



American Telecommunications Network, Inc.

919 Dilworth Street
St. Marys, Georgia 31558
912/673-6000

PAYPHONE INSTALLATION AND ROYALTY AGREEMENT

THIS AGREEMENT is made the 13th day of May, 02, by and among AMERICAN TELECOMMUNICATIONS NETWORK, INC., a Georgia Corporation, (hereinafter referred to as VENDOR) and Nassau County Board of County Commissioners (Name of Business Owner), whose address is 191 Nassau Place (Street Address of Business Owner) Yulee (City) FL (State) 32097 (Zip). VENDOR is in the business of marketing, selling, installing, and servicing public pay telephones.

THE BUSINESS OWNER desires to give the public access to pay telephones at its place of business and VENDOR is licensed under Florida and Georgia Law to provide pay telephone service; therefore,

IT IS HEREBY AGREED

1. Right to Install. Business Owner grants Vendor the right to install the following equipment:

Quantity 2 Payphones wall mounted
Quantity 2 Enclosures
Quantity 1 Other TTY

*Location Inside Nassau County Courthouse (Street Address) (City) (State) (Zip)

*If Other Than Above.

2. Right to Revenue. Vendor shall on a monthly basis pay Business Owner See Address or the "adjusted gross cash revenue" produced per phone. Vendor will install and service pay telephone equipment at Business Owner's location.

3. Special Terms and Conditions. See Address

4. Entire Agreement. This Agreement consists of paragraphs No. 1 through 15 which is the entire agreement of the parties.

5. Approval. This Agreement is not accepted by Vendor until approved by execution as indicated below.

IN WITNESS WHEREOF, the parties have set their hand to this Agreement the date first above written.

BUSINESS OWNER

Attest: _____

BY: _____ (Signature of Business Owner)

TITLE: _____

AMERICAN TELECOMMUNICATIONS NETWORK, INC.

BY: _____ (Signature of Sales Representative)

AMERICAN TELECOMMUNICATIONS NETWORK, INC.

Attest: _____

Approved this 13 day of May, 19 02
BY: [Signature] (Signature) [Title] (Title)

-Terms and Conditions -

6. Responsibilities of the Vendor. Vendor shall:

- (a) Install and operate the Equipment on the Premises;
- (b) Maintain the Equipment in proper working order according to the normal maintenance schedule of Vendor and, when notified of malfunction, repair the Equipment within a reasonable time after notice from Business Owner;
- (c) collect coins from all the Equipment at established intervals; and
- (d) be responsible for and pay all expenses with regard to the operation of the Equipment.

7. Responsibilities of the Business Owner. Business Owner shall:

- (a) provide suitable space on the Premises. The precise area of installation shall be an area readily accessible and clearly visible to patrons, mutually agreed to by Vendor and Business Owner and, if required by the Vendor, consented to in writing by the landlord or owner of the premises if different from the Business Owner; provide safe, convenient access to the Equipment; and provide electrical power at Business Owner's expense for lighting necessary for the use of the Equipment;
- (b) give Vendor prompt notice of any malfunction of the Equipment;
- (c) take reasonable precautions to protect the Equipment from damage, vandalism, theft or hazardous conditions, and promptly report such conditions and any service failures to the Vendor; and
- (d) display all mutually agreeable signs and not affix or permit to be affixed to the Equipment, any other signs, equipment or information not approved by the Vendor.

8. Term of Agreement.

- (a) Term. This Agreement shall be in effect for an initial term of sixty (60) months commencing on the date of installation of the Equipment unless sooner terminated as provided hereunder. Vendor agrees to install the Equipment within one hundred twenty (120) days of the date of this Agreement.
- (b) Renewal Period. This agreement shall renew for an additional term of sixty (60) months from the expiration date, or from the end of any subsequent renewal period, provided both parties provide written notice of their intent to renew at least thirty (30) days prior to the expiration of the initial or any subsequent renewal term.

9. Commissions and Payments. In consideration for permitting the installation of the Equipment, Vendor will pay to Business Owner a Commission based on based on a percentage of any positive "Adjusted Gross Revenue."

- (a) Adjusted Gross Revenue. The basis for the calculation of commissions will be the "Adjusted Gross Revenue" which is the total revenue minus all charges and a \$50.00 per phone surcharge to cover all equipment costs, repairs, maintenance, and administration costs, and to provide a reasonable minimum profit to the Vendor.
- (b) The "Adjusted Gross Revenue" will be calculated cumulatively each month for all payphones installed by this contract as a group, not for individual payphones.
- (c) If the "Adjusted Gross Revenue" is a positive value (greater than \$0.00), Vendor will pay a commission of a percentage of this amount as agreed on in paragraph 2. If the "Adjusted Gross Revenue" is a negative value (less than \$0.00), Vendor will bill Business Owner for this amount.
- (d) The Vendor will provide an accounting of revenues and expenses for the payphones and either pay the commission, if any is due, or present a bill to the Business Owner, monthly, generally within thirty (30) days after the end of each month. Any payment billed to Business Owner will be due and payable no later than thirty (30) days of receipt.

10. Business Owner's Representations and Covenants.

- (a) Power to execute this Agreement. Business Owner represents and warrants that it has the power and authority to execute this Agreement and to comply with the terms hereunder specifically, Business Owner warrants that it has the authority, as owner or lessee of the Premises, to permit the installation of the Equipment.
- (b) Undisturbed Use. The Business Owner covenants that for the period of this Agreement, the Vendor shall have free access to the area in which the Equipment is installed (it being agreed that such access is at the sole risk of the Vendor and that the Vendor shall defend, indemnify, and hold the Business Owner harmless from any claims, suits, liabilities, costs, or expenses arising out of any entries on the Business Owner's property by the Vendor or its agents, contractors, or employees pursuant to this paragraph); that no other coin-operated, credit card operated or similar type telephone equipment will be installed on the Premises; and that on any sale of the Premises (or assignment of Business Owner's lease for the use of the Premises) the Business Owner will either require the purchaser or assignee to assume the obligations of the Business Owner hereunder or this agreement shall terminate simultaneously with such sale or assignment.
- (c) Normal Access. Vendor shall have access to the Equipment at all reasonable times.

11. Additional Installations. Upon mutual agreement of both parties, the Vendor may install additional equipment on or in the Premises covered by this Agreement. All terms of this Agreement shall apply to such additional Equipment.

12. Relocation. Except as provided herein, no Equipment shall be moved from the Premises on which it is installed, unless mutually agreed upon by both parties.

13. Termination.

- (a) Vendor shall have the right to terminate this Agreement upon thirty (30) days written notice to Business Owner if the pay telephones installed by Vendor pursuant to this Agreement produce for two consecutive months significantly less than the average monthly "Adjusted Gross Revenue" for all locations maintained by Vendor.
- (b) Business Owner may terminate this Agreement upon thirty (30) days written notice to Vendor if the pay telephones installed by Vendor pursuant to this Agreement produce for two consecutive months a negative "Adjusted Gross Revenue" or if Vendor shall unreasonably fail to repair or maintain the Equipment.
- (c) Should Business Owner desire to terminate this Agreement for any other reason, then Business Owner give the Vendor thirty (30) days written notice and shall reimburse Vendor five hundred dollars (\$500.00) for removal of each pay telephone installed pursuant to this Agreement.

14. Indemnification and liability

- (a) Indemnification. The Business Owner agrees to indemnify and hold harmless the Vendor from any and all claims, loss or liability arising from any acts or omissions in respect to the Equipment which are attributable to Business Owner.
- (b) Liability. Business Owner agrees that Vendor shall have no liability for interruption of service from any cause, including, but not limited to, delays in installation or operation of the Equipment. Business Owner further agrees that no other liability in any other case shall attach to Vendor. In no event shall the Vendor be liable for special, incidental or consequential damages, including lost revenues, even if Vendor has been advised of the possibility of such damages.

15. General.

- (a) Access to Premises. Upon the expiration or prior cancellation of this Agreement, Business Owner shall provide the Vendor's employees or authorized agents with access to the Premises during normal business hours for the purpose of coin collections, maintenance and/or the removal of the Equipment installed on the said Premises.
- (b) Ownership of the Equipment. The Equipment installed under this Agreement is and will remain the sole property of the Vendor or the assignee of the Vendor.
- (c) Confidentiality of Information. Business Owner shall keep confidential and use only for performance hereunder, the technical or business information or data disclosed or furnished to Business Owner by the Vendor. Such information shall remain the property of the Vendor and, when in tangible forms, shall be returned upon request.
- (d) Choice of Law. The construction, interpretation, and performance of this Agreement and all transactions hereunder shall be governed by the domestic laws of the State of Incorporation of Vendor.
- (e) Assignment. This Agreement may be assigned by Vendor at any time without the consent of the Business Owner. Business Owner may not assign this agreement without the prior written consent of Vendor.
- (f) Entire Agreement. This instrument contains the entire Agreement by and between the parties hereto.
- (g) Removal of Equipment. Business Owner grants Vendor permission to contact any telephone company currently providing pay telephone service to the Business Owner to arrange for the removal of existing equipment and will execute any necessary agency authorization required by Vendor.
- (h) Public Access. The Business Owner shall provide full public access to the telephones during its business hours. Business Owner shall be responsible for keeping the pay telephones clean and the location free from debris, obstructions, theft, and hazardous conditions. Business Owner shall not place or permit the placement of any obstruction which may impede public access to the pay telephones during normal business hours in the case of outdoor locations, cause any impediment to free public access at any time without prior written approval of the Vendor.
- (i) Event of Default. Vendor shall have the right to immediately terminate this agreement upon occurrence of any of the following events, each such event constituting a default hereunder; (1) the filing of any petition under the Bankruptcy Code, by or against the Business Owner; (2) application for the appointment of a receiver for, the making of a general assignment for the benefit of creditors by or the insolvency of the Business Owner; (3) taking possession of any substantial part of the property of the Business Owner; (4) dissolution, merger, consolidation, or resignation of the Business Owner.
- (j) Legal compliance. If any provision, covenant, condition, or term of this Agreement, or the installation or operation of the pay telephone violates a federal, state, or local law or regulation, the Vendor shall have the maximum amount of time permitted from the date of the actual notice to redress the violation and shall have the maximum amount of time permitted by law to install a pay telephone in compliance with federal, state, and local laws and regulations.
- (k) Disclaimer. By execution of this Agreement, the parties do not intend a joint venture or partnership or otherwise intend to become joint venturers or partners.
- (l) Definitions. If more than one pay telephone is to be installed or operated by Vendor under this Agreement, the words, "phone", "telephone" and all references thereto shall be deemed to be plural wherever applicable. The terms "pay telephones", "phones", and "telephones" shall also refer to necessary enclosures or booths.
- (m) Headings. Paragraph headings are used herein for ease of reference only and shall not be used to alter, modify, or amend the terms and conditions of this Agreement.
- (n) Notice. All notices shall be sent to the parties at the respective addresses shown on the front of this Agreement, or at such other addresses as the parties may from time to time designate in writing.


ATN, Inc. d/b/a AmTel
Addendum to Public Payphone Agreement

-- The monthly maintenance fee for the payphones will be calculated as follow: (a) multiply the total number of payphones by \$50.00; (b) subtract the total net revenues for all public payphones for the month; (c) the difference will be the maintenance fee.


-- Maintenance fee granted for payphones at the specific locations as follows:

Inside of the Nassau County Courthouse
2 phones wall mounted, 1 to include a TTY device for the hearing impaired

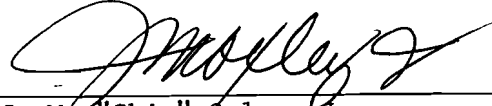
AmTel / ATN, Inc.
919 Dilworth Street
St. Marys, Georgia 31558

By: 
Name: Robert Spangler
Title: Pres.
Date: May, 2002

Nassau Co Board of County Commissioners
191 Nassau Place
Yulee, FL 32097

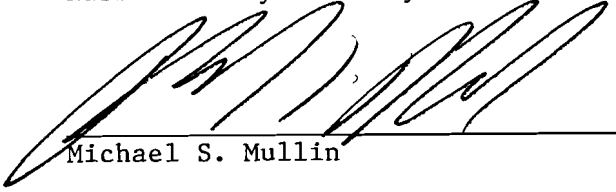
By: 
Name: Nick D. Deonas
Title: Chairman
Date: May 13, 2002

ATTEST:



J. M. "Chip" Oxley, Jr.
Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney:



Michael S. Mullin