

RESOLUTION NO. 24415

A RESOLUTION TO AUTHORIZE THE TRANSFER AND ASSIGNMENT OF THE RIGHTS AND OBLIGATIONS OF KMC TELCOM III, INC. AS SET FORTH IN ITS FRANCHISE WITH THE CITY TO CENTURYTEL ACQUISITIONS, LLC.

WHEREAS, effective November 4, 1999 and pursuant to Ordinance No. 10921, the City of Chattanooga, Tennessee (the "City") granted a Franchise ("Franchise") to KMC Telecom III, Inc. ("KMC") and, as a result of a pending Asset Purchase Agreement initiated by CenturyTel Acquisitions, LLC ("CenturyTel") d/b/a KMC Telecom III to purchase the network assets of KMC in Chattanooga, KMC has notified the City of its intent to transfer and assign the rights and obligations of KMC to CenturyTel and has requested the consent of the City to transfer those rights and obligations pursuant to the Franchise; and

WHEREAS, CenturyTel and KMC have jointly filed an application at the Tennessee Regulatory Authority pursuant to T.C.A. § 65-4-112 for transfer of assets and customers from KMC Telecom III, LLC (f/k/a KMC Telecom, LLC; KMC Telecom III, Inc.), a wholly owned subsidiary of KMC Telecom Holdings, Inc. to KMC Telecom III, LLC, a wholly owned subsidiary of CenturyTel Acquisitions, LLC; and

WHEREAS, CenturyTel is qualified to provide the same services that KMC has been providing Chattanooga; and

WHEREAS, CenturyTel agrees to adhere to all applicable provisions of the Franchise; and

WHEREAS, CenturyTel's acquisition of and continued operation of KMC's network assets in the City of Chattanooga will result in positive benefits for the Chattanooga community in that it will promote local exchange competition.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That consent to the transfer and assignment of the rights and obligations of KMC pursuant to the terms of the Franchise to CenturyTel be and is hereby granted.

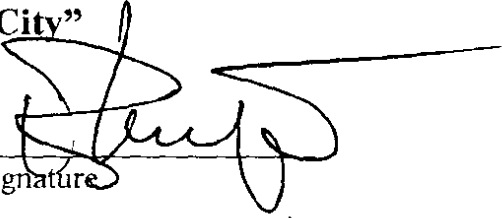
BE IT FURTHER RESOLVED, That this Consent shall become effective as of the date of the closing of the Asset Purchase of KMC Telecom III, LLC's assets in Chattanooga by CenturyTel which is anticipated to be on or near June 30, 2005. In the event that the Asset Purchase is not closed before or within ninety (90) days after June 30, 2005, this Consent shall be null and void.

ADOPTED: May 3 , 2005

MAM/add

ACCEPTED AND AGREED TO:

"City"

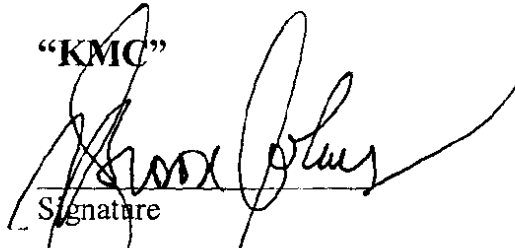

Signature

Ron Littlefield
Print Name

MAYOR of Chattanooga
Title

5-4-05
Date

"KMC"

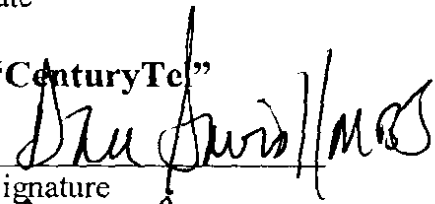

Signature

Marva Brown Johnson
Print Name

Vice-President and Senior Counsel
Title

3/09/2005
Date

"CenturyTel"


Signature

DAN DAVIS
Print Name

Sr. Vice President
Title

3/09/2005
Date