

## **FRANCHISE AGREEMENT**

**THIS AGREEMENT** made and entered into this \_\_\_ day of February, 2015, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes (hereinafter "Lexington" or the "Government"), and **CROWN CASTLE NG CENTRAL LLC**, a wholly owned indirect subsidiary of Crown Castle International Corp. (NYSE:CCI) created and existing under and by virtue of the laws of Delaware, with its administrative office at 2000 Corporate Drive, Canonsburg, PA 15317 (hereinafter "Crown Castle" or the "franchisee").

### **WITNESSETH:**

**WHEREAS**, by Ordinance No. 126-2014 (the "Ordinance"), enacted October 9, 2014, Lexington created a short-term non-exclusive franchise for the privilege of constructing, erecting, operating and maintaining a telecommunications system in Fayette County, Kentucky; and

**WHEREAS**, pursuant to the Ordinance Lexington authorized the advertising for bids on said franchise and Crown Castle submitted a timely bid to acquire said franchise; and

**WHEREAS**, by Resolution No. \_\_\_\_-2015, enacted February \_\_\_, 2015, Lexington accepted the bid of Crown Castle as substantially responsive to the Ordinance and in the best interest of the citizens of Lexington-Fayette Urban County; and

**WHEREAS**, Lexington and Crown Castle have agreed to accept the following as the terms of this Agreement and as those of the franchise.

**NOW THEREFORE**, for and in consideration of the mutual covenants and agreements contained herein the receipt and sufficiency of all of which are hereby acknowledged, the Government and Crown Castle agree as follows:

1. Ordinance No. 126-2014, which is attached hereto as Exhibit "A" (the "Ordinance"), is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

2. The bid of Crown Castle for this franchise, which is attached hereto as Exhibit "B", is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

3. Lexington hereby grants unto Crown Castle a non-exclusive franchise for the privilege of constructing, erecting, operating and maintaining a telecommunications system (or portion thereof) upon, through, along, under and over the public streets, alleys, avenues, public roads, highways, sidewalks, and other public ways of the Lexington-Fayette Urban County Government in accordance with the terms of the Ordinance.

4. This Agreement shall commence on February \_\_\_\_, 2015, and shall expire on December 4, 2015 unless otherwise extended pursuant to the provisions of the Ordinance or the parties enter into another franchise agreement. Provided that Crown Castle is not otherwise in default on any provision of this Agreement, the parties agree that it will have the opportunity to bid on a future long-term franchise for services offered by Lexington prior to any action being taken by Lexington to remove Crown Castle's facilities or equipment from the public rights-of-way..

5. In consideration of the granting of this franchise, Crown Castle agrees to pay to Lexington any fees required pursuant to the Ordinance, including without limitation the fees specified in Section 20(a) of the Ordinance. The remaining provisions of this section are only intended to apply in the event that Crown Castle is not subject to the state excise tax assessment levied by the Commonwealth of Kentucky pursuant to the Telecommunications Tax Act (KRS 136.600, et seq.)(the "Tax"), or it is otherwise determined by a court of competent jurisdiction (in the form of a final non-appealable order or judgment) that a local government in Kentucky is not otherwise precluded from assessing a franchise fee for the types of services provided by Crown Castle. Crown Castle must submit to Lexington satisfactory documentation that it is paying the Tax (e.g., a written payment submission or receipt) within sixty (60) days following the date at which such taxes are due and payable. In the event that Crown Castle is no longer required to pay the excise tax under the Telecommunications Tax Act or any successor tax or it is otherwise determined by a court of competent jurisdiction (in the form of a final non-appealable order or judgment) that a local government in Kentucky is not otherwise precluded from assessing a franchise fee for the types of services provided by Crown Castle, then Crown Castle is required to pay Lexington a franchise fee as further provided herein to compensate Lexington for the use of the Rights-of-way. Crown Castle shall provide Lexington with written notification of this change in status within thirty (30) days. The franchise fee shall be based upon the annual gross revenues received by the franchisee for the use of any part of its system in Fayette County unless otherwise prohibited by law or as agreed to by the Government, including any rental or like use income received by the franchisee. The final fee amount is to be established by the Urban County Council, but in no event shall the fee be less than \$10,000.00 per year nor greater than five percent (5%) of annual gross revenues

(in either event paid in monthly installments). The franchisee is permitted to include any applicable franchisee fee as portion of its bill to any subscriber, if applicable. As an alternative to the above-method of calculating a franchise fee, the Government reserves the right to implement an annual franchise fee (which is also required to be paid on a monthly basis) based upon the level of encroachment and use of the Rights-of-way by the franchisee, provided that in no event shall such fee exceed five percent (5%) of Crown Castle's gross revenues.

6. As a new entrant requiring the installation and build out of certain facilities, Crown Castle further expressly agrees to the following:

(a) To designate in writing an agent in Fayette County, Kentucky, to oversee and manage all activities required pursuant to Chapters 17 and 17C of the Code of Ordinances of the Lexington-Fayette Urban County Government (the "Code"), and accept service of any legal proceeding initiated by the Government;

(b) To notify Lexington in writing of the date at which it commences the provision of services related to its system;

(c) Pursuant to Section 7 of the Ordinance, provide a performance bond in the amount of fifty thousand dollars (\$50,000.00);

(d) Pursuant to Section 9 of the Ordinance, Crown Castle shall comply with the insurance requirements of Section 17C-16 of the and shall maintain in full force and effect a commercial general liability insurance policy reasonably acceptable to the Government's Division of Risk Management with a minimum policy limit of one million dollars (\$1,000,000.00) per occurrence and shall provide the Government with a certificate of insurance evidencing the insurance policy required by this section. The policy will be endorsed to provide at least thirty (30) days prior notice of cancellation to the Government by the insurer, except for non-payment of premium; however, insurance may be canceled and replaced with a policy that continues to meet the requirements of this section. The government reserves the right to impose additional insurance requirements as part of a franchise agreement;

(e) Fully and timely comply with all of the applicable provisions of Chapters 17 and 17C of the Code, and of Sections 21 and 22 of the Ordinance unless released in writing in advance by the Government.

7. Crown Castle, its successors and assigns, in consideration of the grant, sale and conveyance of the above franchise, does hereby bind itself, its successors and assigns, to faithfully and fully perform each and every condition of said franchise as contained in this Agreement, and further to faithfully perform all acts required of it as the purchaser of said franchise.

8. All notices required herein are to be sent in writing to the following designated individuals:

For Lexington:  
Department of General Services  
c/o Roger Daman  
Government Center  
200 East Main Street  
Lexington, Kentucky 40507

For Crown Castle:  
Crown Castle NG Central LLC  
Attn: Legal Department  
2000 Corporate Drive  
Canonsburg, PA 15317

With a copy which shall not constitute notice to:

Crown Castle NG Central LLC  
Attn: Contracts Management – Small Cell  
2000 Corporate Drive  
Canonsburg, PA 15317

9. This Agreement contains and embodies the entire agreement between the parties and shall be binding upon and inure to the benefit of the respective successors in interest to the parties hereto. No changes, modifications or other deletions in this Agreement shall be effective unless and until the same are reduced to writing and approved, adopted, and executed in the same fashion as this Agreement.

**IN TESTIMONY WHEREOF**, the Lexington-Fayette Urban County Government has caused its name to be affixed hereto by the Mayor and Crown Castle NG Central LLC, has caused its name to be affixed hereto by Kristin Echement, its properly authorized officer.

LEXINGTON-FAYETTE URBAN COUNTY  
GOVERNMENT

BY: \_\_\_\_\_  
JIM GRAY, MAYOR

ATTEST:

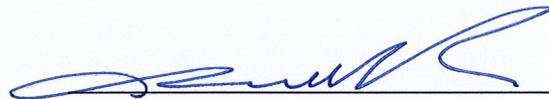
\_\_\_\_\_  
MEREDITH NELSON

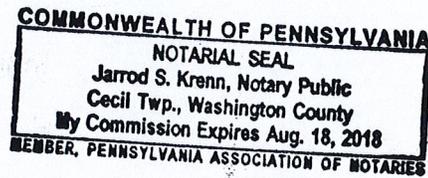
CROWN CASTLE  
BY: \_\_\_\_\_  
ROBERT D. WARD, PRESIDENT  
DAS AND SMALL CELL NETWORKS

COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF WASHINGTON )

The foregoing Agreement was subscribed, sworn to and acknowledged before me by Robert D. Ward, as President, DAS and Small Cell Networks, Crown Castle NG Central LLC, on this the 15 day of January, 2015.

My commission expires: Aug 8 2018

  
\_\_\_\_\_  
NOTARY PUBLIC  
\_\_\_\_\_, STATE-AT-LARGE



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