FRANCHISE AGREEMENT

between

THE CITY OF LAS VEGAS

and

AGL NETWORKS, LLC

TABLE OF CONTENTS

Section	Title	Page
Section 1	Short Title	2
Section 2	Definitions	2
Section 3	Grant of Non-Exclusive Franchise	4
Section 4	Duration	5
Section 5	Compliance with Applicable Laws	5
Section 6	Business Licenses, Fees and Taxes	6
Section 7	Franchise Fees	6
Section 8	Review and Audit of Company's Records	7
Section 9	ADA Requirements	8
Section 10	Construction Permits; Emergency Repairs	8
Section 11	Requirements before Working in Rights-of-Ways	9
Section 12	Installations, Excavations and Restorations	10
Section 13	Location and Relocation of Facilities	12
Section 14	No Vested Location Rights; Facilities in Vacated Rights-of-Ways	15
Section 15	Temporary and Emergency Movement of Facilities	15
Section 16	Maps of Facilities	16
Section 17	Notification to Residents of Construction Projects	16
Section 18	Security for Performance	17
Section 19	Insurance Requirements	18
Section 20	Indemnification	19
Section 21	Transfer of Franchise	20
Section 22	Default; Remedies and Penalties Not Exclusive	21
Section 23	Liquidated Damages	25
Section 24	Drawing on Security upon Revocation of Franchise	26
Section 25	Additional City Rights	26
Section 26	Severability Clause	26
Section 27	Notices	27
Section 28	Public Purpose	27
Section 29	Applicable Law	28
Section 30	Public Utilities Commission and Charter Requirements	28
Section 31	Disclosure of Ownership and Principal	28
Exhibit A	Certificate Disclosure of Ownership/Principals	

FRANCHISE AGREEMENT

This Franchise Agreement ("this Agreement") is executed to be effective the 1st day of _____, 2008, between the City of Las Vegas, a municipal corporation of the State of Nevada, ("the City") and AGL Networks, LLC, a limited liability company organized and existing under the laws of the State of Delaware ("Company").

WHEREAS, the City is a municipal corporation duly incorporated within the State of Nevada and authorized, pursuant to the City Charter and applicable provisions of general laws of the State of Nevada, to enter into this Agreement; and

WHEREAS, Company has applied for a franchise for the purpose of constructing, installing, operating and maintaining Telecommunications Service Facilities in the Rights-of-Way within the corporate limits of the City; and

WHEREAS, the City Council has adopted a resolution setting forth the name of the applicant for and the purpose, character, terms, time and conditions of the proposed franchise and the date, time and place of a public hearing on the question of the advisability of granting said proposed franchise to Company; and

WHEREAS, said application coming on regularly for hearing on the _____ day of _____, 2008, and it appearing by an Affidavit of Publication that due and legal notice of the filing of said application, and of the filing of the date, time and place for consideration of the same, has been given by publication of that Resolution adopted by the City Council in the Las Vegas Review Journal, a newspaper of general circulation within the City, to-wit:

In the issue of said newspaper published on the _____ day of _____, 2008, and the _____ day of _____, 2008; and

WHEREAS, the City Council, in the exercise of its lawful power has determined that it is in the best interests of the inhabitants of the City that a franchise be granted, subject to the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and of the performance by Company of the conditions hereinafter set forth, the City Council of the City of Las Vegas, State of Nevada, hereby grants a franchise to Company, subject to the following terms and conditions:

SECTION l: SHORT TITLE

This Franchise Agreement may be cited as the "AGL Franchise Agreement."

SECTION 2: DEFINITIONS

For the purpose of this Agreement, the following terms, phrases, words and their derivations shall have the meanings given in this Section unless the context clearly requires otherwise. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined in this Section shall be given their common and ordinary meaning.

A. "**City**" means the City of Las Vegas, a municipal corporation of the State of Nevada.

B. "**City Council**" or "**Council**" means the legislative body of the City.

C. "**Code**" means the official code of all of the City's ordinances of a general and permanent character, as may be adopted and amended by the City Council.

D. "**Company**" means AGL Networks, LLC, a limited liability company organized and existing under the laws of the State of Delaware.

E. "**CPCN**" means a Certificate of Public Convenience and Necessity issued by the Nevada Public Utilities Commission authorizing the holder thereof to provide Telecommunications Service within the City.

F. "**Facility**" or "**Facilities**" means all antennae, poles, wires, cables, conduits, amplifiers, instruments, appliances, fixtures and other personal property used by any authorized user of the Rights-of-Way for the provision of authorized services within the City.

G. "**Franchise**" means the non-exclusive authorization granted herein to rent and use Rights-of-Way to construct, operate and maintain Company Facilities for the purpose of providing Telecommunications Service.

H. "**Gross Revenue**" means any and all intrastate retail revenue of Company from Telecommunications Service provided to customers within the City, including but not limited to:

1. All revenue charged on a flat rate basis;

2. All revenue from intrastate long distance calls originating in the State of Nevada and billed to an address physically located in the City;

3. All revenue from installation service charges;

4. All revenue from connection, disconnection or change-of-service fees;

5. All revenue from penalties or charges to customers for late payments or for checks returned from banks;

6. Recoveries of bad debts previously written off and revenue from the sale or assignment of bad debts, provided that revenue may be adjusted for net write-off of uncollectible accounts computed on the average annual rate for customers within the City;

7. All revenue that is designated by City, State or Federal law to be subject to fees under this Franchise.

"Gross Revenue" shall not include: (a) any tax passed through to consumers on behalf of governmental agencies received by Company for service provided to customers through the use of Facilities; (b) any charges passed through to the customers for interconnection with the local exchange provider; (c) any proceeds from the sale of bonds, mortgages or other evidence of indebtedness, securities or stocks; (d) any long-haul wholesale revenue; and (e) any revenue other than intrastate revenue collected from retail customers. Company is not required to measure each category of revenue separately; provided that in the event of an audit by the City, Company will be required to provide an appropriate justification for amounts reported as Gross Revenue under this Agreement.

I. **"Public Works Director"** or **"Director"** means the Director of the City's Public Works Department, or his or her designee.

J. **"Reasonable Attorney's Fees"** means reasonable charges for legal representation as may be incurred by the City and determined by a court of proper jurisdiction.

K. **"Rights-of-Way"** means all present and future streets, avenues, highways, alleys, bridges and public ways (excluding railroad rights-of-way) of the City within the City limits.

L. **"Telecommunications"** has the same meaning as that term is defined in the United States Code, 47 U.S.C. 153(43), as it may be amended from time to time.

M. **"Telecommunications Carrier"** has the same meaning as that term is defined in the United States Code, 47 U.S.C. 153(44), as it may be amended from time to time.

N. **"Telecommunications Service"** has the same meaning as that term is defined in the United States Code, 47 U.S.C. 153(46), as it may be amended from time to time.

SECTION 3: GRANT OF NON-EXCLUSIVE FRANCHISE

A. The City hereby grants to Company, subject to the terms, conditions and limitations contained in this Agreement, a Franchise with permission to rent, use and occupy

Rights-of-Way within the corporate limits of the City, as the same now exist or may be extended in the future, to provide Telecommunications Service, including the right and privilege to erect, construct, maintain and operate Telecommunications Facilities within the Rights-of-Way necessary or convenient for the transmission and distribution of Telecommunications Service, including private property easements on which preliminary subdivision plats have been approved by the City for the provision of public utilities within the corporate limits of the City, as the same now exist or may be extended in the future.

B. Company shall be subject to all requirements of City ordinances, rules, regulations and specifications hereafter enacted or established in so far as such ordinances are not in violation of any State or Federal regulation.

C. This Franchise does not grant Company the right to provide any "video service" (as such term is defined in NRS 711.141) without a valid State-issued franchise for such service.

D. This Franchise is non-exclusive and shall not be construed as a limitation on the City's right to grant rights, privileges and authority to other persons or entities similar to or different from those herein set forth to use the Rights-of-Way or to operate a public utility.

SECTION 4: DURATION

This Franchise is for a period of ten years from and after the effective date of this Agreement. If Company is in compliance with all material provisions of this Agreement, Company has the option of renewing this Franchise under the same terms and conditions of this Agreement for one additional period of five years by giving the City written notice of such renewal no later than 90 days prior to the expiration of the original 10-year term.

SECTION 5: COMPLIANCE WITH APPLICABLE LAWS

Company shall at all times comply with all applicable Federal, State and local laws, rules and regulations concerning the provision of Telecommunications Service, including all

applicable Federal Communications Commission and Nevada Public Utilities Commission rules, regulations and orders.

SECTION 6: BUSINESS LICENSES, FEES AND TAXES

A. At all times during which Company is authorized to provide Telecommunications Service within the City pursuant to a CPCN, Company shall maintain a valid unexpired business license specific to its Telecommunications Service business pursuant to Chapter 6.67 of the Code.

B. In addition to the business license required by Subsection (A), Company shall maintain all other business licenses specific to any of Company's business activities other than those of providing Telecommunications Service, as such other business activities are specified in the Code. Company shall pay all license fees due from such other business activities separately from the payment of fees due for its Telecommunications Service business.

C. In addition to payment of the fees specified in Subsections (A) and (B), Company shall pay all lawful property taxes, ad valorem taxes and local improvement district assessments and all exactions, fees and charges that are generally applicable during Company's real property development or use as required by the Code.

D. 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 Company's obligations under this Agreement or applicable law, and such acceptance shall not preclude the City from later establishing that a larger amount was actually due or from collecting such balance.

SECTION 7: FRANCHISE FEES

A. In the event that the business license fees required by Section 6(A) above are declared illegal, unconstitutional or void for any reason by any court or proper authority, Company shall be contractually bound to pay the City as a franchise fee for its use of the Rights-

of-Way, as provided for herein, an aggregate amount equal to the amounts which otherwise would have been paid as Telecommunications Service business licensee fees.

B. The fees required to be paid pursuant to Subsection (A) shall be paid quarterly by the fifteenth day of the second month following the end of each calendar quarter for which payment or portion thereof is due. Company shall furnish to the City with each payment of compensation required by this Section a written statement, showing the amount of Gross Revenue of Company subject to a fee under this Agreement for the period covered by the payment.

C. 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 Agreement 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.

SECTION 8: REVIEW AND AUDIT OF COMPANY'S RECORDS

A. The City shall have the right to annually review or audit Company's books and records in accordance with generally accepted accounting and audit standards regarding any amounts which may be owed under this Agreement. This right includes the right to review and audit all books and records of revenue which may be reasonably considered by the City to be subject to a business license or franchise fee. The City shall give written notice to Company of any additional amount claimed to be due to the City as a result of the City's review. Any amount due shall be paid within thirty days following the City's notification that such amount is due and payable. If the City's review shows Company has overpaid, said overpayment shall be reimbursed to Company by the City within thirty days of such determination.

B. Company shall keep complete and accurate books and records of its business and operations pursuant to this Agreement in accordance with generally accepted accounting practices and in accordance with the rules and regulations of the State of Nevada.

C. Company shall provide the City with access to and/or copies of all records, books, contracts, accounts and documents of Company (or any affiliate thereof), whether in an electronic, print or other format (hereafter referred to collectively as "Records") for Company's operations in the City, to the extent reasonably necessary for the City to perform an audit. All Records shall be retained by Company for a period of five years. Company shall make Records available to the City for inspection and/or copying at a location in the City, upon thirty days notice from the City.

D. Upon request by the City, Company shall provide to the City copies of all papers filed by Company with any federal or state regulatory agency that pertain to Company's Facilities located in the City.

SECTION 9: ADA REQUIREMENTS

Company shall install all of its Facilities in the Rights-of-Way in a manner consistent with the Americans with Disabilities Act ("ADA"), including any reconstruction or modification of existing Facilities. Following notice by the City of an ADA violation or construction problem caused directly or indirectly by Company, Company shall, within thirty days or such other time as the Public Works Director reasonably determines to be appropriate, remedy the ADA violation or problem.

SECTION 10: CONSTRUCTION PERMITS; EMERGENCY REPAIRS

A. The City may require Company to obtain a construction, encroachment or occupancy permit for any work in the Rights-of-Way, may inspect any construction, installation, maintenance or repair work performed in the Rights-of-Way, and may charge a fee to issue such

permit or to perform such inspection. The City shall act upon any request by Company for a permit no later than ten business days after the date on which the request is made.

B. If there is an emergency requiring immediate response work or repair in, on, under or over any Rights-of-Way, Company may begin such work or repair without first obtaining a permit; provided that Company shall notify the Public Works Director as promptly as is reasonably possible after learning of the need for the emergency work, shall subsequently obtain any permit that otherwise would have been required for non-emergency work, shall pay all applicable fees for such permit, and shall restrict any work performed in the Rights-of-Way prior to obtaining a permit to emergency work and repairs.

C. The amount of any permit or inspection fee under this Section or Section 11 below shall not exceed the actual costs incurred by the City in administering the process of issuing such permits and performing such inspections.

SECTION 11: REQUIREMENTS BEFORE WORKING IN RIGHTS-OF-WAY

Before Company may conduct underground work involving excavation, new construction or major relocation work in any Rights-of-Way that will block one or more lanes of motor vehicle traffic, Company shall:

A. Notify the City and comply with any special conditions relating to location, scheduling, coordination and public safety;

B. Apply for and obtain a permit from the Public Works Director;

C. Submit and obtain approval of a traffic barricade plan;

D. File maps and drawings showing the location of any construction or extension of its Facilities in the Rights-of-Way; for conduit, the maps and drawings shall show the size, location, burial depth and configuration of the conduit, the trench backfill material and width, and the method of pavement restoration;

E. Participate in the "Call Before You Dig" program set forth in NRS Chapter 455, as amended, with regard to giving and receiving notice of the location of Facilities and excavations;

F. Pay all permit fees; and

G. Provide security and proof of insurance as required in Sections 18 and 19 below.

SECTION 12: INSTALLATIONS, EXCAVATIONS AND RESTORATIONS

A. In using the Rights-of-Way for its Facilities, Company shall comply with the following requirements:

1. All construction work in the Rights-of-Way performed by or on behalf of Company shall be performed in a safe manner subject to the approval of the Public Works Director and in accordance with all applicable laws, rules, regulations and permitting requirements related to public safety or the use of the Rights-of-Way. When the public improvement designs prepared by Company are not covered by, or are not at least minimally compliant with, the improvement standards in Title 13 of the Code, plans and specifications for construction, reconstruction, installations and repairs of public improvements must bear the seal of a Nevada registered professional engineer.

2. Company shall not place any Facilities on, over or within the median portion of any boulevard or parkway without first having obtained the written permission of the Public Works Director.

3. Company shall not place any of its above-ground Facilities in any sidewalk area in the Rights-of-Way without the prior written consent of the Public Works Director.

4. Company shall not attach any of its Facilities to any City-owned Facilities unless Company has entered into a written agreement with the City for the rights of attachment and use.

5. The City my require through any permitting process that any installations, excavations and restorations affecting street or lane closures shall, as often as practicable, be performed after 6:30 p.m. and before 6:00 a.m. No such work shall be performed from 7:00 a.m. to 9:00 a.m. and from 4:00 p.m. to 6:00 p.m. except for emergency repairs performed in accordance with Section 10 above.

6. The City may assist in the coordination and scheduling of any Company projects where such project may be reasonably coordinated with the placement of other Rights-of-Way users' Facilities; provided that, subject to City permitting processes and approvals, Company may otherwise control the scheduling of its projects consistent with this Agreement.

7. Whenever it is commercially reasonable to do so, Company shall use "trenchless" technology in the placement of its Facilities. Except in an emergency as specified in Section 10 above, Company shall, not less than seven working days prior to the commencement of any work by Company which involves excavation in any Rights-of-Way, notify the Public Works Director and any appropriate utility coordinating committee for purposes of utility location. Minimum notice to the City shall be by telephone communication or in person prior to any work, followed by notice in writing as soon as practical. Company shall provide advance notice so as not to disrupt services of the City or any other person or utility using any Rights-of-Way and to allow the City to place any inspector it may deem necessary at the site of the project.

B. Company shall at all times take all reasonable precautions to minimize interruption to traffic flow, damage to property or creation of a hazardous condition.

C. After an excavation is made and after any excavation work is completed, Company shall, as soon as practicable, but not later than seventy-two hours, remove all surplus material; except that if the surplus material is blocking a public street or sidewalk, Company shall remove such material no later than twenty-four hours after the excavation is made or the excavation work is completed.

D. Company shall reconstruct, replace or restore any landscaping, street or alley, or any water, sewer, sanitary sewer, storm drainage, traffic signal or street light Facility, or any other Facility of the City disturbed by Company, within thirty days of written notice by the City, to essentially the same condition as existed prior to disturbance by Company, as reasonably determined by the Public Works Director, consistent with specifications, requirements and regulations of the City in effect at the time of such restoration. Any such improvements so disturbed by Company shall be reconstructed, replaced or restored only under the supervision of City personnel. All costs incurred in surplus material removal and restoration, whether done with the City's work forces and equipment or otherwise, shall be paid by Company, including the cost of any inspectors the City may assign to the project.

SECTION 13: LOCATION AND RELOCATION OF FACILITIES

A. All Facilities of Company shall be placed so that they do not interfere with the use of Rights-of-Way by the City and shall only be placed after approval of the location by the Public Works Director and in accordance with any specifications adopted by the City governing the location of Facilities.

B. Whenever the City excavates or performs any work in the Rights-of-Way and such excavation or work may disturb but not require the removal or relocation of Company's Facilities, the City shall notify Company sufficiently in advance of the excavation or work to enable Company to take such measures as it may deem necessary to protect its Facilities from

damage and inconvenience, or from injury or damage to the public or the Rights-of-Way. If Company cannot take such measures, Company shall be required to relocate its Facilities in accordance with this Section, in which case Company shall, upon request, furnish field markings to the City showing the location of all of its Facilities in the area involved in such proposed excavation or work.

C. The City reserves all rights to:

1. Construct, install, maintain and operate any public improvement, work or Facility, to do any work that the City may find desirable on, over or under any Rights-of-Way, and to construct, install, maintain and operate any public improvement, work or Facility;

2. Vacate, alter or close any Rights-of-Way. All such work shall be done in such manner as not to obstruct, injure or prevent free use and operation of Company's Facilities; and

3. Require the removal or relocation of Company's Facilities in the Rights-of-Way as may reasonably be required after notice to Company, including but not limited to City projects for the installation of landscaping, or of water, sanitary sewer, storm drainage, traffic signal or street light Facilities, or of any road construction or reconstruction.

D. Company shall remove and relocate such Facilities within sixty days following written notice to do so from the City. Prior to any such relocation, the City agrees to provide for a temporary suitable location for such relocated Facilities sufficient to maintain service.

E. Subject to Subsection (F), all costs directly attributable to removal or relocation of Company Facilities shall be paid by Company.

F. The City may require Company to relocate its Facilities to accommodate another Rights-of-Way user, if Company's and the other user's Facilities can both be located in the Rights-of-Way without interfering with Company's operations, subject to the following conditions:

1. The other user shall pay Company the costs of any relocation occasioned by the accommodation of such user.

2. Company shall remove and relocate its Facilities upon receipt of payment of Company's estimated costs from the other user.

3. If Company's estimated costs do not cover all of Company's final costs of the removal or relocation, Company shall bill the other user for the balance of the costs following completion of the above-described relocation work benefiting the other user, and the other user shall pay Company any balance due within thirty days of the billing statement.

4. If Company's estimated costs exceed Company's final costs of the removal or relocation, Company shall refund any overpayment to the other user within thirty days after completion of the work benefiting the other user.

G. When the City proposes to improve a Rights-of-Way, including but not limited to work related to streets, sidewalks, landscaping, traffic signalization, water lines, storm drainage or sanitary sewers, and such improvements include excavation and the placement of underground utilities vaults and conduit sufficient for Company's Facilities by and at the expense of someone other than Company, then upon notification by the City and upon such reasonable scheduling as may be required by the City, Company shall replace its overhead Facilities as are then within the affected Rights-of-Way with underground Facilities within such area. Company shall pay all costs of such underground placement. The conversion from overhead to underground shall be conditioned upon the City requiring the undergrounding in the area in which both the existing

and new Facilities are and will be located and on the City requiring all existing overhead communication and utility Facilities in such area be removed.

H. Nothing in this Section shall require Company to place its Facilities in ducts or conduits owned or leased by the City.

SECTION 14: NO VESTED LOCATION RIGHTS; FACILITIES IN VACATED RIGHTS-OF-WAY

Company shall not acquire any vested right or interest in any particular Rights-of-Way location for any of its Facilities constructed, operated or maintained in any existing or proposed Rights-of-Way, even though such location was approved by the City; provided that whenever the City vacates Rights-of-Way for the convenience or benefit of any person, the City shall preserve Company's rights for any legally established, existing Facilities of Company in such vacated portion of the Rights-of-Way.

SECTION 15: TEMPORARY AND EMERGENCY MOVEMENT OF FACILITIES

A. Whenever it becomes necessary to temporarily rearrange, remove, lower or raise the cables or wires or other apparatus of Company to permit the passage of any building, machinery or other object, Company shall perform such rearrangement upon the receipt of written notice from the person desiring to move said building, machinery or object. The written notice shall detail the route of movement of the building, machinery or object. The costs incurred by Company in making such rearrangements of its aerial Facilities will be borne, excepting the City, by the person seeking such rearrangement, unless the aerial Facilities are placed or maintained in violation of the applicable rules of any local, state or federal regulatory agency and thereby interferes with the movement of said building, machinery or object.

B. Whenever, in the case of an emergency, it becomes necessary to remove any of Company's Facilities, the City shall not be liable to Company for any charge, loss, damage, restoration cost or repair resulting from the emergency removal.

SECTION 16: MAPS OF FACILITIES

Company shall maintain on file maps and operational data pertaining to its operations in the Rights-of-Way, which the City may inspect at any time during normal business hours upon reasonable notice to Company. Upon request of the City, Company shall furnish to the Public Works Director, as soon as practical and without charge, current maps either in a hard-copy printed form or in the City's geographical information system format or compatible data base, showing the location and dimension of any existing and proposed Facilities, but not other proprietary information, used in operating Company's Facilities in the Rights-of-Way.

SECTION 17: NOTIFICATION TO RESIDENTS OF CONSTRUCTION PROJECTS

Except in the case of emergency work performed pursuant to Section 10 above, when Company is the initiator of a project in the Rights-of-Way along which residential yards are located that will result in the disruption of such yards or in the installation of new exposed surface facilities, Company shall give written notification to residents who are located adjacent to the proposed project at least two days prior to the date on which Company proposes to commence the proposed project. Such notice shall be by personal delivery, by posted notice on the street where the proposed project is scheduled to be built (which notice is to be large enough to be clearly read by passing motorists), by door hanger or by mail, with a description of the proposed project, Company's name, and telephone number at which Company can be reached twenty-four hours per day.

SECTION 18: SECURITY FOR PERFORMANCE

A. As security for performance of its obligations under this Agreement and the Code, Company shall at all times provide security in the form of a letter of credit, performance bond or cash deposit, delivered to the Director of Department of Finance and Business Services, in the amount of ONE HUNDRED THOUSAND DOLLARS ($100,000.00), to remain in force during the term of this Agreement, any or all of which may be claimed by the City as payment for fees and liquidated damages, and to recover losses resulting to the City from Company's failure to perform.

B. Any bond provided pursuant to Subsection (A) shall:

1. In addition to all other costs, provide for payment of Reasonable Attorney's Fees;

2. Be issued by a surety company authorized to do business in the state of Nevada and listed in Department Circular 570 of the U.S. Department of the Treasury Fiscal Service (Current Revision);

3. Require the attorney-of-fact who executes the bond on behalf of the surety to affix thereto a certified and current copy of his power of attorney;

4. Guarantee the performance of all of Company's obligations under this Agreement and the Code.

C. The following procedures shall apply to drawing on the security required herein:

1. If Company fails to make timely payment to the City of any amount due under this Agreement or the Code, or fails to compensate the City within thirty days of written notification that such compensation is due, for any damages, costs or expenses the City suffers or incurs by reason of any act or omission of Company in connection with this Agreement or its enforcement, or fails, after thirty days' written notice, to comply with any provision of this

Agreement or the Code that the City determines can be remedied by drawing on the security, the City may withdraw the amount thereof, with interest and any damages assessed in accordance with the provisions herein, from the security.

2. Within three days of a withdrawal from the security, the City shall mail, by certified mail, return receipt requested, written notification of the amount, date and purpose of such withdrawal to Company.

3. If at the time of a withdrawal from the security by the City, the amounts available are insufficient to provide the total payment towards which the withdrawal is directed, the balance of such payment shall continue as the obligation of Company to the City until it is paid.

4. No later than thirty days after the mailing of notification to Company of a withdrawal from the security, Company shall restore the security to the total amount specified in Subsection (A).

D. Failure to maintain or restore the security shall constitute a material violation of this Agreement.

E. Recovery by the City of any amounts under the security required by this Section does not limit Company's duty to provide insurance or to indemnify the City as otherwise required by this Agreement.

SECTION 19: INSURANCE REQUIREMENTS

A. Company shall at all times during the term of this Agreement maintain in full force and effect, at its own cost, a general comprehensive liability insurance policy for the protection of the City, which shall:

1. Be issued by an insurance company approved by the City and in a form reasonably satisfactory to the City Attorney;

2. Name the City and its elected and appointed officers, boards, commissions, agents and employees as additional insureds;

3. Insure against liability for loss or damage for personal injury, death and property damage occasioned by Company's operations under this Agreement, with minimum liability limits of ONE MILLION DOLLARS ($1,000,000.00) for personal injury or death of any one person and THREE MILLION DOLLARS ($3,000,000.00) for personal injury or death of two or more persons in any one occurrence and FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) for damage to property resulting from any one occurrence; and

4. Contain a provision that the insurance company issuing the policy will use reasonable efforts to deliver a written notice of cancellation of or reduction in coverage to the City at least thirty days in advance of the effective date thereof.

B. Recovery of any amount by the City from the insurance required by this Section does not limit Company's obligation to provide security or to indemnify the City as otherwise required by this Agreement.

SECTION 20: INDEMNIFICATION

A. Company shall defend, indemnify and hold the City harmless from and against all claims by third persons for damages to persons or property in any way related, directly or indirectly, to the construction, maintenance and operation of its Facilities or its use of the Rights-of-Way, or to its performance under this Agreement, when or to the extent injury or damage is caused or alleged to have been caused, wholly or in part, by any act, omission, negligence or misconduct of Company or any of its contractors, subcontractors, officers, agents or employees, or by any person for whose act, omission, negligence or misconduct Company is by law responsible. This Section is intended to require Company to indemnify the City to the maximum

extent allowed by law for claims related to Company's use of the Rights-of-Way and is not intended to create liability for the benefit of any party other than the City.

B. If any claim is made against the City that is covered by Subsection (A), and if a Court of competent jurisdiction shall adjudge by final decree that the City is liable therefor, Company shall indemnify and hold the City harmless of and from any such liability, including any court costs, expenses and Reasonable Attorney's Fees incurred by the City in defense thereof and incurred at any stage of the proceedings.

C. Upon commencement of any suit, proceeding at law or in equity against the City relating to any matter covered by Subsection (A), the City shall give Company prompt notice of such suit or proceeding; whereupon Company shall provide a defense to any such suit, including any appellate proceedings brought in connection therewith, and pay any settlement, costs and judgments that may be rendered against the City by reason of such suit.

D. If Company fails to comply with its obligations under Subsection (C), after reasonable notice to it by the City, the City shall have the right to defend any claims against it and, in addition to being reimbursed for any settlement or judgment that may be rendered against the City, Company shall reimburse the City's Reasonable Attorney's Fees and all expenses incurred by the City by reason of undertaking the defense of such suit, regardless of whether such suit is successfully defended or settled, or fully adjudicated. If the City is required to defend any such suit because of Company's failure to do so, the City shall have the right and authority to enter into any settlement as the City may deem in its best interest, without the prior approval of Company.

SECTION 21: TRANSFER OF FRANCHISE

A. No transfer of this Agreement or the Franchise granted herein (including but not limited to transfer by forced or voluntary sale, receivership or similar means) shall occur unless

prior application is made by Company to the City. No application for a transfer shall be granted unless all of the following conditions are met:

1. Company and the transferee agree in writing to the transfer, in a form acceptable to the City.

2. The transferee agrees that it will accept all terms of this Agreement and will assume all of the obligations and liabilities for all acts and omissions, known and unknown, of Company under this Agreement for all purposes, whether such obligations and liabilities arose before or arise after the date of the transfer.

3. The transferee provides proof that it has a CPCN authorizing it to provide Telecommunications Service in the City.

4. The transferee provides security for performance and insurance coverage in compliance with Sections 18 and 19, respectively, no later than the date of the transfer.

B. Approval by the City of a transfer does not constitute a waiver or release of any of the rights of the City under this Agreement against Company, whether arising before or after the date of the transfer.

SECTION 22: DEFAULT; REMEDIES AND PENALTIES NOT EXCLUSIVE

A. All remedies and penalties under this Agreement 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 penal 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 Company by this Agreement. A specific waiver of a particular breach of any term, condition or obligation imposed upon Company by this Agreement shall not be a waiver of

any other or future breach of the same or of any other term, condition or obligation, or a waiver of the term, condition or obligation itself. For purposes of this Section, "Director" means the Director of the Department of Finance and Business Services, or his or her designee.

B. Company agrees that any of the following acts or failure to act by the Company shall constitute an "Event of Default":

1. Failure to obtain any applicable permits or pay any applicable permit fees pursuant to this Agreement;

2. Failure to comply with the terms of Section 21 concerning the transfer of this Agreement;

3. Failure to supply the necessary security for performance or insurance as specified in Sections 18 and 19;

4. Failure to make any payment required by Sections 6(A) or 7 of this Agreement within the period provided for such payment;

5. Failure to comply with any rules, regulations, orders or directives of the City as set forth in this Agreement within applicable periods; or

6. Substantial or repeated failure to comply with Section 12 concerning installations, excavations and restorations.

C. Upon the occurrence of an Event of Default, the City may, in accordance with the procedures provided for in this Agreement:

1. Require Company to take such actions as are reasonably required to remedy such Event of Default;

2. Seek money damages from Company as compensation for such Event of Default;

3. Accelerate the expiration of the term of this Agreement by decreasing the term of this Agreement provided in Section 4, the extent of such acceleration to be determined by the City Council, including any period of time up to the remaining term of this Agreement; or

4. As a last measure only, revoke the Franchise granted herein by termination of this Agreement.

D. The City shall exercise the rights set forth in this Section in accordance with the following procedures:

1. The Director shall notify Company, in writing, of an alleged Event of Default. This written notice shall set forth with reasonable specificity the facts the City believes are the basis for declaring that an Event of Default has occurred. Company shall, within sixty days of the date of the notice, or such additional time as the Director may specify in the notice: (a) cure the alleged Event of Default; (b) present in writing, for review by the Director, a reasonable time frame and method to cure the Event of Default; or (c) present in writing with reasonable specificity, for review by the Director, facts and arguments as to why Company disagrees that an Event of Default has occurred.

2. If Company presents a written response that challenges whether an Event of Default has occurred, the Director shall within fourteen days review the submitted materials and determine again whether an Event of Default has occurred. If the Director reaffirms that an Event of Default has occurred, Company shall be notified in writing of this decision and shall, within thirty days, cure the alleged Event of Default.

3. If Company fails to cure the Event of Default so declared pursuant to this Section within the time permitted by the Director, the Director shall prepare a written report to the City Council and recommend action to be taken. The City Council may, after giving

Company an opportunity to present evidence that an Event of Default did not occur, order an appropriate remedy as set forth in this Section.

E. In addition to the rights under this Section, the City may, upon termination of the Franchise, direct Company to remove, at Company's sole cost and expense, any of its Facilities from all Rights-of-Way, subject to the following:

1. If the City determines that removal of any buried cable or conduit is not necessary, Company shall abandon its Facilities in place and transfer ownership of the installed Facilities to the City.

2. In removing any part of its Facilities, Company shall refill and compact any excavation that shall be made by it and shall leave all Rights-of-Way in as good a condition as that prevailing prior to Company's removal of the Facilities.

3. The City shall have the right to inspect and approve the condition of the Rights-of-Way after removal has occurred.

4. The removal shall commence within thirty days of an order to remove being issued by the Director at the direction of the City Council.

5. Company shall be responsible for all necessary removals of its Facilities and maintenance of the Rights-of-Way area in the same manner and degree as if the Facilities were in active use, and Company shall retain all liability associated with such removals.

6. Nothing herein shall cause the City to incur any costs related to the removal of the Company's Facilities or the transfer of ownership of said Facilities to the City.

SECTION 23: LIQUIDATED DAMAGES

A. In addition to the remedies specified in Section 22 above, Company may be subject to the assessment of liquidated damages by the City Manager for any violations of this Agreement in accordance with the provisions of this Section. For purposes of this Section, "City Manager" shall include any of his or her designees.

B. Except for causes beyond the reasonable control of Company, if Company fails to comply with any of the obligations under this Agreement, the City Manager may deliver to Company a reasonably detailed written notice describing the violation on the part of Company. Company shall cure any such violation no later than thirty days after receipt of the notice of violation; provided that if the nature of violation is such that it cannot be fully cured within thirty days, the City Manager may extend the period of time for Company to cure the violation for such additional time as is reasonably necessary to complete the cure if, in the City Manager's reasonable judgment, Company promptly begins its efforts to cure the violation and diligently pursues its efforts to effect a cure.

C. If a violation has not been cured within the time allowed by Subsection (B) above, Company shall be liable for liquidated damages as follows:

1. Failure to comply with the City's requirements concerning actual usage of the Rights-of-Way, including but not limited to any violations resulting in construction-delay claims against the City: $500.00 per day for each day such failure continues;

2. Failure to comply with any other provisions of this Agreement, including but not limited to promptly providing data, documents, reports or information to the City, or to provide insurance or security for the performance of Company's obligations hereunder: $100.00 per day for each day such failure continues.

D. The amounts specified in Subsection (C) above constitute compensation for injuries to the City and its residents, which would be difficult to ascertain and prove with certainty, and are intended to be liquidated damages, not penalties or forfeitures.

SECTION 24: DRAWING UPON SECURITY UPON REVOCATION OF FRANCHISE

In the event that a revocation of the Franchise is declared pursuant to Section 22 above, it shall be deemed a failure to perform on the part of Company, and the City may proceed against and draw upon, as required, the security provided for in Section 18 above for amounts due under this Agreement.

SECTION 25: ADDITIONAL CITY RIGHTS

Pursuant to the City Charter and applicable State statute, the right and privilege of the City to construct, purchase or condemn a public utility or Telecommunications provider, or Facilities located within the City is expressly recognized herein.

SECTION 26: SEVERABILITY CLAUSE

If any provision, condition, covenant or portion of this Agreement is for any reason held invalid, unenforceable or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity or enforceability of the remaining portions of this Agreement. With respect to any portion of this Agreement held to be invalid, unenforceable or unconstitutional, the parties shall promptly use their best reasonable efforts to negotiate an amendment to this Agreement that is valid and enforceable and that is consistent with the parties' original intent. The City Council hereby declares that it would have approved this Agreement and each portion thereof irrespective of any provision being declared unconstitutional or otherwise invalid.

SECTION 27: NOTICES

Any notice or other communication required or permitted to be given under this Agreement (the "Notice") shall be in writing and shall be personally delivered, or delivered by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. The Notice shall be deemed received on the earlier of the date of actual receipt or three days after mailing. The Notice shall be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other party in the manner described above:

TO THE CITY:	Director – Finance and Business Service City of Las Vegas 400 Stewart Avenue, 3rd Floor Las Vegas, Nevada 89101
with a copy to:	City Attorney's Office City of Las Vegas 400 Stewart Avenue, 9th Floor Las Vegas, Nevada 89101
TO THE COMPANY:	AGL Networks, LLC Attention: Manager - Commercial Transactions 10 Peachtree Place, N.W. Atlanta, Georgia 30309 Telephone: 404-584-4315 Facsimile: 404-584-3375
with a copy to:	Norman B. Gerry, Esq. Friend, Hudak & Harris, LLP Three Ravinia Drive, Suite 1450 Atlanta, Georgia 30346 Telephone: 770-399-9500 Facsimile: 770-395-0000

SECTION 28: PUBLIC PURPOSE

All of the regulations provided in this Agreement are hereby declared to be for a public purpose and the health, safety and welfare of the general public. Any member of the governing body or City official or employee charged with the enforcement of this Agreement, acting for the

City in the discharge of his/her duties, shall not thereby render himself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of said duties. Neither the City nor Company by accepting this Agreement waives its right to seek all appropriate legal and equitable remedies as allowed by law upon violation of the terms of this Agreement, including seeking injunctive relief in a court of competent jurisdiction. Such right to injunctive relief is expressly reserved and all terms and provisions hereof shall be enforceable through injunctive relief. Neither party shall be liable for any consequential, indirect, special, incidental or punitive damages, including for lost profits.

SECTION 29: APPLICABLE LAW

This Agreement is governed by and construed and enforced in accordance with the laws of the State of Nevada, and the Federal Communications Act of 1934, as amended by the Telecommunications Act of 1996 or subsequent amendments.

SECTION 30: PUBLIC UTILITIES COMMISSION AND CHARTER REQUIREMENTS

This Agreement is subject to and contingent upon Company complying with all applicable rules and regulations of the Public Utilities Commission of Nevada and the City adopting a Resolution, conducting a public hearing and enacting an Ordinance granting this Franchise to Company in accordance with Section 7.050 of the City Charter.

SECTION 31: DISCLOSURE OF OWNERSHIP AND PRINCIPALS

Pursuant to Resolution R-79-99 adopted by the City Council effective October 1, 1999, and amendments thereto by the City Council on November 17, 1999, Company warrants that it has disclosed, on the form attached hereto as Exhibit A, all principals, including partners, of Company, as well as all persons and entities holding more than a 1% interest in Company or any principal of Company. If Company, principals or partners described above are required to

provide disclosure under federal law (such as disclosure required by the Securities and Exchanges Commission or by the Employee Retirement Income Security Act), and attaches current copies of such federal disclosures to Exhibit A, the requirements of this Section shall be satisfied. Throughout the term hereof, Company shall within ten days notify the City in writing of any material change in the above disclosure. Copies of new federal disclosure filings shall also be sent to the City within ten days of any such filing.

EXECUTED to be effective on the date specified above.

CITY OF LAS VEGAS

By:_____
OSCAR B. GOODMAN, Mayor

ATTEST:

_____
BEVERLY K. BRIDGES, CMC, City Clerk

APPROVED AS TO FORM:

Larry G. Bettis 7-8-08
Date

AGL NETWORKS, LLC

By:_____
JAMES GILLIS, President and Manager

CERTIFICATE
DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. Definitions

"City" means the City of Las Vegas.

"City Council" means the governing body of the City of Las Vegas.

"Contracting Entity" means the individual, partnership, or corporation seeking to enter into a contract or agreement with the City of Las Vegas.

"Principal" means, for each type of business organization, the following: (a) sole proprietorship – the owner of the business; (b) corporation – the directors and officers of the corporation; but not any branch managers of offices which are a part of the corporation; (c) partnership – the general partner and limited partners; (d) limited liability company – the managing member as well as all the other members.

2. Policy

In accordance with Resolution 79-99 and 105-99 adopted by the City Council, Contracting Entities seeking to enter into certain contracts or agreements with the City of Las Vegas must disclose information regarding ownership interests and principals. Such disclosure generally is required in conjunction with a Request for Proposals (RFP). In other cases, such disclosure must be made prior to the execution of a contract or agreement.

3. Instructions

The disclosure required by the Resolutions referenced above shall be made through the completion and execution of this Certificate. The Contracting Entity shall complete Block 1, Block 2, and Block 3. The Contracting Entity shall complete either Block 4 or its alternate in Block 5. Specific information, which must be provided, is highlighted. An Officer or other official authorized to contractually bind the Contracting Entity shall sign and date the Certificate, and such signing shall be notarized.

4. Incorporation

This Certificate shall be incorporated into the resulting contract or agreement, if any, between the City and the Contracting Entity. Upon execution of such contract or agreement, the Contracting Entity is under a continuing obligation to notify the City in writing of any material changes to the information in this Certificate. This notification shall be made within fifteen (15) days of the change. Failure to notify the City of any material change may result, at the option of the City, in a default termination (in whole or in part) of the contract or agreement, and/or a withholding of payments due the Contracting Entity.

Block 1	**Contracting Entity**
Name	AGL Networks, LLC
Address:	10 Peachtree Place, N.W. Atlanta, Georgia 30309
Telephone	404-584-4315
EIN or DUNS	58-2567531

Block 2	**Description**
Subject Matter of Contract/Agreement:	Franchise Agreement
RFP #:	

Block 3	**Type of Business**

☐ Individual ☐ Partnership ■ Limited Liability Company ☐ Corporation

CERTIFICATE – DISCLOSURE OF OWNERSHIP/PRINCIPALS (CONTINUED)

Block 4 Disclosure of Ownership and Principals

In the space below, the Contracting Entity must disclose all principals (including partners) of the Contracting Entity, as well as persons or entities holding more than one-percent (1%) ownership interest in the Contracting Entity.

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	**AGL RESOURCES, INC.** **100% ownership of Contracting Entity**	**10 Peachtree Place, N.W.** **Atlanta, Georgia 30309**	**404-584-4917**
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

The Contracting Entity shall continue the above list on a sheet of paper entitled "Disclosure of Principals – Continuation" until full and complete disclosure is made. If continuation sheets are attached, please indicate the number of sheets: _____

Block 5 Disclosure of Ownership and Principals - Alternate

If the Contracting Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure may be attached to this Certificate in lieu of providing the information set forth in Block 4 above. A description of such disclosure documents must be included below.

Name of Attached Document: _____

Date of Attached Document: _____ Number of Pages: _____

I certify, under penalty of perjury, that all the information provided in this Certificate is current, complete, and accurate. I further certify that I am an individual authorized to contractually bind the above named Contracting Entity.

James Gillis, President and Manager
Name

6/18/08
Date

Subscribed and sworn to before me this 18th day of June, 2008.

Carol Jean Hawley
Notary Public

CAROL JEAN HAWLEY NOTARY PUBLIC FULTON COUNTY GEORGIA EXPIRES FEB. 15, 2011