

## **EXEMPTED TRANSFER NOTICE**

This Exempted Transfer Notice is provided to the City of San Diego ("City") effective this 2<sup>nd</sup> day of February, 2012 by NextG Networks of California, Inc., a Delaware corporation ("NextG").

### **Recitals**

A. NextG provides telecommunications services to wireless carriers through distributed antenna systems and other facilities located within and outside of California.

B. City and NextG are parties to a Right-of-Way Use Agreement entered into on May 24, 2004 (the "Agreement") that provides, in relevant part, as follows:

11 **ASSIGNMENT.** This Use Agreement shall not be assigned by NextG without the express written consent of the City, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, the transfer of the rights and obligations of NextG to a parent, subsidiary, or other affiliate of NextG, or to any successor in interest or entity acquiring fifty-one percent (51%) or more of NextG's stock or assets (collectively "Exempted Transfers") shall not be deemed an assignment for the purposes of this Agreement and therefore shall not require the consent of the City, provided that NextG reasonably demonstrates to the City's lawfully empowered designee the following criteria (collectively the "Exempted Transfer Criteria"): (i) such transferee will have a financial strength after the proposed transfer at least equal to that of NextG immediately prior to the transfer; (ii) any such transferee assumes all of NextG's obligations hereunder; and (iii) the experience and technical qualifications of the proposed transferee, either alone or together with NextG's management team, in the provision of telecommunications or similar services, evidences an ability to operate the NextG Network. NextG shall give at least thirty (30) days' prior written notice (the "Exempted Transfer Notice") to the City of any such proposed Exempted Transfer and shall set forth with specificity in such Exempted Transfer Notice the reasons why NextG believes the Exempted Transfer Criteria have been satisfied. The City Council of City shall have a period of thirty (30) days (the "Exempted Transfer Evaluation Period") from the date that NextG gives the City its Exempted Transfer Notice to object in writing to the adequacy of the evidence contained therein. Notwithstanding the foregoing, the Exempted Transfer Evaluation Period shall not be deemed to have commenced until the City has received from NextG any and all additional information the City may reasonably require in connection with its evaluation of the Exempted Transfer Criteria as set forth in the Exempted Transfer Notice, so long as the City gives NextG notice in writing of the additional information the City requires within fifteen (15) days after the City's receipt of the original Exempted Transfer Notice. If the City Council of City fails to act upon NextG's Exempted Transfer Notice within the Exempted Transfer Evaluation Period (as the same may be extended in accordance with the foregoing provisions), such failure shall be deemed an

affirmation by the City Council that NextG has in fact established compliance with the Exempted Transfer Criteria to the City's satisfaction.

C. NextG is a wholly-owned subsidiary of NextG Networks, Inc., a Delaware corporation ("Parent"). On December 15, 2011, Parent entered into an Agreement and Plan of Merger with, among others, Crown Castle International Corp., a Delaware corporation ("CCI"), whereby Parent will become a wholly-owned indirect subsidiary of CCI and a wholly-owned direct subsidiary of Crown Castle Solutions Corp. ("Solutions"), and thereby effect a change in control of Parent (sometimes referred to as the "Merger").

D. NextG will remain a separate and existing legal entity following the Merger, and accordingly, the parties to the Agreement will remain unchanged upon and after the effective date of the change of control transaction.

### **Information Regarding Change of Control**

Pursuant to Section 11 of the Agreement, NextG and Parent hereby provide the following information to the City:

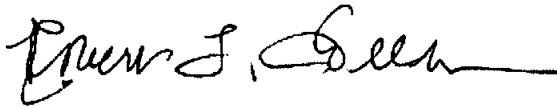
- (a) **Financial Strength** – The Merger will result in a more financially sound organization than that which existed prior to the Merger. CCI, the ultimate parent company, is publicly traded on the New York Stock Exchange (symbol: CCI). As of the close of business on October 28, 2011, CCI had a market capitalization of more than \$12 billion dollars. CCI generated, on a consolidated basis, \$1.87 billion in revenues and \$657 million in recurring cash flow during the fiscal year ended December 31, 2010, and \$513 million in revenues and \$198 million in recurring cash flow for the quarter ended September 30, 2011.
- (b) **Assumption of Obligations** – NextG will continue to be, together with the City, a party to the Agreement and will continue to honor its obligations under the Agreement.
- (c) **Experience and Technical Qualifications** – CCI, through its indirect subsidiaries, owns, operates and leases towers and other infrastructure for wireless communications, offering significant wireless coverage to 92 of the top 100 U.S. markets. CCI, through its subsidiaries, owns, operates and manages over 22,300 tower and rooftop sites throughout the United States and is one of the largest tower operators in the country. Solutions and its subsidiaries have deployed forty DAS networks with several additional DAS networks in development or under consideration. Wholly-owned subsidiaries of Solutions hold authorizations to provide intrastate telecommunications services in the District of Columbia and 23 states. Additionally, it is anticipated that many NextG personnel will continue to hold key technical and managerial positions after the Merger to support existing and planned DAS network operation and deployment.
- (d) **Certificate from California PUC** – The certificate of public convenience and necessity or other authorization secured from the California PUC by NextG will not

need to be replaced since the operation of NextG's networks will remain with NextG following the transfer of control. NextG will secure approval or provide notice, as required by applicable law, with respect to the transfer of control.

- (e) City Business License – NextG has a valid City business license and will continue to be the entity conducting business in the City following the transfer of control.

This Exempted Transfer Notice is effective as of the date first shown above.

NEXTG NETWORKS OF  
CALIFORNIA, INC.



By \_\_\_\_\_

Robert L. Delsman  
Senior Vice President  
Government Relations & Regulatory Affairs

**NextG Networks of California, Inc.**  
**Change in Control Transaction and Consent – FAQs**

---

*1. What is NextG requesting from the City?*

Under the terms of the right of way agreement between the City and NextG Networks of California, Inc. (“NextG”), the City’s consent is required if NextG or its parent company wishes to transfer a certain level of ownership interests to a third party.

*2. What is the nature of the change in control transaction and who are the parties?*

NextG is wholly owned by NextG Networks, Inc. (“Parent”). Parent and Crown Castle International Corp. (“CCI”) entered into an agreement on December 15, 2012 that, upon closing, will result in Parent being wholly owned by Crown Castle Solutions Corp. (“Solutions”), which, in turn, is a subsidiary of CCI.

*3. Will NextG still exist after the proposed transaction?*

Yes. NextG (and Parent) will survive the merger and will continue to own and operate the telecommunications facilities within the City.

*4. Will NextG still be the party to the right of way agreement?*

Yes. NextG, along with the City, will continue to be a party to the agreement. There is no change in the parties to the agreement. Only consent to the change in the ultimate ownership of NextG is requested.

*5. Does CCI or any of its current subsidiaries have experience operating distributed antenna system (DAS) networks or other telecommunications facilities?*

Yes. CCI, through its subsidiaries, owns, operates and leases towers and other infrastructure for wireless communications, offering significant wireless coverage to 92 of the top 100 U.S. markets. CCI, through its subsidiaries, owns, operates and manages over 22,300 tower and rooftop sites throughout the United States and is one of the largest tower operators in the country. Solutions and its subsidiaries have deployed 40 DAS networks with several additional DAS networks in development or under consideration. Wholly-owned subsidiaries of Solutions hold authorizations to provide intrastate telecommunications services in the District of Columbia and 23 states. Additionally, it is anticipated that many NextG personnel will continue to hold key technical and managerial positions after the change in control to support existing and planned DAS network operation and deployment.

*6. Does CCI have the financial strength to support ongoing operations?*

CCI, the ultimate parent company, is a public company; its stock is traded on the New York Stock Exchange (symbol: CCI). As of the close of business on October 28, 2011, CCI had a market capitalization of more than \$12 billion dollars. CCI generated, on a consolidated basis,

\$1.87 billion in revenues and \$657 million in recurring cash flow during the fiscal year ended December 31, 2010, and \$513 million in revenues and \$198 million in recurring cash flow for the quarter ended September 30, 2011.

7. *Has the California Public Utilities Commission been asked to approve the proposed change in control transaction?*

Yes. NextG has initiated the approval process for the change in control transaction.

#### CONTACT INFORMATION

*For CCI:*

Barry G. Ziker  
Salter Joyce Ziker, PLLC  
1601 Fifth Avenue  
Suite 2040  
Seattle, WA 98101  
(206) 957-5952  
[bziker@sjzlaw.com](mailto:bziker@sjzlaw.com)

*For NextG:*

Robert Delsman  
SVP Government Relations & Regulatory Affairs  
890 Tasman Drive  
Milpitas, CA 95035-7439  
(510) 859-3596  
[rdelsman@nextgnetworks.net](mailto:rdelsman@nextgnetworks.net)

RECEIVED

FEB 3 2012

Department of IT  
"DoIT"

S SALTER  
J JOYCE  
Z ZIKER

Barry G. Ziker  
Direct Dial: 206.957.5952  
Email: bziker@sjzlaw.com

February 2, 2012

**VIA FEDEX**

City of San Diego  
Department of Information Technology  
Executive Complex  
1010 2nd Avenue, Suite 500-E  
San Diego, CA 92101-4998

City of San Diego  
Attn: Department of Information Technology  
& Communications  
1200 Third Avenue, Suite 250  
San Diego, CA 92101

Re: NextG Networks of California, Inc.

Dear Sir/Madam:

Pursuant to Section 11 of the Right-of-Way Use Agreement dated May 24, 2004, entered into by and between the City of San Diego ("City") and NextG Networks of California, Inc. ("NextG"), enclosed is an Exempted Transfer Notice notifying the City of a change in control of NextG.

Please do not hesitate to contact me if you have any questions.

Sincerely,

SALTER JOYCE ZIKER, PLLC



Barry G. Ziker

cc: NextG Networks of California, Inc.  
Crown Castle Solutions Corp.

BGZ:BT  
Enclosure