

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT made and entered into this ____ day of ____, 2014, by and between the Louisville/Jefferson County Metro Government (hereinafter “Louisville Metro”), and SiFi Networks Louisville, L.L.C.

WITNESSETH:

WHEREAS, pursuant to Chapter 116.70 - 116.99 of the Louisville Metro Code of Ordinances and Sections 163 and 164 of the Kentucky Constitution, the Louisville Metro solicited bid proposals from parties interested in obtaining franchises to erect, install or maintain communications facilities or provide communication services by use of said communication facilities within the confines of Louisville/Jefferson County, Kentucky; and

WHEREAS, SiFi Networks Louisville, L.L.C. submitted a bid proposal to Louisville Metro for a communications services franchise pursuant to the requirements of Chapter 116.70 - 116.99 of the Louisville Metro Code of Ordinances.

WHEREAS, pursuant to Ordinance No. ____ Series 2014, Louisville Metro granted to SiFi Networks Louisville, L.L.C. for a period of twenty (20) years, a non-exclusive franchise to erect, install or maintain communications facilities or provide communication services by use of said communication facilities within the confines of Louisville/Jefferson County, Kentucky pursuant to Chapter 116.70 - 116.99 of the Louisville Metro Code of Ordinances.

WHEREAS, Louisville Metro and SiFi Networks Louisville, L.L.C. have entered into this Franchise Agreement to memorialize the award by Louisville Metro to SiFi Networks Louisville, L.L.C. of said franchise pursuant to the terms and conditions reflected in Chapter 116.70 - 116.99 of the Louisville Metro Code of Ordinances.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements contained herein the receipt and sufficiency of which are hereby acknowledged, Louisville Metro and SiFi Networks Louisville, L.L.C. hereby agree to incorporate the foregoing recitals as if fully set forth herein and further agree as follows:

1. Chapter 116.70 - 116.99 of the Louisville Metro Code of Ordinances is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

2. The bid of SiFi Networks Louisville, L.L.C. for said franchise, which is attached hereto as Exhibit "A", is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

3. Louisville Metro has granted unto SiFi Networks Louisville, L.L.C. a non-exclusive franchise, for a term of ten (20) years to erect, install or maintain communications facilities or provide communication services by use of said communication facilities within the confines of Louisville/Jefferson County, Kentucky and as more specifically identified in the above- mentioned bid pursuant to Chapter 116.70 - 116.99 of the Louisville Metro Code of Ordinances.

4. The franchise memorialized in this Franchise Agreement shall commence ____, 2014, and shall expire on _____.

5. SiFi Networks, L.L.C. does hereby bind itself, its successors and assigns, to faithfully and fully perform each and every condition of said franchise as memorialized in this Agreement, and further to faithfully perform all acts required of it as the purchaser of said franchise.

6. This Franchise Agreement memorializes the agreement between the parties and shall be binding upon and inure to the benefit of the respective successors in interest to the parties hereto.

IN WITNESS WHEREOF, Louisville Metro and SiFi Networks Louisville, L.L.C. have executed this Franchise Agreement as their free and voluntary act and deed effective as of the day and year first above written.

LOUISVILLE/JEFFERSON
COUNTY METRO GOVERNMENT

Greg Fischer, Mayor

SIFI NETWORKS LOUISVILLE, L.L.C.

By: _____

Its: _____

APPROVED AS TO FORM AND
LEGALITY:

Michael J. O'Connell
Jefferson County Attorney



Louisville Metro
Communications Franchise Application
(This application must be filed with ten (10) additional copies)



(For more detail on application requirements and communications franchises generally, please review Louisville Metro Code of Ordinances §116.70 – 116.99 at www.louisvilleky.gov/economicdevelopment)

Applicant Information

Applicant Name: SiFi Networks Louisville LLC
(Complete Legal Name as Registered with the Kentucky Secretary of State)
Address: 2711 Centerville Rd, Suite 400,

City: Wilmington State: DE Zip Code: 19808

E-mail Address: scott@sifinetworks.com

Phone Number: +44 1691 880 578 Fax Number: +44 1691 880 028

Local Representative Information

Name: Scott Bradshaw

Address: 13 New North Street

City: London Zip Code: WC1N 3PJ

E-mail Address: scott@sifinetworks.com

Phone Number: (408).520.9208 Fax Number: +44 1691 880 028

Emergency Contact Information: _____

Description of Proposed System Design (LMCO § 116.71 (D)(1)(c)): High count fiber optic cable network that emanates from multiple points of presence within LMG to a premise.

Description of All Types of Service Proposed (LMCO § 116.71 (D)(1)(d)): SiFi Networks Louisville LLC will not deliver any service over the network. Services provider(s) will manage, operate and deliver IP based services to any requesting premise subscriber, which may include but not limited to internet, voice and video.

Disclosure of Ownership of Facilities (LMCO § 116.71 (D)(1)(e)): SiFi Networks Louisville LLC

Additional Requirements - Please submit the following:

1. A technical description of the type of system proposed by the applicant and the applicant's plan for the installation of the system (Please see LMCO § 116.71 (D)(1)(f) for specific requirements for description).
2. The engineering statement required by LMCO § 116.71 (D)(1)(g).
3. Copy of the applicant's certificate of authority from the Public Service Commission ("PSC") or a signed statement that applicant is not lawfully required to have such certificate from the PSC.
4. Copy of the applicant's certificate of authority from the Federal Communications Commission ("FCC") or a signed statement that the applicant is not lawfully required to have such certificate from the FCC.
5. Copy of all required insurance policies and certificates with a signed statement from Louisville Metro's Insurance and Risk Coordinator that such policies and certificates are acceptable to Louisville Metro.
6. A statement signed by the applicant that the applicant agrees to be bound by all provisions of the Franchise and agrees to obtain all application permits and authorizations prior to constructing, installing or operating a System in the right-of-way.
7. Filing Fee
8. Supplementary, additional or other information that the applicant deems reasonable for consideration.

Louisville Metro hereby puts the applicant on notice of the following:

1. Applications may be modified at any time prior to the opening of the applications, provided that any modifications must be duly executed in the manner that the applicant's application must be executed.
2. Louisville Metro reserves the right to require such supplementary, additional or other information that it deems reasonable necessary for its determinations.
3. Louisville Metro reserves the right to waive all formalities and/or technicalities where the best interest of Louisville Metro may be served.
4. Franchises shall be granted in accordance with Kentucky Constitution Sections 163 and 164. All franchisees shall be required to obtain and maintain any necessary and lawful permit, license certification, grant, registration or any other authorization required by any appropriate governmental entity.
5. Any franchise granted pursuant to this application shall take effect and be in force from and after the effective date of a resolution granting a franchise, provided that on or before said date, franchisee shall:
 - a. Enter into and execute such contracts and documents as required by Louisville Metro that are consistent with the terms and provisions of LMCO § 116.71-116.99.
 - b. File certificates of insurance as required by LMCO § 116.71-116.99.
 - c. File such bond or bonds as required by LMCO § 116.71-116.99.
 - d. Advise the Director of Finance in writing of Franchisee's address for mail and official notifications from Louisville Metro.

CERTIFICATION

Applicant hereby certifies that the information provided by the applicant is true and correct and that the person signing on behalf of the applicant is authorized to do so. Applicant further acknowledges and certifies that is shall be responsible to certify to Louisville Metro any material changes to the information provided in the completed application during the term of any Franchise.

Complete Legal Name of Applicant: Ben Bawtree-Jobson

By: 

Title: President

Date: May 1, 2014

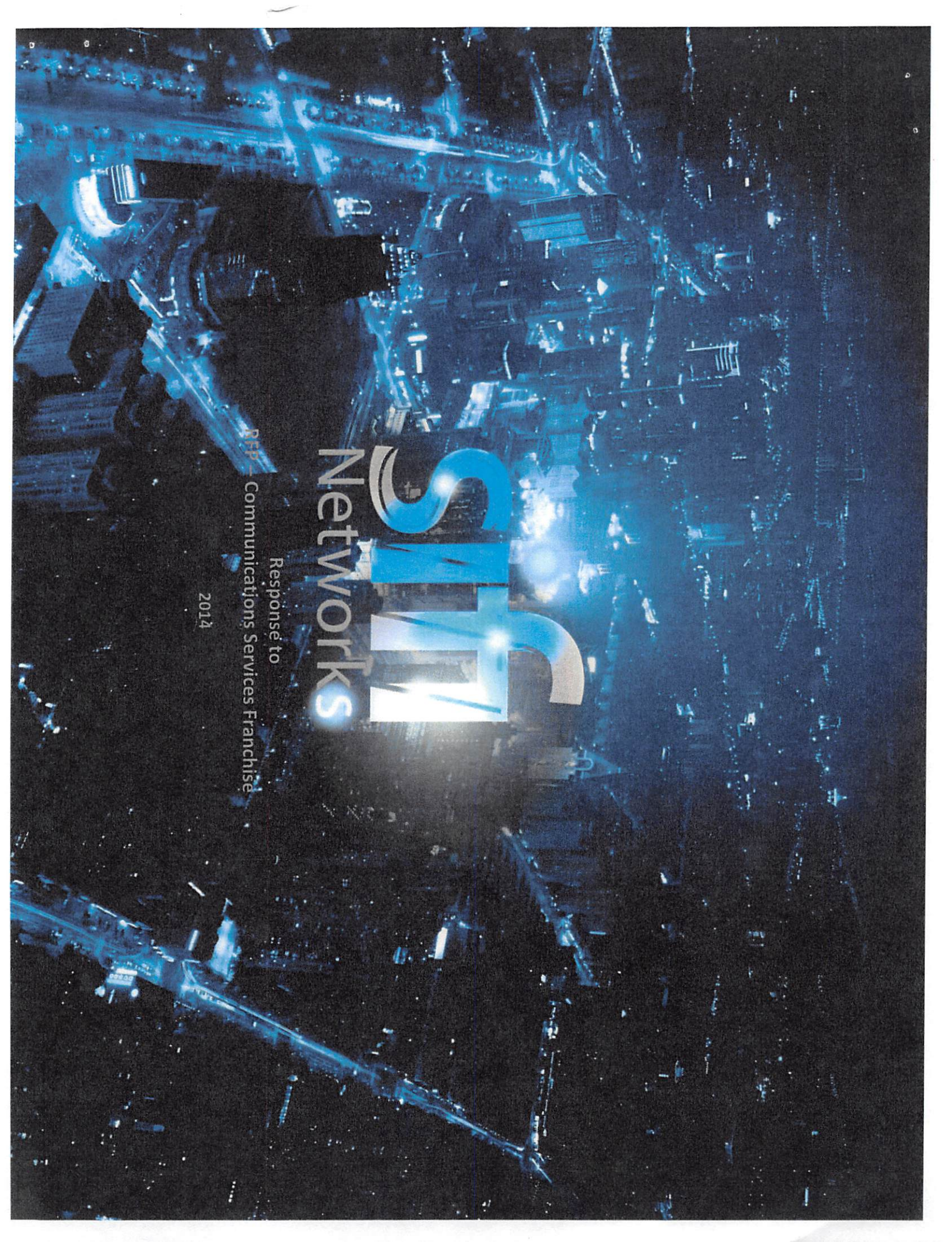
NOTICE TO APPLICANTS

Information submitted on applications is a public record under the Kentucky Open Records Act, Sections 61.870, et. seq. of the Kentucky Revised Statutes. Under that law, certain kinds of proprietary and trade information are exempt from disclosure. Should an applicant believe that any information required to be submitted involves confidential proprietary or trade information, the applicant should contact the Metro Public Works Department before the application is filed and request a determination as to whether the information is covered by the exemption. If no such request is made prior to the filing of the application, the applicant will be deemed to have waived any entitlement to confidentiality under the Open Records Act.

F.A.O Ted Smith
Chief of Economic Growth and Innovation
Department of Economic Growth and Innovation
444 South Fifth St., Ste. 600
Louisville, KY 40202

RFP - Communications Services Franchise

May 2, 2014



SFT Networks

Response to
RFP – Communications Services Franchise

2014



CONTENTS

Executive Summary..... 3

Additional Information..... 4

Supplementary Information 7

Who are SIFI Networks? 7

Our Founders..... 8

SIFI Framework Partners and Qualifications 9

Economic Development 10

Structuring FiberCity™ Louisville 11

Sustainable Infrastructure..... 12



EXECUTIVE SUMMARY

The information contained within this document is the Additional Information that forms part of the SIFI Networks Louisville LLC Communications Franchise Application response in relation to the RFP – “Communications Services Franchise”, issued by Louisville Metro Government (LMG).

The document also contains an overview of the fiber optic cable infrastructure SIFI Networks Louisville LLC intend to construct within LMG, including our founders, Framework partners, benefits to the community and FiberCity™ sustainability model.

Furthermore, the document will illustrate how the FiberCity™ network will be designed to offer a dedicated fiber to each premise allowing symmetrical, gigabit services to traverse the network to any residential premise from an ISP, with multi-gig connectivity and other IP based services available to all other premises such as businesses, healthcare centres, educational facilities etc...

Scott Bradshaw
President
SIFI Networks



ADDITIONAL INFORMATION

LMCO § 116.71 (D)(1)(F)

FiberCity™ Louisville will be built upon a ring topology, high count fiber optic cable network, emanating from multiple points of presence all the way to each premise wall. The network is based upon a modular design, with the initial installation serving the Urban Service District followed by outreach programs to adjoining neighbourhoods and communities to connect to the network.

The network topology will be a mixture of Active Ethernet and GPON technology, with the ability to serve residential premises with 1 Gigabit symmetrical internet connectivity and greater capacity to other premises.

The network will be constructed in a phased approach, with multiple neighbourhoods being built in parallel using the FOCUS™ system construction techniques, passing each premise and connecting those with fiber optic cable that have entered into agreements with service providers to receive service from such provider that is leasing the network.

Prior to commencement of any physical construction activity, detailed engineering designs will be completed by our Framework partners, as detailed on page 10 and submitted to LMG for approval, with each design clearly detailing outside plant (OSP) start points, routes and end point locations of the fiber optic cable, including field equipment.

LMCO § 116.71 (D)(1)(G)

Nick Whittaker, SIFI Networks CTO, confirms that the FiberCity™ Louisville network and operation will meet all requires set forth in LMCO 4 116.71-.99

PUBLIC SERVICES COMMISSION (PSC) CERTIFICATE OF AUTHORITY

SIFI Networks Louisville LLC is waiting upon receipt of the signed statement from the PSC that confirms SIFI Networks Louisville LLC is not lawfully required to have a certificate of authority in relation to the funding and building of the FiberCity™ Louisville infrastructure, as SIFI Networks Louisville LLC will neither operate or be a provider of utility or telecommunication related services over the to-be-built FiberCity™ Louisville



infrastructure. The FiberCity™ Louisville network is a dark fiber optic cable infrastructure capable of allowing one or many IP based services to be provided to any premise that has connectivity to the network, with such services provided by a telecommunication company that is leasing, managing and operating the FiberCity™ Louisville infrastructure. SIFI Networks Louisville LLC will have no direct relationship or provide retail services to the public.

SIFI Networks Louisville LLC anticipate the signed statement to be in hand by May 15, 2014.

Name: 

Title: President, SIFI Networks Louisville LLC

FEDERAL COMMUNICATIONS COMMISSION (FCC) CERTIFICATE OF AUTHORITY

SIFI Networks Louisville LLC is waiting upon receipt of the signed statement from the FCC that confirms SIFI Networks Louisville LLC is not lawfully required to have a certificate of authority in relation to the funding and building of the FiberCity™ Louisville infrastructure, as SIFI Networks Louisville LLC neither operate or be a provider of utility or telecommunication related services over the to-be-built FiberCity™ Louisville infrastructure. The FiberCity™ Louisville network is a dark fiber optic cable infrastructure capable of allowing one or many IP based services to be provided to any premise that has connectivity to the network, with such services provided by a telecommunication company that is leasing, managing and operating the FiberCity™ Louisville infrastructure. SIFI Networks Louisville LLC will have no direct relationship or provide retail services to the public.

SIFI Networks Louisville LLC anticipate the signed statement to be in hand by May 15, 2014.

Name: 

Title: President, SIFI Networks Louisville LLC



INSURANCE POLICIES AND CERTIFICATES

SIFI Networks Louisville LLC will provide all necessary insurance warranties and certification, conforming to Louisville Metro Insurance guidelines upon completion and approval of final engineering designs for each section of the to-be-built FiberCity™ Louisville infrastructure project.

BOUND BY PROVISIONS

SIFI Networks Louisville LLC agrees to be bound by all provisions of the Franchise and agrees to obtain, either directly or via our Framework partners all application permits and authorizations prior to constructing, installing and operating the FiberCity™ Louisville network in the right-of-way. As the FiberCity™ Louisville network will be split into multiple construction phases of c.20,000 premises, 5 Franchise applications are being submitted to allow each construction phase to commence at different timelines or in parallel, where applicable.

Name:

A handwritten signature in blue ink, appearing to read "Ben Smith".

Title: President, SIFI Networks Louisville LLC

FILING FEE

Application filing fee is in the process of being wired of May 2, 2014, to the designated LMG account.



SUPPLEMENTARY INFORMATION

WHO ARE SIFI NETWORKS?

SIFI Networks was founded by two successful entrepreneurs, with extensive experience in the funding, build and delivery of large scale construction and telecommunications projects across the public and private sectors. SIFI networks is privately owned, headquartered in the UK and adopts a collaborative approach for the development of infrastructure assets via the utilization of leading and industry recognized in-country resource.

SIFI Networks ensures we are involved in a project from the earliest point possible, allowing our team to use the full spectrum of our experience to deliver a turnkey solution for any community. SIFI Networks understands that each neighborhood in a community is diverse in its demographic structure; therefore, it is vital for us to understand the governance's and topography of each LMG community as well as identifying initiatives that will support and drive economic development and stability of an all fiber to the premise network.

SIFI are keen to work with progressive governments such as LMG who recognize that next generation fiber optic infrastructures are crucial economic development springboards and are not merely an entertainment medium.

SIFI are an infrastructure enabler and not a telecommunication or Internet Service Provider (ISP): SIFI fully fund and deliver community wide state-of-the-art fiber optic networks, known as FiberCity™, that allow municipal and private ISP's to deliver a variety of services to FiberCity™ network subscribers.

Most importantly, SIFI's experienced team are able to structure fiber optic networks in such a method that draws vital finance to a project.

Through the utilization of various construction technologies and investable models, SIFI are able to deliver community wide Fiber to the Premise (FTTP) networks to a broad range of communities, from small villages to the largest cities in the world.



OUR FOUNDERS

Our founding members are invaluable assets to SIFI. Through the utilization of their knowledge and experience, they have created a unique opportunity and play highly active roles in all facets of the business. The combination of Roland's large scale construction and funding expertise and Mike's award winning experience in the telecommunication industry, provides an excellent foundation from which to deliver numerous FTTP network builds simultaneously across the Globe.

ROLAND PICKSTOCK:

Roland Pickstock is chairman and founder of The Pickstock Group of companies (www.thepickstockgroup.com). Thirty years since its inception, the group has a current turnover of \$253m, with successful trading businesses across construction, property development, investment, manufacturing and food. The group has true international experience and works in both the private and public sector, landmark projects include, the London 2012 Olympics and the G8 Summit. As a successful developer Roland has engineered deals for blue chip companies and investors such as Walmart, Whitbread, Tesco's and Sainsbury's among others and has a current project pipeline valued at over \$1.5bn.

MIKE HARRIS:

Mike Harris is also a British entrepreneur with an excellent track record, primarily within the communications industry. He founded his first company, building on the experience he gained working for British Telecom (BT Group plc). The company eventually became known as TNS (Total Network Solutions). Whilst growing the business, Mike won several awards, including becoming one of the UK's fastest growing companies with a three year compounded growth of 80%.

TNS were one of the country's leading IT solutions firms, installing and maintaining many significant Cisco based solutions and being recognized as having the best technical support and engineering capacity in their area.

Mike was awarded Entrepreneur of the Year by Ernst and Young, and subsequently sold Total Network Solutions to BT Group plc for an undisclosed sum. He now chairs a number of companies including Voice Comms Warehouse – a leading distributor of communications and security products – and owns The New Saints football club - Welsh soccer champions.



SIFI FRAMEWORK PARTNERS AND QUALIFICATIONS

SIFI believe in working with highly reputable companies with unrivalled experience within their chosen fields. Creating a synergy between our own internal expertise and those of our partners we will create sustainable projects that serve each community on an individual basis.



BLACK & VEATCH
Building a world of difference.



Since 1923

NETWORKS
Infrastructure for the New Century



ARCADIS
Infrastructure, environment, buildings



Nexlevel LLC

In order to deliver FiberCity™ Louisville, SIFI will draw on the ability of over 30,000 employees within our US Framework partners, as illustrated above. Each engineering partner provides breadth and depth of experience with fiber optic network deployments and have collectively deployed over 50,000 route miles of fiber throughout the US for commercial carriers and utilities alike, as well as delivering many Smart Utility programs on intelligent infrastructures.

ECONOMIC DEVELOPMENT

The FiberCity™ Louisville network is not only designed for today but also for tomorrow, ensuring future capacity will be readily available to support the expected demands from network subscribers, as well as fostering innovation and economic development strategies to serve underdeveloped and developing areas. As part of the build, the core and trunk aspect of the network will provide redundancy through multiple, resilient fiber rings in the community.

Furthermore, the FiberCity™ network will present a tremendous opportunity for the city, healthcare, public, educational and community center facilities to receive dark fiber capacity, *on a best value basis*, by entering into FiberCity™ agreements that offer unparalleled gigabit speeds and opportunities.

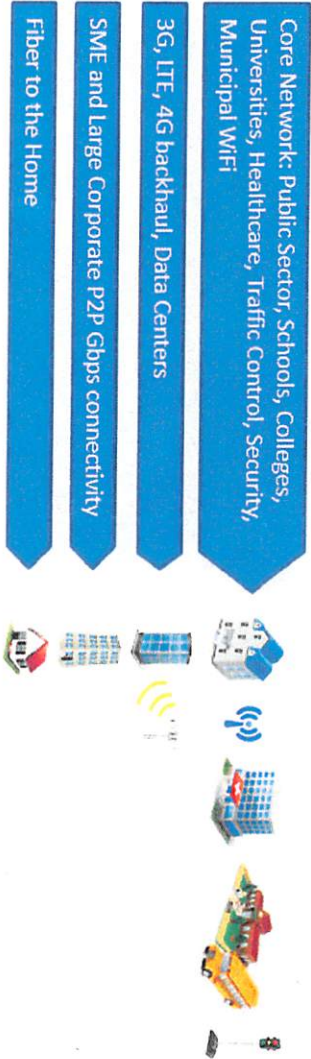
The potential for FiberCity™ Louisville:

- Community CCTV and security
- Library facilities and online courses
- Automated traffic control
- Sponsored Wi-Fi points to serve parks and other public spaces, including underserved and disadvantage areas.
 - SIFI is very much open to Initiatives, discussion and collaboration between the city, future FiberCity™ ISP and SIFI to establish where such points could be implemented during the infrastructure build-out.
- Increasing teleworking and videoconferencing, reducing carbon emissions and costs, in addition to improving interworking
- Intelligent and automated metering reading
- Wastewater management SCADA connectivity
- Intra-building remote site training department training
- Healthcare services have dozens of possible improved applications
- Regeneration of stagnant retail development and residential areas



....applications of today waiting for the universal platform of tomorrow.

STRUCTURING FIBERCITY™ LOUISVILLE



CONNECTING THE PREMISES

- The FiberCity™ network will initially pass each and every premise within the Urban Service District, allowing for any premise within that area to receive a fiber connection either during build.
- Prior to the FiberCity™ network passing a premise, a premise owner/tenant will be offered the opportunity to subscribe and receive one or many services from an ISP over the network. Should the owner/tenant take such service then a fiber will be taken to that premise during the initial build-out.

SERVICES OVER THE NETWORK

- Following connection of the FiberCity™ network to a premise, a FiberCity™ ISP will engage with the subscriber to complete the necessary installation of all ancillary equipment that will facilitate and enable ISP services to be delivered to their premise.

To ensure an efficient construction process that initially passes every USD premise but serves those who request it most, SIFI Networks has created a community registration site where potential subscribers can register their details for fiber connectivity.

Register your support today! www.sifinetworks.com/your-local-area



SUSTAINABLE INFRASTRUCTURE

Through sustainable models that attract significant investment, SIFI will 100% privately fund and build a FiberCity™ Louisville network within LMG, with no capital build investment required from LMG.

Upon receiving a Franchise award that allows SIFI Networks Louisville LLC to build our FiberCity™ Louisville network, we will ensure one or many service provider agreements are in place for use of the FiberCity™ network prior to commencement of any construction. Such a structure ensures sustainable delivery of the project throughout its project lifecycle, with the success of the project not beholden on securing retrospective agreements to satisfy any debit.

The design phase of the network would be the ideal opportunity for LMG, SIFI and any entity that wishes to utilize the FiberCity™ Louisville infrastructure to present their ideas and initiatives on ways that the network could best serve but not be limited to low-income and disadvantaged areas.

