except in accordance with a specific permit for such crossing issued by the City;
- viii. Damage irrigation, landscaping or trees owned or maintained by the City;
- ix. Damage any communications lines owned or maintained by the City.

(b) Placement of facilities in the paved sidewalk area is prohibited unless authorized by the City.

(c) The City shall have authority to require Franchisee to remove or relocate any facility located in violation of this section at Franchisee's sole expense. Such relocation or removal shall be completed with thirty (30) days of written notice from the City. In the event thirty (30) days is not sufficient, Franchisee may in writing request an additional thirty (30) days to accomplish the relocation. The notice shall prescribe the area where the facility is located and any other special conditions deemed necessary by the City.

(d) Map of Network. Before Franchisee constructs new network facilities or extends existing network facilities, or before it uses network facilities that were in existence in the City

prior to the effective date of this franchise, the Franchisee shall provide to the City's GIS representative per instructions from the City its fiber optics location data in conformance with data definition standards defined jointly by the Franchisee and City GIS staff. The fiber optics location data layer shall be incorporated into the GIS data dictionary and any appropriate Franchisee documentation. The City shall provide GIS data to serve as the base for the fiber optics location data. The City shall provide to the Franchisee existing data in a format agreed to by the City and the Franchisee. Specific data layers that make up the base shall be defined in discussions with the Franchisee. At a minimum, the fiber optics location data layer shall represent the conduit duct banks, as well as overall size, material and configuration of the duct bank or any other underground burial and location of all aerial wiring. The fiber optics location data shall be returned to the City on the same type medium and format as previously identified.

After construction of new network facilities or extensions of existing network facilities, as a separate requirement, the Franchisee shall develop as built drawings and maps in a format as requested by the City and be provided to the City in that format.

SECTION 10. WORK IN PUBLIC RIGHT-OF-WAY: RESTORATION OF DAMAGED AREAS.

(a) Whenever Franchisee excavates or does other work in the public right-of-way, such excavation or other work shall be done in compliance with the laws and regulations of the City in effect at the time of such excavation or other work.

(b) Prior to the erection or installation by Franchisee of any poles, underground conduits, or fixtures for use in connection with the installation, construction, maintenance or operation of a fiber optics system, Franchisee shall first submit to the City and other appropriate parties for approval, a concise description of the facilities proposed to be erected or installed,

including engineering drawings, if required, together with a map and plans indicating the proposed location of all such facilities and shall include a description of the method of installation to be utilized.

(c) Franchisee shall not excavate or do other work in any public right-of-way unless Franchisee has applied for and received a written permit entitled "Street Use Permit" from the City, or its designee, granting permission for such excavation or other work. The permit shall describe the area where the excavation and/or work is expected to be completed, the method of construction and the contractor performing the work and any other conditions. If directional boring, trenching or other excavation is the method of construction, detailed plans shall be submitted describing how the work will be performed so as not to damage other lines and conduit located in the right-of-way. If the installation utilizes facilities of another entity, Franchisee shall provide written authorization for use of such facilities prior to a permit being issued. If the excavation or other work requires closure of a street lane or sidewalk, Franchisee shall, five (5) working days prior to said closure, submit a Traffic Control Plan to the City for approval. In emergencies involving service outages, Franchisee shall proceed with all necessary operations without first obtaining the permit, but shall obtain the required permit at its earliest opportunity.

(d) Franchisee shall not open, disturb or encumber, at any one time, any more public rights-of-way than may, in the opinion of the City, be necessary to enable Franchisee to economically install or repair its facilities; nor shall Franchisee permit any public right-of-way to remain open, disturbed or encumbered for a longer period of time than shall, in the opinion of the City, be necessary.

(e) Immediately upon completion of repairs or installation of any facility, Franchisee shall refill and compact any trench or excavation to the standards required by the City and the State

of Alabama Department of Transportation's "Standard Specifications of Roads and Structures". Promptly, and in no less than ten (10) business days after the completion of repair or installation, unless otherwise approved by the City, Franchisee shall restore or replace any pavement, sidewalk, curb, gutter, grass, landscaping material or other materials or structure damaged in the course of its work to City standards at Franchisee's sole expense. In the event excavation or disturbance of special sidewalk pavement areas is necessary, Franchisee shall restore those areas to their pre-existing conditions which restoration shall meet City standards. Failures within an area which has been disturbed, excavated or encumbered by Franchisee which are discovered within twelve (12) months of the restoration or replacement specified herein, shall be the responsibility of Franchisee pursuant to this provision.

(f) If Franchisee fails, neglects or refuses to refill any trench or excavation or to restore or replace any pavement, sidewalk, curb, gutter, grass, landscaping material, or other material or structure or to repair failed materials as specified herein, the City may do all or any part of the work that remains undone at the cost or expense of Franchisee and Franchisee shall pay such expenses plus an additional thirty percent (30%) of the total cost as an administrative fee within thirty (30) days of the City's presentation to it of a bill for the costs. Failure of Franchisee to reimburse the City within said time shall result in denial of any permit request made by Franchisee until payment is made. City may, at its option, recover such amount from the performance bond, certificate of deposit, letter of credit or insurance required herein.

(g) In any case where a public right-of-way is being excavated, disturbed or encumbered by Franchisee, Franchisee shall take all precautions required by law, in particular, the Manual on Uniform Traffic Control Devices, or otherwise necessary or proper for the protection of the public and shall maintain adequate warning signs, barricades, signals, and other devices

necessary or proper to give notice and warning to the public of the existence of actual conditions present.

(h) Any construction project shall be completed within ninety (90) days from the date that the City issues any necessary permits, provided that the City may allow reasonable extension due to weather or Acts of God, or other reasonable circumstances that in the sole discretion of the City justifies an extension of the project target completion date. If construction is not completed within the ninety (90) days from issuance of necessary permits, Franchisee may file a written request for an extension of the project target completion date, or for the cancellation of the project, with the City specifying the reasons for such justification.

If construction is not completed or cancelled by the ninety (90) day project target completion date or extension thereof permitted by the City, the Franchisee shall pay liquidated damages to the City in an amount determined by the City at the time the City issues permits for the construction project. The City and the Franchisee agree that the Franchisee's failure to abide by the schedule for a project subsection will result in damages that will be impracticable or difficult to ascertain. The Franchisee agrees to pay the City these liquidated damages for its failure to complete construction, modification, or relocation of any facilities, conduit or any other matter allowed pursuant to a permit granted by the City, provided the amount shall not exceed One Hundred Dollars (\$100) per day for the first thirty (30) days after the project target completion date; Five Hundred Dollars (\$500) per day for the next thirty (30) days after the project target completion date; and, thereafter, Seven Hundred and Fifty Dollars (\$750) dollars per day for each day after the project target completion date.

The City may collect liquidated damages owed either through the draw-down of the security required in Section 6, or through other means allowed by law. Unless the delay is excused

by resolution adopted by the City Council, the City may immediately request payment of any liquidated amount due to the City. The City shall notify the Franchisee in writing and allow Franchisee thirty (30) days to cure, unless such time to cure is extended by the City Attorney, before calling the surety bond or drawing upon the certificate of deposit or letter of credit, provided however, that during such time to cure and thereafter, liquidated damages will continue to accrue.

SECTION 11. USE OF STREETS.

(a) All installations shall be underground in those areas of the City where public utilities providing telephone and electric service are underground at the time of installation. In areas where either telephone or electric utility facilities are above ground at the time of installation, Franchisee may install its service above ground, provided that, at such time as those facilities are required to be placed underground by the City or are placed underground, Franchisee shall likewise place its services underground without additional cost to the City. Where not otherwise required to be placed underground by this franchise agreement, Franchisee's system shall be located underground at the request of the adjacent property owner, provided that the excess cost over the aerial location shall be borne by the property owner making the request. All new cable passing under the roadway shall be installed in conduit no less than eighteen (18) inches from the top of the conduit to the surface of the ground, private property and utilities. Franchisee's system and facilities, including poles, lines, equipment and all appurtenances, shall be located, erected and maintained so that such facilities shall:

- (1) Not endanger or interfere with the health, safety or lives of persons;
- (2) Not interfere with any improvements the City, County or State may deem proper to make;
- (3) Not interfere with the free and proper use of public streets, alleys, bridges,

easements or other public ways, places or property, except to the minimum extent possible during actual construction or repair;

- (4) Not interfere with the rights and reasonable convenience of private property owners, except to the minimum extent possible during actual construction or repair;
or

- (5) Not obstruct, hinder or interfere with any gas, electric, traffic control, water or telephone facilities or other utilities located within the City.

(b) Work within right-of-way. The closing of any part of a publicly maintained street or right-of-way must be approved by the City and may be prohibited during peak travel hours, 7-9 A.M. and 4-6 P.M., Monday through Friday. During repairs or improvements, traffic on streets must be maintained. Where full closing of the street is required, the request for approval must be made to the City as soon as possible. All closings are to be protected with signage in accordance with the Manual on Uniform Traffic Control Devices (MUTCD).

(c) Removal of City Property. No City property is to be removed from the right-of-way, including signage on utility poles, without proper permission from the City.

SECTION 12. ACQUISITION OF RIGHT-OF-WAY. In acquiring or widening public rights-of-way, the City shall determine the minimum right-of-way necessary to accommodate paved streets, pedestrian walkways, landscaping, traffic signals, drainage, water and sewer lines and other governmental facilities.

SECTION 13. RELOCATION OF FACILITIES.

(a) Wherever a public right-of-way or other public property is being constructed, paved (whether or not such paving is part of a more extensive improvement project), resurfaced, relocated or otherwise altered or improved (including, but not limited to, the installation of sidewalk, curb,

gutter, drainage facilities, water mains, or sewer mains, traffic signals or trees), Franchisee shall, within ninety (90) days of written notice from the City and at no cost (direct or indirect) to the City, remove or relocate any of Franchisee's facility located within such public right-of-way or public property or perform such work as it deems necessary for the extension of new facilities.

(b) Failure of Franchisee to remove or relocate the facility to a location approved by the City within ninety (90) days of the City's written notice shall entitle the City to recover liquidated damages from Franchisee. The liquidated damages assessed Franchisee, if any, shall be the same as the liquidated damages specified in the City's contract with the prime contractor (either as executed at the time of the City's removal or relocation request or which will be executed prior to any construction for the project which requires the relocation or extension of new facilities). If work which requires removal or relocation of Franchisee's facilities is being constructed by a developer, who has submitted a plan which indicates said work will be dedicated to the City, the liquidated damages for failure to remove or relocate a facility shall be Two Hundred Fifty Dollars (\$250) per diem.

If Franchisee believes it will be unable to complete the relocation within ninety (90) days from receipt of notice from the City, Franchisee shall explain the reasons for its inability in detail and City and Franchisee shall attempt to agree on an alternate schedule, subject, however, it is the City's right to finally determine the schedule and liquidated damages, as long as its decision is not unreasonable.

The City may collect any such liquidated damages owed either through the draw-down of the security required in Section 6, or through other means allowed by law. Unless the delay is excused by resolution adopted by the City Council, the City may immediately request payment of any liquidated damages due to the City.

SECTION 14. TREES. Trimming of the trees and shrubbery within the public right-of-way to prevent contact with Franchisee's facilities shall be done only in accordance with standards approved by the City. Removal or severe pruning of any tree or shrub, work on the surface within five (5) feet of any tree or shrub, and underground excavation within the drip line of a tree or shrub, which will require cutting of ten percent (10%) or more of the circumference of the root system, may be undertaken only in accordance with a specified permit obtained from the City and in compliance with the special conditions of such permit and other standards established by this franchise or other law. Where trees or shrubs in the public right-of-way are damaged as a result of work undertaken by or on behalf of Franchisee, Franchisee shall pay the City, within thirty (30) days of submission of a statement by the City, the cost of any treatment required to preserve the tree or shrub and/or cost for removal and replacement of the tree or shrub with landscaping of equal value and/or the value of the tree or shrub prior to the damage or removal as determined by the City.

The City may collect such damages through draw-down of the security required in Section 6, through the insurance required in Section 7 or through other means allowed by law.

SECTION 15. CONSTRUCTION STAFFING. During the franchise term, Franchisee shall have sufficient full-time supervisors on staff solely to supervise construction plans and the construction practices of subcontractors. As a minimum standard, Franchisee shall provide at least one (1) full-time supervisor who shall have final decision making authority with respect to construction issues for each four (4) crews engaged in construction within the City. The Franchisee shall provide the means for immediate notification and communication by the City with the supervisor in the field by means of a pager, cellular phone or other similar means of communication during all phases of construction. All construction work or any other work

performed by Franchisee, its employees, agents, its duly licensed contractors and sub-contractors shall be in compliance with the plans and specifications approved by the City, and shall be subject to all applicable ordinances, rules and regulations, including licensing and permitting, as well as any licensing and permitting fees charged to all persons and businesses for construction and street opening.

SECTION 16. FRANCHISE NOT A JOINT VENTURE. Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party 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.

SECTION 17. SERVICE TO THE CITY.

(a) In addition to any franchise fee collected pursuant to Section 19 of this franchise, the Franchisee shall provide the fiber and facilities to the governmental and institutional facilities as follows:

- (1) The Franchisee shall provide the City without charge solely for the City's noncommercial telecommunications purposes, one (1) dark fiber pair (two (2) fibers) in all of the ducted, conduit and aerial facilities in its backbone network (i.e. network consisting of fully redundant self healing ring topology, where such ring topology exists), with necessary splice cases and industry standard fiber connectors to be specified by the City. Franchisee may choose at its own election to provide the City with more fiber strands along certain segments of its route, and may do so using a dedicated cable for the City's facilities, if the Franchisee determines it is more advantageous to do so from an engineering standpoint.
- (2) Within six (6) months of completion of any route, initial build or expansion,

Franchisee shall provide to the City lateral connections to and will terminate and splice the dark fibers at a patch panel to each City designated facility along the fiber optic transmission line run as required by the City and suitable for the City's stated needs and provide any necessary facilities to accomplish the interconnection of City telecommunications services at Franchisee's sole cost and expense or at Franchisee's cost to be reimbursed by the City as provided herein. Franchisee shall provide such facilities at the following governmental buildings (See Exhibit C) as the City may direct with respect to the initial build as hereinafter determined by Franchisee and City.

- (3) In addition, in any expansion route Franchisee will provide the City access to all governmental buildings which are adjacent to Franchisee's network as the City may direct at Franchisee's cost to be reimbursed by the City as provided herein. For purposes of this franchise, "adjacent to" shall mean located within a two hundred foot radius of Franchisee's backbone network. "Governmental buildings" shall mean buildings owned or controlled by the City or other governmental entities for which the City submits a written request to Franchisee for connection. Franchisee will provide the one hundred (100) feet of underground lateral connection or one hundred and fifty (150) feet of aerial lateral connection, fiber optic cable, patch panel and labor to install the cable to the patch panel in up to five (5) governmental buildings at no cost to the City; any footage of lateral connection in excess of one hundred (100) feet underground and one hundred and fifty (150) feet aerial and any governmental buildings connected by Franchisee in excess of five (5) will be done at Franchisee's cost to be reimbursed by the City as provided herein. In the event

the City is unable to provide access pursuant to subsection (h), Franchisee will construct entries to these buildings at its actual cost, to be borne by the City, unless the identified building is one which Franchisee also wishes to serve, in which case the cost of building entrances will be borne exclusively by Franchisee. Franchisee shall advise the City in writing of the cost of such construction prior to initiation of construction. Based upon specifications provided by the Franchisee, the City reserves the right to obtain proposals to accomplish building entries from vendors other than Franchisee and other franchisees.

- (4) The Franchisee shall coordinate all construction routing with the City in order to accommodate the connection of additional buildings identified by the City so as to allow the City to maximize the effectiveness of the dark fiber for public use if such routing is reasonably commercially practicable to the Franchisee.
- (5) The Franchisee shall provide adequate space on all poles owned by Franchisee on, over or within the City and shall assist the City in location of facilities on poles of third parties.
- (6) The Franchisee shall provide for co-location of City interface equipment in Franchisee's space in Franchisee's owned network hub locations of up to a physical size of three (3) feet by four (4) feet and a maximum height of six (6) feet, including necessary power and climate control for the City interface equipment. Franchisee will at the City's request, interconnect the fiber provided pursuant to subsection (a)(1) to fiber provided to the City by another franchisee; provided, however, that such interconnection must be accomplished only at a City building where Franchisee and the other franchisee have each terminated the City's fiber at a patch

panel as required by their respective franchises.

(b) Within forty-eight (48) months immediately following the final issuance of this franchise, Franchisee agrees that it shall have constructed or installed those initial elements of its fiber optic cable infrastructure as are identified in the maps produced to the City, and that such cable infrastructure shall be located adjacent buildings and/or addresses as are identified in Exhibit C attached hereto. Franchisee's failure to so install such infrastructure in such time period shall cause this franchise to terminate, at the election of the City.

(c) The City, in its sole discretion, may require Franchisee to lease to the City fiber optic transmission equipment if Franchisee ever provides transmission equipment to any of its lessees. Franchisee shall operate and maintain such equipment and provide network monitoring on the City's behalf at the locations as described herein, if required by the City. Any equipment lease and maintenance costs to the City shall be based upon Franchisee's direct cost plus ten percent (10%), or upon Franchisee's lowest rate it leases the same equipment to any similarly situated customer whichever is less.

(d) Charges for services provided by Franchisee to the City under this agreement shall be offset against the franchise fee payable by Franchisee to the City pursuant to Section 20 of this franchise agreement, provided however, that should any amounts be due and owing from the City to Franchisee for services hereunder in excess of any franchise fees payable from Franchisee to the City in any calendar month, these amounts shall accrue and shall be offset against future franchise fees due from Franchisee to the City.

(e) Franchisee acknowledges that the City has the right to connect its own equipment to the dark fibers to be provided hereunder for internal non-commercial municipal purposes, and to make full use at no cost or expense to the City of the fibers to be dedicated to the use of the City

hereunder.

(f) Franchisee agrees that any routine maintenance of fiber dedicated to the City shall be borne by Franchisee. The City shall pay only actual incremental labor costs to Franchisee to repair the City's share of dark fibers within any cable that is damaged as the result of any natural disaster. Nothing in this subsection (d) shall supersede the provisions of Section 14 of this franchise relating to the relocation of equipment at Franchisee's expense in the event of a City project.

(g) The City recognizes that Franchisee's agreements, if any, to occupy rights-of-way or for pole attachments may be subject to the control of third parties who may require Franchisee to relocate its cable. In the event of such required relocation by Franchisee, Franchisee shall provide notice thereof to the City as soon as reasonably possible. Franchisee shall provide replacement dark fibers to the City in any Franchisee replacement cable as soon as reasonably possible.

(h) The City will provide access when available to existing conduit, entry facilities, risers, drops or other entry facilities owned or controlled by the City.

SECTION 18. USE OF SYSTEM BY CITY. The City shall have the right to install, operate, and maintain City facilities on any above-ground facility owned or leased by Franchisee without charge, provided that leased facilities would be subject to approval by the lessor when necessary. Where the installation of such facilities by the City requires the adjustment of Franchisee's facilities on any pole or other above-ground facility (whether owned by Franchisee, another franchisee, the City, or another person), such adjustment shall be made by Franchisee at no cost to the City.

(a) Whenever it becomes necessary for the Franchisee to temporarily remove any wire,

sign or other property of the City from any Franchisee facility for Franchisee's own purposes, the City will not pay the expense of, but shall have the right to supervise, such removal and replacement and Franchisee shall make arrangements for alternative services if the City deems the facility is critical to maintain operation.

(b) Any City facility which is installed in or on any Franchisee facility pursuant to this section will be installed consistent with the applicable provisions of the National Electrical Safety Code.

(c) In the event any party interferes with the integrity of the underground facilities, specifically the conduit, conduit space, or cable provided to the City, the City shall be notified immediately.

SECTION 19. FRANCHISEE FEE: CONDITIONS.

(a) As consideration for this franchise, which provides for the rental and use by the Franchisee of the rights-of-way and other public places within the boundaries of the City, which are valuable public properties acquired and maintained by the City at great expense to its taxpayers and citizens, and that the grant to Franchisee of the use of said rights-of-way and other public places is a valuable property right without which Franchisee would be required to invest substantial capital in right-of-way costs and acquisitions, as compensation for the rights and privileges conferred herein, the Franchisee shall pay to the City an amount equal to five-percent (5%) of the gross revenue, as defined herein, collected by the Franchisee (the "Franchise Fee"). Gross revenues that originate in one municipality and terminate in another shall be evenly apportioned among the two municipalities for purposes of calculating the Franchise Fee owed to each municipality by the Company, such that the aggregate Franchise Fee paid by the Company to the two municipalities shall not exceed five percent (5%) of said gross revenues.

(b) In consideration of the agreement of the Franchisee to make such franchise payments, the City agrees that no business license shall be imposed upon or required of the Franchisee by the City during the term of this franchise. This provision shall not exempt the property of the Franchisee from lawful ad valorem taxes and local improvement district assessments. This provision shall also not exempt the Franchisee from conditions, exactions, fees and charges, which are generally applicable during Franchisee's real property development or use as required by the City's ordinances. This Agreement shall also not exempt any subcontractors or agents of the Franchisee working within the City from any applicable requirement to acquire a business license and/or to satisfy other permit fee obligations that might be due for the work conducted within the City. Under no circumstances shall Franchisee be liable to the City for any business license or permit fee obligations that the City claims are owed by any entity or person other than Franchisee.

(c) Commencing the month following the month this franchise becomes effective, the franchise fee shall be paid quarterly on the 20th day of April, July, October and January; such fee shall be for revenues received by the Franchisee for the preceding quarter. The Franchisee shall furnish to the City with each payment of compensation required by this section a written statement, showing the amount of gross revenue of the Franchisee within the City for the period covered by the payment. Such statement will be accorded confidential treatment to the extent permitted by law. Upon receipt of such payment the City shall issue a receipt to the Franchisee. To facilitate the City's annual budget process, on or before June 30, 2026, and each succeeding June 30th thereafter during the term of this franchise, the Franchisee will provide the City with an estimate of the gross revenue and resultant franchise fee for the following calendar year. Nothing herein shall preclude the Franchisee and the City from agreeing to a revised payment schedule.

(d) On or before the first (1st) day of February of each succeeding year, the Franchisee shall submit to the City a statement of the franchise fee actually due to the City based upon the actual gross revenue for the previous calendar year, together with a check for any amount due from the Franchisee or a statement for any amount due from the City. Such statement will be accorded confidential treatment to the extent permitted by law.

(e) In the event that the franchise fee set forth in this Franchise is declared illegal, unconstitutional or void for any reason by any court or proper authority, the Franchisee shall be contractually bound to pay the City, at the same times and in the same manners as provided for herein, an aggregate amount equal to the amount which would have been paid as a franchise fee. This section, however, shall not constitute a waiver of any claim the Company may assert against the City.

(f) Acceptance by the City of any payment due under this section shall not be deemed to be a waiver by the City of any breach of this franchise occurring prior thereto, nor shall the acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City.

(g) As used in this section, gross revenue shall mean all revenues (exclusive of sales tax) collected by Franchisee from operation of Franchisee's system installed pursuant to this franchise, and any related services provided by the Franchisee within the corporate limits of the City, including, but not limited to:

- i. All revenues from installation service charges,
- ii. All revenues from connection or disconnection fees,
- iii. All revenues from penalties or charges to customers for checks returned from banks, net of bank costs paid, and penalties, interest or charges for late payment,

- iv. All revenues from equipment sold or rented to customer upon customer premises,
- v. All revenues from authorized rental of conduit space located within the corporate limits of the City,
- vi. All revenues from authorized rentals of any portion of Franchisee's network within the corporate limits of the City, including plant, facilities, or capacity leased to others,
- vii. All other revenues collected by Franchisee from business pursued within the City, recoveries of bad debts previously written off and revenues from the sale or assignment of bad debts. Unrecovered bad debts charged off after diligent, unsuccessful efforts to collect are excludable from gross revenue, and
- viii. The value of any free services provided by Franchisee except (1) those free services required under this agreement; (2) services provided as a credit against non-recurring charges imposed on Franchisee's customers by a local exchange carrier for converting circuits to Franchisee.

Notwithstanding any provision contained in this Agreement, for purposes of calculating Franchise Fees owed to City by Franchisee, gross revenues shall include only Franchisee's revenues from Services that originate or terminate within the corporate limits of the City. Gross revenues shall not include Franchisee's revenues arising from or relating to Services that both originate and terminate outside the corporate limits of the City. Additionally, Franchisee shall not be liable to City for any Franchise Fees that the City claims may be owed on revenues received by any entity or person other than Franchisee.

Payment of money under this section shall in no way limit or inhibit any of the privileges or rights of the City of Homewood, whether under this franchise or otherwise. Except as provided

elsewhere in this franchise, all payments made by franchisee to the City pursuant to this franchise shall be made to the City Clerk. Franchisee shall file annually with the City Clerk no later than four (4) months after the end of Franchisee's fiscal year, an audited statement of revenues (for the year) attributable to the operations of the Franchisee's network within the City of Homewood pursuant to this franchise as provided in Section 20.

Any transactions which have the effect of circumventing payment of required franchise fees and/or evasion of payment of franchise fees by non-collection or non-reporting of gross receipts, bartering, or any other means which evade the actual collection of revenues for business pursued by Franchisee are prohibited and may constitute a default of this agreement.

If as a result of such audit or any other review, the City determines that the Franchisee has underpaid its fees by ten percent (10%) or more for any twelve (12) month period, then in addition to making full payment of the relevant obligation, the Franchisee shall reimburse the City 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 City may collect the costs associated with such audit or review either through the draw-down of the security required in Section 6, or through other means as allowed by law.

If as a result of such audit or other review, the City determines that the Franchisee has underpaid its fees for any twelve (12) month period, the Franchisee shall pay interest on such underpayment at the rate of ten percent (10%) interest or prime plus two percent (2%), whichever is greater. The underpayment and interest thereon may be collected by the City through the draw-down of the security required in Section 6, or through other means as allowed by law.

SECTION 20. ACCOUNTS AND OTHER RECORDS AND REPORTS AND INVESTIGATIONS. Franchisee shall keep the City fully informed as to all matters in connection

with or affecting the construction, reconstruction, removal, maintenance, operation and repair of Franchisee's network, Franchisee's accounting methods and procedures in connection therewith, and the recording and reporting by Franchisee of all revenues and uncollectables.

(a) Franchisee shall keep complete and accurate books of account and records of its business and operations pursuant to this franchise agreement in accordance with generally accepted accounting principles, subject to approval by the City.

(b) Franchisee shall file annually with the City Clerk for his review no later than one hundred twenty (120) days after the end of the Franchisee's fiscal year, a detailed account and statement of Franchisee's gross revenues, certified by an officer of Franchisee and a certified public accountant, covering the operations of the franchise within the corporate limits of the City of Homewood. The City may request such additional reports, statements and documents with respect to the Franchisee's properties, leases, customers and expenses related to its network operations within the City. Franchisee acknowledges that the City's records are subject to public review.

(c) Franchisee shall report to the City such other information within its possession relating to Franchisee as the City may consider useful and shall comply with the City's determination of forms for reports, the time for reports, the frequency with which any reports are to be made, and if reports are to be made under oath.

(d) Franchisee shall provide the City with access at reasonable times and for reasonable purposes, to examine, audit, review, and/or obtain copies of the papers, books, accounts, documents, maps, plans and other records of Franchisee pertaining to this franchise. Franchisee shall fully cooperate in making available its records and otherwise assisting in these activities.

(e) The City may, at any time, make inquiries pertaining to Franchisee's operation of

its network within the City of Homewood. Franchisee shall respond to such inquiries on a timely basis.

SECTION 21. NATURE OF FRANCHISE FEE PAYMENTS.

(a) The City and the Franchisee agree that the compensation and other payments to be made pursuant to this franchise are not a tax and are not in the nature of a tax, but are in addition to any and all taxes of general applicability or other fees or charges which the Franchisee shall be required to pay to the City or to any other governmental authority; and the Franchisee shall not have or make any claim for any deduction or other credit of all or any part of the amount of the compensation or other payments made pursuant to this franchise or from or against any taxes of general applicability or fees or damages which the Franchisee is required to pay.

(b) The payment of a franchise fee by the Franchisee in no way limits the right of the City to charge fees for any permits the Franchisee is required to obtain for any construction project.

SECTION 22. FORFEITURE AND TERMINATION.

(a) In addition to all other rights and powers of the City, the City reserves the right to forfeit and terminate this franchise and all rights and privileges of the Franchisee in the event of a material or substantial breach of its terms and conditions including, but not limited to, the following:

- i. The appointment of a receiver or trustee in bankruptcy to take over and conduct the business of the Franchisee;
- ii. A failure to begin construction of the fiber optics system within thirty-six (36) months of the effective date of this franchise;
- iii. A failure to provide insurance, bonds, certificates of deposit or letters of credit as required herein;

- iv. A failure to pay the required franchise fee or provide to the City as required herein;
- v. Permitting the use of its fiber optics system or facilities in any manner that would avoid or seek to avoid the need for a franchise with the City for the business of another person; or
- vi. A failure to operate the fiber optics system for a period of six (6) months.

(b) The Franchisee shall not be excused by mere economic hardship, nor by nonfeasance or malfeasance of its directors, officers, agents, subcontractors or employees.

(c) The City shall notify the Franchisee in writing of any breach specifying the nature of the breach. The Franchisee shall have thirty (30) days after the date of such notice to come back into compliance unless such period is extended by the City Attorney. Should the Franchisee fail or refuse to comply with the notice given by the City, the City may consider the franchise in default and pursue remedies as it determines. If the remedy elected by the City is to forfeit and terminate this franchise, the Franchisee may request an appeal of such decision to the Council of the City of Homewood which appeal must be filed in writing with the City Clerk no later than ten (10) days after the date of written notice of forfeiture and termination to the Franchisee. The Council shall set a public hearing on such appeal within thirty days after notice of appeal is received.

SECTION 23. REMEDIES AND PENALTIES NOT EXCLUSIVE. All remedies and penalties under this franchise are cumulative and not exclusive, and the recovery or enforcement by one available remedy or imposition of any penalty is not a bar to recovery or enforcement by any other such remedy or imposition of any other penalty. The City reserves the right to enforce the penalty provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition or obligation imposed upon the Franchisee by or pursuant to this franchise. A

specific waiver of a particular breach of any term, condition or obligation imposed upon the Franchisee by or pursuant to this franchise shall not be a waiver of any other or subsequent or future breach of the same or any other term, condition or obligation, or a waiver of the term, condition or obligation itself.

SECTION 24. CONTINUING OBLIGATION. In the event the Franchisee continues to operate all or any part of the network after the terms of this franchise agreement expire or are terminated, and before any renewal of the franchise by the City, then the Franchisee shall continue to comply with all applicable provisions of this franchise, including, without limitation, all compensation and other payment provisions of this franchise, throughout the period of such continued operation, provided that any such continued operation shall in no way be construed as a renewal or other extension of this franchise.

SECTION 25. LIMITATION ON PRIVILEGES. All rights, authority and grants herein contained or conferred are also conditioned upon the understanding and agreement that these privileges in the rights-of-way and other public ways of the City are not to operate in any way so as to be an enhancement of the franchise's properties or values or to be an asset or item of ownership in any appraisal thereof.

SECTION 26. THIS SECTION INTENTIONALLY LEFT BLANK.

SECTION 27. CAPTIONS. The captions given to various provisions of this franchise are for purposes of convenience only and are to have no impact upon the interpretation of any such provisions.

SECTION 28. ENTIRE AGREEMENT. This franchise, with its exhibits, comprises the entire agreement between the City and the Franchisee for purposes of this franchise.

SECTION 29. BURDEN OF PROOF. In any disagreement upon the terms and conditions

of this franchise, the Franchisee shall bear the burden of demonstrating its compliance with each term and condition of this franchise for all purposes.

SECTION 30. NO COERCION. The Franchisee enters into this franchise willingly and without coercion, undue influence or duress. The Franchisee has reviewed each and every obligation, term and condition of this franchise and hereby certifies that none of the obligations, terms or conditions imposed upon it by this franchise are commercially impracticable.

SECTION 31. SYSTEM IS ECONOMICALLY AND TECHNICALLY FEASIBLE AND VIABLE. The franchisee, after thoroughly considering all foreseeable economic and business risks, currently believes that the provision of all such services, facilities and equipment as required for this franchise is economically and technically feasible during the term of this franchise.

SECTION 32. FRANCHISEE SHALL NOT DISCRIMINATE IN EMPLOYMENT. The Franchisee shall comply in all respects with all applicable local, state and federal employment laws during the term of this franchise.

SECTION 33. COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES. Franchisee shall, at all times during the term of its franchise, be subject to the present ordinances, resolutions, rules, regulations, and laws of the City of Homewood and of the State of Alabama, and to the provisions of any further ordinance, resolution, rule, regulation, or law of the City or of the State of Alabama, so far as they may be applicable.

SECTION 34. ALABAMA LAW GOVERNS. In any controversy or dispute under this franchise, the laws and jurisdiction of the State of Alabama shall apply to the extent such law has not been superseded or preempted.

SECTION 35. NOTICE. Any notice required or permitted under this franchise shall be

deemed given if sent by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

To the City: Melody Salter
Homewood City Clerk
2850 19th St. S.
Homewood, AL 35209

To the Franchisee: Uniti Fiber GulfCo LLC
Kelly A. McGriff, General Counsel
107 St. Francis Street, Suite 1800
Mobile, Alabama 36602

or such other address as may be designated in the future in writing by either party.

SECTION 36. EFFECTIVE DATE AND PUBLICATION. After the execution hereof, this franchise shall be published once a week for three (3) consecutive weeks in a daily newspaper published in the City of Homewood at Franchisee's expense, and shall not take effect until such publication or thirty (30) days after the Ordinance or Resolution authorizing this franchise, whichever is later.

SECTION 37. MODIFICATION. This franchise, including all documents specifically incorporated herein, cannot be changed orally but only by an agreement in writing properly executed by the parties.

SECTION 38. SEVERABILITY. Should any part, term or provision of this franchise be held invalid or unenforceable by any court of competent jurisdiction, such part, term, or provision shall be deemed a separate, distinct and independent provision and such holding shall not invalidate or render unenforceable any other provision of this franchise.

SECTION 39. RIGHT TO NOTICE AND CURE. Other provisions herein to the contrary notwithstanding, prior to exercising its right to terminate or revoke this Agreement as provided herein, the City shall first give written notice to the Franchisee setting out the circumstance or

basis on which the City has the right to terminate or revoke this Agreement, and the Franchisee shall have a period of thirty (30) days after the receipt of the notice within which to cure, correct, or resolve the circumstance or basis, and if the Franchisee is successful in the cure, correction, or resolution thereof, then the City shall not exercise its right to terminate or revoke this Agreement. If the Franchisee has commenced the cure, correction, or resolution within thirty (30) days after its receipt of notice, but additional time is necessary to the completion thereof, then Franchisee shall have an additional thirty (30) days or such additional time upon which the parties can agree, not to be unreasonably withheld by either party, to accomplish the cure, correction, or resolution.

IN WITNESS WHEREOF, the parties have executed this franchise as of the ____ day of October, 2025.

CITY OF HOMEWOOD, a municipal corporation

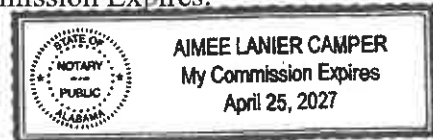

By: Alex Wyatt
Its: Mayor

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned Notary Public, in and for said State and in said County, hereby certify that Alex Wyatt as Mayor of the City of Homewood, Alabama, whose name is signed to the foregoing Franchise Agreement, and who is known to me, acknowledged before me on this day, that being informed of the contents of the Franchise Agreement, he has executed the same voluntarily on behalf of the City of Homewood, Alabama, on the day the same bears date.

Given under my hand and official seal on this the 13 day of October, 2025.


Notary Public
My Commission Expires:



ATTEST


City Clerk

UNITI FIBER GULFCO LLC, Franchisee

Kelly A. McGriff
By: Kelly A. McGriff
Its: Vice President and General Counsel

STATE OF ALABAMA)
COUNTY OF MOBILE)

I, the undersigned Notary Public, in and for said State and in said County, hereby certify that Kelly A. McGriff as Vice President and General Counsel of Uniti Fiber GulfCo LLC, whose name is signed to the foregoing Franchise Agreement, and who is known to me, acknowledged before me on this day, that being informed of the contents of the Franchise Agreement, he/she has executed the same voluntarily on behalf of Uniti Fiber GulfCo LLC on the day the same bears date.

Given under my hand and official seal on this the 8th day of October, 2025.

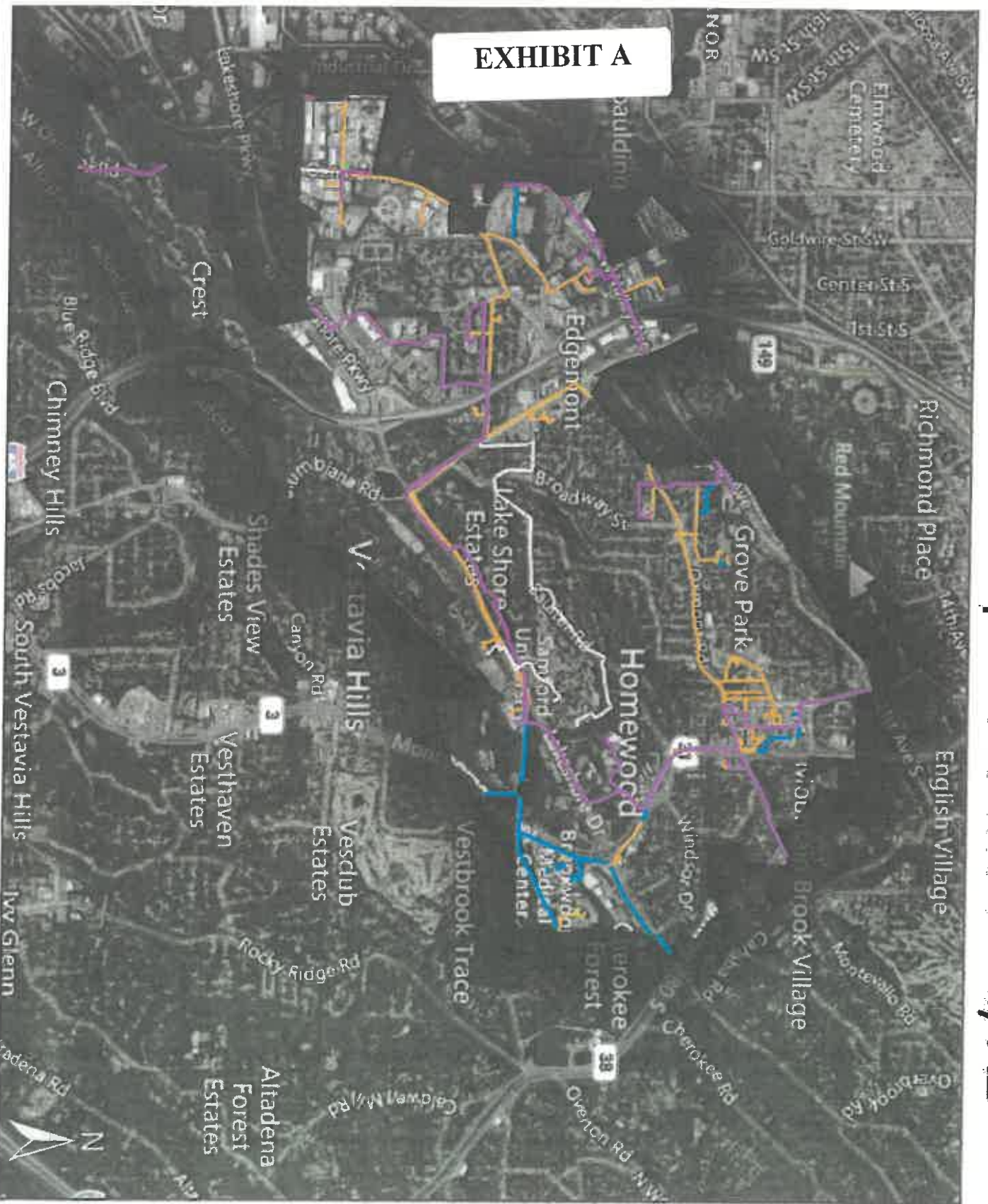
Jessica Kaiser
Notary Public
My Commission Expires: 11/4/28



EXHIBIT A

[See attached map]

Uniti Footprint: Homewood, AL



Fiber
Aerial: 8.11
Underground
Non Uniti Duct
Owned By Other
RETI Asset:
Total: 53.78

- Fiber**
- Cable Type
 - Aerial
 - Underground
 - Non-Uniti Duct
 - Owned By Other
 - RETI Asset
 - City Boundary

Uniti Fiber cannot be held responsible for misinterpretation of any information or representation of any kind. This map is provided for informational purposes only and does not constitute any offer, warranty, or guarantee of accuracy or completeness. No liability is assumed for any loss, damage, or inconvenience resulting from the use or reliance on this map. This is a preliminary map and may not be used for engineering, or surveying purposes. The location of property on the ground survey and the relative location of property

EXHIBIT B

Uniti Fiber GulfCo LLC is wholly owned by Uniti Fiber Holdings, Inc., a Delaware corporation.

EXHIBIT C

GOVERNMENTAL BUILDINGS

1. Within six (6) months of execution of this Franchise Agreement to the extent commercially feasible, or otherwise with the natural buildout of Franchisee's fiber network, Franchisee will build fiber into the following public buildings and will interconnect said public buildings on dark fiber in two groups:

Group A

- Homewood City Hall, 2850 19th Street South, Homewood, AL
- Homewood Police Dept. and City Jail, 1833 29th Avenue South, Homewood, AL

Group B

- Homewood Police Training Center, 175 Citation Court, Homewood, AL
- Homewood Public Works Building, 187 Citation Court, Homewood, AL
- Homewood Fire Station 3, 250 Snow Drive, Homewood, AL

Franchisee will also bear the cost of providing a 1 Gigabit/second Ethernet connection from one of the buildings in Group A to one of the buildings in Group B, until such time in the ordinary course of the build-out of Franchisee's fiber optic network Franchisee can connect said buildings with dark fiber. Franchisee will work with the City's IT staff to determine which building in Group A and which building in Group B will be connected.

2. The following public buildings will be connected to the fiber optic network in the ordinary course of business as the fiber optic network is built-out by Franchisee:

- Homewood Public Library, 1721 Oxmoor Rd, Homewood, AL
- Homewood Police Dept-West Precinct, 120 Oxmoor Blvd., Suite 150, Homewood, AL
- Homewood Police Traffic Signs, Signals, Narcotics, and K-9 Operations, 66 Bagby Drive, Homewood, AL
- Homewood Parks & Recreation Dept., 1632 Oxmoor Rd, Homewood, AL
- Homewood Senior Center, 816 Oak Grove Rd, Homewood, AL
- Fire Station 1, 1675 28th Court South, Homewood, AL
- Fire Station 2, 430 Carr Avenue, Homewood, AL

3. The City shall provide a conduit path from all public buildings to the right of way to enable said buildings to be connected to the fiber optic network.