

FRANCHISE AGREEMENT

This Agreement is entered into on this the _____ day of _____, 20____ the CITY of PASCAGOULA, MISSISSIPPI, (hereinafter referred to as the 'City'), and SOUTHERN LIGHT, LLC, (hereinafter referred to as the "Company").

WITNESSETH:

FOR AND INCONSIDERATION OF the mutual covenants and promises contained herein, the City and the Company do hereby mutually covenant and agree as follows:

SECTION 1. Defined Terms. For purposes of this Agreement, the following terms, words and phrases shall have the meanings set forth below. When not inconsistent with the context, words used in the singular number shall include the plural number, and words in the plural number shall include the singular.

1.1 "City" means the City of Pascagoula, Mississippi.

1.2 "Governing Body" or "City Council" means the City Council of the City of Pascagoula, Mississippi.

1.3 "Person" means any natural or corporate person, business association or other business entity including, but not limited to, a partnership, sole proprietorship, political subdivision, public or private agency of any kind, utility, successor or assign of any of the foregoing, or any other legal entity.

1.4 "Rights-of-way" means the surface and space above and below any public street, boulevard, road, highway, freeway, lane, alley, sidewalk, parkway, driveway, public ways, or other public rights of way, including, public utility easements, dedicated utility strips or rights of way dedicated for compatible uses held by the City or located within the City which shall entitle the City and the Company to use the same for the purpose of installing, operating, repairing and maintaining the System.

1.5 "System" shall mean a system of conduit, pipes, cables, transmission lines, meters, equipment and all other facilities associated with the operation of a fiber-optic transmission line by the Company in accordance with the terms and conditions contained in this Agreement.

SECTION 2. Grant of Authority. The City hereby grants to the Company the non-exclusive and limited authority to construct, install and maintain a fiber-optic transmission line in and along the rights-of-way in the City of Pascagoula, Mississippi, as described and depicted in Exhibit A which is attached hereto and incorporated by reference (hereinafter referred to as the "System") for use by individual end-user customers of the Company or for use by another public utility authorized by the Public Service Commission of the State of Mississippi to operate as a public utility in the City of Pascagoula. The Company shall not expand or extend the System installed or constructed within the City pursuant to this Agreement without approval from the City's City Manager or his designee, which approval may be withheld if in the sole discretion of the City it is in the best interest of the affected City right-of-way to do so. The grant of authority to the Company must be exercised only upon filing the appropriate tariffs with state and federal authorities. The Company shall provide to the City Manager's office a list of non-end user customers, i.e. other public service providers, in the City of Pascagoula by the 15th day of March of each calendar year in which this agreement is in effect.

SECTION 3. Compensation.

3.1 The Company shall pay the City all permitting fees required by the City, which are fees intended to offset the administrative cost of processing to completion the work proposed to be performed by the Company in the City.

A. In addition, the Company shall pay to the City as a franchise fee three percent (3%) of its Gross Revenues during each calendar year of operation under this franchise. Such payments shall be made quarterly during each calendar year, within fifteen (15) days of the close of each quarter. An annual financial statement shall be furnished to the City by the Company on or before April 1st of each year, or at any time upon request of the City after thirty (30) days written notice, such report to show Gross Revenues received by the Company from its operations within the City for the previous year. HOWEVER, at any time, upon request by the City and after sixty (60) days written notice, an annual certified audit report shall be furnished to the City by the Company, showing Gross Revenues received by the Company from its operations within the City for the previous year. In addition, at any time, upon request by the City and upon reasonable notice to the Company, the Company shall provide a report certified by the Company as being true and accurate showing year-to-date (from the last audited report provided to the date of receipt of the notice) Gross Revenues received by the Company from its operations within the City; in addition, the City shall have the right to inspect, examine, or audit during normal business hours and upon reasonable notice to the Company under the circumstances, all documents and records that pertain to the Company's direct obligations under this Agreement.

B. Acceptance of any fee payment shall not be deemed a waiver or release of any claims the City may have for additional sums, nor construed as an accord or agreement that the amount paid is correct.

SECTION 4. Duration and Term. The franchise granted hereunder shall be for an initial term of fifteen (15) years (the "Initial Term") commencing on the effective date of the Ordinance approving or ratifying this Agreement, unless otherwise lawfully renewed, revoked, or terminated as herein provided. Within ninety (90) days prior to the expiration of the Initial Term, the Company and the City may mutually agree in writing to renew this Agreement for one additional term of ten (10) years, subject to the terms and conditions contained herein.

SECTION 5. Grant of Non-Exclusive Authority. The right to use and occupy the rights-of-way for the purposes herein set forth shall not be exclusive, and the City reserves the right to grant the use of said rights-of-way to any person at any time and for any lawful purpose. This Agreement shall not be construed to create any rights beyond the terms, conditions, and periods set forth in this Agreement, except as provided herein. The City does not warrant any of the rights granted by this Agreement. The Company acknowledges that the primary municipal purpose of the public roads subject to the Agreement is for the City to provide safe means of transportation for public vehicular and pedestrian traffic and to accommodate the City's own public utility lines.

SECTION 6. Reservation of Regulatory and Police Powers. The City, by the granting of this franchise and approving this Agreement, does not surrender or to any extent lose, waive, impair or lessen the lawful powers and rights which are now, or which may be hereafter, vested in the City under the Constitution and the statutes of the State of Mississippi, to regulate the use of its rights-of-way by the Company or any person or to charge reasonable compensation for such use, and the Company, by its acceptance of this franchise and Agreement, agrees that all lawful powers and rights, regulatory power, police power or otherwise, that may be from time to time vested in or reserved to the City, shall be in full force and effect and subject to the exercise thereof by the City at any time. The Company is deemed to acknowledge that its rights are subject to the regulatory and police powers of the City to adopt and

enforce ordinances necessary for the safety and welfare of the public and agrees to comply with all applicable laws and ordinances enacted by the City pursuant to such powers.

Any conflict between the provisions of this Agreement and any other present or future lawful exercise of the City's police powers shall be resolved in favor of the latter.

SECTION 7. Standards of Service.

7.1. Conditions of Street Occupancy. All portions of the System and all associated equipment installed or erected by the Company pursuant to this Agreement shall be located so as to cause minimum interference with the proper use of the rights-of-way and with the rights and reasonable convenience of property owners who own property that adjoins any of such rights-of-way, and only according to plans and specification approved by the City prior to construction pursuant to Section 10 of this Agreement.

7.2. Restoration of Rights-of-way and City utilities. If during the course of the Company's construction, operation, or maintenance of the System there occurs a disturbance of any rights-of-way by the Company or the City's utilities (including, but not limited to, water lines, sewer lines, and storm drains), it shall, at its expense, replace and restore such rights-of-way and utilities to a condition comparable to the condition of the rights-of-way and utilities existing immediately prior to such disturbance to the satisfaction of the City. The work to be done under this Agreement, and the restoration of rights-of-way and utilities as required herein, must be completed within the dates specified in any permits authorizing the work. The Company shall perform the work according to the standards and with the materials specified or approved by the City Engineer. The City may, in its sole and absolute discretion, perform any repair work to its utilities caused by the Company, and the Company agrees to pay the reasonable amount invoiced it by the City for that work.

7.3. Relocation at Request of the City. Upon its receipt of reasonable notice, not to be less than forty-five (45) days, except where emergency conditions require shorter notice, the Company shall, at its own expense, protect, support, temporarily disconnect, relocate in the rights-of-way, or remove from the rights-of-way, any property of the Company when lawfully required by the City by reason of traffic conditions, public safety, street abandonment, freeway and street construction, change or establishment of street grade, installation of sewers, drains, gas or water pipes, electrical or telecommunications lines, when such installation or construction is being done directly by or for the City. Should the Company refuse or fail to remove its equipment or plant as provided for herein within forty-five (45) days after written notification, the City shall have the right to do such work or cause it to be done, and the reasonable cost thereof shall be chargeable to the Company.

7.4. Trimming of Trees and Shrubbery. The Company may only perform trimming, cutting, or removal of trees or shrubbery in the City's right of way after obtaining a permit from the City's Planning Director to do so after giving that official ten (10) days written notice of its request to perform such work. Any work so performed shall be limited to the work specified in the Company's permit application. The Company shall reasonably compensate the City for any damages, in such amounts as determined by the City, caused by trimming, cutting or removing trees or shrubbery, or shall, at its own expense, replace all trees or shrubs damaged as a result of any construction, installation, repair or maintenance of the System undertaken by the Company to the satisfaction of the City.

7.5. Safety and Permit Requirements. Construction, installation, repair, and maintenance of the System shall be performed in an orderly and workmanlike manner. All such work shall be performed in substantial compliance with applicable federal, state, and local laws, rules, and regulations, including all permit requirements and ordinances adopted by the City which are now in effect or are hereafter adopted. The System or parts thereof shall not unreasonably endanger or interfere with the safety of

persons or property in the area. The Company agrees to abide by the terms and conditions of Mississippi's One Call statute (Miss. Code Annotated Sections 77-13-1 through 77-13-21, as now in force or as hereinafter amended).

7.6. Minimum Standards. All of the construction by the Company shall conform, at a minimum, to the minimum standards of the Codes of the City in force and effect at the time of such construction. In the event there is a conflict between the standards adopted by the Company and any applicable federal, state or local standards, including ordinances adopted by the City, the stricter standard shall apply.

7.7. Obstructions of Rights-of-Way. Except in the case of an emergency, or with the approval of the City Engineer, no rights-of-way obstruction or excavation may be performed when seasonally prohibited or when conditions are unreasonable for such work. Approval of the City Engineer shall be obtained prior to any work causing any such obstructions or excavations, except in the event of an emergency; and in the event of an emergency the City Engineer must be notified immediately of the work being performed. The Company shall not so obstruct the rights-of-way so as to interfere with the natural, free and clear passage of water through the gutters, drains, ditches or other waterways. Upon making an opening in any public way, street, sidewalk, or road, as authorized by this Agreement for the purpose of laying, constructing, repairing, and/or maintaining its System, the Company shall, without unnecessary delay, replace and restore same to its former condition as nearly as possible and in full compliance with the provision of the City' street cut policy and other provision of the Code of Ordinances of the City of Pascagoula and the laws of the State of Mississippi. The Company shall re-sod disturbed grassed areas and replace all excavated areas to their former condition in order to minimize the disruption, and to prevent erosion, of public property and the property of adjoining private landowners.

The Company shall provide safe passageway for pedestrians and vehicles through, in and around the work site areas. Work shall be performed at such reasonable times as determined by the City so as not to impede regular business traffic nor to unreasonably affect adjoining property owners. The Company shall meet all City and State requirements for traffic control and notify the City at least forty-eight (48) hours, exclusive of Saturdays, Sundays, and municipal holidays, prior to the commencement of work or accessing of the City conduit, except in cases of emergency, whereby notice shall be provided to the City as soon as reasonably possible.

7.8. Safety Requirements.

A. The Company shall at all times employ the highest degree of care as is commensurate with the practical operation of its business and shall install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries or nuisances to the public.

B. The Company shall install and maintain the System in accordance with the requirements of all applicable federal, state, and municipal regulations, including but not limited to those of the FCC and the Corps of Engineers, as now in effect or hereinafter amended, and in such manner that its operations will not interfere with any installations of the City or of a public utility serving the City.

C. All structures and all lines, equipment, and connections in, over, under and upon the rights-of-way, wherever situated or located, shall at all times be kept and maintained in a safe and suitable condition and in good order and repair.

D. The Company shall maintain a force of employees at all times sufficient to provide safe, adequate, and prompt service for the System.

7.9. Least Disruptive Technology. The Company is encouraged to perform construction and maintenance of the System in a manner resulting in the least amount of damage and disruption to the rights-of-ways. The Company will be required to use trenchless technology for any portion of construction or maintenance projects which lie beneath the paved or improved portion of any roadway to which this Agreement applies, unless otherwise approved by the City Council. The City Engineer may require trenchless technology in other locations, where circumstances prevent or make open-cut methods impractical. The Company may use either the open-cut method or trenchless technology for construction outside the paved or improved portion of any roadway to which this Agreement applies.

7.10. Vacation of Right of Way by City. If at any time during any term of this Agreement, the City shall lawfully elect to vacate, relocate, abandon, alter, reconstruct, or change the grade of any street, sidewalk, alley, or other public way, to include drainage and utility areas, the Company, upon reasonable notice by the City, shall remove, re-lay and relocate its poles, wires, cables, underground conduits, manholes, and other fixtures at its own expense. Should the Company refuse or fail to remove its equipment or plant as provided for herein within forty-five (45) days after written notification, the City shall have the right to do such work, or cause it to be done, and the full cost thereof shall be chargeable to the Company, or, in the alternative, to consider such failure by the Company to remove its equipment or plant as an abandonment of all ownership rights in said property. The Company shall furnish assistance, if reasonably requested by the City, to locate or to protect franchise wires, cables, and other facilities, as deemed necessary by the City in the maintenance and service of its streets, alleys, and public ways in an effort to provide services to the public.

7.11 Inspection costs. The cost to the City of necessary inspection of work performed by the Company shall be paid for solely by the Company within sixty (60) days of presentation of a bill for such.

SECTION 8. Enforcement and Termination of Agreement.

8.1. Notice of Violation. In the event the Company has not complied with the terms of this Agreement, the City shall notify the Company in writing of the nature of the alleged noncompliance.

8.2. Right to Cure or Respond. The Company shall have 30 days from receipt of the notice described in Section 8.1: (a) to respond to the City by contesting the assertion of noncompliance; (b) to cure such default; or (c) in the event that, by the nature of default, such default cannot, for reasons beyond the control of the Company, be cured within the 30-day period, initiate reasonable steps to remedy such default and notify the City of the steps being taken and the projected date that they will be completed.

8.3. Enforcement. In the event the City determines that the Company is in default of any provision of this Agreement, in addition to any right or remedy the City may have at law or in equity, the City may pursue any or all of the following remedies:

- A. Seek specific performance of any provision which reasonably lends itself to such a remedy;
- B. Make a claim against any surety or performance bond which may be required to be posted;
- C. Restrain by injunction the default or reasonably anticipated default by the Company of any provision of this Agreement;
- D. Seek any other available remedy permitted by law or in equity;

8.5. Impossibility of Performance. The Company shall not be held in default or noncompliance with the provisions of this Agreement, nor suffer any enforcement or penalty relating thereto, where such noncompliance or alleged defaults are caused by strikes, acts of God, power outages or other events reasonably beyond its ability to control.

8.6 Removal of System After Termination. At the expiration of the term for which this Agreement is granted plus any extension thereof, or upon its termination or cancellation for any other reason, the City shall have the right to require the Company to remove, at its own expense, all portions of its System from the City of Pascagoula.

SECTION 9. Default. In addition to any other act or omission determined by the City to be a material breach, each of the following shall constitute a material default by the Company for which the City reserves the right, in addition to all other rights and remedies it may have at law or in equity, to terminate and cancel this Agreement and all rights and privileges of the Company hereunder:

- (1) Failure to make any payments to the City required to be made as set forth in this Agreement;
- (2) Failure to maintain a liability insurance policy that is not cured within thirty (30) days following written notice to the Company;
- (3) Failure to provide or furnish any information required under this Agreement to the City that is not cured within ten (10) days following written notice to the Company;
- (4) Any breach or violation of any ordinance, rule or regulation or any applicable safety or construction requirements or regulations that present a threat to health or safety that has not been cured within thirty (30) days written notice;
- (5) The occurrence of any event relating to the financial status of the Company which may reasonably lead to the foreclosure or other judicial or non-judicial sale of all or any material part of the System or the assets of the Company;
- (6) The condemnation by a public authority, other than the City, or sale or dedication under threat or in lieu of condemnation, of all or substantially all of the facilities; or
- (7) If (a) the Company shall make an assignment without prior written approval of the City, or make an assignment for the benefit of creditors, shall become and be adjudicated insolvent, shall petition or apply to any tribunal for, or consent to, the appointment of, or taking possession by, a receiver, custodian, liquidator or trustee or similar official pursuant to state or local laws, ordinances or regulations of any substantial part of its property or assets, including all or any part of the System; (b) a writ of attachment, execution, distraint, levy, possession or any similar process shall be issued by any tribunal against all or any material part of the Company's property or assets; (c) any creditor of the Company petitions or applies to any tribunal for the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official for the Company or for any material parts of the property or assets of the Company under the law of any jurisdiction, whether now or hereafter in effect, and a final order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceeding; or (d) any final order, judgment or decree is entered in any proceedings against the Company decreeing the voluntary or involuntary dissolution of the Company.

SECTION 10. Approval of Construction Plans. All plans and specifications for construction, excavation, or installation of any portion of the System shall be submitted for approval to the City Manager or his designee and the City Engineer. Those plans and specifications shall include true and correct maps or plats of all proposed installations and the types of equipment and facilities, property identified and described by appropriate symbols and marks, and which shall include annotations of all public ways, streets, road, and conduits where the work is to be undertaken. Maps shall be drawn in a scale which shall allow proper review and interpretation and will be filed no less than fourteen (14) working days before any installation of said cable, equipment, of facilities. The Company shall only perform work pursuant to permits, including but not limited to "street-cut permits", from the City as required by this Agreement and all applicable city, state, and federal rules and regulations, and the work shall be performed in accordance with all applicable ordinances and codes and any subsequent ordinances or regulations that may be adopted by the City. Repair and replacement of the rights-of-ways due to the Company's installation, removal, relocation, maintenance and repair of its System or facilities shall be accomplished to the satisfaction of the City. Within sixty (60) days of the completion of each segment of the Company's System, the Company shall supply the City with a complete set of "as built" drawings for that segment. Further, after each replacement, relocation, reconstruction, or removal, the Company shall promptly notify the City of the exact changes made and shall provide a new set of "as built" drawings showing each modification to the Director of Public Works within sixty (60) days thereof.

SECTION 11. Insurance; Bonds.

11.1. General Liability Insurance. Company shall maintain in full force and effect, at its own cost and expense, a comprehensive general liability insurance policy in the amount of \$1,000,000.00 for bodily injury and property damage per person and \$3,000,000.00 as to each occurrence, satisfactory to the City with one or more responsible insurance companies duly authorized to do business in the State of Mississippi. The City shall be named as an additional insured on the policy, and the Company shall provide the City with a certificate of insurance designating the City as an additional insured on each policy and extension or renewal thereof. An endorsement shall be included with the policy that states that the policy shall not be cancelled without giving thirty (30) days written notice of such cancellation to the City. In addition, the Company shall require its contractors and subcontractors to keep and maintain in connection with all construction, installation, and maintenance work to be performed within the City of Pascagoula's city limits general liability insurance coverage with one or more responsible insurance companies duly authorized to transact business in the State of Mississippi with insurance limits of not less than \$500,000.

11.2. Worker's Compensation Insurance. In addition, the Company shall obtain worker's compensation coverage as required by the laws of the State of Mississippi with one or more responsible insurance companies duly authorized to do business in the State of Mississippi.

11.3. Comprehensive Automobile Liability Insurance. Company shall maintain in full force and effect, at its own cost and expense, a comprehensive automobile liability insurance policy in the amount of \$1,000,000.00 for bodily injury and property damage per person and \$3,000,000.00 as to each occurrence, satisfactory to the City with one or more responsible insurance companies duly authorized to do business in the State of Mississippi.

11.4. Intended Beneficiary. Insurers shall have no right of recovery against the City, it being the intention that the insurance policies shall protect the City, and the City shall be primarily covered for all losses covered by the policies. Companies issuing the insurance policies shall have no recourse against the City for payment of any premiums or assessment, being that all are negotiated at the sole risk of the Company.

11.5. Construction and Reclamation Bond. The entity which installs the Company's cable and related equipment into the public ways of the City shall obtain and maintain, at its sole cost and expense, throughout the construction or installation period, and shall file with the City Clerk, a Construction and Reclamation Bond with a bonding company authorized to business in the State of Mississippi, and found acceptable by the City, in the amount of One Hundred Thousand Dollars (\$100,000.00) in order to safeguard the City from damage done as a result of the installation of any portion or aspect of the Company's System. The Company shall provide certification of this Construction and Reclamation Bond to the City at least ten (10) days prior to the commencement of the installation of any portion or aspect of the System into the public ways of the City. The bond shall not expire until the construction and installation of the cable and related equipment is completed. The Construction and Reclamation Bond shall provide, but not be limited to, the following condition:

there shall be recoverable by the City of Pascagoula, jointly and severally from the principal and the surety, any and all damages, losses or costs suffered by the City of Pascagoula resulting from the construction or installation of cable and related equipment in the City of Pascagoula, Mississippi.

The rights reserved to the City with respect to the Construction and Reclamation Bond are in addition to all other rights of the City, whether reserved by this Agreement or authorized by law, and no action, proceeding, or exercise of a right with respect to such Construction and Reclamation Bond shall affect any other right the City may have.

11.6. Performance Bond. Within one (1) month of the effective date of this Agreement, the Company shall obtain and maintain, at its sole cost and expense, and file with the City Clerk, a Performance Bond with a bonding company authorized to do business in the State of Mississippi and found acceptable by the City, the approval of which shall not be unreasonably withheld, in the amount of Fifty Thousand Dollars (\$50,000.00), in order to secure the Company's performance of its obligations and faithful adherence to all requirements of this Agreement. The Performance Bond shall provide, but not be limited to, the following condition:

there shall be recoverable by the City of Pascagoula, jointly and severally from the principal and the surety, any and all damages, losses or costs suffered by the City of Pascagoula resulting from the failure of the Company to: (a) keep the System in good repair; or (b) remove its cables or related equipment from the public ways of the City of Pascagoula, upon the City's request for their removal, either at the time of the expiration of the franchise, upon the Company's abandonment of said cable and related equipment, or for any other reason contemplated by this Agreement.

The Performance Bond shall also contain the following endorsement:

It is hereby understood and agreed that this instrument may not be cancelled nor any intention not to renew by exercised until sixty (60) days after receipt by the City of Pascagoula by registered mail of written notice of said intent.

SECTION. 12. Indemnity and Hold Harmless. The Company agrees to indemnify, defend, and hold harmless the City, its elected officers, employees, agents, and representatives, against all claims, costs, losses, expenses, demands, actions, or causes of action, including reasonable attorney's fees and other costs and expenses of litigation, which may be asserted against or incurred by the City or for which the City may be liable, which arise from the negligent or willful acts or omissions of the Company, its employees, agents, or subcontractors arising out of the construction, operation, maintenance, upgrade, repair, or removal of Facilities, or any other activity related to the Companies performance of its rights

and obligations under this Agreement, except for those claims, costs, losses, expenses, demands, actions, or causes of action which arise solely from the negligence, willful misconduct, or other fault of the City. The City does not and shall not waive any rights against the Company which it may have by reason of this indemnification, or because of the acceptance by, or the Company's deposit with, the City of any of the insurance policies described in this Agreement. The indemnification by the Company shall apply to all damages, penalties and claims of any kind, regardless of whether any insurance policy shall have been determined to be applicable to any such damages or claims for damages.

SECTION 13. Disclaimer of Warranties. The City makes no representation or warranty regarding its rights to authorize the installation or operation of the System on any particular right-of-way, and the burden and responsibility for making such determination in advance of the installation shall be upon the Company. This Agreement shall not be construed to deprive the City of any rights or privileges which it now has, or may hereafter have, to regulate the use and control of its streets.

SECTION 14. Warranties and Representations. The Company hereby agrees, represents, and warrants that it is legally authorized to enter into this Agreement in accordance with all applicable laws, rules and regulations. Furthermore, the Company further agrees, represents, and warrants that this Agreement is legal, valid and binding, and that it is required to obtain authorization and consent from the City prior to the construction, installation, operation or maintenance of the System.

SECTION 15. Other Obligations. Obtaining a franchise pursuant to this Agreement does not relieve the Company of its duty to obtain all other necessary permits, licenses, authority, and the payment of fees required by any other City, county, state or federal rules, laws or regulations, and the Company is responsible for all work done in the rights-of-way pursuant to this Agreement, regardless of who performs the work.

SECTION 16. Payment of Costs. The Company shall be responsible for all costs associated with the installation, repair and maintenance of the System and all associated equipment including, but not limited to (1) the costs to repair the rights-of-way and the City's utilities due to the installation, repair and maintenance of the System, and (2) the costs incurred in removing or relocating any portion of the System or facilities constructed when required by the City.

SECTION 17. Priority of Use. This Agreement does not establish any priority for the use of the rights-of-way by the Company or any present or future franchisees or permit holders. In the event of any dispute as to the priority of use of the rights-of-way, the first priority shall be to the public generally, the second priority to the City, the third priority to the State of Mississippi and its political subdivisions in the performance of their various functions, and thereafter, as between franchisees and other permit holders, as determined by the City in the exercise of its powers, including the police powers and other powers reserved to and conferred on it by the State of Mississippi.

SECTION 18. Notice. The Company shall provide the City with notices of all petitions, applications, communications and/or reports relating to matters affecting the Company's use of the City's public ways. Upon written request from the City, the Company shall provide the City with copies of all such documentation. Every notice or response required by this Agreement to be served upon the City or the Company shall be in writing and shall be deemed to have been duly given to the required party three (3) business days after having been posted in a properly sealed and correctly addressed envelope when hand delivered or sent by certified or registered mail, postage prepaid as follows:

The notices or responses to the City shall be addressed as follows:

City of Pascagoula, Mississippi
Attention: City Manager
P.O. Drawer 908
Pascagoula, MS 39568

The notices or responses to the Company shall be addressed as follows:

Southern Light, LLC
Attention: Kelly A. McGriff
107 St. Francis Street, Suite 1800
Mobile, AL 36602

The City and The Company may designate such other address or addresses from time to time by giving written notice to the other party as set forth in this section.

SECTION 19. Application. The terms and conditions contained in this Agreement shall apply to all areas within the corporate limits of the City and those areas annexed by the City after the passage and approval of this Agreement.

SECTION 20. Acceptance. The Company's acceptance of this Agreement shall be in writing in a form approved by the City's City Manager and shall be accompanied by delivery of all payments, insurance certificates, applications, acceptance fees and performance of other requirements relating to commencement of construction as set forth in this Agreement.

SECTION 21. Assignment. The Company's interest in this Agreement shall not be sold, transferred, assigned or otherwise encumbered or disposed of, either by forced or voluntary sale or otherwise, without the prior written consent of the City Council. The City reserves the right to be reimbursed by the Company for costs incurred by it in reviewing the request for transfer of ownership.

SECTION 22. Miscellaneous.

22.1. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in singular number shall be held to include the plural and vice versa, unless context requires otherwise. The captions used in connection with the sections of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement or be used in interpreting the meanings and provisions of this Agreement.

22.2. The Company is requested by the City to employ, contract with vendors, sub-contractors, or joint venture projects with citizens and businesses in the City of Pascagoula, Mississippi.

22.3. The Company shall comply with all applicable laws, regulations, policies, and procedures of the United States, the State of Mississippi, and the City of Pascagoula that may apply to this Agreement. The Company shall not discriminate against any employee, contractor, or subcontractor, nor shall any party be subject to discrimination in the performance of this Agreement because of race, creed, color, sex, age, nation origin, or disability.

SECTION 23. Rules of Construction. The parties hereto acknowledge that each party and its counsel have had the opportunity to review and revise this Agreement, and the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits thereto.

SECTION 24. Governing Law. This Agreement shall be deemed to have been made in the State of Mississippi, and the validity of the same, its construction, interpretation, enforcement, and the rights of the parties hereunder, shall be determined under, governed by and construed in accordance with the substantive laws of the State of Mississippi, without giving effect to any choice of law provisions arising thereunder. Venue and jurisdiction for any dispute between the parties to this Agreement shall be in the appropriate state court located in Jackson County, Mississippi.

SECTION 25. Severability Clause. If any part, section, or subdivision of this Agreement shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Agreement, which shall continue in full force and effect notwithstanding such holding.

SECTION 26. Effective Upon Full Execution. This Ordinance shall become effective only upon receipt of a written unconditional acceptance by the Company of the terms and conditions contained herein within thirty (30) days of the passage of the action of the Pascagoula City Council approving and authorizing this Agreement.

ADOPTED AND APPROVED this _____ day of _____, 20 _____.

CITY OF PASCAGOULA, MISSISSIPPI

By: _____
Mayor Jay Willis

ATTEST:

CITY CLERK

SOUTHERN LIGHT, LLC

By: _____
Name: _____
Its: _____

ATTEST:

Name: _____