Cumberland Plateau PDC

CPC Broadband Expansion - Council

**Application ID:** 59812112018103837

Application Status: Pending

Program Name: Virginia Telecommunications Initiative 2019

Organization Name: Cumberland Plateau PDC

Organization Address: 224 Clydesway Drive

Lebanon, VA 24266-0548

Profile Manager Name: Jim Baldwin

Profile Manager Phone: (276) 889-1778

Profile Manager Email: jimbaldwin@bvu.net

Project Name: CPC Broadband Expansion - Council

Project Contact Name: Jim Baldwin

Project Contact Phone: (276) 889-1778

Project Contact Email: jimbaldwin@bvu.net

Project Location: Helen Henderson Highway

Council, VA 24260-4248

Project Service Area: Buchanan County

**Total Requested Amount:** \$490,795.20 **Required Annual Audit Status:** Accepted

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# **Budget Information:**

Cost/Activity Category	DHCD Request	Other Funding	Total
Telecommunications	\$490,795.20	\$210,340.80	\$701,136.00
Construction	\$490,795.20	\$210,340.80	\$701,136.00
Total:	\$490,795.20	\$210,340.80	\$701,136.00

# **Budget Narrative:**

The budget consists of construction labor & materials, engineering, inspection and management. The current budget assumes using Sunset's existing construction, engineering, inspection and management resources and assets. The budget allows for the construction of approximately 13.91 miles of fiber and will pass approximately 473 households. The request is for a 70% VATI request and 30% match by the co-applicant.

# **Questions and Responses:**

1. Project Area

Provide a map and description of the proposed geographic area including specific boundaries of the project area e.g.; street names, local and regional boundaries, etc. Explain why and how the project area(s) was selected. Attach a copy of your map(s).

### Answer:

The project area is in the Council to Davenport area of Buchanan County. It spans from the Russell County line on Route 80, Helen Henderson Highway to the intersection of Howard Flat Road and Route 80. The project area includes the following routes: Route 720, Krider Road, Cunningham Road, Route 246, Tiller Drive, Chandler Road, Berkshire Road, Tiller House Road, Route 4252, Route 4255, Route 672, Deep Wood Road, RP Harris Drive, Dixie Lane, Bright Leaf Road, Campground Road, Quinn Branch Road, Route 620, Route 602, Chain Road, Grace Road, Route 692, Fairlane Road, Hewlett Harris Road, Combs Ridge Road, Compton and Combs Road, Overlook Road, Indian Pass Road, Cainsville Road, Route 4220, Bramblewood Road, Windmill Road, and Firestone Road.

The project area was selected by reviewing the grant guidelines and determining it met the competitive criteria, the definition of unserved and had strong community support for broadband expansion. The project service area also has existing backbone fiber. Map is attached.

2.

Describe your outreach efforts to identify existing providers in the selected project area. Provide a map and list of all existing providers (fixed and wireless), and speeds offered within the project area. Provide a detailed explanation of how this information was compiled and the source(s).

### Answer:

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The Council to Davenport proposed service area was selected due to its lack of broadband access. Research and review of the FCC 477 filing data and the VA CIT mapping revealed the only service available advertising the required speeds were satellite providers. Websites for both satellite providers show service is not available in the Council or Davenport zip codes. Market research also consistently supports that advertised satellite speeds are notoriously unreliable, and even more so in the mountains of Buchanan County. The satellite providers also have published soft data caps (accomplished by throttling speeds to less than 3 Mbps). Government officials in Buchanan County also report that their constituents do not have reliable access to the true required speeds of 10/1. We conducted a survey of the potential customers in the project area. The results support the lack of service providers and the need for speeds consistently exceeding 10/1.

# 3. Project Need/Description

To be eligible for VATI, applicants must demonstrate that the proposed project area(s) is unserved. An unserved area is defined as an area with speeds of

10 Mbps/1 Mbps or less, and with less than 10% service overlap within the project area. Describe the anticipated service overlap with current providers within the project area.

#### Answer:

The only service providers in the area are satellite providers Hughesnet and ViaSat. The 477 map shows them as offering speeds exceeding 10/1 in the census block, but their own websites show service not available in the corresponding zip codes. There is no cable option for this area. There is no documented overlap for a service provider that can provide reliable speeds above 10/1. Market research also consistently supports that advertised satellite speeds are notoriously unreliable, and even more so in the mountains of Buchanan County. The satellite providers also have published soft data caps (accomplished by throttling speeds to less than 3 Mbps). Government officials in Buchanan County also report that their constituents do not have reliable access to the true required speeds of 10/1. We conducted a survey of the potential customers in the project area. The results support the lack of service providers and the need for speeds consistently exceeding 10/1.

4. Describe population both in terms of absolute numbers within the project area and the eligible users that will be served by

the proposed project. Describe the basis for these projections.

#### Answer:

There are 473 total households in the project area. The average persons per household in Buchanan County is 2.1 per the census 2010 census data and the 2017 census bureau estimates. The total projected population to be served by the project is 877. The total households in the service area came from the e-911 data for Buchanan County.

5. Indicate the numbers of businesses and community anchor institutions the proposed project will pass in the project area.

## Answer:

The following businesses and community anchor institutions are present in the Davenport and Council areas: Council High School, Council Middle/Elementary School, Breeding Masonry Construction, Country Drive-In, Davenport Clinic, Davenport Lifesaving Crew, Green Valley Construction, Steward Concept, Inc, Council Park & Pool and Hurricane Baptist Church.

6. Provide the anticipated take rate for the proposed service within one year of project completion and describe the 12/17/2018 11:57:31 AM Pages: 3 of 10

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basis for the estimate. Also provide all actions to be implemented to reach the identified potential customers within the project area.

#### Answer:

The take rate for the projected service area is 40%. The basis for this take rate is based on 10+ years of rural broadband expansion experience. Our survey of the homes in the project service area indicates over 40% are unhappy with their current service and speed, or lack of provider choice. Strong support from local community leaders is also a factor. In order to reach or exceed the projected take rate Sunset will actively market the service using the following marketing channels: direct mail, door to door sales, direct dial sales and local advertising.

7. A statement whether the proposed project is targeting the "last mile," "middle mile," or "backbone" portion of the broadband infrastructure.

### Answer:

The Council to Davenport project is targeting last mile. Backbone and middle mile fiber are already in place. This project will construct the last mile laterals to place fiber in front of 473 households in the area.

8. For wireless projects only: Please explain the ownership of the proposed wireless infrastructure. Will the wireless co-applicant own or lease the radio mast, tower, or other raised structure onto which the wireless infrastructure will be installed?

# Answer:

N/A

9. Provide a description of the broadband service to be provided, including estimated download and upload speeds, whether that speed is based on dedicated or shared bandwidth, and the technology that will be used. This description can be illustrated by a map or schematic diagram, as appropriate.

### Answer:

The broadband service to be provided will be fiber to the home. It is distributed on a GPON network and the bandwidth is shared across distribution and transport layers. The following speeds will be offered: 50 Mbps download with 5 Mbps upload, 75 Mbps download with 5 Mbps upload, 100 Mbps download with 8 Mbps upload, 200 Mbps download with 20 Mbps upload and 1000 Mbps download and 50 Mbps upload.

10. Provide a description of the network system design used to deliver broadband service from the network's primary Internet point(s) of presence to end users, including the network components that already exist and the ones that would be added by the proposed project. Also describe specific advantages of using this technology. Provide a detailed explanation on how this information was compiled and source(s). For wireless projects, provide a propagation map including the proposed project.

# Answer:

Sunset Fiber of Bristol, Virginia operates a Gigabit Passive Optical Network (GPON) to deliver triple play services to the communities of Southwest Virginia. GPON has the advantage of being able to support multiple users through a single optical fiber reducing equipment and satisfying both high density and rural areas (GPON.com, n.d.). Furthermore, Wang Zhaoqing of the IEEE denotes, "besides the transmission characteristics of good quality, large capacity, and long distance, GPON has the advantages of low maintenance cost, high confidentiality, and strong anti-jamming capability" (Zhaoqing, 2011). The following sections describe how Sunset Fiber uses this technology to provide superior broadband service to the consumers of Southwest Virginia.

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Sunset's broadband Internet services originate from two geo-redundant locations at Equinix in Ashburn, Virginia, and DigitalRealty in Atlanta, Georgia. Within each diverse location Sunset is provided access to the Internet from both XO Communications, and Level3 (Century Link) service providers. Furthermore, the customer experience is enhanced by the connection to each location's Internet Peering Exchange (Equinix Internet Exchange, DigitalRealty Internet Exchange). An Internet exchange allows Internet Service Providers (ISPs) to directly interconnect networks and exchange Internet Protocol (IP) traffic. The exchanges provide the Sunset end user with a lower latency network, and increased redundancy through the availability of more paths and improved routing.

Traveling from each redundant location, for increased reliability Sunset has chosen transport partners offering three diverse paths over 10 Gigabit fiber links. For example, from the origination point in Atlanta, traffic is delivered through one of two 10 Gigabit paths of which both terminate in the Central Office located in Bristol, VA. Ashburn traffic passes through a 10 Gigabit path and terminates in Sunset's Disaster Recovery Point of Presence located in Wytheville, VA. Each of the 10 Gigabit optical paths from Atlanta terminate into an edge routing device.

The 10 Gigabit transport data terminating in Wytheville travels along Sunset's Dense wavelength division multiplexing (DWDM) fiber ring. The implementation of the DWDM ring affords Sunset the ability to transport high capacity, low latency, protected broadband data amongst 19 different POP locations. The ring allows for the East/West flow of up to 200 Gigabits per second. Customer traffic from Ashburn to Wytheville travels along this ring finally terminating at Bristol's North POP on another edge routing device. The edge routing devices provide another distinct advantage to customers through the connection of content caching servers implemented from large providers like Google. Caching servers save both Sunset and the consumers from having traffic return to their origination points for content. By traffic not having to continuously flow back to the origin it decreases the overall bandwidth required at the origination point (Atlanta or Ashburn).

Sunset's protection and redundancy continues as traffic from each edge router flows into one of two Service Router devices. These devices, one located within the Bristol CO, and the other at the North POP are interconnected with each other through a 20 Gigabit Link Aggregation Group (LAG). The multiple chassis along with the LAG (MC-LAG) allow for more efficient use of bandwidth and sub-second failover in case one of the two chassis were to fail. Each service router uses a physical port or more to feed the customer facing network or Optical Line Termination (OLT).

The OLT is the origination point for the definition of the GPON network as described previously. OLTs much like network switches contain cards with ports each port represents a PON. 10 Gigabits of available broadband traffic is spread amongst cards containing from four to eight individual PON ports. Sunset has chosen to keep the customer per PON ratio in the customer's favor for a 32 to 1 standard. This standard means simply Sunset allows up to 32 customers per PON port. This is in direct comparison to the 64 or even 128 to 1 ratio, which reduce the overall bandwidth capabilities to each customer. Traffic flows from these PON ports connecting to a passive optical splitter located close to the customer within a fiber cabinet.

Each of the 32 splitter ports connects directly to a customer premise device or Optical Network Terminal (ONT). ONTs are attached directly to the customer's home or business. A single fiber connects to the ONT and from the ONT Category 3, Category 5/6 Ethernet, and even Radio Frequency connections are available. The ONT facilitates the transmission of data into customer's devices such as telephones, computers, routers, and video devices. Each customer can receive up to a 1 Gigabit per second service.

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# Sources

GPON.com. (n.d.). *Why GPON*. Retrieved from Gigabyte Passive Optical Network (GPON): http://www.gpon.com/why-gpon

Zhaoqing, W. (2011). *Research on the Application of GPON Technologies*. Retrieved 12 13, 2018, from http://ieeexplore.ieee.org/xpl/abstractauthors.jsp?reload=true&arnumber=5957468&punumber=5955409

# 11. Project Readiness

What is the current state of project development (i.e. planning, preliminary engineering, final design, etc.)? Prepare a detailed project timeline or construction schedule, which identifies specific tasks, staff, contractor responsible(s), collection of data, etc., and estimated start and completion dates. The timeline should include all activities being completed within 12 months of contract execution with DHCD.

#### Answer:

The project is in the preliminary engineering phase. Upon award the final phase of engineering will take approximately 30 days and then construction will begin as soon as permitting allows. A detailed project Gantt is attached showing the construction schedule.

- 12. Matching funds: Provide a description of the matching funds the applicant and co-applicant will invest in the proposed project, (VATI funding cannot exceed 80% of total project cost). The Funding Sources Table should be completed.
  - i. For each element of matching funds in the description, indicate the type of match (cash, salary expense, or inkind contribution).
  - ii. Identify whether the applicant or co-applicant is responsible for providing each element of the proposed matching funds.
  - iii. Include copies of vendor quotes or documented cost estimates supporting the proposed budget.

# Answer:

The co-applicant will be supplying the matching funds. They will be in the form of materials, labor (salary expense) and overhead. The Funding Sources Table is attached, as well as vendor quotes for fiber.

13. Identify key individuals, including name and title, who will be responsible for the management of the project. Describe their role and responsibilities for the project. Present this information in table format.

#### Answer:

Name	Title	Role/Responsibilities
Weldon Feightner	CEO	Responsible for overall project deliverable
Ryan Elswick	Vice President of Operations	Responsible for installation and customer service

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Mark Alldredge	Director of Outside Plant Engineering	Responsible for engineering and layout of the project and the construction n
Joseph Puckett	Director of Business Development	Grant reimbursement, tracking and reporting.
David Christian	Sales Manager	Responsible for all marketing and sales activities

- 14. Applicant and Co-Applicant: A description of the public-private partnership involved in the project. Detail the local government assistance: Local government co-applicants should demonstrate assistance to project that will lower overall cost and further assist in the timely completion of construction, including assistance with permits, rights of way, easement and other issues that may hinder or delay timely construction and increase cost.
  - i. If the partnership is formalized in a written agreement provide a copy of that agreement.
  - ii. If the partnership has not been formalized, provide a short description of the project management role, financial commitment, or other contribution to the project for the applicant and co-applicant and any additional partners.

#### Answer:

Both the applicant, the Cumberland Plateau PDC, and the impacted local government, Buchanan County, are committed to assisting, the private partner, Sunset Fiber, in obtaining needed permits, easements or dealing with any community issues to insure the project is completed in a timely manner. Both the PDC, through the Cumberland Plateau Company, and Buchanan County have worked to insure this completion of a nearly \$60 million fiber and wireless network in the region and will provide any necessary resources to complete this initial large residential deployment project.

Sunset is contracted as the operator for the broadband network owned by the Cumberland Plateau Company. The partnership is formalized in the attached agreement.

15. Project Budget and Cost Appropriateness

Applicants shall provide a detailed budget as to how the grant funds will be utilized, including an itemization of equipment and construction costs and a justification of proposed expenses. Expenses should substantiated by clear cost estimates.

#### Answer:

The derivation of costs worksheet has been added. The cost estimates assume all work will be done in house with existing Sunset resources and assets.

16. The cost benefit index is comprised of three factors: (i) state share for the total project cost, (ii) state cost per unit passed, and (iii) the internet speed. From these statistics, individual cost benefit scores are calculated. Finally, the three component scores are averaged together and converted to a 30 point scale to form a composite score.

#### Answer:

Below are the 3 factors for the cost benefit index:

State share of the project: \$490,795.20 (70%)

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State cost per unit passed: \$1,037.62 (\$490,795.20/473) Internet Speed: 1 GB Mbps will be available (1000 Mbps)

17. A description of applicant and co-applicant's history or experience with managing grants and constructing broadband communications facilities in the Commonwealth of Virginia and elsewhere.

#### Answer:

The applicant, Cumberland Plateau Planning District Commission, has been managing grants in the Commonwealth since its inception in 1968. Sunset has managed broadband grants in Virginia and Tennessee for over 15 years. Since inception, Sunset has been awarded grants totaling over \$27,000,000 for rural broadband expansion from the USDA, RUS and the State of Tennessee.

### 18. Service

Describe the Internet service offerings to be provided after completion of this project and your price structure for these services. The service offerings should include all relevant tiers.

#### Answer:

Tier Name	Lifeline	X1	X2	X3	X4
Download (Mbps)	50	75	100	200	1000
Upload (Mbps)	5	5	8	20	50
Monthly Rate	\$54.95	\$64.99	\$79.95	\$109.95	\$269

# 19. Additional Information

Any other equitable factor that the applicant desires to include.

# Answer:

N/A

## **Attachments:**

Derivation of Cost (Project Budget)

DerivationofCostsWorksheetSunset1214201830741.xlsx

Project Management Plan

ProjectManagementPlanCounciltoDavenport12132018102135.xlsx

Supporting documentation for costs estimates

VendorQuotes1214201824300.pdf

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Map(s) of project area, including proposed infrastructure

ProjectServiceAreaMap12132018110845.pdf

Map(s) or schematic of existing broadband providers (inventory of existing assets)

Mapofexistingbroadbandproviders12132018101618.pdf

Documentation of relationship between applicant and co-applicant (formal or informal)

CumberlandPlateauNetworkOperatorAgreementFinal12132018104722.pdf

Two most recent Form 477 submitted to FCC

Sunset477mostrecent212132018120704.pdf

Documentation supporting project costs (i.e. vendor quotes)

VendorQuotes1214201823802.pdf

Documentation of source of match funding

SunsetBalanceSheet2018101213201823008.pdf

Documentation that proposed project area is unserved based on VATI criteria

DocumentationthattheproposedprojectareaisunservedbasedonVATIcriteria1214201831426.pdf

Documentation that proposed project area is not designated for Connect America Funding (CAF)

ProjectServcieAreaisNOTCAFIIeligible12132018110810.pdf

**Funding Sources Table** 

VATIFundingSourcesTable9242018933231214201824228.pdf

(Optional) || Community Support

CommunitySupportLetters12132018114458.pdf

(Optional) || Network Description

NetworkDescription12132018114948.pdf

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(Optional) || Public Comment Notice

Public Comment Notice 1214201821132.pdf

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# CDBG Derivation of Cost

Product	Total	VATI	Non-VATI	Source of Estimate	Date
EXAMPLE					
Construction					
200 LF of fiber @\$150/LF	\$30,000	\$15,000	\$15,000	Company A	9/5/2016
Tower	\$100,000	\$80,000	\$20,000	Company B	9/5/2016
Engineering	\$20,000	\$0	\$20,000	ABC Engineering Firm	9/5/2016

30000

Product		Total		VATI	No	on-VATI	Source of Estimate	Date	
POP Site construction - includes pad, enclosure	\$	40,000	\$	28,000	\$	12,000	Internal	12/14/2018	
and electronics									
Drop Installation - 189 @ \$1760.27 each	\$	332,691	\$	232,884	\$	99,807	Internal	12/14/2018	1
84465.2 LF of fiber @ \$3.7642 lf	\$	317,945	\$	222,561	\$	95,384	Internal	12/14/2018	
Splice Case - 42 @ \$250 each	\$	10,500	\$	7,350	\$	3,150	Internal	12/14/2018	
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# CDBG Derivation of Cost

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**Council to Davenport** Legend: Low Risk Med Risk High Risk Sunset Fiber On Track Project Start Date: 5/15/2019 Project Lead Scrolling Increment: 0 May June July 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 1 2 3 4 5 6 7 8 9 Route Development Project Approval Milestone Weldon Feightner 100% 5/15/2019 Mark Alldredge 95% 5/16/2019 30 43  $\diamond$   $\diamond$   $\diamond$   $\diamond$  $\diamond$   $\diamond$   $\diamond$   $\diamond$ Goal Field Engineering Cotton/Wade 95% 6/10/2019  $\diamond$   $\diamond$   $\diamond$   $\diamond$ Goal FiberTrac Entry Final Engineering Goal Wade / Cotton 6/15/2019 3  $\diamond$ Review  $\diamond$   $\diamond$ 3 Goal 6/19/2019 Splice Plan Andv 0% N/A Low Risk 0% Permitting 5/15/2019 Municipality Goal Mark Alldredge 0% 5 43  $\bullet$   $\bullet$   $\bullet$ Goal Mark Alldredge 5/16/2019 30 DOT 0% Power Co Pole 129 5/17/2019 90 Goal Mark Alldredge 0% Attachments ILEC Pole On Track N/A 0% N/A Attachment N/A 0% Occupancy Easement N/A N/A On Track 0% Acquisition Railroad On Track N/A 0% N/A Construction 100% N/A UG Backbone Milestone 8/1/2019 180 Goal Jody K 0% 258 Aerial Lateral Goal 180 259 Tommy 0% 8/16/2019 Splicing Aerial Drop 9/15/2019 210 300 Installation & All Goal Jody K Drop Splicing UG Drops Buried to the Prem / Goal Gary Roberts 8/30/2019 210 302 0% Inside Installation / Activation **POP Construction** Property  $\diamond$   $\diamond$   $\diamond$  $\diamond$   $\diamond$ Goal Wade / Cotton 5/15/2019 15 22 Acquisition Pad and conduit  $\diamond$ Goal Tim Long 0% 6/15/2019 60 86

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# Holiday or Avoid

Holiday or Avoid	
Days	Description
1/1/2018	New Years Day
3/30/2018	Good Friday
5/28/2018	Memorial Day
7/4/2018	Independence Day
9/3/2018	Labor Day
11/22/2018	Thanksgiving
11/23/2018	Thanksgiving
12/24/2018	Christmas Eve
12/25/2018	Christmas Day
1/1/2019	New Years Day
4/19/2019	Good Friday
5/27/2019	Memorial Day
7/4/2019	Independence Day
9/2/2019	Labor Day
11/28/2019	Thanksgiving
11/29/2019	Thanksgiving
12/24/2019	Christmas Eve
12/25/2019	Christmas Day
1/1/2020	New Years Day
4/10/2020	Good Friday
5/25/2020	Memorial Day
7/3/2020	Independence Day
9/7/2020	Labor Day
11/26/2020	Thanksgiving
11/27/2020	Thanksgiving
12/24/2020	Christmas Eve

12/25/2020 Christmas Day

Assumptions
657 customers as estimated at 60% of 1094 potential
Drops are assumed < 10% underground (70), > 90% aerial (587)
When splicing overbuilt backbone cables to laterals, the cable being augmented will be respliced
through to restore continuity
Crews assumed to be left on the project without interruption
All material required in stock
Current in house personnel utilized with historic production rates for calculations





Date	QUOTE#		
12/14/2018	10239		

Phone #	Fax#
304-624-5072	304-624-4810

Bill To:

SUNSET DIGITAL HOLDING, LLC ACCOUNTS PAYABLE 1791 OG SKINNER DR SUITE A WEST POINT GA 31833

Ship 7	Го:
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SUNSET DIGITAL HOLDING, LLC 333 FRALEY AVE DUFFIELD, VA 24244

Terms	Rep	Freight Terms	Project	Valid Thru
Net 15	PA	Prepay & Add		

Qty	Item	Description	Rate	Total
18,000	АТЗВЕН2ҮТ024	FIBER, 24-COUNT, DRY LIGHT ARMOR, LOOSE TUBE	0.36	6,480.00
20,000	АТЗВЕН2ҮТ060	FIBER, 60-COUNT, LIGHT ARMOR, LOOSE TUBE	0.59	11,800.00
37,000	АТЗВЕН2ҮТ144	FIBER, 144-COUNT, LIGHT ARMOR, LOOSE TUBE	1.02	37,740.00

Thank you for your business.	Subtotal	\$56,020.00
QUOTE VALID THRU DATE SPECIFIED ABOVE. PLEASE	Sales Tax (0.0%)	\$0.00
CALL IF HAVE ANY QUESTIONS OR IF YOU WOULD LIKE TO ADD ADDITIONAL ITEMS TO THE QUOTE.	Total	\$56,020.00
THANK YOU FOR THE OPPORTUNITY TO QUOTE THESE		

ITEMS. WE APPRECIATE IT! SUPPLY SOLUTIONS, LLC.

Description	Supply Solutions Part No.	Average / Mile	U/M
LASHING WIRE, .045X430, 1200' COIL	.045SS430ACW	9	EA.
STRAND, 1/4" EHS CLASS A, DOMESTIC	EHSD1/4	5500	FT.
WIRE, #6 BARE COPPER	1A0601S	250	FT.
CLAMP, LASHING WIRE D TYPE	4040	50	EA.
CLAMP, CROSSOVER	2909970	0.25	EA.
·		0.25	
STRAP, 10" STAINLESS STEEL	3408912		EA.
STRAP, 16" STAINLESS STEEL	3408922	0	EA.
GROUND ROD, 5/8" X 8' COPPER CLAD	6258	8	EA.
SPACER, 1/2" BELL TYPE	7640B	0	EA.
SPACER, 3/4", BELL	7640C	0	EA.
CLAMP, GROUND ROD	2192	8	EA.
PREFORM DEADEND, 1/4"	GDE1104LA	20	EA.
SPLICE, STRAND, 1/4"	GLS1104	0.5	EA.
WASHER, 2", SQUARE	11501	50	EA.
CLAMP, 3-BOLT SUSPENSION	5080	20	EA.
STRAP, DOWN GUY	8070	7	EA.
GUARD, GUY, 8' YELLOW	PG-5718	7	EA.
STAPLE, COPPER	J6493	70	EA.
ROD, ANCHOR, 5/8" X 5'	5315	0	EA.
NUT, THREADED EYE, 5/8"	J6510	6	EA.
ANCHOR, 6" SCREW TYPE	6346	7	EA.
ANCHOR, EXPANDING 8" (5/8 AND 3/4" ROD)	88135	0	EA.
ANCHOR, EXPANDING, 10"	1082	0	EA.
ANCHOR, ROCK 3/4" X 60"	R360	0	EA.
ANCHOR, ROCK 3/4" X 30"	R330	0	EA.
NUT, SLIP EYE, 5/8"	J6550C	5	EA.
STAPLE, 2" GALV.	J7487	20	EA.
CLAMP, 3-BOLT CURVE SUSPENSION	5083	4	EA.
BOLT, 5/8" X 10" T.E.	J8051	1	EA.
BOLT, 5/8" X 12" T.E.	J8052	2	EA.
BOLT, 5/8" X 14" T.E.	J8053	2	EA.
NUT, 5/8" SQUARE	8206	20	EA.
BOLT, 10" X 5/8"	8810	1	EA.
BOLT, 12" X 5/8"	8812	8	EA.
BOLT, 14" X 5/8"	8814	4	EA.
BOLT, 16" X 5/8"	8816	1	EA.
SPLIT BOLT, #4	853	3	EA.
CLAMP, UNIVERSAL BONDING	JCUL	7	EA.
AUXILIARY EYE	BB155A	1	EA.
GROUND WIRE MOLDING	PEGM1/2	8	EA.
TREE GUARD, 2" X 6'	TG11	2	EA.
HEAT SHRINK, 1.3"X48"	CFTV1300	0	EA.
HEAT SHRINK, 1.5"X48"	CFTV1500	0	EA.
HEAT SHRINK, 1.7 X46"	CFTV1700	0	EA.
· · · · · · · · · · · · · · · · · · ·		0	EA.
TAP BRACKET, 2-1/2" ALUMINUM	2919943 EOS10TMK		
FIBER OPTIC STORAGE SNOWSHOE, METAL, 10.25"	FOS10TMK	0	PR
FIBER OPTIC STORAGE SNOWSHOE, METAL, 16.25"	FOS3TMK	0	PR
FIBER MARKER	5005500	25	EA.
HOOK, J 4 3/4" X 7/16"	J3316P	0	EA.
WIRELINK, 1/4"	R5000	0	EA.

WIRELINK, .109	R5059	0	EA.
STRANDVISE, 1/4"	R5100	0	EA.
WIREVISE, DEADEND, .109	R5058	0	EA.
STRAP, DELTEC SYSTEM, 50'	CSS50R	1	EA.
STACKABLE SPACER, DELTEC	CSS360	50	EA.
HANGER, DELTEC	CSSLH	20	EA.

Price	Extended
\$19.9500	\$130.95
\$0.1800	\$990.00
\$0.6500	\$162.50
\$0.4000	\$20.00
\$1.6000	\$0.40
\$0.2000	\$0.00
\$0.2500	\$0.00
\$14.1500	\$113.20
\$0.0600	\$0.00
\$0.0600	\$0.00
\$1.2800	\$10.24
\$1.2900	\$25.80
\$3.0200	\$1.51
\$0.3000	\$15.00
\$4.0500	\$81.00
\$2.2000	\$15.40
\$4.9500	\$34.65
·	·
\$0.1000	\$7.00
\$16.9500	\$0.00
\$3.6500	\$21.90
\$20.8000	\$145.60
\$15.9000	\$0.00
\$35.2900	\$0.00
\$43.3000	\$0.00
\$35.9000	\$0.00
\$3.9500	\$19.75
\$0.0800	\$1.60
\$5.3700	\$21.48
\$4.8400	\$4.84
\$4.9200	\$9.84
\$5.9400	\$11.88
\$0.2400	\$4.80
\$1.4100	\$1.41
\$1.7000	\$13.60
\$1.7000	\$7.20
\$2.6000	\$2.60
\$0.9800	\$2.94
\$1.8200	\$12.74
\$11.9500	\$11.95
\$1.0000	\$8.00
\$2.9500	\$5.90
\$6.0000	\$0.00
\$6.1000	\$0.00
\$6.8000	\$0.00
\$2.3900	\$0.00
\$51.6000	\$0.00
\$55.7500	\$0.00
\$2.2500	\$56.25
\$0.6900	\$0.00
\$9.0500	\$0.00
ψ3.0300	ψυ.υυ

\$4.1400	\$0.00
+	φ0.00
\$8.8500	\$0.00
\$3.9600	\$0.00
\$16.3500	\$16.35
\$0.1700	\$8.50
\$0.2100	\$4.20
	\$1,988.28



1425 DAVE LYLE BLVD ROCK HILL SC 29730-4247 Phone: 704-602-7009 Fax: 704-392-5596

To: Sunset Digital Communications

1791 O.G. SKINNER DR. STE A

WEST POINT GA 31833

Attn: JOSEPH PUCKETT Phone: 706-501-6422 Fax: 706-645-9380

Email: AP-SUNSET@ITCCAP.COM

Date: 12/14/2018

Proj Name:

GB Quote #: 0231656202

Release Nbr:

Purchase Order Nbr:

Additional Ref#

Valid From: 12/14/2018 Valid To: 01/13/2019 Contact: JOHN LAMB

Email: john.lamb@graybar.com

**Proposal** 

We Appreciate Your Request and Take Pleasure in Responding As Follows

Item	Item/Type	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
100		18,000 EA	OFS FITEL LLC	S-OP-24-LA-A- 3E-BK-OFX	AT-3BEH2YT-024 REEL	\$290.29	1000	\$5,225.22
GB Part	#: 2506811	6 UPC #:						
***Item	Note:***	5-7 weeks to	ship.					
200		20,000 EA	OFS FITEL LLC	S-OP-60-LA-A- 3E-BK-OFS	AT-3BEH2YT-060	\$435.77	1000	\$8,715.40
GB Part	#: 2540445	4 UPC #:						
***Item	Note:***	5-7 weeks to	ship.					
300		37,000 EA	OFS FITEL LLC	S-OP-144-LA-A- 3E-BK-OFX	AT-3BEH2YT-144	\$973.37	1000	\$36,014.69
GB Part	#: 2508036	8 UPC #:						
***Item	Note:***	5-7 weeks to	ship.					

Total in USD (Tax not included): \$49,955.31

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To learn more about Graybar, visit our website at www.graybar.com

24-Hour Emergency Phone#: 1-800-GRAYBAR

To: **Sunset Digital Communications** 1791 O.G. SKINNER DR. STE A

WEST POINT GA 31833 JOSEPH PUCKETT

Attn:

12/14/2018 Date:

**Proj Name:** GB Quote #:

0231656202

# **Proposal**

We Appreciate Your Request and Take Pleasure in Responding As Follows

## GRAYBAR ELECTRIC COMPANY, INC. TERMS AND CONDITIONS OF SALE

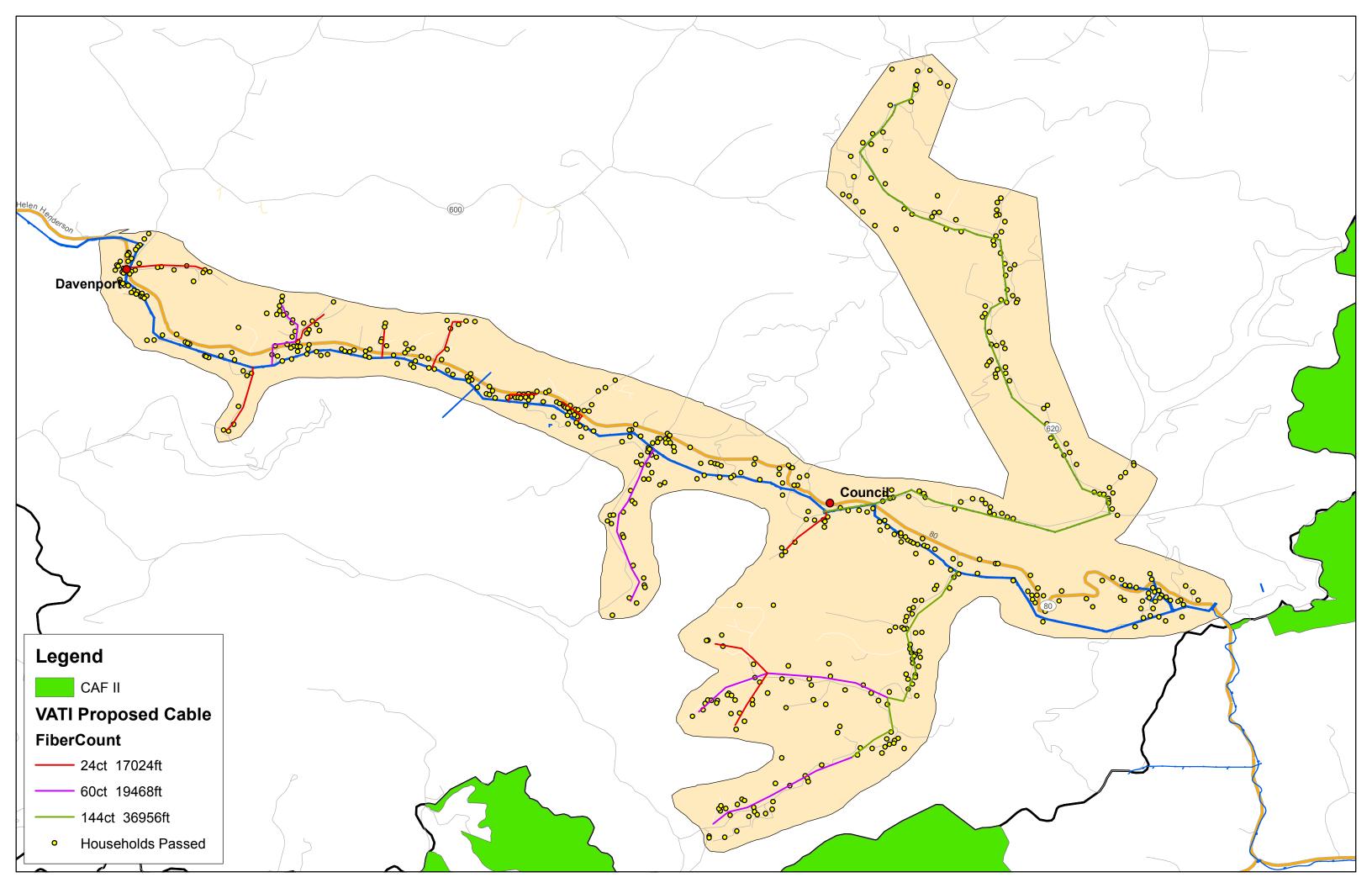
- 1. ACCEPTANCE OF ORDER: TERMINATION Acceptance of any order is subject to credit approval and acceptance of order by Graybar Electric Company, Inc. ("Graybar") and, when applicable, Graybar's suppliers. If credit of the buyer of the goods ("Buyer") becomes unsatisfactory to Graybar, Graybar reserves the right to terminate upon notice to Buyer and without liability to Graybar.
- 2. PRICES AND SHIPMENTS Unless otherwise quoted, prices shall be those in effect at time of shipment, which shall be made F.O.B. shipping point, prepaid and bill
- 3. RETURN OF GOODS Credit may be allowed for goods returned with prior approval. A deduction may be made from credits issued to cover cost of handling.
- 4. TAXES Prices shown do not include sales or other taxes imposed on the sale of goods. Taxes now or hereafter imposed upon sales or shipments will be added to the purchase price. Buyer agrees to reimburse Graybar for any such tax or provide Graybar with acceptable tax exemption certificate.
- 5. DELAY IN DELIVERY Graybar is not to be accountable for delays in delivery occasioned by acts of God, failure of its suppliers to ship or deliver on time, or other circumstances beyond Graybar's reasonable control. Factory shipment or delivery dates are the best estimates of our suppliers, and in no case shall Graybar be liable for any consequential or special damages arising from any delay in shipment or delivery.
- 6. LIMITED WARRANTIES Graybar warrants that all goods sold are free of any security interest and will make available to Buyer all transferable warranties (including without limitation warranties with respect to intellectual property infringement) made to Graybar by the manufacturer of the goods. GRAYBAR MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES, AND SPECIFICALLY DISCIAIMS ALL IMPLIED WARRANTIES INCLUDING BUT NOT LIMITED TO THE METALLY ON THE WARRANTIES INCLUDING WITH (1) ANY SAFETY APPLICATION OR THE CONTAINMENT AREA OF A NUCLEAR FACILITY OR (2) IN A HEALTHCARE APPLICATION, WHERE THE GOODS HAVE POTENTIAL FOR DIRECT PATIENT CONTACT OR WHERE A SIX (6) FOOT CLEARANCE FROM A PATIENT CANNOT BE MAINTAINED AT ALL TIMES.
- 7. LIMITATION OF LIABILITY Buyer's remedies under this agreement are subject to any limitations contained in manufacturer's terms and conditions to Graybar, a copy of which will be furnished upon written request. Furthermore, Graybar's liability shall be limited to either repair or replacement of the goods or refund of the purchase price, all at Graybar's option, and IN NO CASE SHALL GRAYBAR BE LIABLE FOR INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES. In addition, claims for shortages, other than loss in transit, must be made in writing not more than five (5) days after receipt of shipment.
- 8. WAIVER The failure of Graybar to insist upon the performance of any of the terms or conditions of this agreement or to exercise any right hereunder shall not be deemed to be a waiver of such terms, conditions, or right under this agreement.
- 9. MODIFICATION OF TERMS AND CONDITIONS These terms and conditions supersede all other communications, negotiations, and prior oral or written statements regarding the subject matter of these terms and conditions. No change, modification, rescission, discharge, abandonment, or waiver of these terms and conditions shall be binding upon Graybar unless made in writing and signed on its behalf by a duly authorized representative of Graybar. No conditions, usage of trade, course of dealing or performance, understanding or agreement, purporting to modify, vary, explain, or supplement these terms and conditions shall be binding unless hereafter made in writing and signed by the party to be bound. Any proposed modificional terms are specifically rejected and deemed a material alteration hereof. If this document shall be deemed an acceptance of a prior offer by Buyer, such acceptance is expressly conditional upon Buyer's assent to any additional or different terms set forth herein.
- 10. REELS When Graybar ships returnable reels, a reel deposit may be included in the invoice. The Buyer should contact the nearest Graybar service location to return reels.
- 11. CERTIFICATION Graybar hereby certifies that these goods were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof. This agreement is subject to Executive Order 11246, as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Veterans' Readjustment Assistance Act of 1974, as amended, E.O. 13496, 29 CFR Part 471, Appendix A to Subpart A, and the corresponding regulations, to the extent required by law. 41 CFR 60-1.4, 60-741.5, and 60-250.5 are incorporated herein by reference, to the extent legally required.
- 12. FOREIGN CORRUPT PRACTICES ACT Buyer shall comply with applicable laws and regulations relating to anti-corruption, including, without limitation, (i) the United States Foreign Corrupt Practices Act (FCPA) (15 U.S.C. §878dd-1, et. seq.) irrespective of the place of performance, and (ii) laws and regulations implementing the Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the U.N. Convention Against Corruption, and the Inter-American Convention Against Corruption in Buyer's country or any country where performance of this agreement or delivery of goods will occur.
- 13. ASSIGNMENT Buyer shall not assign its rights or delegate its duties hereunder or any interest herein without the prior written consent of Graybar, and any such assignment, without such consent, shall be void.
- 14. GENERAL PROVISIONS All typographical or clerical errors made by Graybar in any quotation, acknowledgment or publication are subject to correction. This agreement shall be governed by the laws of the State of Missouri applicable to contracts to be formed and fully performed within the State of Missouri, without giving effect to the choice or conflicts of law provisions thereof. All suits arising from or concerning this agreement shall be filed in the Circuit Court of St. Louis Country, Missouri, or the United States District Court for the Eastern District of Missouri, and no other place unless otherwise determined in Graybar's sole discretion. Buyer hereby irrevocably consents to the jurisdiction of such court or courts and agrees to appear in any such action upon written notice thereof.
- 15. PAYMENT TERMS Payment terms shall be as stated on Graybar's invoice or as otherwise mutually agreed. As a condition of the sales agreement, a monthly service charge of the lesser of 1-1/2% or the maximum permitted by law may be added to all accounts not paid by net due date. Visa, MasterCard, American Express, and Discover credit cards are accepted at point of purchase only.
- 16. EXPORTING Buyer acknowledges that this order and the performance thereof are subject to compliance with any and all applicable United States laws, regulations, or orders. Buyer agrees to comply with all such laws, regulations, and orders, including, if applicable, all requirements of the International Traffic in Arms Regulations and/or the Export Administration Act, as may be amended. Buyer further agrees that if the export laws are applicable, it will not disclose or re-export any technical data received under this order to any countries for which the United States government requires an export license or other supporting documentation at the time of export or transfer, unless Buyer has obtained prior written authorization from the United States Office of Export Control or other authority responsible for such matters.

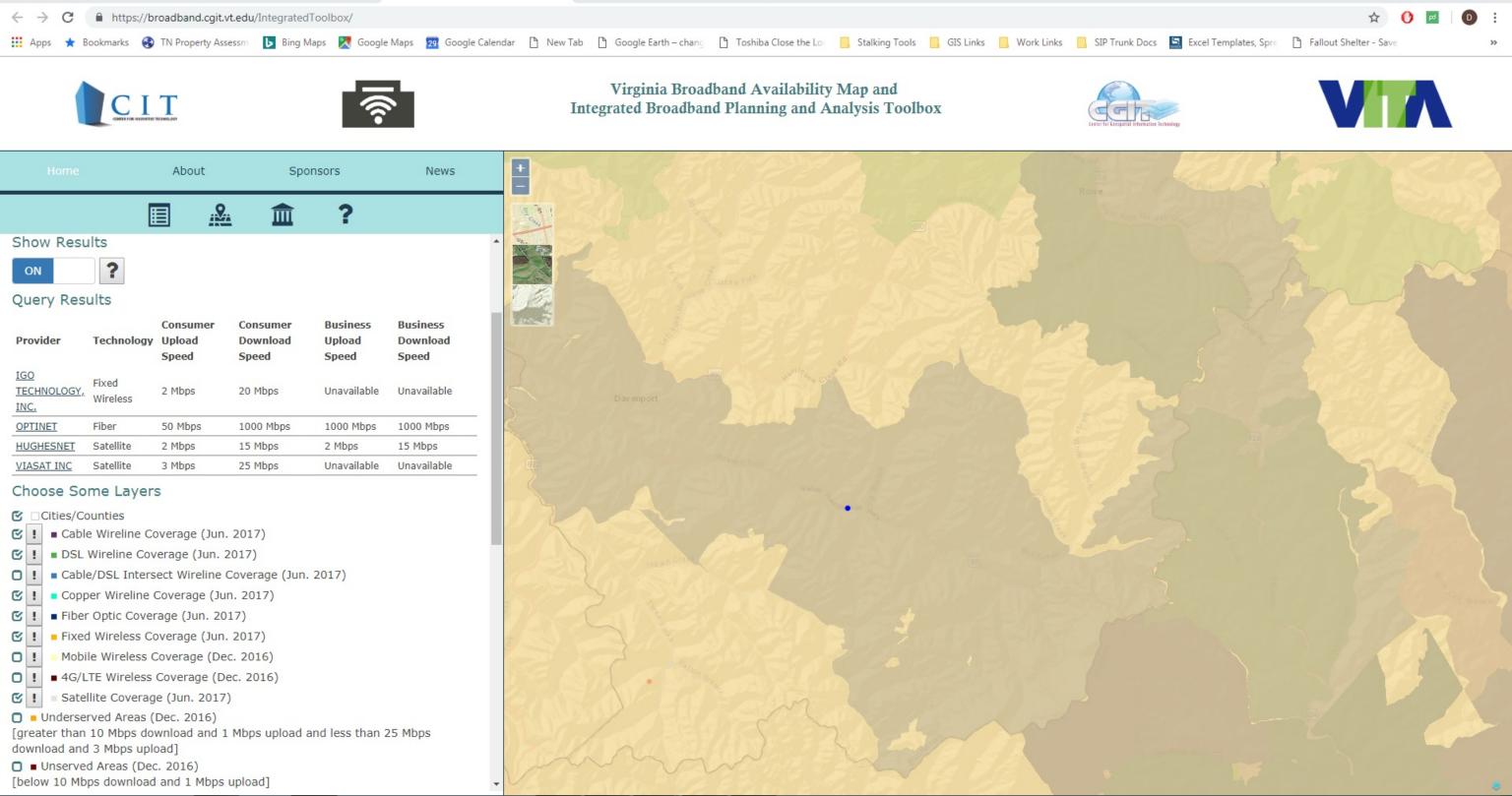
Signed:	

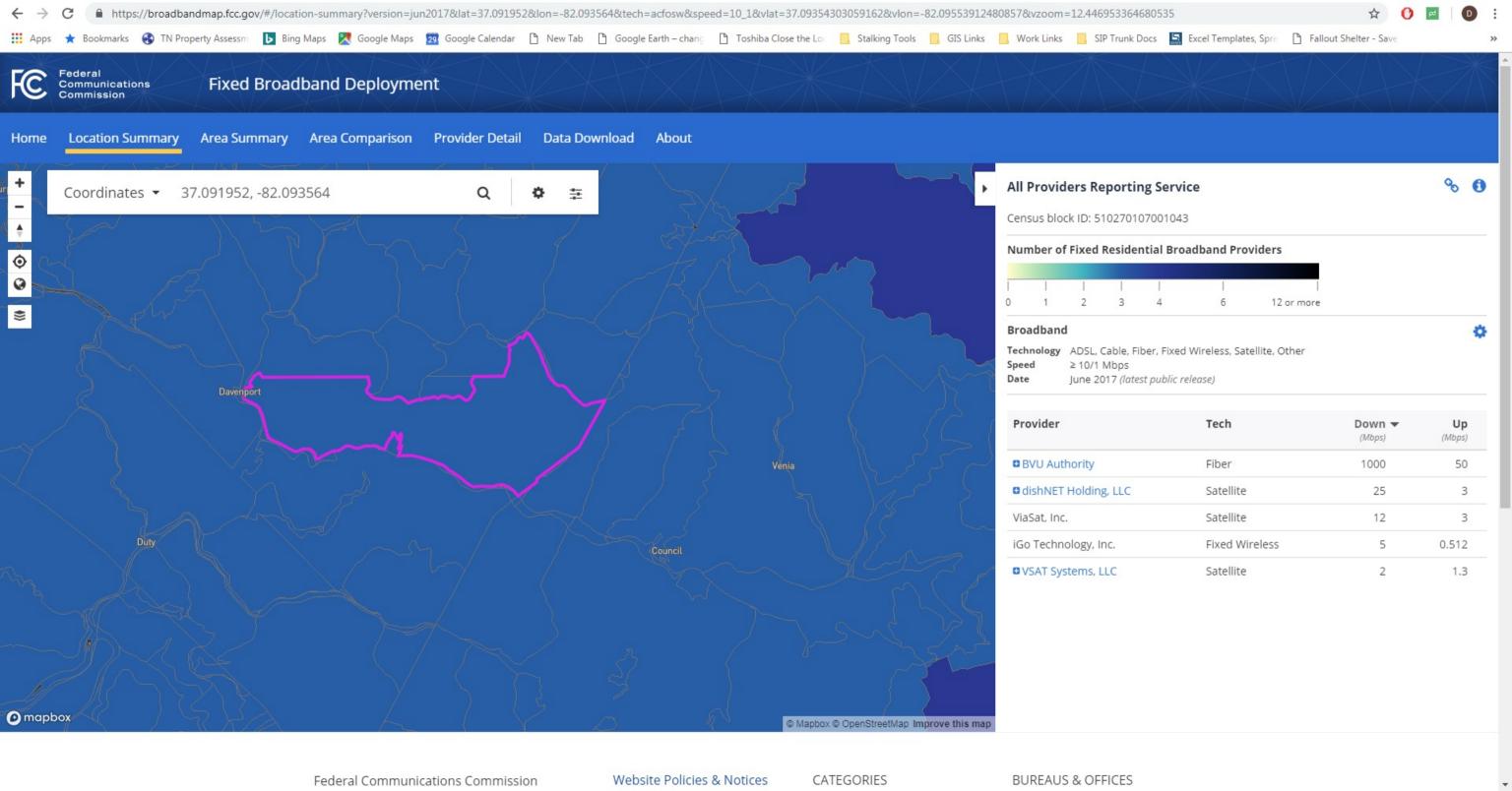
This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To learn more about Graybar, visit our website at www.graybar.com

24-Hour Emergency Phone#: 1-800-GRAYBAR







# **CPC OPTINET OPERATOR AGREEMENT**

BY AND AMONG

**CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION,** 

CUMBERLAND PLATEAU COMPANY, INC.,

SUNSET DIGITAL HOLDING, LLC,

SUNSET DIGITAL COMMUNICATIONS, LLC

AND

SUNSET FIBER, LLC

DATED

AUGUST \_\_, 2018

#### **CPC OPTINET OPERATOR AGREEMENT**

This CPC OptiNet Operator Agreement (the "Agreement") dated as of August \_\_\_, 2018 and effective as of the closing of the Transaction (defined below) (the "Effective Date"), by and among the Cumberland Plateau Planning District Commission, a planning district commission and political subdivision of the Commonwealth of Virginia organized pursuant to Section 15.2-4200 et seq. of the Code ("CPPDC"), the Cumberland Plateau Company, Inc., a nonstock corporation organized under the laws of the Commonwealth of Virginia by CPPDC ("CPC") (CPPDC and CPC, collectively the "Cumberland Plateau Parties"), Sunset Digital Holding, LLC, a Delaware limited liability company ("Sunset Holding"), Sunset Digital Communications, LLC, a Delaware limited liability company (Sunset Digital") and Sunset Fiber, LLC, a Delaware limited liability company (collectively "Sunset") (CPPDC, CPC, Sunset Holding, Sunset Digital and Sunset Fiber each a "Party", collectively, the "Parties"), provides as follows:

#### **RECITALS**

WHEREAS, the Cumberland Plateau Parties together with the BVU Authority, a political subdivision of the Commonwealth of Virginia ("BVU Authority"), constructed a broadband fiber optic backbone (the "CPC OptiNet") for the delivery of telephone, data, and other telecommunications services to the four Virginia Counties of Buchanan, Dickenson, Russell, and Tazewell and certain adjoining counties and communities (collectively, the "Cumberland Plateau Region"); and,

WHEREAS, the Cumberland Plateau Parties and the BVU Authority entered into that certain CPC OptiNet Agreement dated August 26, 2004, as amended March 21, 2006, as amended and restated August 26, 2010 (the "2010 Agreement"), and as further amended February 23, 2012 (collectively the 2010 Agreement, as amended, the "CPC OptiNet Agreement"); and,

**WHEREAS**, the Virginia Tobacco Region Revitalization Commission ("Tobacco Commission") has invested significant resources into the development of the CPC OptiNet within the Cumberland Plateau Region, including Grant Numbers 501, 962, 1185, 1303, 1471, 1768, 1811, 2070, and 2391 and desires to see the continued growth and operation of the CPC OptiNet; and,

**WHEREAS**, the Virginia Coalfield Coalition, Inc., a Virginia nonstock corporation ("**VCC**"), the board of directors of which is appointed one-half by CPPDC and one-half by the LENOWISCO Planning District Commission, served as a grant recipient for certain funds deployed to build a portion of the CPC OptiNet; and,

WHEREAS, as a result of the purchase of the assets of the OptiNet division of the BVU Authority by Sunset (the "Transaction"), a portion of the CPC OptiNet is now jointly co-owned by Sunset and the Cumberland Plateau Parties (recognizing that a portion of the CPC OptiNet was funded by the EDA-VCC Grant and is owned by the VCC), the Parties now desire to establish the terms and conditions for the operation of the CPC OptiNet recognizing that certain specific conditions related to the grants utilized to construct the CPC OptiNet continue to apply to portions of the CPC OptiNet; and,

**WHEREAS**, the Parties desire to confirm the ownership of the assets comprising the CPC OptiNet both on the date of this Agreement and in the future; and,

**WHEREAS**, the Parties desire to reaffirm the goal of deploying the CPC OptiNet for job creation and economic development while beginning to connect residential customers; and,

**WHEREAS**, Sunset and the Cumberland Plateau Parties desire to replace the CPC OptiNet Agreement with this Agreement;

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

#### SECTION 1. DEFINITIONS.

"Adjustment Rate" has the meaning set forth in Section 8(b).

"Backbone" means the transmission trunk line over which signals travel from one POP to another POP, and from which Distribution lines are deployed.

"BTOP Grant" means that certain grant by the NTIA pursuant to Grant Number NT10BIX5570066 as set forth in that certain Financial Assistance Award dated July 1, 2010 for the project known as "The Southwest Virginia Middle Mile Project."

"BVU Authority" has the meaning set forth in the Recitals.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in the Commonwealth of Virginia are authorized or required by law to close.

"CFO Certification" has the meaning set forth in Section 10(A)(1).

"Code" means the Code of Virginia of 1950, as amended.

"Confidential Information" means all written and verbal proprietary or confidential communications among the Parties and all plans, documents, materials and data provided by each Party to another Party in connection with and related to the CPC OptiNet, including the existence of discussions about the improvement of the CPC OptiNet or deployment of the CPC OptiNet, from time-to-time; provided, however, Sunset shall identify which written or verbal communications are proprietary and/or confidential and which provision(s) of the Virginia Freedom of Information Act is/are applicable to such proprietary and/or confidential information upon the delivery of confidential information to the Cumberland Plateau Parties.

"CPC" has the meaning set forth in the Recitals.

"CPC Electronics" has the meaning set forth in Section 2(B)(1)(a).

"CPC Fibers" has the meaning set forth in Section 2(B)(1)(a).

"CPC OptiNet" has the meaning set forth in the Recitals.

"CPC OptiNet Agreement" has the meaning set forth in the Recitals.

"CPPDC" has the meaning set forth in the Recitals.

"Cumberland Plateau Interest" has the meaning set forth in Section 2(B)(1)(a).

"Cumberland Plateau Parties" has the meaning set forth in the Recitals.

"Cumberland Plateau Region" has the meaning set forth in the Recitals.

"Distribution" means the fiber or line which links the Backbone to neighborhoods or businesses, and over which signals travel from the Backbone to the Last Mile.

"EDA" means the United States Economic Development Administration.

### "EDA Grants" means the following:

- (i) EDA grant number 01-79-07886 issued to the BVU Authority and CPC pursuant to that certain Financial Assistance Award dated May 28, 2003 in an amount not to exceed One Million Six Hundred Fifty-Five Thousand Dollars (\$1,655,000.00) for the installation of fifty-one (51) miles of fiber optic backbone through the Virginia Counties of Russell and Tazewell, ("EDA Grant 07886");
- (ii) EDA grant number 01-01-08480 issued to the BVU Authority and CPC pursuant to that certain Financial Assistance Award dated June 20, 2007 in an amount not to exceed One Million Five Hundred Fifty Thousand Dollars (\$1,550,000.00) for the installation of forty-five (45) miles of advanced fiber optic backbone cable through the Virginia Counties of Buchanan and Dickenson ("EDA Grant 08480"); and,
- (iii) EDA grant number 01-01-08739 issued to the BVU Authority and CPC pursuant to that certain Financial Assistance Award dated September 18, 2009 in an amount not to exceed One Million Two Hundred Eighty-Seven Thousand Dollars (\$1,287,000.00) for the installation of the forty (40) mile expansion of the fiber optic backbone through the Virginia Counties of Dickenson and Russell (comprised of two sections: (1) a twenty-six (26) mile segment from St. Paul, Virginia to Fremont, Virginia and (2) a fourteen (14) mile segment from Honaker, Virginia to Raven, Virginia ("EDA Grant 08739") (collectively, EDA Grant 07886, EDA Grant 08480, and EDA Grant 08739, the "EDA Grants").

"EDA Letter" means that certain letter from Linda Cruz-Carnall to Don Bowman dated December 21, 2016 (re: Release of EDA Federal Interest in Three Grant Awards to Bristol Virginia Utilities Authority (EDA Grant Nos. 01-79-07886, 01-01-08480, and 01-01-08739) attached hereto as <a href="Exhibit A">Exhibit A</a>.

"EDA-VCC Grant" means the funds the VCC received from the EDA for the construction of a portion of the CPC OptiNet pursuant to that certain grant number 01-01-08271 of the EDA issued to VCC pursuant to that certain Financial Assistance Award dated December 20, 2005 in an amount not to exceed Three Million Dollars (\$3,000,000.00) for the installation of One Hundred Fifty-Five (155) miles of fiber optic backbone through the City of Norton, Virginia and six Southwest Virginia counties and commonly referred to as EDA grant number two.

"Effective Date" has the meaning set forth in the Preamble.

"Extraordinary Connection Request" means a new installment request that does not have a financial breakeven return on investment (i.e., taking into consideration the cost of connection as reasonably determined by Sunset) by the end of Twenty-Four (24) months or that has a capital investment requirement that is not commercially reasonable based upon market standards.

"FCC" means the United States Federal Communications Commission.

"Federal Share" means the current fair market value of real, personal or mixed property in the CPC OptiNet that is attributable to EDA's investment in the CPC OptiNet via the EDA Grants and any program income generated and reinvested from that investment, as more fully described in 13 CFR § 314.5.

"Force Majeure" has the meaning set forth in Section 24(J).

"**Grant Funds**" means funds provided by the EDA, NTIA, Tobacco Commission, and certain federal and state agencies through grants to the VCC and the Cumberland Plateau Parties.

"Gross Revenue" means the total of any and all funds from sales and services received from customers utilizing the CPC OptiNet, including receipts from customers connected to the CPC OptiNet by Sunset-owned infrastructure, less any chargebacks, rebates, cash discounts, surcharges, taxes (unrelated to local property taxes), or local, state or federal regulatory fees and charges. For the sake of clarity, Gross Revenue shall include receipts from customers of the CPC OptiNet on the portion of the CPC OptiNet from the Point of Presence located at the

intersection of Main Street and Routes 58 and 19 in the Town of Abingdon, Virginia, continuing to the Russell County, Virginia line, including the Brumley Gap area customers.

"ITC" means ITC Capital Partners, LLC, a Delaware limited liability company.

"ITC Commitment Letter" means that certain letter attached hereto as Exhibit B.

"Immediate Family" shall mean a spouse, lineal descendant, father, mother, brother, or sister, including "in-laws" and adopted children.

"Initial Rate" has the meaning set forth in Section 8(A)(1).

"Intellectual Property Rights" means worldwide common law and statutory rights associated with: (i) patents and patent applications; (ii) works of authorship, copyrights, copyright applications, copyright registrations and other rights; (iii) the protection of trade and industrial secrets and confidential information; (iv) trademarks, service marks, slogans, logos, sound marks, motion marks, trade dress, domain names, trade names, corporate names, or indicia of the same; (v) other proprietary rights relating to the rights to items (i) through (iv); and (vi) divisions, continuations, renewals, re-issuances and extensions of the rights set forth in items (i) through (v), now existing or hereafter filed, issued, or acquired.

"IPTV" means Internet Protocol television.

"IRU" has the meaning set forth in Section 2(B)(5)(c).

**"Last Mile**" means the line or other medium through which signals travel in the neighborhood or business area from the Distribution line to the end user's premises.

"**LENOWISCO**" means the LENOWISCO Planning District Commission, a planning district commission and political subdivision of the Commonwealth of Virginia organized pursuant to Section 15.2-4200 *et seq.* of the Code for the Virginia Counties of Lee Wise and Scott, and the City of Norton, Virginia.

"New Connection Commitment" has the meaning set forth in Section 4(C)(1).

"NTIA" means the National Telecommunications and Information Administration.

"NTIA Letter" means that certain letter from Arlene Simpson Porter to Cameron S. Bell dated December 29, 2016 (re: BTOP Grant Award Number: NT10BIX5570066 Bristol Virginia Utilities Authority Request to Transfer BTOP-Funded Equipment) attached hereto as Exhibit C.

"Operating Responsibilities" means all pre-grant allocation planning, including business plan evaluation and technical project architecture decisions, engineering, including preliminary engineering, procurement, including procurement for grants awarded to or administered by the Cumberland Plateau Parties, Sunset or the VCC, advertisement, signage, acquisitions, construction contracts, materials acquisition contracts, construction and construction supervision, pole attachment and fiber burying contracts and permits acquisition, equipment maintenance contracts and acquisition and construction of fiber system, including Backbone, Distribution, Last Mile, POP and equipment maintenance, and provision of all services provided over and through the system, including cable provided directly or indirectly when permitted and economically feasible and all and any other acts that are done in the creation and operation of any part of the fiber system and any services provided through said system in the Cumberland Plateau Region.

"Point of Presence" or "POP" means a location housing electronics, where signals originate and terminate, to and from Backbone lines and or Distribution lines.

"Premises" means a residence, commercial building, multi-dwelling unit, or buildable lot that can be feasibly and reasonably served by the CPC OptiNet.

"**Project**" means the construction, maintenance and provision of services over equipment and fiber paid for by any single grant or loan.

"Qualified and Documented" with respect to any potential customer of the CPC OptiNet shall mean a credit worthy potential customer who has provided written documentation of such interest by execution of a contract for service.

"Quarterly Payment" has the meaning set forth in Section 8(A)(3)(a).

"Rate" has the meaning set forth in Section 8(A)(3).

"Standard Rate" has the meaning set forth in Section 8(A)(3).

"Sunset" has the meaning set forth in the Recitals.

"Sunset EDA Interest" has the meaning set forth in Section 2(B)(3)(a).

"Sunset NTIA Assets" has the meaning set forth in Section 2(B)(3)(b).

"Sunset Services" has the meaning set forth in Section 6(A)(2).

"Term" has the meaning set forth in Section 11(A).

"Threshold Event" means the deployment by Sunset of Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000.00) of the New Connection Commitment.

**"Tobacco Commission"** means the Virginia Tobacco Region Revitalization Commission, a political subdivision of the Commonwealth of Virginia chartered by Section 3.2-3100 *et seq*.

"**Transaction**" means the purchase of the ownership interests, assets and business of the OptiNet division of the BVU Authority by Sunset.

"VCC" has the meaning set forth in the Recitals.

"VCC Assets" means fiber optic assets of the VCC that were funded by the EDA-VCC Grant.

"VCEDA" means the Virginia Coalfield Economic Development Authority.

"VTC Grants" has the meaning set forth in Section 2(B)(4)(a).

# SECTION 2. THE CPC OPTINET.

#### A. <u>CPC OptiNet Background</u>.

(1) <u>Description</u>. The CPC OptiNet is a contiguous array of broadband fiber and related electronics and support equipment, which exists in the Cumberland Plateau Region. The CPC OptiNet was constructed with Grant Funds, investments by the BVU Authority, and the reinvestment of funds from the operation of the CPC OptiNet. The CPC OptiNet is comprised of assets (a) owned outright by each of the Cumberland Plateau Parties, the VCC, and Sunset and (b) assets owned jointly by the Cumberland Plateau Parties and Sunset. For certain

assets in the CPC OptiNet, the ownership interests of the Cumberland Plateau Parties, the VCC and Sunset are subject to reversionary interests of the EDA, NTIA and Tobacco Commission.

- (2) <u>Growth and Deployment of Network</u>. Originally conceived of by the Cumberland Plateau Parties, the CPC OptiNet network has grown to become a vital telecommunications infrastructure in the Cumberland Plateau Region focused on job creation and economic development. The Cumberland Plateau Parties desire to continue the growth and deployment of the network and continue the preservation of the CPC OptiNet as a vital infrastructure resource for the Cumberland Plateau Region.
- (3) <u>Required Consents</u>. The Parties acknowledge that the EDA, NTIA, Tobacco Commission, and VCC have each consented to the Transaction and to this Agreement and that no further consents are required.
- (A) <u>NTIA Approval</u>. Pursuant to the NTIA Letter, the NTIA granted a waiver for the completion of the Transaction conditioned on the ongoing applicability of the grant requirements and conditions affecting the assets funded by the NTIA, which Sunset has agreed to accept as of the Effective Date.
- (B) <u>EDA Approval</u>. Pursuant to the EDA Letter, the EDA granted a conditional approval for the sale of the ownership interest of BVU Authority in the EDA-funded assets to Sunset, noting that EDA grant conditions continued to apply to the ownership interest in the EDA-funded assets held by the Cumberland Plateau Parties.
- (C) <u>VCC Approval</u>. As reflected in the "Consent of Virginia Coalfield Coalition" attached hereto as <u>Exhibit D</u>, the VCC granted its approval and consent to the Cumberland Plateau Parties entering this Agreement, and to Sunset assuming operational responsibilities for the VCC-owned portion of the CPC OptiNet.

#### B. Ownership Rights of the Parties.

# (1) <u>Assets of Cumberland Plateau Entities.</u>

- (a) <u>Cumberland Plateau Entities Ownership</u>. The Cumberland Plateau Parties own a joint undivided Fifty Percent (50%) ownership interest in the assets funded by the EDA Grants ("**Cumberland Plateau Interest**"), which includes Fifty Percent (50%) of: (1) the assets funded by the EDA Grants including the electronic equipment ("**CPC Electronics**"), and (2) the fiber strands funded by the EDA ("**CPC Fibers**").
- (b) <u>Grant Conditions</u>. Any conditions resulting from the receipt of Grant Funds affecting the assets of the Cumberland Plateau Parties remain as set forth in such conditions and are the responsibility of the Cumberland Plateau Parties or the VCC.

### (c) Replacement of Grant-Funded Assets.

- (1) During the operation of the CPC OptiNet, consistent with EDA guidelines and requirements, Sunset may remove electronic equipment from service and dispose of same in the normal course of business.
- (2) Sunset shall take all available reasonable and customary actions to recognize the value of such retired asset, either through resale, salvage or scrap, and at least half of any value so recovered shall be (1) reinvested in the CPC OptiNet or (2) delivered to the Cumberland Plateau Parties together with an accounting of the disposition of such asset.
- (3) Any asset purchased with funds from the disposition of a piece of equipment originally funded by Grant Funds shall be jointly owned by the Parties.

- (4) Any asset purchased solely by funds <u>not</u> including funds received from the disposition of a piece of equipment originally funded by Grant Funds shall be owned by the funding Party.
- (5) Sunset shall report quarterly to the Cumberland Plateau Parties on any such assets so removed from CPC OptiNet, including a description of the asset, its location prior to being removed from service, the reason for its removal and the amount of any recovered value, if any.

# (2) Assets of the VCC.

- (a) <u>VCC Ownership</u>. The VCC owns One Hundred Percent (100%) of the VCC Assets funded by the EDA-VCC Grant, subject to a reversionary interest in the assets held by the EDA and Tobacco Commission.
- (b) <u>Grant Conditions</u>. Any conditions resulting from the receipt of Grant Funds affecting the VCC Assets remain as set forth in such remaining grant conditions, if any, and are the responsibility of the VCC.

# (3) Assets of Sunset.

- (a) <u>Sunset EDA Interest</u>. Pursuant to the CPC OptiNet Agreement, the BVU Authority and the Cumberland Plateau Parties jointly owned an undivided Fifty Percent (50%) interest in the Backbone, Distribution, Last Mile, and any other infrastructure acquired for the CPC OptiNet with Grant Funds provided by the EDA and the Tobacco Commission. Effective as of the Effective Date, Sunset Fiber will (i) have purchased the Fifty Percent (50%) share previously owned by the BVU Authority as a result of the payment of the Federal Share to the United States Treasury during the Transaction and (ii) will own all BVU Authority CPC OptiNet asset interests (the "Sunset EDA Interest").
- (b) <u>Sunset NTIA Assets</u>. The NTIA funded a portion of the CPC OptiNet through the BTOP Grant. Sunset purchased all assets of the CPC OptiNet purchased by funds from the BTOP Grant as part of the Transaction ("Sunset NTIA Assets") pursuant to a waiver provided in the NTIA Letter and subject to the conditions set forth in the NTIA Letter; provided, however, recognizing a dispute exists between the Cumberland Plateau Parties and BVU regarding the ownership of the NTIA funded assets in the Cumberland Plateau Region, as of the Effective Date of this Agreement, Sunset shall:
- (i) deliver the Cumberland Plateau Region certain rights to such NTIA-funded fiber optic cable, as set forth below in Section 5(c);
- (ii) immediately following the closing of the Transaction, together with the Cumberland Plateau Parties, jointly petition the NTIA to recognize and approve the transfer of ownership of the NTIA funded assets described in Section 5(c) in the Cumberland Plateau Region to the Cumberland Plateau Parties;
- (iii) until the NTIA approves the transfer of the ownership of such NTIA-funded fiber to the Cumberland Plateau Parties, Sunset will adhere to any remaining grant conditions related to the NTIA-funded fiber; and,
- (iv) following such transfer, the Cumberland Plateau Parties recognize that such NTIA-funded fiber will remain subject to any remaining grant conditions, and the Cumberland Plateau Parties will adhere to the exclusivity grant to Sunset set forth in Section 3 of this Agreement;

provided, however, no NTIA-funded fiber outside the Cumberland Plateau Region will be transferred or considered part of the CPC OptiNet.

# (4) Third Party Interests in CPC OptiNet Assets.

(a) <u>Assets of the Tobacco Commission</u>. The Tobacco Commission retains an equitable reversionary interest and claw back right in certain assets of the CPC OptiNet for the useful life of the project assets based on the grants listed on <u>Schedule 1</u> (collectively, "**VTC Grants**").

# (b) Assets Funded by EDA.

(1) The EDA funded the development of certain CPC OptiNet assets through the EDA Grants. For the sake of clarity, the Parties acknowledge that the assets originally funded by the EDA Grants are now owned jointly in equal undivided Fifty Percent (50%) interests by the Cumberland Plateau Interest and the Sunset EDA Interest.

(2) The EDA retains a reversionary interest in the undivided, equal Fifty Percent (50%) of the Cumberland Plateau Interest assets for the useful life of such assets as set forth in the EDA Letter; and, as a result of the payment of the Federal Share to the United States Treasury at the consummation of the Transaction, no such EDA grant conditions apply to the Sunset EDA Interest.

(c) Assets Funded by NTIA. All NTIA grant funded assets remain subject to certain terms and conditions of the BTOP Grant as set forth on Exhibit E. Subject to the asset transfer set forth in Section 5(c) and Section 2(B)(3)(b)(ii), all NTIA grant-funded assets are owned by Sunset pursuant to the waiver issued by under the NTIA Letter.

### (5) Transfer by Sunset to Cumberland Plateau Parties.

(a) During the Transaction, Sunset discovered a dispute among the Cumberland Plateau Parties and the BVU Authority regarding the ownership of assets related to the CPC OptiNet. To resolve this dispute and confirm the ownership rights of the Cumberland Plateau Parties, effective as of the Effective Date, Sunset will deliver the Bill of Sale substantially in the form attached hereto as Exhibit F("Bill of Sale (Balance Sheet Assets)") to transfer to the Cumberland Plateau Parties a greater ownership of the fiber and equipment than that ownership interest represented by one-half of the grant funding provided by the EDA, to produce for the Cumberland Plateau Parties a continuous fiber network with a fully functioning backbone instead of a series of disconnected ownership interests of diverse and unrelated pieces of equipment not able to independently function as a contiguous network. This transfer will result in the Cumberland Plateau Parties owning assets valued at the time of original purchase by BVU Authority and recorded on the balance sheet of the entities at an original cost of Three Million Seven Hundred Seventy-Two Thousand, Three Hundred Sixty-One Dollars (\$3,772,361.00) instead of the value of Two Million Eight Hundred Fifty-Eight Thousand Seventy-Four Dollars (\$2,858,074.00), which would be the value of one-half of the EDA grant-funded assets as of the date of the original deployment. The fiber deployed with EDA grant funds totals Four Million Four Hundred Thirty-Nine Thousand Five Hundred Thirty-Nine Dollars (\$4,439,539.00) and one-half of that original cost of deployment, which represents the cost of the CPC Fibers, is Two Million Two Hundred Nineteen Thousand Seven Hundred Seventy Dollars (\$2,219,770.00). Sunset will assign to the Cumberland Plateau Parties Fifty Percent (50%) of the EDA-funded fiber deployed in Washington County totaling Two Hundred Ninety-Five Thousand One Hundred Eighty-Two Dollars (\$295,182.00), and one-half of that cost equals One Hundred Forty-Two Thousand Five Hundred Ninety-One Dollars (\$142,591.00). Total original cost of equipment and deployment assigned to the Cumberland Plateau Parties pursuant to this Section 2(B)(5) totals Three Million Seven Hundred Seventy-Two Thousand Three Hundred Sixty-One Dollars (\$3,772,361.00) or Sixty-Six Percent (66%) of the EDA investment in the network. To accomplish the asset allocation set forth in Section 2(B)(3)(b) above, Sunset hereby acknowledges ownership by the Cumberland Plateau Parties of one-half of the Eleven and Twenty-Three Hundredths (11.23) miles of fiber that extends into Washington County as part of the EDA-funded assets owned by the Cumberland Plateau Parties, totaling Two Hundred Ninety-Five Thousand One Hundred Eighty-Two Dollars (\$295,182.00), of which one-half of that cost equals One Hundred Forty-Two Thousand Five Hundred Ninety-One Dollars (\$142,591.00). All original costs referenced in this Section 2(B)(5)(a) represent the original cost recorded on the BVU Authority Balance Sheets to the best of the Parties' knowledge as of the date of the original deployment.

The Parties acknowledge that certain assets referenced in this Section 2(B)(5)(a) may be discovered to be owned by the VCC and if so discovered this Section 2(B)(5)(a) will be deemed to be adjusted accordingly.

- (b) By execution of the Bill of Sale (Infinera) substantially in the form attached hereto as Exhibit G, as of the Effective Date, Sunset will transfer any ownership rights represented by the Sunset EDA Interest it may have in the Infinera backbone equipment located in the Cumberland Plateau Region, represented by the diagram attached as Exhibit H, to the Cumberland Plateau Parties.
- (c) To reflect the jointly owned nature of the CPC OptiNet, Sunset will, as an act in the normal course of business, execute an indefeasible right of use ("IRU") for Fifty Percent (50%) of the NTIA fibers within the Counties of Dickenson, Russell, Tazewell and Buchanan to the Cumberland Plateau Parties.
- (d) For the sake of clarity, all equipment and fiber references in this Section 2(B)(5) is covered by the grant to Sunset set forth in Section 3.

# (6) <u>Ownership of Assets Purchased With Future Inve</u>stment.

- (a) <u>Sunset Ownership</u>. The Parties acknowledge going forward that Sunset may find it necessary to invest some of its own funds in capital improvements to grow the system and keep it up to date. This Agreement will not obligate Sunset to invest any of its own funds, except as set forth in Section 4(C), and to the extent that it does invest its own funds, any equipment, fiber and other capital acquired or constructed shall be the sole property of Sunset. Following the execution of this Agreement, any Backbone, Distribution, Last Mile or other infrastructure assets deployed in or for the Cumberland Plateau Region, purchased by Sunset following the execution of this Agreement, are the individual property of Sunset, and nothing herein will be construed to give any other individual or entity any ownership interest in any such assets unless specifically noted.
- (b) <u>Cumberland Plateau Ownership</u>. Following the execution of this Agreement, any Backbone, Distribution, Last Mile or other infrastructure assets deployed in or for the Cumberland Plateau Region, purchased by the Cumberland Plateau Parties following the execution of this Agreement, are the individual property of the Cumberland Plateau Parties, and nothing herein will be construed to give any other individual or entity any ownership interest in any such assets unless specifically noted.
- (c) <u>Asset Reporting</u>. Asset ownership for assets purchased pursuant to Section 2(B)(6)(a) and Section 2(B)(6)(b) shall be tracked by Sunset and reported to the Cumberland Plateau Parties on a quarterly basis with sufficient specificity to identify each asset purchased by the Cumberland Plateau Parties together with the cost and the location of such asset.
- (d) <u>Additional Grant Investments</u>. Subject to the conditions set forth in Section 7(C) of this Agreement, the Cumberland Plateau Parties and Sunset will work together to secure grants and other resources to continue to grow the CPC OptiNet, with Sunset providing technical expertise and matching funds for such applications where possible. Sunset will work with the leadership of the Cumberland Plateau Parties and the individual four counties to identify opportunities to leverage the private investment being made by Sunset to secure additional funds to increase the pace of deployment.

# SECTION 3. EXCLUSIVE GRANT TO SUNSET.

A. <u>Exclusive Grant</u>. Upon the Effective Date, the Cumberland Plateau Parties hereby grant to Sunset the exclusive right, consistent with the principle of open access as required by the NTIA Letter, to use, operate, manage, deploy, sublicense, maintain and take all other actions consistent with the management and operation of the CPC OptiNet during the term of this Agreement and any renewal thereof, subject to the NTIA open-network grant condition.

B. <u>Non-Conveyance</u>. Nothing in this Agreement shall be interpreted to convey or is intended to convey legal title in the Cumberland Plateau Interest in the CPC OptiNet or the VCC Assets to Sunset; *provided, however,* in the event either or all of the Cumberland Plateau Parties or VCC sell(s), assign(s), otherwise transfer(s) title in, or abandon(s) the Cumberland Plateau Interest in the CPC OptiNet or the VCC Assets prior to the expiration of the Term of this Agreement, Sunset's rights pursuant to Section 3(A) regarding the CPC OptiNet shall not be affected in any way whatsoever and any such sale, assignment, transfer or abandonment shall explicitly be made subject to and conditioned upon the continuation of the rights granted in Section 3(A).

#### SECTION 4. CONTINUED DEVELOPMENT OF THE CPC OPTINET

A. <u>Guidelines for Continued Deployment</u>. The Cumberland Plateau Parties and Sunset hereby acknowledge that the CPC OptiNet was intended from its inception to primarily function to attract and serve businesses, employers and other individuals and entities involved in economic development in the Cumberland Plateau Region. The Cumberland Plateau Parties and Sunset reaffirm that in the continued deployment and operation of the CPC OptiNet they will maintain a primary focus on businesses, employers and other individuals and entities involved in economic development in the Cumberland Plateau Region. In addition, and because of new capital being made available by the CPC, Sunset and the Tobacco Commission, it is the intent of the Cumberland Plateau Parties and Sunset to also start and maintain a robust program of new residential customer connection.

# B. Additional Investment in the CPC OptiNet.

- Connection Commitment described below, into the CPC OptiNet for either operation, maintenance or capital expenditures, and specifically to fund increased residential connections. Similarly, the Cumberland Plateau Parties may invest their own money in the CPC OptiNet. Such investments in the CPC OptiNet by either the Cumberland Plateau Parties or Sunset shall become a part of the CPC OptiNet that will each be owned by their individual contributor. The Parties acknowledge going forward that the Cumberland Plateau Parties and Sunset may find it necessary to invest some of their own funds in capital improvements to grow the system and keep it up to date. This Agreement will not obligate the Cumberland Plateau Parties or Sunset to so invest any of their own funds (with the exception of Sunset's New Connection Commitment made below); however, to the extent that they do invest their own funds, any equipment, fiber and other capital acquired or constructed shall become a part of the CPC OptiNet that is owned by each individual party.
- (2) From time to time, the Cumberland Plateau Parties may notify Sunset of capital funds available at the Cumberland Plateau Parties for investment in the CPC OptiNet network and Sunset shall work with the Cumberland Plateau Parties for the deployment of the capital into the network assets owned by the Cumberland Plateau Parties.

## C. <u>New Connection Commitment</u>.

- (1) As a condition to the closing of the Transaction, Sunset committed to the Tobacco Commission to invest Ten Million Dollars (\$10,000,000.00) in Southwest Virginia, and the Tobacco Commission agreed that Seven Million Dollars (\$7,000,000.00) of that commitment to be directed to new connections in the Cumberland Plateau Region (the "New Connection Commitment") and Sunset hereby agrees that the New Connection Commitment is now made directly to the Cumberland Plateau Parties with the right to enforce such New Connection Commitment as set forth in this Section 4(C). Pursuant to the ITC Commitment Letter, ITC hereby agrees that, through its affiliates or subsidiaries, it will provide the necessary financial support for Sunset Digital Holding, LLC, and/or its two operating subsidiaries Sunset Digital Communications, LLC and Sunset Fiber, LLC to meet the financial commitment set forth in this Section 4(C).
- (a) Sunset and the Cumberland Plateau Parties shall mutually agree upon the deployment plan for the New Connection Commitment, taking into consideration, with respect to residential connections, that with respect to an Extraordinary Connection Request, the Cumberland Plateau Parties may direct

Sunset to develop a plan to connect such residential customer by investing funds controlled by CPC or coordinating with local and regional funding agencies to fund the installation of such services; *provided, however,* the Cumberland Plateau Parties and Sunset shall work together in good faith to coordinate the timing of the delivery of broadband services to such residential customers in as expeditious a manner as possible.

(i) Following the execution of this Agreement, the Cumberland Plateau Parties and Sunset shall jointly promote the availability of broadband expansion within the Cumberland Plateau Region by encouraging potential customers to designate their interest in service by signing up on the Sunset website (or by utilizing other sign-up processes which may be available) to generate clusters of interest for underserved communities. The Cumberland Plateau Parties shall assist Sunset in identifying local community individuals who may be willing to serve as a catalyst for the generating interest for broadband deployment within their neighborhood or community.

(ii) Sunset will compile the potential customer data and recommend an initial deployment strategy to the Cumberland Plateau Parties within One Hundred Twenty Days (120) following execution of this Agreement.

(iii) The Parties will review the deployment strategy to balance rural underserved communities with communities closer to municipal jurisdictions in the Cumberland Plateau Region and mutually agree upon the deployment strategy taking into account Extraordinary Connection Requests.

- (b) If Qualified and Documented demand for broadband services exists within the first year following the Effective Date, Sunset shall deploy at least One Million Five Hundred Thousand Dollars (\$1,500,000.00) in the Cumberland Plateau Region for new business and residential connections; and, for each year for the Five (5) years thereafter, Sunset shall deploy One Million Dollars (\$1,000,000.00) in the Cumberland Plateau Region for new business and residential connections until the entire New Connection Commitment is expended. Sunset shall deploy the New Connection Commitment by the Seventh (7<sup>th</sup>) anniversary of this Agreement; *provided*, *however*, that any remaining balance on the New Connection Commitment shall carry over until fully deployed. The Cumberland Plateau Parties may, from time-to-time, request to meet with Sunset and review the list of commercial customer connections and review the residential area connections by neighborhood or other geographic designation.
- Each calendar year quarter, Sunset shall provide the Cumberland Plateau Parties and the Tobacco Commission a quarterly report that details, for the current calendar year, the amount of New Connection Commitment funds that have been spent, and how much remains to be spent in that calendar year, and Sunset shall report New Connection Commitment expenditures to the Cumberland Plateau Parties and the Tobacco Commission on the CFO Certification referenced in Section 10(A). Sunset shall provide to the Cumberland Plateau Parties and the Tobacco Commission all work orders and any other documentation necessary to substantiate the cost of the connection in fulfillment as set forth in Section 10(A). The Parties will work in good faith to resolve any disputes as to the proper cost of a connection made as part of a New Connection Commitment.

#### D. Residential Connections.

- (1) <u>Residential Focus</u>. Sunset shall start and maintain a robust program of new residential customer connections for the deployment of the CPC OptiNet to residential customers in the Cumberland Plateau Region based upon interest in such residential deployment and technical, construction and cost requirements and considerations, as reasonably determined by Sunset.
- (2) <u>Connected Home Advisory Council</u>. The Cumberland Plateau Parties and Sunset shall create the "CPC OptiNet Connected Home Advisory Council" comprised of Two (2) citizens from each of the Counties of Buchanan, Dickenson, Russell and Tazewell to advise the Cumberland Plateau Parties and Sunset on future deployment and to balance revenue generating neighborhoods and the Sunset "clustering" model with outlying homes in need of connectivity and to develop strategies for the connection of all homes in the Cumberland

Plateau Region. The members of the Connected Home Advisory Council shall be appointed by the Cumberland Plateau Parties and Sunset, with the Cumberland Plateau Parties and Sunset each having the right to appoint one citizen from each of the Counties of Buchanan, Dickenson, Russell and Tazewell.

### E. Business and Economic Development Connections.

- (1) <u>Economic Development Focus</u>. The Cumberland Plateau Parties and Sunset share the desire of the EDA, NTIA, and Tobacco Commission to continue to utilize the CPC OptiNet to promote economic development and job creation in the Cumberland Plateau Region and desire to work with local and regional economic development stakeholders using commercially reasonable efforts to support the following economic development strategies:
- (a) Continue to support the economic development effort of the Cumberland Plateau Parties;
- (b) Regularly meet with county IDA leadership to coordinate business and economic development focus;
- (c) Sponsor booth space to facilitate a regional presence at major trade shows pushing connected communities;
  - (d) Sponsor booth space for a regional presence at economic development events;
- (e) Support regional marketing programs, including the new regional marketing initiative of VCEDA, in advertisements, magazines, newsletters in metro areas in the United States and abroad promoting the region;
- (f) Explore "Coal to Code" or similar programs that Sunset would support at local universities and colleges and community colleges;
- (g) Deliver quarterly highlights on bandwidth to communities and their industrial parks;
- (h) Promote regional outdoor and cultural activities (e.g. Spearhead Trails, Appalachian Spring, Crooked Road, Round the Mountain and kayaking adventures around the area);
- (i) Work with local economic development officials to promote the region, such as organizing VIP tours;
- (j) Support and publicize the existing regional initiatives underway, including the Spearhead Trails, the Crooked Road, Appalachian Spring, and Round the Mountain; and,
- (k) Coordinate with the Cumberland Plateau Parties for the further deployment of the CPC OptiNet with regional tourism venues to aid in the promotion of those venues and the "user" experience for visitors to assist in the further growth of the region's new economic efforts.
- (2) <u>Cumberland Plateau Broadband Council</u>. Recognizing that the initial deployment of the CPC OptiNet focused on business and commercial customers, the Cumberland Plateau Parties and Sunset will create the "Cumberland Plateau Broadband Council" comprised of Two (2) business leaders from each of the Counties of Buchanan, Dickinson, Russell and Tazewell to monitor deployment to the business community (large and small) and work with economic development leaders to foster economic growth in the region, inviting many stakeholders to participate, including the Parties, the VCC, VCEDA, and local Industrial Development Authorities and Chambers of Commerce of each county in the Cumberland Plateau Region. The members of the Cumberland Plateau Broadband

Council shall be appointed by the Cumberland Plateau Parties and Sunset, with the Cumberland Plateau Parties and Sunset each having the right to appoint one citizen from each of the Counties of Buchanan, Dickenson, Russell and Tazewell..

### (3) <u>Connection Issues</u>.

- (A) Beginning on the Effective Date, and continuing until the full New Connection Commitment is invested, Sunset shall provide to the Cumberland Plateau Parties at the beginning of each quarter the number of commercial and residential customers who have indicated an interest in connecting to the CPC OptiNet (the "Connection List"). The Connection List shall show the date such business or individual was added to the Connection List and the number of businesses and individuals that Sunset proposes to connect during the quarter. Sunset's Cumberland Plateau Region senior designated representative shall review with representatives of the Cumberland Plateau Parties, from time-to-time, specific customer connection information so that the Cumberland Plateau Region representatives may track the status of specific pending requests for connection, including the opportunity from time-to-time to review the names and status of actual pending customer connections.
- (B) Beginning on the Effective Date, the Cumberland Plateau Parties shall provide monthly to Sunset a list of any businesses and individuals that they would like considered for connection to the CPC OptiNet. Sunset shall add those businesses and individuals to the Connection List described in the preceding paragraph within Thirty (30) days of receipt of the information from the Cumberland Plateau Parties.
- (C) If the Cumberland Plateau Parties receive a verified written complaint from a local or regional economic development official, including members of the staff and Board of Directors of the Cumberland Plateau Parties, or other local government official, that Sunset has failed to connect a potential business customer, or other potential customer having an economic development aspect, requesting broadband services, Sunset will have Thirty (30) calendar days from receipt of the complaint to develop a plan and budget for the connection of the potential business or economic development customer or to report why such connection request is not valid.
- (D) While it is anticipated that Sunset likely will make such commercial connections in the ordinary course of business, in the event Extraordinary Connection Requests are made, the Parties agree to work in good faith to resolve any economic development connection issues involving potential business or economic development customers. In the event an Extraordinary Connection Request exists, the Cumberland Plateau Parties may direct Sunset to develop a plan to connect such business customer by investing funds controlled by the Cumberland Plateau Parties or coordinating with local and regional economic development agencies to fund the installation of such services; provided, however, the Cumberland Plateau Parties and Sunset shall work together in good faith to coordinate the timing of the delivery of broadband services to such business customer in as expeditious a manner as possible.
- (E) The Cumberland Plateau Parties may request Sunset connect any individual or business listed on the Connection List; and no later than Sixty (60) days thereafter, Sunset shall (1) deliver an estimated connection date for such prospective connection within such Sixty (60) day period or (2) deliver to the Cumberland Plateau Parties a plan of connection for such potential connection, including technical and financial requirements necessary to make such connection.

## SECTION 5. REGIONAL WIRELESS NETWORK DEPLOYMENT.

To encourage the growth of the CPC OptiNet and the promotion of regional economic development initiatives, Sunset will develop a network of Wi-Fi hot spots to be deployed in major gathering places like Main Streets, high school sports facilities and recreational facilities throughout Southwest Virginia so long as such service remains a technically competitive product. Immediately following the Effective Date, Sunset shall begin work to deploy the network of Wi-Fi hot spots. Sunset's estimate is that it will deploy a network of at least Four (4) Wi-Fi hot spots in

the Cumberland Plateau Region (one per county) within the next Five (5) years. The Cumberland Plateau Parties and Sunset will work cooperatively together, and with local and regional stakeholders, to identify suitable locations for such Wi-Fi locations.

#### SECTION 6. SUNSET OBLIGATIONS AND RESPONSIBILITIES.

- A. <u>CPC OptiNet Operator Responsibilities</u>. Sunset shall be the operator of the CPC OptiNet and as such, Sunset Fiber shall:
- (1) Receive, service and resolve all requests for support, including, but not limited to, technical, billing, and sales and marketing inquiries;
- (2) Invoice, bill and undertake all collection activities (collectively, Section 6(A)(1) and Section 6(A)(2), the "Sunset Services");
- (3) Install, operate and maintain a fiber optic Backbone line as set forth in this Agreement. Sunset will continue to extend the Backbone, Distribution and Last Mile fiber systems, timed so that adequate oversight can be provided to each project by Sunset;
- (4) If and as necessary as determined by technical review and testing, Sunset shall add capacity to the Backbone so that service to existing customers, and the growth through adding new customers, is not degraded or limited by the Backbone's fiber capacity;
- (5) Obtain, from various owners of utility poles along said routes, the right to attach said fiber optic cable line to their poles and obtain railroad crossing agreements;
- (6) Provide, if necessary, electronic equipment necessary to light the CPC OptiNet fiber optic cable and any other equipment necessary to provide broadband Internet service, including data service, local exchange or voice-over IP ("VOIP") telephone and long distance telephone service, and cable television to areas in the four counties of the Cumberland Plateau Region, including the towns therein, and to charge customary and ordinary fees for said services;
- (7) Where sufficient demand and density of population make it feasible extend a fiber optic cable Distribution and Last Mile system to areas to make Distribution and Last Mile delivery systems available in the Cumberland Plateau Region, including the towns therein, where such areas are within reasonable proximity of said Backbone, with priority being given to industrial, commercial and governmental end users. Sunset has expressed and shall work in good faith towards a goal of connecting Ten Thousand (10,000) additional residential customers within the next Ten (10) years in the Cumberland Plateau Region, although the exact number of new residential connections will be dependent on multiple factors, including economics and new residential customer interest;
- (8) Make available cable or IPTV programming signals to a cable television service provider to be designated by Sunset for ordinary and customary fees within the industry, and to be franchised in each jurisdiction involved, to serve multi-channel television programming in the areas where Last Mile facilities are available, and for the same ordinary and customary fees, make telephone and data services available to end user customers who have Last Mile connections;
- (9) After installation, maintain said fiber optic cables and electronic equipment in good working order, doing those things normally necessary to operate said systems to deliver such telephone, broadband data and cable services in an efficient and business-like manner; Sunset agrees to procure and maintain appropriate insurance on the CPC OptiNet, including coverage of the electronic assets that comprise the CPC OptiNet, as well as business interruption and casualty/liability insurance that lists the "Cumberland Plateau Planning District Commission" and the "Cumberland Plateau Company, Inc." as additional insureds;

- (10) Undertake all Operating Responsibilities;
- (11) Consistent with the NTIA requirement that the CPC OptiNet be operated as an open network, honor and maintain all existing contracts held by the BVU Authority with any third parties, including wholesale customers, who operate using services provided by the CPC OptiNet, unless changes to such agreements are requested by such customers;
- (12) Operate the CPC OptiNet consistent with the requirements of the EDA Letter and NTIA Letter, as and if applicable;
- (13) Offer employment to the current BVU Authority workforce based in the Cumberland Plateau Region, who have experience working on the CPC OptiNet in the Cumberland Plateau Region;
- (14) Acknowledge that the Cumberland Plateau Parties remain subject to the terms and conditions contained in the EDA Letter;
- (15) Discharge these obligations and responsibilities in a good and workmanlike manner, and provide service to the customers of the CPC OptiNet in accordance with industry standards and in a manner that maintains a high level of satisfaction among the business and residential customers of the CPC OptiNet; and,
- (16) Provide an operations report to the Cumberland Plateau Parties on a quarterly basis which shall contain metrics to measure operational quality and customer satisfaction, and which shall be based on the metrics reported by the previous operator of the CPC OptiNet.

#### SECTION 7. CUMBERLAND PLATEAU PARTIES OBLIGATIONS AND RESPONSIBILITIES.

- A. <u>Additional Grant Funding</u>. The Cumberland Plateau Parties may from time-to-time make available funds necessary for engineering, acquisition, construction and capitalized operating costs related to the grant funded projects contemplated herein to be performed by Sunset and utilized to expand the CPC OptiNet. The source of such funds to be furnished by the Cumberland Plateau Parties will be various federal and state governmental grants and loans with potentially matching funds from local governments, the Tobacco Commission, stakeholders, or Sunset. Nothing in this Agreement shall prevent Sunset from seeking and utilizing grant funds for the development of the CPC OptiNet or from other local and regional entities from seeking and utilizing grant funds for the development of the CPC OptiNet.
- B. <u>Title to Grant Funded Assets</u>. Title to any assets which are grant funded and added to the CPC OptiNet shall be determined by such grants. To the extent possible the Parties shall attempt to have the grant funder allow the assets to be owned on an equal 50% basis by Sunset and the Cumberland Plateau Parties. Title to any funds obtained by other local and regional entities shall follow the terms and conditions of any such grant.
- C. Grant Cooperation. The Cumberland Plateau Parties and Sunset acknowledge and agree that working together to obtain additional grants to support the CPC OptiNet is in their mutual best interest. Accordingly, the Cumberland Plateau Parties and Sunset hereby agree to work together cooperatively and in good faith to identify, apply for and deploy grants that will further the mission of the CPC OptiNet. Such cooperation includes sharing all grant applications before submission. The Cumberland Plateau Parties shall not submit any grant application affecting the CPC OptiNet until Sunset has reviewed and has been able to create a business plan that establishes a reasonable basis for there being sufficient incremental income from the intended project to cover all incremental expenses for the operation of the projected fiber addition. The Cumberland Plateau Parties will obtain Sunset's written permission before using its name in any grant application, and will copy Sunset with the grant application when submitted. Sunset shall provide all pre-grant application services to any grant that a third party intends to apply for, to the extent that the grant project will add to the system in the Cumberland Plateau Region for the CPC OptiNet and shall be reimbursed if requested for reasonable expenses related to the delivery of such pre-grant application services.

- D. <u>Local Assistance</u>. The Cumberland Plateau Parties, through the members of their respective Board of Directors residing in various Counties of its area, may assist, if requested and as appropriate, Sunset in obtaining all required local franchises, licenses and permits from the various Counties and Towns in the Cumberland Plateau Region that the members of the respective Board of Directors of the Cumberland Plateau Parties agree to provide; *provided, however*, Sunset acknowledges that such members may determine a conflict of interests exists causing them to be unable to provide such assistance. The Cumberland Plateau Parties will encourage their member jurisdictions to facilitate an expedited review of all applications for permits submitted by Sunset, including requests for approvals necessary for construction, maintenance or other work within a jurisdiction's rights-of-way and easements related to access to a jurisdiction's assets or infrastructure, all in accordance with applicable regulations and ordinances and such jurisdiction's standard processes and practices generally made available to all third parties.
- E. Operating Restriction. The Cumberland Plateau Parties shall have no Operating Responsibilities of any kind, and will coordinate their grant writing efforts with Sunset to obtain basic system planning, engineering and all other operational information for said application. Sunset will have the sole right and obligation to perform all Operating Responsibilities and the Cumberland Plateau Parties will not attempt, directly or indirectly, to perform any Operating Responsibilities, whether expressly set forth herein or of like kind to the express Operating Responsibilities herein set forth. This operating restriction shall not apply to prevent the Cumberland Plateau Parties from engaging in grant administration or grant procurement for any grant that provides funds for further deployment of the CPC OptiNet. The Cumberland Plateau Parties hereby acknowledge that this Section 7(E) operating restriction provision is essential to the Agreement, and any attempt by the Cumberland Plateau Parties' employees or agents to participate in Operating Responsibilities other than is stated herein shall constitute a breach of this contract for which Sunset may terminate this Agreement, after notice to the Cumberland Plateau Parties and a reasonable period to cure. The activities of the Cumberland Plateau Parties related to participating in the development of strategies for the deployment of the network set forth in Section 4 shall not be deemed to be a violation of this Section 7(E).
- F. <u>Customer Complaints</u>. In the event the Cumberland Plateau Parties receive complaints related to deployment, operation, reliability, pricing, etc. from a customer of the CPC Optinet, the Cumberland Plateau Parties shall immediately forward such complaint to Sunset, which shall act in good faith to address the complaint and resolve same if possible, and shall regularly report to the Cumberland Plateau Parties regarding the status of each such complaint, if any.

#### SECTION 8. CUMBERLAND PLATEAU ECONOMIC DEVELOPMENT FEE.

- A. <u>Cumberland Plateau Economic Development Fee.</u> Following the Execution Date, Sunset shall pay the Cumberland Plateau Parties an annual fee ("**Cumberland Plateau Economic Development Fee**") based upon:
- (1) Ten and Twenty-One Hundredths Percent (10.21%) (the "Initial Rate") of Gross Revenue until Sunset achieves the Threshold Event; then,
- (2) Seven and Twenty-One Hundredths Percent (7.21%) of Gross Revenue (the "Adjustment Rate") until Sunset has recovered that amount of money that is the difference between the amount of Cumberland Plateau Economic Development Fee paid based upon the Initial Rate and that amount that would have been due based upon on the Standard Rate (defined below); and, following recovery of such difference; then,
- (3) Eight and Seventy-One Hundredths Percent (8.71%) (the "Standard Rate") (collectively, Initial Rate, Adjustment Rate, Standard Rate, the "Rate") of Gross Revenue during the remainder of the Term of this Agreement, each of (a) and (b) calculated in quarterly installments as follows:
- (a) Thirty (30) calendar days following the end of each calendar year quarter Sunset shall deliver to CPC an amount equal to the applicable Rate times the actual Gross Revenue for the preceding calendar year quarter ("Quarterly Payment"); and,

- (b) By March 31 of each year, Sunset shall determine the actual Cumberland Plateau Economic Development Fee for the previous year and deliver within Fifteen (15) calendar days any deficiency from the previous year's fee; *provided, however,* that in the event the previous year's fee was overpaid, Sunset shall credit such overpayment to the fee due for the next year.
- B. <u>Entire Fee</u>. The Cumberland Plateau Economic Development Fee shall be the only fee, payment, distribution or other economic payment of any type delivered to the Cumberland Plateau Parties pursuant to this Agreement. The Cumberland Plateau Parties shall be responsible for any fees, payments or distributions due to the VCC for the use of CPC OptiNet assets funded by the EDA-VCC Grant and for any Federal, state or local obligations placed upon the use of the Cumberland Plateau Economic Development Fee.

#### SECTION 9. IPTV AVAILABILITY.

- A. <u>Availability</u>. The Parties acknowledge that the status of cable television and IPTV television is currently uncertain. For so long as economically viable, Sunset will make available cable or IPTV programming signals to serve multi-channel television programming in the areas where Last Mile facilities are available, and for the same ordinary and customary fees, make telephone and data services available to end user customers who have Last Mile connections; *provided*, *however*, the Parties acknowledge that industry changes could impact the delivery such television services making such services no longer necessary or no longer viable.
- B. <u>Local And Regional Government Programming</u>. Sunset will expand the utilization of the CPC OptiNet for the promotion of community and local activities and the engagement of local citizens in the local and regional governmental activities by dedicating a television channel to community access programming of local school programs and sporting events and by, when feasible, filming regional activities for viewing online and on the regional television channel.

## SECTION 10. REPORTS.

#### A. <u>Financial Reporting</u>.

- (1) Sunset will develop a separate accounting category for the collection of Gross Revenue from the CPC OptiNet and Sunset will deliver the CFO Certification, substantially in the form attached hereto as <a href="Exhibit I">Exhibit I</a>, ("CFO Certification") certifying the following: (a) the amount of Gross Revenue from the CPC OptiNet; (b) the amount of the New Connection Commitment expended during such quarter, and the amount of the New Connection Commitment remaining to be deployed.
- (a) Sunset will deliver such CFO Certification (a) within Thirty (30) days following the end of each calendar year quarter, providing the Gross Revenue for the preceding calendar year quarter; and, (b) at the end of each calendar year, Sunset will deliver the CFO Certification of the annual Gross Revenue from the CPC OptiNet with an accompanying review by an independent auditor within Thirty (30) days following receipt of such audit.
- (b) If the Cumberland Plateau Parties dispute the calculation of Gross Revenue, the Cumberland Plateau Parties shall deliver written notice as set forth in Section 19 of such disputed calculation and the reason for such disputed calculation within Forty-Five (45) days after receipt of the CFO Certification. Each Party will use reasonable efforts to resolve a dispute within Forty-Five (45) calendar days following its receipt of the dispute notice. If the Parties are unable to resolve a dispute within such Forty-Five (45) calendar days, the Parties will engage a mediator to assist in the resolution of the dispute. If the Cumberland Plateau Parties fail to properly notify Sunset of a dispute within Forty-Five (45) days after receipt of the CFO Certification, then such right to dispute the CFO Certification is waived.

- B. <u>Annual Board Presentation</u>. Sunset will make annual presentations to the Boards of Directors of the Cumberland Plateau Parties setting forth the details of the operations of the CPC OptiNet. The prior calendar year's operation and a summary of the financials of that calendar year shall be presented at a meeting of the Boards of Directors of the Cumberland Plateau Parties on or before, but no later than, March 31 of the following year (*e.g.* the presentation for calendar year 2017 shall be due by March 31, 2018).
- C. <u>Annual CPC OptiNet Performance Review</u>. The Parties will hold an annual meeting to discuss the status of the system and invite the EDA, NTIA, and Tobacco Commission. Unless the attendees agree otherwise, the meeting will be held in Washington, D.C., and no later than March 30<sup>th</sup>. During the meeting, Sunset shall provide a comprehensive presentation of the financial, operational and customer service results of the CPC OptiNet for the most recent calendar year. Sunset shall also provide a detailed plan for further deployment of the CPC OptiNet in the current year and over the next five-year period. If agreed by the Parties, the meeting in Section 10(B) above may be combined the meeting anticipated by this subsection.
- D. <u>Financial Accounting and Reporting.</u> Sunset agrees to maintain a separate financial account for the CPC OptiNet which shall record all the financial information related to the operation of the CPC OptiNet. Sunset shall provide sufficient financial information and inspection rights to enable the Cumberland Plateau Parties to verify the amount of Gross Revenue under this Agreement.
- E. <u>Inspection Rights</u>. The Cumberland Plateau Parties shall have the right, with reasonable notice and at their own expense, to have a Certified Public Accountant inspect the financial account for the CPC OptiNet to verify the actual Gross Revenue of the CPC OptiNet. The number of such inspections shall not be limited, but the Cumberland Plateau Parties agree to exercise the right of inspection on a reasonable basis. Sunset shall work with the Cumberland Plateau Parties to produce a geolocation report utilizing Sunset's proprietary Fibertrac software or other similar software to provide reports of the Cumberland Plateau Region customer activity.
- F. <u>Annual Audit</u>. Sunset shall engage, at its expense, an independent, third-party auditor to conduct an audit of all the CPC OptiNet financial information necessary to validate performance by Sunset of the obligations of Sunset under this Agreement. The audit shall be done on a calendar year basis, unless another basis is agreed to by the Parties. Sunset shall also have prepared and deliver annually to the Cumberland Plateau Parties audited financial reports of the CPC OptiNet Division of Sunset, which financial information the Cumberland Plateau Parties shall treat as confidential under the Virginia Freedom of Information Act, if applicable.
- G. Quarterly Financial and Operating Review Meetings. Sunset and the Cumberland Plateau Parties agree to establish a schedule for regular quarterly meetings, to be held at the CPC offices in Lebanon, Virginia, between the leadership and staff of the Cumberland Plateau Parties, the VCC, and the leadership of Sunset. Representatives of the Tobacco Commission shall be notified of the meeting so they may attend if desired by them. The purpose of these meetings shall be to review and discuss items of mutual concern related to finances, operations and any other topics which impact on the health and wellbeing of the CPC OptiNet. The meetings are intended to create a mechanism by which the Parties can meet regularly, discuss matters of mutual concern, and generate a sense of goodwill and shared purpose with respect to their mutual shared interest of success for the CPC OptiNet.

#### SECTION 11. TERM, RENEWAL AND TERMINATION.

- A. <u>Term.</u> The term of this Agreement shall begin on the Effective Date and shall end at midnight on December 31, 2042 ("**Term**"), if not terminated before such date.
- B. <u>Optional Term Extension</u>. If the Cumberland Plateau Parties are not in default under this Agreement, they shall have the automatic right to renew this Agreement for Two (2) consecutive Five (5) year terms. If Sunset is not in default under this Agreement, it shall have the automatic right to renew this Agreement for Two (2) consecutive Five (5) year terms.
  - C. <u>Termination</u>. This Agreement may be terminated as follows:

- (1) Either Party may terminate this Agreement upon the other Party's insolvency, dissolution, bankruptcy or cessation of business operations.
- (2) Either Party may, upon written notice, terminate this Agreement for the other Party's failure to make a payment due hereunder, if such failure remains uncorrected for Thirty (30) calendar days following written notice that payment has not been received as provided in this Agreement.
- (3) In the event of a breach of any material term or condition in this Agreement by a Party, the other Party may terminate this Agreement upon Ninety (90) days' written notice, if the breaching Party fails to cure the breach during such Ninety (90) day period. A breach that cannot be reasonably cured within a Ninety (90) day period may be addressed by a written waiver of this Section 11(C)(3) signed by the Parties or by immediate termination by the non-breaching Party. In the event a breach that cannot be reasonably cured within such Ninety (90) day period results from a technically related issue, Sunset shall present a plan for the correction of such issue and a schedule for addressing such issue. Payments pursuant to this Agreement requiring one Party to compensate the other shall not be excused by notice of intent to terminate the Agreement for an alleged breach. However, at the payer Party's option, payment due may be placed in escrow during the Ninety (90) days while the alleged breach may be cured and may remain in escrow pending resolution of the alleged breach.
- D. <u>Effect of Termination</u>. Upon any material breach of this Agreement by a Party, which is not cured after expiration of all applicable notice and cure periods, the offended Party may, at its sole option, do any or all of the following:
  - (1) Suspend payments, without penalty;
  - (2) Terminate this Agreement;
- (3) Collect any shortfall amounts for the remaining portion of the Term or any applicable renewal term of the Agreement; and,
- (4) Pursue mediation of the dispute to be held within Thirty (30) days of the declaration of a dispute and the passage of any cure period related to such alleged breach; *provided*, *however*, that in the event the Parties are unable to resolve the dispute through mediation, a Party may then pursue any other legal or equitable remedy or relief as may be appropriate.

## E. <u>Obligations Upon Termination</u>.

- Upon termination of this Agreement before the end of the useful life of any asset owned by the Cumberland Plateau Parties, for any reason above or at the end of the initial term or any applicable renewal term under this Agreement, Sunset will identify the remaining assets of the Cumberland Plateau Parties then in operation, if any, and shall transfer control to such assets back to the Cumberland Plateau Parties by terminating the grant under Section 3 with respect to such assets. The IRU described in Section 2(B)(5)(c) shall become effective, if in existence because the transfer contemplated by Section 2(B)(3)(b)(ii) has not occurred. The Cumberland Plateau Parties shall be obligated, if desired, to secure such services, connections and equipment at their own expense. If the Cumberland Plateau Parties and Sunset so desire, Sunset will enter a support agreement to enable the CPC OptiNet to continue operating following such separation; provided, however, the Cumberland Plateau Parties will be responsible for all third-party costs related to the operation of their network.
- (2) The Cumberland Plateau Parties and Sunset agree that they will act cooperatively and in good faith either to (A) renegotiate a new operating agreement for the CPC OptiNet with Sunset continuing as the operator, or (B) Sunset shall act cooperatively and in good faith to maintain and operate the CPC OptiNet in a good and workmanlike fashion consistent with all terms of this Agreement during the period that the Operator

Responsibilities are being transferred to a new operator. Sunset shall continue to pay the Cumberland Plateau Parties pursuant to the terms of this Agreement, including payments due hereunder.

- (3) Sunset shall execute and deliver to the Cumberland Plateau Parties the IRU referenced in Section 2(B)(5)(c), if in existence because the transfer contemplated by Section 2(B)(3)(b)(ii) has not occurred.
  - F. Immediate Transfer Fee. Given the disruption and expense caused to the Cumberland Plateau Parties due to the BVU Authority's exercise of its right of assignment, the Parties agree that if Sunset assigns this Agreement or its rights under this Agreement within Five (5) years from the Effective Date, except as contemplated by Section 13(A)(5), Sunset shall pay the Cumberland Plateau Parties Two Million Dollars (\$2,000,000.00) to compensate the Cumberland Plateau Parties for the time, expense and opportunity costs associated with the assignment process.

#### SECTION 12. OPERATOR PERFORMANCE

## A. <u>CPC OptiNet Network Goals</u>.

- (1) CPC OptiNet Network Vision. Together the Parties will work in good faith to continue the utilization of the network as a tool for economic development and job creation while working to expand the residential connections on the network.
- (2) CPC OptiNet Network Deployment. Sunset acknowledges that the delivery of reliable, high-quality service at reasonable rates through the CPC OptiNet, both to business and residential customers, remains a very high priority for the Cumberland Plateau Parties. The Cumberland Plateau Parties acknowledge that under this Agreement Sunset will be delivering these services in rural areas that contain communities or individual connections that may be remote and located in difficult terrain.
- (3) CPC OptiNet Demand. The Parties acknowledge the extraordinary existing demand for broadband throughout the Cumberland Plateau Region. Following the execution of this Agreement, the Parties anticipate a significant amount of inquiries from potential customers desiring to be connected to the network. The Cumberland Plateau Parties will direct all interested parties to register their interest on Sunset's website to enable Sunset to incorporate their interest in the Sunset tracking system. Together the Parties will work with the Connected Home Advisory Council set forth in Section 4(D) of this Agreement and the Cumberland Plateau Business Broadband Council set forth in Section 4(E) of this Agreement to address future connection issues. Sunset will track and report network connections issues separate from existing customer customer-service issues.
- B. Operator Standards and Customer Service. Sunset shall strive to operate a rural best-in-class, carrier-class, fiber optic network that delivers industry-leading uptime to customers of varying service levels and to deliver those services consistent with the individual customer service level agreement executed by the customers of the CPC OptiNet network from time-to-time, recognizing that commercial customers and residential customers will likely have different agreed upon response times for outages and connections. Sunset will work to establish and maintain a robust and redundant network and Twenty-Four (24) hour customer support, and ensure that the CPC OptiNet customers rarely experience a material service interruption that is not caused by a *Force Majeure* event. Sunset will continue to operate a call center for the Cumberland Plateau Region on a Twenty-Four (24) hour-a-day, Three Hundred Sixty-Five (365) day-a-year basis, seeking to maintain the ability for a CPC OptiNet customer to speak to a customer service representative or receive a response to email inquiries in a timely manner. The foregoing are referred to as the "Performance Standards". Sunset shall deliver to the Cumberland Plateau Parties a quarterly report on operational quality and customer satisfaction.

## C. <u>Resolution of Performance Issues</u>.

(1) Performance Improvement Demand.

- (a) <u>Performance Notice</u>. In the event that (1) the Cumberland Plateau Parties believe significant and identifiable ongoing unresolved concerns exist about Sunset meeting the Performance Standards, and (2) informal attempts to resolve the issues have failed, the Cumberland Plateau Parties will notify Sunset in writing of the concerns of the Cumberland Plateau Parties ("Performance Notice") and provide Thirty (30) days for Sunset to deliver a written report regarding the concerns raised by the Cumberland Plateau Parties, including, if requested by the Cumberland Plateau Parties, a plan of resolution ("Performance Resolution Report") for the issues raised by the Cumberland Plateau Parties in such written notice, recognizing that resolution of such issues could require the cooperation of third parties outside the control of Sunset, and the Parties further recognize that Sunset cannot be held responsible for performance issues outside of its control.
- (b) Content of Performance Notice. The Parties agree that a Performance Notice is not intended to address day-to-day concerns of individual customers, such as a network performance issues related to individual website performance, individual customer equipment performance affected by computer virus issues discovered by Sunset's monitoring and diagnosis. The Parties acknowledge that a Performance Notice is intended to address significant, systemic issues not occurring because of the unique nature of the rural landscape in which the network exists (such as a prolonged interruption of service due to severe weather and remote customer locations), but existing because of Sunset's lack of performance in the operation and maintenance of the CPC OptiNet Network.
- (c) <u>Extraordinary Situations</u>. The Parties acknowledge that the Performance Notice process shall only be used for extraordinary situations or for concerns believed by the Cumberland Plateau Parties to constitute long-term and systemic problems.

### (2) Performance Resolution Meeting.

- (a) <u>Report Review Meeting</u>. At the written request (which shall contain the specific issues to be discussed) of the Cumberland Plateau Parties, the Parties shall meet within Fourteen (14) days following receipt of the Performance Resolution Report.
- (b) Expanded Performance Review. In the event the Cumberland Plateau Parties are unsatisfied with the Performance Resolution Report produced by Sunset, the Cumberland Plateau Parties may demand a meeting between Sunset, the Cumberland Plateau Parties and the Executive Director of the Tobacco Commission to discuss the concerns of the Cumberland Plateau Parties, with the Executive Director of the Tobacco Commission serving as a mediator, to determine an agreed upon resolution of the issues. If any of the assets of the CPC OptiNet Network remain subject to conditions of any federal or state granting agencies, the Parties shall invite representatives of such agencies to attend any meeting called under this Section 12(C)(2)(b). The Executive Director of the Tobacco Commission shall review the performance issues, including the causes of such issues, and structure a resolution of the issues.
- Performance Standards, including the causes of such issues, and structure a resolution of such issues shall be the process set forth in this Section 12; provided, however, Sunset hereby acknowledges that this Section 12(B) ("Operator Standards and Customer Service") is essential to the Agreement and failure by Sunset, after delivery of the Performance Notice and completion of the process set forth in Section 12(C)(1) and Section 12(C)(2), if such issues described in the Performance Notice persist and if such issues are the direct fault of Sunset, then, because determining the exact amount of damages caused by such breach would be difficult, the Parties agree, that following written notice from the Cumberland Plateau Parties that a persistent performance issue remains, the Cumberland Plateau Parties shall be entitled to liquidated damages until such issues are resolved in an amount equal to the daily amount paid by such customer(s), unless Sunset refunds or credits such amount directly to the customer(s).
- (4) <u>Transition Period</u>. The Parties acknowledge that following the execution of this Agreement, the CPC OptiNet will undergo a significant transition with the closing of the Transaction that could

potentially last up to a year, and minor disruptions or delays outside the normal course of business may occur as a result of such transition.

## SECTION 13. OPERATOR TRANSITION

- A. <u>Assignment</u>. Either Sunset or the Cumberland Plateau Parties may assign their rights under this Agreement to a third party pursuant to the provisions of this Section 13.
- (1) <u>Notification</u>. A party potentially assigning its rights under this Agreement (the "<u>Assignor</u>") shall deliver written notification to the other party within five (5) days of the execution of a letter of intent or other preliminary agreement document that could lead to such an assignment so that the non-assigning party is aware of a potential assignment of the Assignor's rights. All information delivered shall be subject to the confidentiality provisions set forth below.

### (2) Basic Requirements of Assignment.

- (a) If Sunset wishes to assign its rights under this Agreement, the assignee must at a minimum have the experience, infrastructure and financial resources sufficient to properly operate and maintain the CPC OptiNet. If such assignment contemplates that the managerial, technical and operational infrastructure of Sunset shall remain in place following such assignment, the assignee shall be deemed to have met this minimum requirement.
- (b) If the Cumberland Plateau Parties desire to assign their rights under this Agreement, the assignee must at a minimum be able to legally hold title to the assets of the CPC OptiNet network, perform the responsibilities of the Cumberland Plateau Parties under this Agreement, and acknowledge in writing the exclusivity of the Operating Responsibilities of Sunset under this Agreement.
- (3) <u>Meeting of the Parties</u>. At the request of the non-assigning party, the Assignor shall meet with the non-assigning party to review the proposed assignment of rights under this Agreement.
- (4) <u>Third Party Consents</u>. The Parties acknowledge that any assignment of rights under this Agreement may be subject to approval by the EDA, the NTIA, the Tobacco Commission, or other public fund granting agency.
- (5) <u>Change of Control; Affiliate Assignment</u>. Notwithstanding any provision of this Section 13 to the contrary, Sunset shall have the absolute right, without the consent of any Party, to assign or otherwise transfer this Agreement in its entirety as follows:
- (a) to any of its affiliates; *provided*, *however*, that all such rights, obligations and performance hereunder shall revert to Sunset automatically and immediately at such, if any, time as such affiliated person or entity ceases to be an affiliate of Sunset, and, *provided further*, that Sunset shall remain responsible for all acts and omissions of such affiliate in the performance of this Agreement;
- (b) to any third party in connection with any merger, consolidation or reorganization involving Sunset (regardless of whether Sunset is a surviving or disappearing entity), or a sale of all or substantially all of Sunset's business or assets relating to this Agreement to an unaffiliated third party of good financial standing; or
- (c) by any owner of Sunset, to (i) a member of such owner's Immediate Family; (ii) any trust, the sole beneficiaries of which are members of such owner's Immediate Family; or iii) any entity the sole owners of which are members of such Sunset owner's Immediate Family.
  - (d) Notwithstanding anything to the contrary contained in this Agreement, Sunset

shall have the absolute right, without the consent of any Party, to undergo a direct or indirect change of control by any available means, including by issuing equity interests and/or issuing debt (including any security interest or collateralization of the debt) by Sunset, in its sole discretion.

- (6) <u>Successors</u>. This Agreement is binding on and inures to the benefit of the Parties hereto and their respective permitted successors and assigns.
- (7) <u>Waiver of Right of Approval Fee</u>. As an acknowledgement of the permanent loss of the right of approval contained in the CPC OptiNet Agreement, upon the first occurrence of an assignment of the nature contemplated in Section 13(A)(5)(b), Sunset shall pay CPC a fee of One Million Dollars (\$1,000,000.00). No Waiver of Right Approval Fee under this section shall be due or payable if Section 13(A)(5)(b) is triggered by debt financing by Sunset.
- B. <u>Confidentiality</u>. In addition to any covenants related to confidentiality contained or referenced in this Agreement, with respect to this Section 13 and information that may be disclosed be either party, the Parties agree as follows:
- (1) <u>Purpose of Disclosure</u>. The Parties agree that the sole purpose for the disclosure of the Confidential Information by a Party is or shall be to enable the Party receiving the Confidential Information to evaluate the Party's responsibilities and obligations under this Agreement ("**Purpose**"). Confidential Information may not be disclosed by a Party to any person other than its members of the Boards of Directors, employees, attorneys, agents, or such other Parties who have a need-to-know status; *provided*, *however*, that all such Parties have agreed to treat the information as Confidential Information consistent with this requirement.
- (2) <u>Non-Confidential</u>. The requirements of confidentiality shall not apply to the following information: (a) information known to a Party at the time of disclosure and not obtained under a confidential relationship; (b) information learned by a Party from a third party lawfully holding same and not disclosing the information in violation of an obligation of confidentiality; (c) information that subsequently becomes generally known other than as the result of wrongful disclosure; and (d) information required to be disclosed publicly by law or regulation to the extent so disclosed, but only after prior written notice to disclosing Party of such requirement prior to such disclosure.
- kind related to an assignment or other transfer of a party's rights under this Agreement furnished by Company or any of its officers, employees, agents or representatives to recipient, in whatever form, tangible or intangible, whether orally or in writing, shall be "Confidential Information" governed by this Agreement. Any documents or other tangible information containing Confidential Information shall be marked as "Confidential Information" by the discloser before providing same to recipient or otherwise identified as Confidential Information by the disclosure in writing at the time of transmittal to recipient. Information disclosed to other private sources (such as financing institutions) shall be deemed nonpublic information. Confidential Information includes but is not limited to nonpublic information about: (a) discloser's assignment plans and related information; (b) all discussions, negotiations, proposals and agreements between discloser and recipient, whether or not executed; (c) third-party information held by the discloser in confidence; and (f) any information embodying or developed in whole or in part on any of the foregoing.
- (4) <u>Confidential Preservation</u>. Recipient shall take measures at least as stringent as the measures it takes to preserve its own proprietary information, and in no event less than reasonable measures, to safeguard the Confidential Information against unauthorized use or disclosure.
- (5) <u>Non-Disclosures</u>. Recipient shall hold in confidence all Confidential Information. Recipient shall not use the Confidential Information, in whole or in part, directly or indirectly for any use or purpose except for the Purpose defined above (or any other purposes as expressly authorized in writing by an officer of Company). The Recipient shall (a) restrict disclosure of the Confidential Information to those Grantors, counsel, Consultants,

directors, officers and employees of Recipient who are directly responsible for the Recipient's fulfillment of the Purpose and who have signed a copy of this Agreement; (b) disclose the Confidential Information only to the extent it is strictly necessary for those Grantors, counsel, Consultants, directors, officers and employees to perform such duties for the Recipient; and (c) disclose confidential information to the representatives of the Grantors only to the extent necessary to fulfill the Purpose of the disclosure.

- (6) <u>Survival</u>. The obligations of confidentiality and non-use regarding the Confidential Information shall survive this Agreement without limitation in duration for a period of Five (5) years following the termination of this Agreement.
- (7) Equitable Relief. Recipient acknowledges that the restrictions contained in this Agreement are, in view of the nature of the business of discloser, reasonable and necessary to protect the legitimate interests of the discloser, and that any violation of any provisions of this Agreement will likely result in irreparable injury to the discloser. Recipient acknowledges that the discloser shall be entitled to temporary and permanent injunctive relief and to other equitable relief including, without limitation, an equitable accounting of all earnings, profits and other benefits or uses, advances or developments arising from any such violation, which rights shall be cumulative of and in addition to any other rights or remedies to which the discloser may be entitled. The discloser will not be required to place a bond to enforce its rights hereunder.
- (8) <u>Conflict</u>. In the event of a conflict between the terms of this Section 13 and any other confidentiality agreement between the Parties, this provision shall control unless in such other agreement the Parties specifically identify this Section 13 and alter provisions contained herein.

#### SECTION 14. TAXES AND ASSESSMENTS.

Sunset shall remit to the appropriate authorities, when due, any federal, state and local sales, use, excise, utility, gross revenue, privilege, income (if not exempt), or other similar taxes and regulatory fees and assessments which might be duly imposed upon the CPC OptiNet. Such federal, state and local sales, use, excise, utility, gross revenue, privilege, income (if not exempt), or other similar taxes and regulatory fees and assessments remitted by Sunset to the appropriate authorities shall not be deducted from the calculation of Gross Revenue; *provided, however*, the Cumberland Plateau Parties acknowledge that they are responsible for the taxes, if any, on the CPC OptiNet assets owned by the Cumberland Plateau Parties.

#### SECTION 15. COMPLIANCE WITH LAWS.

During the Term, the Parties shall comply with all federal, state, and local laws and regulations applicable to this Agreement and to their respective businesses. Further, each Party shall obtain, file and maintain any tariffs, permits, certifications, authorizations, licenses or similar documentation as may be required by the FCC, Virginia's State Corporation Commission, or any other governmental body or agency having competent jurisdiction over its business. The Parties will cooperative in arranging such compliance.

#### SECTION 16. REPRESENTATIONS AND WARRANTIES.

- A. <u>Sunset Representations and Warranties</u>. Sunset represents and warrants to the other Parties that the statements below are true and correct as of the Effective Date:
- (1) <u>Organization of Sunset</u>. Sunset is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia. Sunset is qualified to do business and is in good standing in each jurisdiction in which it is required to be as a result of the transactions contemplated by this Agreement.
- (2) <u>Authority of Sunset</u>. Sunset has full corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby. The execution and delivery by Sunset of this Agreement, the performance by Sunset of its

obligations hereunder and thereunder and the consummation by Sunset of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Sunset. This Agreement has been duly executed and delivered by Sunset, and (assuming due authorization, execution and delivery by the Cumberland Plateau Parties) this Agreement constitutes a legal, valid and binding obligation of Sunset enforceable against Sunset in accordance with its terms.

- (3) No Conflicts; Consents. The execution, delivery and performance by Sunset of this Agreement, and the consummation of the transactions contemplated hereby, does not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, bylaws or other organizational documents of Sunset; (b) conflict with or result in a violation or breach of any provision of any law or governmental order applicable to Sunset; or (c) require the consent, notice or other action by any person under any Contract to which Sunset is a party or result in a breach of any such Contract. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any governmental authority is required by or with respect to Sunset about the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.
- B. <u>CPPDC Representations and Warranties</u>. CPPDC represents and warrants to the other Parties that the statements below are true and correct as of the Effective Date:
- (1) Organization and Qualification. CPPDC is a political subdivision of the Commonwealth of Virginia duly organized pursuant to Section 15.2-4200 *et seq.* of the Code and validly existing under the laws of the Commonwealth of Virginia. CPPDC has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as currently conducted.
- Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by CPPDC of this Agreement, the performance by CPPDC of its obligations hereunder and thereunder and the consummation by CPPDC of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of CPPDC. This Agreement has been duly executed and delivered by CPPDC, and (assuming due authorization, execution and delivery by Sunset) this Agreement constitutes a legal, valid and binding obligation of CPPDC enforceable against CPPDC in accordance with its terms.
- (3) No Conflicts; Consents. The execution, delivery and performance by CPPDC of this Agreement, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of CPPDC or (b) conflict with or result in a violation or breach of any provision of any law applicable to CPPDC or the assets of the Cumberland Plateau Parties or require the consent, notice or other action by any person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any Party the right to accelerate, terminate, modify or cancel any contract, permit, license, franchise or grant of public funds to which CPPDC is a party or by which CPPDC or the CPC OptiNet is bound or to which any of the assets of the Cumberland Plateau Parties are subject. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any governmental authority is required by or with respect to CPPDC about the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.
- C. <u>CPC Representations and Warranties</u>. CPC represents and warrants to the other Parties that the statements below are true and correct as of the Effective Date:
- (1) <u>Organization and Qualification</u>. CPC is a nonstock corporation duly organized and validly existing under the laws of the Commonwealth of Virginia and has full corporate power and authority to own, operate

or lease the properties and assets now owned, operated or leased by it and to carry on the Business as currently conducted.

- (2) <u>Authority of the CPC</u>. CPC has full corporate power and authority to enter this Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by CPC of this Agreement, the performance by CPC of its obligations hereunder and the consummation by CPC of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of CPC. This Agreement has been duly executed and delivered by CPC, and (assuming due authorization, execution and delivery by Sunset) this Agreement constitutes a legal, valid and binding obligation of CPC enforceable against CPC in accordance with its terms.
- (3) No Conflicts; Consents. The execution, delivery and performance by CPC of this Agreement, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of CPC; or (b) conflict with or result in a violation or breach of any provision of any law applicable to CPC or the assets of the Cumberland Plateau Parties. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any governmental authority is required by or with respect to CPC in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

#### SECTION 17. INTELLECTUAL PROPERTY RIGHTS.

Sunset shall be the owner of and will remain the owner of all Intellectual Property Rights created, conceived, prepared, made, discovered or produced with respect to the CPC OptiNet.

#### SECTION 18. INDEMNIFICATION.

- A. Each Party shall defend, indemnify and hold harmless the other Parties and their affiliates, directors, officers, shareholders, employees, representatives and agents from any and all claims, taxes, penalties, interest, expenses, damages, lawsuits, actions, demands or other liabilities (including without limitation, reasonable attorneys' fees and court costs) relating to or arising out of one or more of the following:
  - (1) Any breach of any covenant or obligation of such Party contained in this Agreement;
  - (2) Any violation of criminal law;
- (3) Any act or omission committed by Sunset in the discharge of its Operating Responsibilities which gives rise to a complaint, claim, demand, lawsuit or arbitration against one or both of the Cumberland Plateau Parties, and/or which results in a finding of damages against one or both of the Cumberland Plateau Parties;
  - (4) Any grossly negligent act of such Party; or,
- (5) Any claims that may be asserted by the EDA, NTIA, or Tobacco Commission resulting from actions or inactions of such Party.
- B. <u>Operator Indemnity</u>. Sunset hereby agrees to indemnify and hold harmless the Cumberland Plateau Parties, the VCC, and the Tobacco Commission (collectively, the "Indemnified Group"), their respective officers, directors and employees, for any and all claims or causes of action asserted against a member of the Indemnified Group or damages awarded against a member of the Indemnified Group arising out of Sunset's discharge of the Operating Responsibilities.

#### SECTION 19. NOTICES.

Whenever any notice or other communication or any other item is permitted or required to be given or delivered pursuant to this Agreement, such notice must be given in writing and will be deemed to have been delivered upon occurrence of any of the following:

- (1) When received, if hand delivered in person directly to the intended recipient (including by commercial delivery service);
- (2) Three (3) days after being mailed, postage prepaid, by certified mail, return receipt requested;
- (3) Two (2) days after being sent by a nationally recognized overnight courier such as FedEx; or,
  - (4) When sent by facsimile or email, and a confirmation of delivery is received by the sender.

Such notice must be addressed, or faxed, as the case may be, as follows:

### If to CPC:

Cumberland Plateau Company, Inc. Post Office Box 548 Lebanon, Virginia 24266 Attention: Executive Director

#### With a copy to:

Hunton Andrews Kurth LLP Riverfront Plaza, East Tower 951 East Byrd Street Richmond, Virginia 23219 Attention: Lonnie Nunley, Esq. Email: cnunley@hunton.com

### If to CPPDC:

Cumberland Plateau Planning District Commission Post Office Box 548 Lebanon, Virginia 24266 Attention: Executive Director

### With a copy to:

Hunton Andrews Kurth LLP Riverfront Plaza, East Tower 951 East Byrd Street Richmond, Virginia 23219 Attention: Lonnie Nunley, Esq. Email: cnunley@hunton.com

## If to Sunset:

Sunset Fiber, LLC 1791 O.G. Skinner Drive, West Point, Georgia 31833 E-mail: cwachter@itcholding.com

With a copy to:

Maynard, Cooper & Gale, P.C. 655 Gallatin Street SW Huntsville, Alabama 35801 E-mail: mjohnson@maynardcooper.com

#### SECTION 20. CONFIDENTIAL INFORMATION.

- A. Virginia Freedom of Information Act. Notwithstanding the foregoing, the Parties acknowledge that the Cumberland Plateau Parties and the Tobacco Commission are subject to the Virginia Freedom of Information Act and that certain Confidential Information may be required by law to be disclosed to comply with the provisions of the Virginia Freedom of Information Act; however, until required or compelled to make such a disclosure, the Cumberland Plateau Parties and the Tobacco Commission shall treat information from Sunset marked "CONFIDENTIAL" as confidential under the Virginia Freedom of Information Act. The Cumberland Plateau Parties and the Tobacco Commission agree to promptly, and in no event less than Twenty-Four (24) hours after receipt, notify Sunset of any inquiry, demand or request that may be disclosed pursuant to the Virginia Freedom of Information Act requiring a disclosure of Confidential Information of Sunset. Prior to any such disclosure the Cumberland Plateau Parties and the Tobacco Commission will provide Sunset a reasonable opportunity to attempt to secure confidential treatment of any such Confidential Information. Likewise, in the event Sunset receives a demand or court action requiring the release of Confidential Information of the Cumberland Plateau Parties or the Tobacco Commission, Sunset will promptly, and in no event less than Twenty-Four (24) hours after receipt, notify the Cumberland Plateau Parties and the Tobacco Commission, as the case may be, of such request or demand. The Parties agree that Sunset may review certain information with the Cumberland Plateau Parties that Sunset retains in its possession.
- B. Other Agreements. The confidentiality agreement stated in this Section 20 is in addition to any confidentiality agreement signed by the Parties, if any, and in addition the provisions of Section 13(B), and, in the event of a conflict between this Section 20 and such separate confidentiality agreement, the provisions of the separate confidentiality agreement shall control, and, in the event of a conflict between the provisions of this Section 20 and Section 13(B), the provisions of Section 13(B) shall control.

#### SECTION 21. FORCED DIVESTITURE.

- A. <u>Cumberland Plateau Parties</u>. In the event the Cumberland Plateau Parties should be compelled to divest their ownership to avoid forfeiture of rights to provide services as contemplated by this Agreement, due to provisions of law, such as Section 56-484.7:4 of the Code, or for any other reason the Cumberland Plateau Parties become unable to provide services as contemplated by this Agreement, then, in any such event, Sunset shall have the option to acquire all of the Cumberland Plateau Parties' ownership of the infrastructure within the CPC OptiNet, including, without limitation, all cable and electronics, subject to the following: (i) the transfer must be approved by the EDA, NTIA and Tobacco Commission, if those grant conditions are still applicable, and (ii) the transfer price of the Cumberland Plateau Parties' interests to be divested must be reasonable compensation which would reflect its ownership rights, depreciation and the assets' worth at the time.
- B. <u>Sunset</u>. In the event that Sunset should be compelled to divest its ownership interest in the CPC OptiNet to avoid forfeiture of rights to provide services as contemplated by this Agreement, due to provisions of law, such as Section 56-484.7:4 of the Code, or for any other reason Sunset becomes unable to provide services as contemplated by this Agreement, then, in any such event, the Cumberland Plateau Parties shall have the option to acquire all of Sunset's ownership of the infrastructure within the CPC OptiNet, including, without limitation, all cable and electronics, subject to the following: (i) the transfer must be approved by the EDA, NTIA, and Tobacco Commission, if those grant conditions are still applicable, and (ii) the transfer price of Sunset's interests to be

divested must be reasonable compensation which would reflect its ownership rights, depreciation and the assets' worth at the time, and the value of the CPC OptiNet business enterprise.

#### SECTION 22. DISCLAIMER AND LIMITATION OF WARRANTIES.

- A. <u>DISCLAIMER OF WARRANTIES</u>. EXCEPT AS SET FORTH HEREIN, EACH PARTY EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, IN RELATION TO THE CPC OPTINET OR THE SUNSET SERVICES. SUNSET MAKES NO WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR USE AND NON-INFRINGEMENT RELATED TO THE CPC OPTINET, THE CURRENT SERVICES, SUNSET SERVICES OR THIS AGREEMENT.
- LIMITATIONS OF LIABILITY. EXCEPT FOR ANY UNAUTHORIZED USE OR DISCLOSURE OF SUNSET'S INTELLECTUAL PROPERTY RIGHTS, OR A PARTY'S BREACH OF CONFIDENTIALITY OBLIGATIONS HEREUNDER, IN NO EVENT WILL ANY PARTY BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL. RELIANCE. OR PUNITIVE DAMAGES OF ANY KIND OR NATURE WHATSOEVER. INCLUDING BUT NOT LIMITED TO ANY LOST PROFITS, LOST REVENUES, LOST SAVINGS, OR HARM TO BUSINESS, AND EXCEPT AS SET FORTH AT THE BEGINNING OF THIS SECTION, EACH PARTY HEREBY RELEASES THE OTHER PARTY, ITS SUBSIDIARIES, PARENT COMPANIES AND AFFILIATES, AND THEIR RESPECTIVE TRUSTEES, OFFICERS, DIRECTORS, MANAGERS, COUNCIL MEMBERS, EMPLOYEES, AND AGENTS, FROM ANY SUCH CLAIM FOR SUCH TYPES OF DAMAGES. EXCEPT FOR ANY BREACH OF SUNSET'S INTELLECTUAL PROPERTY RIGHTS, OR A PARTY'S CONFIDENTIALITY OBLIGATIONS HEREUNDER, IN NO EVENT SHALL THE AGGREGATE LIABILITY OF ANY PARTY FOR ANY BREACH OF THIS AGREEMENT EXCEED TWO MILLION DOLLARS \$2,000,000.00; PROVIDED, HOWEVER, THIS LIMIT OF LIABILITY SHALL NOT AFFECT THE ACTUAL FINANCIAL PAYMENT DUE TO THE CUMBERLAND PLATEAU PARTIES NOR THE DAMAGES OBTAINABLE BY SUNSET AGAINST THE CUMBERLAND PLATEAU PARTIES FOR A BREACH OF THIS AGREEMENT. IN PARTICULAR, WITH RESPECT TO CONSTRUCTION, SUNSET'S ENTIRE LIABILITY FOR ANY DAMAGE CAUSED TO THE PARTIES BY ANY CONSTRUCTION WORK PERFORMED BY OR FOR SUNSET WILL BE LIMITED TO THE COST OF REPAIRING PHYSICAL PROPERTY DAMAGE THAT OCCURS AT THE SITE OF CONSTRUCTION. THE LIMITATION OF LIABILITY SET FORTH IN THIS SECTION 22 IS A FUNDAMENTAL BASIS OF THIS AGREEMENT; AND EACH PARTY UNDERSTANDS AND AGREES THAT THE OTHER WOULD NOT HAVE ENTERED INTO THIS AGREEMENT WITHOUT THIS LIMITATION OF LIABILITY.

### SECTION 23. ASSIGNMENT OF THE CPC OPTINET AGREEMENT.

By execution of this Agreement, the Cumberland Plateau Parties hereby confirm their consent to the assignment of the CPC OptiNet Agreement from BVU Authority to Sunset and the Parties hereto agree that once this Agreement is executed, this Agreement will govern the relation of Sunset and the Cumberland Plateau Parties going forward.

#### SECTION 24. MISCELLANEOUS.

- A. <u>Independent Contractors</u>. Nothing in this Agreement, or in the course of dealing between the Parties pursuant to this Agreement, shall be deemed to create between the Parties (including their respective affiliates, directors, officers, employees and agents) a partnership, joint venture, association, employment relationship or any other relationship, other than that of independent contractors with respect to each other. No Party shall have the authority to commit or legally bind any other Party, in any manner whatsoever, including, but not limited to, the acceptance or making of any Agreement, representation or warranty.
- B. <u>Waivers and Amendment</u>. No waiver of any term or condition of this Agreement will be enforceable unless it is in writing and signed by each Party. No failure or delay by a Party in exercising any right, power or remedy will operate as a waiver of such right, power or remedy. The waiver by a Party of any of the covenants, conditions or Agreements to be performed by another Party or any breach thereof shall not operate or be construed as a waiver of any subsequent breach of this covenant, condition or Agreement. No

waiver of any rights under this Agreement or any modifications or amendments of this Agreement will be effective or enforceable, unless in writing and signed by all Parties affected by such amendment.

- C. <u>Cumulative Rights and Remedies</u>. Except as may otherwise be provided in this Agreement, the rights and remedies set forth in this Agreement are cumulative and the assertion by a Party of any right or the obtaining of any remedy under this Agreement, other than arbitration, shall not preclude this Party from asserting or obtaining any other right or remedy, at law or in equity, under this Agreement.
- D. <u>Dispute Resolution</u>. Except as specifically set forth in this Agreement, the Parties will attempt to resolve all disputes, disagreements, or controversies arising in connection with the Agreement through good faith negotiations to reach a mutually acceptable resolution. If, after negotiating in good faith for a Thirty (30) day period, the Parties are unable to resolve the dispute, then the Parties may seek restitution by exercising any rights or remedies available to such Party at law or equity. The Parties specifically retain the right to seek a trial by jury in the event of a civil action arising out of this Agreement and the obligations herein.
- E. <u>Governing Law</u>. This Agreement shall be governed by the laws of the Commonwealth of Virginia without regard to any choice of law principles that could result in the application of the laws of any other jurisdiction.
- F. <u>Expenses</u>. All costs and expenses incurred in connection with this Agreement and each other agreement, document, and instrument contemplated by this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.
- G. <u>Business Days</u>. If any date on which a Party is required to make a payment or a delivery pursuant to the terms hereof is not a Business Day, then such Party shall make such payment or delivery on the next succeeding Business Day.
- H. <u>Further Assurance</u>. Each of the Parties hereto shall, and shall cause their respective affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby.
- I. <u>Interpretation</u>. For purposes of this Agreement, (a) the words "include," "includes," and "including" are deemed to be followed by the words "without limitation;" (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to sections, schedules, and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time-to-time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time-to-time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The schedules and exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.
- J. <u>Force Majeure</u>. No Party will be deemed in default under this Agreement if it is prevented from performing any of the obligations under this Agreement by reason of severe weather and storms, earthquakes or other natural occurrences, strikes or other labor unrest or third parties, power failures, terrorist activity, nuclear or other civil or military emergencies, acts of legislative, judicial, executive or administrative authorities, or other similar circumstances that are not within its reasonable control and ability to prevent (a "Force Majeure" event). In the event of a Force Majeure event, the Party who first becomes aware of the event must promptly give written notice to the other Party of such event.

- K. <u>Headings</u>. The Section titles and headings of this Agreement are intended only to be of convenience in locating provisions, and shall have no effect upon the construction or interpretation of any part of this Agreement.
- L. <u>Construction</u>. This Agreement is the joint work product of all Parties. Accordingly, in the event of ambiguity, no presumption will be imposed against any Party by reason of document preparation.
- M. <u>Third Parties</u>. Except for the right of the NTIA to enforce any provisions of the terms and conditions of the BTOP Grant and the rights of the Tobacco Commission to enforce any provisions of the terms and conditions of VTC Grants, the provisions of this Agreement and the rights and obligations created under this Agreement are intended for the sole benefit of the Parties executing this Agreement, and such provisions do not create any right, claim or benefit on the part of any person not a party to this Agreement, including customers or beneficiaries of the Parties.
- N. <u>Survival of Provisions</u>. All applicable provisions of this Agreement, including, without limitation, ownership provisions contained in preceding Section 1, Section 2(B), Section 11(D), Section 11(E), Section 13(B), Sections 16 through 20, Section 22, and Section 24, survive the termination or expiration of this Agreement.
- O. <u>Execution of Counterparts</u>. This Agreement will be executed in three separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute but one and the same instrument.
- P. <u>Joint and Several Obligations</u>. All obligations of the CPC and the CPPDC shall be joint and several obligations with respect to acts or commissions of any other Party to this Agreement. Similarly, all obligations of Sunset Digital and Sunset Fiber shall be joint and several obligations with respect to acts or commissions of any other Party to this Agreement.
- Q. <u>Integration</u>. This Agreement represents the entire Agreement between the Parties with respect to any obligations to be performed pursuant to this Agreement and supersedes and merges all prior Agreements, promises, undertakings, statements, representations, warranties, indemnities, and inducements to the making of this Agreement relied upon by the Parties, whether written or oral. This Agreement replaces in all respects the CPC OptiNet Agreement.
- R. <u>Severability</u>. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.
- S. <u>Remedies; Specific Performance</u>. Except as provided otherwise in this Agreement, all rights and remedies granted to the Parties under this Agreement are cumulative and in addition to, and not in lieu of, any other rights or remedies otherwise available to such Party at law or in equity. The Parties agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof in addition to any other remedy at law or in equity, including monetary damages, that may be available to it.

[Signature Page Follows]

## [SIGNATURE PAGE TO CPC OPTINET OPERATOR AGREEMENT]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

## **CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION**

By: A. Roge Rije
G. Roger Rife
Chalrman of the Board

CUMBERLAND PLATEAU COMPANY, INC.

By: A. Roger Rife
G. Roger Rife
Chairman of the Board

SUNSET DIGITAL HOLDING, LLC

By: M. 7.20 Hot

Todd Holt Chief Executive Officer

SUNSET DIGITAL COMMUNICATIONS, LLC

By: M. 7.20 Hot

Todd Holt, Chief Executive Officer

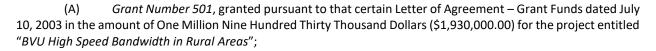
SUNSET FIBER, LLC

By: M. 7.20 Hat

Todd Holt, Chief Executive Officer

#### Schedule 1

#### **VTC Grants**



- (B) [?] Grant Number 962, granted pursuant to that certain Letter of Agreement Grant Funds dated August 18, 2005 for One Million Two Hundred Thousand Dollars (\$1,200,000.00) for the project entitled "Fiber Optic Backbone Infrastructure Rural Retreat to Bluefield";
- (C) Grant Number 1303, granted pursuant to that Letter of Agreement Grant Funds by and among the BVU Authority and the [CPPDC][CPC] dated April 26, 2007 for Four Hundred Thousand Dollars (\$400,000.00), for the installation of fiber optic infrastructure in the Town of Tazewell, Virginia;
- (D) Grant Number 1471, granted pursuant to that Letter of Agreement Grant Funds dated December 3, 2007 for Five Million Two Hundred Thousand Dollars (\$5,200,000.00) for the installation of Backbone fiber optic infrastructure for southwest fiber routes;
- (E) Grant Number 1768, [OPEN] granted pursuant to that certain Letter of Agreement- Grant Funds by and among the BVU Authority and [CPC][CPPDC] dated January 13, 2009 in the amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) to complete the project entitled "Fiber Optic Infrastructure in the CPPDC";
- (F) [?] Grant Number 1811, granted pursuant to that certain Letter of Agreement Grant Funds dated November 4, 2009 in the amount of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) for Southwest Virginia diverse route to Mid-Atlantic Broadband;
- (G) [?] Grant Number 1185, granted pursuant to that certain Letter of Agreement Grant Funds dated
  in the amount of Two Hundred Thirteen Thousand Dollars (\$213,000.00) for
  ;
- (H) [?] Grant Number 2070, granted pursuant to that certain Letter of Agreement Grant Funds by and among the VTRRC, the BVU Authority and the CPPDC dated \_\_\_\_\_\_ in the amount of Five Million Six Hundred Fifty-Nine Thousand Five Hundred Two Dollars (\$5,659,502.00) for matching funds for the NTIA Grant for the Middle Mile Construction Projects; and
- (I) [?] Grant Number 2391, granted pursuant to that certain Letter of Agreement Grant Funds dated September 29, 2011 in the amount One Million Eight Hundred Thousand Dollars (\$1,800,000.00) for the completion for the project entitled "BVU Southwest Virginia Last Mile Fiber Expansion Project".

Exhibit A

**EDA Letter** 

(Attached)

# Exhibit B

## **ITC COMMITMENT LETTER**

# Exhibit C

# **NTIA LETTER**

## **EXHIBIT D**

# **Consent of Virginia Coalfield Coalition**

TO BE FINALIZED AND INSERTED UPON THE CONSENT OF THE VCC.

#### Exhibit E

#### **NTIA Grant Terms and Conditions**

The NTIA Grant remains subject to "Special Award Conditions to Award Number NT10BIX5570066 Amendment Number 0" ("Special Conditions Amendment 0") and "Special Award Conditions to Award Number NT10BIX5570066 Amendment Number 2" ("Special Conditions Amendment 2"). The NTIA Grant award has expired, but the following remaining grant conditions of are ongoing:

- (1) Special Conditions Amendment Paragraph 7 Infrastructure-Wide SACs
  - (a) Nondiscrimination and Interconnection: The recipient shall comply with the nondiscrimination and network interconnection obligations set forth in section V.D.3.b. of the NOFA and in Section 6001(j) of the Recovery Act. Recipients may be asked to provide supporting documentation upon request from the Grants Officer. Failure to comply with this provision of the award may be considered grounds for any and all of the following actions: establishment of an account receivable for affected BTOP award, withholding payments under any and all BTOP awards to the recipient, changing the method of payment from advance to reimbursement only, or the imposition of other special award conditions, suspension of any BTOP active awards, and termination of any BTOP active awards.
  - (b) Sale or Lease of Real Property Purchased Award Funds: Recipients may not sell or lease any portion of the award-funded broadband facilities or equipment during their life, except as otherwise approved by NTIA. NTIA will consider a petition for waiver of the restriction if: (1) the transaction is for adequate consideration; (2) the purchaser or lessee agrees to fulfill the terms and conditions relating to the project after such sale or lease; and, (3) the transaction would be in the best interests of those served by the project. The petition for waiver may be submitted at any time during the life of the award-funded facilities and equipment, and it must include supporting documentation and justification regarding why the petition should be granted. This requirement is not meant to limit CCI awardees from leasing facilities to another service provider for the provision of broadband services, nor is this section meant to restrict a transfer of control of the awardee (NOFA, Section IX.C.2.)
  - (c) Security Interest in Real Property including Broadband Facilities and Equipment: The recipient shall execute a security interest or other statement of NTISs interest in real property including broadband facilities and equipment acquired or improved with Federal funds acceptable to NTIA, which must be perfected and placed on record in accordance with local law. This security interest will provide that, for the estimated useful life of the real property, facilities, or equipment, the recipient will not sell, transfer, convey, or mortgage any interest in the real property including broadband equipment acquired or improved in whole or in part with Federal funds made available under the award, nor shall the recipient use the real property including broadband facilities and equipment for purposes other than the purposes for which the award was made, without prior written approval of the Grants Officer. Such approval may be withheld until such

time as the recipients first pays to NTIA the Federal Share of the real property including broadband facilities and equipment as provided in 15 CFR 14.32 (15 CFR 24.13) for state, local or other governmental entities). This security interest shall be executed in advance of any sale or lease and not later than closeout of the grant.

- (2) Department of Commerce NTIA Broadband Technology Opportunities Program Notice of Funds Availability<sup>1</sup> announced the NTIA focus on the "comprehensive communities" approach to "award BTOP grants for infrastructure projects that emphasize Middle Mile broadband capabilities and new or substantially upgraded connections to community anchor institutions to maximize the benefits of BTOP funds." By focusing on this approach, the NTIA Section 6001 of the American Recovery and Reinvestment Act of 2009 provides the following statutory purposes for the national broadband service development effort:
  - (a) To provide access to broadband service to consumers residing in unserved areas of the country;
  - (b) To provide improved access to broadband service to consumers residing in underserved areas of the country;
  - (c) To provide broadband education, awareness, training, access, equipment, and support to: (i) schools, libraries, medical and healthcare providers, community colleges and other institutions of higher learning, and other community support organizations; (ii) organizations and agencies that provide outreach, access, equipment and support services to facilitate greater use of broadband services to facilitate greater use of broadband services by vulnerable populations (e.g., low-income, unemployed, aged); or (iii) job-creating strategic facilities located in state or Federally-designated economic development zones;
  - (d) To improve access to, and use of broadband service by public safety agencies; and,
  - (e) To stimulate the demand for broadband, economic growth, and job creation.<sup>2</sup>
- (3) Sunset acknowledges these policy goals and commits to maintain the Optinet system in a manner that adheres to these policy goals. As further explained by the NTIA in the Second Noticed of Funds Availability, "Once Middle Mile facilities are built, the costs of providing services to a broad array of end users are reduced. Much like the interstate highways that link together the nation's roads and streets, Middle Mile broadband facilities play a critical role in the healthy functioning of the nation's broadband infrastructure and are a necessary foundation for the ultimate provision of affordable end-user broadband services in unserved and underserved communities."

5

<sup>&</sup>lt;sup>1</sup> Broadband Technologies Opportunity Program, 75 Fed. Reg. 3,792 (2010) (SECOND NOFA).

<sup>&</sup>lt;sup>2</sup> See American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115, 128 (2009).

<sup>&</sup>lt;sup>3</sup> SECOND NOFA, at 3795.

#### **Excerpt from Second NOFA**

- 3. Additional Requirements Applicable to Comprehensive Community Infrastructure Applicants
  - a. Broadband Service

All CCI applicants must propose to offer service meeting the definition of broadband as defined in Section III.

- b. Nondiscrimination and Interconnection
  - All CCI applicants must commit to the following Nondiscrimination and Interconnection Obligations:<sup>4</sup>
  - (i) Adhere to the principles contained in the FCC's Internet Policy Statement (FCC 05–151, adopted August 5, 2005) or any subsequent ruling or statement;
  - (ii) not favor any lawful Internet applications and content over others;
  - (iii) display any network management policies in a prominent location on the service provider's Web page and provide notice to customers of changes to these policies (awardees must describe any business practices or technical mechanisms they employ, other than standard best efforts Internet delivery, to allocate capacity; differentiate among applications, providers, or sources; limit usage; and manage illegal or harmful content);
  - (iv) connect to the public Internet directly or indirectly, such that the project is not an entirely private closed network; and
  - (v) offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, at reasonable rates and terms to be negotiated with requesting parties. This includes both the ability to connect to the public Internet and physical interconnection for the exchange of traffic. Applicants must disclose their proposed interconnection, nondiscrimination, and network management practices with the application.

All these requirements shall be subject to the needs of law enforcement and reasonable network management. Thus, awardees may employ generally accepted technical measures to provide acceptable service levels to all customers, such as caching (including content delivery networks) and application-neutral bandwidth allocation, as well as measures to address spam, denial of service attacks, illegal content, and other harmful activities. In evaluating the reasonableness of network management techniques, NTIA will be guided by any applicable rules or findings established by the FCC, whether by rulemaking or adjudication.

In addition to providing the required connection to the Internet, awardees may offer managed services, such as telemedicine, public safety communications, distance learning, and virtual private networks, that use private network connections for enhanced quality of service rather than traversing the public Internet.

An awardee may satisfy the requirement for interconnection by negotiating in good faith with all parties making bona fide requests. The awardee and requesting party may negotiate terms such as business arrangements, capacity limits, financial terms, and technical conditions for interconnection. If the awardee and requesting party cannot reach agreement, they may voluntarily seek an interpretation by the FCC of any FCC rules implicated in the

<sup>&</sup>lt;sup>4</sup> Nothing herein shall be construed to affect the jurisdiction of the FCC with respect to such matters. (original footnote # 42).

dispute. If an agreement cannot be reached within 90 days, the party requesting interconnection may notify NTIA in writing of the failure to reach satisfactory terms with the awardee. The 90-day limit is to encourage the parties to resolve differences through negotiation.

With respect to non-discrimination, those who believe an awardee has failed to meet the non-discrimination obligations should first seek action at the FCC of any FCC rules implicated in the dispute. If the FCC chooses to take no action, those seeking recourse may notify NTIA in writing about the alleged failure to adhere to commitments of the award.

These conditions apply to the awardee and will remain in effect for the life of the awardee's Federally funded facilities and equipment used in the project. These conditions will not apply to any existing network arrangements or to non-awardees using the network. Note, however, that the awardee may negotiate contractual covenants with other broadband service providers engaged to deploy or operate the network facilities and pass these conditions through to such providers. Awardees that fail to accept or comply with the terms listed above may be considered in default of their grant agreements. NTIA may exercise all available remedies in the event of a default, including suspension of award payments or termination of the award.<sup>5</sup>

<sup>5</sup> Note that the changes made to this section from the First NOFA are meant to clarify, and not to change, applicants' obligations. (original footnote #43).

# Exhibit F

# **Bill of Sale (Balance Sheet Assets)**

(Attached)

#### **BILL OF SALE**

This Bill of Sale (the "Agreement") made and entered into as of August \_\_\_\_, 2018 (the "Effective Time"), by and between Sunset Fiber, LLC, a Delaware limited liability company ("Sunset Fiber"), and the Cumberland Plateau Planning District Commission, a political subdivision of the Commonwealth of Virginia ("CPPDC"), together with its affiliated entity Cumberland Plateau Company, Inc., a Virginia nonstock corporation ("CPC") (CPPDC and CPC, collectively, the "Cumberland Plateau Parties"), provides as follows:

#### WITNESSETH

WHEREAS, Sunset Fiber and the Cumberland Plateau Parties have entered into that certain CPC OptiNet Operator Agreement, dated as of August\_\_\_, 2018 (the "Operator Agreement"), pursuant to which, among other things, Sunset Fiber has agreed, pursuant to Section 5(a) of the Operator Agreement, to sell to the Cumberland Plateau Parties, and the Cumberland Plateau Parties have agreed to purchase from Sunset Fiber, certain balance sheet assets as follows:

Assets recorded on the balance sheet of the BVU Authority valued at the time of original purchase by BVU Authority and recorded on the balance sheet of the entities at an original cost of Three Million Seven Hundred Seventy-Two Thousand, Three Hundred Sixty-One Dollars (\$3,772,361.00) instead of the value of Two Million Eight Hundred Fifty-Eight Thousand Seventy-Four Dollars (\$2,858,074.00), which would be the value of one-half of the EDA grant-funded assets as of the date of the original deployment. The fiber deployed with EDA grant funds totals Four Million Four Hundred Thirty-Nine Thousand Five Hundred Thirty-Nine Dollars (\$4,439,539.00) and one-half of that original cost of deployment, which represents the cost of the CPC Fibers, is Two Million Two Hundred Nineteen Thousand Seven Hundred Seventy Dollars (\$2,219,770.00). Sunset will assign Fifty Percent (50%) of the EDA-funded fiber deployed in Washington County totaling Two Hundred Ninety-Five Thousand One Hundred Eighty-Two Dollars (\$295,182.00), and one-half of that cost equals One Hundred Forty-Two Thousand Five Hundred Ninety-One Dollars (\$142,591.00). Total original cost of equipment and deployment assigned to the Cumberland Plateau Parties pursuant to this Section 2(B)(5) totals Three Million Seven Hundred Seventy-Two Thousand Three Hundred Sixty-One Dollars (\$3,772,361.00) or Sixty-Six Percent (66%) of the EDA investment in the network. To accomplish the asset allocation set forth in Section 2(B)(5)(a) above, Sunset hereby acknowledges ownership by the Cumberland Plateau Parties of one-half of the Eleven and Twenty-Three Hundredths (11.23) miles of fiber that extend into Washington County as part of the EDA-funded assets owned by the Cumberland Plateau Parties, totaling Two Hundred Ninety-Five Thousand One Hundred Eighty-Two Dollars (\$295,182.00), of which one-half of that cost equals One Hundred Forty-Two Thousand Five Hundred Ninety-One Dollars (\$142,591.00). All original costs referenced in this Section 2(B)(5)(a) represent the original cost recorded on the BVU Authority Balance Sheets to the best of the Parties' knowledge as of the date of the original deployment (all such assets, collectively, the "Assets"); and,

**WHEREAS**, the Parties acknowledge that such assets shall not include assets owned by the Virginia Coalfield Coalition, Inc., a Virginia non-stock corporation; and,

**WHEREAS**, as of the Effective Time, the Cumberland Plateau Parties desire to accept such Assets from Sunset Fiber on the terms and conditions set forth herein and in the Operator Agreement;

#### **AGREEMENT**

**NOW THEREFORE**, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. <u>Certain Defined Terms.</u> Each capitalized term in this Agreement that is used but not defined in this Agreement has the meaning given to it in the Operator Agreement.
- 2. <u>Transfer</u>. As of the Effective Time, Sunset Fiber, for and upon the consideration provided in the Operator Agreement, does hereby, sell, assign, transfer, and convey, on an as-is, where-is, with all faults basis, without covenant, representation or warranty (express or implied) of any kind by Sunset Fiber, to the Cumberland Plateau Parties, and the Cumberland Plateau Parties hereby accepts, all of the Sunset Fiber's right, title, and interest in and to the Assets.
- 3. <u>Terms of the Operator Agreement</u>. Subject to <u>Section 2</u> of this Agreement, the terms of the Operator Agreement are incorporated herein by this reference. Except as set forth in <u>Section 2</u> of this Agreement, in the event of any conflict or inconsistency between the terms of the Operator Agreement and the terms hereof, the terms of the Operator Agreement shall govern.
- 4. <u>Counterparts.</u> This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.
- 5. <u>Further Assistance.</u> Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

[Signature Page Follows]

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

SUNSET:

SUNSET FIBER, LLC

By: Todd Holt, Chief Executive Officer

**CUMBERLAND PLATEAU PLANNING DISTRICT** COMMISSION

By: A. Rage Rife
G. Roger Rife, Chairman

CUMBERLAND PLATEAU COMPANY, INC.

By: H. Roga Rife
G. Roger Rife, Chairman

# Exhibit G

# Bill of Sale (Infinera)

(Attached)

### **BILL OF SALE**

This Bill of Sale (the "Agreement") made and entered into as of August \_\_\_, 2018 (the "Effective Time"), by and between Sunset Fiber, LLC, a Delaware limited liability company ("Sunset Fiber"), and the Cumberland Plateau Planning District Commission, a political subdivision of the Commonwealth of Virginia ("CPPDC"), together with its affiliated entity Cumberland Plateau Company, Inc., a Virginia nonstock corporation ("CPC") (CPPDC and CPC, collectively, the "Cumberland Plateau Parties"), provides as follows:

### WITNESSETH

WHEREAS, Sunset Fiber and the Cumberland Plateau Parties have entered into that certain CPC OptiNet Operator Agreement, dated as of August \_\_\_, 2018 (the "Operator Agreement"), pursuant to which, among other things, Sunset Fiber has agreed to sell to the Cumberland Plateau Parties, and the Cumberland Plateau Parties have agreed to purchase from Sunset Fiber, certain Infinera backbone equipment located in the Cumberland Plateau Region, as further set forth in the Operator Agreement (the "Assets"); and,

**WHEREAS**, as of the Effective Time, the Cumberland Plateau Parties desire to accept such Assets from Sunset Fiber on the terms and conditions set forth herein and in the Operator Agreement.

### AGREEMENT

**NOW THEREFORE**, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 6. <u>Certain Defined Terms.</u> Each capitalized term in this Agreement that is used but not defined in this Agreement has the meaning given to it in the Operator Agreement.
- 7. <u>Transfer.</u> As of the Effective Time, Sunset Fiber, for and upon the consideration provided in the Operator Agreement, does hereby, sell, assign, transfer, and convey to the Cumberland Plateau Parties, and the Cumberland Plateau Parties hereby accept, all of the Seller's right, title, and interest in and to the Assets.
- 8. <u>Terms of the Operator Agreement</u>. The terms of the Operator Agreement, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Assets are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Operator Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Operator Agreement and the terms hereof, the terms of the Operator Agreement shall govern.
- 9. <u>Counterparts.</u> This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.
- 10. <u>Further Assistance.</u> Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

[Signature Page Follows]

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

SUNSET:

SUNSET FIBER, LLC

**CUMBERLAND PLATEAU PLANNING DISTRICT** COMMISSION

By: N. Lage Life
G. Roger Rife, Chairman

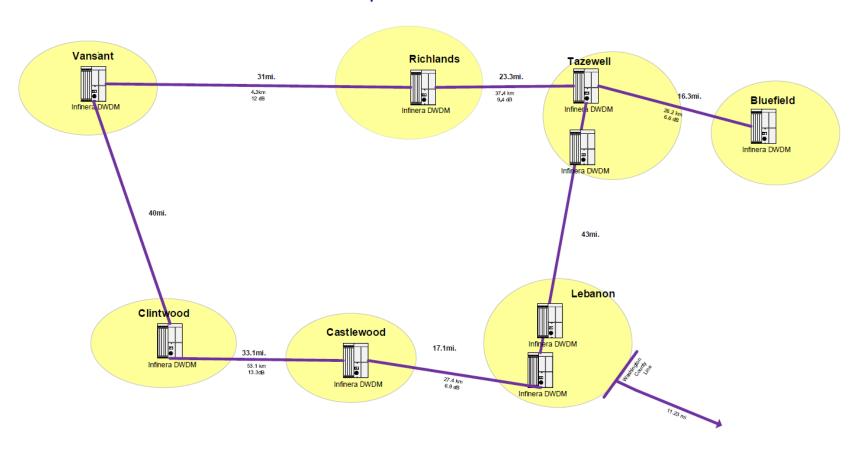
CUMBERLAND PLATEAU COMPANY, INC.

By: K. Rage Rije
G. Roger Rife, Chairman

Exhibit H

Infinera Backbone Equipment Diagram

# **Proposed CPC Network**



# Exhibit I

# **Certificate of Chief Financial Officer**

# Sunset Fiber, LLC Officer's Certificate

company (" <b>Suns</b> Plateau Operato Planning District Virginia organize Company, Inc., a (CPPDC and CP Revitalization Co	lersigned, Nicholas DeWeese, Chief Financial Officer of Sunset Fiber, LLC, a Delaware limited liability et"), hereby certifies on behalf of the Company, pursuant to Section 8 of that certain Cumberland r Agreement dated as of
The Gross Reven	ue for the operation of the CPC OptiNet is \$ for the previous quarter .
1.	The Gross Revenue for the operation of the CPC OptiNet is \$ for the current calendar year.
2.	The total amount of expenditure for the New Connection Commitment in the CPC OptiNet for the previous quarter is \$
3.	The total amount remaining for the New Connection Commitment in the CPC OptiNet following the expenditures for the previous quarter is \$
IN WITNESS WHI	EREOF, the undersigned has executed this Officer's Certificate on behalf of the Company as of, 20
	SUNSET FIBER, LLC
	By Nicholas DeWeese, Chief Financial Officer



# (RETAIN FOR YOUR RECORDS) Form 477 Filing Summary

FRN: 0010678001 Data as of: Dec 31, 2017 Operations: Non-ILEC Submission Status: Original - Submitted Last Updated: Feb 28, 2018 13:47:11

# Filer Identification

Section	Question	Response
Filer Information	Provider Name	Sunset Digital Communications, INC
	Holding Company Name	Sunset Digital Communications, Inc.
	SAC ID	
	499 ID	826320
Data Contact Information	Data Contact Name	Paul B. Elswick
	Data Contact Phone Number	(276) 431-7200
	Data Contact E-mail	paul@sunset-fiber.com
Emergency Operations Contact Information	Emergency Operations Name	Ryan B. Elswick
	Emergency Operations Phone Number	(276) 431-7200
	Emergency Operations E-mail	ryan@sunset-fiber.com
Certifying Official Contact Information	Certifying Official Name	Paul B. Elswick
	Certifying Official Phone Number	(276) 431-7200
	Certifying Official E-mail	paul@sunset-fiber.com

# **Data Submitted**

Form Section	File Name	Date & Time	Number of Rows
Fixed Broadband Deployment	FBD_20171231.csv	Feb 28, 2018 13:09:17	1056
Fixed Broadband Subscription	FBS_20171231.csv	Feb 28, 2018 13:09:43	148
Fixed Voice Subscription	FVS_20171231.csv	Feb 28, 2018 13:10:06	22

# Fixed Broadband Deployment

# Census Block Counts by State, DBA Name and Technology

State	DBA Name	Technology	Blocks
Tennessee	Sunset Digital Communications, Inc.	Optical Carrier/Fiber to the End User	491
Virginia	Sunset Digital Communications, Inc.	Optical Carrier/Fiber to the End User	565
Total			1056

# Fixed Broadband Subscription

# Fixed Broadband Subscriptions by State, Technology and End-user Type

			Subscriptions		
State	Technology	Census Tracts	Consumer	Business / Govt	Total
Tennessee	Optical Carrier/Fiber to the End User	63	1651	31	1682
Virginia	Optical Carrier/Fiber to the End User	85	1434	59	1493
Total		148	3085	90	3175

# Fixed Broadband Subscriptions by Bandwidths and End-user Type

Downstream Bandwidth (in Mbps)	Upstream Bandwidth (in Mbps)	Consumer	Business / Govt	Total
10.000	1.000	2360	0	2360
10.000	10.000	0	5	5
20.000	20.000	0	1	1
25.000	2.000	394	0	394
25.000	25.000	0	7	7
50.000	5.000	0	51	51
50.000	50.000	0	6	6
75.000	5.000	20	0	20
100.000	3.000	295	0	295
100.000	8.000	12	0	12
100.000	10.000	0	8	8
100.000	100.000	0	3	3
200.000	20.000	2	0	2
200.000	200.000	0	1	1
1000.000	50.000	2	0	2
1000.000	1000.000	0	7	7
10000.000	10000.000	0	1	1
Total		3085	90	3175

# Fixed Broadband Subscriptions by Technology, Bandwidths and End-user Type

Technology	Downstream Bandwidth (in Mbps)	Upstream Bandwidth (in Mbps)	Consumer	Business / Govt	Total
Optical Carrier/Fiber to the End User	10.000	1.000	2360	0	2360
USC!	10.000	10.000	0	5	5
	20.000	20.000	0	1	1
	25.000	2.000	394	0	394
	25.000	25.000	0	7	7
	50.000	5.000	0	51	51

Technology	Downstream Bandwidth (in Mbps)	Upstream Bandwidth (in Mbps)	Consumer	Business / Govt	Total
	50.000	50.000	0	6	6
	75.000	5.000	20	0	20
	100.000	3.000	295	0	295
	100.000	8.000	12	0	12
	100.000	10.000	0	8	8
	100.000	100.000	0	3	3
	200.000	20.000	2	0	2
	200.000	200.000	0	1	1
	1000.000	50.000	2	0	2
	1000.000	1000.000	0	7	7
	10000.000	10000.000	0	1	1
Total		·	3085	90	3175

# Fixed Voice Subscription

# VGE Lines and VoIP Subscriptions by State and End-user Type

State	Total VGE Lines	Consumer VGE Lines	Total VoIP Subscriptions	Consumer VoIP Subscriptions
Tennessee	0	0	428	393
Virginia	0	0	190	158
Total	0	0	618	551

# Fixed Voice Subscription (iVoIP)

# Over-the-top VoIP Subscriptions by State and End-user Type

State	Total	Consumer	Business / Govt
Tennessee	0	0	0
Virginia	0	0	0
Total	0	0	0

# All other VoIP Subscriptions by State, End-user Type, Bundle and Last-mile Medium

		by End-user Type		by Bundle		by Last-mile Medium			
State	Total	Consumer	Business / Government	Sold w/ Internet	Sold w/o Internet	FTTP	Coax	Fixed Wireless	Copper
Tennessee	428	393	35	420	8	428	0	0	0
Virginia	190	158	32	181	9	190	0	0	0
Total	618	551	67	601	17	618	0	0	0



# (RETAIN FOR YOUR RECORDS) Form 477 Filing Summary

FRN: 0010678001 Data as of: Jun 30, 2018 Operations: Non-ILEC Submission Status: Original - Submitted Last Updated: Dec 13, 2018 11:37:49

# Filer Identification

Section	Question	Response
Filer Information	Provider Name	Sunset Digital Communications, INC
	Holding Company Name	Sunset Digital Communications, Inc.
	SAC ID	
	499 ID	826320
Data Contact Information	Data Contact Name	Ryan B. Elswick
	Data Contact Phone Number	(276) 431-7200
	Data Contact E-mail	ryan@sunset-fiber.com
Emergency Operations Contact Information	Emergency Operations Name	Ryan B. Elswick
	Emergency Operations Phone Number	(276) 431-7200
	Emergency Operations E-mail	ryan@sunset-fiber.com
Certifying Official Contact Information	Certifying Official Name	Ryan B. Elswick
	Certifying Official Phone Number	(276) 431-7200
	Certifying Official E-mail	ryan@sunset-fiber.com

# **Data Submitted**

ł	Form Section	File Name	Date & Time	Number of Rows
	Fixed Broadband Deployment	FBD_20180630.csv	Dec 13, 2018 11:31:00	1110
	Fixed Broadband Subscription	FBS_20180630.csv	Dec 13, 2018 11:32:08	167
	Fixed Voice Subscription	FVS_20180630.csv	Dec 13, 2018 11:32:35	23

# Fixed Broadband Deployment

# Census Block Counts by State, DBA Name and Technology

State	DBA Name	Technology	Blocks
Tennessee	Sunset Digital Communications, Inc.	Optical Carrier/Fiber to the End User	524
Virginia	Sunset Digital Communications, Inc.	Optical Carrier/Fiber to the End User	586
Total			1110

# Fixed Broadband Subscription

# Fixed Broadband Subscriptions by State, Technology and End-user Type

			Subscriptions		
State	Technology	Census Tracts	Consumer	Business / Govt	Total
Tennessee	Optical Carrier/Fiber to the End User	72	1801	36	1837

Virginia   Optical Carrier/Fiber to the End User   95   1460   67   1527	Total		167	3261	103	3364
	Virginia	Optical Carrier/Fiber to the End User	95	1460	67	1527

# Fixed Broadband Subscriptions by Bandwidths and End-user Type

Downstream Bandwidth (in Mbps)	Upstream Bandwidth (in Mbps)	Consumer	Business / Govt	Total
10.000	1.000	2425	0	2425
10.000	10.000	0	6	6
20.000	20.000	0	2	2
25.000	2.000	416	0	416
25.000	25.000	0	8	8
50.000	5.000	0	57	57
50.000	50.000	0	6	6
75.000	5.000	51	0	51
100.000	3.000	336	0	336
100.000	8.000	25	0	25
100.000	10.000	0	7	7
100.000	100.000	0	7	7
200.000	20.000	7	1	8
200.000	200.000	0	1	1
1000.000	50.000	1	0	1
1000.000	1000.000	0	5	5
3000.000	3000.000	0	2	2
10000.000	10000.000	0	1	1
Total	·	3261	103	3364

# Fixed Broadband Subscriptions by Technology, Bandwidths and End-user Type

Technology	Downstream Bandwidth (in Mbps)	Upstream Bandwidth (in Mbps)	Consumer	Business / Govt	Total
Optical Carrier/Fiber to the End User	10.000	1.000	2425	0	2425
0301	10.000	10.000	0	6	6
	20.000	20.000	0	2	2
	25.000	2.000	416	0	416
	25.000	25.000	0	8	8
	50.000	5.000	0	57	57
	50.000	50.000	0	6	6
	75.000	5.000	51	0	51
	100.000	3.000	336	0	336
	100.000	8.000	25	0	25
	100.000	10.000	0	7	7

Total			3261	103	3364
	10000.000	10000.000	0	1	1
	3000.000	3000.000	0	2	2
	1000.000	1000.000	0	5	5
	1000.000	50.000	1	0	1
	200.000	200.000	0	1	1
	200.000	20.000	7	1	8
	100.000	100.000	0	7	7

# Fixed Voice Subscription

# VGE Lines and VoIP Subscriptions by State and End-user Type

State	Total VGE Lines	Consumer VGE Lines	Total VoIP Subscriptions	Consumer VoIP Subscriptions
Tennessee	0	0	457	421
Virginia	0	0	206	168
Total	0	0	663	589

# Fixed Voice Subscription (iVoIP)

# Over-the-top VoIP Subscriptions by State and End-user Type

State	Total	Consumer	Business / Govt
Tennessee	0	0	0
Virginia	0	0	0
Total	0	0	0

# All other VoIP Subscriptions by State, End-user Type, Bundle and Last-mile Medium

		by End-user Type		by Bundle		by Last-mile Medium			
State	Total	Consumer	Business / Government	Sold w/ Internet	Sold w/o Internet	FTTP	Coax	Fixed Wireless	Copper
Tennessee	457	421	36	450	7	457	0	0	0
Virginia	206	168	38	9	197	206	0	0	0
Total	663	589	74	459	204	663	0	0	0





Date	QUOTE#
12/14/2018	10239

Phone #	Fax#
304-624-5072	304-624-4810

Bill To:

SUNSET DIGITAL HOLDING, LLC ACCOUNTS PAYABLE 1791 OG SKINNER DR SUITE A WEST POINT GA 31833

Ship 7	Го:
--------	-----

SUNSET DIGITAL HOLDING, LLC 333 FRALEY AVE DUFFIELD, VA 24244

Terms	Rep	Freight Terms Project		Valid Thru
Net 15	PA	Prepay & Add		

Qty	Item	Description	Rate	Total
18,000	АТЗВЕН2ҮТ024	FIBER, 24-COUNT, DRY LIGHT ARMOR, LOOSE TUBE	0.36	6,480.00
20,000	АТЗВЕН2ҮТ060	FIBER, 60-COUNT, LIGHT ARMOR, LOOSE TUBE	0.59	11,800.00
37,000	АТЗВЕН2ҮТ144	FIBER, 144-COUNT, LIGHT ARMOR, LOOSE TUBE	1.02	37,740.00

Thank you for your business.	Subtotal	\$56,020.00
QUOTE VALID THRU DATE SPECIFIED ABOVE. PLEASE	Sales Tax (0.0%)	\$0.00
CALL IF HAVE ANY QUESTIONS OR IF YOU WOULD LIKE TO ADD ADDITIONAL ITEMS TO THE QUOTE.	Total	\$56,020.00
THANK YOU FOR THE OPPORTUNITY TO QUOTE THESE		

ITEMS. WE APPRECIATE IT! SUPPLY SOLUTIONS, LLC.

Description	Supply Solutions Part No.	Average / Mile	U/M
LASHING WIRE, .045X430, 1200' COIL	.045SS430ACW	9	EA.
STRAND, 1/4" EHS CLASS A, DOMESTIC	EHSD1/4	5500	FT.
WIRE, #6 BARE COPPER	1A0601S	250	FT.
CLAMP, LASHING WIRE D TYPE	4040	50	EA.
CLAMP, CROSSOVER	2909970	0.25	EA.
·		0.25	
STRAP, 10" STAINLESS STEEL	3408912		EA.
STRAP, 16" STAINLESS STEEL	3408922	0	EA.
GROUND ROD, 5/8" X 8' COPPER CLAD	6258	8	EA.
SPACER, 1/2" BELL TYPE	7640B	0	EA.
SPACER, 3/4", BELL	7640C	0	EA.
CLAMP, GROUND ROD	2192	8	EA.
PREFORM DEADEND, 1/4"	GDE1104LA	20	EA.
SPLICE, STRAND, 1/4"	GLS1104	0.5	EA.
WASHER, 2", SQUARE	11501	50	EA.
CLAMP, 3-BOLT SUSPENSION	5080	20	EA.
STRAP, DOWN GUY	8070	7	EA.
GUARD, GUY, 8' YELLOW	PG-5718	7	EA.
STAPLE, COPPER	J6493	70	EA.
ROD, ANCHOR, 5/8" X 5'	5315	0	EA.
NUT, THREADED EYE, 5/8"	J6510	6	EA.
ANCHOR, 6" SCREW TYPE	6346	7	EA.
ANCHOR, EXPANDING 8" (5/8 AND 3/4" ROD)	88135	0	EA.
ANCHOR, EXPANDING, 10"	1082	0	EA.
ANCHOR, ROCK 3/4" X 60"	R360	0	EA.
ANCHOR, ROCK 3/4" X 30"	R330	0	EA.
NUT, SLIP EYE, 5/8"	J6550C	5	EA.
STAPLE, 2" GALV.	J7487	20	EA.
CLAMP, 3-BOLT CURVE SUSPENSION	5083	4	EA.
BOLT, 5/8" X 10" T.E.	J8051	1	EA.
BOLT, 5/8" X 12" T.E.	J8052	2	EA.
BOLT, 5/8" X 14" T.E.	J8053	2	EA.
NUT, 5/8" SQUARE	8206	20	EA.
BOLT, 10" X 5/8"	8810	1	EA.
BOLT, 12" X 5/8"	8812	8	EA.
BOLT, 14" X 5/8"	8814	4	EA.
BOLT, 16" X 5/8"	8816	1	EA.
SPLIT BOLT, #4	853	3	EA.
CLAMP, UNIVERSAL BONDING	JCUL	7	EA.
AUXILIARY EYE	BB155A	1	EA.
GROUND WIRE MOLDING	PEGM1/2	8	EA.
TREE GUARD, 2" X 6'	TG11	2	EA.
HEAT SHRINK, 1.3"X48"	CFTV1300	0	EA.
HEAT SHRINK, 1.5"X48"	CFTV1500	0	EA.
HEAT SHRINK, 1.7"X48"	CFTV1700	0	EA.
TAP BRACKET, 2-1/2" ALUMINUM	2919943	0	EA.
FIBER OPTIC STORAGE SNOWSHOE, METAL, 10.25"	FOS10TMK	0	PR
FIBER OPTIC STORAGE SNOWSHOE, METAL, 16.25"	FOS3TMK	0	PR
FIBER MARKER	5005500	25	EA.
HOOK, J 4 3/4" X 7/16"	J3316P	0	EA.
WIRELINK, 1/4"	R5000	0	EA.

WIRELINK, .109	R5059	0	EA.
STRANDVISE, 1/4"	R5100	0	EA.
WIREVISE, DEADEND, .109	R5058	0	EA.
STRAP, DELTEC SYSTEM, 50'	CSS50R	1	EA.
STACKABLE SPACER, DELTEC	CSS360	50	EA.
HANGER, DELTEC	CSSLH	20	EA.

Price	Extended
\$19.9500	\$130.95
\$0.1800	\$990.00
\$0.6500	\$162.50
\$0.4000	\$20.00
\$1.6000	\$0.40
\$0.2000	\$0.00
\$0.2500	\$0.00
\$14.1500	\$113.20
\$0.0600	\$0.00
\$0.0600	\$0.00
\$1.2800	\$10.24
\$1.2900	\$25.80
\$3.0200	\$1.51
\$0.3000	\$15.00
\$4.0500	\$81.00
\$2.2000	\$15.40
\$4.9500	\$34.65
\$0.1000	\$7.00
·	•
\$16.9500	\$0.00
\$3.6500	\$21.90
\$20.8000	\$145.60
\$15.9000	\$0.00
\$35.2900	\$0.00
\$43.3000	\$0.00
\$35.9000	\$0.00
\$3.9500	\$19.75
\$0.0800	\$1.60
\$5.3700	\$21.48
\$4.8400	\$4.84
\$4.9200	\$9.84
\$5.9400	\$11.88
\$0.2400	\$4.80
\$1.4100	\$1.41
\$1.7000	\$13.60
\$1.8000	\$7.20
\$2.6000	\$2.60
\$0.9800	\$2.00
\$1.8200	
·	\$12.74
\$11.9500	\$11.95
\$1.0000	\$8.00
\$2.9500	\$5.90
\$6.0000	\$0.00
\$6.1000	\$0.00
\$6.8000	\$0.00
\$2.3900	\$0.00
\$51.6000	\$0.00
\$55.7500	\$0.00
\$2.2500	\$56.25
\$0.6900	\$0.00
\$9.0500	\$0.00
ψυ.υυυ	ψ0.00

\$4.1400	\$0.00
+	φ0.00
\$8.8500	\$0.00
\$3.9600	\$0.00
\$16.3500	\$16.35
\$0.1700	\$8.50
\$0.2100	\$4.20
	\$1,988.28



1425 DAVE LYLE BLVD ROCK HILL SC 29730-4247 Phone: 704-602-7009 Fax: 704-392-5596

To: Sunset Digital Communications

1791 O.G. SKINNER DR. STE A

WEST POINT GA 31833

Attn: JOSEPH PUCKETT Phone: 706-501-6422 Fax: 706-645-9380

Email: AP-SUNSET@ITCCAP.COM

Date: 12/14/2018

Proj Name:

GB Quote #: 0231656202

Release Nbr:

Purchase Order Nbr:

Additional Ref#

Valid From: 12/14/2018 Valid To: 01/13/2019 Contact: JOHN LAMB

Email: john.lamb@graybar.com

**Proposal** 

We Appreciate Your Request and Take Pleasure in Responding As Follows

Item	Item/Type	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
100		18,000 EA	OFS FITEL LLC	S-OP-24-LA-A- 3E-BK-OFX	AT-3BEH2YT-024 REEL	\$290.29	1000	\$5,225.22
GB Part	#: 2506811	6 UPC #:						
***Item	Note:***	5-7 weeks to	ship.					
200		20,000 EA	OFS FITEL LLC	S-OP-60-LA-A- 3E-BK-OFS	AT-3BEH2YT-060	\$435.77	1000	\$8,715.40
GB Part	#: 2540445	4 UPC #:						
***Item	Note:***	5-7 weeks to	ship.					
300		37,000 EA	OFS FITEL LLC	S-OP-144-LA-A- 3E-BK-OFX	AT-3BEH2YT-144	\$973.37	1000	\$36,014.69
GB Part	#: 2508036	8 UPC #:						
***Item	Note:***	5-7 weeks to	ship.					

Total in USD (Tax not included): \$49,955.31

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To learn more about Graybar, visit our website at www.graybar.com

24-Hour Emergency Phone#: 1-800-GRAYBAR

To: **Sunset Digital Communications** 1791 O.G. SKINNER DR. STE A

WEST POINT GA 31833 JOSEPH PUCKETT

Attn:

12/14/2018 Date:

**Proj Name:** GB Quote #:

0231656202

# **Proposal**

We Appreciate Your Request and Take Pleasure in Responding As Follows

# GRAYBAR ELECTRIC COMPANY, INC. TERMS AND CONDITIONS OF SALE

- 1. ACCEPTANCE OF ORDER: TERMINATION Acceptance of any order is subject to credit approval and acceptance of order by Graybar Electric Company, Inc. ("Graybar") and, when applicable, Graybar's suppliers. If credit of the buyer of the goods ("Buyer") becomes unsatisfactory to Graybar, Graybar reserves the right to terminate upon notice to Buyer and without liability to Graybar.
- 2. PRICES AND SHIPMENTS Unless otherwise quoted, prices shall be those in effect at time of shipment, which shall be made F.O.B. shipping point, prepaid and bill
- 3. RETURN OF GOODS Credit may be allowed for goods returned with prior approval. A deduction may be made from credits issued to cover cost of handling.
- 4. TAXES Prices shown do not include sales or other taxes imposed on the sale of goods. Taxes now or hereafter imposed upon sales or shipments will be added to the purchase price. Buyer agrees to reimburse Graybar for any such tax or provide Graybar with acceptable tax exemption certificate.
- 5. DELAY IN DELIVERY Graybar is not to be accountable for delays in delivery occasioned by acts of God, failure of its suppliers to ship or deliver on time, or other circumstances beyond Graybar's reasonable control. Factory shipment or delivery dates are the best estimates of our suppliers, and in no case shall Graybar be liable for any consequential or special damages arising from any delay in shipment or delivery.
- 6. LIMITED WARRANTIES Graybar warrants that all goods sold are free of any security interest and will make available to Buyer all transferable warranties (including without limitation warranties with respect to intellectual property infringement) made to Graybar by the manufacturer of the goods. GRAYBAR MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES, AND SPECIFICALLY DISCIAIMS ALL IMPLIED WARRANTIES INCLUDING BUT NOT LIMITED TO THE WARRANTIES INCLUDING WARRANTIES INCLUDING BUT NOT LIMITED TO THE WARRANTES INCLUDING BUT NOT LIMITED
- 7. LIMITATION OF LIABILITY Buyer's remedies under this agreement are subject to any limitations contained in manufacturer's terms and conditions to Graybar, a copy of which will be furnished upon written request. Furthermore, Graybar's liability shall be limited to either repair or replacement of the goods or refund of the purchase price, all at Graybar's option, and IN NO CASE SHALL GRAYBAR BE LIABLE FOR INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES. In addition, claims for shortages, other than loss in transit, must be made in writing not more than five (5) days after receipt of shipment.
- 8. WAIVER The failure of Graybar to insist upon the performance of any of the terms or conditions of this agreement or to exercise any right hereunder shall not be deemed to be a waiver of such terms, conditions, or right under this agreement.
- 9. MODIFICATION OF TERMS AND CONDITIONS These terms and conditions supersede all other communications, negotiations, and prior oral or written statements regarding the subject matter of these terms and conditions. No change, modification, rescission, discharge, abandonment, or waiver of these terms and conditions shall be binding upon Graybar unless made in writing and signed on its behalf by a duly authorized representative of Graybar. No conditions, usage of trade, course of dealing or performance, understanding or agreement, purporting to modify, vary, explain, or supplement these terms and conditions shall be binding unless hereafter made in writing and signed by the party to be bound. Any proposed modificional terms are specifically rejected and deemed a material alteration hereof. If this document shall be deemed an acceptance of a prior offer by Buyer, such acceptance is expressly conditional upon Buyer's assent to any additional or different terms set forth herein.
- 10. REELS When Graybar ships returnable reels, a reel deposit may be included in the invoice. The Buyer should contact the nearest Graybar service location to return reels.
- 11. CERTIFICATION Graybar hereby certifies that these goods were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof. This agreement is subject to Executive Order 11246, as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Veterans' Readjustment Assistance Act of 1974, as amended, E.O. 13496, 29 CFR Part 471, Appendix A to Subpart A, and the corresponding regulations, to the extent required by law. 41 CFR 60-1.4, 60-741.5, and 60-250.5 are incorporated herein by reference, to the extent legally required.
- 12. FOREIGN CORRUPT PRACTICES ACT Buyer shall comply with applicable laws and regulations relating to anti-corruption, including, without limitation, (i) the United States Foreign Corrupt Practices Act (FCPA) (15 U.S.C. §878dd-1, et. seq.) irrespective of the place of performance, and (ii) laws and regulations implementing the Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the U.N. Convention Against Corruption, and the Inter-American Convention Against Corruption in Buyer's country or any country where performance of this agreement or delivery of goods will occur.
- 13. ASSIGNMENT Buyer shall not assign its rights or delegate its duties hereunder or any interest herein without the prior written consent of Graybar, and any such assignment, without such consent, shall be void.
- 14. GENERAL PROVISIONS All typographical or clerical errors made by Graybar in any quotation, acknowledgment or publication are subject to correction. This agreement shall be governed by the laws of the State of Missouri applicable to contracts to be formed and fully performed within the State of Missouri, without giving effect to the choice or conflicts of law provisions thereof. All suits arising from or concerning this agreement shall be filed in the Circuit Court of St. Louis Country, Missouri, or the United States District Court for the Eastern District of Missouri, and no other place unless otherwise determined in Graybar's sole discretion. Buyer hereby irrevocably consents to the jurisdiction of such court or courts and agrees to appear in any such action upon written notice thereof.
- 15. PAYMENT TERMS Payment terms shall be as stated on Graybar's invoice or as otherwise mutually agreed. As a condition of the sales agreement, a monthly service charge of the lesser of 1-1/2% or the maximum permitted by law may be added to all accounts not paid by net due date. Visa, MasterCard, American Express, and Discover credit cards are accepted at point of purchase only.
- 16. EXPORTING Buyer acknowledges that this order and the performance thereof are subject to compliance with any and all applicable United States laws, regulations, or orders. Buyer agrees to comply with all such laws, regulations, and orders, including, if applicable, all requirements of the International Traffic in Arms Regulations and/or the Export Administration Act, as may be amended. Buyer further agrees that if the export laws are applicable, it will not disclose or re-export any technical data received under this order to any countries for which the United States government requires an export license or other supporting documentation at the time of export or transfer, unless Buyer has obtained prior written authorization from the United States Office of Export Control or other authority responsible for such matters.

Signed:	

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To learn more about Graybar, visit our website at www.graybar.com

24-Hour Emergency Phone#: 1-800-GRAYBAR

# SUNSET DIGITAL HOLDING, LLC Balance Sheet As of October 31, 2018

		Actual	Actual		Actual	
		Aug-18	Sep-18			Oct-18
<u>ASSETS</u>						
Current Assets:						
Cash & Equivalents	\$	1,719,753	\$	2,248,014	\$	2,140,152
Accounts Receivable		2,688,777		2,459,723		2,660,419
Inventory		1,257,020		1,259,314		1,249,735
Other Current Assets		726,526		596,541		580,434
Total Current Assets	\$	6,392,076	\$	6,563,592	\$	6,630,739
Fixed Assets:						
Gross Fixed Assets	\$	67,230,615	\$	67,505,996	\$	67,742,550
Accumulated Depreciation		(798,700)		(1,602,343)		(2,407,942)
Net Fixed Assets	\$	66,431,915	\$	65,903,653	\$	65,334,608
Other Assets:						
Deposits	\$	50,000	\$	50,000	\$	53,872
Other		-		-		-
Total Other Assets	\$	50,000	\$	50,000	\$	53,872
TOTAL ASSETS	\$	72,873,990	\$	72,517,245	\$	72,019,219
LIABILITIES AND EQUITY						
Liabilities:			_			
A/P & Accured Expense	\$	5,070,569	\$	, ,	\$	
Customer Liabilities		1,186,180		1,136,763		1,412,576
Deferred Revenue		13,086,755		12,852,855		12,618,956
Notes Payable		47,240,130		47,239,072		47,200,865
Deferred Loan Fees	_	(1,072,500)		(975,000)	_	(877,500)
Total Liabilities	\$	65,511,133	\$	65,487,088	\$	65,376,574
Equity:						
Paid In Capital	\$	8,000,000	\$	8,000,000	\$	8,000,000
Retained Earnings		(637,143)		(969,844)		(1,357,354)
Total Equity	\$	7,362,857	\$	7,030,156	\$	6,642,646
TOTAL LIABILITIES AND EQUITY	\$	72,873,990	\$	72,517,245	\$	72,019,219
			_			



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Council, VA, USA

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Example: 123 Main Street, Annapolis, MD, United States

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**FIND PLANS** 









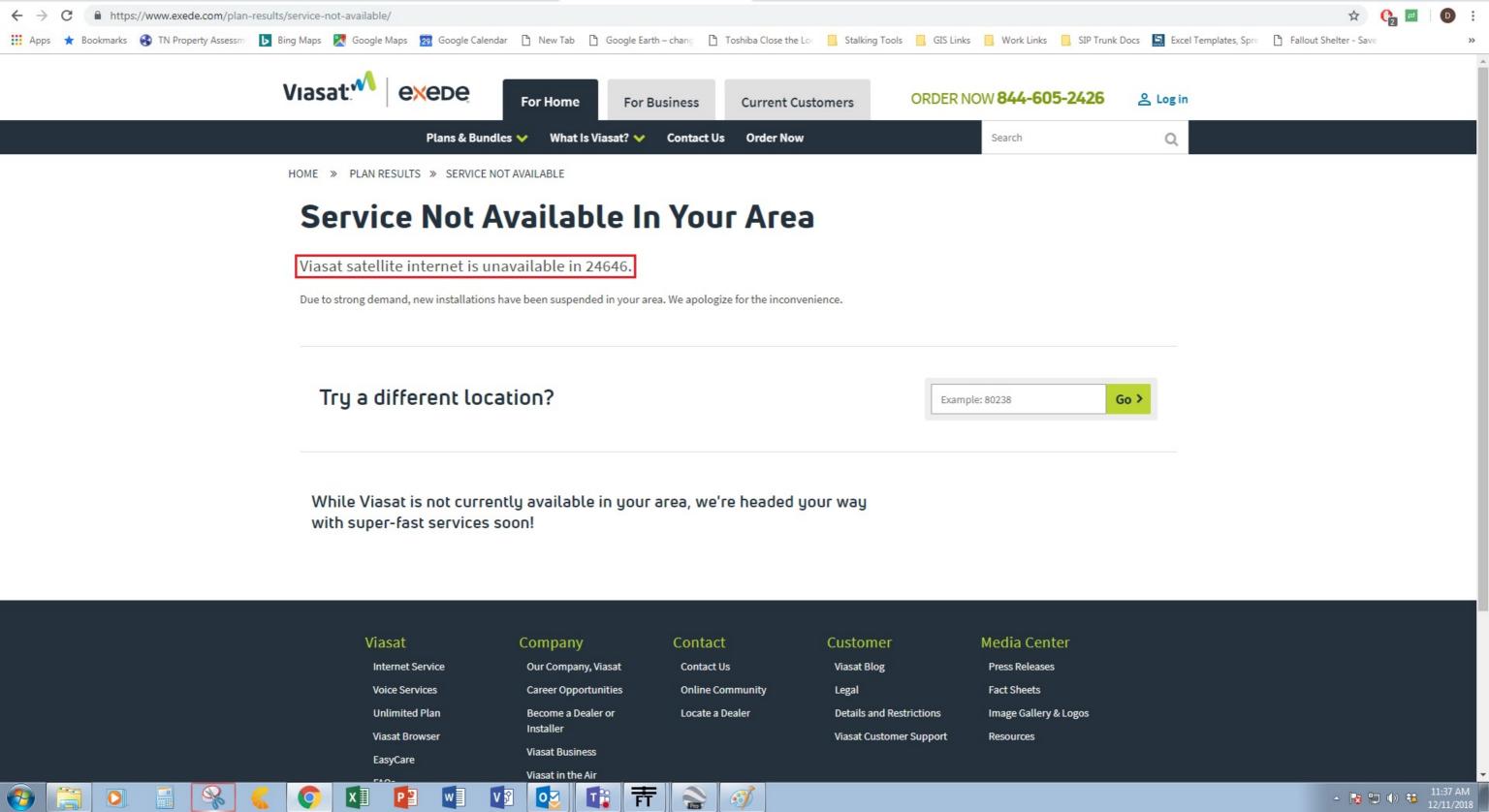


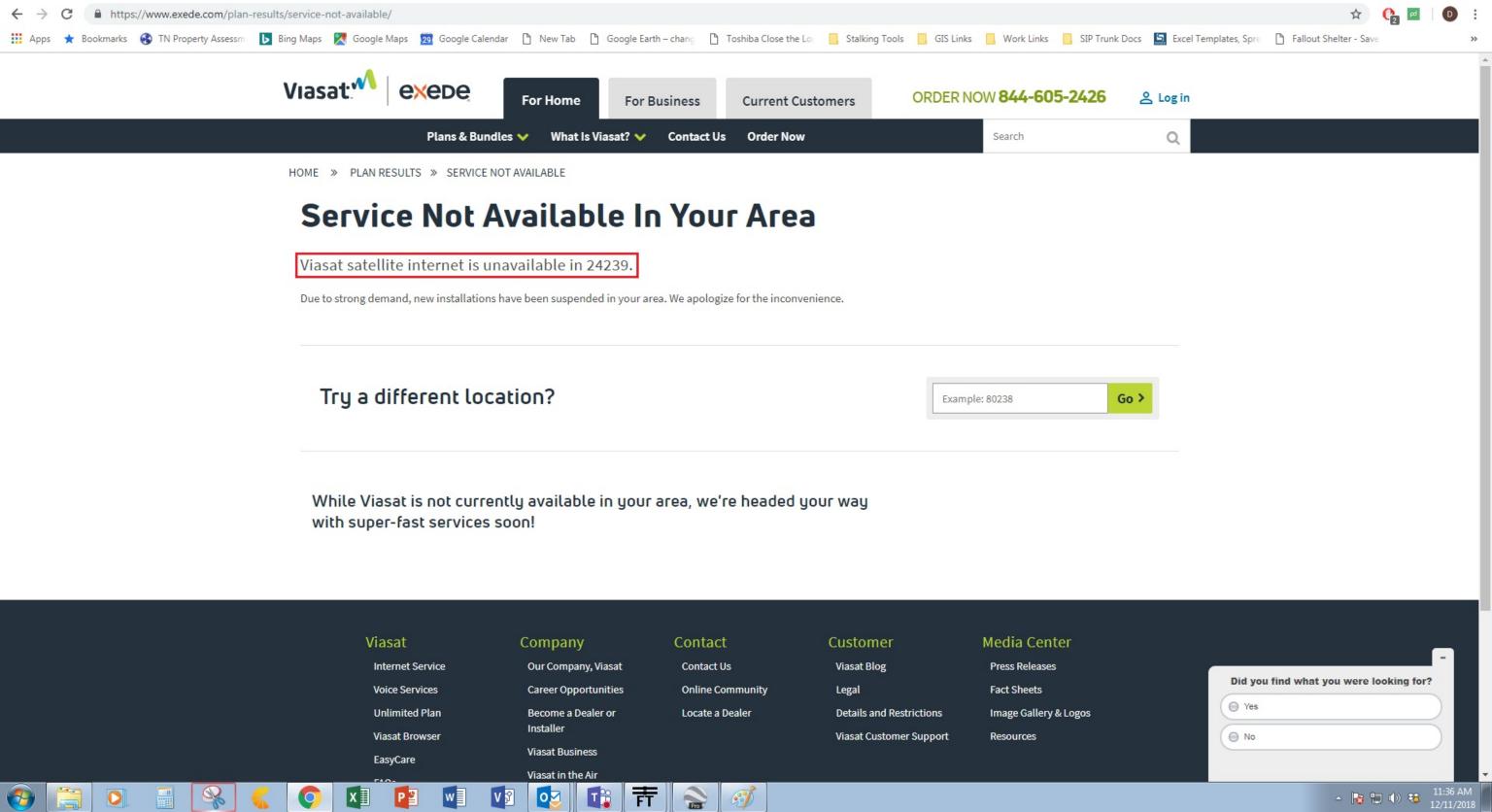


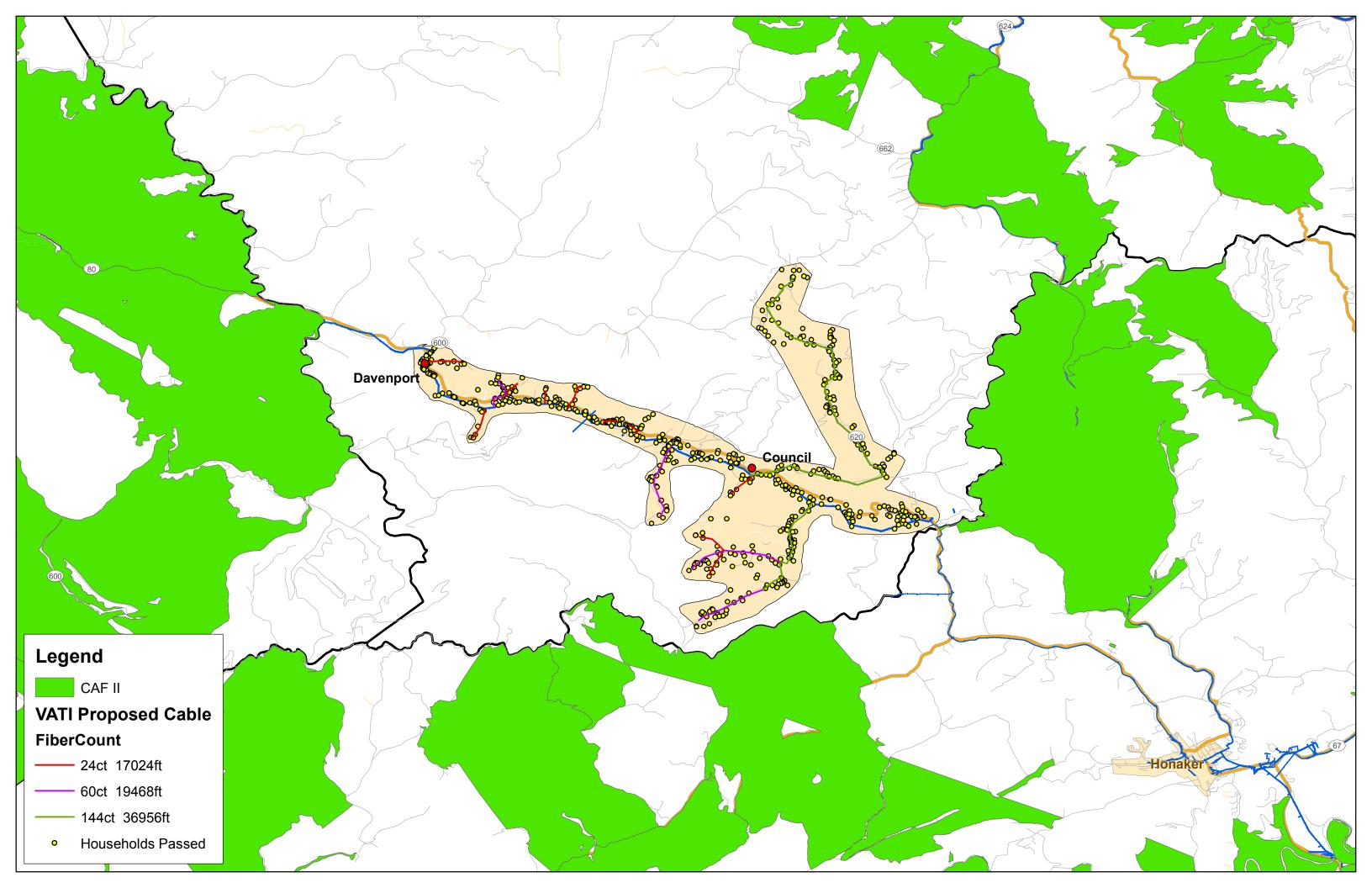












# VATI FUNDING SOURCES TABLE

Please fill in the chart below with a description of the project funding source (local, federal, state, private, other), the amount from that source, the percentage of total project funding that source represents, and a description of the current status of the funds (pending, secured, etc.).

Source	Amount	%	Status
REQUESTED VATI	\$ 490,795.20	70	Pending
Private	\$ 210,340.80	30	SECURED
	\$		
	\$		
	\$		
	\$		
	\$		
TOTAL	\$ 701,136.00	100%	

# **BUCHANAN COUNTY BOARD OF SUPERVISORS**

James Carroll Branham, Chairman
North Grundy District
G. Roger Rife, Vice-Chairman
South Grundy District
William P. Harris
Hurricane District
Harold Fuller
Garden District
Craig Stiltner
Rocklick District
Earl Scott
Prater District
Trey Adkins
Knox District



Robert Craig Horn County Administrator

Lawrence L. Moise, III Esq. County Attorney

December 7, 2018

# To whom it may concern:

Buchanan County and its governing body are in full support of any and all efforts to expand high-speed broadband Internet throughout the county, especially in areas that are currently unserved.

It is our understanding Sunset Digital has applied for grant funding through the Virginia Telecommunications Initiative (VATI) to extend fiber to potentially hundreds of unserved residential customers along the State Route 80 corridor through Council, Davenport and the surrounding communities.

High-speed Internet service is currently available in only a handful of population centers in Buchanan County, creating significant challenges for our residents and local entrepreneurs to conduct business, and severely limiting educational opportunities for our children.

Please accept this letter as evidence of our full support for Sunset's pursuit of this funding. The company is a welcome partner in the expansion of high-speed fiber throughout our communities.

Thank you.

Robert Craig Horn County Administrator

Buchanan County, VA

Takut C Hom

Fax: (276) 935-4479

To whom it may concern:

The Buchanan County Industrial Development Authority lends its full support to Sunset Digital's efforts to expand high-speed Internet access in Buchanan County.

The grant funding currently being sought by Sunset through the Virginia Telecommunications Initiative will be transformative for all those who would benefit in the Council/Davenport community, as well as other areas the expansion effort would reach in that section of Buchanan County. Our residents in this area are unserved by high-speed fiber, and the IDA resoundingly supports Sunset's efforts.

Business recruitment is no longer a regional game; we compete with the rest of the globe for jobs and a skilled workforce. The lack of high-speed Internet availability at Council/Davenport withholds a key tool for us as economic and industrial developers to use to lure new business and industry to Buchanan County.

The Buchanan County IDA supports this grant application fully, and we hope you will give its approval the utmost consideration.

Thank you.

**Scotty Wampler** 

**Director of Marketing and Tourism** 

**Buchanan County Industrial Development Authority** 

oty wasper

# BUCHANAN COUNTY CHAMBER of COMMERCE

PO BOX 2818 GRUNDY VA 24614 276-935-4147



December 12, 2018

To whom it may concern:

The Buchanan County Chamber of Commerce lends its support to Sunset's efforts to expand high speed Internet access in Buchanan County.

The Virginia Telecommunications Initiative grant would have tremendous impact on the residents of the Council and Davenport area. The mission of the Chamber is to promote and meet the needs of business and industry and to create the best community in which to live, work and do business. Access to fiber fed broadband offers the best community option.

The Chamber fully supports the application of Sunset Fiber and the expansion of broadband in Buchanan County.

Respectfully,

Mary Belcher Executive Director



Sunset Fiber of Bristol, Virginia operates a Gigabit Passive Optical Network (GPON) to deliver triple play services to the communities of Southwest Virginia. GPON has the advantage of being able to support multiple users through a single optical fiber reducing equipment and satisfying both high density and rural areas (GPON.com, n.d.). Furthermore, Wang Zhaoqing of the IEEE denotes, "besides the transmission characteristics of good quality, large capacity, and long distance, GPON has the advantages of low maintenance cost, high confidentiality, and strong anti-jamming capability" (Zhaoqing, 2011). The following sections describe how Sunset Fiber uses this technology to provide superior broadband service to the consumers of Southwest Virginia.

Sunset's broadband Internet services originate from two geo-redundant locations at Equinix in Ashburn, Virginia, and DigitalRealty in Atlanta, Georgia. Within each diverse location Sunset is provided access to the Internet from both XO Communications, and Level3 (Century Link) service providers. Furthermore, the customer experience is enhanced by the connection to each location's Internet Peering Exchange (Equinix Internet Exchange, DigitalRealty Internet Exchange). An Internet exchange allows Internet Service Providers (ISPs) to directly interconnect networks and exchange Internet Protocol (IP) traffic. The exchanges provide the Sunset end user with a lower latency network, and increased redundancy through the availability of more paths and improved routing.

Traveling from each redundant location, for increased reliability Sunset has chosen transport partners offering three diverse paths over 10 Gigabit fiber links. For example, from the origination point in Atlanta, traffic is delivered through one of two 10 Gigabit paths of which both terminate in the Central Office located in Bristol, VA. Ashburn traffic passes through a 10 Gigabit path and terminates in Sunset's Disaster Recovery Point of Presence located in Wytheville, VA. Each of the 10 Gigabit optical paths from Atlanta terminate into an edge routing device.

The 10 Gigabit transport data terminating in Wytheville travels along Sunset's Dense wavelength division multiplexing (DWDM) fiber ring. The implementation of the DWDM ring affords Sunset the ability to transport high capacity, low latency, protected broadband data amongst 19 different POP locations. The ring allows for the East/West flow of up to 200 Gigabits per second. Customer traffic from Ashburn to Wytheville travels along this ring finally terminating at Bristol's North POP on another edge routing device. The edge routing devices provide another distinct advantage to customers through the connection of content caching servers implemented from large providers like Google. Caching servers save both Sunset and the consumers from having traffic return to their origination points for content. By traffic not having to continuously flow back to the origin it decreases the overall bandwidth required at the origination point (Atlanta or Ashburn).



Sunset's protection and redundancy continues as traffic from each edge router flows into one of two Service Router devices. These devices, one located within the Bristol CO, and the other at the North POP are interconnected with each other through a 20 Gigabit Link Aggregation Group (LAG). The multiple chassis along with the LAG (MC-LAG) allow for more efficient use of bandwidth and sub-second failover in case one of the two chassis were to fail. Each service router uses a physical port or more to feed the customer facing network or Optical Line Termination (OLT).

The OLT is the origination point for the definition of the GPON network as described previously. OLTs much like network switches contain cards with ports each port represents a PON. 10 Gigabits of available broadband traffic is spread amongst cards containing from four to eight individual PON ports. Sunset has chosen to keep the customer per PON ratio in the customer's favor for a 32 to 1 standard. This standard means simply Sunset allows up to 32 customers per PON port. This is in direct comparison to the 64 or even 128 to 1 ratio, which reduce the overall bandwidth capabilities to each customer. Traffic flows from these PON ports connecting to a passive optical splitter located close to the customer within a fiber cabinet.

Each of the 32 splitter ports connects directly to a customer premise device or Optical Network Terminal (ONT). ONTs are attached directly to the customer's home or business. A single fiber connects to the ONT and from the ONT Category 3, Category 5/6 Ethernet, and even Radio Frequency connections are available. The ONT facilitates the transmission of data into customer's devices such as telephones, computers, routers, and video devices. Each customer can receive up to a 1 Gigabit per second service.

# Sources

GPON.com. (n.d.). Why GPON. Retrieved from Gigabyte Passive Optical Network (GPON): http://www.gpon.com/why-gpon

Zhaoqing, W. (2011). *Research on the Application of GPON Technologies*. Retrieved 12 13, 2018, from http://ieeexplore.ieee.org/xpl/abstractauthors.jsp?reload=true&arnumber=5957468&punumber=5955409

# **Cumberland Plateau Planning District**

December 14, 2018

TO:

**DHCD** 

FROM:

Jim Baldwin, Executive Director

SUBJECT:

VATI Application Support / Public Comment Period Documentation

Please be advised that the Cumberland Plateau Planning District Commission/Cumberland Plateau Company Board of Directors met on Thursday, December 6, 2018, reviewed and approved the VATI application for the CPC Broadband Expansion Project—Council.

In addition, the two Advisory Councils established through the CPC/Sunset Fiber Operating Agreement to provide guidance for residential and business deployment projects met on Friday, November 30, 2018, and reviewed and endorsed the project.

Also be advised that public comments were invited through a non-legal ad in the Bristol Herald Courier on November 22, 2018, and a Public Meeting held on November 28. The public comment period and meeting were advertised on our website and at our office front door.

This project is the first of many future projects that the CPC and Sunset Fiber are cooperating on to bring residential high-speed internet services to the four CPC counties.

# Reed

Lester. "The is tough and strong, and that's how I try to play," said Reed, who said his top bench press is in the 330-pound range. "We both take pride in blocking and just playing our roles." Reed knows serious football. As a fresh-

man, he played for the 11-time West Vir-ginia state champion Bluefield Beavers. Reed is friends with former Bluefield stars and current Division I players Mookie Collier (Marshall) and Jason "Truck" Ed-

wards (Pittsburgh).

Bluefield, which posted a 14-0 record en route to the Class AA state title last season, is currently ranked No. 2 and will host No. 3 Bridgeport Friday afternoon at 1:30 in the Class AA semifinals at Mitchell Stadium.

Carlos Reed, Jazaire's half-brother, was a running back and all-state performer in track and field at Bluefield. In 2016, Jazaire rushed for 64 yards and

two scores as Graham ended a three-year losing streak against Bluefield with a 59-34 decision. The Graham-Bluefield rival-ry, which has drawn crowds of 10,000 and has been dubbed as "The Big Game," has been billed as one of America's top rivalries in various national publications and

ries in various national publications and television shows.
Allen, the Purdue-bound quarterback and defensive back, will be the marquee man for Graham on Saturday. The 6-2, 185-pound mega athlete has accumulated over 3,500 yards in total offense, including a 406-yard effort last week against a physical Union defense.
"My man Cam is a playmaker, and it's so much fint to compete with him," Reed said. "When we make a bad play, Cam is always there to tell us to shake it off. And when we make a good play, he encour-

when we make a good play, he encourages us to keep going."

The Graham quarterback gave Reed

some basic advice against Union,

"Cam told me to run up the middle and to keep doing what 1 was doing," Reed said. 'And he's always telling me that I'm a tough guy to tackle. Cam inspires all of us to play like brothers."

On Oct. 19, Graham blanked Richlands 45-0 at Mitchell Stadium. Reed and Allen helped to set the pace as Graham collected 487 total yards.

ed 487 total vards.

ed 487 fotal yards.
With his injury woes now behind him,
how motivated will Reed be for Saturday's
rematch against Richlands?
"I'm going to be hype," he said. "This is
another chance to let folks know who we

agregory@bristolnews.com | Twitter: @Greg\_BHCS-ports | (276) 645-2544

# Beltre announces retirement after 21 MLB seasons, 3,166 hits

ARLINGTON, Texas - Adrian Beltre ARLINGTON, Texas — Adrian Beltre had a sometimes-imposing stare and plenty of quirky habits. He also had a genuine love for the game, and a lot of fun in a Hall of Fame-caliber career.

After 21 big league seasons in which Beltre hit 47 home runs and became the first player from the Dominican Republic to have 3 000 bits the like-fielding third.

to have 3,000 hits, the slick-fielding third

baseman for the Texas Rangers retired time to call it a career.

baseman for the Texas Rangers retired Tuesday at age 39.
"After careful consideration and many sleepless nights, I have made the decision to retire from what I've been doing my whole life, which is playing baseball, the game I love, 'Beltre said in a statement. 'I have thought about it a lot and although appreciate all the opportunities and everything that baseball has given me, it's

time to call it a career."

Beltre, who will be eligible for the Hall
of Fame hallot in five years, was a .286 hitter with 1,707 RBIs in 2,933 career games.
His 3,166 hits rank 16th on the career list,
with his homers total 30th and RBIs 24th.
He played 2,759 games at third base —
only Hall of Famer Brooks Robinson had
more.
"As much fun as people see us having

at the ballpark all of the time, and playat the ballpark all of the time, and play-ing around, I haven't met somebody that was more detailed about the game than him," Rangers shortstop Elvis Andrus said. "He's going to be missed for sure. It's going to be different." The four-time All-Star and five-time Gold Glove winner was 19 when he made his big league debut with the Dodgers in 1998.

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# VATI PUBLIC COMMENT SIGN IN SHEET

DATE & TIME: Wednesday, November 28, 2018 - 10:00AM

	PRINT NAME
1.	Jim Baldwin
2.	
3.	
4.	No Persons Attended.
5.	
6.	Comment Period Closed at 11:00 a.m
7.	23
8.	
9.	
10.	
11.	

12/14/2018

CPPDC



# Cumberland Plateau Planning District Commission

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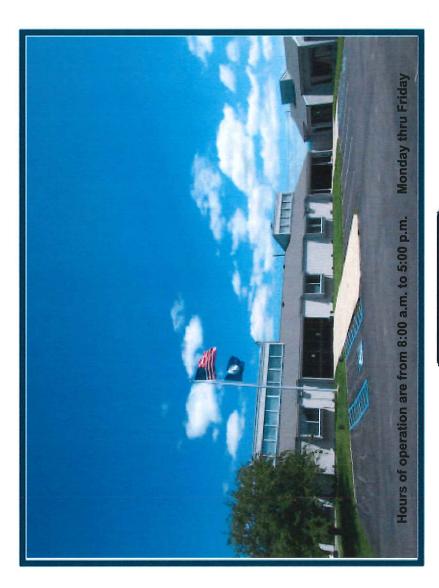
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CPPDC

# Cumberland Plateau Company

# Events

12/06/2018

Cumberland Plateau Planning District and Cumberland Plateau Company Board of Directors Meeting

SWVVA Community College 729 Community College Rd Cedar Bluff, VA 24609

Public Invited







Buchanan County, Virginia



E 14 MPH 30.20 in.

Barometer

Humidity

Overcast

41°F

Wind

Current Conditions at 9:35 AM EST

Lebanon, VA

Dewpoint

36°F

**Tuesday** 

Monday

Sunday

Saturday

Friday

Forecast issued at 3:12 AM EST Fri Dec 14 2018

🔆 weatherforyou.com

Dickenson County, Virginia



Russell County, Virginia

Hi: 43F Lo: 29F

Hi: 47F Lo: 29F

Hi: 47F Lo: 35F Showers

Click for more details

Sunny

Sunny

Chance Of

Showers Hi: 57F Lo: 40F

> Showers H: 50F Lo: 45F

Rain



Commission







Virginia Department of Health Office of Drinking Water

Housing and Community irginia Department of Development

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comments for an application to the Virginia

The Cumberland Plateau Company and

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Virginia Department of Transportation



Virginia Tobacco



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comment on this proposed application will be received until December 13, 2018 at 4:00

service to areas presently unserved by any

Plateau Planning District Commission

broadband provider. The Cumberland

plans to submit an application. Public

The primary objective of VATI is to extend

jimbaldwin@bvu.net) .; by phone (276-889-1778); or TDD-711; or by mail (P.O. Box 548,

Comments can be made via email

Lebanon, VA 24266). Comments can also

be made in person until noon, December 14th 2018 at the offices of the Cumberland

located at 224 Clydesway Drive, Lebanon,

Plateau Planning District Commission



Virginia Association of Planning District Commissions



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