

Application to DHCD Submitted through CAMS

Surry County

Surry County/SCS Broadband VATI 2019

Application ID: 59812032018100141
Application Status: In Progress - DHCD
Program Name: Virginia Telecommunications Initiative 2019
Organization Name: Surry County
Organization Address: 45 School Street
Surry, VA 23883-0065
Profile Manager Name: Rhonda Russell
Profile Manager Phone: (757) 294-5210
Profile Manager Email: rLRussell@surrycountyva.gov

Project Name: Surry County/SCS Broadband VATI 2019
Project Contact Name: Rhonda Russell
Project Contact Phone: (757) 294-5210
Project Contact Email: rLRussell@surrycountyva.gov
Project Location: 45 School Street P.O. Box 357
Surry, VA 23883-2725
Project Service Area: Surry County

Total Requested Amount: \$62,098.00
Required Annual Audit Status: Accepted

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Budget Information:

Cost/Activity Category	DHCD Request	Other Funding	Total
Telecommunications	\$62,098.00	\$22,500.00	\$84,598.00
Construction	\$48,098.00	\$0.00	\$48,098.00
Construction Related Soft Costs	\$14,000.00	\$22,500.00	\$36,500.00
Total:	\$62,098.00	\$22,500.00	\$84,598.00

Budget Narrative:

SCS Broadband will cover the 46% matching funds for this project. The County of Surry is not required to fund any part of this project. SCS Broadband will invest \$46,500 in cash contributions of the project's total cost of \$82,782. The remaining 54% is the total of the funding requested by this grant proposal, or \$101,932.

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:

Surry County and its private partner SCS Broadband have developed a plan to deliver broadband service to the town of Surry itself, as well as the areas to the immediate northwest and northeast of Surry town. Surry County is requesting VATI funding to cover the labor and materials cost of mounting telecom broadcasting equipment to a tower located just south of Kingsway Lane on the west side of the town of Surry. This tower would not only deliver broadband service to the Town of Surry, but the service area would also include the following areas:

- Colonial Trail West from RT 31 all the way to RT 618
- Oakwood Drive
- the Surry Village II community
- Lebanon Road
- Rolfe Highway from Town of Surry to James River
- Scotland Neck Community
- Riverview Drive
- Dollars Point Community

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This project area was chosen because of an existing partnership between SCS Broadband and Surry County. The project area supplements two other tower locations that SCS Broadband already operates on the south and east sides of the town of Surry. This grant request would be the third tower in the growing Surry County wireless network being built by SCS Broadband.

This project area was also selected based on the census blocks and groups that were not awarded CAFII funding, whereas much of the rest of the county was awarded a CAFII through Prince Georges Electric.

Please see the file named "Figure 1.1 - Maps of Project Area" for the location of this tower. The maps show the complete coverage area that would receive broadband wireless services. One map shows the location of the tower in relation to the census blocks. Another map shows the broadband service propagation map. The statistics of population, homes, businesses and square miles are presented as they were used in the decision to select this area for this grant request proposal.

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:

The project area chosen for this VATI grant submission currently does not have any provider that offers high-speed service as set out by DHCD at <10 Mbps/1Mbps. Due to SCS Broadband's current internet provisioning efforts in Surry County, SCS is completely familiar with all other services covered throughout the county.

Surry County owns a fiber network which starts south of town at SCS Broadband's current tower and travels through the center of the town of Surry. It serves anchor institutions such as the county's Administration and Sheriff Offices. SCS Broadband is one of two ISPs which provisions services from this small fiber line. The fiber has a limited number of drops and very limited expansion capability without incurring significant costs.

There is also a small wireless company, 380 Communications, located within the Town of Surry with an advertised basic plan for \$69.95 for 3-4Mbps and a business plan for \$94.95 for 5-6Mbps. This was reconfirmed with a service request phone call on December 1st, 2018. 380 Communications is also not registered as required with the FCC and thus does not show up on any broadband mapping sites.

There are no other ISPs in the project area that meet the speed requirements of 10Mbps or greater in advertised speeds. The attachment, "Figure 2.1 - Existing ISP and CAFII Funding Map", depicts the areas for funding, as well as the existing unqualified ISP and CAFII funding areas.

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

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service overlap with current providers within the project area.

Answer:

There is one wireless company in 15 percent of the area covered by our grant request proposal. This provider does not meet the VATI requirements, as their highest advertised speed is 6/2Mbps for \$94.95. This was confirmed as of 12/1/2018 with a request for pricing directly from the company's owner.

Surry County owns a short fiber line, on which SCS Broadband is one of two ISPs for last mile service. This line covers less than two percent of the area being requested and is limited in last mile drops. Having far less than 10 percent overlap, the fiber network does not meet VATI requirements.

The tower in this grant request proposal will allow services to be given to those citizens not on Prince George Electric's circuit.

Sources used to determine what Internet Service Providers used were:

1. Surry County Administration
2. Public Surveys
3. Web searches
 - a. Broadbandnow.com
 - b. Broadbandsearch.net

4. FCC ISP Registration Database for Form 477

None of these sources listed a wireline or wireless ISP with 10Mbps or more speed.

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:

The proposed project area is made up of rural homes, communities and the rural Town of Surry. If the VATI grant is obtained, the number of citizens that can be served is 1,259. This number was determined using the U.S. Postal mailing routes which fell into the project area. See attachment "Figure 4.1 – U.S. Postal Routes Statistics of Area to be Served". This a snapshot of the online tool provided by the EDDM service of the U. S. Postal Service. This tool lists a total of 1,417 addresses, 896 of which are out of the service range of the tower. This leaves a total of 521 addresses. 18 of these addresses are businesses and 503 are homes. The breakdown of the U. S. Postal Service mapping was accomplished using the SCS Propagation Mapping tool which shows the number of people served in the proposed service area.

In summary, 503 homes and 18 businesses can be served in the area to be funded. This equates to a population estimate of 1,259 citizens.

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

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Answer:

As indicated in the previous section, there are 503 households and 18 businesses that can be served in the project area. In addition to these 18 businesses, there are non-profits and government institutions which also can be serviced by this funding. These include the various government departments and agencies of the Town of Surry, Smith's Port Plantation, Nottoway Pow Wow, Surry Community Center, Jamestown-Scotland Ferry and Surry Volunteer Fire Department, among others.

Although not inclusive, these are other businesses and non-profits which have been analyzed to be in the service area of this tower:

1. A Steampunked Life Gift Shop
2. Airfield 4-H Center
3. Anna's Pizza Restaurant
4. Bacon's Castle
5. Blackwater Regional Library - Surry Branch
6. Claremont Public Library
7. Orion Candle Company
8. Chen's Asian Grill
9. C.B. Faison, Jr. Legal Services
10. Chippokes Plantation State Park
11. College Run Farms
12. Colonial Auto Repair
13. Creative Worth Photography
14. Farmer Joe's
15. Farmers United
16. Surry County Farm Bureau
17. Surry County House Inn

18. Virginia Home and Land Company, LLC

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In addition, these non-profits would be eligible for SCS Broadband's Non-Profit Program, services from \$17.50 per month:

1. Surry County Historical Society
 2. Surry Town Administration Building
 3. Surry Town Council Building
 4. Surry County Visitor Center
 5. Surry Baptist Church
 6. Tree of Life Church
 7. Unity Tabernacle Holiness
 8. Surry United Methodist Church
 9. Lebanon Baptist Church
 10. St. Paul's Episcopal Church
 11. Hope Christian Alternative
 12. Bibleway Baptist Church
 13. Community Baptist Church
 14. Grace Union Church

 15. New Harvest Christian Life
6. Provide the anticipated take rate for the proposed service within one year of project completion and describe the basis for the estimate. Also provide all actions to be implemented to reach the identified potential customers within the project area.

Answer:

There is a possibility of 521 installations based on the previous analysis if SCS achieved a 100% take rate. From SCS's experience, the estimated take rate is a maximum of 312 installations or 60% of those who can receive the service signal. The difference is due to several factors:

1. Elderly people who do not use the Internet

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2. Extreme low-income people who cannot afford the Internet
3. Abandoned houses and business locations
4. People on long-term contracts with other providers such as satellite
5. People satisfied with less than 10Mbps service due to low Internet demands

Using 312 as an estimated number for take rate, and the time frame of one year, all 312 would be able to be installed within one year. This is based on the installations to be handled by the SCS Broadband Surry County installation team over the course of 2019. The team will average two installs a day, five days a week. There are 260 weekdays in a year which we subtract out these numbers:

1. Holidays
2. Sick Leave
3. Vacation Leave
4. Poor Weather

SCS Broadband estimates 160 installation days a year for any location. This would leave a total of up to 340 installations a year for the Surry installation team.

The estimated maximum take rate of 312 installations can be accomplished within one year.

The process to obtain this take rate will be through SCS Broadband established marketing procedures and policies. Marketing is accomplished by these means:

1. Paid Social Media Advertising (Facebook & Instagram)
2. Paid Search Engine Google
3. Google AdWords
4. Yard Signs
5. Local Online News Media
6. Local Printed News Media
7. Customer Recommendation Programs
8. Phone Calling
9. SCS Broadband Website Promoting

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Figure 6.1 – “Sample Marketing Results”, depicts actual results of a counties’ continual marketing results. All service requests are automatically placed onto a map, and all service signal statistics and installation information are sent to SCS Broadband’s Service and Installation management.

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

Answer:

VATI funding for this project would provide an important addition to the enhancement of the existing partnership between SCS Broadband and Surry County. This project is a last-mile only project using LTE wireless technology at broadband speeds up to 50Mbps. Included are two wireless backhaul links, one primary and one backup, to two existing towers.

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:

The Surry County tower for this grant request is owned by American Tower Corporation. This will be the third tower leased to SCS Broadband within Surry County. SCS Broadband will own and maintain all the equipment to be loaded onto this tower. The company has three certified tower crews, and contracts out tower climbing subcontracts when required to meet project deadlines. This tower is part of a complete county-wide wireless network being built over a three-year period which began on December 29th, 2017. Attachment, “Figure 8.1 - Surry County Wireless Network Plan”, depicts the entire network’s goal.

This grant request does not include the monthly leasing fees or fiber backhaul leasing fees for the tower.

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 system will be a last mile deployment to homes and businesses, using LTE and WIFI technology with a speed range between 10Mbps and 50Mbps with pricing starting at \$35. The system uses a proprietary shared polling software system, which keeps an effective service level while preventing overloading on the base stations. Each LTE base station can handle up to 96 last mile sessions, and the new WIFI base stations can handle 60 last mile sessions each. There are four base stations per tower for LTE and four WIFI base stations allowing for a total of 624 sessions, or connections to homes for the tower. This is twice the number expected, reducing the load by 50% of the maximum stated by the manufacturers. All plans are set to burst up to 10% higher than plan speed, used when the system detects the availability of backhaul bandwidth. Dedicated services will be offered in the business plan product line up to 500Mbps. Upload speeds will be open to availability by location, with a minimum of 8Mbps. All plans have uncapped, unlimited data. This is possible due to the bandwidth of the wireless and fiber backhails.

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VOIP phone service will be available for an additional \$15 a month for unlimited U.S. calling. The phone service can be used at home through any type of phone, landline or cellular, and can be used away from home with smartphones connected to WIFI anywhere in the continental United States.

All plans are unlimited with NO CAPS on data usage.

Services are to be supported by a fiber backhaul to our contracted exchange network. The exchange allows for the use of major high bandwidth applications within the network such as Netflix, Apple TV, and Blackboard. This allows the end user to have fast access and speeds to these popular sites while at the same time allowing SCS Broadband to operate effectively, efficiently, and at reduced costs. The citizens on this project tower will not traverse the Internet for all these packages listed, they reside on the SCS broadband network through our equipment in the Richmond Exchange. Only 20% of our traffic traverses the Internet daily.

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:

The funds from this grant will be used to add on to an existing SCS Broadband/Surry County network. The current network is the first part of a long-term project to expand to several available towers in the county. The current network consists of a fiber backhaul to the SCS Broadband Richmond Exchange and to Ashburn Virginia for final Internet connection. There are two existing towers in operation. One tower was funded by an EDA grant, while the second one was funded by SCS Broadband. This current funding request to DHCD/VATI is for a third tower. Although a small grant request, this is a critical tower for the network due to the population and businesses which will be affected due to the tower's proximity to the Town of Surry, the county seat. Below is a detailed description of the existing network and what the funding would be used for in adding to this existing network.

This project is a tower addition to two existing towers and the wireless backhaul to the new tower. These two backhauls produce a redundant network to the new tower. Presented earlier in Project Description, is a map, "Figure 1.1 - Maps of Project Area", which includes the propagation of service signal (presented in green) which the new tower will cover. This propagation comes from an automated propagation tool which SCS Broadband uses for determining a tower's service area. The tool is directly connected to marketing through the company's website and allows every submission for service from citizens to be automatically mapped and sent to main office staff for processing.

SCS has a fiber backhaul located at one existing tower which will be upgraded for the new bandwidth requirements for this new tower. This backhaul is leased by SCS Broadband in a five-year contract and routes through other SCS Broadband fiber leases to our Richmond Exchange equipment. If the content is not available at the Richmond Exchange, SCS Broadband's leased dedicated fiber to Ashburn, VA directs the user's request to the Internet. This routing is in place for many counties in Virginia by SCS Broadband which leads to the best performance for high bandwidth usage applications. Some of these applications on the SCS Broadband network as examples are Netflix, Apple TV, DropBox and Facebook... among the 40+ applications.

11. Project Readiness

What is the current state of project development (i.e. planning, preliminary engineering, final design, etc.)? Prepare

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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:

Surry County and SCS Broadband have already cooperated to provision two towers in the county with the internet. This current VATI request for a third tower will be an extension into new territory. The tower is owned by American Tower Corporation. SCS Broadband has already confirmed that the tower is available, and an engineering review was completed by ATC for wind load to confirm availability. The next step is to submit a lease request and pay for engineering analysis to add the SCS Broadband equipment on the tower. Once the lease is completed, SCS Broadband will be able to immediately load all required equipment onto the tower and turn on service to the communities previously listed. Although VATI allows for a year to complete a funded project, this smaller project will take an estimated 120 days, to include all the steps represented in "Project Management Plan".

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 in-kind 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:

SCS Broadband and the County of Surry will cover the 27% of the project between matching and In-Kind contributions. SCS Broadband will invest \$16,500 in matching funds to the project's total cost of \$84,598.

The attachment "Figure 12.2 - VATI Funding Sources," shows the breakdown of these funds.

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:

The Surry County and SCS Broadband key personnel for this project will be the following:

SURRY COUNTY STAFF		
Name	Title	Grant Role

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Rhonda L. Russell	Surry County Director of Planning and Community Development	Will act as grant coordinator for Surry County
SCS BROADBAND STAFF (internet provider)		
Lon Whelchel	CEO, SCS Broadband	Overseeing entire SCS Broadband side of the project
Clay Stewart	COO, SCS Broadband	Will work with the Surry grant coordinator to implement broadband services in the Surry project area
Gerri Stewart, CPA	CFO, SCS Broadband	Will provide oversight of the financial aspect of the project on SCS Broadband's side
Kelly Stewart	Northern Operations Manager, SCS Broadband	Day-to-day management of project construction

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:

The SCS Broadband and County of Surry broadband project was launched in 2017 with a grant award from the Economic Development Authority to pay for the labor and equipment for broadband deployment on a county-owned tower. SCS Broadband completed the requirements to have the tower operational by December 31st, 2017. The county provides the tower at a special discounted price as part of the partnership. This partnership is documented in an EDA Performance and Lease Agreement attachment, "Figure 14.1 - Applicant and Co-applicant Contract".

SCS Broadband has leased a second 300' tower from American Tower Corporation which is now operational and provisioning broadband in another area of the county. Several areas of the county have future towers analyzed by

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SCS Broadband which will provide future growth of the wireless network. But only one tower will not be affected by awarded CAFII funding, the tower documented in this grant request to DHCD/VATI. These earlier projects, along with new long-term leases for these towers and fiber backhauls, show proof of SCS Broadband's commitment to Surry County.

Surry County Administration supports this grant request partnership and posted proper public notice. SCS Broadband will be responsible for at least 20% of the required matching funds including leasing required fiber and the third tower from American Tower Corporation. The County will be responsible for monitoring of the project to completion. Completion will be the day the tower starts provisioning broadband, having been completed.

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 be substantiated by clear cost estimates.

Answer:

This project's itemization of equipment and construction costs is presented in the attachment, "Figure 12.1 Derivative of Costs", which contains web links to pricing for all material, and a list of all construction costs such as labor and leasing fees.

This is a short-term, fixed project and all material costs are to be budgeted at the start of the project, based on the detailed costs presented in "Figure 12.1 Derivative of Costs" attachment.

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:

The DHCD share for the cost of this project will be 73% of the total project cost of \$84,598, or \$62,098.

The estimated take rate is 312 homes including 19 businesses. Dividing this into the total cost of the project gives the figure of \$193 as the "cost per unit passed". That includes both SCS Broadband contribution and the funding from DHCD.

Citizens and businesses will be able to choose one of 5 plans, switching for free at the 1st of any month, up or down. The speeds of each tier are 10Mbps, 20Mbps, 30Mbps, 40Mbps, and 50Mbps down. The up speed for each plan will be 8Mbps or greater.

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:

SCS Broadband is a premier Internet Service Provider (ISP), specializing in offering service in rural communities for over 13 years. In 2005, SCS Broadband began building a wireless network using both commercial towers and private structures, water towers and light poles throughout Nelson, Amherst and Buckingham counties of Virginia. In 2016, SCS Broadband created a five-year plan to deploy throughout Central Virginia in rural counties. SCS

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Broadband has expanded to these counties, many in partnerships of PPEA and other agreements:

- Nelson
- Amherst
- Bedford
- Pittsylvania
- Halifax
- Buckingham
- Albemarle
- Louisa
- Charles City
- Surry

In addition, SCS broadband has worked with New Kent, Hanover and Goochland counties for future deployments. SCS Broadband leases many commercial and county owned towers, as well as private structures.

In March 2018, SCS Broadband won two Tobacco Region Revitalization Commission (TRRC) in partnerships with Halifax and Pittsylvania Counties.

In addition, SCS Broadband has applied for DHCD/VATI grants for three years in a row in partnership with several counties. As a result of the efforts of writing grants, and in performing grant projects, SCS Broadband has become very experienced in working with grantors, such as DHCD.

Surry County, Virginia is the Applicant for this grant application submittal which includes SCS Broadband, Inc., as the Co-Applicant.

Ms. Rhonda L. Russell, Surry County Planning & Community Development Director, will serve as the Grant Administrator for the project. Ms. Russell has extensive public service and management experience amassed over a twenty-year local government career where she has managed as many as thirteen employees and departmental budgets of more than \$500,000.00. She has written, received, and implemented multiple grant awards for housing rehabilitation, broadband and sewer infrastructure and lead abatement projects, totaling more than \$6 million. Additionally, Ms. Russell's noteworthy academic preparation includes an undergraduate Planning Degree, Va. Tech, Blacksburg, VA, a Master of Public Administration degree, Old Dominion University, Norfolk, VA, and a terminal degree in Organizational Leadership with a concentration in Human Services Administration, Nova Southeastern University, Fort Lauderdale, FL.

SCS Broadband's CEO Mr. Lon Whelchel has more than twenty years of experience in the areas of technology and leading professional service organizations.

Clay Stewart is the COO for SCS Broadband, and he brings more than 40 years of IT experience. He has served as a system support analyst and designer for corporations such as AT&T, MCI, WorldCom, UUNET, The Harris Corporation and Tyco Electronic communication companies.

Gerri Stewart is the CFO for SCS Broadband and brings more than 18 years as a Virginia Certified Public Accountant having served for the County of Henrico and as CFO for private schools, including the Miller School of Albemarle. Gerri and her staff provide for the effective and efficient financial processing for SCS Broadband.

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:

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The SCS Broadband network will be built with security, redundancy and future bandwidth requirements as priority network functions. Internet service plans will be part of the open market architecture. A simple set of pricing plans will allow anyone, home or business, to choose an uncapped, unlimited, cost-effective plan. Homes and businesses will have the advantage of having many plans to choose from, not being locked into a plan that does not meet future needs. Any subscriber may change plans at any time, effective on the 1st of any month, without charge or penalty. Onsite call maintenance for any equipment is done free of charge as stated on the Terms of Service Contract. Two types of Terms of Service Contracts will be offered. Every subscriber will have the choice of a Month-to-Month Service Contract or a Two-Year Service Contract. Two-year contracts will have additional discounting to the subscriber, and any subscriber can switch to a Two-Year Contract at any time.

Payment for services is to be set up to make it as easy as possible, but to meet the different needs of subscribers. They are to be allowed to prepay in advance for a year and receive an additional discount. Payment can be done by mail, phone or website; or any subscriber can easily set up a secured, automatic ACH account to a credit card or bank account.

SCS Broadband will offer 5 tiers of service for residential customers in the project area:

- 10 Mbps for \$34.95/month
- 20 Mbps for \$54.95/month
- 30 Mbps for \$74.95/month
- 40 Mbps for \$94.95/month
- 50 Mbps for \$114.95/month

These prices will be for a 2-Year contract. SCS will also offer a month-to-month contract option which adds an additional \$5/month onto these listed prices.

SCS Broadband will offer 3 tiers of service for businesses, with a required 2-Year Contract for all business plans (Businesses are defined as businesses working from a county zone defined for a business entity, home businesses are exempt):

- 10-15 Mbps for \$150/month
- 15-20 Mbps for \$200/month
- 20-25 Mbps for \$300/month

VOIP phone service will be offered at \$15 for unlimited continental United States calling. The phone system can be used at home with any type phone, including line or smartphone. It can be used away from home with a smartphone attached to WIFI Internet.

19. Additional Information

Any other equitable factor that the applicant desires to include.

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Answer:

Although this is a small grant request and a small project, it will within three short months expedite SCS Broadbands deployment in Surry County to well over 1,400 citizens who currently have less than 10Mbps service or none in wired or wireless. Along with the 19 estimated businesses and non-profits, this set of rural communities and township will be able to perform any needed function on the Internet. From multiple streaming, telecommuting, education and health access to home business startups, all known type of Internet usage can be accomplished on this network. The optional low-cost VOIP phone service is also a major financial help to these citizens. The economic impact for the region will be great based on home value increases and growth in jobs at businesses which rely on Internet communications and access. The logistics of this tower, along with our existing startup network of two other 300' plus towers already deploying in nearby areas, is adding Surry to the Commonwealth of Virginia's list areas served with broadband Internet.

Please note that copies of advertisements seeking public comments for the 2019 Surry County/SCS Broadband VATI Grant application are included with attachments for the Sample Marketing Plan. Advertisements were published on the Surry County web page at surrycountyva.gov, the Daily Press and the Richmond Times.

Attachments:

Derivation of Cost (Project Budget)

Figure121DerivativeofCosts12122018123732.pdf

Project Management Plan

ProjectManagementPlan1211201835946.xlsx

Supporting documentation for costs estimates

Figure122SupportingCostDocumentation12122018125402.pdf

Map(s) of project area, including proposed infrastructure

Figure11MapsofProjectArea1211201830210.pdf

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

Figure21ExistingISPandCAFIIFundingMap1211201831642.pdf

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

SCSBroadbandSurryCountyEDAPerformanceAgreement126201863149.pdf

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Two most recent Form 477 submitted to FCC

Form477s1212201811056.pdf

Documentation for in-kind contributions, including value(s)

SourceofInKindFunds1212201813233.pdf

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

Figure122SupportingCostDocumentation12122018125454.pdf

Documentation of source of match funding

SourceofMatchingFunds1212201813243.pdf

Documentation that proposed project area is unserved based on VATI criteria

Figure21ExistingISPandCAFIIIFundingMap12122018125655.pdf

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

Figure22CAFIIAwardedFundingMap1212201815739.pdf

Funding Sources Table

Figure123VATIFundingSources1212201821252.pdf

(Optional) || Figure 4.1 – U.S. Postal Routes Statistics of Area to be Served

Figure41USPostalRoutesStatisticsofAreatobeServed1211201832224.pdf

(Optional) || Figure 14.1 - Applicant and Co-applicant Contract

Figure141ApplicantandCoapplicantContract1211201841852.pdf

(Optional) || Figure 6.1 – Sample Marketing Results

Figure61SampleMarketingResults1213201850941.pdf

(Optional) || Figure 8.1 - Surry County Wireless Network Plan

Figure81SurryCountyWirelessNetworkPlanMap1211201833420.pdf

Application to DHCD Submitted through CAMS

Surry County

Surry County/SCS Broadband VATI 2019

Notes:
Although this is a small grant request and a small project, it will within three short months expedite SCS Broadbands deployment in Surry County to well over 1,400 citizens who currently have less than 10Mbps service or none in wired or wireless. Along with the 19 estimated businesses and non-profits, this set of rural communities and township will be able to perform any needed function on the Internet. From multiple streaming, telecommuting, education and health access to home business startups, all known type of Internet usage can be accomplished on this network. Attachment, "Figure 6.1 – Sample Marketing Results", shows a sample of the SCS Broadband marketing results with a map marker for every home requesting service, and included is documentation of the required public notice issued by the County of Surry. The optional low-cost VOIP phone service is also a major financial help to these citizens. The economic impact for the region will be great based on home value increases and growth in jobs at businesses which rely on Internet communications and access. The logistics of this tower, along with our existing startup network of two other 300' towers already deploying in nearby areas, is adding Surry to the Commonwealth of Virginia's list of rural areas served with broadband Internet.



Derivative of Costs

12/14/2018

Surry Oakwood Tower

Product								
Equipment	Description	Cost **	Qty	Total	VATI	NON-VATI	Source of Estimate	Date
KP-3DP65S-45	Dual Band Sector 3.65Ghz 65 deg	500	4	2,000	2,000	0	KP Performance	12/10/2018
NOVAR-9302	3Ghz LTE BaiCel Base Station	3,800	4	15,200	15,200	0	Double Radius	12/10/2018
PS-5AC	AIRMAX 5 GHZ AC PRISMSTATION	300	4	1,200	1,200	0	Double Radius	12/10/2018
PRISMAP-5-60	AC ISOLATION ANTENNA HORN	80	4	320	320	0	Double Radius	12/10/2018
AF24HD	Air Fiber 24Ghz PtP Radio	3,333	4	13,332	13,332	0	Double Radius	12/10/2018
POE inserter/Switch	UBNT EdgePoint 16 Port	530	1	530	530	0	Double Radius	12/10/2018
Cabling/Ends	Cat5 Double Shield Jumper Cables	200	1	200	200	0	Double Radius	12/10/2018
CWT01 SitePro1	Dual Mounting Steel Arms	456	3	1,368	1,368	0	SitePro1	12/10/2018
P2110 SitePro1	2 3/8"x10' Mount Poles	61	4	244	244	0	SitePro1	12/10/2018
Fiber/Power Cable	Fiber/Power/Conduit Package *	3,511	1	3,511	3,511	0	Eupen *	12/1/2018
UVP Lightning Protector	Lightning Protect * See Below	120	4	480	480	0	Eupen *	12/10/2018
Traco 48VDC PS	Traco Power Supply	248	2	496	496	0	Mouser	12/10/2018
Traco Battery	Traco Battery Switch/Charger	215	2	430	430	0	Mouser	12/10/2018
Tower Battery Backup	12VDC Battery 37AH	280	4	1,120	1,120	0	Mouser	12/10/2018
Voltage Stepup Trans	48 to 54 VDC Stepup Transformer	80	2	160	160	0	SCS Broadband	12/10/2018
Cutoff Switch	AC Master Cutoff Switch	198	1	198	198	0	ElvesSupply.com	12/10/2018
Break Box	100Amp Breaker Box w/Breakers	308	1	308	308	0	ElvesSupply.com	12/10/2018
Surge Protector	AC Surge Protection	170	1	170	170	0	Google Express	12/10/2018
444APC-HV	APC Modular CAT5 Surges	17	12	204	204	0	Amazon.com	12/10/2018
APC Surge	APC Surge Chassis for 444APC-HV	24	1	24	24	0	Amazon.com	12/10/2018

Surge Case	Equipment Outdoor NEMA Box	439	1	439	439	0 Amazon.com	12/10/2018
MER8-P SitePro1	H-Frame Rack Mount Hardware	565	1	565	565	0 SitePro1.com	12/10/2018
ER-PRO-8	Edge Router	399	1	399	399	0 Double Radius	12/10/2018
Permits	Tower Permitting Fee Estimates	200	1	200	200	0 Experience	12/10/2018
PE Structural	Tower Structural Analysis (ATC Standard I	2,500	1	2,500	2,500	0 American Tower Corp	12/10/2018
Shipping and Handling	Shipping and Handling Estimate All items	2,500	1	2,500	2,500	0 Estimated all parts	12/10/2018
Total Part Estimate				<u>\$48,098</u>	<u>\$48,098</u>	<u>\$0</u>	
Electrician	Licensed Electrician Estimate			\$2,000	\$2,000	\$0 Experience	
Tower Design	Frequency Application, Analysis and Tower Design			\$1,500	\$0	\$1,500 Experience	
Installers	Tower Equipment Installers			\$12,000	\$12,000	\$0 Experience	
Total Labor Estimate				<u>\$15,500</u>	<u>\$14,000</u>	<u>\$1,500</u>	
Leases	Tower Lease 1 Year (3 yr Contract)			\$9,000	\$0	\$9,000 American Tower Corp	10/1/2018
	Dedicated Fiber 1 Year (3 yr Contract)			\$6,000	\$0	\$6,000 Mid-Atlantic Broadband	11/20/2018
	Backhaul Tower Lease (County Tower)			\$6,000	\$0	\$6,000 Surry County	12/12/2018
Total Leases				<u>\$21,000</u>	<u>\$0</u>	<u>\$21,000</u>	
Total Estimate Tower				\$84,598	\$62,098	\$22,500	\$84,598

SUMMARY:

Project Total	\$84,598
Match	\$22,500
VATI	\$62,098
VATI Percentage	73%
Match Percentage	27%
* Fiber and Tower Lease, and Tower Design	

* Quote/Order Sample Eupen 150' Hybrid Fiber/Power Cable with UVP

** Cost Column hyperlinks to source of cost website

Quote



Eupen Cable, Inc.
 5181 110th Ave N
 Unit D
 Clearwater, FL 33760
 Phone: (800) 419-5100
 Fax: (727) 528-0751

Order Number: 0121708
 Order Date: 12/01/2018
 Expiration Date: 1/01/2019
 Salesperson: SE
 Customer Number: 10-CREDIT
 Warehouse: MTX

Sold To:	Ship To:
SCS Broadband 604 Thomas Nelson Hwy Arrington, VA 22922	SCS Broadband 604 Thomas Nelson Hwy Arrington, VA 22922
Confirm To:	Contact:

Customer P.O.	Ship VIA	Freight Terms	Payment Terms
Quote	BEST WAY	PREPAY AND ADD	Credit Card

Line	Item Code	Unit	Ordered	Price	Amount
1	H51206S08C200 Hybrid Cable 7/8", (6) pairs of 6 mm ² power cables and (4) pairs of single mode fibers, 200 foot length with both ends terminated with LC connectors	EACH	1	1,938.42	1,938.42
2	REKDC9234PF48 Junction Box with (3) OVPs and (3) discrete circuits for (1) 1-1/4" or (2) 7/8" hybrid feeder cables, (6) 11 mm power cables and (9) 6 mm fiber jumpers	EACH	1	1,164.00	1,164.00
3	HF2S914LCLC-A/B Fiber jumper, with 2 single mode fibers, 30 foot, with duplexed LC to LC connectors, outdoor rated jacket, clipped A/B and B/A	EACH	3	50.29	150.87
4	HP16/2C Power cable (2) 16 AWG copper conductors	FT	150	0.69	103.50
5	HG-78 Hoisting Grip, Lace-up, 7/8"	EA	1	15.75	15.75
6	SH-S78 Snap Hanger, Stackable, for 7/8" corrugated coax	K010	7	13.89	97.23
7	GK-C78T Ground Kit, Clip on, Tinned, for 7/8" corrugated coax	EA	3	11.20	33.60
8	VT-50 Cable ties, Velcro 3/4" x 8" black, kit of 10	K010	1	8.00	8.00
Lead Time: 3 Weeks to Ship					

Net Order:	3,511.37
Less Discount:	0.00
Freight:	0.00
Sales Tax:	0.00
Order Total	3,511.37

Supporting Documentation of Costs

Product								
Equipment	Description	Cost **	Qty	Total	VATI	NON-VATI	Source of Estimate	Date
KP-3DP65S-45	Dual Band Sector 3.65Ghz 65 deg	500	4	2,000	2,000	0	KP Performance	12/10/2018
NOVAR-9302	3Ghz LTE BaiCel Base Station	3,800	4	15,200	15,200	0	Double Radius	12/10/2018
PS-5AC	AIRMAX 5 GHZ AC PRISMSTATION	300	4	1,200	1,200	0	Double Radius	12/10/2018
PRISMAP-5-60	AC ISOLATION ANTENNA HORN	80	4	320	320	0	Double Radius	12/10/2018
AF24HD	Air Fiber 24Ghz PtP Radio	3,333	4	13,332	13,332	0	Double Radius	12/10/2018
POE inserter/Switch	UBNT EdgePoint 16 Port	530	1	530	530	0	Double Radius	12/10/2018
Cabling/Ends	Cat5 Double Shield Jumper Cables	200	1	200	200	0	Double Radius	12/10/2018
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P2110 SitePro1	2 3/8"x10' Mount Poles	61	4	244	244	0	SitePro1	12/10/2018
Fiber/Power Cable	Fiber/Power/Conduit Package *	3,511	1	3,511	3,511	0	Eupen *	12/1/2018
UVP Lightning Protector	Lightning Protect * See Below	120	4	480	480	0	Eupen *	12/10/2018
Traco 48VDC PS	Traco Power Supply	248	2	496	496	0	Mouser	12/10/2018
Traco Battery	Traco Battery Switch/Charger	215	2	430	430	0	Mouser	12/10/2018
Tower Battery Backup	12VDC Battery 37AH	280	4	1,120	1,120	0	Mouser	12/10/2018
Voltage Stepup Trans	48 to 54 VDC Stepup Transformer	80	2	160	160	0	SCS Broadband	12/10/2018
Cutoff Switch	AC Master Cutoff Switch	198	1	198	198	0	ElvesSupply.com	12/10/2018
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Surge Protector	AC Surge Protection	170	1	170	170	0	Google Express	12/10/2018
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APC Surge	APC Surge Chassis for 444APC-HV	24	1	24	24	0	Amazon.com	12/10/2018

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MER8-P SitePro1	H-Frame Rack Mount Hardware	565	1	565	565	0	SitePro1.com	<u>12/10/2018</u>
ER-PRO-8	Edge Router	399	1	399	399	0	Double Radius	<u>12/10/2018</u>
Permits	Tower Permitting Fee Estimates	200	1	200	200	0	County Fees	<u>12/10/2018</u>
PE Structural	Tower Structural Analysis (ATC Standard I	2,500	1	2,500	2,500	0	American Tower Corp	<u>12/10/2018</u>
Shipping and Handling	Shipping and Handling Estimate All items	2,500	1	2,500	2,500	0	Estimated all parts	<u>12/10/2018</u>
Electrician	Licensed Electrician Estimate			\$2,000	\$2,000	\$0	Experience	
Tower Design	Frequency Application, Analysis and Tower Design			\$1,500	\$0	\$1,500	Experience	
Installers	Tower Equipment Installers			\$12,000	\$12,000	\$0	4 Load Days x \$3,000	
Leases	Tower Lease 1 Year (3 yr Contract)			\$9,000	\$0	\$9,000	American Tower Corp	<u>10/1/2018</u>
	Dedicated Fiber 1 Year (3 yr Contract)			\$6,000	\$0	\$6,000	Mid-Atlantic Broadband	<u>11/20/2018</u>
	Backhaul Tower Lease (County Tower)			\$6,000	\$0	\$6,000	Surry County	<u>12/12/2018</u>

* Quote/Order Sample Eupen 150' Hybrid Fiber/Power Cable with UVP

** Cost and Source Columns hyperlinks to source of cost website

Quote



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 5181 110th Ave N
 Unit D
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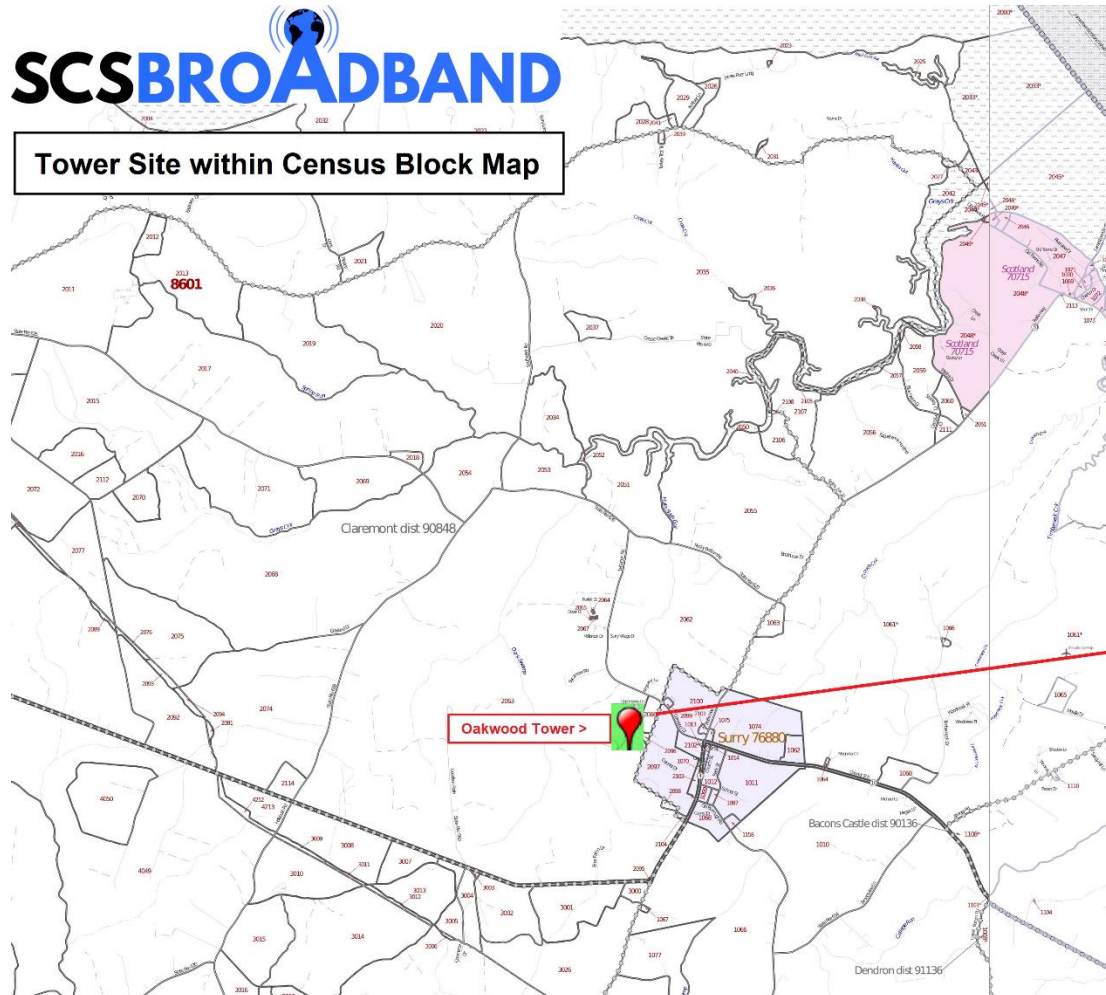
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8	VT-50 Cable ties, Velcro 3/4" x 8" black, kit of 10	K010	1	8.00	8.00
Lead Time: 3 Weeks to Ship					

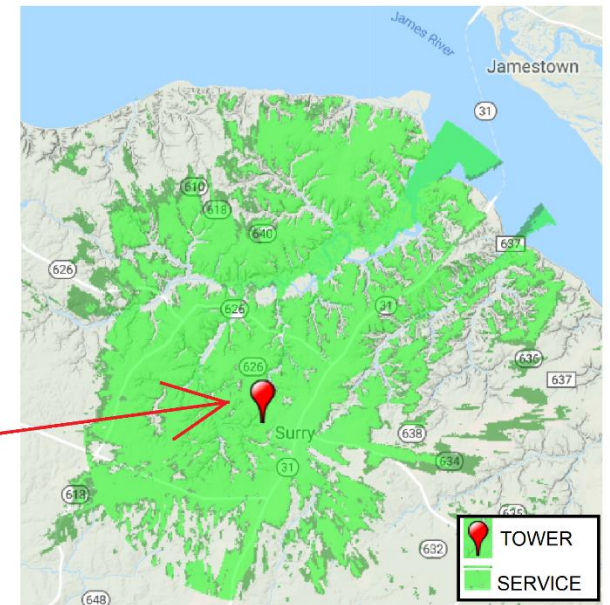
Net Order:	3,511.37
Less Discount:	0.00
Freight:	0.00
Sales Tax:	0.00
Order Total	3,511.37



Tower Site within Census Block Map



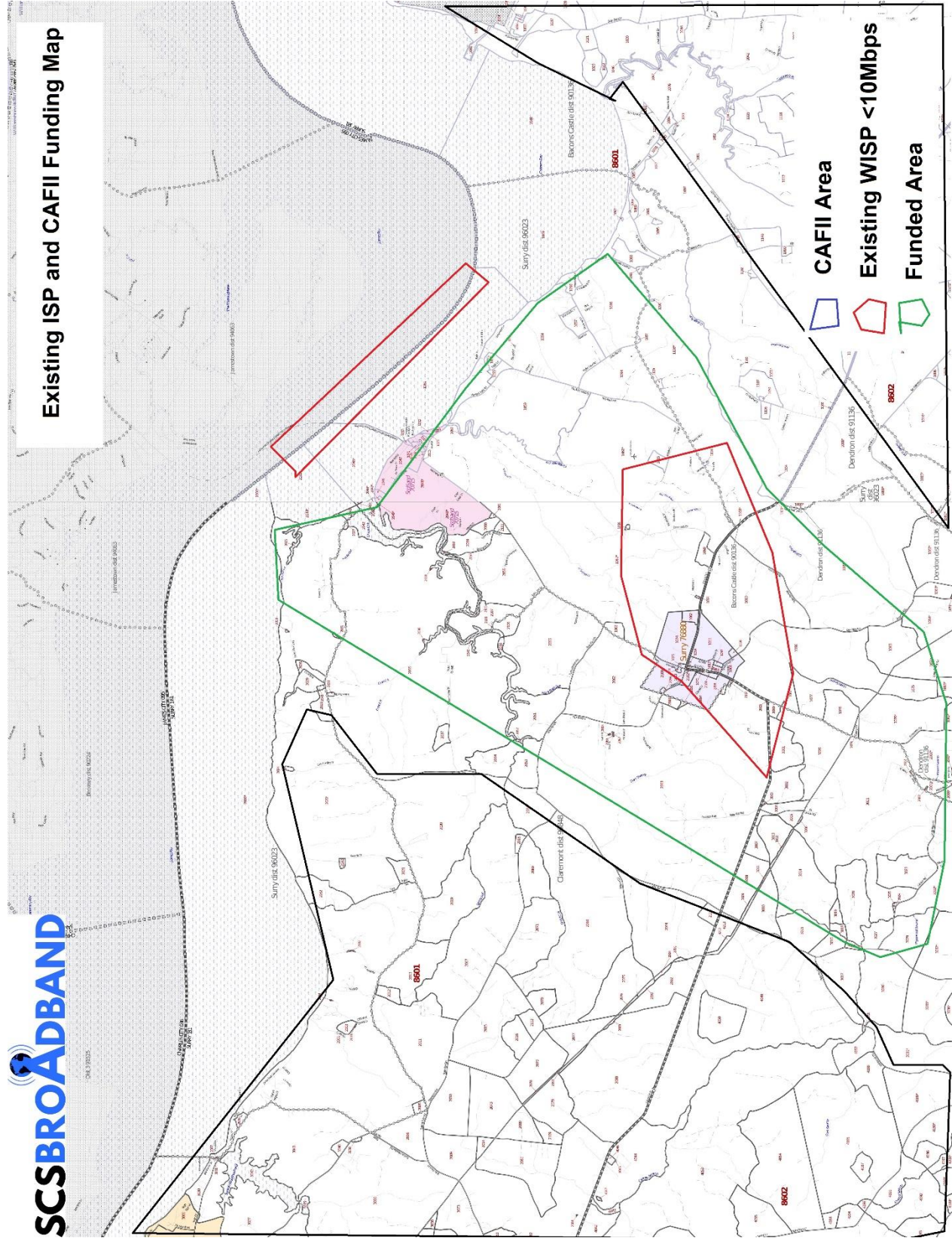
SCS Service Propagation Map - Oakwood Tower



40.39 square miles
1259 population
503 Homes
18 Businesses

Figure 1.1 - Maps of Project Area

Existing ISP and CAFII Funding Map



**ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF SURRY, VIRGINIA
BROADBAND EXPANSION GRANT**

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** made and entered this 1 day of November, 2017, by and among the **ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SURRY, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth of Virginia, and **ACALENET, LLC d/b/a SCS BROADBAND** (the "Company") a Virginia limited liability company authorized to transact business in the Commonwealth of Virginia, and the

WITNESSETH:

WHEREAS, the extension of broadband provides enhanced educational opportunities and furthers workforce development which supports economic development in Surry County ("County"); and

WHEREAS, the availability of secure, reliable, competitive and sustainable infrastructure is essential to meet future broadband needs; and

WHEREAS, small and medium size business enterprises with greater high-speed internet use grow faster than those with less high-speed internet use; and

WHEREAS, the internet is a powerful catalyst for job creation; and

WHEREAS, the internet drives economic modernization; and

WHEREAS, through a combination of County funds and Community Development Block Grant funds the County has recently completed its initial broadband expansion project, which includes an approximately 6 mile fiber network from the County Industrial Park to the Town of Surry, and a new County-owned communications tower at the Industrial Park ("Tower"); and

WHEREAS, in order to further expand broadband service to residents and business throughout the County to areas where it is not economically feasible to extend fiber service, and thereby enhance economic development and educational opportunities for County businesses and citizens, the Authority desires to encourage private Internet providers to use the Tower; and

WHEREAS, the Authority desires to make funds available for the purpose of inducing Company to expand access initially through wireless LTE licensed radio spectrum broadband and eventually additional broadband over fiber services at an accelerated pace, after making a significant Capital Investment through a Broadband Expansion Grant ("Grant"); and

WHEREAS, in exchange for such inducement, the Company has agreed to meet certain performance targets relating to construction of infrastructure, and expanding access to, broadband; and

WHEREAS, the Authority and Company desire to set forth their understanding and agreement as to the payout of the Grant, the use of the proceeds of the Grant, the obligations of Company regarding Capital Investment and the potential for recapture or "claw back" upon default; and

WHEREAS, it is anticipated that the construction, equipping, operation and installation of Phase I of the broadband project will require a capital expenditure of \$65,524 by Company; and

WHEREAS, the stimulation of additional tax revenue to the County and economic activity in the County to be generated by the Capital Investment constitutes a valid public purpose for the expenditure of public funds and is the primary purpose of the Grant by the Authority;

NOW, THEREFORE in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

Section 1 - Definitions

For the purposes of this Agreement, the following terms shall have the following definitions:

"Broadband" – a minimum broadband speed of ten (10) Mbps down and one (1) Mbps up as defined by the Federal Communications Commission.

"Capital Investment" - a capital expenditure by or on behalf of Company for the installation of the wireless broadband infrastructure.

"Event of Force Majeure" – any circumstances beyond a party's reasonable control, including acts of God, flood, fire, earthquake or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of this Agreement, national or regional emergency, strikes, labor stoppages, shortages or slowdowns or other industrial disturbances, passage of law or any action taken by a governmental or public authority, including but not limited to imposing an embargo, export or import restriction, quota or other restriction or prohibition or any complete or partial government shutdown, or national or regional shortage of adequate power, telecommunications or transportation.

"Fiber Backbone" - the principal data routes between large, strategically interconnected computer networks and core routers on the Internet.

Section 1. Broadband Network Installation

No later than 45 days after the effective date of this Agreement, Company shall begin installing the initial LTE Wireless Broadband Network, including a connection to a Fiber Backbone. Prior to beginning installation, Company shall provide the Authority with detailed descriptions of all of the broadband infrastructure equipment (**Exhibit A**).

Section 2. Broadband Service Availability and Rates

By December 31, 2017, the Company will complete loading of the County's tower and will begin providing service to willing subscribers. The propagation map attached hereto as Exhibit B is generated by software that projects the area serviceable from the tower and is no guarantee of actual service availability. Further, Company shall provide Authority with quarterly reports verifying the updated geographic scope of Network coverage and number of subscriber accounts. In the first year of this Agreement, Subscriber rates for each tier of residential and business broadband service shall not exceed the rates set forth on **Exhibit C**, which is attached hereto and incorporated herein. Thereafter, rates shall continue to be competitive, reasonable and consistent with rates Company offers in similarly situated rural markets for equivalent service levels.

Section 3. Term of Agreement/Continuation of Service

This Agreement shall become effective upon being executed by both parties and shall have an initial term of four (4) years from the date of execution, which may be extended only by written agreement of the parties. Company agrees that a reasonable and currently unmet demand exists for broadband service in the County and intends, but is not required, to continue providing broadband service to subscribers within the County beyond the term of the Agreement. In the event that another provider offers broadband services to residents of the County during the term of this Agreement covering substantially the same area and at substantially the same rates, Company may terminate this Agreement. In such event, the Authority retains the option under Section 7 of the Agreement to take ownership of the equipment, but that shall be the County's only option.

Section 4. Disbursement of Grant Funds

The Authority agrees to disburse the total amount of Grant funds to Company in the amount of \$65,534.00 within thirty (30) days of Company verifying that it has complied with Section 2 of this Agreement.

Section 6. Security Interest

Company shall grant the Authority a security interest in all Network equipment acquired with Grant funding and shall file all required finance statements to perfect such interests. Upon satisfactory completion of this project, or within 4 years, whichever is later, Authority agrees to release such security interest as long as Company is not in default. If Company repays any portion of the Grant funding, the Authority agrees to release its security interest in the equipment.

Section 7. Default

If Company defaults on any material provision herein, then upon request or demand from Authority, the Company shall reimburse Authority as provided herein. Default includes Company ceasing to provide internet service to residents of the County as well as failure to provide minimum levels of service.

Upon written notification of default (including not continuing to offer broadband service in the County) and in the event Company is unable to cure such default within a reasonable time, not to exceed thirty days, Company, at Authority's sole discretion, shall (i) reimburse Authority a prorated amount of the Grant funds based upon the number of days remaining in the four year initial term compared to the number of days overall in the four year initial term or (ii) convey title to all Network equipment to Authority at no cost to the Authority, such equipment to remain on the County's tower. Each year of this Agreement for which Company has performed as required herein and has not been in default, the Authority agrees to not require repayment of a proportional amount of funds for any future default or breach. By way of example: if Company fulfills the Agreement for the first year without any period of noncompliance or default, then the Authority agrees that 25% of the Grant funds will not be subject to a "clawback" for a future default; and if Company performs the entire initial four-year term without any period of noncompliance or default, then the Authority agrees that Company shall not be required to repay any Grant funds.

Company is not in default hereunder until Company has been notified in writing by the Authority of the default and has been given reasonable time to cure.

Section 8. Event of Force Majeure

Company shall not be considered in Default under Section 7 of this Agreement if prevented from meeting any of the deadlines or conditions on account of an Event of Force Majeure as defined herein. If such occurs, Company shall be allowed a reasonable extension of time from the date of the occurrence of such Event to allow Company to meet the required subscription objective.

Section 9. Sale or Assignment.

In the event of a sale or assignment of AcelaNet, LLC, to any person, firm or corporation prior to Company's fulfillment of its obligations under the terms of this Agreement, such sale or assignment shall be made expressly subject to all terms of this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns.

Section 10. Lease of County Tower

The parties acknowledge that in addition to the incentives provided in this Agreement, the Company and Surry County have entered into a lease agreement for Company to co-locate and operate its equipment required to fulfill its obligations hereunder on and around the County-owned communications tower located at the County Industrial Park ("Tower Lease"), which is incorporated herein by reference. Further, the parties acknowledge that the cost to Company for such co-location rights and privileges is at a favorable rate for the initial lease term in order to facilitate this project and to expedite deployment of reliable, high-speed wireless broadband service to citizens, businesses and institutions throughout the County. The Company understands and

agrees that any violation of this Agreement could result in a breach of the Tower Lease Agreement, in which the County, among other available remedies, could increase the co-location lease rate.

Section 11. Miscellaneous

(a) *Entire Agreement; Amendments.* This Agreement constitutes the entire agreement among the parties and may not be amended or modified, except in writing, signed by each of the parties hereto. Other than this Agreement, Company shall not be required to enter into any additional agreements or submit any additional application letters in order to receive the Grant.

(b) *Governing Law; Venue.* This Agreement is made, and is intended to be performed, in the Commonwealth of Virginia and shall be construed and enforced by the laws of the Commonwealth of Virginia without regard to its conflict of laws provisions, and any action to enforce provisions of this Agreement shall be filed in the Surry County Circuit Court.

(c) *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

(d) *Severability.* If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

Section 12. Notices

Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to Company, to:

Clay Stewart, COO
Acalenet, LLC
604 Thomas Nelson Hwy.
Arrington, VA 22922


with copy to:

Lou Whelchel, CEO
Acalenet, LLC
604 Thomas Nelson Hwy.
Arrington, VA 22922

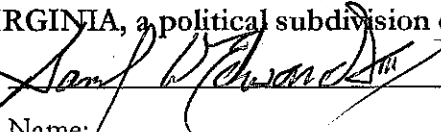
if to the Authority, to: Chairman, Surry County Economic Development Authority, 45 School Street, P.O. Box 65, Surry, VA 23883 with copy to: County Administrator, Surry County, 45 School Street, P.O. Box 65, Surry, VA 23883.

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

ACALENET, LCC d/b/a SCS BROADBAND, a Virginia Limited Liability Company

By 
Name: Ken Wheeler
Title: CEO
Date: 10/31/17

**ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SURRY,
VIRGINIA, a political subdivision of the Commonwealth of Virginia**

By 
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

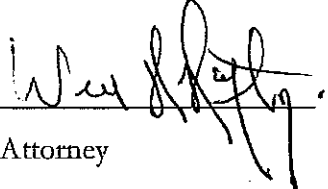

County Attorney

EXHIBIT A
EQUIPMENT LIST

Four Sector LTE and 6 Sector WIFI Tower Full 360 Degree Service

<u>Category</u>	<u>Description</u>	<u>Qty</u>
Radio/Antennas	LTE Sector 90 degrees	4
	LTE Base Station	4
	PIP Radio	3
	Cat5 Double Shield Jumper Cables	200
	WIFI Base Station	6
	WIFI Sector 60 degrees	6
Power Equipment	Power Supply	1
	Battery Switch/Charger	1
	12VDC Battery 32AH	4
	POE/Fiber/Cat5 Converter Switch	1
	100Amp Breaker Box w/Breakers	1
Surge Protection	AC Surge Protection	1
	APC Modular Ground Level Surges	22
	APC Surge Chassis	1
	Surge NEMA Box	1
	Uopen Fiber/Power/Conduit/UVP Packa	1
Ground Equipment	Rack Mount Case for Equipment	1
	Edge Router	1
	Tower Permitting	1
	Tower Structural Analysis	1

**EXHIBIT B
COVERAGE MAP**



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Rocky Mountain Rd

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EXHIBIT C
Subscriber Rate Schedule

Broadband Residential Internet Plans *		
Service Plan	Features	Monthly
Economy	Up to 10 Mbps	\$40
Basic	Up to 20 Mbps	\$60
Everyday	Up to 30 Mbps	\$80
Family	Up to 40 Mbps	\$100
Ultimate	Up to 50 Mbps	\$120

Unlimited Data
\$198 Initial installation

Broadband Business Internet Plans *		
Service Plan	Features	Monthly
Basic	10-15 Mbps	\$150
Premium	15-20 Mbps	\$200
Ultimate	20-25 Mbps	\$300
Custom Plan	25 Mbps to 1 Gbps	Call for quote

Unlimited Data
24/7 Customer
Service
\$198 Initial basic
installation

* Where available



(RETAIN FOR YOUR RECORDS)Form 477 Filing Summary

FRN:

0016948093

Data as of:

Jun 30, 2018

Operations:

Non-ILEC

Submission Status:

Original - Submitted

Last Updated:

Sep 4, 2018 23:27:00

Filer Identification

Section	Question	Response
Filer Information	Provider Name	Acelanet LLC
	Holding Company Name	Acelanet LLC
	SAC ID	

Section	Question	Response
	499 ID	
Data Contact Information	Data Contact Name	Clay Stewart
	Data Contact Phone Number	(434) 942-6510
	Data Contact E-mail	cstewart@scsbroadband.com
Emergency Operations Contact Information	Emergency Operations Name	Clay Stewart
	Emergency Operations Phone Number	(434) 942-6510
	Emergency Operations E-mail	cstewart@scsbroadband.com
Certifying Official Contact Information	Certifying Official Name	Clay Stewart
	Certifying Official Phone Number	(434) 942-6510
	Certifying Official E-mail	cstewart@scsbroadband.com

Data Submitted

Form Section	File Name	Date & Time	Number of Rows
Fixed Broadband Deployment	AllCensusBlocksCSV.csv	Sep 4, 2018 23:24:57	5283
Fixed Broadband Subscription	Interactive data entry		106

Fixed Broadband Deployment

Census Block Counts by State, DBA Name and Technology

State	DBA Name	Technology	Blocks
Virginia	SCS Broadband	Terrestrial Fixed Wireless	5283
Total			5283

Fixed Broadband Subscription

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

State	Technology	Census Tracts	Subscriptions		
			Consumer	Business / Govt	Total
Virginia	Optical Carrier/Fiber to the End User	6	225	21	246
	Terrestrial Fixed Wireless	100	1297	16	1313
Total		106	1522	37	1559



(RETAIN FOR YOUR RECORDS) Form 477 Filing Summary

FRN:

0016948093

Data as of:

Dec 31, 2017

Operations:

Non-ILEC

Submission Status:

Original - Submitted

Last Updated:

Mar 1, 2018 22:51:17

Filer Identification

Section	Question	Response
Filer Information	Provider Name	Acelanet LLC
	Holding Company Name	Acelanet LLC
	SAC ID	
	499 ID	

Section	Question	Response
Data Contact Information	Data Contact Name	Clay Stewart
	Data Contact Phone Number	(434) 942-6510
	Data Contact E-mail	cstewart@scsbroadband.com
Emergency Operations Contact Information	Emergency Operations Name	Clay Stewart
	Emergency Operations Phone Number	(434) 942-6510
	Emergency Operations E-mail	cstewart@scsbroadband.com
Certifying Official Contact Information	Certifying Official Name	Clay Stewart
	Certifying Official Phone Number	(434) 942-6510
	Certifying Official E-mail	cstewart@scsbroadband.com

Data Submitted

Form Section	File Name	Date & Time	Number of Rows
Fixed Broadband Deployment	NelsonCensusBlockCSVFinal.csv	Mar 1, 2018 22:26:44	4013
	CharlesCityCensusBlockCSVFinal.csv	Mar 1, 2018 22:26:43	635
	LouisaCensusBlockCSVFinal.csv	Mar 1, 2018 22:26:43	635
Fixed Broadband Subscription	Interactive data entry		95

Fixed Broadband Deployment

Census Block Counts by State, DBA Name and Technology

State	DBA Name	Technology	Blocks
Virginia	SCS Broadband	Terrestrial Fixed Wireless	5283
Total			5283

Fixed Broadband Subscription

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

State	Technology	Census Tracts	Subscriptions		
			Consumer	Business / Govt	Total
Virginia	Optical Carrier/Fiber to the End User	5	73	3	76
	Terrestrial Fixed Wireless	90	1351	20	1371
Total		95	1424	23	1447

The In-Kind funds are:

1. \$6,000 from Surry County for removing lease obligations for two years on backhaul tower, a county owned tower. This is calculated from 24 months at \$250 a month. The \$250 dollar is a reduced rate from an estimated \$600 average least fee, but the additional discount is not calculated in for this In-Kind amount, just the actual charges currently contracted with SCS Broadband, \$250 a month.

This amount is the In-Kind reduction to the project by Surry County.

Supporting Documentation of Costs

Product								
Equipment	Description	Cost **	Qty	Total	VATI	NON-VATI	Source of Estimate	Date
KP-3DP65S-45	Dual Band Sector 3.65Ghz 65 deg	500	4	2,000	2,000	0	KP Performance	12/10/2018
NOVAR-9302	3Ghz LTE BaiCel Base Station	3,800	4	15,200	15,200	0	Double Radius	12/10/2018
PS-5AC	AIRMAX 5 GHZ AC PRISMSTATION	300	4	1,200	1,200	0	Double Radius	12/10/2018
PRISMAP-5-60	AC ISOLATION ANTENNA HORN	80	4	320	320	0	Double Radius	12/10/2018
AF24HD	Air Fiber 24Ghz PtP Radio	3,333	4	13,332	13,332	0	Double Radius	12/10/2018
POE inserter/Switch	UBNT EdgePoint 16 Port	530	1	530	530	0	Double Radius	12/10/2018
Cabling/Ends	Cat5 Double Shield Jumper Cables	200	1	200	200	0	Double Radius	12/10/2018
CWT01 SitePro1	Dual Mounting Steel Arms	456	3	1,368	1,368	0	SitePro1	12/10/2018
P2110 SitePro1	2 3/8"x10' Mount Poles	61	4	244	244	0	SitePro1	12/10/2018
Fiber/Power Cable	Fiber/Power/Conduit Package *	3,511	1	3,511	3,511	0	Eupen *	12/1/2018
UVP Lightning Protector	Lightning Protect * See Below	120	4	480	480	0	Eupen *	12/10/2018
Traco 48VDC PS	Traco Power Supply	248	2	496	496	0	Mouser	12/10/2018
Traco Battery	Traco Battery Switch/Charger	215	2	430	430	0	Mouser	12/10/2018
Tower Battery Backup	12VDC Battery 37AH	280	4	1,120	1,120	0	Mouser	12/10/2018
Voltage Stepup Trans	48 to 54 VDC Stepup Transformer	80	2	160	160	0	SCS Broadband	12/10/2018
Cutoff Switch	AC Master Cutoff Switch	198	1	198	198	0	ElvesSupply.com	12/10/2018
Break Box	100Amp Breaker Box w/Breakers	308	1	308	308	0	ElvesSupply.com	12/10/2018
Surge Protector	AC Surge Protection	170	1	170	170	0	Google Express	12/10/2018
444APC-HV	APC Modular CAT5 Surges	17	12	204	204	0	Amazon.com	12/10/2018
APC Surge	APC Surge Chassis for 444APC-HV	24	1	24	24	0	Amazon.com	12/10/2018

Surge Case	Equipment Outdoor NEMA Box	439	1	439	439	0	Amazon.com	<u>12/10/2018</u>
MER8-P SitePro1	H-Frame Rack Mount Hardware	565	1	565	565	0	SitePro1.com	<u>12/10/2018</u>
ER-PRO-8	Edge Router	399	1	399	399	0	Double Radius	<u>12/10/2018</u>
Permits	Tower Permitting Fee Estimates	200	1	200	200	0	County Fees	<u>12/10/2018</u>
PE Structural	Tower Structural Analysis (ATC Standard I	2,500	1	2,500	2,500	0	American Tower Corp	<u>12/10/2018</u>
Shipping and Handling	Shipping and Handling Estimate All items	2,500	1	2,500	2,500	0	Estimated all parts	<u>12/10/2018</u>
Electrician	Licensed Electrician Estimate			\$2,000	\$2,000	\$0	Experience	
Tower Design	Frequency Application, Analysis and Tower Design			\$1,500	\$0	\$1,500	Experience	
Installers	Tower Equipment Installers			\$12,000	\$12,000	\$0	4 Load Days x \$3,000	
Leases	Tower Lease 1 Year (3 yr Contract)			\$9,000	\$0	\$9,000	American Tower Corp	<u>10/1/2018</u>
	Dedicated Fiber 1 Year (3 yr Contract)			\$6,000	\$0	\$6,000	Mid-Atlantic Broadband	<u>11/20/2018</u>
	Backhaul Tower Lease (County Tower)			\$6,000	\$0	\$6,000	Surry County	<u>12/12/2018</u>

* Quote/Order Sample Eupen 150' Hybrid Fiber/Power Cable with UVP

** Cost and Source Columns hyperlinks to source of cost website

Quote



Eupen Cable, Inc.
 5181 110th Ave N
 Unit D
 Clearwater, FL 33760
 Phone: (800) 419-5100
 Fax: (727) 528-0751

Order Number: 0121708
 Order Date: 12/01/2018
 Expiration Date: 1/01/2019
 Salesperson: SE
 Customer Number: 10-CREDIT
 Warehouse: MTX

Sold To:	Ship To:
SCS Broadband 604 Thomas Nelson Hwy Arrington, VA 22922	SCS Broadband 604 Thomas Nelson Hwy Arrington, VA 22922
Confirm To:	Contact:

Customer P.O.	Ship VIA	Freight Terms	Payment Terms
Quote	BEST WAY	PREPAY AND ADD	Credit Card

Line	Item Code	Unit	Ordered	Price	Amount
1	H51206S08C200 Hybrid Cable 7/8", (6) pairs of 6 mm ² power cables and (4) pairs of single mode fibers, 200 foot length with both ends terminated with LC connectors	EACH	1	1,938.42	1,938.42
2	REKDC9234PF48 Junction Box with (3) OVPs and (3) discrete circuits for (1) 1-1/4" or (2) 7/8" hybrid feeder cables, (6) 11 mm power cables and (9) 6 mm fiber jumpers	EACH	1	1,164.00	1,164.00
3	HF2S914LCLC-A/B Fiber jumper, with 2 single mode fibers, 30 foot, with duplexed LC to LC connectors, outdoor rated jacket, clipped A/B and B/A	EACH	3	50.29	150.87
4	HP16/2C Power cable (2) 16 AWG copper conductors	FT	150	0.69	103.50
5	HG-78 Hoisting Grip, Lace-up, 7/8"	EA	1	15.75	15.75
6	SH-S78 Snap Hanger, Stackable, for 7/8" corrugated coax	K010	7	13.89	97.23
7	GK-C78T Ground Kit, Clip on, Tinned, for 7/8" corrugated coax	EA	3	11.20	33.60
8	VT-50 Cable ties, Velcro 3/4" x 8" black, kit of 10	K010	1	8.00	8.00
Lead Time: 3 Weeks to Ship					

Net Order:	3,511.37
Less Discount:	0.00
Freight:	0.00
Sales Tax:	0.00
Order Total	3,511.37

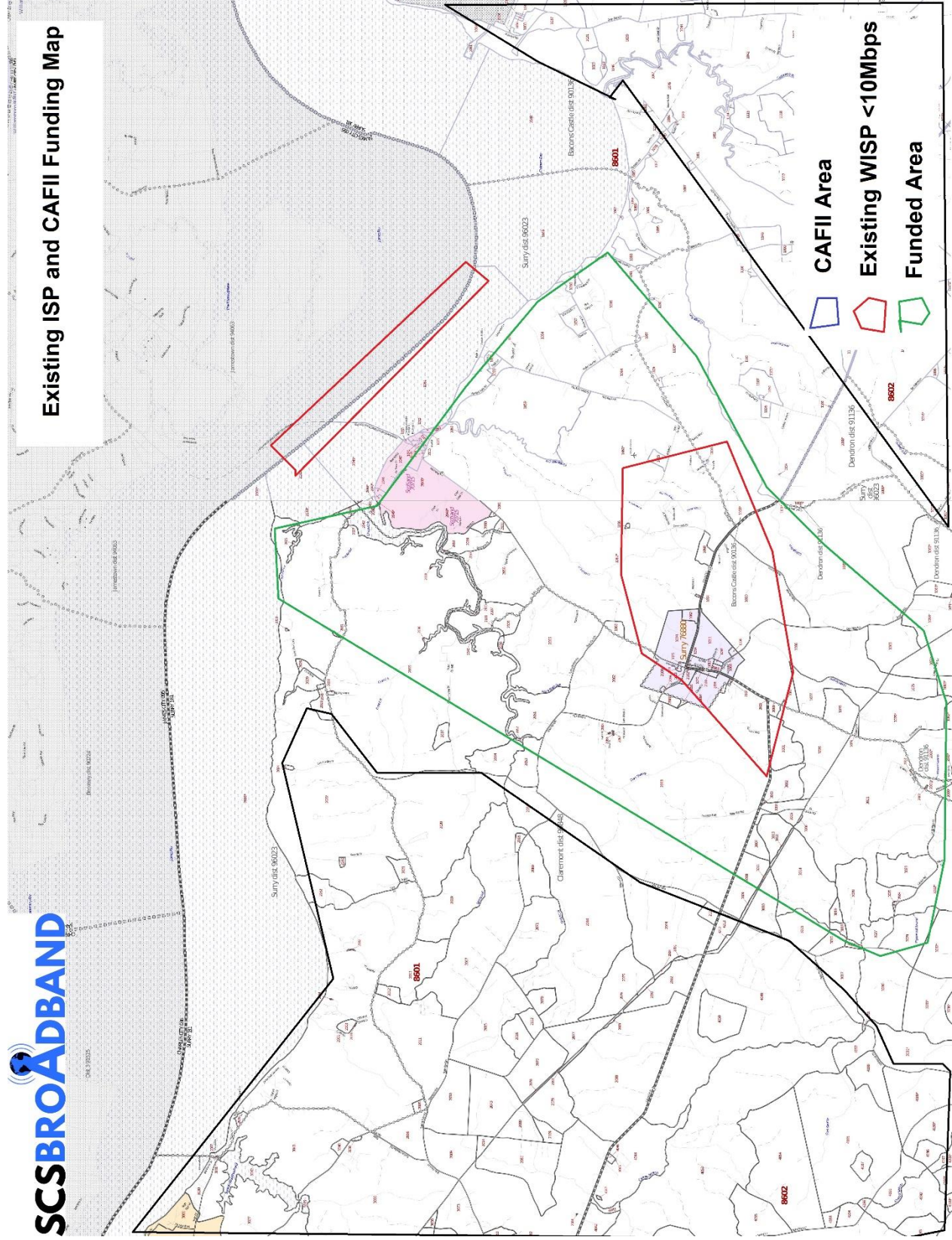
The matching funds are:

1. \$1,500 from SCS Broadband for Tower Analysis, Load Design, Frequency Analysis which is calculate as 20 hours for a Sr. Tower Engineer at \$65 per hour.
2. \$9,000 from SCS Broadband for one year of a three-year lease for tower from American Tower Lease which is calculated from estimated lease of \$750 * 12 Months.
3. \$6,000 from SCS Broadband for one year of three-year lease for fiber backhauls based on the estimate increase of \$500 for 12 months.

These amounts are to be paid by SCS broadband as considered as matching funds.

Leases from Mid-Atlantic Broadband and American Tower Corporation are covered under an Non-Disclosure Agreement with both companies as their pricing is based on leasing agreements tailored for each of their clients.

Existing ISP and CAFII Funding Map



Tower Location Versus CAFII

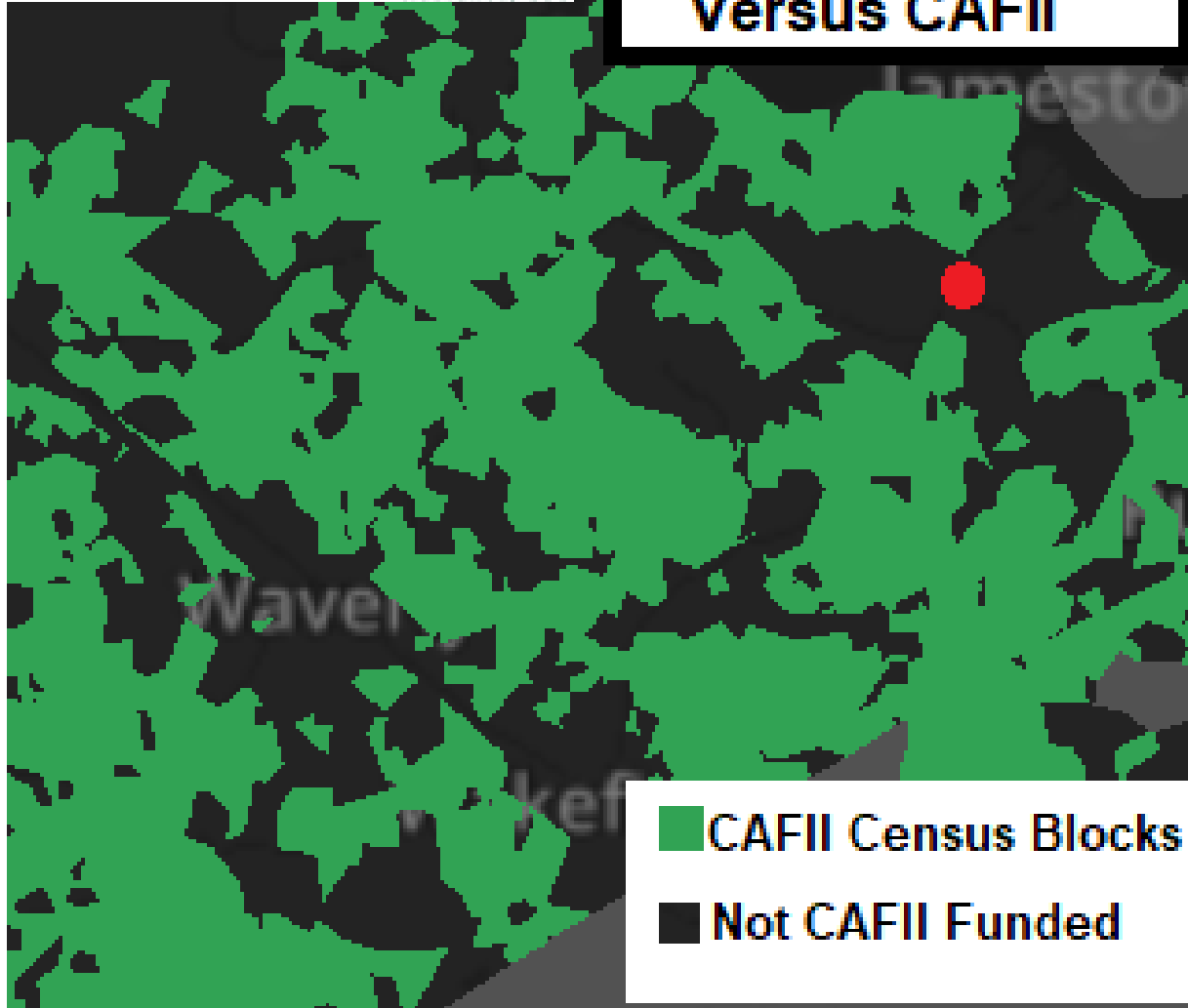


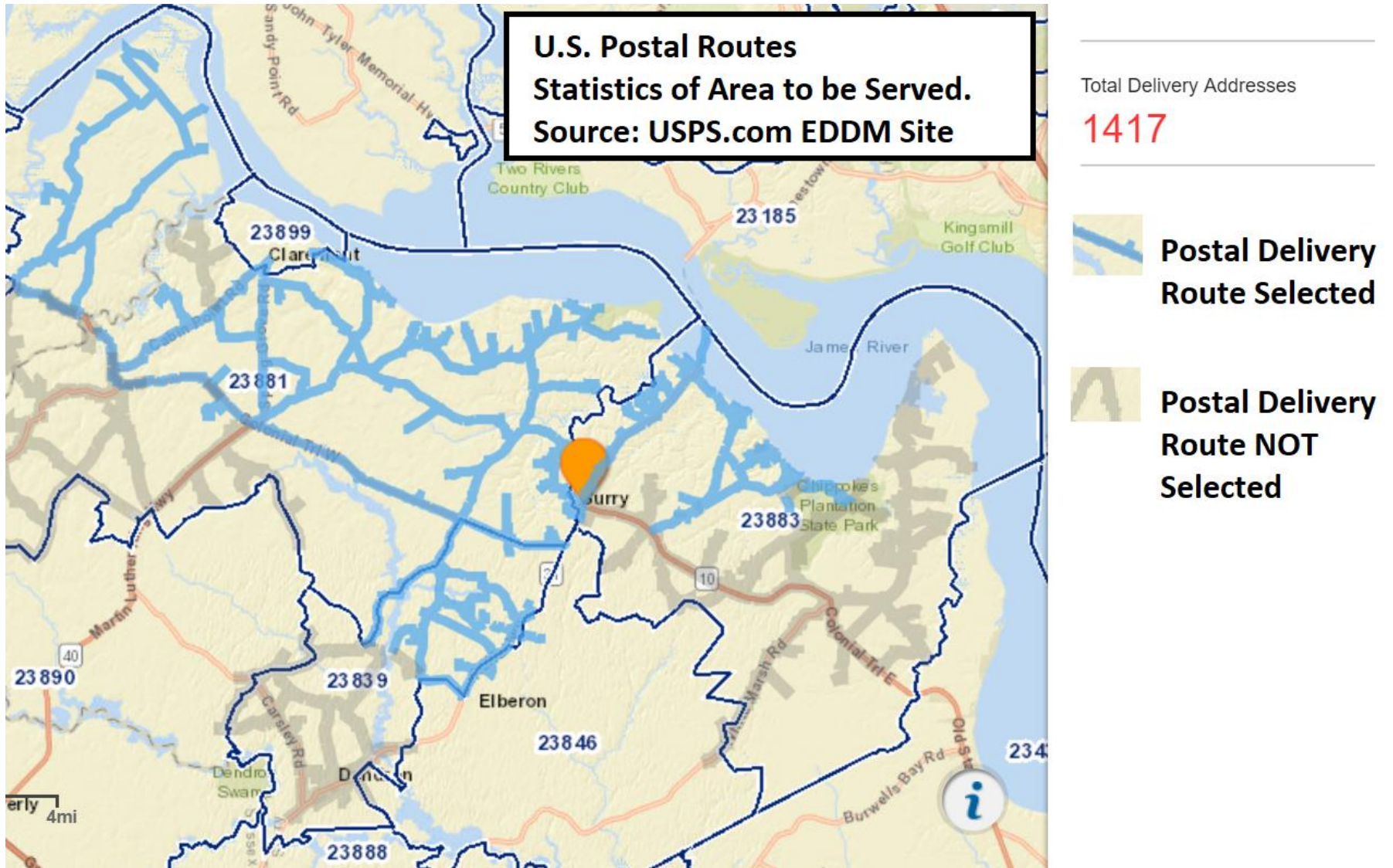
Figure 1- CAFII Map from FCC Website

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	\$ 62,098	73	Pending
SURRY COUNTY	\$ 6,000	7	Pending
SCS BROADBAND	\$ 16,500	20	Pending
	\$		
	\$		
	\$		
	\$		
TOTAL	\$ 84,598	100 %	

Figure 4.1 – U.S. Postal Routes Statistics of Area to be Served



**ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF SURRY, VIRGINIA
BROADBAND EXPANSION GRANT**

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** made and entered this 1 day of November, 2017, by and among the **ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SURRY, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth of Virginia, and **ACALENET, LLC d/b/a SCS BROADBAND** (the "Company") a Virginia limited liability company authorized to transact business in the Commonwealth of Virginia, and the

WITNESSETH:

WHEREAS, the extension of broadband provides enhanced educational opportunities and furthers workforce development which supports economic development in Surry County ("County"); and

WHEREAS, the availability of secure, reliable, competitive and sustainable infrastructure is essential to meet future broadband needs; and

WHEREAS, small and medium size business enterprises with greater high-speed internet use grow faster than those with less high-speed internet use; and

WHEREAS, the internet is a powerful catalyst for job creation; and

WHEREAS, the internet drives economic modernization; and

WHEREAS, through a combination of County funds and Community Development Block Grant funds the County has recently completed its initial broadband expansion project, which includes an approximately 6 mile fiber network from the County Industrial Park to the Town of Surry, and a new County-owned communications tower at the Industrial Park ("Tower"); and

WHEREAS, in order to further expand broadband service to residents and business throughout the County to areas where it is not economically feasible to extend fiber service, and thereby enhance economic development and educational opportunities for County businesses and citizens, the Authority desires to encourage private Internet providers to use the Tower; and

WHEREAS, the Authority desires to make funds available for the purpose of inducing Company to expand access initially through wireless LTE licensed radio spectrum broadband and eventually additional broadband over fiber services at an accelerated pace, after making a significant Capital Investment through a Broadband Expansion Grant ("Grant"); and

WHEREAS, in exchange for such inducement, the Company has agreed to meet certain performance targets relating to construction of infrastructure, and expanding access to, broadband; and

WHEREAS, the Authority and Company desire to set forth their understanding and agreement as to the payout of the Grant, the use of the proceeds of the Grant, the obligations of Company regarding Capital Investment and the potential for recapture or "claw back" upon default; and

WHEREAS, it is anticipated that the construction, equipping, operation and installation of Phase I of the broadband project will require a capital expenditure of \$65,524 by Company; and

WHEREAS, the stimulation of additional tax revenue to the County and economic activity in the County to be generated by the Capital Investment constitutes a valid public purpose for the expenditure of public funds and is the primary purpose of the Grant by the Authority;

NOW, THEREFORE in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

Section 1 - Definitions

For the purposes of this Agreement, the following terms shall have the following definitions:

"Broadband" – a minimum broadband speed of ten (10) Mbps down and one (1) Mbps up as defined by the Federal Communications Commission.

"Capital Investment" - a capital expenditure by or on behalf of Company for the installation of the wireless broadband infrastructure.

"Event of Force Majeure" – any circumstances beyond a party's reasonable control, including acts of God, flood, fire, earthquake or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of this Agreement, national or regional emergency, strikes, labor stoppages, shortages or slowdowns or other industrial disturbances, passage of law or any action taken by a governmental or public authority, including but not limited to imposing an embargo, export or import restriction, quota or other restriction or prohibition or any complete or partial government shutdown, or national or regional shortage of adequate power, telecommunications or transportation.

"Fiber Backbone" - the principal data routes between large, strategically interconnected computer networks and core routers on the Internet.

Section 1. Broadband Network Installation

No later than 45 days after the effective date of this Agreement, Company shall begin installing the initial LTE Wireless Broadband Network, including a connection to a Fiber Backbone. Prior to beginning installation, Company shall provide the Authority with detailed descriptions of all of the broadband infrastructure equipment (**Exhibit A**).

Section 2. Broadband Service Availability and Rates

By December 31, 2017, the Company will complete loading of the County's tower and will begin providing service to willing subscribers. The propagation map attached hereto as Exhibit B is generated by software that projects the area serviceable from the tower and is no guarantee of actual service availability. Further, Company shall provide Authority with quarterly reports verifying the updated geographic scope of Network coverage and number of subscriber accounts. In the first year of this Agreement, Subscriber rates for each tier of residential and business broadband service shall not exceed the rates set forth on **Exhibit C**, which is attached hereto and incorporated herein. Thereafter, rates shall continue to be competitive, reasonable and consistent with rates Company offers in similarly situated rural markets for equivalent service levels.

Section 3. Term of Agreement/Continuation of Service

This Agreement shall become effective upon being executed by both parties and shall have an initial term of four (4) years from the date of execution, which may be extended only by written agreement of the parties. Company agrees that a reasonable and currently unmet demand exists for broadband service in the County and intends, but is not required, to continue providing broadband service to subscribers within the County beyond the term of the Agreement. In the event that another provider offers broadband services to residents of the County during the term of this Agreement covering substantially the same area and at substantially the same rates, Company may terminate this Agreement. In such event, the Authority retains the option under Section 7 of the Agreement to take ownership of the equipment, but that shall be the County's only option.

Section 4. Disbursement of Grant Funds

The Authority agrees to disburse the total amount of Grant funds to Company in the amount of \$65,534.00 within thirty (30) days of Company verifying that it has complied with Section 2 of this Agreement.

Section 6. Security Interest

Company shall grant the Authority a security interest in all Network equipment acquired with Grant funding and shall file all required finance statements to perfect such interests. Upon satisfactory completion of this project, or within 4 years, whichever is later, Authority agrees to release such security interest as long as Company is not in default. If Company repays any portion of the Grant funding, the Authority agrees to release its security interest in the equipment.

Section 7. Default

If Company defaults on any material provision herein, then upon request or demand from Authority, the Company shall reimburse Authority as provided herein. Default includes Company ceasing to provide internet service to residents of the County as well as failure to provide minimum levels of service.

Upon written notification of default (including not continuing to offer broadband service in the County) and in the event Company is unable to cure such default within a reasonable time, not to exceed thirty days, Company, at Authority's sole discretion, shall (i) reimburse Authority a prorated amount of the Grant funds based upon the number of days remaining in the four year initial term compared to the number of days overall in the four year initial term or (ii) convey title to all Network equipment to Authority at no cost to the Authority, such equipment to remain on the County's tower. Each year of this Agreement for which Company has performed as required herein and has not been in default, the Authority agrees to not require repayment of a proportional amount of funds for any future default or breach. By way of example: if Company fulfills the Agreement for the first year without any period of noncompliance or default, then the Authority agrees that 25% of the Grant funds will not be subject to a "clawback" for a future default; and if Company performs the entire initial four-year term without any period of noncompliance or default, then the Authority agrees that Company shall not be required to repay any Grant funds.

Company is not in default hereunder until Company has been notified in writing by the Authority of the default and has been given reasonable time to cure.

Section 8. Event of Force Majeure

Company shall not be considered in Default under Section 7 of this Agreement if prevented from meeting any of the deadlines or conditions on account of an Event of Force Majeure as defined herein. If such occurs, Company shall be allowed a reasonable extension of time from the date of the occurrence of such Event to allow Company to meet the required subscription objective.

Section 9. Sale or Assignment.

In the event of a sale or assignment of AcelaNet, LLC, to any person, firm or corporation prior to Company's fulfillment of its obligations under the terms of this Agreement, such sale or assignment shall be made expressly subject to all terms of this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns.

Section 10. Lease of County Tower

The parties acknowledge that in addition to the incentives provided in this Agreement, the Company and Surry County have entered into a lease agreement for Company to co-locate and operate its equipment required to fulfill its obligations hereunder on and around the County-owned communications tower located at the County Industrial Park ("Tower Lease"), which is incorporated herein by reference. Further, the parties acknowledge that the cost to Company for such co-location rights and privileges is at a favorable rate for the initial lease term in order to facilitate this project and to expedite deployment of reliable, high-speed wireless broadband service to citizens, businesses and institutions throughout the County. The Company understands and

agrees that any violation of this Agreement could result in a breach of the Tower Lease Agreement, in which the County, among other available remedies, could increase the co-location lease rate.

Section 11. Miscellaneous

(a) *Entire Agreement; Amendments.* This Agreement constitutes the entire agreement among the parties and may not be amended or modified, except in writing, signed by each of the parties hereto. Other than this Agreement, Company shall not be required to enter into any additional agreements or submit any additional application letters in order to receive the Grant.

(b) *Governing Law; Venue.* This Agreement is made, and is intended to be performed, in the Commonwealth of Virginia and shall be construed and enforced by the laws of the Commonwealth of Virginia without regard to its conflict of laws provisions, and any action to enforce provisions of this Agreement shall be filed in the Surry County Circuit Court.

(c) *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

(d) *Severability.* If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

Section 12. Notices

Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to Company, to:

Clay Stewart, COO
Acalenet, LLC
604 Thomas Nelson Hwy.
Arrington, VA 22922


with copy to:

Lou Whelchel, CEO
Acalenet, LLC
604 Thomas Nelson Hwy.
Arrington, VA 22922

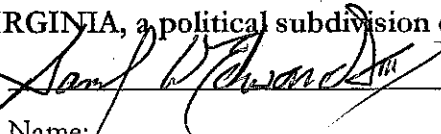
if to the Authority, to: Chairman, Surry County Economic Development Authority, 45 School Street, P.O. Box 65, Surry, VA 23883 with copy to: County Administrator, Surry County, 45 School Street, P.O. Box 65, Surry, VA 23883.

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

ACALENET, LCC d/b/a SCS BROADBAND, a Virginia Limited Liability Company

By 
Name: Ken Wheeler
Title: CEO
Date: 10/31/17

**ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SURRY,
VIRGINIA, a political subdivision of the Commonwealth of Virginia**

By 
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

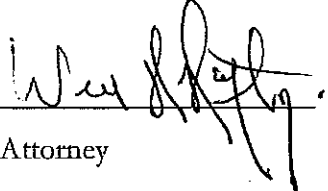

County Attorney

EXHIBIT A
EQUIPMENT LIST

Four Sector LTE and 6 Sector WIFI Tower Full 360 Degree Service

<u>Category</u>	<u>Description</u>	<u>Qty</u>
Radio/Antennas	LTE Sector 90 degrees	4
	LTE Base Station	4
	PIP Radio	3
	Cat5 Double Shield Jumper Cables	200
	WIFI Base Station	6
	WIFI Sector 60 degrees	6
Power Equipment	Power Supply	1
	Battery Switch/Charger	1
	12VDC Battery 32AH	4
	POE/Fiber/Cat5 Converter Switch	1
	100Amp Breaker Box w/Breakers	1
Surge Protection	AC Surge Protection	1
	APC Modular Ground Level Surges	22
	APC Surge Chassis	1
	Surge NEMA Box	1
	Uopen Fiber/Power/Conduit/UVP Packa	1
Ground Equipment	Rack Mount Case for Equipment	1
	Edge Router	1
	Tower Permitting	1
	Tower Structural Analysis	1

**EXHIBIT B
COVERAGE MAP**



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EXHIBIT C
Subscriber Rate Schedule

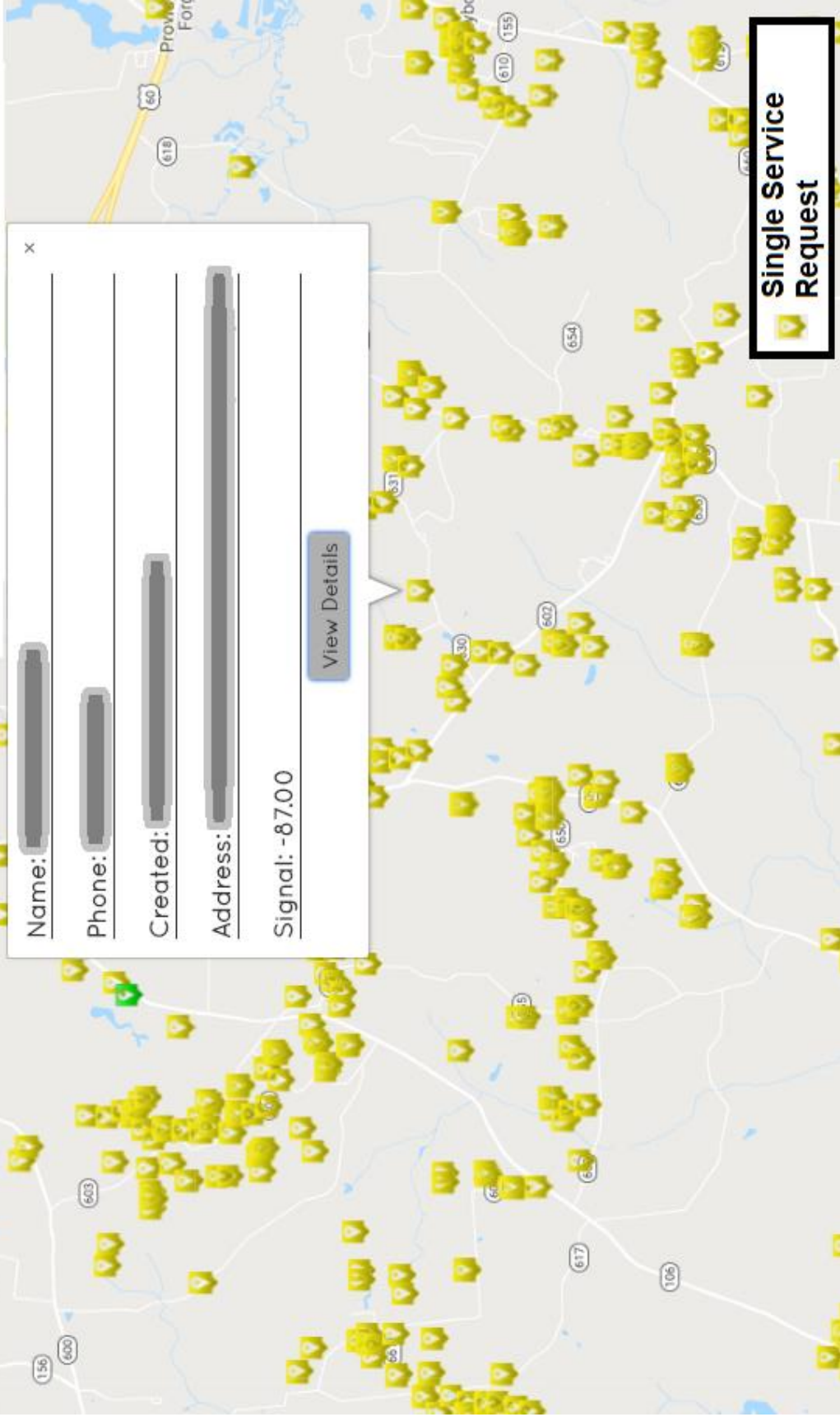
Broadband Residential Internet Plans *		
Service Plan	Features	Monthly
Economy	Up to 10 Mbps	\$40
Basic	Up to 20 Mbps	\$60
Everyday	Up to 30 Mbps	\$80
Family	Up to 40 Mbps	\$100
Ultimate	Up to 50 Mbps	\$120

Unlimited Data
\$198 Initial installation

Broadband Business Internet Plans *		
Service Plan	Features	Monthly
Basic	10-15 Mbps	\$150
Premium	15-20 Mbps	\$200
Ultimate	20-25 Mbps	\$300
Custom Plan	25 Mbps to 1 Gbps	Call for quote

Unlimited Data
24/7 Customer
Service
\$198 Initial basic
installation

* Where available



SURRY COUNTY
PUBLIC COMMENT NOTICE
ADVERTISEMENTS

Notice Publish Date:

Sunday, December 02, 2018

Notice Content

PUBLIC COMMENT NOTICE Surry County Intends to file a grant application with the Virginia Department of Housing and Community Development (DHCD) under its 2019 Virginia Telecommunications Initiative Program (VAT!). In accordance with the VAT! Program Guidelines, Surry County is requesting public comments regarding its submission of the grant application. The grant request is for funding to help expand high speed broadband internet service to areas of Surry County through a partnership with the internet company SCS Broadband. Specifically, the 2019 Surry County/ SCS Broadband proposal seeks funds for tower capital investments, loading tower with SCS Wireless Internet Provider (WIP) equipment, on an existing telecommunications tower to provide broadband services, subscription services up to 50Mbps proposed, to areas not currently covered in the County. The proposed grant application will not include a local cash match. In order to provide a record to the Virginia Department of Housing and Community Development, comments should be addressed to Mr. Sanford Wanner, Interim County Administrator . The preferred methods of comment would be by email to swanner@surrycountva.gov or by letter sent to Mr. Sanford B. Wanner Interim County Administrator 45 School Street P.O. Box 357 Surry, Virginia 23883 swanner@surrycountyva.gov Public comment will be open from Thursday, November 29, 2018 to Friday, December 14, 2018. A complete list of all the comments will be sent to DHCD. DHCD will post electronic copies of all submitted applications to the agency website after the deadline for application submissions has passed and before project approval. Any private sector service provider wishing to request that DHCD deem a proposed project area as ineligible for VAT! funding must submit a challenge with the information required in this section no later than 5:00 p.m. on January 15, 2019. DHCD will have 30 business days to validate a challenge.

Classified

PUBLIC COMMENT NOTICE



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Mr. Sanford B. Wanner
Interim County Administrator
45 School Street
P.O. Box 357
Surry, Virginia 23883
swanner@surrycountya.gov

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434-634-4153
ads@imnewspaper.com

and any information we obtain will be used for that purpose.
Evans & Bryant, PLC, Substitute Trustee
FOR INFORMATION CONTACT: Evans & Bryant, PLC, Substitute Trustee, 2101 Parks Avenue, Suite 301, Virginia Beach, VA 23451, 17574379500 (4732731)



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Rhonda L. Russell

From: Holmes, Tamarah Friday, November 30, 2018 11:56 AM
Sent: rlrussell tyva.gov; Tammy Breski
To:
Cc: swanner; cstewart Re: FW: Request for Partnership to apply for
Subject: DHCDNATI grant

Rhonda,

Post on your website today...take a screenshot with the date and add that in your attachments.

Tamarah Holmes, Ph.D

Associate Director of Policy and Strategic Development

Department of Housing and Community Development (DHCD)

On Fri, Nov 30, 2018 at 11:45 AM Rhonda L. Russell <rlrussell> wrote:

Tamarah,

Will do, thank you, have a wonderful weekend!

Rhonda

From: Holmes, Tamarah

Sent: Friday, November 30, 2018 11:42 AM

To: rlrussell

Subject: Re: FW: Request for Partnership to apply for DHCD/VATI grant

I would suggest you publish in the Daily Progress, post flyers in your county offices/owned businesses and library, and also post on your website. That should suffice.

Tamarah Holmes, Ph.D

Associate Director of Policy and

Strategic Development

On Fri, Nov 30, 2018 at 11:16 AM Rhonda L. Russell

Tamarah,

Ours is a weekly publication and the next ad if I send it today would be published next Wednesday, December 5th. I can also publish in the Daily Press and likely get it published on Sunday. However, many of our constituents would not see this.

Rhonda

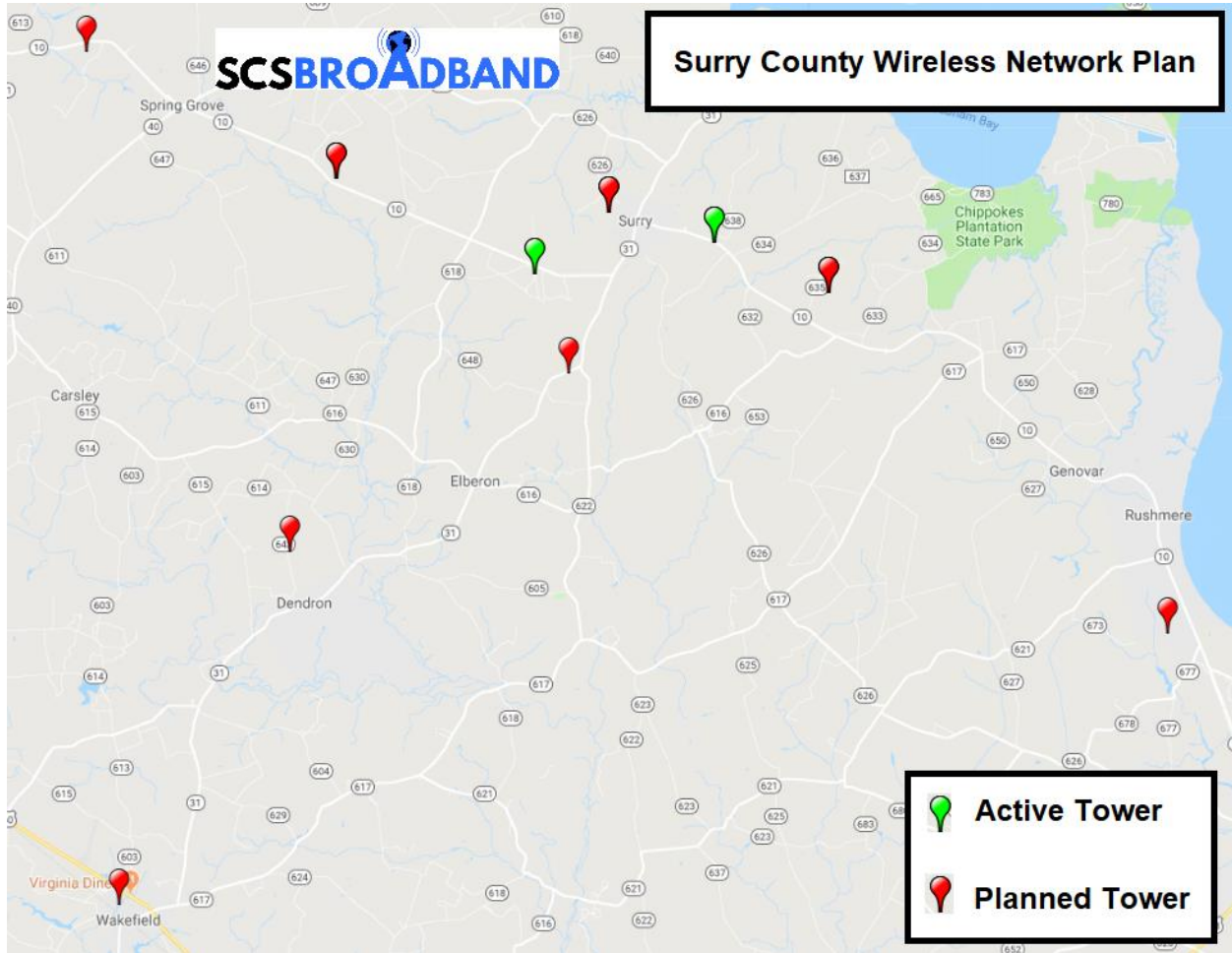
From: Holmes, Tamarah

Sent: Friday, November 30, 2018 11:12 AM

To: [rlrussell](#) Tammy Breski

Subject: Re: FW: Request for Partnership to apply for DHCD/VATI grant

Figure 8.1 – Surry County Wireless Network Plan Map



That Budget Narrative paragraph should read like this instead:

SCS Broadband will cover the 27% matching funds for this project. The County of Surry is not required to fund any part of this project. SCS Broadband will invest \$22,500 in cash contributions of the project's total cost of \$84,598. The remaining 73% is the total of the funding requested by this grant proposal, or \$62,098.

The total project cost should also read as \$84,598.