

IOWA COUNTY, WISCONSIN

RESOLUTION NO. 5-0824

FINAL RESOLUTION REGARDING UNCONDITIONAL COUNTY GUARANTY OF ITS
PRO RATA SHARE, INTERGOVERNMENTAL AGREEMENT AND
TAXABLE REVENUE BOND FINANCING
FOR BUG TUSSEL 2, LLC PROJECT

BE IT RESOLVED by the County Board of Iowa County, Wisconsin, as follows:

Section 1 Recitals.

1.01 Under Wisconsin Statutes, Section 66.1103, as amended (the "Act"), the Issuer (as hereinafter defined) is authorized and empowered to issue revenue bonds to finance eligible costs of qualified "projects" (as defined in the Act), and to enter into "revenue agreements" (as defined in the Act) with "eligible participants" (as defined in the Act).

1.02 Bug Tussel 2, LLC, a Wisconsin limited liability company (the "Borrower"), Hilbert Communications, LLC, a Wisconsin limited liability company (the "Company" and the "Guarantor") and/or one or more of its affiliates (including, without limitation, Bug Tussel Wireless, LLC and Cloud 1, LLC), whether existing on the date hereof or to be formed and whether owned directly or indirectly by the Company, desires to finance a project consisting of the acquisition, construction and installation of certain telecommunications infrastructure that includes, among other things (i) acquisition of tower sites by purchase or lease of land and equipping such sites with towers and electronics to provide broadband, high speed cellular, emergency communications and point to point (P2P) data communications; (ii) constructing fiberoptic data transmission facilities (cable and electronics) between towers, key community facilities, businesses and residential aggregation points; (iii) where appropriate, connecting individual premises into the broadband network including the cost of Consumer Premise Equipment (CPE); (iv) payment of capitalized interest; (v) funding of a debt service reserve fund; (vi) payment of such project costs located in the participating counties, which includes project costs located in Iowa County to be financed with Series 2024 Bonds (defined herein) in an amount not to exceed \$15,000,000; and (vii) payment of professional fees (collectively, the "Project"), all of which will be for the purpose of providing wireless internet and telephone communications services to businesses, governmental units and residents of rural communities where such service is currently unavailable or is prohibitively expensive.

1.03 The Project will be constructed and installed in one or more of the following Wisconsin counties yet to be determined, with each respective county that has

agreed to participate in the issuance of the Series 2024 Bonds to be evidenced by such participating county entering into the Intergovernmental Agreement (defined herein) in connection with the issuance of the Series 2024 Bonds (each a "2024 Participating County" and collectively, the "2024 Participating Counties"): (i) Fond du Lac County, (ii) Forest County, (iii) Iowa County, (iv) Jefferson County, (v) Lafayette County, (vi) Marathon County, (vii) Price County, (viii) Sawyer County, (ix) Taylor County, and (x) Waushara County.

1.04 The Act authorizes the Issuer to make loans to an eligible participant, in connection with financing a qualified project.

1.05 Pursuant to initial resolutions duly adopted by (i) the Fond du Lac County Board on May 21, 2024, (ii) the Forest County Board on June 18, 2024, (iii) the Iowa County Board on May 21, 2024, (iv) the Jefferson County Board on June 11, 2024, (v) the Lafayette County Board on June 18, 2024, (vi) the Marathon County Board on June 18, 2024, (vii) the Price County Board on June 18, 2024, (viii) the Sawyer County Board on July 18, 2024, (ix) the Taylor County Board on July 23, 2024, and (x) the Waushara County Board on July 16, 2024, the 2024 Participating Counties expressed their intention to enter into an Intergovernmental Agreement (the "Intergovernmental Agreement"), pursuant to which the Issuer would issue revenue bonds to be issued in one or more issues or series in an aggregate principal amount not to exceed \$250,000,000 to finance the Project. Notices of adoption of the initial resolutions adopted by the respective 2024 Participating Counties on May 21, 2024; June 11, 2024; June 18, 2024; July 16, 2024; July 18, 2024; and July 23, 2024 were published as provided in the Act, and no petition requesting a referendum upon the question of issuance of the revenue bonds has been filed in any 2024 Participating County as of the date of this resolution. The closing of the Series 2024 Bonds shall not occur until the 30-day petition period following publication has expired in all 2024 Participating Counties.

1.06 The 2024 Participating Counties shall enter into the Intergovernmental Agreement to appoint Fond du Lac County as the issuer (the "Issuer") of the Series 2024 Bonds for the purpose of financing the Project on behalf of the Borrower, and as agent on behalf of the 2024 Participating Counties with respect to the Pledge of Membership Agreement to be dated the closing date of the Series 2024 Bonds, between Hilbert Communications, LLC, a Wisconsin limited liability company, and the Issuer for the benefit of the 2024 Participating Counties, and other counties as may be joined to the Intergovernmental Agreement after the date hereof by executing a Counterpart and Joinder to Intergovernmental Agreement.

1.07 The Borrower has requested that Iowa County and each 2024 Participating County who will directly benefit from the Project provide an unconditional general obligation guaranty, to which the full faith and credit and taxing power of Iowa County are pledged (the "County Guaranty") to enhance the collateral position of the Borrower in an amount equal to Iowa County's or such 2024 Participating County's (as

applicable) pro rata share of the principal of and interest on the Series 2024 Bonds in an amount necessary to replenish the debt service reserve fund, including any compound interest payable on amounts paid by the Insurer (defined herein) for the Series 2024 Bonds, which for Iowa County will be in an amount not to exceed \$15,000,000 (plus interest to accrue thereon annually over the life of the Series 2024 Bonds at a rate not to exceed 8.00%), including any compound interest payable on amounts paid by the Insurer for the Series 2024 Bonds.

1.08 The Guarantor will provide a guaranty (the "Hilbert Guaranty") to Iowa County, and each 2024 Participating County, guaranteeing the full and prompt payment to Iowa County, and each 2024 Participating County, of amounts due from the Borrower pursuant to, and the performance of all other obligations, covenants and agreements of the Borrower under the Reimbursement Agreements by and between the Borrower and each of the 2024 Participating Counties, the Intergovernmental Agreement, and the Mortgage or Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement, and Fixture Financing Statement referenced below. In order to authorize Iowa County's County Guaranty, the County Guaranty must be approved by a vote of at least three-fourths of the members-elect (as defined in Section 59.001(2m) of the Wisconsin Statutes) of the Board of Supervisors.

1.09 The Borrower will have the primary obligation to make all scheduled principal and interest payments when due, and each 2024 Participating County's Guaranty will apply only in the event that the Borrower does not pay such debt service for the Series 2024 Bonds as required and a draw is made on the debt service reserve fund for the Series 2024 Bonds (established under the Indenture).

1.10 In return for the County Guaranty by each 2024 Participating County, each 2024 Participating County shall receive a guaranty fee as further described in Section 3.02, and the Borrower and the Guarantor will pay any and all costs of each 2024 Participating County and all expenses incurred by each 2024 Participating County related to the Series 2024 Bonds.

1.11 As further security for the County Guaranty, Iowa County and each 2024 Participating County shall receive a first fee or leasehold mortgage on all land, buildings, and improvements of the Borrower and a first security interest, subordinate only to the security interest of the State of Wisconsin, the Public Service Commission of Wisconsin, or similar agency, political subdivision, or instrumentality of the state (the "State") to the extent required by the State as a condition of grant funding provided for financed assets, in all fixtures and equipment of the Borrower located in the applicable county in which the Project financed with proceeds of the Series 2024 Bonds is constructed.

1.12 The Project includes necessary infrastructure for essential services, including emergency response and public safety communications by and for Iowa County and local units of government in Iowa County and is in furtherance of the public purposes set forth

in the Act, Wisconsin Statutes, Section 59.54, and promotes the economic development and well-being of Iowa County.

1.13 The obligations of Iowa County and each 2024 Participating County under its respective County Guaranty are expected to be insured by Build America Mutual Assurance Company (the "Insurer") under its Municipal Bond Insurance Policy (the "Policy") containing provisions consistent with the provisions of this resolution and the documents listed in Section 1.14 and approved by the Issuer's counsel, bond counsel, and the appropriate officer or officers of Iowa County.

1.14 Drafts of the following documents have been submitted to this County Board and are ordered filed in the office of the County Clerk:

(a) a Preliminary Limited Offering Memorandum;

(b) a Bond Purchase Agreement by and among the Issuer and Samuel A. Ramirez & Company, Inc., as representative, acting on behalf of itself, Robert W. Baird & Co. Incorporated, and Oppenheimer & Co. Inc., as underwriters, with the Letter of Representations from the Borrower and accepted and agreed to by the Issuer and the representative of the underwriters;

(c) an Indenture of Trust (the "Indenture") by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee");

(d) a Loan Agreement (the "Loan Agreement") by and between the Issuer and the Borrower;

(e) a Series 2024 Promissory Note from the Borrower to the Issuer, and assigned to the Trustee;

(f) a Reimbursement Agreement from the Borrower to Iowa County;

(g) a form of Facilities Access Agreement from the Borrower to Iowa County;

(h) a form of Mortgage or Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement, and Fixture Financing Statement from the Borrower to Iowa County;

(i) a Continuing Disclosure Agreement;

(j) a Guaranty Agreement (Hilbert Guaranty) from the Guarantor to Iowa County;

(k) a Borrower's Closing Certificate;

(l) an Intergovernmental Agreement to be signed by each 2024 Participating County; and

(m) the unconditional County Guaranty from Iowa County.

Section 2 Findings and Determinations.

It is hereby found and determined that:

(a) based on representations of the Borrower, the Project constitutes a "project" authorized by the Act;

(b) the purpose of the Issuer's financing costs of the Project is and the effect thereof will be to promote the public purposes set forth in the Act;

(c) the Project includes necessary infrastructure for essential services by and for Iowa County and local units of government in Iowa County and is in furtherance of the public purposes set forth in the Act, Wisconsin Statutes, Section 59.54, and promotes the economic development and well-being of Iowa County;

(d) it is desirable that a series of taxable revenue bonds in an aggregate principal amount not to exceed \$109,000,000 (the "Series 2024 Bonds") be issued by the Issuer upon the terms set forth in the Indenture and Loan Agreement, under the provisions of which the Issuer's interest in the Indenture and Loan Agreement (except for certain rights as provided therein) and the loan repayments will be assigned to the Trustee as security for the payment of principal of and interest on and premium, if any, on all the Series 2024 Bonds outstanding under the Indenture;

(e) the loan payments provided for in the Loan Agreement, and the formula set out for revising those payments under the Loan Agreement as required under the Act, are sufficient to produce income and revenue to provide for prompt payment of principal of and interest on and premium, if any, on Series 2024 Bonds issued under the Indenture when due; the amount necessary in each year to pay the principal of and interest on the Series 2024 Bonds is the sum of the principal and interest on the Series 2024 Bonds due in such year, whether on a stated payment date, a redemption date, or otherwise; the Loan Agreement provides that the Borrower shall provide for the maintenance of the Project in good repair, keeping it properly insured; and

(f) under the provisions of the Act, the Series 2024 Bonds shall be limited obligations of the Issuer and the Series 2024 Bonds do not constitute an indebtedness of the Issuer or the 2024 Participating Counties, within the meaning of any state constitutional or statutory provision, and do not constitute nor give rise to a charge against the Issuer's or the 2024 Participating Counties' general credit or taxing powers or a pecuniary liability of the Issuer or the 2024 Participating Counties.

Section 3 Approvals and Authorizations.

3.01 There is hereby approved the issuance by the Issuer of its Taxable Revenue Bonds, Series 2024 (Bug Tussel 2, LLC Project) (Social Bonds) (specifically, the

Series 2024 Bonds) in an aggregate principal amount not to exceed \$109,000,000, for the purpose of financing the Project.

3.02 In furtherance of the public purposes recited above:

(a) Iowa County shall provide an unconditional County Guaranty to enhance the collateral position of the Borrower in an amount equal to Iowa County's pro rata share of the principal of and interest on the Series 2024 Bonds in an amount necessary to replenish the debt service reserve fund in an amount not to exceed \$15,000,000 (plus interest to accrue thereon annually over the life of the Series 2024 Bonds at a rate not to exceed 8.00%), including any compound interest payable on amounts paid by the Insurer for the Series 2024 Bonds. In return for its County Guaranty, Iowa County shall receive either (i) an annual guaranty fee equal to 40 basis points (0.40%) of the outstanding par amount of the Series 2024 Bonds covered by its County Guaranty, payable on a semi-annual basis on each May 1 and November 1, or (ii) a discounted upfront guaranty fee as agreed to by the Borrower and Iowa County. Prior to issuance of the Series 2024 Bonds, each 2024 Participating County on behalf of which Series 2024 Bonds are being issued shall have each authorized the execution and delivery of its respective County Guaranty.

(b) There is hereby authorized the issuance by Iowa County of general obligation promissory notes pursuant to Section 67.12(12), Wisconsin Statutes, to finance payment of the County Guaranty. The terms and provisions of any such notes shall be established pursuant to a subsequent resolution of this County Board.

3.03 Iowa County hereby authorizes the execution and delivery of the Intergovernmental Agreement, the County Guaranty and the other documents listed in Section 1.14 above to which Iowa County is a signatory.

3.04 Subject to the conditions set forth herein, the County Board Chairperson and the County Clerk are authorized and directed to execute and deliver the County Guaranty, the Intergovernmental Agreement and the other documents listed in Section 1.14 above to which Iowa County is a signatory. In addition, Iowa County hereby authorizes the execution and delivery of a commitment with the Insurer consistent with the provisions of this resolution and the documents listed in Section 1.14 above as well as any other agreements, certificates or documents necessary to obtain the Policy.

3.05 The County Board Chairperson and the County Clerk and other officers of Iowa County are authorized to prepare and furnish to the Trustee and bond counsel certified copies of all proceedings and records of Iowa County relating to the Series 2024 Bonds, and such other affidavits and certificates as may be required by the Trustee and bond counsel.

3.06 The approval hereby given to the various documents referred to in this Resolution includes the approval of such additional details therein and additional

documents or agreements all as may be necessary and appropriate for their completion and such modifications thereto, deletions therefrom and additions thereto as may be approved by the Iowa County counsel and bond counsel. The execution of any document by the appropriate officer or officers of Iowa County herein authorized shall be conclusive evidence of the approval by Iowa County of such document in accordance with the terms hereof.

3.07 This Resolution shall take effect from and after its adoption by a vote of at least three-fourths of the members-elect (as defined in Section 59.001(2m) of the Wisconsin Statutes) of the Board of Supervisors.

Adopted : _____, 2024

Recommended for adoption this _____ day of _____, 2024.

Adopted _____
Defeated _____ by the Iowa County Board of Supervisors this
Tabled _____ day of _____, 2024.

County Board Chair

County Clerk

I, the undersigned, the duly appointed and qualified Clerk of Iowa County, Wisconsin do hereby certify that the foregoing resolution was duly adopted by the County Board of Supervisors at a meeting of said County held in open session in accordance with the requirements of Subchapter V of Chapter 19 of the Wisconsin Statutes on August 20, 2024.

IOWA COUNTY, WISCONSIN

County Clerk

INTERGOVERNMENTAL AGREEMENT

(By and among [(i) Fond du Lac County, (ii) Forest County, (iii) Iowa County,
(iv) Jefferson County, (v) Lafayette County, (vi) Marathon County, (vii) Price County,
(viii) Sawyer County, (ix) Taylor County, and (x) Waushara County],
together with any additional Participating Counties joining by Joinder)

THIS INTERGOVERNMENTAL AGREEMENT (the “Agreement”) is made this ____ day of _____, 2024, by and among the Participating Counties (defined below) located in the State of Wisconsin (the “State”) which, through their duly authorized representatives, have signed this Agreement.

WHEREAS, Section 66.1103 of the Wisconsin Statutes (the “Act”) authorizes Wisconsin counties to authorize the issuance and sale of bonds by the county to construct, equip, re-equip, acquire by gift, lease or purchase, install, reconstruct, rebuild, rehabilitate, improve, supplement, replace, maintain, repair, enlarge, extend or remodel industrial projects; and

WHEREAS, Bug Tussel 2, LLC, a Wisconsin limited liability company (the “Borrower”), Hilbert Communications, LLC, a Wisconsin limited liability company (the “Company” and the “Guarantor”) and/or one or more of its affiliates (including, without limitation, Bug Tussel Wireless, LLC and Cloud 1, LLC), whether existing on the date hereof or to be formed and whether owned directly or indirectly by the Company, to finance a project consisting of the acquisition, construction and installation of certain telecommunications infrastructure that includes, among other things (i) acquisition of tower sites by purchase or lease of land and equipping such sites with towers and electronics to provide broadband, high speed cellular, emergency communications and point to point (P2P) data communications; (ii) constructing fiberoptic data transmission facilities (cable and electronics) between towers, key community facilities, businesses and residential aggregation points; (iii) where appropriate, connecting individual premises into the broadband network including the cost of Consumer Premise Equipment (CPE); (iv) payment of capitalized interest; (v) funding of a debt service reserve fund; (vi) payment of such project costs located in the Participating Counties in an aggregate amount not to exceed \$250,000,000; and (vii) payment of professional fees (collectively, the “Project”), all of which will be for the purpose of providing wireless internet and telephone communications services to businesses, governmental units and residents of rural communities where such service is currently unavailable or is prohibitively expensive; and

WHEREAS, the Project will be constructed and installed in the rural areas of the following Wisconsin counties, to wit: [(i) Fond du Lac County, (ii) Forest County, (iii) Iowa County, (iv) Jefferson County, (v) Lafayette County, (vi) Marathon County, (vii) Price County, (viii) Sawyer County, (ix) Taylor County, and (x) Waushara County] (each, together with any additional counties joining by Joinder (defined below), a “Participating County” and collectively, the “Participating Counties”); and

WHEREAS, each of the Participating Counties is a political subdivision of the State within whose boundaries a portion of the Project is located; and

WHEREAS, pursuant to the Act and Section 66.0301 of the Wisconsin Statutes, a county or two or more counties acting pursuant to an intergovernmental agreement may serve as the conduit issuer for such financing; and

WHEREAS, the aggregate cost of the Project is presently estimated to be not greater than \$250,000,000, and the amount proposed to be financed with revenue bonds does not exceed \$250,000,000 (the “Bonds”); and

WHEREAS, Section 66.1103(3)(f) of the Act provides that a county also may finance an industrial project which is located entirely outside the geographic limits of the county, but only if the revenue agreement for the project also relates to another project of the same eligible participant, part of which is located within the geographic limits of the county; and

WHEREAS, the proposed Project is a multi-jurisdictional project which is located in the counties of [(i) Fond du Lac County, (ii) Forest County, (iii) Iowa County, (iv) Jefferson County, (v) Lafayette County, (vi) Marathon County, (vii) Price County, (viii) Sawyer County, (ix) Taylor County, and (x) Waushara County], and each of the Participating Counties have approved an initial resolution providing for the financing of the Project in an aggregate amount not to exceed \$250,000,000; and

WHEREAS, it is expected that (i) the Project will be constructed and installed in multiple phases in other Wisconsin counties to be determined which will be financed with additional issues or series of bonds to be issued at one or more times in an aggregate amount not to exceed \$250,000,000 and issued by the Issuing County as defined herein (“Additional Bonds”) and (ii) in connection with the issuance of any Additional Bonds for other Project locations in other Wisconsin counties, such additional Wisconsin counties shall become a Participating County under this Agreement by executing the Counterpart and Joinder (the “Joinder”) in the form attached as Exhibit A; and

WHEREAS, the Participating Counties wish to enter into this Agreement providing that Fond du Lac County, Wisconsin (the “Issuing County”) shall be the issuer of the Bonds and any Additional Bonds; and

WHEREAS, the Issuing County is a county organized and existing under and pursuant to the laws of the State, and is authorized to enter into revenue agreements with eligible participants with respect to the Project whereby eligible participants agree to cause said Project to be constructed and to pay the Issuing County an amount of funds sufficient to provide for the prompt payment when due of the principal and interest on said Bonds; and

WHEREAS, in consideration of the increased tax revenue that will accrue to each Participating County as a result of the Project and the new jobs and other economic benefits for residents of each Participating County that will result from the Project, and the enhanced infrastructure for essential services, including emergency response and public safety communications by and for the Participating Counties and local units of government in the Participating Counties and is in, each Participating County has agreed to guarantee the payment of its pro rata share of the principal of and interest on the Bonds in an amount necessary to replenish the debt service reserve fund for the Bonds (each a “County Guaranty”).

NOW, THEREFORE, it is hereby agreed by and among the Participating Counties as follows:

1. Purpose. The Participating Counties, acting pursuant to the Act and Section 66.0301 of the Wisconsin Statutes, hereby agree to cooperate and exercise their municipal powers jointly for the purpose of appointing Fond du Lac County to act as the Issuing County and conduit issuer for the Bonds and any Additional Bonds. Each Participating County shall take such action as deemed necessary to facilitate the issuance of the Bonds by the Issuing County.

2. Authorization. Each Participating County represents that it has duly authorized the execution, delivery and performance of this Agreement and any other agreements reasonably requested to be executed and delivered by the Issuing County hereunder or under the Bond documents by all necessary corporate action

of the Participating County. Each Participating County shall have the right to make reasonable objections to the same. If disagreement occurs, the decision shall be made by a majority vote of the Participating Counties by their respective governing bodies, with each Participating County's vote weighted based upon the amount of outstanding Bonds and Additional Bonds allocated to (and the corresponding guaranty amount being provided by) such Participating County. Such a weighted majority vote shall also be used to direct the Issuing County when acting as agent of the other Participating Counties under the Pledge of Membership Interest Agreement relating to the Bonds and Additional Bonds.

3. Records. The Issuing County will maintain and be the custodian of all records associated with the administering and performance of this Agreement and the Bonds, and will make those records available to all Participating Counties upon request.

4. Reporting. The Borrower shall submit a written report to, and may meet with, the Issuing County and the Participating Counties, on an annual basis (and such other intervals or dates as may be requested by the Issuing County and the Participating Counties from time to time) commencing in January, [20____] and continuing until January, [20____] (the "Project Period") for the purpose of presenting a report on the status of the Project(s) and the financial strength of the Borrower and the Guarantor. The date, time and place of such meeting shall be determined cooperatively among the parties. After the Project Period for so long as the Bonds remain outstanding, upon request from the Issuing County and any Participating County, the Borrower shall report to or meet with the Issuing County and the Participating Counties and shall continue to provide to the Issuing County annual written reports regarding the continued strength of the Borrower and the Guarantor. Such report shall be due not less than 90 days following any such request.

5. Effective Date. This Agreement shall become effective upon its adoption and execution by all Participating Counties. Any county entering into this Agreement shall adopt an authorizing resolution, and provide a certified copy of the resolution to all other Participating Counties. This Agreement shall remain in full force and effect until terminated as provided herein.

6. New Members. After the effective date of this Agreement and in connection with the issuance of Additional Bonds, additional counties may join in this Agreement as a Participating County by executing the Joinder and agreeing to the terms of this Agreement, subject to the approval of the Issuing County, which may not be unreasonably withheld.

7. Termination and Disposition of Funds.

(a) This Agreement shall be deemed terminated when (i) all of the outstanding Bonds and any Additional Bonds have been paid in full or redeemed and (ii) all Participating Counties have received a release of their obligations pursuant to the terms of their respective County Guaranty.

(b) A Participating County (other than the Issuing County) shall be released from its obligations under this Agreement if such Participating County has received a release of its obligations under its respective County Guaranty. The Issuing County's responsibility shall continue until all of the requirements set forth in Section 7(a) are met.

8. Severability. The terms of this Agreement are severable and any determination by any court or agency having jurisdiction over the subject matter of this Agreement that results in the invalidity of any part shall not affect the remainder of the Agreement.

9. Amendments. The terms of this Agreement shall not be amended without the written authorization of the governing bodies of all Participating Counties.

10. Governing Law. This Agreement shall be governed by the laws of the State of Wisconsin.

11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

12. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter of this Agreement, oral or written, are superseded by this Agreement; provided however, that this Agreement shall not cover the exercise by any Participating County of its rights and remedies under any reimbursement agreement between the Borrower and such Participating County or under any guaranty agreement with the Guarantor.

13. Assignment. The rights and obligations of the parties to this Agreement may not be assigned without the express written consent of all parties.

[SIGNATURE PAGE TO FOLLOW]

FOND DU LAC COUNTY, WISCONSIN, as
Issuing County, and a Participating County

By: _____
Steven A. Abel, County Chairperson

By: _____
Lisa Freiberg, County Clerk

FOREST COUNTY, WISCONSIN,
a Participating County

By: _____
Ronald P. Skallerud, County Chairperson

By: _____
Nora Matuszewski, County Clerk

IOWA COUNTY, WISCONSIN,
a Participating County

By: _____
John M. Meyers, County Chairperson

By: _____
Kristy K. Spurley, County Clerk

JEFFERSON COUNTY, WISCONSIN,
a Participating County

By: _____
Steve Nass, County Chairperson

By: _____
Audrey McGraw, County Clerk

LAFAYETTE COUNTY, WISCONSIN,
a Participating County

By: _____
Jack Sauer, County Chairperson

By: _____
Carla Jacobson, County Clerk

MARATHON COUNTY, WISCONSIN,
a Participating County

By: _____
Kurt A. Gibbs, County Chairperson

By: _____
Kim Trueblood, County Clerk

PRICE COUNTY, WISCONSIN,
a Participating County

By: _____
Brian Ernst, County Chairperson

By: _____
Jean Gottwald, County Clerk

SAWYER COUNTY, WISCONSIN,
a Participating County

By: _____
Ron Kinsley, County Chairperson

By: _____
Lynn Fitch, County Clerk

TAYOR COUNTY, WISCONSIN,
a Participating County

By: _____
Jim Metz, County Chairperson

By: _____
Andria M. Farrand, County Clerk

WAUSHARA COUNTY, WISCONSIN,
a Participating County

By: _____
John Jarvis, County Chairperson

By: _____
Megan Kapp, County Clerk

Acknowledged:

BUG TUSSEL 2, LLC

By: _____
Jason G. Wied, Chief Executive Officer

HILBERT COMMUNICATIONS, LLC

By: _____
Jason G. Wied, Chief Executive Officer

EXHIBIT A

**COUNTERPART AND JOINDER
TO
INTERGOVERNMENTAL AGREEMENT**

THIS COUNTERPART AND JOINDER (this “Joinder”), dated as of _____, 20____, is entered into by _____ County (the “Joining Participating County”) pursuant to the terms of an Intergovernmental Agreement dated _____, 2024, as may be amended, supplemented or otherwise modified from time to time (the “Intergovernmental Agreement”), among the following Wisconsin counties: [(i) Fond du Lac County, (ii) Forest County, (iii) Iowa County, (iv) Jefferson County, (v) Lafayette County, (vi) Marathon County, (vii) Price County, (viii) Sawyer County, (ix) Taylor County, and (x) Waushara County] (collectively, the “Original Participating Counties”); and the following additional counties joining by Joinder: [TO BE LISTED] (collectively, the “20____ Participating Counties” and together with the Original Participating Counties, the “Participating Counties” and each a “Participating County”).

RECITALS

- A. Capitalized terms not otherwise defined in this Joinder shall have the meanings given to them in the Intergovernmental Agreement.
- B. The Joining Participating County desires to join the Intergovernmental Agreement and become a Participating County under the Intergovernmental Agreement.

AGREEMENTS

As required by the Intergovernmental Agreement, the Joining Participating County agrees as follows:

- 1. The Joining Participating County hereby acknowledges and agrees that it has received and reviewed a copy of the Intergovernmental Agreement and hereby:
 - (a) joins the Intergovernmental Agreement as a Participating County; and
 - (b) assumes, accepts and agrees to be bound by, and hereby confirms, all covenants, agreements, and acknowledgments attributable to a Participating County in the Intergovernmental Agreement.
- 2. The Joining Participating County agrees that it shall execute and deliver all documents and do all other acts which may be necessary or desirable under the Intergovernmental Agreement.

IN WITNESS WHEREOF, the Joining Participating County has executed this Joinder as of the date first written above.

[SIGNATURE PAGE TO FOLLOW]

Joining Participating County:

[_____] COUNTY, WISCONSIN

By: _____
County Chairperson

By: _____
County Clerk

Acknowledged and Approved:

FOND DU LAC COUNTY, WISCONSIN,
as Issuing County, and a Participating County

By: _____
County Chairperson

By: _____
County Clerk



Iowa County

Bug Tussel 2

\$15,000,000 Bug Tussel Revenue Bonds

Due Diligence Analysis

Erik Kass

Director, Public Finance

PMA Securities, LLC

August 13, 2024



Iowa County Bug Tussel 2, LLC Broadband Issuance Due Diligence

The following information and analysis is derived from information provided to PMA by interested parties to the proposed transaction. Certain representations by County Officials and Legal Counsel are included in our understanding of the proposed deal and are outlined in further detail within this report.

The proposed issuance of \$109,000,000 Taxable Revenue Bonds, Series 2024 comes with a proforma provided by Bug Tussel II, a subsidiary of Hilbert Communications, LLC. This proforma has been analyzed and stress tested for the ability of Hilbert to meet the annual proposed debt service obligations for the financing. Unfortunately, at this time, we do not have actual performance information related to previous deals which would help to inform the validity of the stress testing for the portfolio. From review of official statements for previous deals in 2021, 2022, and 2023 the original projections of subscriptions have shifted at least one year later for the initial 2021 issuance to updated projections found in the 2023 issuance official statement.

This analysis will focus on the areas of debt issuance considerations, proforma, and credit analysis of Hilbert Communications, LLC to the extent possible.

Debt Considerations:

The issuance of \$109,000,000 is broken down into four main categories outlined below:

Deposit to Proceeds: amount available for projects

Capitalized Interest: debt is interest only for the first two years, providing for the borrowing to cover interest expense over that time period.

Debt Service Reserve: amount required to be held in reserve to pay annual debt service if revenues fall short of annual payment amount.

Costs of Issuance: costs for various parties working on the transaction

Consideration should be made to define amounts associated with each category of the transaction prior to issuance. PMA would work with Bug Tussel and the Underwriter to finalize amounts.

Dependent upon the final proforma the County is comfortable with, consideration should be made to the appropriate structure of repayment to decrease any projected stress on the cash flows.

Credit Analysis:

Proforma Analysis:

Included in this report are various proforma tests for Iowa County which assume the performance of revenue is stressed vs. projection annually. The report will also show the stress applying to each county in summary format. This is important, as we consider the risk to the County due to revenue shortfalls and the potential for the Debt Service Reserve account to be accessed. If this were to happen, the standard for annually replenishing the debt service reserve is viewed on the entire issuance, not on the individual performance within any County. This replenishment of the reserve account would be linked directly to the pro-rata share for Iowa County defined in the indenture.

Summary:

The financial proforma provided by Bug Tussel assumes annual subscriptions for homes passed starting at 40% and ramping up to 60% for a high point. When we apply a 90% factor to the proposed proforma, everything continues to look good for Iowa County. When we drop the subscription rate proposed to a 70% threshold we see annual stress on the proforma as annual revenue falls below the required annual debt payment. Iowa County is one of ten counties projected to participate in the total borrowing of \$109 million. The requirement to replenish the debt service reserve fund established is dependent upon the overall performance of all counties, and not for Iowa County individually. If Iowa County overperforms expectations for example, this would help the overall stability of the proforma and vice versa.



Iowa County

Proforma Analysis and Stress Test

	07/15/24	EOY 2040	EOY 2041	EOY 2042	EOY 2043	EOY 2044	EOY 2045	EOY 2046	EOY 2047	EOY 2048	EOY 2049	EOY 2050	EOY 2051	EOY 2052	EOY 2053	EOY 2054
IOWA COUNTY PAR AMOUNT:	\$ 15,000,000															
Number of National Carrier Tower Leases		15	15	15	16	16	16	16	16	18	18	18	19	19	19	20
Number of National Carrier Backhaul Contracts		5	5	5	5	5	5	5	5	6	6	6	6	6	6	6
Number of ISP Aggregation Circuits		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Number of Fixed Wireless Subscribers		315	306	297	289	280	271	262	254	245	236	227	219	219	219	219
Number of Fiber Optic Broadband Subscribers		131	131	131	131	131	131	131	131	131	131	131	131	131	131	131
Number of Content Subscriptions																
Number of Managed Services Contracts																
Number of Fixed Wireless Towers																
Subscribers per Tower																
Homes Passed		1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Fiber Miles Constructed		125	125	125	125	125	125	125	125	125	125	125	125	125	125	125
Subscription Rate for Fiber Broadband		54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%
Content Subscription		32%	32%	32%	31%	30%	29%	28%	27%	26%	25%	24%	23%	23%	23%	23%
Subscription Rate for Managed Services		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
(Test %)																
National Carrier Tower Lease Rate		\$ 2,608	\$ 2,660	\$ 2,714	\$ 2,768	\$ 2,823	\$ 2,880	\$ 2,937	\$ 2,996	\$ 3,056	\$ 3,117	\$ 3,179	\$ 3,243	\$ 3,308	\$ 3,374	\$ 3,442
National Carrier Backhaul Rate		\$ 1,338	\$ 1,365	\$ 1,393	\$ 1,420	\$ 1,449	\$ 1,478	\$ 1,507	\$ 1,537	\$ 1,568	\$ 1,600	\$ 1,632	\$ 1,664	\$ 1,697	\$ 1,731	\$ 1,766
ISP Aggregation Rate		\$ 3,432	\$ 3,501	\$ 3,571	\$ 3,642	\$ 3,715	\$ 3,789	\$ 3,865	\$ 3,942	\$ 4,021	\$ 4,102	\$ 4,184	\$ 4,267	\$ 4,353	\$ 4,440	\$ 4,528
Fiber Optic Broadband ARPU		\$ 77.62	\$ 79.17	\$ 80.75	\$ 82.37	\$ 84.01	\$ 85.69	\$ 87.41	\$ 89.16	\$ 90.94	\$ 92.76	\$ 94.61	\$ 96.51	\$ 98.44	\$ 100.41	\$ 102.41
Fiber Optic Broadband ARP		\$ 97.02	\$ 98.96	\$ 100.94	\$ 102.96	\$ 104.99	\$ 107.02	\$ 109.06	\$ 111.11	\$ 113.17	\$ 115.25	\$ 117.33	\$ 119.42	\$ 121.51	\$ 123.61	\$ 125.71
Content Subscription Margin		\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
Managed Services ARPU		\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
REVENUES:																
Tower Rents		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Backhaul Contracts		\$ 240,924	\$ 245,742	\$ 250,560	\$ 255,378	\$ 260,196	\$ 265,014	\$ 269,832	\$ 274,650	\$ 279,468	\$ 284,286	\$ 289,104	\$ 293,922	\$ 298,740	\$ 303,558	\$ 308,376
ISP Aggregation Revenue		\$ 205,918	\$ 210,036	\$ 214,154	\$ 218,272	\$ 222,390	\$ 226,508	\$ 230,626	\$ 234,744	\$ 238,862	\$ 242,980	\$ 247,098	\$ 251,216	\$ 255,334	\$ 259,452	\$ 263,570
Fiber Wireless Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiber Optic Broadband Revenue		\$ 1,131,647	\$ 1,154,280	\$ 1,177,366	\$ 1,200,913	\$ 1,224,931	\$ 1,249,430	\$ 1,274,418	\$ 1,299,907	\$ 1,325,905	\$ 1,352,423	\$ 1,379,471	\$ 1,407,061	\$ 1,435,202	\$ 1,463,906	\$ 1,493,184
Content Margin Revenue		\$ 45,350	\$ 44,009	\$ 42,830	\$ 41,570	\$ 40,311	\$ 39,051	\$ 37,791	\$ 36,532	\$ 35,272	\$ 34,012	\$ 32,753	\$ 31,493	\$ 30,233	\$ 28,973	\$ 27,713
ANNUAL PROJECT REVENUE		\$ 1,623,838	\$ 1,654,149	\$ 1,701,800	\$ 1,733,720	\$ 1,766,303	\$ 1,799,564	\$ 1,833,514	\$ 1,867,256	\$ 1,900,998	\$ 1,934,740	\$ 1,968,482	\$ 2,002,224	\$ 2,035,966	\$ 2,069,708	\$ 2,103,450
OPERATING EXPENSES:																
Tower Land Rent and Maintenance		\$ 650.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tower Leasing		\$ 1,950.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subscriber Support Costs and Billing		\$ 5.00	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)	\$ (58,320)
Backhaul and Internet Access		\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Site Maintenance/Field Services		\$ 350.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Installation and Acquisition Expense		\$ 300.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiber Maintenance		\$ 300.00	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)	\$ (37,500)
Selling and Marketing		\$ 2%	\$ (32,477)	\$ (33,083)	\$ (33,689)	\$ (34,295)	\$ (34,901)	\$ (35,507)	\$ (36,113)	\$ (36,719)	\$ (37,325)	\$ (37,931)	\$ (38,537)	\$ (39,143)	\$ (39,749)	\$ (40,355)
Property Taxes		\$ 360.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES		\$ (1,28,297)	\$ (1,28,903)	\$ (1,29,509)	\$ (1,30,115)	\$ (1,30,721)	\$ (1,31,327)	\$ (1,31,933)	\$ (1,32,539)	\$ (1,33,145)	\$ (1,33,751)	\$ (1,34,357)	\$ (1,34,963)	\$ (1,35,569)	\$ (1,36,175)	\$ (1,36,781)
CASH AVAILABLE FOR DEBT SERVICE		\$ 1,495,542	\$ 1,525,246	\$ 1,571,944	\$ 1,603,226	\$ 1,635,157	\$ 1,667,752	\$ 1,701,024	\$ 1,734,401	\$ 1,768,878	\$ 1,803,455	\$ 1,838,032	\$ 1,872,609	\$ 1,907,186	\$ 1,941,763	\$ 1,976,340
DEBT SERVICE		\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)	\$ (1,173,401)
CUMULATIVE FOR ADDITIONAL CAPITAL EXPENDITURES		\$ 322,141	\$ 351,845	\$ 381,549	\$ 411,253	\$ 440,957	\$ 470,661	\$ 500,365	\$ 530,069	\$ 559,773	\$ 589,477	\$ 619,181	\$ 648,885	\$ 678,589	\$ 708,293	\$ 737,997
AVAILABLE FUNDS AVAILABLE		\$ 1,573,110	\$ 1,924,955	\$ 2,323,499	\$ 2,753,324	\$ 3,215,080	\$ 3,709,432	\$ 4,237,055	\$ 4,811,622	\$ 5,434,477	\$ 6,107,075	\$ 6,830,676	\$ 7,605,277	\$ 8,431,880	\$ 9,310,483	\$ 10,242,086
CAPITAL EXPENDITURES:																
Placement of Fiber Optic Cable		\$ (80,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tower Construction		\$ (220,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Microwave Paths		\$ (80,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiber to the Premise		\$ (500.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Broadband Equipment		\$ (50,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Technology Upgrades		\$ (50,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL EXPENDITURES		\$ (1,100,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BALANCE -- PSC GRANT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BALANCE -- COUNTY LOAN		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BALANCE -- BOND PROJECT FUND		\$ 10,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BALANCE -- TOTAL PROJECT FUND		\$ 10,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BALANCE -- OPERATING FUND		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subscription Rate for Fiber Broadband		Base	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Content Subscription		Base	35%	35%	34%	33%	32%	31%	30%	29%	28%	27%	26%	25%	25%	25%
Subscription Rate for Managed Services		Base	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
CASH AVAILABLE FOR DEBT SERVICE		\$ 1,622,710	\$ 1,654,589	\$ 1,703,512	\$ 1,737,068	\$ 1,771,325	\$ 1,806,298	\$ 1,842,001	\$ 1,878,541	\$ 1,915,918	\$ 1,954,141	\$ 1,993,209	\$ 2,033,122	\$ 2,073,889	\$ 2,115,506	\$ 2,157,973
AVAILABLE FOR ADDITIONAL CAPITAL EXPENDITURES		\$ 449,310	\$ 481,188	\$ 530,111	\$ 563,667	\$ 597,924	\$ 632,897	\$ 668,600	\$ 705,140	\$ 742,517	\$ 780,840	\$ 819,109	\$ 858,324	\$ 898,485	\$ 938,596	\$ 979,657
CUMULATIVE FUNDS AVAILABLE		\$ 5,210,500	\$ 5,691,688	\$ 6,221,800	\$ 6,815,467	\$ 7,473,391	\$ 8,196,288	\$ 8,984,888	\$ 9,839,028	\$ 10,760,717	\$ 11,750,957	\$ 12,810,747	\$ 13,941,087	\$ 15,143,072	\$ 16,416,707	\$ 17,762,084
Subscription Rate for Fiber Broadband		90%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%
Content Subscription		90%	32%	31%	30%	29%	28%	27%	26%	25%	24%	23%	23%	23%	23%	23%
Subscription Rate for Managed Services		90%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
CASH AVAILABLE FOR DEBT SERVICE		\$ 1,495,542	\$ 1,525,246	\$ 1,571,944	\$ 1,603,226	\$ 1,635,157	\$ 1,667,752	\$ 1,701,024	\$ 1,734,401	\$ 1,768,878	\$ 1,803,455	\$ 1,838,032	\$ 1,872,609	\$ 1,907,186	\$ 1,941,763	\$ 1,976,340
AVAILABLE FOR ADDITIONAL CAPITAL EXPENDITURES		\$ 322,141	\$ 351,845	\$ 381,549	\$ 411,253	\$ 440,957	\$ 470,661	\$ 500,365	\$ 530,069	\$ 559,773	\$ 589,477	\$ 619,181	\$ 648,885	\$ 678,589	\$ 708,293	\$ 737,997
CUMULATIVE FUNDS AVAILABLE		\$ 1,573,110	\$ 1,924,955	\$ 2,323,499	\$ 2,753,324	\$ 3,215,080	\$ 3,709,432	\$ 4,237,055	\$ 4,811,622	\$ 5,434,477	\$ 6,107,075	\$ 6,830,676	\$ 7,605,277	\$ 8,431,880	\$ 9,310,483	\$ 10,242,086
Subscription Rate for Fiber Broadband </																

IOWA COUNTY	07/15/24	EOY 2040	EOY 2041	EOY 2042	EOY 2043	EOY 2044	EOY 2045	EOY 2046	EOY 2047	EOY 2048	EOY 2049	EOY 2050	EOY 2051	EOY 2052	EOY 2053	EOY 2054		
PAR AMOUNT:	\$	15,000,000																
Number of National Carrier Tower Leases		15	15	15	16	16	16	16	16	18	18	19	19	19	20	20		
Number of National Carrier Backhaul Contracts		5	5	5	5	5	5	5	5	6	6	6	6	6	6	6		
Number of ISP Aggregation Circuits		864	864	864	864	864	864	864	864	864	864	864	864	864	864	864		
Number of Fixed Wireless Subscribers		249	242	235	228	221	214	207	200	194	187	180	173	173	173	173		
Number of Fiber Optic Broadband Subscribers		104	104	104	104	104	104	104	104	104	104	104	104	104	104	104		
Number of Content Subscriptions																		
Number of Managed Services Contracts																		
Number of Fixed Wireless Towers																		
Subscribers per Tower																		
Homes Passed		1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800		
Fiber Miles Constructed		125	125	125	125	125	125	125	125	125	125	125	125	125	125	125		
Subscription Rate for Fiber Broadband		80%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%		
Content Subscription		80%	29%	27%	26%	26%	25%	24%	23%	22%	21%	20%	20%	20%	20%	20%		
Subscription Rate for Managed Services		80%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%		
National Carrier Tower Lease Rate		(Test %)																
ISP Aggregation Rate		\$	2,608	\$	2,660	\$	2,714	\$	2,768	\$	2,823	\$	2,878	\$	2,933	\$	2,988	
Fiber Optic Broadband ARPU		\$	3,432	\$	3,501	\$	3,571	\$	3,642	\$	3,715	\$	3,789	\$	3,865	\$	3,942	
Fiber Wireless Subscriber ARPU		\$	77.62	\$	79.17	\$	80.75	\$	82.37	\$	84.01	\$	85.69	\$	87.41	\$	89.16	
Content Subscription Margin		\$	12.00	\$	12.00	\$	12.00	\$	12.00	\$	12.00	\$	12.00	\$	12.00	\$	12.00	
Managed Services ARPU		\$	8.00	\$	8.00	\$	8.00	\$	8.00	\$	8.00	\$	8.00	\$	8.00	\$	8.00	
REVENUES:																		
Tower Rents	\$	240,924	\$	245,742	\$	267,368	\$	272,715	\$	278,169	\$	283,733	\$	289,407	\$	338,737	\$	345,512
Backhaul Contracts	\$	205,918	\$	210,036	\$	214,237	\$	218,522	\$	222,892	\$	227,350	\$	231,897	\$	289,519	\$	295,309
ISP Aggregation Revenue	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Fixed Wireless Revenue	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Fiber Optic Broadband Revenue	\$	1,005,909	\$	1,026,027	\$	1,046,547	\$	1,067,478	\$	1,088,828	\$	1,110,604	\$	1,132,816	\$	1,178,582	\$	1,226,197
Content Margin Revenue	\$	35,832	\$	34,836	\$	33,841	\$	32,846	\$	31,850	\$	30,855	\$	29,860	\$	27,865	\$	25,879
ANNUAL PROJECT REVENUE	\$	1,488,582	\$	1,516,642	\$	1,561,993	\$	1,591,561	\$	1,621,740	\$	1,652,542	\$	1,683,981	\$	1,834,707	\$	1,925,292
OPERATING EXPENSES:																		
Tower Land Rent and Maintenance	\$	650.00	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Tower Leasing	\$	1,950.00	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Subscriber Support Costs and Billing	\$	5.00	\$	(51,840)	\$	(51,840)	\$	(51,840)	\$	(51,840)	\$	(51,840)	\$	(51,840)	\$	(51,840)	\$	(51,840)
Backhaul and Internet Access	\$	2500.00	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Site Maintenance/Field Services	\$	300.00	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Customer Installation and Acquisition Expense	\$	300.00	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Fiber Maintenance	\$	300.00	\$	(37,500)	\$	(37,500)	\$	(37,500)	\$	(37,500)	\$	(37,500)	\$	(37,500)	\$	(37,500)	\$	(37,500)
Selling and Marketing	\$	2%	\$	(29,772)	\$	(30,333)	\$	(31,831)	\$	(33,435)	\$	(35,051)	\$	(36,694)	\$	(38,366)	\$	(40,021)
Property Taxes	\$	360.00	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
OPERATING EXPENSES	\$	(119,112)	\$	(119,673)	\$	(120,580)	\$	(121,721)	\$	(123,020)	\$	(124,391)	\$	(125,835)	\$	(127,345)	\$	(128,916)
CASH AVAILABLE FOR DEBT SERVICE	\$	1,369,470	\$	1,396,969	\$	1,441,413	\$	1,470,390	\$	1,499,945	\$	1,530,151	\$	1,560,961	\$	1,674,929	\$	1,797,446
DEBT SERVICE	\$	(1,173,401)	\$	(1,173,401)	\$	(1,173,401)	\$	(1,173,401)	\$	(1,173,401)	\$	(1,173,401)	\$	(1,173,401)	\$	(1,173,401)	\$	(1,173,401)
AVAILABLE FOR ADDITIONAL CAPITAL EXPENDITURES	\$	196,070	\$	223,568	\$	268,012	\$	296,989	\$	326,564	\$	356,751	\$	387,560	\$	501,528	\$	624,045
CUMULATIVE FUNDS AVAILABLE	\$	(46,351)	\$	177,217	\$	445,230	\$	742,218	\$	1,068,782	\$	1,425,533	\$	1,813,093	\$	2,314,621	\$	3,419,604
CAPITAL EXPENDITURES:																		
Placement of Fiberoptic Cable	\$	(80,000.00)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Tower Construction	\$	(220,000.00)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Microwave Paths	\$	(30,000.00)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Fiber to the Premise	\$	(350,000.00)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Broadband Equipment	\$	(50,000.00)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Technology Upgrades	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL CAPITAL EXPENDITURES	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
BALANCE - PSC GRANT	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
BALANCE - COUNTY LOAN	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
BALANCE - BOND PROJECT FUND	\$	10,500,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
BALANCE - TOTAL PROJECT FUND	\$	10,500,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
BALANCE - OPERATING FUND	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Subscription Rate for Fiber Broadband	Base	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Content Subscription	Base	36%	35%	34%	33%	33%	32%	32%	31%	30%	29%	28%	27%	26%	25%	25%	25%	25%
Subscription Rate for Managed Services	Base	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
CASH AVAILABLE FOR DEBT SERVICE	\$	1,622,710	\$	1,654,589	\$	1,703,512	\$	1,737,068	\$	1,771,325	\$	1,806,298	\$	1,842,001	\$	1,960,971	\$	2,099,493
AVAILABLE FOR ADDITIONAL CAPITAL EXPENDITURES	\$	449,310	\$	481,188	\$	530,111	\$	563,667	\$	597,924	\$	632,897	\$	668,600	\$	878,570	\$	967,481
CUMULATIVE FUNDS AVAILABLE	\$	\$3,212,500	\$	\$3,691,689	\$	\$4,221,800	\$	\$4,785,467	\$	\$5,383,392	\$	\$6,016,289	\$	\$6,684,890	\$	\$7,472,460	\$	\$8,298,887
Subscription Rate for Fiber Broadband	80%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%
Content Subscription	29%	28%	27%	27%	26%	26%	26%	24%	23%	22%	22%	21%	20%	20%	20%	20%	20%	20%
Subscription Rate for Managed Services	80%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
CASH AVAILABLE FOR DEBT SERVICE	\$	1,369,470	\$	1,396,969	\$	1,441,413	\$	1,470,390	\$	1,499,945	\$	1,530,151	\$	1,560,961	\$	1,743,111	\$	1,979,446
AVAILABLE FOR ADDITIONAL CAPITAL EXPENDITURES	\$	196,070	\$	223,568	\$	268,012	\$	296,989	\$	326,564	\$	356,751	\$	387,560	\$	501,528	\$	624,045
CUMULATIVE FUNDS AVAILABLE	\$	(546,351)	\$	177,217	\$	445,230	\$	742,218	\$	1,068,782	\$	1,425,533	\$	1,813,093	\$	2,314,621	\$	3,419,604
Negative Balance Test / Threshold % of Par: 1%																		

