



EXHIBIT A

921 SW Washington St., Ste. 370
Portland, OR 97205
503-294-5300

October 31, 2012

The Honorable Sam Adams
Mayor of the City of Portland
City Hall
1221 S.W. 4th Avenue
Portland, OR 97204

RE: Request for Temporary Revocable Permit to commence construction of
telecommunications system in City streets

Dear Mayor Adams:

LightSpeed Networks, Inc. dba LS NETWORKS, ("LS NETWORKS") acknowledges that it approached the City and requested the City's permission to obtain a franchise to provide telecommunications services in Portland. The City, acting through the Office for Community Technology, and LS NETWORKS entered into negotiations and have come to final agreement on the terms of the proposed franchise. LS NETWORKS has reviewed the proposed franchise and agrees to its terms and conditions.

LS NETWORKS acknowledges that under the Charter of the City of Portland, the time before a franchise takes effect may extend up to four months or more. However, LS NETWORKS needs to begin construction as soon as possible. The primary reason is an anticipated build out date of January 2013. Other reasons include the imminence of competition from others who might obtain a more favorable market position to our competitive disadvantage if LS NETWORKS'S operations were delayed, the longstanding desire of City residents for competitive choices in telecommunications services, and the significant public benefits that will be provided to the City and its residents as a result of prompt startup and completion of LS NETWORKS'S system.

Because of the need to begin construction of the system as soon as possible, LS NETWORKS requests that the City Council issue a temporary, revocable permit for LS NETWORKS to begin construction of its system and to occupy certain City streets and public places as soon as possible in order to begin providing services to residents. LS NETWORKS understands that the conditions contained in the temporary, revocable permit will be substantially the same as those in the proposed franchise agreement, and LS NETWORKS agrees to accept those terms as a condition to the issuance of this permit. LS NETWORKS acknowledges the temporary nature of this permit, and accepts that its rights to remain in the City's streets are contingent upon entering into a franchise agreement with the City. LS NETWORKS has evaluated and understands the risks associated with proceeding with construction and operation of facilities in the City streets under the temporary, revocable permit. These risks may include, but are not limited to: the possible referral of the franchise for a city-wide vote under the provision of the Portland City

Charter; the City Council not approving the franchise negotiated with staff; or, legal challenges that may delay the effective date of the potential franchise. LS NETWORKS acknowledges that these risks exist, and waives any potential claims against the City associated with proceeding under the temporary permit.

LS NETWORKS acknowledges that the temporary permit does not grant LS NETWORKS any property rights, vested or otherwise, to occupy or use the City's streets or public places. LS NETWORKS further acknowledges that any and all rights it may possess under the temporary permit to occupy and use the City's streets terminate upon the expiration of the permit at the end of its term. Finally, LS NETWORKS acknowledges that the permit will expire on the earlier of one year from the effective date of the permit or the effective date of the franchise. LS NETWORKS agrees that if for any reason the City and LS NETWORKS have not entered into a franchise agreement by the end of the term of this permit, LS NETWORKS will remove its facilities from the City's streets and public places at LS NETWORKS'S expense, and LS NETWORKS waives any potential claims against the City associated with proceeding under the temporary permit.

LS NETWORKS acknowledges that the person signing this letter has authority to make the representations contained in this letter on behalf of LS NETWORKS.

Thank you for your consideration of this request.

Sincerely,



Michael Weidman
CEO and President

Exhibit B

Insurance

The Grantee shall maintain public liability and property damage insurance that protects the Grantee and the City, as well as the City's officers, agents, and employees from the claims referred to in Section 5 of Grantee's franchise agreement. The insurance shall provide coverage at all times of not less than \$1,000,000 combined single limit for bodily injury liability and property damage liability per occurrence with an annual aggregate limit of not less than \$3,000,000. The limits of the insurance shall be subject to any changes as to maximum statutory limits of liability imposed on municipalities of the State of Oregon during the term of the Franchise. The insurance shall be without prejudice to coverage otherwise existing and shall name as additional insureds the City and its officers, agents, and employees. Notwithstanding the naming of additional insureds, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured. The coverage must apply as to claims between insureds on the policy. The insurance shall provide that the insurance shall not be canceled or materially altered without thirty (30) days prior written notice first being given to the City Auditor. If the insurance is canceled or materially altered within the term of this Franchise, Grantee shall provide a replacement policy with the same terms. Grantee agrees to maintain continuous uninterrupted coverage, in the terms and amounts required, for the duration of the Franchise.