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September 26, 2001

ORIGINAL
RECEIVED-FPSC
01 SEP 27 AM 10:28
COMMISSION
CLERK

VIA OVERNIGHT DELIVERY

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

011284 - TX

Re: Application of Georgia Public Web, Inc. for a Certificate of Authority to Provide Local Exchange Service ("Application")

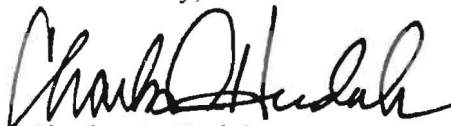
Dear Sir or Madam:

Enclosed are the original and seven (7) copies of the Application. Please file the Application in your usual fashion and return one (1) file-stamped copy to us in the enclosed envelope.

Also enclosed is a check in the amount of \$250.00 to cover the cost of filing the Application.

If you have any questions or comments, please call the undersigned.


Sincerely,


Charles A. Hudak

CAH/jh
Enc.

cc: Georgia Public Web, Inc.
(with enclosure)

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:


RECEIVED & FILED

FPSC BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

12185 SEP 27 01

FPSC-COMMISSION CLERK

ORIGINAL

**APPLICATION OF GEORGIA PUBLIC WEB, INC.
FOR AUTHORITY TO PROVIDE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA**

1. This is an application for (check one):

- Original Certificate (New company).
- Approval of Transfer of Existing Certificate
Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.
- Approval of Assignment of Existing Certificate
Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.
- Approval for Transfer of Control
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company

Georgia Public Web, Inc. ("Applicant")

3. Name under which the applicant will do business (fictitious name, etc.)

Not Applicable.

4. Official mailing address (including street name, number, post office box, city, state, zip code and phone number):

**Georgia Public Web, Inc.
430 10th Street
Suite S-204
Atlanta, Georgia 30318
Tel: 404-685-3784
Fax: 404-685-9509**

5. Florida address (including street name, number, post office box, city, state, zip code and phone number):

**Georgia Public Web, Inc.
c/o CT Corporation System
1200 South Pine Island Road
Plantation, Florida 33324**

DOCUMENT NUMBER - DATE

12185 SEP 27 8

FPSC-COMMISSION CLERK

6. Structure of organization;

- Individual Corporation
 Foreign Corporation Foreign Partnership
 General Partnership Limited Partnership
 Other: **Foreign Non-Profit Corporation**

7. If Individual, provide: **Not Applicable.**

Name:

Title:

Address:

City/State/Zip:

Telephone No.:

Fax No.:

Internet E-Mail Address:

Internet Website Address:

8. If incorporated in Florida, provide proof of authority to operate in Florida:

(a) The Florida Secretary of State corporate registration number:

Not Applicable.

9. If foreign corporation, provide proof of authority to operate in Florida:

(a) The Florida Secretary of State corporate registration number:

Applicant's Florida Secretary of State corporate registration number is F00000002786.

10. If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) The Florida Secretary of State fictitious name registration number:

Not Applicable.

11. If a limited liability partnership, provide proof of registration to operate in Florida

(a) The Florida Secretary of State registration number:

Not Applicable.

12. If a partnership, provide name, title and address of all partners and a copy of the partnership agreement. **Not Applicable.**

Name:

Title:

Address:

City/State/Zip:

Telephone No.:

Fax No.:

Internet E-Mail Address:

Internet Website Address:

13. If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) The Florida registration number:

Not Applicable.

14. Provide F.E.I. Number (if applicable)

Applicant's Federal Employer Identification Number ("FEIN") is 58-2547104.

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

None of Applicant's officers, directors, or members has been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime. Further, no such proceedings are pending against any of Applicant's officers, directors, or members.

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

None of Applicant's officers, directors, or members serves as an officer, director, partner or stockholder in any other Florida certificated telephone company.

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

**Charles A. Hudak, Esq.
Ronald V. Jackson, Esq.
Friend, Hudak & Harris, LLP
Three Ravinia Drive, Suite 1450
Atlanta, Georgia 30346-2131
Tel: 770-399-9500
Fax: 770-395-0000
E-mail: chudak@fh2.com
rjackson@fh2.com**

(b) Official point of contact for the ongoing operations of the company:

**Mark A. McCarty, Esq.
Vice President - General Counsel and Chief Financial Officer
Georgia Public Web, Inc.
430 10th Street
Suite S-204
Atlanta, Georgia 30318
Tel: 404-685-8531
Fax: 404-685-9509**

(c) Complaints/Inquiries from customers:

**Mark A. McCarty, Esq.
Vice President - General Counsel and Chief Financial Officer
Georgia Public Web, Inc.
430 10th Street
Suite S-204
Atlanta, Georgia 30318
Tel: 404-685-8531
Fax: 404-685-9509**

17. List the states in which the applicant:

- (a) has operated as an alternative local exchange company.

At this time, Applicant is not providing alternative local exchange services in any state.

- (b) has applications pending to be certificated as an alternative local exchange company.

On September 4, 2001, the Georgia Public Service Commission voted to grant Applicant the authority to provide alternative local exchange services in the State of Georgia.

- (c) is certificated to operate as an alternative local exchange company.

On September 4, 2001, the Georgia Public Service Commission voted to grant Applicant the authority to provide alternative local exchange services in the State of Georgia.

- (d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

Applicant has not been denied authorization to operate as an alternative local exchange company in any state.

- (e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

Applicant has not been assessed regulatory penalties for violating any state or federal telecommunications statutes.

- (f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

Applicant has not been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity.

18. Submit the following:

- A. Managerial capability; give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

A summary of Applicant's Managerial and Technical Qualifications is attached hereto at Exhibit "A".

- B. Technical capability; give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

A summary of Applicant's Managerial and Technical Qualifications is attached hereto at Exhibit "A".

- C. Financial capability.

The application should contain the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

Applicant does not yet have audited financial statements.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet;
2. income statement; and
3. statement of retained earnings.

Applicant's financial statements, which demonstrate its capability to provide telecommunications services in Florida, are attached hereto at Exhibit "B".

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

Further, the following (which includes supporting documentation) should be provided:

1. written explanation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

A summary of Applicant's financial qualifications is attached hereto at Exhibit "B".

2. written explanation that the applicant has sufficient financial capability to maintain the requested service.

A summary of Applicant's financial qualifications is attached hereto at Exhibit "B".

3. written explanation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

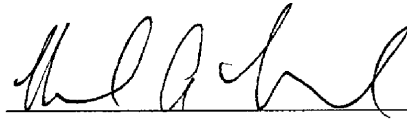
A summary of Applicant's financial qualifications is attached hereto at Exhibit "B".

APPLICANT ACKNOWLEDGEMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50.00 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.

GEORGIA PUBLIC WEB, INC.

By:



Mark A. McCarty
Vice President - General Counsel and Chief
Financial Officer

430 10th Street
Suite S-204
Atlanta, Georgia 30318
Tel: 404-685-8531
Fax: 404-685-9509

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in the foregoing application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange service in the State of Florida. I have read the foregoing and declare that to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of **Georgia Public Web, Inc.** and agree that the company will comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

GEORGIA PUBLIC WEB, INC.

By:



Mark A. McCarty
Vice President - General Counsel and Chief
Financial Officer

430 10th Street
Suite S-204
Atlanta, Georgia 30318
Tel: 404-685-8531
Fax: 404-685-9509

INTRASTATE NETWORK (If Available)

Chapter 25-24.825(5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

1. POP: Addresses where located, and indicate if owned or leased.

Initially, Applicant intends to establish points of presence in Jacksonville and Tallahassee, Florida.

2. SWITCHES: Address where located, by type of switch, and indicate if owned or leased.

Applicant does not intend to deploy a switch in the State of Florida.

3. TRANSMISSION FACILITIES: Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

POP-to-POP

Ownership

Fiber Optic

Leased

EXHIBIT "A"

MANAGERIAL AND TECHNICAL QUALIFICATIONS

Applicant's management team possesses the necessary technical and managerial ability to provide facilities-based and resold local exchange services in the State of Florida. Applicant's key personnel, along with descriptions of their technical and managerial capabilities, are attached hereto.

Applicant possesses numerous means of providing its proposed telecommunications services in Florida. For instance, Applicant intends to operate as a facilities-based carrier in certain portions of Florida. Specifically, Applicant has leased collocation space in Jacksonville and Tallahassee, Florida in order to establish its initial points of presence ("POPs") in Florida. In addition, Applicant has leased fiber optic transmission facilities (*i.e.*, so-called "dark" or "unlit" fiber) between Jacksonville and Tallahassee, Florida for the purpose of interconnecting its proposed POPs. Upon grant of certification, Applicant intends to install or deploy the necessary electronics and associated computer equipment in its POPs to utilize the fiber optic facilities and to interconnect with both competitive and incumbent telecommunications carriers. In the future, Applicant may construct or deploy additional fiber optic network facilities in Florida in order to obtain access to other areas of Florida not served by its network facilities.

In addition, Applicant may also provide its telecommunications services through use of unbundled network elements obtained from other certificated, facilities-based, local exchange carriers, such as BellSouth Telecommunications, Inc. ("BellSouth"), or through resale of such carriers' local exchange services. To that end, Applicant has already executed an interconnection and resale agreement with BellSouth.

Applicant also intends to provide the necessary administrative (*i.e.*, "back-office") and technical support to ensure that its customers receive high-quality telecommunications services. Applicant intends to operate a network operations center twenty-four (24) hours a day, seven (7) days a week in order to provide customers with emergency maintenance and repair assistance for such problems as service outages and urgent technical difficulties. Applicant also intends to employ field technicians who will conduct on-site fiber optic network repair and maintenance activities such as cable splicing and minor facilities restoration. Like other certificated telecommunications providers, Applicant will utilize the services of third party contractors for large projects such as those involving construction or restoration of facilities. Applicant also intends to operate a customer service center whereby Applicant's customer service representatives will provide customers with live assistance between the hours of 8 a.m. and 6 p.m. during normal business days. Finally, Applicant intends to provide a twenty-four (24) hour support line staffed by network operations center employees who may contact appropriate personnel via pager, telephone or other means to address customers' concerns.

DESCRIPTION OF KEY MANAGEMENT PERSONNEL
GEORGIA PUBLIC WEB, INC.

Douglas K. Lego - President. Mr. Lego has overall responsibility for the operation of Georgia Public Web, Inc. ("GPW"), an Internet and telecommunications service provider. These responsibilities include oversight of GPW's engineering, operations, information technology, marketing, finance, regulatory and legal matters.

Mr. Lego brings over sixteen (16) years of experience to GPW after serving in various capacities with the Municipal Electric Authority of Georgia ("MEAG") and the Florida Power and Light Company. Most recently, Mr. Lego has served as Director of Telecommunications at MEAG, where he has been responsible for starting MEAG's telecommunications business unit in Georgia, for managing, developing and deploying MEAG's 1000 mile, statewide, fiber optic network in Georgia, and for coordinating MEAG's relations with thirty-two (32) municipal communities participating in the fiber optic network.

Mr. Lego received a Bachelor of Science degree in Mechanical Engineering from the Georgia Institute of Technology, a Bachelor of Science/Mathematics degree from Florida Southern College, and expects to receive a Master of Science degree from the Georgia Institute of Technology in 2001.

Mark A. McCarty - General Counsel. Mr. McCarty is responsible for the legal, regulatory and financial affairs of GPW.

Prior to joining GPW, Mr. McCarty was an attorney at the Atlanta law firm of Alston & Bird, where he provided telecommunications and general corporate counseling to wireless and wireline divisions of various telecommunications carriers and other businesses. Prior to joining Alston & Bird, Mr. McCarty held the position of Director of Corporate Accounting at AIG Aviation, Inc. in Atlanta, Georgia. His responsibilities included management of finance, operational accounting and parent consolidation functions for five of American International Group's property and casualty divisions.

Mr. McCarty received a Bachelor of Science/Arts degree in Finance from Auburn University and a Juris Doctorate degree from the Georgia State University College of Law. Mr. McCarty is a member of the State Bar of Georgia.

Brian Savory - Manager, Business Development. Mr. Savory is responsible for marketing capacity on GPW's network to cities and other governmental agencies, and for negotiating business alliance agreements with other telecommunications service providers.

DESCRIPTION OF KEY MANAGEMENT PERSONNEL (Cont'd).

Mr. Savory has more than twenty-five (25) years of experience in telecommunications engineering, marketing, project management and business development. He spent fourteen (14) years with Motorola, holding various positions in engineering, consulting, marketing and project management, and four (4) years with Oglethorpe Power Corporation, where he led numerous telecommunications initiatives in the areas of wireless, wireline and fiber optic communications. Recently, Mr. Savory has served as Manager, Business Development of MEAG's telecommunications business unit. At MEAG, Mr. Savory has been involved with the implementation of MEAG's statewide fiber optic network in Georgia.

In addition, Mr. Savory has served as Chairman of the High Speed Telecommunications Atlas Committee at the Georgia Center for Advanced Telecommunications Technology. With sponsorship from the Georgia Department of Industry, Trade & Tourism, Mr. Savory's committee mapped the routes of fiber optic infrastructure in Georgia in order to support economic development initiatives for Georgia communities.

Mr. Savory received a Bachelor of Science degree in Electrical Engineering from the Georgia Institute of Technology and a Master's degree in Business Administration from Georgia State University.

Walter Lucas - Manager, Engineering and Operations. Mr. Lucas is responsible for the engineering and operational aspects of GPW's telecommunications and Internet business.

Prior to joining GPW, Mr. Lucas has served in various network engineering and operations positions with MEAG and Sprint. At MEAG, Mr. Lucas has held the position of Manager of Engineering and Operations and has been responsible for designing and implementing a statewide fiber optic network, for managing the day-to-day operations of a Lucent CNC network management system (which managed MEAG's SONET rings throughout Georgia), and for developing and implementing information technology applications such as service order management and trouble reporting systems. While at Sprint, Mr. Lucas held positions as Senior NTAC Engineer, Supervisor - Management Systems Support, along with several other engineering positions. In these positions, he was responsible for designing client/server based data mining and test management systems, for developing software for testing communications equipment, and for operating Sprint's SONET management system on a day-to-day basis (which managed over 100 SONET rings, 34 frame systems, and 14 digital cross-connect systems).

Mr. Lucas received a Bachelor of Science degree in Electrical Engineering from Auburn University and a Masters of Science degree in Electrical Engineering from Kansas State University.

EXHIBIT "B"

FINANCIAL QUALIFICATIONS

Applicant possesses sufficient financial capability to provide facilities-based and resold local exchange services in the State of Florida, to maintain its services and facilities, and to meet its lease or network ownership obligations.

Applicant's senior management team possesses years of experience in all aspects of management, financial and corporate accounting, budgeting and forecasting. Descriptions of Applicant's senior management personnel are provided at Exhibit "A" of this application.

In addition to Applicant's extensive financial management capabilities, Applicant possesses sufficient financial resources to support its provision of facilities-based and resold local exchange services in Florida. Specifically, Applicant has executed a credit agreement with First Union National Bank ("First Union") under which First Union agreed to advance up to \$500,000 to Applicant for general working capital purposes. Applicant's members, moreover, have entered into binding agreements among themselves for the purpose of providing (if necessary) additional working capital to Applicant. Furthermore, Applicant already derives revenues from various non-telecommunications product offerings (*e.g.*, website development products).

In order to demonstrate its financial resources, Applicant hereby attaches to this Exhibit "B" various financial statements and other relevant information, including (i) budgeted income statements for 2001, 2002 and 2003, (ii) budgeted balance sheets for 2001, 2002 and 2003, (iii) budgeted statements of cash flow for 2001, 2002 and 2003, (iv) Applicant's credit agreement with First Union, and (v) a sample agreement executed by one of Applicant's members.

Georgia Public Web, Inc.
 Budgeted Statement of Income
 (\$ in thousands)

	2001	2002	2003
Revenues	\$ 2,800	\$ 6,048	\$ 9,485
Cost of Services	\$ 3,707	\$ 4,681	\$ 4,867
Gross Margin	\$ (1,107)	\$ 1,367	\$ 4,618
Operating Expenses			
Selling, Operations and Administrative	\$ 1,249	\$ 1,905	\$ 2,008
Depreciation & Amortization	\$ 228	\$ 921	\$ 1,101
Interest Expense	\$ 412	\$ 785	\$ 706
Total Operating Expenses	\$ 1,889	\$ 3,611	\$ 3,815
Operating (Loss) income	\$ (2,996)	\$ (2,244)	\$ 803

Georgia Public Web, Inc.
Budgeted Balance Sheet
(In thousands)

	Year ended December 31		
	2001	2002	2003
<u>ASSETS</u>			
Current Assets			
Cash and Cash Equivalents	\$ 50	\$ 50	\$ 50
Accounts Receivable	\$ 397	\$ 670	\$ 960
Prepaid Expenses & Other Assets	\$ 25	\$ 25	\$ 25
Total Current Assets	\$ 472	\$ 745	\$ 1,035
Property, Plant, and Equipment	\$ 5,583	\$ 8,453	\$ 8,673
Less Accumulated Depreciation	\$ (228)	\$ (1,148)	\$ (2,250)
Property, Plant, and Equipment Net of Depreciation	\$ 5,355	\$ 7,305	\$ 6,423
Total Assets	\$ 5,827	\$ 8,050	\$ 7,458
<u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable	\$ 50	\$ 50	\$ 50
Line of Credit	\$ 500	\$ 500	\$ 250
Total Current Liabilities	\$ 550	\$ 550	\$ 300
Long Term Liabilities			
Note Payable	\$ 5,194	\$ 7,231	\$ 6,591
Net Income / Loss	\$ (2,996)	\$ (2,245)	\$ 803
Contributions from Members	\$ 3,079	\$ 2,514	\$ (236)
Total Liabilities	\$ 5,827	\$ 8,050	\$ 7,458

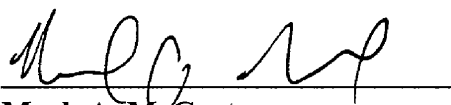
Georgia Public Web, Inc
Budgeted Statement of Cash Flows
(In thousands)

	Year ended December 31		
	2001	2002	2003
<u>Cash Flows from Operating Activities:</u>			
Net Income / Loss	\$ (2,996)	\$ (2,245)	\$ 803
Adjustments to Reconcile Net Income / Loss to Net Cash from Operating Activities:			
Depreciation and Amortization	\$ 228	\$ 921	\$ 1,101
Changes in operating assets and liabilities:			
Accounts Receivable	\$ (397)	\$ (273)	\$ (290)
Prepaid Expenses and Other Assets	\$ (25)	\$ -	\$ -
Accounts Payable	\$ 50	\$ -	\$ -
Net Cash Used/Supplied by Operating Activities	\$ (3,140)	\$ (1,597)	\$ 1,614
<u>Cash Flows from Investing Activities:</u>			
Purchases of Property & Equipment	\$ (5,583)	\$ (2,870)	\$ (220)
Sales of Property & Equipment	\$ -	\$ -	\$ -
Net Cash Used/Supplied by Investing Activities	\$ (5,583)	\$ (2,870)	\$ (220)
<u>Cash Flows from Financing Activities:</u>			
Additional Contributions from Members	3,079	2,430	-
Distributions to Members			(504)
Proceeds from Debt Financing	5,583	2,870	220
Change in Working Capital Facility	500	-	(250)
Repayments of Long Term Debt	(389)	(833)	(860)
Net Cash Used/ Supplied by Financing Activities	8,773	4,467.00	(1,394.00)
Net Increase/Decrease in Cash and Cash Equivalents	50	-	-
Cash & Cash Equivalents at Beginning of Year	-	50	50
Cash & Cash Equivalents at End of Year	50	50	50

AFFIDAVIT

By my signature below, I attest to the accuracy of the information contained in the attached unaudited, pro-forma, financial statements for Georgia Public Web, Inc. I have read the attached financial statements and declare that to the best of my knowledge and belief, the information is true and correct.

GEORGIA PUBLIC WEB, INC.

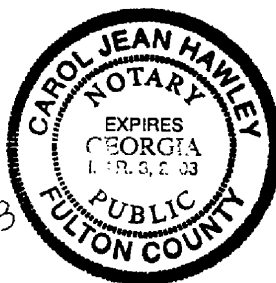


**Mark A. McCarty
Vice President - General Counsel and Chief
Financial Officer**

Sworn to before me this 20th
day of June, 2001.

Carol Jean Hawley
Notary Public

My Commission expires: March 3, 2003



CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this "Agreement") is made and entered into as of the 8th day of January, 2001 by and between GEORGIA PUBLIC WEB, INC., a Georgia nonprofit corporation ("Borrower"), and FIRST UNION NATIONAL BANK, a national banking association ("Lender");

WITNESSETH:

WHEREAS, Borrower wishes to obtain from Lender a commitment to provide Loans to the Borrower in an aggregate principal amount not to exceed Five Hundred Thousand Dollars (\$500,000.00); and

WHEREAS, Lender is willing to make the Loans to Borrower in accordance with the terms hereof and in reliance upon Borrower's representations, warranties and covenants contained herein; and

WHEREAS, the parties wish to set forth herein certain covenants and agreements relating to the Loans;

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby agree as follows:

SECTION 1. DEFINITIONS

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such given Person.

"Agreement" means this Credit Agreement, as the same may be extended, amended, modified or supplemented from time to time.

"Annual Telecommunications Project Fixed Charges" shall have the meaning given such term in those certain telecommunications project contracts between MEAG and each of MEAG's member cities.

"Applicable Law" means all applicable provisions of constitutions, statutes, laws, rules, regulations and orders of all governmental bodies and all orders, rulings and decrees of all courts and arbitrators.

"Borrower" means Georgia Public Web, Inc., a Georgia nonprofit corporation.

"Borrowing" means a borrowing by the Borrower of a Loan pursuant to this Agreement.

"Business Day" means any day other than a Saturday, a Sunday, or any day upon which commercial banks in the city of Atlanta are authorized or required by law to be closed.

"Closing Date" means the date upon which this Agreement has been executed and delivered and the conditions precedent set forth in Section 3 have been satisfied or waived.

"Commitment Amount" means the commitment in the original amount of Five Hundred Thousand Dollars (\$500,000).

"ERISA" means the Employee Retirement Income Security Act of 1974, as in effect from time to time.

"Event of Default" means the occurrence of any of the events specified in Section 7 hereof.

"Fiscal Year" means the fiscal year of the Borrower.

"GAAP" means United States generally accepted accounting principles consistently applied.

"Governmental Approvals" means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all governmental bodies.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person to the extent of the value of such property (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (d) all obligations, other than intercompany items, of such Person issued or assumed as the deferred purchase price of property or services purchased by such Person which would appear as liabilities on a balance sheet of such Person (other than trade debt incurred in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (f) all guaranty obligations of such Person in respect of Indebtedness of another Person, (g) the principal portion of all obligations of such Person under capital leases, (h) the maximum amount of all performance and standby letters of credit issued or bankers' acceptances facilities

created for the account of such Person and, without duplication, all drafts drawn thereunder (to the extent unreimbursed), (i) all preferred stock issued by such Person and required by the terms thereof to be redeemed upon the demand of the holder thereof, or for which mandatory sinking fund payments are due, by a fixed date, and (j) the aggregate amount of uncollected accounts receivable of such Person subject at such time to a sale of receivables (or similar transaction) regardless of whether such transaction is effected without recourse to such Person or in a manner that would not be reflected on the balance sheet of such Person in accordance with GAAP. The Indebtedness of any Person shall include the Indebtedness of any partnership or unincorporated joint venture in which such Person is legally obligated with respect thereto.

"Leased Facilities" shall have the meaning given such term in the Master Agreement.

"Lender" means First Union National Bank, its successors and permitted assigns.

"LIBOR Market Index Rate" means the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%), for any day, appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for one month deposits in United States Dollars at approximately 11:00 a.m. (London time) on such day. If for any reason such rate is not available, the term "LIBOR" shall mean, the LIBO rate as reasonably determined by the Lender from another recognized source of interbank quotation.

"Loan" shall have the meaning given such term in Section 2.1 hereof.

"Loan Documents" means each of this Credit Agreement, the Note and any other document or instrument executed and delivered in connection herewith or therewith.

"Master Agreement" means the Master Agreement dated on or about January 16, 2001 to be entered into by the Borrower and MEAG.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, assets, property, condition (financial or otherwise), liabilities or prospects of the Borrower or (b) the ability of the Borrower to perform any material obligation under the Loan Documents to which it is a party.

"MEAG" means the Municipal Electric Authority of Georgia, a public corporation and instrumentality of the State of Georgia.

"Note" means the note evidencing the Loans and substantially in the form attached hereto as *Exhibit A*.

"Notice of Borrowing" means a notice in form reasonably satisfactory to the Lender to be delivered to the Lender pursuant to Section 2.2 hereof evidencing the Borrower's request for a Borrowing of Loans.

"Obligations" means, individually and collectively:

(a) the Loans; and

(b) all obligations of the Borrower to the Lender of every kind, nature and description, under or in respect of this Agreement or any other Loan Document, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note.

"PBGCC" means the Profit Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA and any successor thereto.

"Person" means an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other business entity, or a government or any agency or political subdivision thereof.

"Plan" means an employee benefit plan maintained for employees of the Borrower or any of its Affiliates that is covered by Title IV of ERISA, including such plans as may be established after the date hereof.

"Termination Date" means the date which is 364 days subsequent to the Closing Date.

SECTION 2. THE LOANS

2.1. Commitment. During the period from the Closing Date through the Termination Date, the Lender hereby agrees to make loans (the "Loans") to the Borrower in the aggregate principal amount of up to, but not exceeding, the Commitment Amount. During the aforesaid period, the Borrower may borrow, repay, and reborrow, in accordance with the terms hereof.

2.2. Borrowing Procedures. The Borrower shall give the Lender written notice pursuant to a Notice of Borrowing or computer or telephonic notice of each Borrowing of a Loan. Any such computer or telephonic notice shall include all information to be specified in a written Notice of Borrowing. The Notice of Borrowing shall specify the aggregate principal amount of Loans to be borrowed from the Lender pursuant to the Notice of Borrowing and the date such Loans are to be borrowed. Each Notice of Borrowing shall be delivered to the Lender before 11:00 a.m. (Eastern Time) time on the date of any Borrowing. Each Notice of Borrowing or telephonic notice of each

aforementioned Borrowing shall be irrevocable once given and binding on the Borrower. The Lender will make such funds available to the Borrower no later than 2:00 p.m. (Eastern Time) on the date specified in the notice.

2.3. Repayment. The Borrower shall repay the entire outstanding principal amount of, and all accrued interest on, the Loans on the Termination Date.

2.4. Interest. Interest on the unpaid principal amount of the Loans shall be payable as follows:

The Borrower agrees to pay to the Lender interest on the unpaid principal amount of each Loan for the period from and including the date of such Loan to but excluding the date such Loan shall be paid in full, at the LIBOR Market Index Rate *plus* 1.25%.

Accrued interest on each Borrowing shall be payable (x) monthly in arrears on the first Business Day of each month, with the first such payment being due on February 1, 2001; (y) upon the payment or prepayment thereof (but only on the principal amount so paid or prepaid); and (z) upon the Termination Date.

Upon the occurrence, and during the continuance, of an Event of Default, the principal of and, to the extent permitted by law, interest on the Loans and any other amounts owing hereunder shall, at Lender's option, bear interest, payable on demand, at a per annum rate 3% greater than the rate which would otherwise be applicable.

2.5. Place of Payment. All payments made by the Borrower hereunder shall be paid to the Lender at its office described in Section 9.1 hereof in immediately available funds before the end of business on the date that such payment is due. If the due date is not a Business Day, then such payment shall be due on the next succeeding business day.

2.6. Voluntary Prepayments. The Borrower may prepay the Loans at any time without premium or penalty.

2.7. Mandatory Prepayments. If, at any time, after giving effect to any termination or reduction of the Commitment Amount pursuant to the terms of this Agreement, the aggregate principal amount of all outstanding Borrowings at such time shall exceed the Commitment Amount at such time, the Borrower shall immediately prepay Borrowings in an aggregate amount equal to such excess.

2.8. Usury Provisions. In no event shall the amount of interest due or payable on the Loans or other Obligations exceed the maximum rate of interest allowed by Applicable Law and, if any such payment is paid by Borrower or received by Lender, then such excess sum shall be credited as a payment of principal, unless Borrower shall notify Lender in writing that Borrower elects to have such excess sum returned to it forthwith. It is the express intent of the parties hereto that Borrower not pay and Lender not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be

lawfully paid by Borrower under Applicable Law. The parties hereto hereby agree and stipulate that the only charge imposed upon Borrower for the use of money in connection with this Agreement is and shall be the interest specifically described in Section 2.4. Notwithstanding the foregoing, the parties hereto further agree and stipulate that all default charges, late charges, attorneys' fees and reimbursement for costs and expenses paid by the Lender to third parties or for damages incurred by the Lender, are charges made to compensate the Lender for underwriting or administrative services and costs or losses performed or incurred, and to be performed or incurred, by the Lender in connection with this Agreement and shall under no circumstances be deemed to be charges for the use of money. All charges other than charges for the use of money shall be fully earned and nonrefundable when due.

2.9. **Pledge of Revenues.** As security for the Obligations, Borrower hereby pledges to the Lender and grants to the Lender a lien on all revenues and income generated each month from the Leased Facilities; *provided however*, that such pledge and lien shall be subordinate in all respects to the pledge and lien granted to MEAG pursuant to Section 8 of the Master Agreement.

2.10. **Clean up Period** Borrower shall maintain a maximum principal balance on the Loans of \$100 for a period of at least thirty (30) consecutive days during the term hereof.

SECTION 3. CONDITIONS PRECEDENT

This Agreement and the obligation of the Lender to make the Loans to the Borrower in accordance with the terms hereof, are subject to the following conditions precedent:

3.1. **Initial Loan.** The obligation of the Lender to make the initial Loan hereunder, in addition to the conditions precedent specified in **Section 3.2** below, is subject to the condition precedent that the Lender shall have received all of the following, each duly executed and dated as of the Closing Date (except as otherwise provided below), in form and substance reasonably satisfactory to the Lender and its counsel:

- (a) This Agreement duly executed and delivered by all parties.
- (b) The Note duly executed and delivered by the Borrower in substantially the form of *Exhibit A*.
- (c) Certified Articles of Incorporation for the Borrower, certified as of a recent date by the Secretary of State of the State of Georgia.

(d) Certificate of Good Standing of the Borrower issued by the Secretary of State of the State of Georgia, such certificate to be dated not more than thirty (30) days prior to the Closing Date;

(e) Certified copies (certified by an appropriate officer) of the bylaws of the Borrower.

(f) Certified copies (certified by an appropriate officer) of all action taken by the Borrower to authorize the execution and delivery of this Agreement and the performance thereunder, and any other Loan Document executed and delivered in connection herewith.

(g) Certificate of incumbency and specimen signatures with respect to each of the officers of the Borrower who are authorized to execute and deliver this Agreement and any other Loan Document executed and delivered in connection herewith.

(h) A copy of the Borrower's most recently prepared business plan and operating projections.

(i) An opinion of counsel to the Borrower addressed to the Lender in form and substance reasonably satisfactory to the Lender.

(j) Such other documents, agreements, opinions or evidence as the Lender may reasonably request.

3.2. Subsequent Loans. The obligation of the Lender to make each Loan hereunder is subject to the following conditions precedent, each of which shall be satisfied prior to the making of such Loan:

(a) All representations and warranties made under this Agreement shall be deemed made, and shall be true and correct in all material respects, at and as of the Closing Date and at and as of the date of each Borrowing, except to the extent (i) previously fulfilled in accordance with the terms hereof, (ii) subsequently inapplicable, and (iii) modified as a result of activities of the Borrower or changes in circumstances, in any case as permitted hereunder. All representations and warranties made under this Agreement shall survive, and not be waived by, the execution hereof by the Lender, any investigation or inquiry by the Lender, or by the making of any Loan or Borrowing under this Agreement; and

(b) No Event of Default shall have occurred and be continuing, and no event shall have occurred and be continuing that with the giving of notice or passing of time, or both, would result in an Event of Default.

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce Lender to make the Loans, Borrower hereby represents and warrants to Lender as follows:

4.1. Organization; Power; Qualification. The Borrower is a nonprofit corporation, duly organized, validly existing and in good standing under the laws of the State of Georgia, has the power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and authorized to do business in each jurisdiction in which the failure to be so qualified would reasonably be likely to result in a Material Adverse Effect.

4.2. Authorization of Loan Documents and Borrowings; Compliance with Laws; Contravention with Other Documents. The Borrower has the right and power, and has taken all necessary action to authorize it, to borrow hereunder and to execute, deliver and perform the Loan Documents to which it is a party in accordance with their respective terms. The Loan Documents to which it is a party have been duly executed and delivered by the duly authorized officers of the Borrower and each is a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms. The execution and delivery by the Borrower of the Loan Documents do not require any Governmental Approval which has not been previously obtained and do not conflict with, and will not result in a breach of, any contract, agreement or other document or instrument to which the Borrower is a party.

4.3. Compliance With Laws. The Borrower has in effect all permits, licenses and other authorizations necessary for the conduct of its business as currently conducted, and the Borrower is not in material violation of any Applicable Law.

4.4. Litigation. There are no actions, suits or proceedings pending (nor, to the knowledge of the Borrower, threatened) against the Borrower which, if adversely determined, would reasonably be likely to result in a Material Adverse Effect.

4.5. ERISA. The Borrower is in compliance with ERISA in all material respects and has met its minimum funding requirements (if any) thereunder. No material liability to the PBGC has been, or is expected by the Borrower to be, incurred by the Borrower.

SECTION 5. AFFIRMATIVE COVENANTS

For so long as any of the Obligations remain unpaid or unperformed, or this Agreement is in effect, the Borrower shall:

5.1. Financial and Other Information. Promptly furnish to the Lender:

(a) Annual Reports. As soon as available, and in any event within 90 days after the close of each Fiscal Year of the Borrower, the audited, consolidated balance sheet of the Borrower as at the end of such year, the audited consolidated statement of income of the Borrower for such year, and the audited, consolidated statement of equity of the Borrower for such year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, accompanied by the opinion of the Borrower's independent certified public accountants.

(b) Other Information. Promptly upon its becoming available, such other material information concerning the Borrower as the Lender reasonably may request from time to time.

5.2. Preservation of Corporate Existence and Similar Matters. Preserve and maintain its corporate existence, rights, franchises, licenses, patents, trademarks and privileges in the jurisdiction of its organization and qualify and remain qualified as a foreign nonprofit corporation and authorized to do business in each jurisdiction in which failure to be so qualified would reasonably be likely to result in a Material Adverse Effect.

5.3. Compliance with Applicable Law, Contractual Obligations. Comply with all Applicable Laws, including, without limitation, the obtaining of all Governmental Approvals, and comply with all material contractual obligations.

5.4. Maintenance of Property; Conduct of Business. In addition to, and not in derogation of, the requirements of any of the other Loan Documents, protect and preserve all its properties, and maintain in good repair, working order and condition all of its tangible properties. The Borrower shall engage only in substantially the same business as the business conducted by the Borrower on the date hereof.

5.5. ERISA. Fund all current service pension liabilities as they are incurred by the Borrower under the provisions of all Plans from time to time in effect, and comply in all material respects with all applicable provisions of ERISA.

5.6. Maintenance and Inspection of Books and Records. Maintain all books and records of the Borrower in accordance with good and prudent business practices and allow the Lender, during normal business hours of the Borrower, to inspect the books, records and properties of the Borrower and to discuss the business and financial affairs of the Borrower with representatives of the Borrower.

5.7. Telecommunication Service Rates. Charge rates for telecommunications services provided to the public for hire in an amount equal to or greater than the greater of (i) the prevailing market rates charged by Persons engaged in business substantially similar to that of the Borrower or (ii) the total annual interest and principal payments to be paid by Borrower to Lender pursuant to the terms hereof.

SECTION 6. NEGATIVE COVENANTS

So long as any of the Obligations remain unpaid or unperformed, or this Agreement is in effect, the Borrower shall not, directly or indirectly:

6.1. Indebtedness. Incur, create, assume, or in any manner become liable in regard to any Indebtedness unless Borrower shall have provided Lender with prior notice thereof.

SECTION 7. DEFAULT

7.1. Events of Default. Each of the following shall constitute an Event of Default:

(a) Default in Payment. The Borrower shall fail to pay the principal of, or interest on, the Obligations, when and as due (whether upon demand, at maturity, by reason of acceleration or otherwise), and such failure shall continue for a period of ten (10) days after the earlier to occur of (i) the Borrower obtaining knowledge thereof, or (ii) written notice thereof having been delivered to the Borrower.

(b) Misrepresentations. Any statement, representation or warranty made by the Borrower under or pursuant to any Loan Document or in any other writing or statement at any time furnished or made by the Borrower to the Lender shall at any time prove to have been incorrect or misleading in any material respect when furnished or made.

(c) Default in Performance. The Borrower shall fail to perform or observe any term, covenant, condition or agreement contained in this Agreement or in any other Loan Document, or in any other agreement between the Borrower and the Lender not elsewhere mentioned in this Section 7.1, and such nonperformance remains uncured for a period of thirty (30) days after the earlier to occur of (i) the Borrower obtaining knowledge thereof, or (ii) written notice thereof having been delivered to the Borrower.

(d) Insolvency; Bankruptcy Proceedings. (a) Any liquidation or dissolution of the Borrower, suspension of the business of the Borrower, or the filing or commencement by the Borrower of a voluntary petition, case, proceeding, or other action seeking reorganization, arrangement, readjustment of its debts; or commencement of an involuntary petition, case, proceeding or other action against Borrower seeking reorganization, arrangement or readjustment of its debts, which is not vacated, discharged, stayed, bonded or dismissed within 60 days of its commencement; or the entry of an order for relief under any existing or future law of any jurisdiction,

domestic or foreign, state or federal, relating to bankruptcy, insolvency, reorganization or relief of debtors, or any other action of the Borrower indicating its consent to, approval of, or acquiescence in, any such petition, case, proceeding, or other action seeking to have an order for relief entered with respect to it or its debts; the application by the Borrower for, or the appointment, by consent or acquiescence of, a receiver, trustee, custodian, or other similar official for the Borrower or for all or a substantial part of its property; the making by the Borrower of an assignment for the benefit of creditors; or the inability of the Borrower or the admission by the Borrower in writing of its inability to pay its debts as they mature.

(e) Cross-Default. A material default by the Borrower shall have occurred under or with respect to any material contract to which the Borrower is a party. For purposes of this Section 7.1(e), the Master Agreement shall be deemed to be a material contract.

(f) Master Agreement. The Borrower and MEAG shall have failed to execute and deliver the Master Agreement on or before January 31, 2001.

7.2. Remedies. Upon the occurrence of an Event of Default, the Lender may: (i) declare the principal of, and accrued but unpaid interest on, the Loans at the time outstanding, and all of the other Obligations, to be forthwith immediately due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in any Loan Document or any other agreement evidencing any Obligations to the contrary notwithstanding and (ii) terminate this Agreement; provided, however, that if the Event of Default set forth in Section 7.1(d) hereof shall have occurred, all of the principal of, and accrued but unpaid interest on, the Loans and all other Obligations shall become automatically due and payable and this Agreement shall automatically terminate.

7.3. Rights Cumulative. The rights and remedies of the Lender under the Loan Documents shall be cumulative and not exclusive of any rights or remedies which it would otherwise have. In exercising its rights and remedies the Lender may be selective and no failure or delay by the Lender in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

SECTION 8. MISCELLANEOUS

8.1. Notices. Any notice or other communication to be given hereunder shall be in writing and shall be deemed sufficient when (i) mailed by United States certified mail, return receipt requested, (ii) mailed by overnight express mail, (iii) sent by facsimile or telecopy machine, followed by confirmation mailed by first-class mail or overnight express mail, or (iv) delivered in person, at the address set forth below, or such other address as a

party may provide to the other in accordance with the procedure for notices set forth in this Section:

If to Lender:

First Union National Bank
GA9075
Government & Institutional Banking
P.O. Box 740074
Attention: Mara G. Holley
Atlanta, Georgia 30374-9900
Telecopy: (404) 827-7123
Telephone: (404) 225-4060

If to Borrower:

Georgia Public Web, Inc.
1470 Riveredge Parkway
Atlanta, Georgia 30328
Attention: Mr. Douglas K. Lego
Telecopy: (770) 563-0013
Telephone: (770) 563-0378

8.2. Expenses. The Borrower agrees to pay or reimburse the Lender for all of its reasonable out-of-pocket costs and expenses actually incurred in connection with the preparation, negotiation and execution of, any of the Loan Documents.

8.3. Litigation. (a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN THE BORROWER AND THE LENDER WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LENDER AND THE BORROWER HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN THE BORROWER AND THE LENDER OF ANY KIND OR NATURE.

(b) THE BORROWER AND LENDER EACH HEREBY AGREE THAT THE FEDERAL COURT OF THE NORTHERN DISTRICT OF GEORGIA OR, AT THE OPTION OF LENDER, ANY STATE COURT LOCATED IN FULTON COUNTY, GEORGIA SHALL HAVE JURISDICTION TO HEAR AND DETERMINE

- 12 -

ANY CLAIMS OR DISPUTES BETWEEN THE BORROWER AND THE LENDER, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, ANY LOAN DOCUMENT OR TO ANY MATTER ARISING THEREFROM. THE COLLATERAL OR ANY OTHER DOCUMENT EXECUTED AND DELIVERED IN CONNECTION HEREWITH OR THEREWTH. THE BORROWER EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS. THE CHOICE OF FORUM SET FORTH IN THIS PARAGRAPH SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE LENDER OR THE ENFORCEMENT BY THE LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) UPON DEMAND OF ANY PARTY HERETO, WHETHER MADE BEFORE OR AFTER INSTITUTION OF ANY JUDICIAL PROCEEDING, ANY CLAIM OR CONTROVERSY ARISING OUT OF, OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS ("DISPUTES") BETWEEN SUCH PARTIES SHALL BE RESOLVED BY BINDING ARBITRATION CONDUCTED UNDER AND GOVERNED BY THE COMMERCIAL FINANCIAL DISPUTES ARBITRATION RULES (THE "ARBITRATION RULES") OF THE AMERICAN ARBITRATION ASSOCIATION (THE "AAA") AND THE FEDERAL ARBITRATION ACT. DISPUTES MAY INCLUDE, WITHOUT LIMITATION, TORT CLAIMS, COUNTERCLAIMS, DISPUTES AS TO WHETHER A MATTER IS SUBJECT TO ARBITRATION, CLAIMS BROUGHT AS CLASS ACTIONS, AND CLAIMS ARISING FROM LOAN DOCUMENTS EXECUTED IN THE FUTURE. A JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ALL ARBITRATION HEARINGS SHALL BE CONDUCTED IN ATLANTA, GEORGIA. A HEARING SHALL BEGIN WITHIN 90 DAYS OF DEMAND FOR ARBITRATION AND ALL HEARINGS SHALL CONCLUDED WITHIN 120 DAYS OF DEMAND FOR ARBITRATION. THESE TIME LIMITATIONS MAY NOT BE EXTENDED UNLESS A PARTY SHOWS CAUSE FOR EXTENSION AND THEN NO MORE THAN A TOTAL EXTENSION OF 60 DAYS. THE EXPEDITED PROCEDURES SET FORTH IN RULE 51 ET. SEQ. OF THE ARBITRATION RULES SHALL BE APPLICABLE TO CLAIMS OF LESS THAN \$1,000,000. ARBITRATORS SHALL BE LICENSED ATTORNEYS SELECTED FROM THE COMMERCIAL FINANCIAL DISPUTE ARBITRATION PANEL OF THE AAA. THE PARTIES DO NOT WAIVE ANY APPLICABLE LAWS EXCEPT AS PROVIDED HEREIN. THE PARTIES HERETO ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO A JURY TRIAL WITH REGARD TO A DISPUTE.

(d) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH PARTY WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS

PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS AND THE TERMINATION OF THIS AGREEMENT.

8.4. Amendments. Any term, covenant, agreement or condition of any Loan Document may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Lender and the Borrower.

8.5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns. Lender may, in accordance with Applicable Law, at any time sell or assign to one or more banks or financial institutions all or any part of its rights and obligations under this Agreement and the Note.

8.6. Indemnification. The Borrower agrees to indemnify and hold the Lender harmless from and against any claim, loss, damage, action, cause of action, liability, cost and expense or suit of any kind or nature whatsoever, brought against or incurred by the Lender, in any manner arising out of or, directly or indirectly, related to or connected with the operation of the Borrower's business or any other action taken by the Lender pursuant to the terms of this Agreement, other than any such claim, loss, damage, action, cause of action, liability, cost and expense or suit arising out of the gross negligence or willful misconduct of the Lender.

8.7. Governing Law. THIS AGREEMENT AND THE LOAN DOCUMENTS SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF GEORGIA.


8.8. Integration. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SET FORTH AND CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO WITH RESPECT TO THE TRANSACTIONS SET FORTH HEREIN AND THE CREDIT FACILITY DESCRIBED HEREBY.

8.9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.

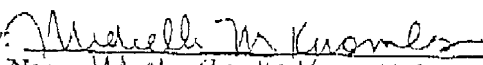
[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be executed by their authorized officers all as of the day and year first above written.

GEORGIA PUBLIC WEB, INC.

By: 
Name: DOUGLAS K. LEGGS
Title: PRESIDENT

FIRST UNION NATIONAL BANK

By: 
Name: Michelle M Knowles
Title: Vice President

PROMISSORY NOTE

\$500,000

AS of January 8, 2001
Atlanta, Georgia

FOR VALUE RECEIVED, the undersigned, GEORGIA PUBLIC WEB, INC., a Georgia nonprofit corporation, promises to pay to the order of FIRST UNION NATIONAL BANK (the "Lender"), as Lender under that certain Credit Agreement of even date herewith as amended and in effect from time to time (the "Agreement"), by and between the undersigned and the Lender, to First Union National Bank, P.O. Box 740074 Atlanta, Georgia 30374-9900, or at such other address as may be specified in writing by the Lender to the Borrower, the principal sum of FIVE HUNDRED THOUSAND AND 00/100 (\$500,000.00), or so much thereof as may be advanced, and to pay interest on the principal amount remaining from time to time outstanding from the date hereof until due at the rate and at the times specified in the Agreement. Capitalized terms used but not defined herein shall have the meanings assigned those terms in the Agreement.

In no event shall the interest rate applicable to principal outstanding under this Note exceed the maximum rate of interest allowed by applicable law, as amended from time to time. The Lender does not intend to charge any amount of interest or other fees or charges in the nature of interest that exceeds the maximum rate allowed by applicable law. If any payment of interest or in the nature of interest hereunder would cause the foregoing interest rate limitation to be exceeded, then such excess payment shall be credited as a payment of principal unless the undersigned notifies the Lender in writing that the undersigned wishes to have such excess sum returned.

Principal outstanding hereunder shall be due and payable in a single payment at the Termination Date. Interest shall be payable monthly and at such other times specified in the Agreement, as long as any principal amount remains outstanding hereunder, and at the Termination Date.

This Note is issued pursuant to, and is subject to, the provisions of the Agreement. Reference is made to such Agreement for a description of additional rights and obligations of the undersigned and the Lender, including events of default, rights of prepayment and rights of acceleration of maturity in the event of default.

ALL PERSONS NOW OR AT ANY TIME LIABLE FOR PAYMENT OF THIS NOTE HEREBY WAIVE PRESENTMENT, PROTEST, NOTICE OF PROTEST, AND NOTICE OF DISHONOR. THE UNDERSIGNED EXPRESSLY CONSENTS TO ANY EXTENSIONS AND RENEWALS OF THIS NOTE, IN WHOLE OR IN PART, AND ALL DELAYS IN TIME OF PAYMENT OR OTHER PERFORMANCE UNDER THIS NOTE WHICH MAY BE GRANTED AT ANY TIME AND FROM TIME TO TIME, WITHOUT LIMITATION AND WITHOUT ANY NOTICE OR FURTHER CONSENT OF THE UNDERSIGNED. ALL NOTICES, DEMANDS, AND OTHER

COMMUNICATIONS REQUIRED OR PERMITTED IN CONNECTION WITH THIS NOTE SHALL BE GIVEN IN THE MANNER SPECIFIED IN THE AGREEMENT

Upon the occurrence of an Event of Default, the unpaid balance of the principal amount of this Note may become, or may be declared to be, due and payable in the manner, upon the conditions and with the effect provided in the Agreement.

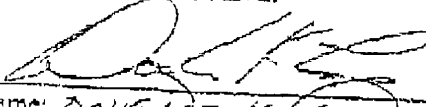
The remedies of the Lender, as provided herein, or in any other Loan Document are cumulative and concurrent (except as may be provided in the Agreement) and may be pursued singularly, successively, or together, and may be exercised as often as the occasion therefor shall arise.

This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of Georgia, excluding those laws relating to the resolution of conflicts between the laws of different jurisdictions.

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed as of the day and year first above written.

GEORGIA PUBLIC WEB, INC.

By:


Name: DOUGLAS K. LEGG
Title: PRESIDENT

STATE OF GEORGIA
COUNTY OF FULTON

INTERGOVERNMENTAL CONTRACT AGREEMENT
BETWEEN THE UNDERSIGNED MEMBERS OF GEORGIA
PUBLIC WEB

This Contract made and entered into as of August, 2000, by and among the undersigned Cities and County all of whom are political subdivisions of the State of Georgia and members of Georgia Public Web, a non-profit Georgia corporation, hereinafter sometimes collectively referred to as "Members" and individually as "Member".

WITNESSETH

THAT:

WHEREAS, each of the undersigned Members have caused the creation of Georgia Public Web, a Georgia not for profit corporation ("GPW");

WHEREAS, GPW and the Municipal Electric Authority of Georgia (hereinafter the "Authority") have entered into a Master Agreement dated August 2000, wherein GPW has leased the telecommunications facilities, fibers and other equipment acquired, constructed and installed by the Authority; and

WHEREAS, the undersigned Members desire to enter into a binding Intergovernmental Contract pursuant to Art. IX, Sect. III, Para. I of the Georgia Constitution (1983), whereby each Member makes certain commitments to the other Members concerning the Master Agreement and costs incurred and revenues received by GPW.

NOW, THEREFORE:

For and in consideration of the other premises and mutual covenants and agreements hereinafter set forth, and in order to promote the ability of GPW to function in accordance with its stated purpose, it is agreed by and between the undersigned Members as follows:

ARTICLE I

TERM OF CONTRACT, DEFINITIONS

Section 101. Term.

The term of this Contract shall begin and this Contract shall constitute a binding obligation of each party executing this Contract as of November 1, 2000. The term of this Contract shall continue in full force and effect for the entirety of the time, not exceeding fifty (50) years, as GPW shall continue to have a leasehold interest in the Leased Facilities.

Section 102. Definitions and Explanations of Terms.

As used herein:

(a) "GPW's Annual Costs" shall mean, with respect to a Power Supply Year, all costs and expenses incurred by GPW in connection with the operation and maintenance of the Leased Facilities, including costs and expenses arising out of GPW's responsibilities under the Master Agreement.

(b) "Members" shall mean the political subdivisions which are a party to this Contract. "Members" shall include any commission or agency of such political subdivision which operates or conducts or exercises jurisdiction over any essential function of the Members' electric distribution system.

(c) "Leased Facilities" shall consist of those properties, telecommunications facilities, fibers and other equipment acquired, constructed and installed by the Authority.

(d) "Obligation Shares" shall mean, with respect to a Member that percentage of (1) the Member's responsibility for the GPW's Annual Costs and (2) the Member's entitlement to the net revenues received by GPW on an annual basis.

ARTICLE II

Section 201. Members' Obligation Shares.

(a) The initial Obligation Shares of the Members shall be those Obligation Shares, expressed as a percentage, designated for each respective Member on Exhibit A, which is hereby incorporated herein by reference.

(b) The Obligation Shares may be revised from time to time by mutual agreement of the Members who wish to change their Obligation Shares; provided, however, that the sum of the Obligation Shares of all Members hereunder shall at all times equal one hundred (100%) percent.

Section 202. Members Payment Obligation.

Pursuant to the Master Agreement and the By-Laws adopted by GPW, each Member will receive a monthly bill from GPW in an amount equal to its Obligation Share of the difference, if any, between GPW's budgeted costs for the billing period and GPW's revenues for said period. Each Member commits to the other Members who are signatories to this Contract that it will pay on a timely basis said monthly bills. The parties specifically agree that GPW shall be considered a third party beneficiary of this Agreement.

Section 203. Pledge of GPW's Gross Revenues.

Pursuant to the Master Agreement, GPW has pledged its gross revenues to the Authority as additional collateral for each Members' contractual obligation to pay its respective share of the Annual Telecommunications Project Fixed Charges as defined by Section 304 of the Telecommunications Project Contract. Each Member commits to the other Members who are signatories to this Contract that it has no objection to the foregoing pledge of revenues by GPW and that it will not exercise its voting power as a member of GPW to either alter or disallow in any manner said pledge.

Section 204. GPW's Annual Net Revenues.

Each Member hereby commits to the other Members that it will utilize its voting power as a Member of GPW in such a manner as to require GPW to distribute on an annual basis to each Member an amount equal to said Member's Obligation Share of any net revenues realized by GPW during the preceding Power Supply Year.

Section 205. Pledge of Members' Voting Power.

Each Member hereby commits to the other Members who are signatories to this Contract that it will utilize its voting power as a Member of GPW to require GPW to maintain rates and charges for telecommunication services which will provide revenues that are sufficient to reimburse each Member its Obligation Share of the Annual Telecommunications Project Fixed Charges as established by Section 304 of the Telecommunications Project Contract.

Section 206. GPW's Master Agreement.

Each Member hereby commits to the other Members who are signatories to this Contract that: (i) it has reviewed the terms and conditions set forth in the Master

Agreement (a copy of which is attached hereto), and (ii) it has no objections as a Member of GPW to any of the terms and conditions set forth in the Master Agreement.

ARTICLE III

DEFAULT

Section 301. Event of Default.

Failure of a Member to make to GPW any of the payments for which provision is made in this Contract shall constitute a default on the part of the Member to the duties which it owes to the other Members pursuant to this Contract.

Section 302. Continuing Obligation.

In the event of any such default, the Member shall not be relieved of its liability for payment of the amounts in default, and GPW, as a third party beneficiary to this Contract, shall have the right to recover from the Member any such amount in default. In enforcement of any such right of recovery, GPW may bring any suit, action, or proceeding in law or in equity, including mandamus and action for specific performance as may be necessary or appropriate to enforce any covenant, agreement or obligation to make payment for which provision is made in this Contract against the Member.

Section 303. Fixed Obligation Share of Defaulting Member.

In the event of a default by a Member, such Member shall remain liable for its Obligation Share of GPW's Annual Costs, and for all other amounts due under this Contract.

Section 304. Abandonment of Remedy.

In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be

restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of GPW and the Member or Members shall continue as though no such proceeding had been taken

ARTICLE IV

MISCELLANEOUS GENERAL PROVISIONS

Section 401. Assignment of Contract

This Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Contract; provided, however, that except as provided in the event of a default, and, except for the assignment by GPW authorized hereby, neither this Contract nor any interest herein shall be transferred or assigned by either party hereto except with the consent in writing of the other parties hereto; provided, however, that such consent shall not be withheld unreasonably. No assignment or transfer of this Contract shall relieve the parties of any obligation hereunder.

Section 402. Termination or Amendment of Contract.

(a) This Contract shall not be terminated by any party under any circumstances, whether based upon the default of the other party under this Contract or any other instrument or otherwise except as specifically provided in this Contract.

(b) This Contract shall not be amended, modified, or otherwise altered in any manner that will adversely effect the security for the Bonds afforded by the provisions of the Telecommunications Project Contracts upon which the owners from time to time of the Bonds shall have relied as an inducement to purchase and hold the Bonds. So long as any of these Bonds are outstanding or until adequate provision for the payment thereof have been made in accordance with the provisions of the Bond Resolution, this Contract

shall not be amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of such payment provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds.

ARTICLE V

Section 501. Severability.

In case any one or more of the provisions of this Contract shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Contract shall be construed and enforced as if such illegal or invalid provision had not been contained herein, and this Contract shall be construed to adopt, but not to enlarge upon, all of the applicable provisions of said Act, and all the applicable provisions of the constitution and general laws of Georgia, and if any provision hereof conflict with any applicable provision of said Constitution or laws, the latter as adopted by the legislature and as interpreted by the courts of this state shall prevail in lieu of any provision hereof in conflict or not in harmony therewith.

IN WITNESS WHEREOF, each Member has caused this Contract to be executed in its corporate name by its duly authorized officer and its corporate seal to be hereon

impressed and attested, and delivery hereof by each Member to the Other Members is hereby acknowledged, all as of the day and year first above written.

Approved As To Form.

[Signature]
City Attorney

CITY OF Fort Valley

BY: *[Signature]*
Mayor

ATTEST: *[Signature]*
Clerk


EXHIBIT "C"

FLORIDA PRICE LIST

Applicant will file a price list with the Florida Public Service Commission at least one day prior to Applicant initiating operations in Florida.

GEORGIA PUBLIC WEB, INC.

by:



Mark A. McCarty
Vice President - General Counsel and Chief
Financial Officer

6/19/01

Date