

CONFIDENTIAL SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“this Agreement”) is entered into as of the day of July, 2015 (“the Effective Date”), by and between MCI Communications Services, Inc., a Delaware corporation (“MCI”) and the City of Greensboro, North Carolina (“City”), a municipal corporation duly created, organized, and existing under and by virtue of the laws of the State of North Carolina. The signatories to this Agreement are collectively referred to as the “Parties” and individually as a “Party.”

WHEREAS, City possesses jurisdiction as provided by state law over its public right of way within the corporate boundaries of the City (“City ROW”); and

WHEREAS, MCI currently has Fiber optic facilities located within City ROW as identified on Attachment A and may seek to place Fiber optic facilities within City ROW in the future; the Parties agree to enter into a franchise to permit such future placements; and

WHEREAS, certain claims (“Claims”) and controversies have arisen between the Parties with respect to the installation and maintenance by MCI of Fiber optic facilities within City ROW; to wit: the City asserts that it possesses a legal right to charge to MCI for occupation of City ROW; and

WHEREAS, MCI agrees to pay the past linear foot charge for any existing installations in the City ROW including all amounts not paid since July 1, 2012, or such later time as the Fiber optic facilities were installed in the City ROW; and

WHEREAS, the City has indicated its intent to condition issuance of future permits on MCI’s past payment of the per linear foot charge for any existing facilities in City ROW (including amounts not paid by MCI since July 1, 2012, or such later time as the Fiber optic facilities were installed in the City ROW) and for new facilities placements, and MCI asserts that the per linear foot charge is legally impermissible (“Disagreement”).

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Payment of Back Franchise Fees. MCI hereby agrees to pay City back franchise fees from July 1, 2012, through June 30, 2015, or from such later date as the Fiber optic facilities were installed in the City ROW in the amount of One Hundred Seventy-six Thousand Eight Hundred Ninety-three and 50/100 Dollars (\$176,893.50) upon execution of this Agreement, in accordance with the per linear foot calculations set forth in Exhibit A attached hereto and made a part hereof.

2. Payment of Future Franchise Fees. MCI hereby agrees to comply with all City ordinances and processes with regards to becoming a franchisee and to pay City a \$0.30 per linear foot franchise fee for occupancy of the City's ROW. In the event of any change in applicable law, regulation, decision, rule, or order by any federal, state, or local body or court that changes the franchise fee, MCI agrees that it will pay the future changed franchise fee.

3. MCI agrees that if it acquires any telecom company that locates utilities within the City's rights-of-way, MCI will notify the Greensboro Franchise Administrator by email and certified mail for the purpose of bringing the acquired company into compliance with Greensboro's Code of Ordinances Chapter 28.1.

4. Release by MCI. MCI, and each of its predecessors, successors, and/or assigns (the "MCI Releasing Parties"), hereby release and discharge City, its officers, directors, employees, and attorneys from any and all costs, claims, demands, judgments, damages, or liability of any kind, in law or equity, which against any of them, any of the MCI Releasing Parties has ever had, now has, or hereafter can, shall or may have, relating to the subject matter hereof, including, but not limited to, any claim for costs, fees, or indemnification relating to this Agreement, arising prior to the Effective Date, including, but not limited to, all claims which have been or should have been asserted prior to the Effective Date.

5. Release by City. City, and each of its predecessors, successors, and/or assigns (the "City Releasing Parties"), hereby release and discharge MCI and its present and former subsidiaries, parent companies, affiliated companies, predecessors, successors, assigns, officers, directors, employees, agents, and attorneys from any and all costs, claims, demands, judgments,

damages, or liability of any kind, in law or equity, which against any of them, any of the City Releasing Parties has ever had, now has, or hereafter can, shall or may have, relating to the subject matter hereof, including, but not limited to, any claim for costs, fees, or indemnification relating to this Agreement, arising prior to the Effective Date, including, but not limited to, all claims which have been or should have been asserted prior to the Effective Date.

6. Confidentiality. To the fullest extent permitted by law, the terms of this Agreement will be held confidential by the Parties, and may only be disclosed to the Parties' attorneys, accountants, and tax advisors, as necessary in legal proceedings, or as required by law. This provision does not prevent City from providing this Agreement in response to a public disclosure request, or place any obligation on City to resist, oppose, object to, or delay its response to any such request.

7. This Agreement is the result of the compromise of disputed claims but shall not be construed as an admission of any liability or other wrongdoing by either Party.

8. By signing this Agreement, each Party acknowledges and warrants that it (a) has read this Agreement and fully understands all of its provisions; (b) has conferred with legal counsel before signing, and that its legal counsel has explained this Agreement; (c) desires to have full force and effect given to each and every provision of this Agreement; (d) is signing this Agreement voluntarily, without duress or undue influence; (e) its signing representative has actual authority to enter into this Agreement on behalf of the Party for which he or she is signing; (f) is the sole owner of the claims it is releasing; (g) has not assigned, hypothecated or transferred any such claim, or any rights to such claim, in whole or in part; (h) has fully and independently investigated the matters giving rise to this Agreement, has based its decision to enter into this Agreement solely on such investigation, and has not been wholly or partially induced to make this Agreement by any information from or representation by any other person or entity. Each of the representations and warranties in this paragraph is unconditional, each is a material and necessary inducement to the Parties to sign and enter into this Agreement, and each shall survive the closing of this Agreement.

9. Each Party had substantial input into this Agreement, which was negotiated by them, and no ambiguity in it shall be construed against either Party by virtue of draftsmanship.

10. This Agreement shall be governed by the laws of the State of North Carolina, without giving effect to its principles of conflicts of laws, and which the Parties agree shall be the sole and exclusive jurisdiction for any suit or cause of action based upon or arising out of this Agreement.

11. This is a fully integrated Agreement. It contains the full and final expression of the Parties relative to its subject matter and supersedes any and all prior representations, understandings, and agreements with respect to the subject matter hereof. There are no other representations, agreements, arrangements, or understandings, oral or written.

12. This Agreement shall not be modified or supplemented except in a writing signed by both Parties.

13. Venue. The Parties agree that the venue for any suit or cause of action based upon or arising out of the Agreement shall be the state or federal courts serving Guilford County, North Carolina.

14. Intentionally deleted.

15. This Agreement may be executed in counterparts. The Parties may sign separate signature pages, which, taken together, shall constitute one Agreement binding on all Parties hereto notwithstanding that the signatories are not signing the same page.

16. Notices. All notices hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notice will be addressed to the parties as follows:

MCI:

MCI Communications Services, Inc.
2400 North Glenville Drive
Richardson, Texas 75082
Attention: Manager, Right of Way and Municipal Affairs

With a copy to:

MCI Communications Services, Inc.
Verizon Legal Department, Network Facilities
2400 North Glenville Drive
Richardson, Texas 75082

City:

John Gribble
City of Greensboro, Engineering and Inspections
300 West Washington Street
P.O. Box 3136
Greensboro, NC 27402-3136

With a copy to:

Tom Carruthers
City of Greensboro, City Attorney's Office
300 W. Washington Street
P.O. Box 3136
Greensboro, NC 27402-3136

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective duly authorized representatives as of the Effective Date.



MCI Communications Services, Inc.

By (Print): Robert F. Mcgee

Title: Director - Network Operations & Engineering

Date: 9-2-15

City of Greensboro

By (Print): Jim Westmoreland

Title: City Manager

Date: 10-21-2015

EXHIBIT A

PER LINEAR FOOT PAYMENT CALCULATIONS

Annual price per linear foot of public right of way occupancy: \$1.75

Amount of linear foot of occupancy installed as of July 1, 2012: 33,694

33,694 feet x \$1.75 = \$58,964.50 per year x 3 years = \$176,893.50
