

POLK COUNTY RURAL INTERNET CONNECTIVITY PROJECT DEPLOYMENT AGREEMENT

This Deployment Agreement for the Polk County Rural Internet Connectivity Project (the "Agreement") is executed by and between Polk County, Texas (the "County") and Eastex Telephone Cooperative, Inc., for itself and on behalf of its affiliate, Eastex Celco, L.L.C. d/b/a Eastex Net (collectively, "Eastex"), to be effective as of September 27, 2022 (the "Effective Date").

RECITALS

- A. On June 16, 2022, the County issued a Request for Proposals (the "RFP") for private providers to deploy, operate, and maintain an Internet/broadband network which delivers high-speed Internet/broadband to currently underserved premises in Polk County.
- B. Eastex responded to the RFP with Eastex's Proposal dated August 1, 2022 (the "Proposal"), Attached as Exhibit D, which has been accepted by the County.
- C. This Agreement is entered into to implement the terms and conditions of the program contemplated by the RFP as responded to and proposed through Eastex's Proposal and as set forth herein.

TERMS

Now therefore, for and in consideration of the premises herein expressed, and other good and valuable consideration, the parties agree as follows:

1. **Introduction**. Pursuant to the Proposal and the consideration to be paid by the County as described herein, Eastex will construct fiber optic cable routes with additional fiber to the premises ("FTTP") deployments to be constructed off of Eastex's existing fiber transport and fiber backbone to offer service to approximately 1,365 locations. The total Proposal includes Construction Projects and FTTP Projects (the "Program") as discussed herein. The facilities to be constructed pursuant to the Program will enable potential Eastex subscribers in those unserved and underserved areas to receive Internet access service up to 1 Gbps. The intent of the Program is that all Broadband Serviceable Locations ("BSLs") located within 1,000 feet of the Construction Projects and the median roadway will have the ability to subscribe to Eastex's broadband Internet access services, provided that the location can be served with a simple customer drop and does not require additional new fiber construction. FTTP Projects will be constructed when at least fifty (50) percent of the locations within the FTTP Project areas indicate a commitment for service. The projected capital cost of the total Program is estimated to total \$9,996,299.44, reflecting an average cost of \$7,323.30 per location, with Eastex proposing to cover much of that investment. Eastex is willing to contribute nearly \$6 million, or 60%, leaving approximately \$4 million to be covered by Polk County capital improvement funds.
2. **Construction Projects**. To implement the Construction Projects, Eastex will construct in total over 68 linear miles of fiber optic cable (excluding fiber drops) consisting of seven (7) distinct fiber backbone network construction projects (the "Construction Projects") described as Project 1 through Project 7 of Exhibit A attached hereto and incorporated by reference. Upon completion of the Construction Projects, Eastex will offer broadband Internet access service to approximately 660 BSLs within 1,000 feet of the Construction Projects and the median roadway, provided that the BSL can be served with a simple customer drop and does not require additional new fiber construction.
3. **FTTP Projects**. The Program also will include construction of FTTP phases-of construction (the "FTTP Projects") to enable Gigabit fiber broadband Internet access to approximately 705 BSLs within designated FTTP Project areas proximate to the Construction Projects. The FTTP Projects are described as Project 8

through Project 16 of Exhibit A. Eastex will fund and construct the FTTP Projects once at least fifty (50) percent of the eligible BSLs within the individual FTTP Project areas commit to subscribe to service. Eastex is not seeking contribution from the County for these FTTP Projects.

4. **Project Timeline.** The period of Eastex's performance shall begin within thirty (30) days of execution of the Agreement. The construction of the Construction Projects will be completed by or before September 30, 2026, and Eastex currently anticipates completing the Construction Projects by June 1, 2024. Eastex intends to complete the Construction Projects in the following order: 7, 6, 2, 1, 3, 4, and 5. The timeline and plans for performance of the Construction Projects and each Project milestone is described on Exhibit B. Eastex will construct the FTTP Projects once the adjacent Construction Projects are complete and after at least fifty (50) percent of the eligible BSLs enter into an advanced commitment to subscribe to service. Eastex shall supply all of the labor and materials required to construct the Program infrastructure. Eastex will purchase and supply all of the labor and materials required to provision Eastex services to BSLs applicable to the Construction Projects and FTTP Projects.
5. **Program Maps and Descriptions.** Attached as Exhibit C are descriptions and maps applicable to each of the Construction Projects and FTTP Projects to be constructed by Eastex pursuant to the Proposal.
6. **Subscribers to Eastex Services.** Upon completion of construction and testing of each applicable Project phase within the Construction Projects, Eastex will make available its Internet services to eligible residential and business customer BSLs within 1,000 feet of the Construction Projects. When at least fifty (50) percent of the BSLs within the FTTP Project areas commit to subscribe to service, Eastex will construct the FTTP Projects. All services will be provided in accordance with Eastex's standard terms of service and subject to payment of Eastex's rates for the applicable level of services. Eastex has no obligation to subsidize or credit payment to any potential subscriber of the Program network, but any subsidies or credits, if applicable, will be procured and paid for by separate grants or funding sources independent of Eastex.
7. **County's Contribution to the Program.** The County will be responsible for paying a portion of Eastex's costs of construction of the Construction Projects in the total amount of \$4,000,268.25 (the "Contribution"). Eastex will be responsible for payment of the remainder of the Program costs, estimated to be at least \$5,996,031.19. Payment of the Contribution shall be made by the County to Eastex in three (3) installments as follows. The first installment of \$2,000,000.00 (representing approximately 50% of the Contribution) shall be payable within thirty (30) days of receipt by Eastex of the initial invoice following execution of this Agreement. The second installment of \$1,000,000.00 (representing an additional approximately 25% of the Contribution) shall be payable to Eastex within thirty (30) days following receipt of Eastex's invoice and notice of completion by Eastex of Project 1 through Project 2 in the order specified in Section 4 regarding Project Timeline, above. The final installment of the remainder of the Contribution shall be payable to Eastex within thirty (30) days following receipt of Eastex's invoice and notice of completion by Eastex of the remainder of Project 1 through Project 7.
8. **Project Managers.**
 - A) Eastex will assign a Project Manager to oversee construction of the Program and act as a primary point of contact with the County during the construction phase. The Project Manager will provide the County quarterly updates beginning on the October 1, 2022 through the construction period via the e-mail address provided below. These reports will include service addresses where the new network is available, maps of service availability and documents outlining progress to the initial implementation timeline.
 - B) The parties are hereby identifying the following Project Managers who shall be empowered to act for their respective organization in all matters relating to the technical administration of services to be provided (unless otherwise indicated herein):

For Eastex: Name: Mr. Anthony Hendrix
Email/phone: anthonyh@eastex.com / (936) 967-1124

For the County: Name: Jessica Hutchins
Email/phone: grantsandcontracts@co.polk.tx.us/ (936)327-6849

9. **Permitting.** Eastex shall obtain, at its sole cost, all necessary permits and governmental approvals necessary for the construction, use and repair and maintenance of the Program. The County hereby authorizes and permits Eastex to perform the work and to reasonably access County property and use County rights-of-way in connection with the Program. The County will work in good faith to provide to Eastex all rights-of-way and easements reasonably necessary or desirable for use and access to properties owned by County for purposes of allowing Eastex to perform the work for the Program.

10. **Eastex's Representations and Warranties.** Eastex represents and warrants to the County as follows:

- i. Eastex has sufficient qualified, experienced personnel to administer and conduct the work for the Program in a prompt, skillful and competent manner.
- ii. Eastex is able to obtain and furnish the labor, materials, and equipment required to complete the Program.
- iii. Eastex's execution of this Agreement and the performance thereof is within the corporate powers of Eastex and has been duly authorized by all requisite corporate action.
- iv. Eastex is duly registered to do business in the State of Texas.
- v. Eastex agrees to furnish all items necessary to perform all of its work for the Program in a good workmanlike manner.

11. **Safety**

A) Eastex shall take all reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to:

- i) all employees on the Projects and all other persons who may be affected thereby;
- ii) all the work and all materials and equipment to be incorporated therein, whether in storage on or off-the site, under the care; custody or control of Eastex or any of its subcontractors; and
- iii) other property at any Project site or adjacent thereto, including trees, shrubs; lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

B) Eastex shall give all notices and comply with all applicable laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the safety of persons or property or their protection from damage, injury or loss.

C) Eastex shall erect and maintain, as required by existing conditions and progress of the work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities.

D) When the use or storage of hazardous materials or hazardous equipment is necessary for the execution of the work, Eastex shall: (1) exercise the utmost care and shall carry on such activities under the supervision of properly qualified personnel; and (2) give the County notice of any planned activity of Eastex's intent to store and/ or use hazardous materials or equipment on a Project site. Eastex's indemnification obligations as set forth in the Agreement shall apply to the extent that it uses or stores any such hazardous materials or hazardous equipment in connection with the execution of any portion of the Program.

12. Operation of the Project. Except as set forth in this Agreement:

- A) The operations and management of the Program shall be Eastex's sole responsibility.
- B) The County shall not have any managerial rights or other rights to control, whether by ownership or otherwise, Eastex or the Program.
- C) Eastex's Project Manager will keep the County's Project Manager up to date on the Program as it progresses, in accordance with Section 8 above.

13. Ownership of the Work Product; Proprietary Rights. It is anticipated that the County's Contribution will be used to furnish, construct, and install fiber facilities and infrastructure within County, state or private rights of way. Irrespective of whether those assets were funded in whole or in part through a County contribution or Eastex contribution, Eastex will retain ownership of and title to the assets and will be responsible for maintenance and repair of the Program assets. Eastex will have sole ownership rights to any drawings, specifications and any documents prepared by Eastex under this Agreement. Eastex shall be deemed the author of such documents and retain all common law, statutory and other rights thereto. Copies of "as built" network designs and documents that may be provided to the County may be subject to confidentiality and non-disclosure as critical national infrastructure or other protections applicable to any such facilities.

14. Suspension of the Agreement

- A) Suspension by Eastex. Without limiting its termination rights under the Agreement, Eastex will have the right to suspend its performance under the Agreement without liability, in whole or in part, if the County has not timely made any installment of the Contributions required by this Agreement.
- B) Suspension by the County. Without limiting its termination rights under the Agreement, the County may suspend further Contributions under this Agreement if (i) Eastex is adjudged bankrupt; (ii) Eastex makes a general assignment for the benefit of its creditors; (iii) a receiver is appointed on account of Eastex's insolvency, or (iv) Eastex materially breaches the Agreement, such breach is not excused by any provision of the Agreement, and such breach continues un-remedied for a period of thirty (30) days following receipt of written notice from the County specifying the alleged actions or omissions constituting the breach. As to an uncured breach by Eastex that by its nature cannot be cured within thirty (30) days and Eastex within that time has commenced its cure, there shall be no default as long as Eastex diligently continues such cure to completion beyond the thirty (30) days cure period.

15. Force Majeure. Neither the County nor Eastex will be liable for any failure or delay in performing its obligations, or for any loss or damage, resulting from any event or circumstance beyond the reasonable control of the party, including but not limited to an earthquake, hurricane, fire, flood, lightning, sinkhole or other forces of nature, acts of war, terrorism (including cyber terrorism), or civil unrest, strikes, lockouts or other labor unrest, or legal order, government action or application of laws, regulations or codes ("Force Majeure Event"). However, a party whose performance is impacted by a Force Majeure Event shall provide reasonable notice to the other party and shall make commercially reasonable efforts to minimize the impact of the Force Majeure Event on its performance.

16. Liability, Indemnification and Insurance.

A) The County shall not in any event whatsoever be liable for any death, personal injury, or tangible property damage that occurs as a result of, or in any way in connection with the Program. Eastex hereby agrees to defend, indemnify and hold harmless the County and its respective agents, employees, volunteers and officers (collectively the "Indemnitees") from and against any and all such liability, other than that caused by gross negligence or willful misconduct by the Indemnitees.

B) In support of the foregoing, Eastex shall, during the construction phase of the Program, maintain a policy of commercial liability insurance, including public liability, bodily injury, and property damage, written by a company licensed to do business in the State of Texas, covering use and activity contemplated by the Agreement with combined single limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) aggregate. Eastex shall also maintain motor vehicle insurance meeting the requirements of Texas law and covering every vehicle and driver involved in performing the Work and providing Eastex services, in the following amounts: (1) bodily injury liability with limits of \$500,000.00 each person and \$1,000,000.00 each accident; (2) property damage liability with a limit of \$100,000.00 each accident. Eastex will name the County and its applicable designees, as additional insureds for under the foregoing policies. Eastex will also maintain Workers' Compensation insurance to meet the requirements of the Workers' Compensation laws of Texas where applicable. Eastex will furnish to the County a Certificate of Insurance demonstrating that the County is named as an additional insured on the general liability and automobile liability insurance coverage. The County shall not be required to insure Eastex, any subcontractor or any professional services provider.

NOTWITHSTANDING ANY OF THE FOREGOING, HOWEVER, OR ANYTHING ELSE IN THE AGREEMENT TO THE CONTRARY, EXCEPT IN CASES OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR A PARTY'S OBLIGATION TO INDEMNIFY UNDER THE AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR (I) ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL COSTS, LIABILITIES OR DAMAGES, WHETHER FORESEEABLE OR NOT, INCLUDING WITHOUT LIMITATION AS APPLICABLE, ECONOMIC LOSS OR LOST BUSINESS OR PROFITS, INTERRUPTIONS OF SERVICE, OR ANY DELAY, ERROR OR LOSS OF DATA OR INFORMATION OR (II) DIRECT DAMAGES IN EXCESS OF THE COUNTY'S CONTRIBUTION AMOUNT HEREUNDER, IN EITHER CASE, ARISING IN ANY MANNER OUT OF, OR IN CONNECTION WITH, THE AGREEMENT OR EITHER PARTY'S PERFORMANCE OR NONPERFORMANCE OF ITS OBLIGATIONS HEREUNDER, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY), AND THE PARTIES AGREE THAT ALL CLAIMS FOR THE FOREGOING ARE HEREBY SPECIFICALLY WAIVED.

ADDITIONALLY, EXCEPT AS SPECIFICALLY SET FORTH IN THE AGREEMENT, NEITHER PARTY MAKES TO THE OTHER ANY WARRANTIES, WHETHER EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY OF THE PROGRAM ASSETS OR ANY SERVICE PROVIDED HEREUNDER OR DESCRIBED HEREIN, OR AS TO ANY OTHER MATTER, ALL OF WHICH ARE HEREBY EXPRESSLY EXCLUDED AND DISCLAIMED.

17. Assignment. Except as otherwise provided herein, Eastex may not assign, sell, transfer, delegate or in any other manner dispose of any of its rights, privileges or obligations under the Agreement without the County's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Any attempt to make any such assignment, sale, transfer, delegation or disposition without any such prior written consent of the County shall be null and void. Notwithstanding the foregoing, Eastex may assign, sell, transfer, delegate or in any other manner dispose of, any of its rights, privileges or obligations under this Agreement without

consent of the County to an affiliate, or to a purchaser of substantially all of Eastex's assets, or to a successor in interest by merger or similar corporate transaction, so long as Eastex remains liable for all of its obligations under the Agreement and any such assignee assumes liability for all of its obligations under the Agreement from and after the assignment date.

- 18. Governing Law and Venue.** The Agreement and all provisions herein or in any exhibit or attachment hereto shall be governed by and construed in accordance with the laws of the State of Texas without regard to such state's conflict of laws or provisions. Venue shall be appropriate in Polk County, Texas.
- 19. Severability.** If any part of any provision of this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement (so long as the occurrence thereof does not materially impair either party's rights or increase either party's obligations hereunder), and the County and Eastex agree to negotiate with respect to any such invalid or unenforceable part to the extent necessary to render such part valid and enforceable.
- 20. Notices.** Except as otherwise provided in Section 8, above, all notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be given by certified mail with postage prepaid or overnight receipted courier service, which notice is addressed to the party at the address set forth on the signature page of this Agreement. Notices given in accordance with this Section shall be effective upon receipt or when receipt is refused. The addresses set forth may be changed by appropriate written notice to the other party:

Notices to Eastex shall be delivered to:

Eastex Telephone Cooperative, Inc.
Attn: Chief Executive Officer / General Manager
PO Box 150 – 3675 US Highway 79 South
Henderson, Texas 75653

Notices to the County shall be delivered to:

Polk County, Texas
Attn: Sydney Murphy
101 W. Church St. Suite 300
Livingston, Texas 77351

- 21. No Partnership Intended.** The parties are independent contractors, and do not intend by this Agreement to create a relationship of partners, joint ventures, or any other association for profit between them. Except as expressly provided herein, each party shall bear all the costs and expenses associated with performing its obligations hereunder.
- 22. Survival.** The rights and obligations of the parties which by their nature must survive termination or expiration of this Agreement in order to achieve its fundamental purposes, including without limitation, the provisions relating to limitation of liability, indemnity, dispute resolution, and confidentiality, shall survive termination of this Agreement.
- 23. Entire Agreement; Amendment.** This Agreement, including Exhibits A-C, represents the entire agreement between the parties. No changes, modifications, or amendments in the terms and conditions of the Agreement shall be effective unless reduced to writing and signed by the duly authorized representative of the County and Eastex.

Eastex Telephone Cooperative, Inc.

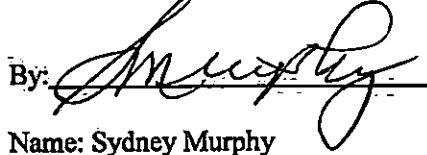
By: 

Name: Rusty Dorman

Title: General Manager

Date: September 26, 2022

Polk County, Texas

By: 

Name: Sydney Murphy

Title: Polk County Judge

Date: September 27, 2022

EXHIBIT A

Program and Projects

The Polk County fiber build (the "Program") includes deployment of over 87 linear miles of fiber optic cable excluding fiber drops in seven (7) distinct fiber backbone network construction projects (the "Construction Projects") as described below as Project 1 through Project 7, and the construction of fiber-to-the-premises ("FTTP Projects") described below as Projects 8 through 16, to enable Gigabit fiber broadband Internet access to approximately 1,365 BSLs. The projected total capital cost of the Program is estimated to total \$9,996,299.44, reflecting an average cost of \$7,323.30 per location, with Eastex proposing to cover nearly \$6 million, or 60%, leaving approximately \$4 million to be covered by Polk County capital improvement funds. These capital investment projects have been identified below to show the respective project details. As further discussed herein, certain projects are dependent upon the completion of other projects.

#	Eastex Project ID	Description	Dependency Project(s)	Locations within Project	Fiber (Feet)
1	Eastex-59 Phase 1	Hwy. 59 from Eastex Office to Corrigan		315	111,040
2	Eastex-287 Phase 1	Hwy 287 East of Corrigan to Chester EAB	1	111	67,860
3	Eastex-59 Phase 2	Hwy. 59 from Corrigan to Piney Creek	1	54	22,736
4	Eastex-59 Phase 3	Hwy. 59 from Piney Creek to County Line	1, 3	6	34,624
5	Eastex-287 Phase 2	Hwy 287 West of Corrigan to County Line	1	78	54,160
6	Eastex-350 Phase 1	Hwy 350 from Hwy. 59 to Eastex Boundary	1	52	54,180
7	Eastex-350 Phase 2	Hwy 350 from Eastex Boundary to Fiber	1, 6	44	16,590
8	North Glen	FTTP – North Glen Neighborhood	1	41	7,320
9	Moscow	FTTP – Moscow	1	30	7,250
10	Pine Hollow	FTTP – Pine Hollow Loop Neighborhood	1	88	12,000
11	Hwy 59 / Laurelia Loop	FTTP – Neighborhood on Laurelia Loop	1	28	6,900
12	Hwy 287 / Rayburn Driv	FTTP – Neighborhood on Rayburn Drive	1, 2	112	16,000
13	Corrigan – Northwest	FTTP – NW of Hwy 59 and Hwy 287	1	116	13,500
14	Corrigan – Northeast	FTTP – NE of Hwy 59 and Hwy 287	1	96	12,705
15	Corrigan – Southwest	FTTP – SW of Hwy 59 and Hwy 287	1	107	16,000
16	Corrigan – Southeast	FTTP – SE of Hwy 59 and Hwy 287	1	87	7,728
				1,365	460,593
		Total Project Cost			\$ 9,996,299.44
		Total Polk County Cost			\$ 4,000,268.25
		Total Eastex Cost			\$ 5,996,031.19
		County Contribution as a Percentage of Total Cost			40.0%

EXHIBIT B

Timeline and Milestones

Fiber Backbone Implementation Schedule:

TASK	ASSIGNED TO	PROGRESS	START	END
Project 1 Fiber Backbone (Hwy. 59 from Corrigan to South of Leggett)				
Engineering & Design			1/3/23	2/24/23
Permitting, Easements, ROW			2/27/23	4/7/23
Preliminary Construction			5/29/23	10/27/23
Fiber Installation			10/30/23	11/3/23
Splicing and Testing			11/6/23	12/29/23
Project 2 Fiber Backbone (Hwy. 287 East of Corrigan to Polk/Tyler County Line)				
Engineering & Design			11/7/22	12/2/22
Permitting, Easements, ROW			12/5/22	12/30/22
Preliminary Construction			4/3/23	5/26/23
Fiber Installation			5/29/23	6/2/23
Splicing and Testing			6/5/23	7/14/23
Project 3 Fiber Backbone (Hwy. 59 N from Corrigan to Piney Creek)				
Engineering & Design			2/13/23	3/6/23
Permitting, Easements, ROW			3/7/23	4/3/23
Preliminary Construction			10/30/23	11/30/23
Fiber Installation			12/4/23	12/8/23
Splicing and Testing			1/2/24	2/2/24
Project 4 Fiber Backbone (Hwy. 59 from Piney Creek to Neches River)				
Engineering & Design			6/1/23	6/30/23
Permitting, Easements, ROW			7/3/23	7/31/23
Preliminary Construction			12/1/23	1/12/24
Fiber Installation			1/15/24	1/19/24
Splicing and Testing			8/7/23	2/16/24
Project 5 Fiber Backbone (Hwy. 287 West of Corrigan to the Pok/Trinity County Line)				
Engineering & Design			6/5/23	6/30/23
Permitting, Easements, ROW			7/3/23	7/21/23
Preliminary Construction			1/15/24	3/15/24
Fiber Installation			3/18/24	3/22/24
Splicing and Testing			3/25/24	5/31/24
Project 6 Fiber Backbone (FM 350 West from Hwy. 59 to Eastex's Onalaska Exchange Area Boundary)				
Engineering & Design			9/19/22	10/21/22
Permitting, Easements, ROW			10/24/22	11/11/22
Preliminary Construction			11/14/23	1/13/23
Fiber Installation			1/16/23	1/20/23
Splicing and Testing			1/23/23	3/10/23
Project 7 Fiber Backbone (Hwy.350 Southwest to Intersection of FM 3152)				
Engineering & Design			11/21/22	12/9/22
Permitting, Easements, ROW			12/12/22	1/6/23
Preliminary Construction			1/16/23	3/31/23
Fiber Installation			4/3/23	4/7/23
Splicing and Testing			4/10/23	5/5/23

FTTP neighborhood plans are identified as Projects 8-16, visually reflected in Maps 9-14, included in Exhibit C, and also listed in the cost proposal included in Exhibit A. Because Eastex is proposing to embark on FTTP builds only after at least 50% of locations passed in a particular FTTP Project area commit to a retail Internet service offering, the timeline for the FTTP Project builds is less specific than the timeline for the fiber backbone and related drop customers. Reflected in the FTTP General Timeline attached to this Exhibit B, Eastex outlines the general steps and time allotted for each step in the FTTP process. This timeline may vary depending on the size of the FTTP Project area and is subject to Eastex's ability to obtain all required permits and licenses, as well as completed customer paperwork and access to the customer's premises for ONT and in-home equipment installation and testing. Therefore, the below timeline is provided for general reference purposes only.

Attachment to Exhibit B - FTTP General Timeline

FTTP General Timeline:

Day 0

- Fiber Internet Access Interest Survey deployed per FTTP project area, on Eastex.com
- Postcards sent to FTTP project mailing addresses to educate potential subscribers about interest form
- Potential customers pre-sign up for fiber Internet service through Eastex.com

Day 1

- 50% Take-rate commitment met through Eastex.com

Day 2

- Fiberhood project kick-off

Days 2-60

- Fiber feeder installation planned for extending fiber from backbone to closest splice point in the projected service area
- Eastex customer service representatives (CSRs) begin contacting pre-committed customers and providing required customer paperwork
- Fiber crews canvas planned neighborhood to distribute fiber Internet information packages to all locations passed
- Fiber engineering and permitting process begins and may take from 2-6 weeks to complete

Days 60-90

- Eastex continues to work on obtaining required permits and licenses
- Eastex CSRs process new customer paperwork and schedule installations with installer group
- Fiber crews install fiber routes as needed
- Fiber crews perform all required fiber splicing
- Fiber crews install fiber drops at customer premises
- Installers install ONTs at customer homes and ensure Internet is

EXHIBIT C

Project Description and Maps

Eastex's proposed fiber builds, including seven (7) distinctive fiber backbone Construction Projects and nine (9) FTTP Projects have been mapped on respective maps included in Attachment A to the Proposal. Narratives further describing the maps are provided below, organized by fiber backbone Construction Projects and FTTP Projects, respectively. Combined, these projects include deployment of 460,593 feet, or 87.23 linear miles of fiber optic cable that will provide fiber Internet access to a total of approximately 1,365 BSLs (i.e. broadband serviceable locations) in Polk County.

1. Fiber Backbone

Eastex has attached Maps 1-8 included in Attachment A, identifying the asset placement and specified coverage areas for fiber backbone routes applicable to each Construction Project. Per the RFP, Eastex's proposal covers Internet backbone facilities along the following routes with the exception of sections where Eastex already owns and operates fiber assets or where the RFP indicates that reliable broadband Internet access service already exists within the regulated service area of Livingston Telephone Company: along Highway 59 from the south to the North Polk County line; along FM 350 North from Highway 190 to 59 North to create redundancy for the western part of Polk County; a connection from the West to the East Polk County Lines along Highway 287 to create redundancy for new connections; and a connection along the entire Highway 146 in Polk County. A narrative describing each of the maps for the Construction Projects included in Attachment A follows.

a. Map Narratives for Fiber Backbone Construction Projects

(1). *Map 1 – Fiber Backbone Overview*

As indicated in *Map 1 – Fiber Backbone Overview*, fiber Internet backbone routes requiring new construction are depicted in red, while Eastex's existing fiber backbone facilities relating to Polk County's prospective services are identified in green. Only the fiber backbone routes requiring new Construction Projects are included in the fiber backbone portion of the Cost Proposal outlined in Section II., above. Eastex's fiber backbone proposal contained herein is limited to those areas where Eastex does not currently have fiber, with the exception of small stretches of Highways 59 and 146 within Livingston Telephone Company's regulated service area. By not including areas where Eastex already has fiber backbone facilities in place, the County is able to focus its capital where fiber facilities are most needed, and not expending capital to overbuild or duplicate fiber where it already exists.

Along the proposed fiber backbone routes, Eastex proposes to serve any location within 1,000 feet of the median roadway provided that the location can be served with a simple customer drop and does not require new fiber construction. Eastex estimates that there are 660 BSLs that meet this requirement within Construction Projects 1-7. Where additional fiber construction into neighborhoods is required, Eastex has included certain areas within its FTTP Project proposals as further outlined below. The FTTP Project areas identified herein are not intended to be exclusive, but are merely starting points for future potential FTTP projects.

(2). *Map 2 – Project 1 - Fiber Backbone (Hwy. 59 from Corrigan to South of Leggett)*

Project 1, depicted on Map 2, includes 111,040 feet of buried fiber from Corrigan to south of Leggett at Eastex's office. This route is projected to cover 315 BSLs.

(3). *Map 3 – Project 2 - Fiber Backbone (Hwy. 287 East of Corrigan to Polk/Tyler County Line)*

Project 2, depicted on Map 3, includes 67,860 feet of buried fiber along Hwy 287 east of Corrigan to the Polk/Tyler County line or Eastex's Chester Exchange Area Boundary. This route is projected to cover 111 BSLs based on the 1,000-foot fiber drop parameter noted above. This project is dependent on completion of Project 1.

(4). *Map 4 – Project 3 - Fiber Backbone (Hwy. 59 North from Corrigan to Piney Creek)*

Project 3, depicted on Map 4, includes 22,736 feet of buried fiber running along Highway 59 north of Corrigan to Piney Creek. This project passes 54 BSLs, and is dependent on completion of Project 1.

(5). *Map 5 – Project 4 - Fiber Backbone (Hwy. 59 from Piney Creek to Neches River or Polk/Angelina County Line)*

Project 4, depicted on Map 5, includes 34,624 feet of buried fiber running north of Piney Creek to the Neches River and/or the Polk/Angelina County Line. Project 4 is dependent on completion of Projects 1 and 3, and is projected to serve 6 BSLs.

(6). *Map 6 – Project 5 – Fiber Backbone (Hwy 287 West of Corrigan to the Polk/Trinity County Line)*

Project 5 is dependent on completion of Projects 1 and 3 above, and includes 54,160 feet of buried fiber extending from Highway 287 west from Corrigan to the Polk/Trinity County Line. This project is expected to provide fiber broadband Internet access to 78 BSLs.

(7). *Map 7 – Project 6 – Fiber Backbone (FM 350 West from Hwy 59 to Eastex's Onalaska Exchange Area Boundary)*

Project 6, dependent on completion of Project 1, includes 54,180 feet of buried fiber extending from along FM 350 west from FM 59 to Eastex's Onalaska Exchange Area Boundary. This project will pass 52 BSLs.

(8). *Map 8 – Project 7 – Fiber Backbone (FM 350 Southwest to Intersection of FM 3152)*

Project 7, the final project in the fiber backbone proposal, relies on completion of Projects 1 and 6 above, and extends 16,590 feet of buried fiber along FM 350 southwest to the intersection of FM 3152, or the Eastex exchange area boundary. This final segment of the backbone routes will pass an additional 44 BSLs.

2. Fiber-to-the-Premises Projects

Eastex has identified nine (9) FTTP Projects that are located in close proximity to the fiber backbone routes, identified as Projects 8-16 on the enclosed maps and reference materials. For these project areas, Eastex will require an advanced commitment for ordering Eastex's Internet service from at least 50% of the BSLs in the subdivision before beginning new fiber construction to complete FTTP installation in that area. This assurance is necessary to ensure that Eastex doesn't develop stranded investment for which there is no revenue opportunity from which to recover investment costs.

Eastex has identified a total of 705 BSLs across the included nine (9) FTTP Projects. Maps reflecting each of the FTTP Projects are included in Attachment A as Maps 9-14, with narratives describing each map included below. For all FTTP Project maps, the blue dots represent Broadband Serviceable Locations as identified by the FCC's Broadband Serviceable Location Fabric.

a. Map Narratives for Fiber-to-the-Premises Projects

(1). *Map 9 – Project 8 – Fiber-to-the-Premises (North Glen)*

Project 8 includes 41 BSLs located in the North Glen neighborhood near the Alexander Cemetery just east of FM 59. Eastex anticipates that this project would require installation of 7,320 feet of buried fiber. FTTP Project 8 is dependent on the completion of fiber backbone Project 1 being completed before it can begin.

(2). *Map 10 – Project 9 – Fiber-to-the-Premises (Moscow)*

Project 9 includes 30 BSLs located in the Moscow area covering portions of Sambo Road, Bill Garsee Road and FM 177 just west of FM 59 near Big Jake's Western Dive. Eastex anticipates that this project would require installation of 7,250 feet of buried fiber, and is reliant on completion of Project 1.

(3). *Map 11 – Project 10 – Fiber-to-the-Premises (Pine Hollow)*

Project 10 includes 88 BSLs located in the Pine Hollow Loop neighborhood covering portions of seven subdivision streets inside and just south of Pine Hollow Loop East, just east of FM 59. Eastex anticipates that this project would require installation of 12,000 feet of buried fiber, and is reliant on completion of Project 1.

(4). *Map 12 – Project 11 – Fiber-to-the-Premises (Laurelia Loop)*

Project 11 includes 28 BSLs located in the neighborhood on Laurelia Loop covering homes passed on Laurelia Loop and West Laurelia Road, just east of FM 59. Eastex anticipates that this project would require installation of 6,900 feet of buried fiber, and is reliant on completion of Project 1.

(5). *Map 13 – Project 12 – Fiber-to-the-Premises (Rayburn)*

Project 12 includes 112 BSLs located in the neighborhood to the southeast and northwest of Rayburn Drive, including the Moscow Water Supply Corporation and homes and businesses passed on Pine Circle, Dogwood Circle, and Oak Circle. Eastex anticipates that this project would require installation of 16,000 feet of buried fiber, and is reliant on completion of Projects 1 and 2.

(6). *Map 14 – Projects 13 - 16 – Fiber-to-the-Premises (City of Corrigan)*

Project 13 covers the northwest quadrant of the City of Corrigan and includes 116 BSLs. Eastex anticipates that this project would require installation of 13,500 feet of buried fiber, and is reliant on completion of Project 1.

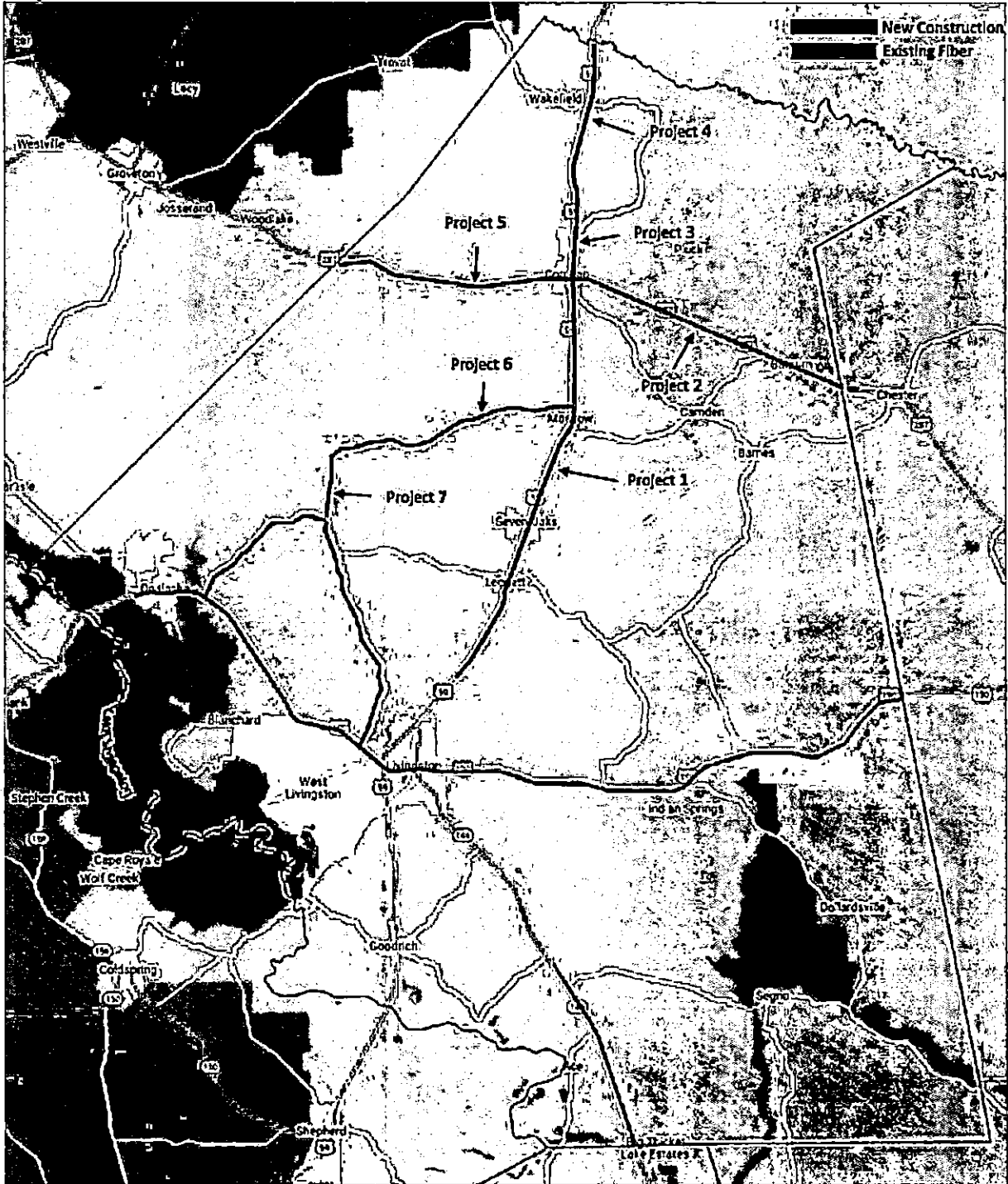
Project 14 covers the northeast quadrant of the City of Corrigan and includes 96 BSLs. Eastex anticipates that this project would require installation of 12,705 feet of buried fiber, all of which is dependent on the completion of Project 1.

Project 15 covers the southwest quadrant of the City of Corrigan and includes 107 BSLs. Eastex projects that this portion of Corrigan will require the installation of 16,000 feet of buried fiber and prior completion of Project 1.

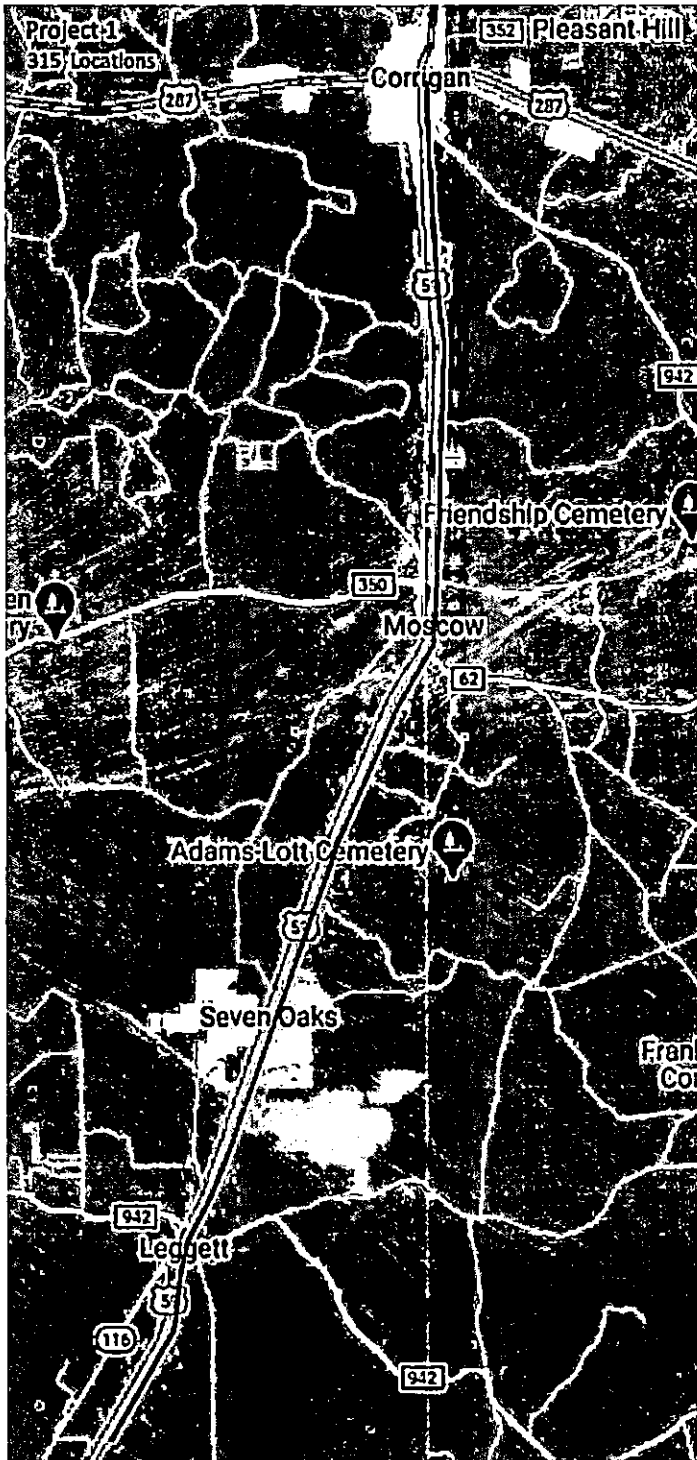
Project 16 on Map 14 shows FTTP construction to 87 BSLs in the southeast quadrant of the City of Corrigan. Eastex anticipates that Project 16 will require 7,728 feet of buried fiber and prior completion of Project 1.

ATTACHMENT A – PROJECT LOCATION MAPS

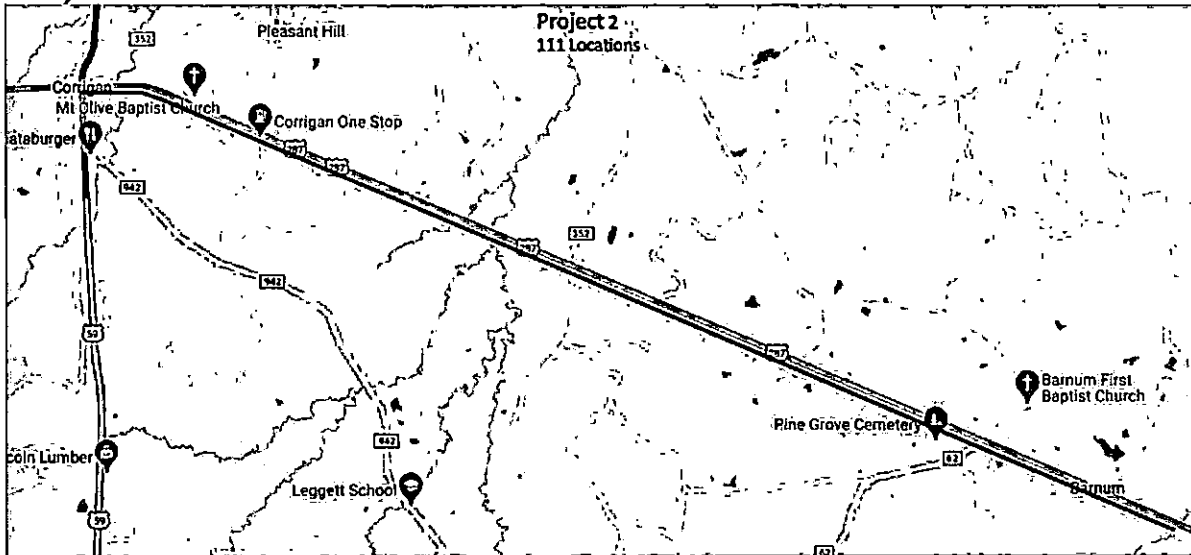
Map 1 – Fiber Backbone Overview



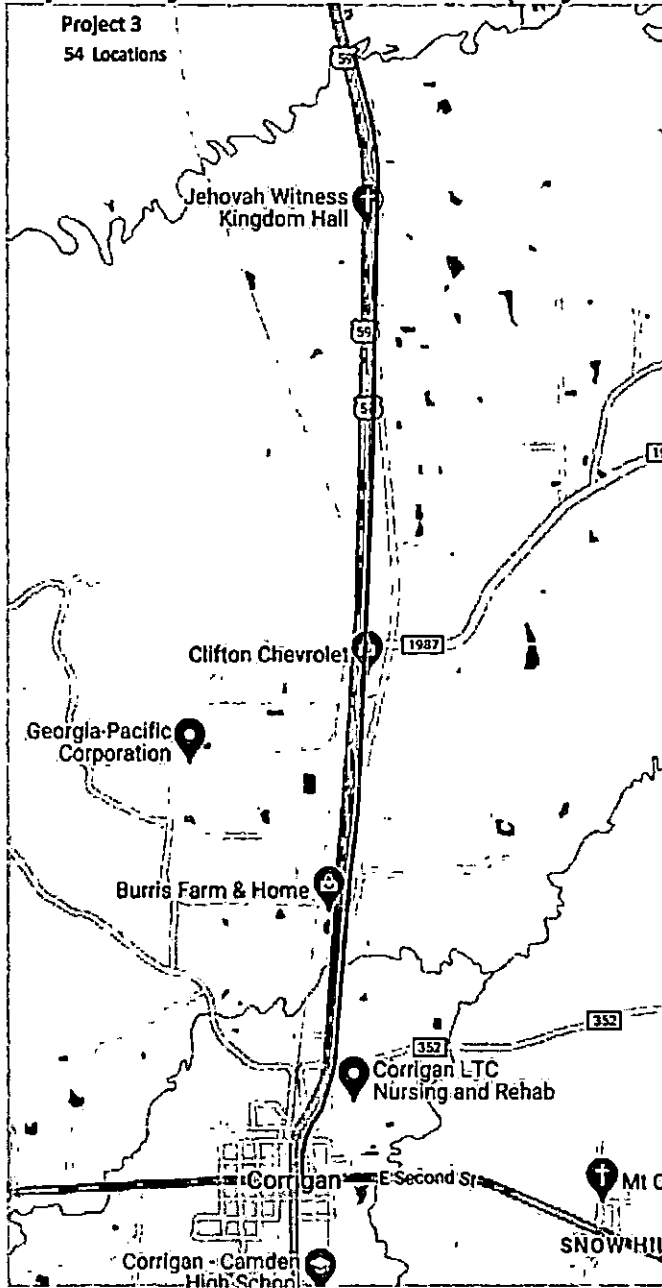
Map 2 – Project 1 - Fiber Backbone (Hwy. 59 from Corrigan to South of Leggett)



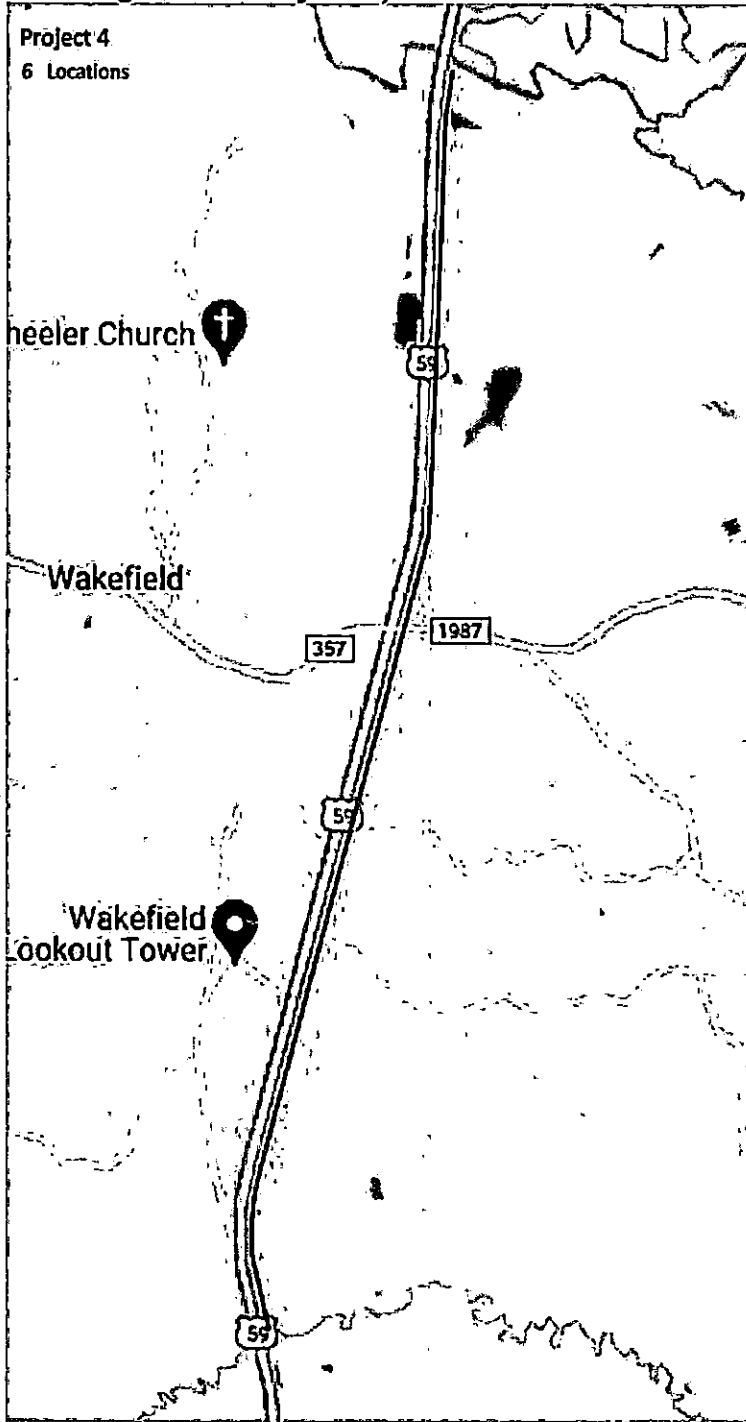
Map 3 – Project 2 - Fiber Backbone (Hwy. 287 East of Corrigan to Polk/Tyler County Line)



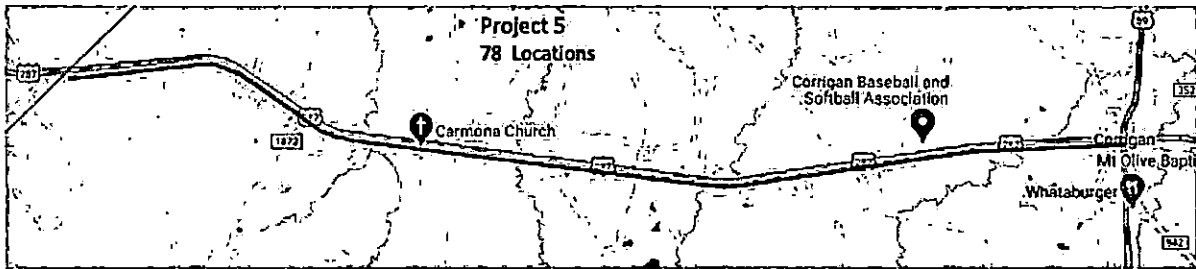
Map 4 – Project 3 - Fiber Backbone (Hwy. 59 North from Corrigan to Piney Creek)



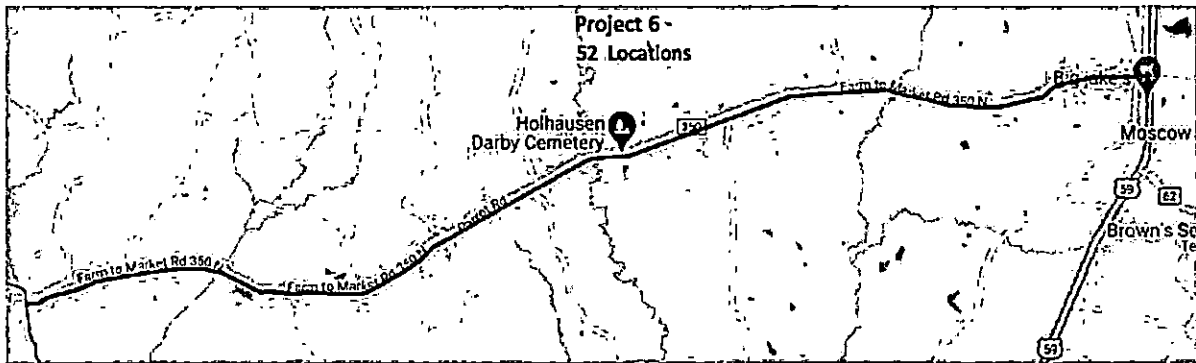
Map 5 – Project 4 – Fiber Backbone (Hwy. 59 from Piney Creek to Neches River or Polk/Angelina County Line)



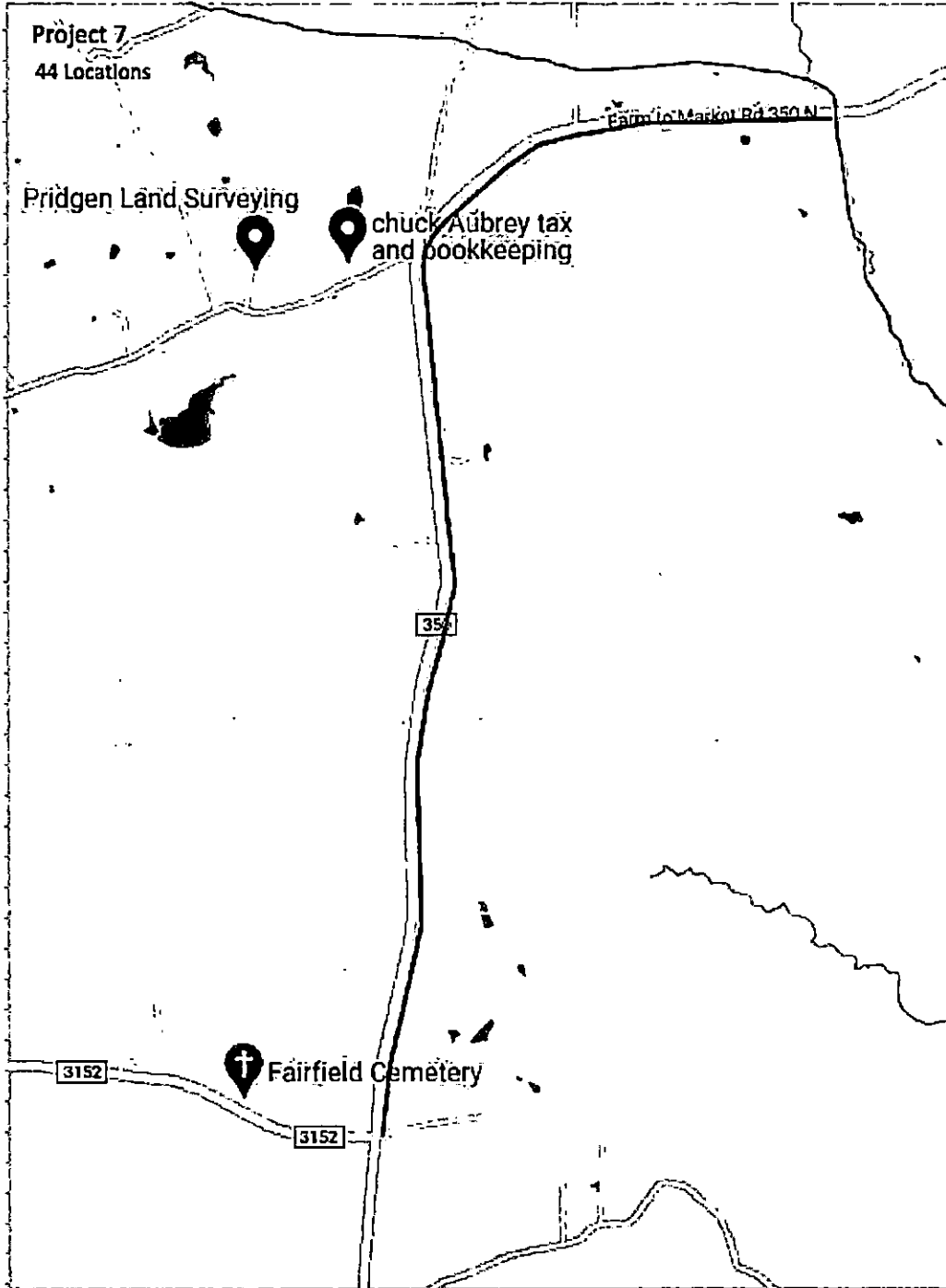
Map 6 – Project 5 – Fiber Backbone (Hwy 287 West of Corrigan to the Polk/Trinity County Line)



Map 7 – Project 6 – Fiber Backbone (FM 350 West from Hwy 59 to Eastex's Onalaska Exchange Area Boundary)

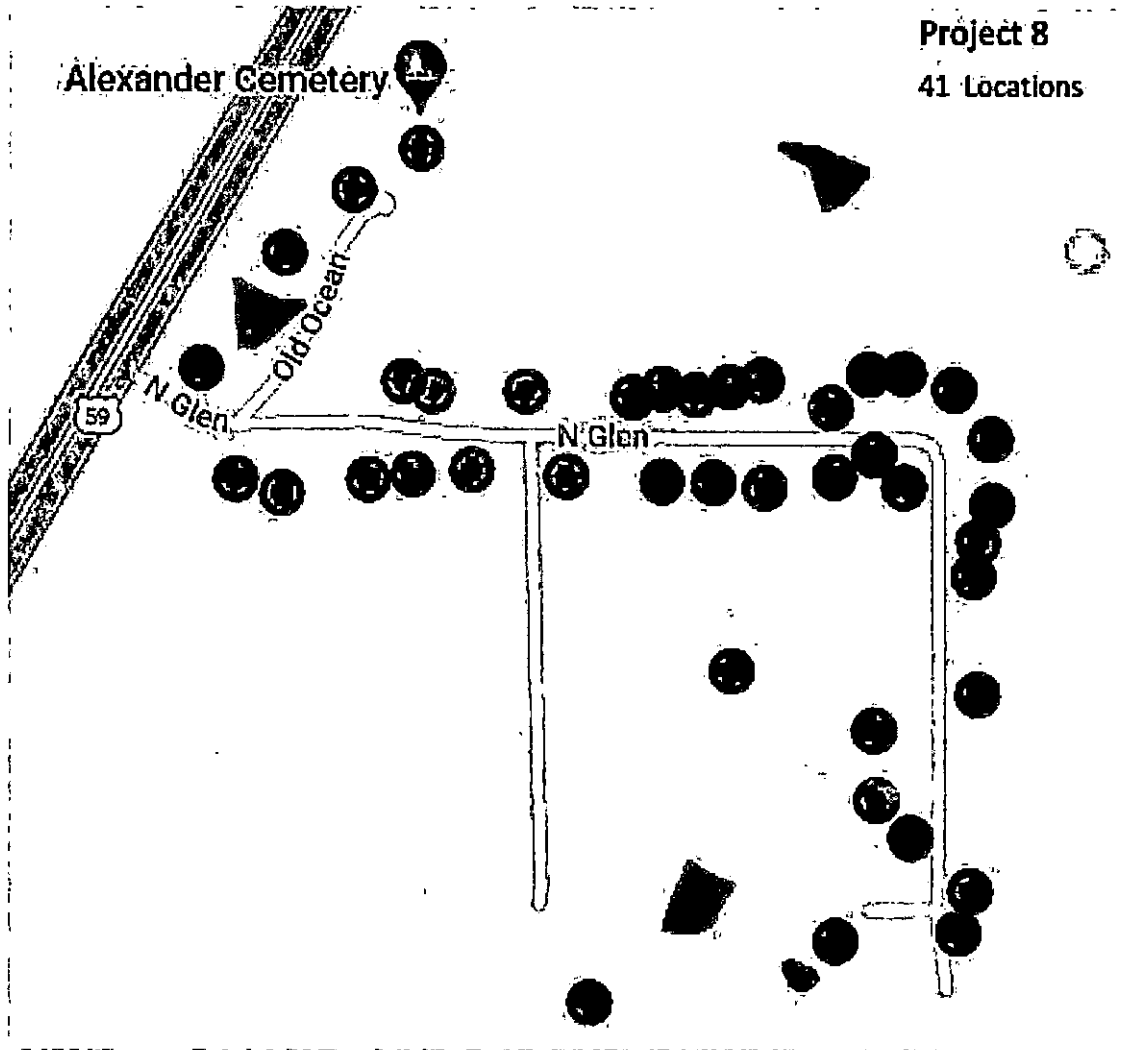


Map 8 – Project 7 – Fiber Backbone (FM 350 Southwest to Intersection of FM 3152)

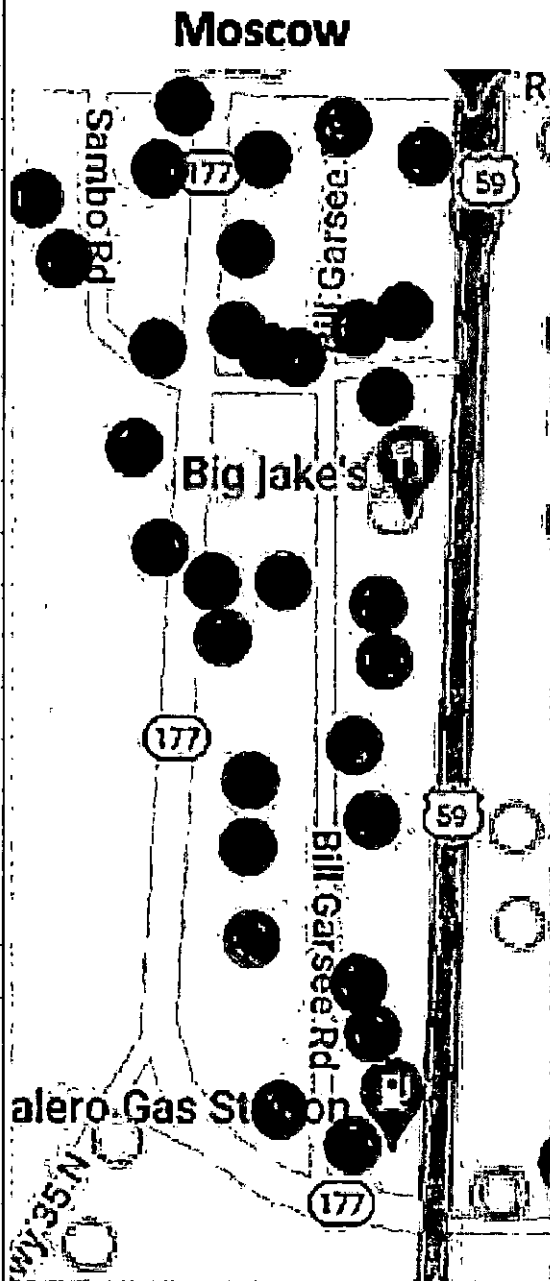


Map 9 – Project 8 – Fiber-to-the-Home (North Glen)

North Glen



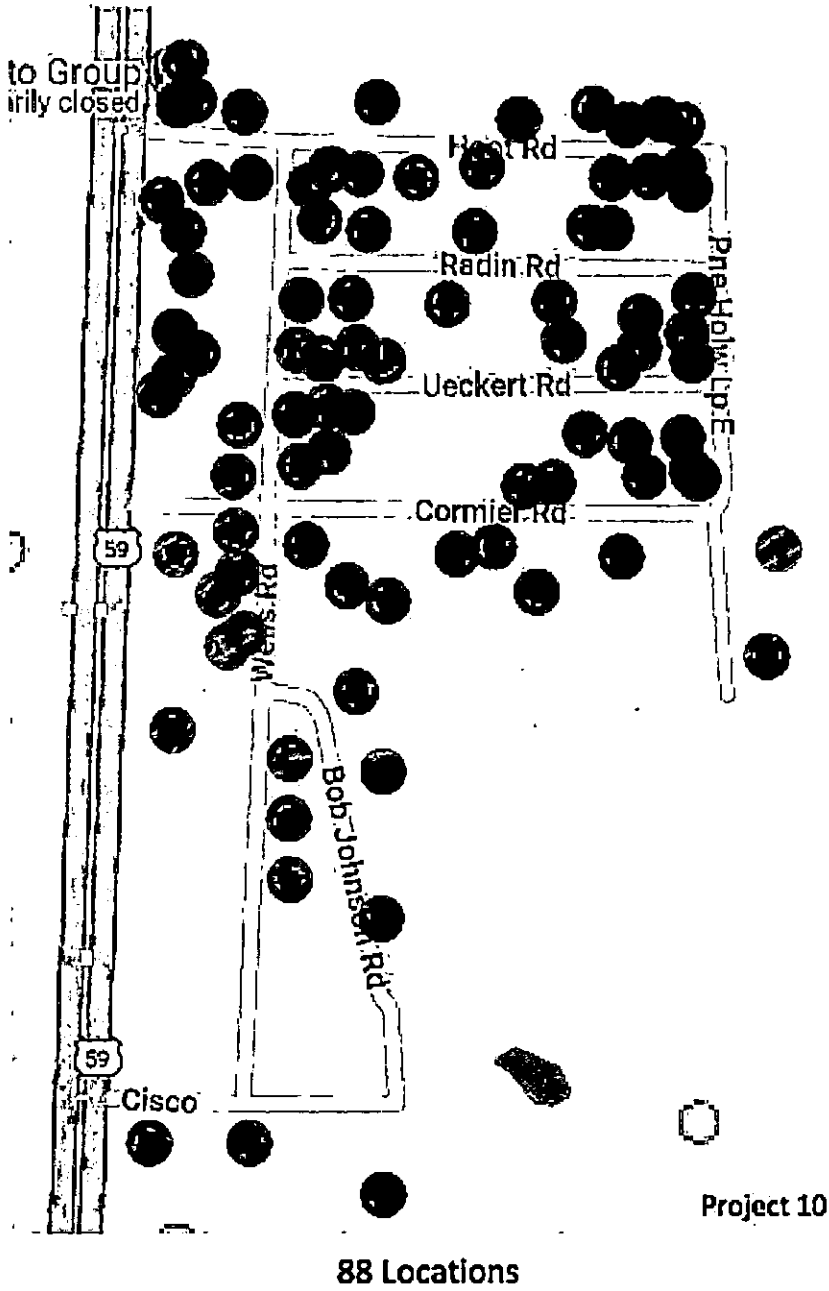
Map 10 – Project 9 – Fiber-to-the-Home (Moscow)



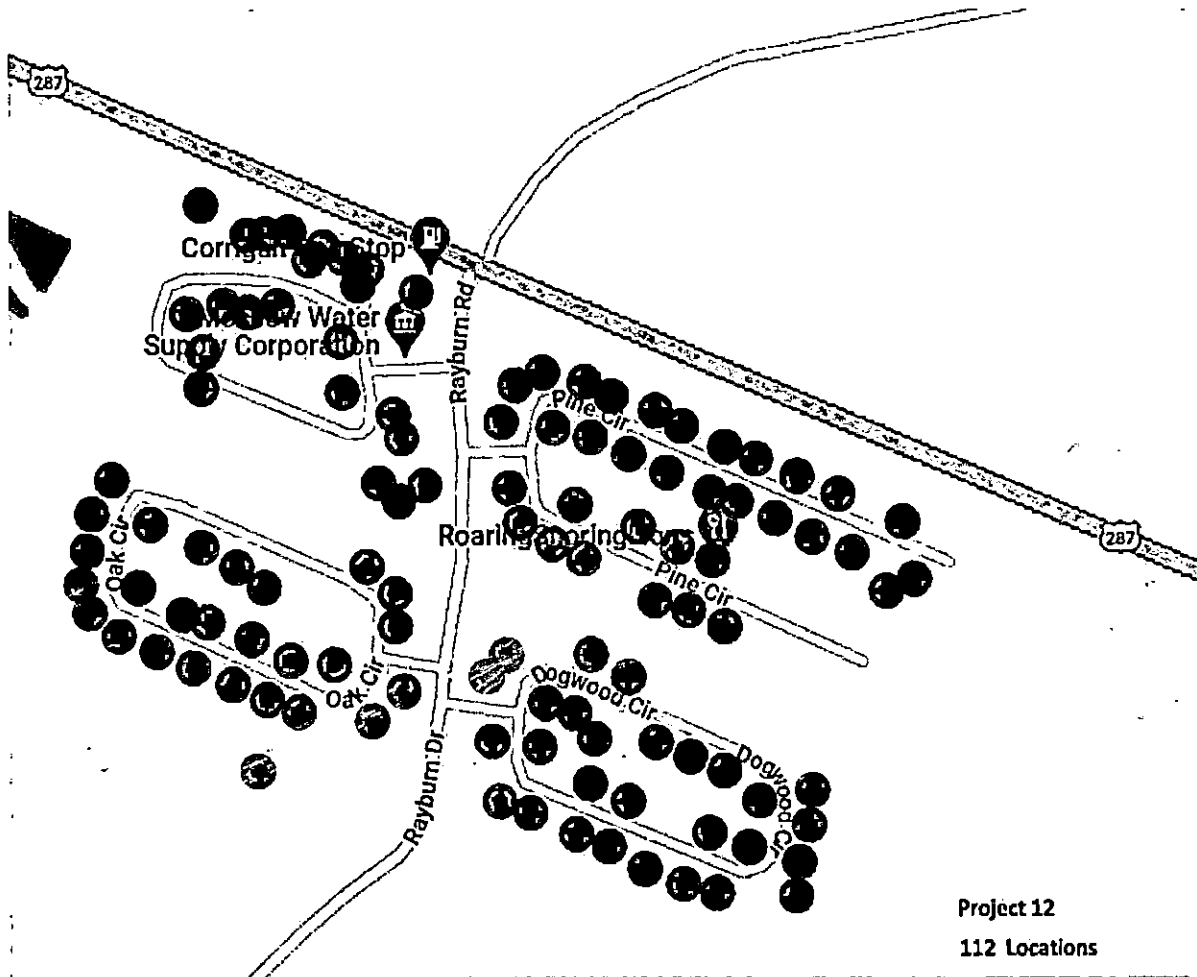
Project 9
30 Locations

Map 11 – Project 10 – Fiber-to-the-Home (Pine Hollow)

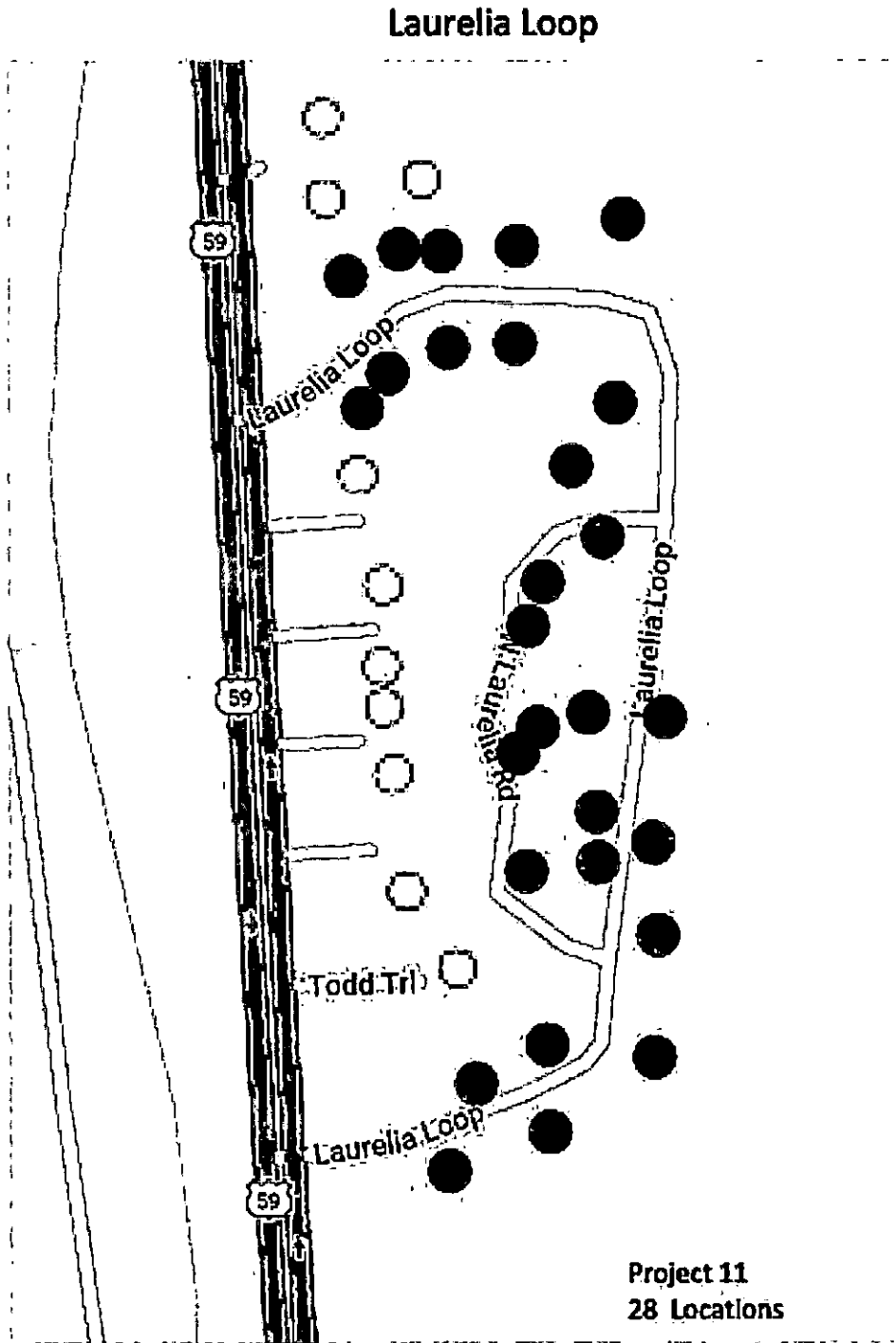
Pine Hollow



Map 12 – Project 11 – Fiber-to-the-Home (Rayburn)
Rayburn

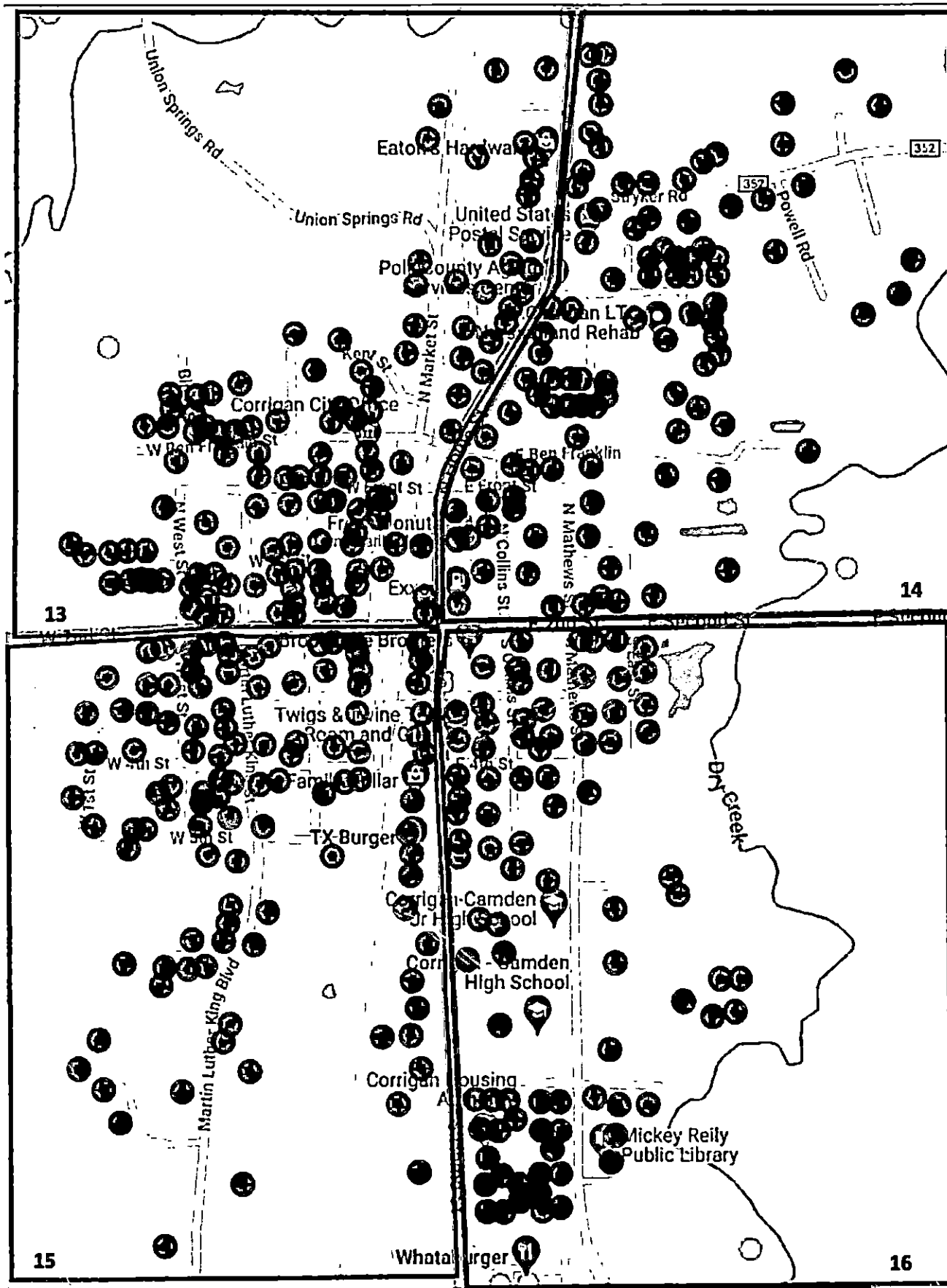


Map 13 – Project 12 – Fiber-to-the-Home (Laurelia Loop)



Map 14 – Projects 13 -16 – Fiber-to-the-Home (City of Corrigan)

City Of Corrigan



City - 406 Locations

Section 13 - 116 Locations

Section 14 - 96 Locations

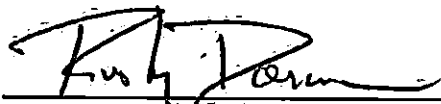
Section 15 - 107 Locations

Section 16 - 87 Locations

COVER SHEET

Name of Person, Business or Organization:	Eastex Telephone Cooperative, Inc. d/b/a Eastex Net
Type of Entity:	Rural Telephone Cooperative and Internet Service Provider
Federal Tax ID Number:	75-0838640
DUNS Number:	00-984-4408
Contact Person – Name:	Rusty Dorman
Contact Person – Address:	PO Box 150/ 3675 US Highway 79 South Henderson, TX 75653-0150
Contact Person – Phone Number(s):	903.854.1000
Contact Person – E-mail Address(es):	<u>rusty@eastex.com</u>

By signing this *Cover Sheet* I hereby attest: that I have read and understood all the terms listed in the RFP; have read and understood all terms listed in this proposal; that I am authorized to bind the listed entity into this agreement; and that should this proposal be accepted, I am authorized and able to secure the resources required to deliver against all terms listed within the RFP as published by Polk County, Texas, including any amendments or addenda thereto except as explicitly noted or revised in my submitted proposal.



Signature of Authorized Representative

Rusty Dorman

Printed Name of Authorized Representative

August 1, 2022

Date

General Manager

Printed Title of Authorized Representative



PROPOSAL FOR POLK COUNTY RURAL
INTERNET CONNECTIVITY PROJECT;
Polk County, Texas Request for
Proposals (RFP) for Private Provider(s)
to Deploy, Operate, and Maintain an
Internet/Broadband Network Which
Delivers High-Speed
Internet/Broadband to Currently
Underserved Premises in Polk County

Livingston Branch Office:

PO Box 1510
1704 Highway 59 Loop N
Livingston, TX 77351-0027
936.327.5224 · 800.732.7839

Main Office:

PO Box 150, 3675 US Highway 79 South
Henderson, TX 75653-0150
903.854.1000 · 800.232.7839
Fax: 903.854.1205 · www.eastex.com

Waskom Branch Office:

PO Box 1691
705 Spur 156
Waskom, TX 75692-1691
903.687.3000 · 800.732.7839



Submission to Polk County for Rural Internet Connectivity Project

TABLE OF CONTENTS

	<u>Page</u>
I. Executive Summary and Scope of Work -----	2
II. Cost Proposal -----	6
III. Technical Approach and Work Plan -----	9
IV. Company Background -----	28
V. Statement of Qualifications -----	32
VI. Company Financial Audit -----	41
VII. Attachments -----	43

I. EXECUTIVE SUMMARY AND SCOPE OF WORK

Eastex Telephone Cooperative, Inc. and its affiliate Eastex Celco, LLC d/b/a Eastex Net (collectively hereinafter "Eastex") appreciate the opportunity to submit this proposal in response to an initial request from Polk County ("County") for an Internet Service Provider to deploy, operate and maintain an Internet/broadband network ensuring that currently unserved and underserved premises in Polk County are served by a high-speed Internet/broadband network capable of delivering broadband Internet service that exceeds the minimum 100/100 Mbps service required by the American Rescue Plan Act of 2021. As outlined herein, Eastex's proposed broadband solution is a future-proof buried fiber optic Internet network capable of meeting every customer's broadband needs, not just for today, but for the next generation, regardless of environmental factors such as weather, vegetation, or other influencing conditions that impact other lesser technologies. Should the County accept Eastex's proposal, it would result in a long-term investment toward the future of Polk County residents impacting economic development, government services, education, agriculture, health care, public safety, telework and quality of life. Given the wide-ranging benefits to our local community, Eastex is grateful for the opportunity to submit this partnership proposal to and with Polk County.

Eastex is an independent, locally-operated and member-owned cooperative corporation uniquely qualified to provide broadband service to unserved and underserved areas in Polk County. Eastex has over seventy years of experience serving our owners within various East Texas communities in and around Polk County, and has clearly demonstrated a commitment to building, expanding and modernizing our telecommunications and Internet network by investing over \$295 million in telecom plant, with \$60 million spent in the last two years alone. Currently, Eastex provides service to 587 square miles within Polk County's total 1,110 square miles. Eastex's regulated service area within Polk County includes 16,858 Broadband Serviceable Locations ("BSL") of the County's total 28,064 BSLs.

Through this proposal, as further outlined herein, Eastex is not seeking any Polk County capital investment for the millions of dollars that Eastex already plans to spend in the regulated portions of Eastex's service area within Polk County. While that additional

investment would dramatically increase Eastex's scoring under the RFP, Eastex already plans to make these investments and is therefore excluding them from this proposal.

Eastex has identified certain unserved and/or underserved areas outside of Eastex's regulated service area within Polk County, as reflected in Attachment A. Utilizing the latest-available information through the Federal Communications Commission's ("FCC") Broadband Data Collection efforts and the national broadband location fabric, Eastex has identified that these areas include approximately 1,365 BSLs that will be passed with over 87 linear miles of fiber optic cable. At no additional cost to the County and as outlined herein, Eastex proposes to expand our fiber-to-the-home ("FTTH") services to additional areas near the proposed fiber backbone as business conditions warrant.

Eastex's proposal builds off of our existing extensive fiber infrastructure, greatly reducing the scope of work that would be required by a provider not already well established in East Texas. Additionally, as an experienced service provider deeply rooted in Polk County, Eastex is well versed in local permitting and right-of-way requirements and has both existing materials inventory and crews in place able to implement the new network architecture as quickly as possible.

For purposes of responding to the County's RFP, Eastex notes that it has not included certain portions of the fiber backbone for which the County seeks a proposal, in large part because Eastex already has existing fiber along large sections of Highways 59, 350 and 146, thereby allowing the County to maximize its potential grant dollars by not investing in new fiber where it already exists. Eastex's fiber backbone proposal contained herein and identified as Project Numbers 1-7 is limited to those areas where Eastex does not currently have fiber, with the exception of small stretches of Highways 59 and 146 within Livingston Telephone Company's regulated service area, which appear to already be well served based on the broadband availability map contained in Polk County's RFP. Eastex's existing fiber is identified within the maps contained in Attachment A.

Along the proposed fiber backbone routes, Eastex proposes to serve any location within 1,000 feet of the median roadway provided that the location can be served with a simple

customer drop and does not require new fiber construction. Eastex estimates that there are 660 BSLs that meet this requirement within Projects 1-7. Where additional fiber construction into neighborhoods is required, Eastex has included certain areas within its FTTH proposals as further outlined below.

In addition to the fiber backbone proposal, Eastex is submitting nine FTTH proposals for populated areas within a reasonable distance of the fiber backbone that will require additional fiber construction within neighborhoods along surface roads. Eastex has identified these initial FTTH projects as Project Numbers 8-16 and estimates that these areas include 705 BSLs. Eastex plans to gauge customer interests within these areas and proposes to serve customers within these project areas as customer demand warrants additional network investment without any additional capital costs incurred by the County. As is Eastex's standard operating procedure, the proposed FTTH projects identified herein are not meant to be exclusive, and Eastex will continue to look for opportunities to expand its service area footprint if its fiber backbone proposal is accepted by the County.

The total projected capital cost of this project is \$9,996,299.44. Eastex will provide a 60% match to the total capital funding commitment made by Polk County to serve the areas identified.

The implementation schedule for all fiber backbone project phases depicted herein allows for total project completion by February 12, 2024, confidently meeting the September 30, 2026 network deployment deadline stated in the RFP.

We look forward to discussing this proposal with you and ultimately, serving Polk County with a multi-decade broadband network solution as outlined herein. Should you have any questions about this proposal, or wish to discuss details of the services and/or equipment described herein, please contact Rusty Dorman, General Manager, at Rusty@eastex.com or via telephone at 903-854-1000. Additionally, as broadband project proposals can be complicated, particularly when thoughtfully prepared, Eastex is

available upon request to schedule a meeting to discuss any questions the County may have to help better understand the details of Eastex's broadband proposal.

II. COST PROPOSAL

The Polk County fiber build includes deployment of over 87 linear miles of fiber optic cable excluding fiber drops that will offer Gigabit fiber broadband Internet access to 1,365 BSLs. The projected capital cost of this project is estimated to total \$9,996,299.44, reflecting an average cost of \$7,323.30 per location with Eastex proposing to cover most of that investment. These capital investment estimates have been broken down below to show the respective project budget details and exclude all ongoing maintenance and operations costs. As further discussed herein, certain projects are dependent upon the completion of other projects.

#	Eastex Project ID	Description	Dependency Project(s)	Locations within Project	Fiber (Feet)
1	Eastex-59 Phase 1	Hwy. 59 from Eastex Office to Corrigan		315	111,040
2	Eastex-287 Phase 1	Hwy 287 East of Corrigan to Chester EAB	1	111	67,860
3	Eastex-59 Phase 2	Hwy. 59 from Corrigan to Piney Creek	1	54	22,736
4	Eastex-59 Phase 3	Hwy. 59 from Piney Creek to County Line	1, 3	6	34,624
5	Eastex-287 Phase 2	Hwy 287 West of Corrigan to County Line	1	78	54,160
6	Eastex-350 Phase 1	Hwy 350 from Hwy. 59 to Eastex Boundary	1	52	54,180
7	Eastex-350 Phase 2	Hwy 350 from Eastex Boundary to Fiber	1, 6	44	16,590
8	North Glen	FTTH - North Glen Neighborhood	1	41	7,320
9	Moscow	FTTH - Moscow	1	30	7,250
10	Pine Hollow	FTTH - Pine Hollow Loop Neighborhood	1	88	12,000
11	Hwy 59 / Laurelia Loop	FTTH - Neighborhood on Laurelia Loop	1	28	6,900
12	Hwy 287 / Rayburn Drive	FTTH - Neighborhood on Rayburn Drive	1, 2	112	16,000
13	Corrigan - Northwest	FTTH - NW of Hwy 59 and Hwy 287	1	116	13,500
14	Corrigan - Northeast	FTTH - NE of Hwy 59 and Hwy 287	1	96	12,705
15	Corrigan - Southwest	FTTH - SW of Hwy 59 and Hwy 287	1	107	16,000
16	Corrigan - Southeast	FTTH - SE of Hwy 59 and Hwy 287	1	87	7,728
				1,365	460,593
		Total Project Cost			\$ 9,996,299.44
		Total Polk County Cost			\$ 4,000,268.25
		Total Eastex Cost			\$ 5,996,031.19
		County Contribution as a Percentage of Total Cost			40.0%

Of the total projected capital cost, and excluding Eastex's significant FTTH investment within its regulated service area of Polk County, Eastex is willing to contribute nearly \$6

million, or 60%, leaving approximately \$4 million to be covered by Polk County capital improvement funds.

Eastex has already completed the preliminary high-level fiber design work, has an existing adjacent fiber network, and has experienced technical and support staff on hand who can meet the network, capacity, scalability, and resiliency measures that are required.

Because of hurried interests in broadband deployment throughout the nation, fiber project costs are increasing rapidly due to inflation, labor shortages, labor cost increases, supply chain disruptions, material supply shortages, equipment and material price increases and increased transportation costs. Accordingly, the cost information contained herein includes a minimal inflation factor, which may be adjusted annually after 2022 to account for increasing costs if this proposal is not accepted by year-end 2022.

While Eastex's projected costs may appear higher than some proposals the County may receive, it is important to note that Eastex is projecting costs for all buried fiber, thus making it more resilient and less prone to damage by downed trees, hurricanes, ice storms, thunderstorms, high wind events and tornadoes. Because of Polk County's proximity to the Texas coast and Harris County, it ranks as second in the nation for cyclone storm activity. Aerial fiber installations, while less costly to install, pose the risk of severe damage and/or destruction during storms, potentially adding dramatic increases in maintenance and/or replacement costs and resulting in service disruptions. Additionally, due to the heavily wooded areas of Polk County, which has long been the number one timber producing county in Texas, aerial fiber requires significant ongoing maintenance to assure that tree limbs are trimmed and well maintained away from the aerial facilities. These same wooded areas also interfere with wireless frequencies and therefore greatly impact wireless service quality and reliability. While Eastex reserves the right to utilize aerial fiber installation within congested areas such as inside the City of Corrigan, Eastex's current plan is to bury all fiber outlined within this proposal resulting in a hardened, resilient, broadband network.

When comparing the average capital cost per location to the FCC's benchmark rate of \$86.72 per month for an unlimited 25/3 broadband tier, it is clear that it would take decades to cover private capital investment alone (ignoring all ongoing operations and maintenance costs), likely explaining why fiber optic network investment has been slow to arrive in this area. Given the estimation that approximately 50% of homes passed would subscribe to a retail Internet offering, projected profitability is even lower. With Polk County capital funding at the above-listed level, Eastex predicts this project would recover Eastex's capital costs within 10-15 years.

III. TECHNICAL APPROACH AND WORK PLAN

A. Technical and Procedural Concerns

While every broadband construction project is unique, as an experienced provider in Polk County, Eastex has no major technical or procedural concerns. However, due to the potential anticipated right-of-way congestion within some of the FTTH projects contained in Projects 8-16, particularly within downtown Corrigan, Eastex reserves the right to construct aerial fiber where conditions warrant.

Eastex is not seeking any Polk County capital investment for FTTH projects within Eastex's regulated service area because Eastex is already heavily committed to deploying broadband Internet access service to customers within this area as soon as economically possible. Over the past 4 years, Eastex has already invested tens of millions of dollars to expand and improve access to broadband service to Eastex's regulated customers within Polk County (as shown by the extensive green areas within the map included with the RFP) and currently has FTTH projects underway for Polk County neighborhoods like Indian Springs, Holiday Lakes, Menard Creek Acres, and Wilson Lakes, with many more projects to come. These and dozens of other recent and future projects within Eastex's regulated service area may not show up as served on the County's broadband service map as attached to the RFP because the map is based on outdated FCC Form 477 reports. Eastex anticipates that the above-mentioned four FTTH projects alone will cost approximately \$4.8 million, but Eastex is not seeking any County contributions for these projects under this proposal, even though these additional investments would improve Eastex's score under the RFP. Eastex is already committed to serving its Polk County customers within its regulated service area without any additional investment from the County, and Eastex wants to ensure that the County is aware of Eastex's commitment to expand FTTH service to all customers within its regulated service area so that the County is able to focus its capital investment under the RFP towards areas where there is no such a commitment.

Eastex would also like to bring one issue to the County's attention in regard to part of the proposed fiber backbone along Highway 59, north of Piney Creek to the county line. This project has been identified as Project Number 3 and includes 34,624 feet of fiber at a backbone cost of \$651,712.50, but only extends service to 6 currently-existing BSLs at a cost of \$108,619 per potential customer. Eastex is willing to construct this portion of the fiber backbone if the County wishes, but there is little business case to support such investment for so few existing potential customers. As such, Eastex is not proposing to contribute any capital towards this project such that if the County wishes to remove this project from the response, it would result in a total savings to the County of \$651,712.50, and would not decrease the amount Eastex has committed to the overall proposal cost. If the County wishes to exercise this option, it would increase Eastex's contribution percentage of capital construction costs committed to the overall proposal.

Additionally, Eastex wishes to highlight that the FTTH projects contained in Project Numbers 8-16 are offered at no additional cost to the County. Instead, Eastex plans to market FTTH service to potential customers within these project areas and will deploy service once no more than 50% of the potential customers indicate a desire for service. Overall, Eastex anticipates contributing over \$2.3 million in capital costs to serve FTTH project customers identified in Projects 8-16 once it has achieved an acceptable level of customer interest within these neighborhoods. Given the lack of broadband service within these areas, Eastex anticipates that these potential customers will quickly express an interest in receiving service, thus resulting in a timely service deployment. Eastex will communicate with the County regarding the status of FTTH progress within these areas as they move through various phases of Eastex's FTTH deployment strategy.

B. Technical Alternatives

Fiber-to-the-home service is state of the art and future proof. Eastex is unaware of any technical alternative that would be comparable to a hardened FTTH solution, and certainly none that would meet all future broadband needs for generations to come. While Eastex's proposed GPON FTTH solution offers symmetric Gigabit service to customers, and

certainly meets the project requirements outlined in Section 4 of the RFP, the majority of costs are related to the labor costs of constructing the buried fiber network. Through the deployment of future fiber electronic equipment and without significant additional fiber outside plant investment, Eastex's proposed broadband service is easily scalable to increased speeds to continue to meet future customer demands.

C. Implementation Schedule

Eastex's engineering team proposes to approach the Polk County fiber broadband project in sixteen distinctive phases, named as sixteen specific numbered projects, that have been identified on the maps included in Attachment A. *Map 1 – Fiber Backbone Overview* depicts an overview of Projects 1-7, which together represent the fiber backbone portion of the proposed fiber build and fiber drops that do not include additional fiber route construction. The fiber backbone routes will serve as the principal data routes between city centers within Polk County, and are reflected in the implementation schedule below, which includes a realistic, yet expeditious timeline possible for engineering, permitting, licensing, construction and validation processes to be completed. As reflected in the implementation schedule, Eastex proposes to begin deployment of the fiber backbone projects as soon as it executes a contract with Polk County, and will complete all seven fiber backbone projects by February 12, 2024, well before the September 30, 2026 deadline listed in the RFP.

Some of the fiber projects are only possible with the acceptance of other project areas and are therefore identified as dependent projects. For example, Eastex's current fiber along Highway 59 ends at the Livingston office. Proposed Project 1 would extend fiber north along Highway 59 from Eastex's Livingston business office to Corrigan. Proposed Project 2 would then extend fiber from Corrigan east along Highway 287 into Eastex's Chester exchange, where it would connect to Eastex's existing fiber and create a ring, allowing redundancy should one of the routes experience a fiber cut. However, without the construction of Project 1 to extend fiber into Corrigan, Eastex cannot construct Project 2 from Corrigan to Chester. Where one project is dependent upon the construction of

others, Eastex has identified those dependent projects in the maps and in the Cost Proposal section above.

Fiber Backbone Implementation Schedule:

TASK	START	END
Project 1 Fiber Backbone (Hwy. 59 from Corrigan to South of Leggett/Eastex Office)		
Engineering & Design	9/19/22	10/31/22
Permitting, Easements, ROW	10/31/22	11/21/22
Preliminary Construction	11/21/22	3/6/23
Fiber Installation	3/6/23	3/10/23
Splicing and Testing	3/10/23	4/14/23
Project 2 Fiber Backbone (Hwy. 287 East of Corrigan to Polk/Tyler County Line/Chester Exchange Area Boundary)		
Engineering & Design	12/1/22	12/30/22
Permitting, Easements, ROW	12/30/22	1/20/23
Preliminary Construction	3/13/22	5/15/23
Fiber Installation	5/15/23	5/19/23
Splicing and Testing	5/22/23	6/16/23
Project 3 Fiber Backbone (Hwy. 59 N from Corrigan to Piney Creek)		
Engineering & Design	2/13/23	3/6/23
Permitting, Easements, ROW	3/7/23	4/3/23
Preliminary Construction	5/16/23	6/16/23
Fiber Installation	6/17/23	6/23/23
Splicing and Testing	6/26/23	7/24/23
Project 4 Fiber Backbone (Hwy. 59 from Piney Creek to Neches River/County Line)		
Engineering & Design	4/3/23	4/28/23
Permitting, Easements, ROW	5/1/23	5/22/23
Preliminary Construction	6/19/23	7/31/23
Fiber Installation	7/31/23	8/4/23
Splicing and Testing	8/7/23	9/4/23

Project 5 Fiber Backbone (Hwy. 287 West of Corrigan to the Polk/Trinity County Line)		
Engineering & Design	6/5/23	6/30/23
Permitting, Easements, ROW	7/3/23	7/21/23
Preliminary Construction	8/1/23	9/29/23
Fiber Installation	10/2/23	10/6/23
Splicing and Testing	10/9/23	11/24/23
Project 6 Fiber Backbone (FM 350 West from Hwy. 59 to Eastex's Onalaska Exchange Area Boundary)		
Engineering & Design	7/31/23	8/31/23
Permitting, Easements, ROW	9/4/23	9/22/23
Preliminary Construction	10/2/23	12/1/23
Fiber Installation	12/4/23	12/8/23
Splicing and Testing	12/11/23	1/26/24
Project 7 Fiber Backbone (Hwy. 350 Southwest to Intersection of FM 3152)		
Engineering & Design	10/2/23	10/20/23
Permitting, Easements, ROW	10/23/23	11/17/23
Preliminary Construction	12/4/23	1/5/24
Fiber Installation	1/8/24	1/12/24
Splicing and Testing	1/15/24	2/12/24

FTTH neighborhood plans are identified as Projects 8-16, visually reflected in Maps 9-14, included in Attachment A, and also listed in the Cost Proposal section above. Because Eastex is proposing to embark on FTTH builds only after no more than 50% of locations passed in a particular FTTH project commit to a retail Internet service offering, the timeline for the FTTH builds is less specific than the timeline for the fiber backbone and related drop customers. Reflected in the below diagram, Eastex outlines the general steps and time allotted for each step in the FTTH process. This timeline may vary depending on the size of the FTTH project, and is subject to Eastex's ability to obtain all required permits and licenses, as well as completed customer paperwork and access to the customer's premises for ONT and in-home equipment installation and testing. Therefore, the below timeline is provided for general reference purposes only.

FTTH General Timeline:

Day 0

- Fiber Internet Access Interest Survey deployed per FTTH project area, on Eastex.com
- Postcards sent to FTTH project mailing addresses to educate potential subscribers about interest form
- Potential customers pre-sign up for fiber Internet service through Eastex.com

Day 1

- 50% Take-rate commitment met through Eastex.com

Day 2

- Fiberhood project kick-off

Days 2-60

- Fiber feeder installation planned for extending fiber from backbone to closest splice point in the projected service area
- Eastex customer service representatives (CSRs) begin contacting pre-committed customers and providing required customer paperwork
- Fiber crews canvas planned fiberhood to distribute fiber Internet information packages to all locations passed
- Fiber engineering and permitting process begins and may take from 2-6 weeks to complete

Days 60-90

- Eastex continues to work on obtaining required permits and licenses
- Eastex CSRs process new customer paperwork and schedule installations with installer group
- Fiber crews install fiber routes as needed
- Fiber crews perform all required fiber splicing
- Fiber crews install fiber drops at customer premises
- Installers install ONTs at customer homes and ensure Internet is functioning properly

D. Staff Capabilities and Experience

Certain management and key personnel profiles are outlined below and exemplify the vast experience the Eastex team brings to the communities it serves.

Rusty Dorman is an accomplished General Manager and Chief Executive Officer of Eastex Telephone Cooperative, Inc., bringing nearly four decades of executive and management level telecommunications experience to the cooperative. Rusty oversees all facets of the operations for Eastex and its affiliates and brings to his executive experience both a strong technical background from his roots as a technician as well as an unwavering commitment to bring the best technology to the communities Eastex serves. He also actively serves on the Board of Directors for the East Texas Fiber Line as well as the Texas Telephone Association ("TTA"), each within which he has assumed various director roles since 2004 and 2006, respectively. Throughout his career, Rusty has served on Technical Committees and Legislative/Regulatory Committees for both TTA and the Texas Statewide Telephone Cooperative, Inc. In 2015, Rusty received the prestigious Neville Haynes Award by TTA for his outstanding life-long service to rural Texas.

Steve Alexander has 32 years of experience as a CPA in the telecommunications business. Steve has been employed with Eastex since August 1998, serving as Controller until his appointment as Chief Financial Officer in April 2013. Before coming to Eastex, Steve served as a Senior Manager for Curtis Blakely & Company, PC, an accounting firm focused on assisting telecommunications companies with quality auditing, accounting, tax and consulting services.

Malinda Jones has been employed with Eastex Telephone Cooperative, Inc. for 40 years. Malinda began as Secretary/Administrative Assistant to the General Manager in 1982, and in July, 2016, was promoted to Business Operations Manager, assuring that all office functions in the corporate headquarters in Henderson, Texas run smoothly. Malinda oversees all Human Resource functions for the company, including, but not limited to: staff onboarding, employee separations, payroll and benefits. Additionally, Malinda supervises customer service personnel and administrative support staff in

Eastex's Henderson headquarters as well as maintains Eastex's Board of Directors meeting materials, employee files, and company vehicle inventory.

Anthony Hendrix has 36 years of experience in the telecommunications industry, and has been employed with Eastex since April, 1985. Since joining Eastex, Anthony has performed vital work functions in all of the following areas: network construction, installation and repair (copper and fiber optics), warehouse, engineering, all internal paperwork processes with service and work orders, cable splicing, fiber splicing, cable repair, central office switching, and all customer-based equipment such as DSL multiplexers (DSLAMs), routers, etc.... Since June, 2014, Anthony has served as the Outside Plant Manager overseeing plant operations in Eastex's Livingston, Texas service region.

Keith Lemons started his employment with Eastex in June, 1984. Keith began in the construction crew installing new copper cable and drops, and later moved to the install and repair department. Keith later moved to the cable/fiber splicing and cutover of new facilities crew where he spliced the new fiber/cable plant that was being built, and installed new advanced network equipment including various types of multiplexers. Later, Keith shifted to the Central Office Equipment department doing install and repair of Eastex's central office equipment. In February, 2016, Keith was promoted to his current position of Outside Plant Supervisor, where he helps plan and coordinate all aspects of the outside plant including the current fiber expansions in and around the Livingston area.

Debbie Davis has 41 years of experience in the telecommunications industry, since joining Eastex Telephone Cooperative, Inc. in July of 1981. During her years with Eastex, Debbie has performed duties in warehouse material inventory ordering and processing, as well as all aspects of customer service including: application processing; service order processing; payments and customer billing inquiries; and customer account issues and resolutions. Debbie assumed the role of secretary to the Livingston Area Manager in 1982; holding that position until 2014. Since 2014, Debbie has served as the Office Manager for Eastex in the Livingston, Texas office.

Wes Robinson serves as Eastex's Regulatory Affairs Director and has 26 years of experience working on telecommunications regulatory matters. Prior to joining Eastex in 2017, Wes worked for a consulting firm addressing federal and state regulatory issues for Eastex and approximately 20 other small and rural telecommunications companies in Texas. Wes is responsible for monitoring and analyzing regulatory and legislative proceedings and informing management regarding the impact of such proceedings on Eastex's operations. Wes serves as the Chairman of the Texas Telephone Association's Regulatory Committee and as a member of NTCA – The Rural Broadband Association's Government Affairs Committee. From time to time, Wes is called upon to provide information and testimony to regulators, legislators, and governmental entities responsible for broadband development in an effort to close the digital divide in rural Texas.

Dee Dee Longenecker joined Eastex Telephone Cooperative, Inc. as the Director of Business Development in 2017. In her role, she works to develop new business and partnership opportunities for Eastex and its affiliates, as well as oversees many aspects of planned customer communications and company promotions. Dee Dee also assists in developing corporate policies and oversees Eastex's compliance with various programs and regulations, including, but not limited to: the federal E-rate program; Lifeline and Affordable Connectivity Programs; and customer privacy regulations. Before joining Eastex, Dee Dee worked for over two decades as a telecommunications consultant where she managed a myriad of projects for rural telcos and internet service providers covering the key areas of product and promotion development and regulatory compliance.

Subcontractors - Eastex utilizes subcontractors as needed to complete work being performed. When needed, Eastex puts out requests for proposals from vendors and evaluates and selects subcontractors based on their overall fit for the project at hand.

E. Project Location

Eastex's proposed fiber builds, including 7 distinctive fiber backbone projects and 9 FTTH projects, have been mapped on respective maps included in Attachment A. Narratives further describing the maps are provided below, organized by Fiber Backbone projects and FTTH projects, respectively. Combined, these projects include deployment of 460,593 feet, or 87.23 linear miles of fiber optic cable that will provide fiber Internet access to a total of 1,365 Broadband Serviceable Locations in Polk County.

1. Fiber Backbone

Eastex has attached Maps 1-8 included in Attachment A, identifying the asset placement and specified coverage areas for fiber backbone routes. Per the RFP, Eastex's proposal covers Internet backbone facilities along the following routes with the exception of sections where Eastex already owns and operates fiber assets or where the RFP indicates that reliable broadband Internet access service already exists within the regulated service area of Livingston Telephone Company: along Highway 59 from the south to the North Polk County line; along FM 350 North from Highway 190 to 59 North to create redundancy for the western part of Polk County; a connection from the West to the East Polk County Lines along Highway 287 to create redundancy for new connections; and a connection along the entire Highway 146 in Polk County. A narrative describing each of the maps for the fiber backbone projects included in Attachment A follows.

a. Map Narratives for Fiber Backbone Projects

(1). *Map 1 – Fiber Backbone Overview*

As indicated in *Map 1 – Fiber Backbone Overview*, fiber Internet backbone routes requiring new construction are depicted in red, while Eastex's existing fiber backbone facilities relating to Polk County's prospective services are identified in green. Only the

fiber backbone routes requiring new construction are included in the fiber backbone portion of the Cost Proposal outlined in Section II., above. Eastex's fiber backbone proposal contained herein is limited to those areas where Eastex does not currently have fiber, with the exception of small stretches of Highways 59 and 146 within Livingston Telephone Company's regulated service area. By not including areas where Eastex already has fiber backbone facilities in place, the County is able to focus its capital where fiber facilities are most needed, and not expend capital to overbuild or duplicate fiber routes that already exist.

Along the proposed fiber backbone routes, Eastex proposes to serve any location within 1,000 feet of the median roadway provided that the location can be served with a simple customer drop and does not require new fiber construction. Eastex estimates that there are 660 BSLs that meet this requirement within Projects 1-7. Where additional fiber construction into neighborhoods is required, Eastex has included certain areas within its FTTH proposals as further outlined below. The FTTH areas identified herein are not intended to be exclusive, but are merely starting points for future potential FTTH projects.

(2). *Map 2 – Project 1 - Fiber Backbone (Hwy. 59 from Corrigan to South of Leggett)*

Project 1, depicted on Map 2, includes 111,040 feet of buried fiber from Corrigan to south of Leggett at Eastex's Livingston business office. This route is projected to cover 315 BSLs. All other projects within Eastex's proposal require the completion of Project 1, as indicated within the Cost Proposal section.

(3). *Map 3 – Project 2 - Fiber Backbone (Hwy. 287 East of Corrigan to Polk/Tyler County Line)*

Project 2, depicted on Map 3, includes 67,860 feet of buried fiber along Hwy 287 east of Corrigan to the Polk/Tyler County line or Eastex's Chester Exchange Area Boundary. This

route is projected to cover 111 BSLs based on the 1,000-foot fiber drop parameter noted above. This project is dependent on completion of Project 1.

(4). *Map 4 – Project 3 - Fiber Backbone (Hwy. 59 North from Corrigan to Piney Creek)*

Project 3, depicted on Map 4, includes 22,736 feet of buried fiber running along Highway 59 north of Corrigan to Piney Creek. This project passes 54 BSLs, and is dependent on completion of Project 1.

(5). *Map 5 – Project 4 - Fiber Backbone (Hwy. 59 from Piney Creek to Neches River or Polk/Angelina County Line)*

Project 4, depicted on Map 5, includes 34,624 feet of buried fiber running north of Piney Creek to the Neches River and/or the Polk/Angelina County Line. Project 4 is dependent on completion of Projects 1 and 3, and is projected to serve 6 BSLs. As previously discussed, this Project has an extremely high cost per location projection and could be removed from Eastex's proposal without any impact on Eastex's capital commitment and saving the County \$651,712.50. However, to the extent that the County has future plans for this corridor or wishes to encourage future growth within this project area by installing fiber, Eastex is willing to construct this project.

(6). *Map 6 – Project 5 – Fiber Backbone (Hwy 287 West of Corrigan to the Polk/Trinity County Line)*

Project 5 is dependent on completion of Project 1 above, and includes 54,160 feet of buried fiber extending from Highway 287 west from Corrigan to the Polk/Trinity County Line. This project is expected to provide fiber broadband Internet access to 78 BSLs.

(7). *Map 7 – Project 6 – Fiber Backbone (FM 350 West from Hwy 59 to Eastex's Onalaska Exchange Area Boundary)*

Project 6, dependent on completion of Project 1, includes 54,180 feet of buried fiber along FM 350 extending west from Highway 59 to Eastex's Onalaska Exchange Area Boundary. This project will pass 52 BSLs.

(8). *Map 8 – Project 7 – Fiber Backbone (FM 350 Southwest to Intersection of FM 3152)*

Project 7, the final project in the fiber backbone proposal, relies on completion of Projects 1 and 6 above, and extends 16,590 feet of buried fiber along FM 350 southwest from the end of Project 6 to the intersection of FM 3152, or the Eastex exchange area boundary. This final segment of the backbone routes will pass an additional 44 BSLs.

2. Fiber-to-the-Home Projects

Eastex has identified nine FTTH projects, identified as Projects 8-16 on the enclosed maps and reference materials, that are located in close proximity to the proposed fiber backbone routes discussed above, and are being offered requiring no additional capital investment from the County. These areas include towns, subdivisions, or distinct groupings of houses that includes premises outside of the 1,000-foot fiber drop limitation or require additional fiber investment beyond simple fiber drops. For these areas, Eastex will require an advanced commitment from customers requesting Eastex's Internet service of no more than 50% of the households in the area before extending additional fiber from the backbone fiber route. This assurance is necessary to prevent Eastex from developing stranded investment for which there is no revenue opportunity from which to recover investment costs.

Eastex has identified a total of 705 BSLs across the included nine FTTH projects. Maps reflecting each of the FTTH projects are included in Attachment A as Maps 9-14, with narratives describing each map included below. For all FTTH project maps, the blue dots represent Broadband Serviceable Locations as identified by the FCC's Broadband Serviceable Location Fabric.

a. Map Narratives for Fiber-to-the-Home Projects

(1). *Map 9 – Project 8 – FTTH Project on North Glen along Project 1 on Hwy. 59*

Project 8, depicted on Map 9, includes the North Glen neighborhood between Eastex's Livingston office and Leggett on the east side of Highway 59. This neighborhood contains approximately 41 BSLs. When no more than 50% of the potential subscribers within this neighborhood commit to obtain service, Eastex will construct an additional 7,320 feet of fiber to serve customers within this FTTH project area. This project is contingent upon the completion of Project 1.

(2). *Map 10 – Project 9 – FTTH Project in Moscow along Project 1 on Hwy. 59*

Project 9, depicted on Map 10, includes the town of Moscow between Leggett and Corrigan on Highway 59. This area contains approximately 30 BSLs. When no more than 50% of the potential subscribers within this area commit to obtain service, Eastex will construct an additional 7,250 feet of fiber to serve customers within this FTTH project area. This project is contingent upon the completion of Project 1.

(3). *Map 11 – Project 10 – FTTH Project in Pine Hollow Loop Neighborhood along Project 1 on Hwy. 59*

Project 10, depicted on Map 11, includes the Pine Hollow Loop Neighborhood between Moscow and Corrigan on the east side of Highway 59. This area contains approximately 88 BSLs. When no more than 50% of the potential subscribers within this area commit to obtain service, Eastex will construct an additional 12,000 feet of fiber to serve customers within this FTTH project area. This project is contingent upon the completion of Project 1.

(4). *Map 12 – Project 11 – FTTH Project in Laurelia Loop Neighborhood along Project 1 on Hwy. 59*

Project 11, depicted on Map 12, includes the Laurelia Loop Neighborhood between Moscow and Corrigan on the east side of Highway 59. This area contains approximately 28 BSLs. When no more than 50% of the potential subscribers within this area commit to obtain service, Eastex will construct an additional 6,900 feet of fiber to serve customers within this FTTH project area. This project is contingent upon the completion of Project 1.

(5). *Map 13 – Project 12 – FTTH Project in Rayburn Drive Neighborhood along Project 2 on Hwy. 287*

Project 12, depicted on Map 13, includes the Rayburn Drive Neighborhood between Corrigan and Eastex's Chester Exchange on the south side of Highway 287. This area contains approximately 112 BSLs. When no more than 50% of the potential subscribers within this area commit to obtain service, Eastex will construct an additional 16,000 feet of fiber to serve customers within this FTTH project area. This project is contingent upon the completion of Projects 1 and 2.

(6). *Map 14 – Projects 13-16 – FTTH Project in Corrigan*

Projects 13-16, depicted on Map 14, includes the City of Corrigan divided into four quadrants utilizing Highways 59 and 287. Eastex chose to divide Corrigan into four separate phases in order to allow smaller numbers of potential customers to request service within the various phases, potentially resulting in quicker fiber buildouts based upon customer demand. The following represent the four phases of potential construction by project area, identifying the number of BSLs within each quadrant and the amount of fiber required to serve each project area. When no more than 50% of the potential subscribers within each project area commit to obtain service, Eastex will construct approximately 50,000 additional feet of fiber to serve customers within the combined four phases of Corrigan. These projects are contingent upon the completion of Project 1.

(a). Project 13 - Corrigan Northwest contains approximately 116 BSLs and will require approximately 13,500 feet of fiber construction.

(b). Project 14 - Corrigan Northeast contains approximately 96 BSLs and will require approximately 12,705 feet of fiber construction.

(c). Project 15 – Corrigan Southwest contains approximately 107 BSLs and will require approximately 16,000 feet of fiber construction.

(d). Project 16 – Corrigan Southeast contains approximately 87 BSLs and will require approximately 7,728 feet of fiber construction.

F. Service Delivery and Design

The design of the proposed Polk County fiber network consists of multi-strand fiber that connects to Eastex's existing middle mile fiber transport and fiber backbone capable of multiple 100 gigabit waves and the ability to increment in 10 gigabit segments. This network connects to a redundant fiber-based Ethernet ring, allowing routing through different Eastex central offices in the event of a fiber cut or other unexpected network performance issue, ensuring continuity of network performance.

The proposed fiber-to-the-premises network architecture is Gigabit Ethernet Passive Optical Network (GPON), which is a point-to-multipoint access network that uses Asynchronous Transfer Mode (ATM) for voice and Ethernet for data, allowing one single feeding fiber to serve multiple homes or businesses. GPON supports all potential customer broadband needs including: VoIP; data video; higher data rates and bandwidth transmission; long-reach coverage; increased security and data encryption; and all types of Ethernet protocols. This network architecture is already being deployed within large portions of Polk County where Eastex provides service today and is more than capable of meeting the demands outlined in Polk County's current RFP.

The following network diagrams depict the GPON network design, and provide a visualization of the various components utilized in the FTTH construction, meaning fiber

is laid all the way to the customer premises/home/building. To better understand the terminology used in these diagrams, please refer to the following definitions:

- **Optical Distribution Network (ODN)** – The physical fiber and optical devices that distribute signals to users in a telecommunications network. The ODN is composed of passive optical components (POS), such as optical fibers, and one or more passive optical splitters.
- **Optical Line Terminal (OLT)** – Device that aggregates all optical signals from ONTs into a single multiplexed beam of light which is then converted into an electrical signal, formatted to Ethernet packet type standards for Layer 2 or Layer 3 forwarding.
- **Optical Network Termination (ONT) /Optical Network Units (ONU)** – This device connects end-user devices (desktop, phones, etc.) into Eastex's GPON network and provides the optical to electrical signal conversion. ONTs also provide AES encryption via ONT key.
- **Splitters** - Used to aggregate or multiplex fiber optic signals to a single upstream fiber optical cable. Usually 1:32 ratio.
- **Time Division Multiple Access (TDMA)** – Time Division Multiple Access is a technology that allows multiple users to access the same optical channel by allocating different time slots to different users and results in increased fiber efficiency.
- **Wavelength-Division Multiplexing (WDM)** – wavelength-division multiplexing (WDM) is a technology which multiplexes a number of optical carrier signals onto a single optical fiber that use different wavelengths (that is, colors) of laser light.

As explanation for these diagrams, the OLT is connected to the optical splitter through a single optical fiber, and then the optical splitter connects to ONUs/ONTs. GPON adopts WDM to transmit data of different upstream/downstream wavelengths over the same ODN. Wavelengths range from 1290 - 1330 nm in the upstream direction and from 1480 - 1500 nm in the downstream direction. Data is broadcast in the downstream direction and in the

upstream direction and is burst in TDMA mode (based on timeslots). This architecture supports point-to-multipoint (P2MP) multicast transmission.

Diagram III.F.1. Network Diagram

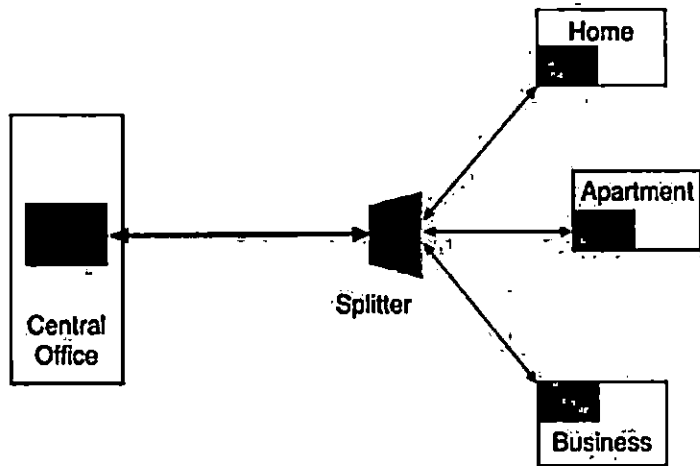
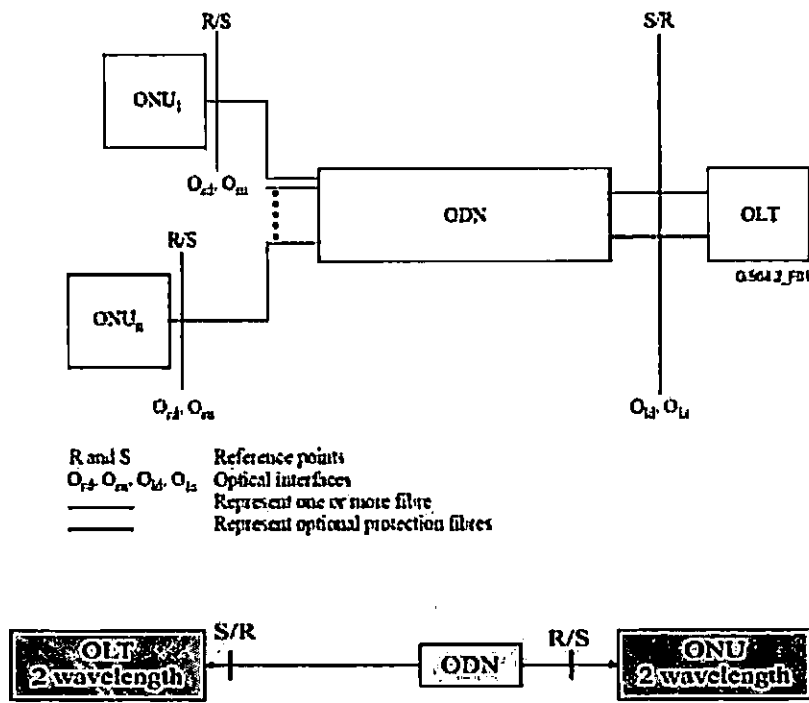


Diagram III.F.2. Technology Overview



Eastex will provide its own core IP infrastructure and edge routers. The data is connected to the Internet via diverse connections that utilize multiple HUBs in Longview, Houston and Dallas for redundancy to increase reliability. Voice services will also be offered utilizing Eastex's existing Ribbon switching technology or other voice delivery system, such as Voice over Internet Protocol (VoIP), where deemed technologically beneficial.

Through this network architecture, Eastex will provide access to its existing suite of voice and Internet service offerings, allowing subscribers to order up to a 1 Gbps fiber Internet connection at Eastex's standard rates, terms and conditions for the specific market area. Eastex will utilize existing well-established practices for installation of required facilities at the customer's premises. Such processes include sending postcards to all addresses within the scope of the immediate fiber build, to alert customers and potential customers to the upcoming availability of fiber Internet access. As construction crews work in a specific area, Eastex crews notify all residents and businesses in the immediate area by placing door hangers with service information and next steps for contacting Eastex's business office in Livingston, Texas, to complete necessary customer paperwork. Upon completion of necessary customer paperwork, Eastex's existing installation team is scheduled to complete the fiber drop and installation of the ONT at the customer's premises, and ensure that the customer's services are turned up and properly functioning.

Eastex is willing and able to provide the County with periodic reports of monthly activities and progression toward milestones, as negotiated in any service contracts executed with the County after the potential acceptance of this bid. Further, Eastex will perform all required construction activities and meet all required network construction standards as outlined in Section 4.1 of the Polk County Rural Internet Connectivity Project Request for Proposal. These requirements are standard business practices to which Eastex is well accustomed to performing as an established telecommunications carrier and Internet service provider in and around Polk County.

IV. COMPANY BACKGROUND

A. Overview of the Company History

Eastex Telephone Cooperative has a rich history of member-owned service, dating back to 1950 when its charter was formed and registered with the Texas Secretary of State, making Eastex one of the first telephone cooperatives established in the nation. Today, Eastex and its affiliates and subsidiaries Eastex Net and ECS Security and Automation are proud to deliver top-quality broadband internet, voice, high-capacity data transport, Wi-Fi, and security and automation services to approximately 20,000 subscribers spread across Rusk, Panola, Cherokee, Shelby, Harrison, Hardin, Liberty, Tyler, San Jacinto, Polk and Walker counties.

Eastex Telephone Cooperative and its affiliates maintain active business registrations with the Secretary of State's office in the State of Texas. Further, Eastex holds a Certificate of Convenience and Necessity from the Public Utility of Texas, originating in 1978, deeming Eastex an incumbent local exchange company within its certificated exchange boundary areas in what now covers six non-contiguous areas of East Texas including a significant portion of Polk County. Eastex is also certificated by the Public Utility Commission of Texas as an Eligible Telecommunications Carrier and an Eligible Telecommunications Provider, authorizing Eastex to receive federal universal service fund support and Texas universal service fund support within its regulated service areas as allowed under respective federal and state rules.

Eastex is led by an executive team and a seven-member Board of Directors, who recognize the importance of critical telecommunications and broadband services for rural households and businesses in East Texas. Eastex currently serves 21 exchange areas with advanced digital switching equipment and nearly 10,000 route miles of network cable, with more of that being upgraded to fiber optics every day.

Eastex employs a highly trained and committed staff of approximately 140 individuals, many of whom were born and raised in East Texas and have served the Cooperative for

decades, adding valuable knowledge and experience to their respective roles. Eastex maintains its corporate headquarters at 3675 US Hwy 79 S., Henderson, Texas 75654, and two remote business offices at 1704 US Hwy 59 Loop N, Livingston, TX 77351, and at 705 Spur 156, Waskom, TX 75692, thereby ensuring a local presence for Polk County residents.

As a rural cooperative-carrier, Eastex is committed to the communities it serves within its 2,314 square mile service area, and sees value in developing the most advanced communications networks to keep rural areas connected to each other and their urban counterparts. It is Eastex's mission to extend and continually improve its services throughout its rural service territory, thus bridging the digital divide. That is why Eastex has already invested hundreds of millions of dollars deploying high-quality telecommunications network facilities across its service area. At the end of 2021, Eastex operated 2,032 miles of fiber optic cable and 7,985 miles of copper telecommunications plant serving nearly 20,000 customers, and it remains actively engaged in and committed to deploying more fiber in the months and years to come.

B. Overview of the Company's Services and Product Capabilities

Eastex currently offers local and long distance voice services, broadband Internet services, Ethernet transport services, security and automation services, and more, to both residential and business customers across its service area. Eastex also offers wholesale services to cellular providers and complies with federal and state interconnection requirements. In its existing service areas where fiber has been deployed, Eastex offers voice and fiber Internet bundles ranging from 30 Mbps symmetrical upload and download speeds to a 1 Gbps symmetrical package (technically capable of 940 Mbps/880 Mbps due to end user equipment limitations). In areas that have not yet been upgraded to fiber, Eastex provides voice and copper-fed DSL Internet Access Service bundles, at speeds ranging from 5 Mbps/1 Mbps to 25 Mbps/3 Mbps. In certain areas outside of Eastex's regulated service territory, Eastex offers data-only Internet access, allowing the customer to subscribe to broadband Internet service without also having to subscribe to voice service. In all areas, Internet service is provisioned with unlimited data.

As outlined in Eastex's Network Management Policy, Eastex actively seeks to address the threats posed by harmful and unwanted internet traffic and thus to protect the security and integrity of its network and its customers. Malicious software (often referred to as "malware") such as viruses, worms, spyware, and distributed denial of service ("DDoS") attacks not only can adversely affect the network, but also can result in harm to customers' computers and the quality of the service they receive, compromise their data, and harm third parties as well. Unwanted communications such as spam can lead to similar problems.

Eastex encourages its customers to protect themselves from malicious Internet content utilizing a wide variety of commercially-available tools such as anti-virus, firewalls, and anti-malware tools. Additional information regarding these tools can be found at www.eastex.com/broadband-internet/internet-security/.

As set forth in Eastex's terms and conditions, it is the customer's responsibility to initiate and maintain safeguards as to the customer's services and equipment, including adequate and secure passwords, updated anti-virus software and other protections for the customer's equipment applicable to the services.

Recognizing that large portions of Polk County that have been included in the proposed service area included in Eastex's proposal to the County are identified as Socially Vulnerable Communities by the U.S. Department of Agriculture,¹ it is vital that low-income members of this community receive quality service that is also affordable. As such, Eastex participates in the Federal Communications Commission's Affordable Connectivity Program whereby eligible low-income households may qualify for a \$30 discount (\$75 on tribal lands) on their monthly broadband bill. Eastex also participates in the federal and state Lifeline programs offering a combined discount of up to \$12.75 for qualifying customers.

As a regulated provider, Eastex also complies with various federal and state customer protection rules including the protection of sensitive customer information and net

¹ See <https://www.rd.usda.gov/priority-points/equity-search>.

neutrality. Additionally, Eastex complies with Communications Assistance for Law Enforcement requirements as well as federal and state non-discrimination requirements.

Eastex may employ certain practices on a case-by-case and as-needed basis to protect its network and its customers against distributed denial of service ("DDoS") attacks. These practices could be triggered if Eastex detects traffic levels that significantly exceed certain baselines; the applicable thresholds are not disclosed here, in order to ensure that these security practices remain effective and cannot be deliberately circumvented. Further, in accordance with common industry practices (and in response to demonstrated harms), Eastex may on occasion and for limited periods of time inhibit certain Internet ports that are commonly misused to harm networks, although this in no way is intended to prevent any Eastex customer or broadband Internet access user from accessing lawful Internet content.

C. Company's Capacity to Handle Polk County Broadband Project

Eastex has maintained a business office in Livingston, Texas, since it acquired its first exchange in Polk County, the Goodrich exchange, in 1959, providing a local presence with easy access to support Polk County's residents. Currently, Eastex's Livingston business office is staffed with approximately 60 employees who manage service installations and customer support for roughly 13,000 existing subscribers. Eastex's Livingston business office is perfectly situated in the county seat of Polk County, and stands ready and able to provision and support the prospective customers to be served by the proposed fiber routes identified herein. Additionally, Eastex's upper management team is local and readily available to Polk County officials.

V. STATEMENT OF QUALIFICATIONS

With a service history dating back to 1950 when Eastex's charter was formed, and a mission to serve the residential and business members that help form the Cooperative, Eastex is well known for its strong reputation delivering high quality telephone and broadband Internet services throughout its rural East Texas service areas. Because Eastex's mission is to provide high quality telecommunications solutions to areas of East Texas that would otherwise be entirely unserved by larger for-profit telecommunications companies, the Eastex Board of Directors and staff work tirelessly to bring the most advanced communications network and equipment to its remote members and customers. Eastex continually upgrades its network facilities, backhaul arrangements and communications equipment to bring more advanced equipment capabilities, greater capacity and fiber optic supported internet speeds to more communities daily.

Below, we outline similar projects completed over the last five years, as well as specific experience both in and around Polk County, to showcase Eastex's capabilities along with helpful reference information. This information shows clearly that Eastex is a highly qualified, reputable and reliable broadband provider.

A. Similar Projects

Eastex has been actively deploying fiber network facilities and fiber-to-the-home services throughout its service territory for decades. In the last two years alone, Eastex has invested over \$60 million in capital expenditures on its fiber initiatives, and remains committed to delivering fiber Internet access to all of its members and customers as quickly and efficiently as its capital budgets will allow. In 2020 alone, Eastex has increased the number of locations able to receive 1 Gbps fiber Internet connections by 8,855 locations to a total of 17,441 FTTH locations as of year-end 2021.

In Polk County specifically, since November, 2021, Eastex has deployed 239,117 feet, or 23.3 miles of fiber to the following areas, making fiber Internet service available to 1,105 customers. These projects have utilized the same GPON fiber network architecture as that proposed in this bid, and all projects have been overseen by Anthony Hendrix,

Outside Plant Manager in Livingston. Mr. Hendrix is available for contact via email at anthonyh@eastex.com, or via telephone at 936-967-1000.

<u>EXCHANGE</u>	<u>PROJECT NAME</u>	<u>FIBER FOOTAGE</u>	<u>PASSING SUBSCRIBERS</u>
GOODRICH	GOODRICH NORTH	20,842.00	127
BLANCHARD	ALABAMA POINT	22,585.00	65
BLANCHARD	WALDING RD	14,768.00	49
BLANCHARD	SPRING CREEK	14,500.00	60
ONALASKA	KICKAPOO FOREST	23,558.00	228
ONALASKA	STOWAWAY BAY	9,840.00	84
GOODRICH	1988 E	18,187.00	87
RUBY	DICKENS SUB	15,800.00	45
ONALASKA	ONLS OLD TOWN	5,100.00	160
BLANCHARD	BULLFROG BASIN	5,109.00	23
BLANCHARD	ROLLING PINES	23,000.00	6
RUBY	GREER RD	4,155.00	30
RUBY	COUNTY LINE RD.	28,496.00	36
ONALASKA	PONTOONS	6,300.00	42
ONALASKA	CREEK LAKE COVE	14,877.00	47
ONALASKA	ONLS LOOP	12,000.00	16
TOTALS		239,117.00	1105
		(23.3 MILES)	

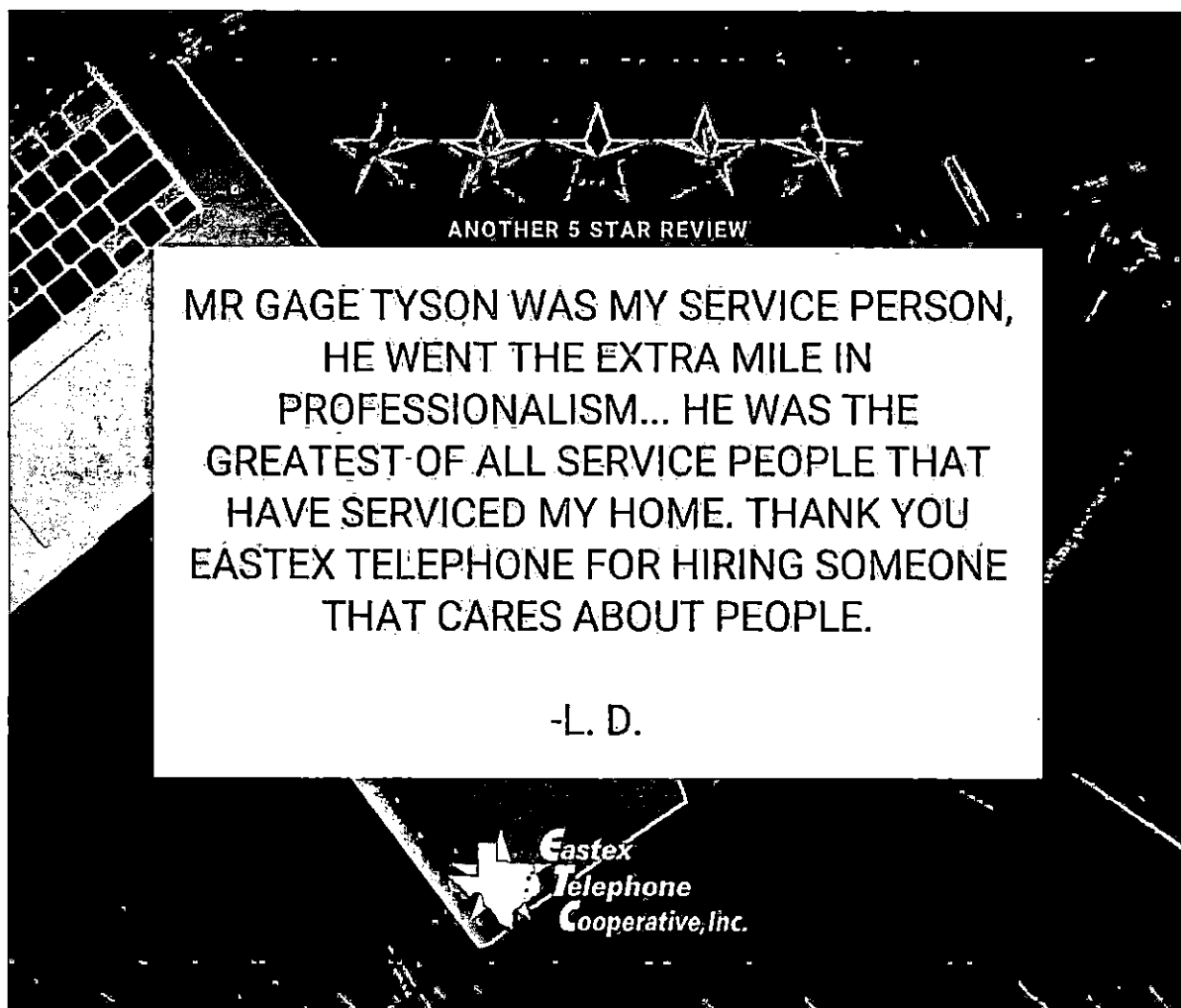
B. Eastex's Experience with Government Stakeholders and Community Anchor Institutions

Eastex has been working closely with its local governments and local area anchor institutions since the Cooperative was formed, and has allocated staff to actively partner with certain of those institutions, such as local area school districts, since 2008. Eastex currently works with over 100 anchor institutions including multiple county and municipal offices, first responders, and approximately a dozen public school districts across its service area. Eastex also works with 3 regional Education Service Centers: ESC5, ESC6, and ESC7.

Eastex also regularly engages with the Alabama-Coushatta Tribe of Texas, which is served by Eastex's Livingston business office, to ensure that the Cooperative's broadband deployment on Tribally-owned lands appropriately manages rights-of-way, permitting, facilities siting and environmental and cultural preservation processes while serving Tribal members.

C. Eastex's Reputation in the Marketplace

Eastex maintains an exceptional reputation in the marketplace as a member-owned telephone cooperative and internet service provider committed to serving its rural East Texas customers. Eastex upholds an A+ rating with the Better Business Bureau and frequently receives 5-star reviews from customers on its Google profile.



Eastex is known as a leading community partner in the markets it serves, and exemplifies its commitment to being a socially responsible company by conducting an annual scholarship program as well as providing many charitable donations to local area businesses and nonprofits.

Eastex is also well known for exceptional customer service and frequently receives praise for its committed personnel who go above and beyond to provide excellent service in all areas of service ordering, installation, maintenance and account assistance. During the COVID-19 pandemic, Eastex was recognized by the FCC as one of only a handful of companies in Texas that not only pledged to the FCC to keep Americans connected, but also went above and beyond the standard pledge by offering free broadband internet service for two months to households with students and/or teachers, and for providing over a dozen free Wi-Fi access points to local area schools to assist with remote learning initiatives (See: <https://www.fcc.gov/companies-have-gone-above-and-beyond-call-keep-americans-connected-during-pandemic>).

In April of 2020, Eastex's Onalaska Exchange, in Polk County was hit by a devastating tornado claiming three lives and injuring nearly thirty people while damaging an estimated 326 premises. Eastex personnel were on the ground within the affected neighborhoods assisting with rescue and recovery efforts as soon as the storm cleared while quickly establishing broadband service to a command post for first responders to coordinate activities. Eastex's General Manager and Chief Executive Officer was on the ground walking through damaged neighborhoods surveying the destruction and talking to neighbors within immediately following the storm while Eastex crews went door-to-door temporarily reestablishing service until new FTTH service could be deployed as a long-term solution to affected residents. Eastex employees not only work in East Texas, we grew up here, went to school here, live here and are committed to the region as a long-term reliable broadband partner that is accessible at the highest level of management.

Eastex also prides itself on providing broadband internet service with no data caps, giving customers unlimited usage of their retail internet service. As outlined in Eastex's Network Management Practices, Eastex does not block any internet traffic, so long as traffic is not malicious or harmful to its network, nor does it throttle or provide any prioritization. These efforts combined with standard congestion management practices have ensured excellent product stability and customer satisfaction.

D. Permitting and Right-of-Way Experience

As an experienced provider serving large sections of Polk County for more than 70 years, Eastex maintains good relationships with all right-of-way managers within the County including the Texas Department of Transportation's District Office, as well as county and municipal governments.

Additionally, due to the geographic nature of Eastex's service area, which spans across multiple forested regions in East Texas, the Cooperative frequently has to obtain appropriate permits and comply with the U.S. Department of Agriculture (USDA) Forest Service requirements for protecting forest lands. Eastex is well versed in these processes and thus able to streamline work orders accordingly.

E. Service's Network Reliability

In addition to proposing a hardened buried fiber network capable of withstanding the worst storms through this proposal, Eastex maintains and exercises an Emergency Operations Plan which includes provisions for maintaining continuity of service during disasters or unforeseen events. All Eastex personnel are committed to following the plan and the provisions contained therein in the event of a system-wide or local emergency that arises from natural or manmade disasters. This plan complies with 16 TAC § 26.51 and is on file with the Public Utility Commission of Texas. Due to the nature of Eastex's service territory, Eastex has operated through many natural disasters, and has a proven track record of implementing network readiness and emergency response protocols to ensure continuity of service.

Eastex's typical network deployment practices include burying fiber rather than aerial installations. In regard to the fiber backbone proposal contained herein, Eastex will install buried fiber to ensure network resiliency. For Eastex's proposed fiber-to-the-home deployment, Eastex also intends to bury the fiber network, though it reserves the right to deploy aerial fiber in congested areas where conditions warrant. Buried fiber is widely recognized throughout the broadband industry as the most reliable method of deploying broadband network facilities.

F. Security Policies for Protecting Privacy and Data

The Cooperative, through its employees, managers and Board of directors, employs and follows Fraud, Red Flag, Code of Conduct and Customer Proprietary Network Information (CPNI) policies in compliance with state and federal regulations. Such policies are incorporated into the Cooperative's Corporate Policy Manual and its Employee Handbook. Such policies are periodically reviewed and updated at the direction of the General Manager, and all employees receive training on such policies as appropriate and/or mandated by state or federal regulatory agencies. These policies ensure that Eastex's standard operating practices employ compliant measures to properly manage sensitive and proprietary customer information.

Additionally, Eastex maintains security measures to safeguard data. These measures include, but are not limited to: 1) using passwords and user codes to limit access to the data storage system and to files and programs; and 2) conducting mainframe backups at regular intervals to ensure data recovery capabilities.

Eastex also voluntarily operates under the National Institute of Standards and Technology (NIST) cybersecurity framework. Through this framework, Eastex maintains rigid and continuously evolving standards to protect the Cooperative and its customers from cyber threats.

Within its Emergency Operations Plan, Eastex upholds emergency preparedness measures specific to data protection and cybersecurity, and designates a data security

officer as well as a data breach response team. Data Breach response measures are outlined in the Cooperative's Emergency Operations Plan, and comply with state and federal regulations for containing and reporting data breaches.

G. Average On-Time Installation Rate

As a regulated entity, Eastex complies with service quality objectives and performance benchmarks established by the Public Utility Commission of Texas and files quarterly service quality reports in the Commission's designated project for each applicable year. Eastex's latest quarterly report indicates that Eastex completed 96.7% of its primary service orders within 5 working days and 100% of its regular orders within 5 working days. Eastex completed 98.5% of its service installations within 30 days and 100% of its installations within 90 days. Eastex met 99.8% of its service installation commitments.

H. No Past Litigation, Bankruptcy, Reorganization or State Investigations

Eastex has no history of past litigation, bankruptcy or state investigations. The Cooperative has also not experienced any major reorganizations in its seventy plus years of business.

I. Customer References

Eastex provides broadband Internet services to numerous customers in East Texas, and has a proven track record of delivering exceptional customer service. The customers listed below have provided Eastex permission to share their contact information for reference purposes. However, Eastex is submitting this information as protected in order to protect the privacy of the individuals and their protected customer proprietary network information.

Texas PIA Sec. 552.101 excepts from disclosure "information considered to be confidential by law, either constitutional, statutory, or by judicial decision." This incorporates information protected by federal statutes and regulations. Thus, information considered to be "confidential proprietary network information" or "CPNI" under the Communications Act or FCC regulations is likewise exempt from disclosure under the PIA. Since these customers

are not listed in any published directory, their names, contact information, and their categorization as a telephone or broadband customer of Eastex or its affiliates is all considered CPNI because it is "information contained in the[ir] bills" and "relates to the ... type... of use of a telecommunications service..." they utilize. See 47 U.S.C. 222(h)(1).

In addition, Sec. 552.101 encompasses both common-law and constitutional privacy considerations. Common-law privacy excepts from disclosure private facts about an individual. *Industrial Found. v. Texas Indus. Accident Bd.*, 540 S.W.2d 668 (Tex. 1976), *cert. denied*, 430 U.S. 931 (1977). Constitutional privacy excepts from disclosure information related to certain "zones of privacy" that are not applicable here as well as certain "personal matters." See *Ramie v. City of Hedwig Village, Tex.*, 765 F.2d 490 (5th Cir. 1985); ORD 455 at 6-7. There is a balancing test that weighs the individual's interest in protecting certain information against the public's interest in obtaining the information. While a person's personal contracting decisions with certain providers over others does not tend to be an embarrassing fact, such contracting decisions are inherently private and personal. Moreover, there is absolutely no legitimate public interest in revealing the identities and contact information of these individual customers of Eastex to the public. To that end, privacy concerns further weigh in favor of treating individual customer information listed here as confidential under Sec. 552.101.

VI. COMPANY FINANCIAL STATEMENT

Eastex has been in business since June 9, 1950, and has a strong financial history, with an excellent Dun & Bradstreet rating and strong banking references, as exemplified herein. Eastex has the financial capacity to provide telecommunications and Internet services to its cooperative members and customers for the foreseeable future, and is well positioned to help fund the proposed Polk County fiber project.

The current Dun & Bradstreet report is included herein as Attachment B and is protected material in its entirety as intellectual property, as further detailed below. Additionally, Eastex has attached herein as Attachment C a reference letter from VeraBank, with whom Eastex has been banking for over 40 years.

Texas PIA Sec. 552.027 allows governmental bodies to withhold from disclosure information that is commercially available to the public. This law was designed to ease the burden on governmental bodies of disclosing commercially available materials. It further protects the intellectual property of the drafting/selling entity; no one would pay to subscribe to commercially available works if they could obtain them for free through PIA requests. Here, the requested Dun & Bradstreet ("D&B") full report regarding Eastex is commercially available to the public, and it is not free; one must subscribe. Therefore, the D&B report is commercially available material and exempt from public disclosure under Sec. 552.027. This report may further be exempt as D&B's trade secret under Sec. 552.110 and/or D&B's proprietary information under Sec. 552.1101.

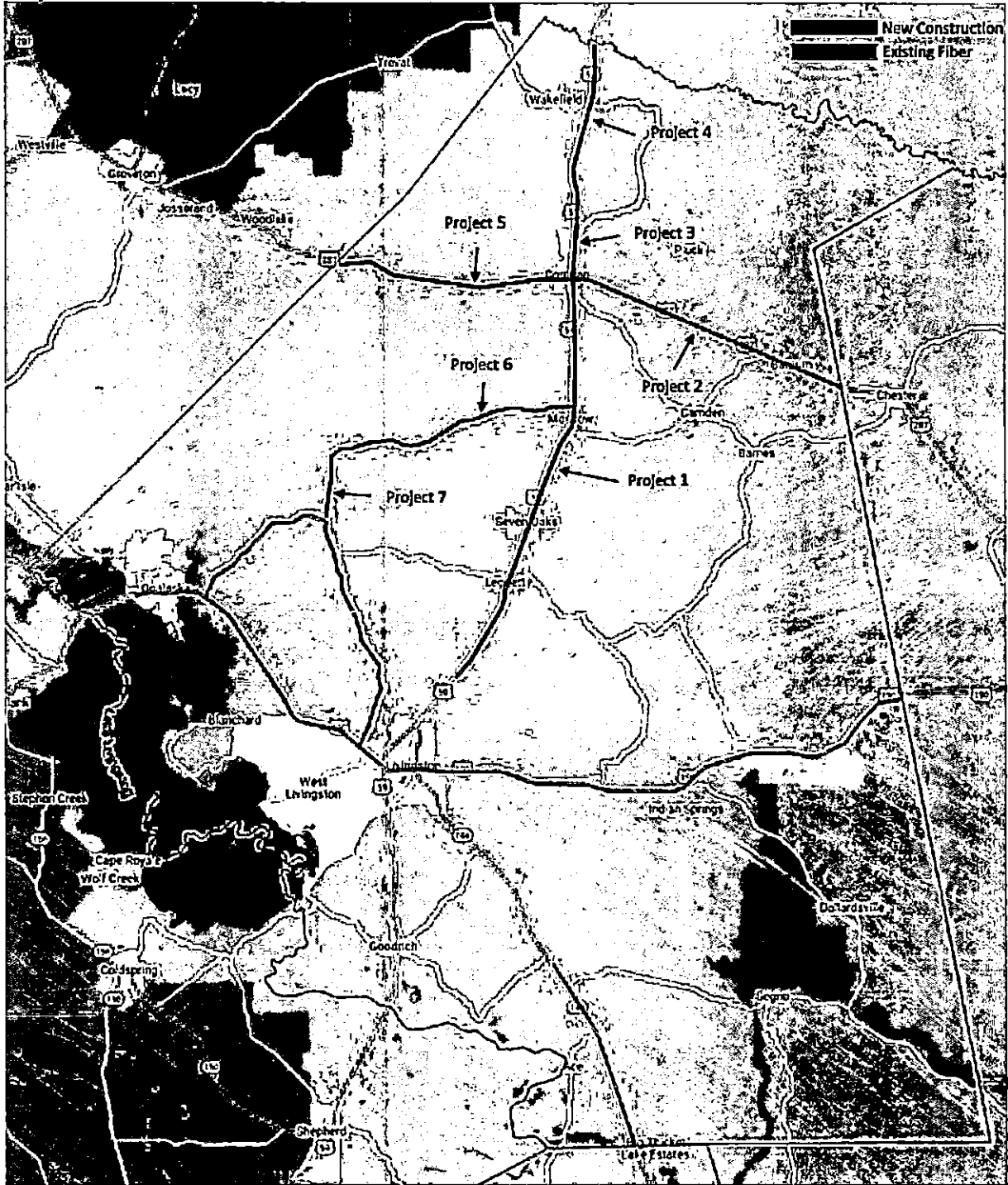
Eastex is not providing audited financial statements because they contain highly sensitive information regarding Eastex's investments, assets, revenues, and expenses. Revenue figures reveal Eastex's unique approach to work, internal operations, processes, and pricing methodology, all of which would advantage its competitors if disclosed. This key commercial/financial information would provide competitors great insight into Eastex's business, causing Eastex substantive harm and competitive disadvantage, and providing the competitors with a competitive advantage over Eastex. Eastex takes reasonable steps to keep its detailed financial information secret. This information is not generally known

to others, and Eastex derives benefit from this information not being readily ascertainable to others. Eastex would be substantially competitively harmed if such granular financial information were disclosed to competitors, who could use sales data to make determinations about Eastex's costs and profits, and price their own competitive services accordingly. For that reason, this is (1) trade secret and/or commercial/financial information protected from disclosure under PIA Sec. 552.110, and (2) proprietary information protected from disclosure under Sec. 552.1101. However, because of Polk County's disclosure obligations as a governmental entity under current law, Eastex is concerned with the County's legal ability to withhold from disclosure Eastex's protected materials and is therefore providing alternative financial information such as the D&B Report as well as a reference letter from Vera Bank, as discussed above.

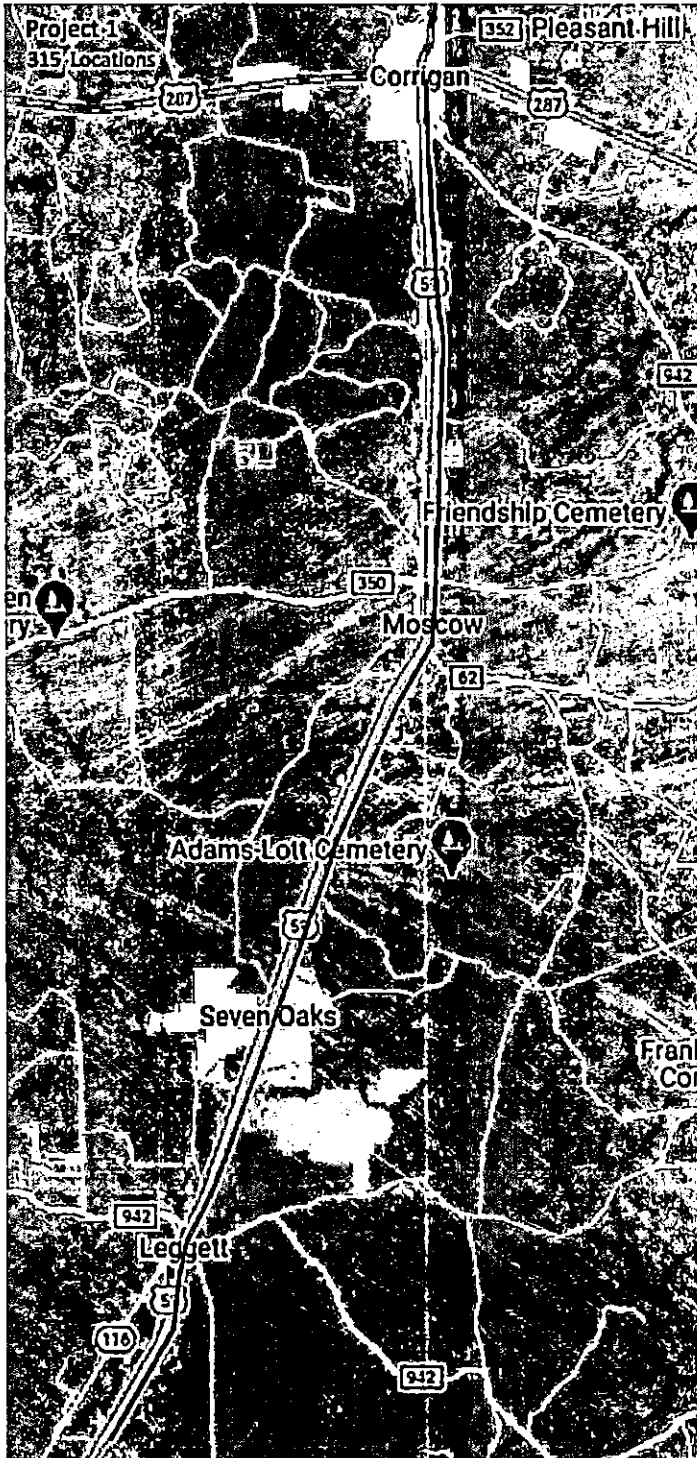
VII. ATTACHMENTS

ATTACHMENT A – PROJECT LOCATION MAPS

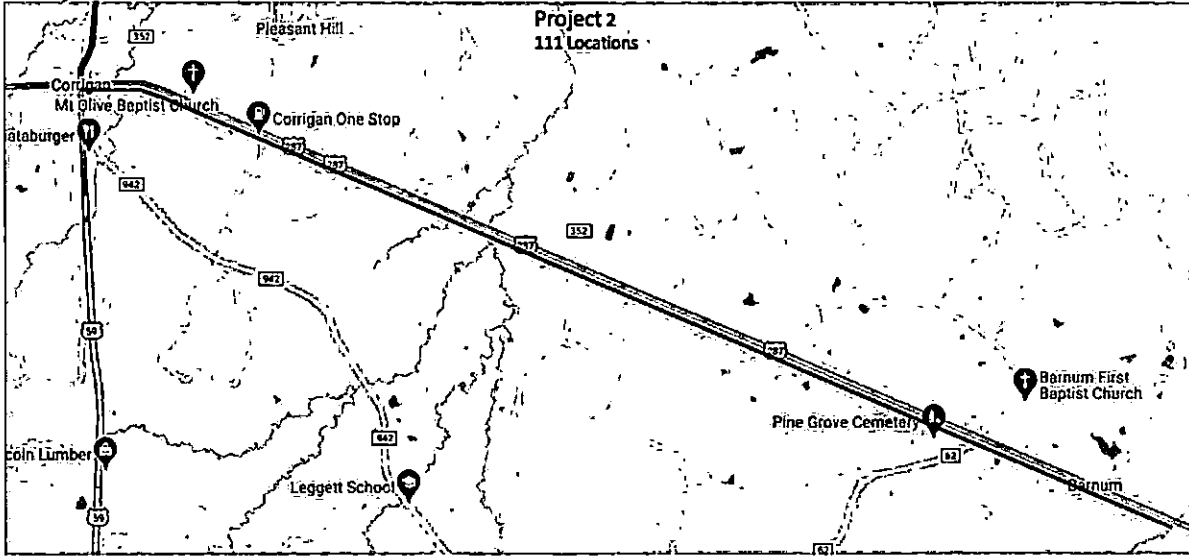
Map 1 – Fiber Backbone Overview



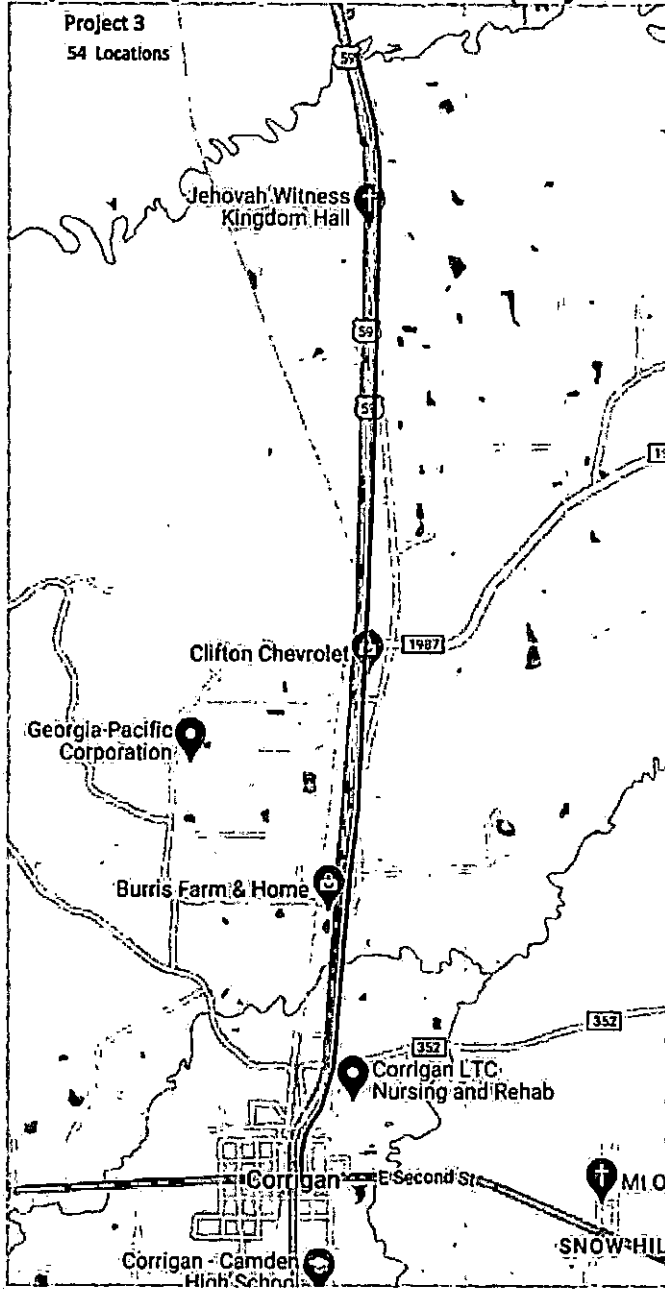
Map 2 – Project 1 - Fiber Backbone (Hwy. 59 from Corrigan to South of Leggett)



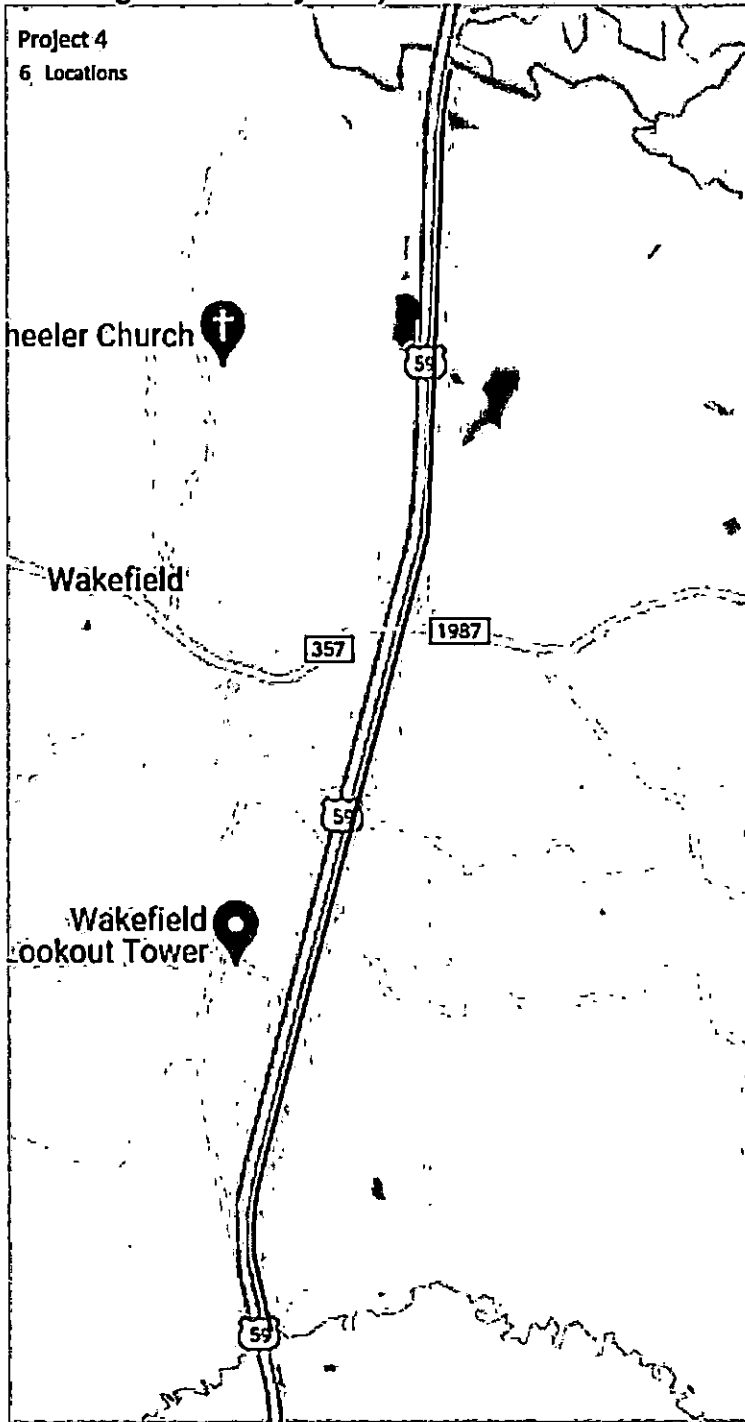
Map 3 – Project 2 - Fiber Backbone (Hwy. 287 East of Corrigan to Polk/Tyler County Line)



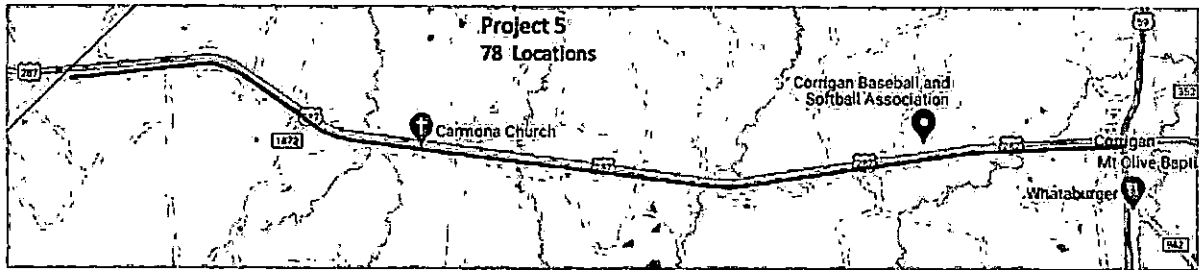
Map 4 – Project 3 - Fiber Backbone (Hwy. 59 North from Corrigan to Piney Creek)



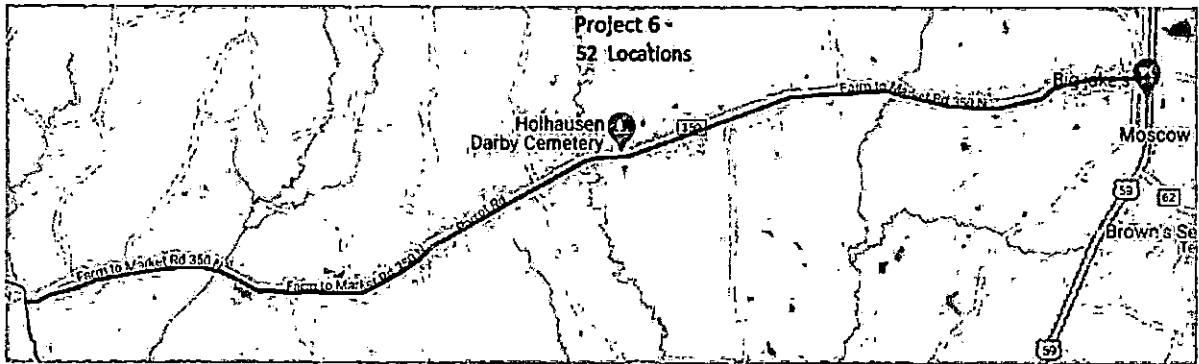
Map 5 – Project 4 – Fiber Backbone (Hwy. 59 from Piney Creek to Neches River or Polk/Angelina County Line)



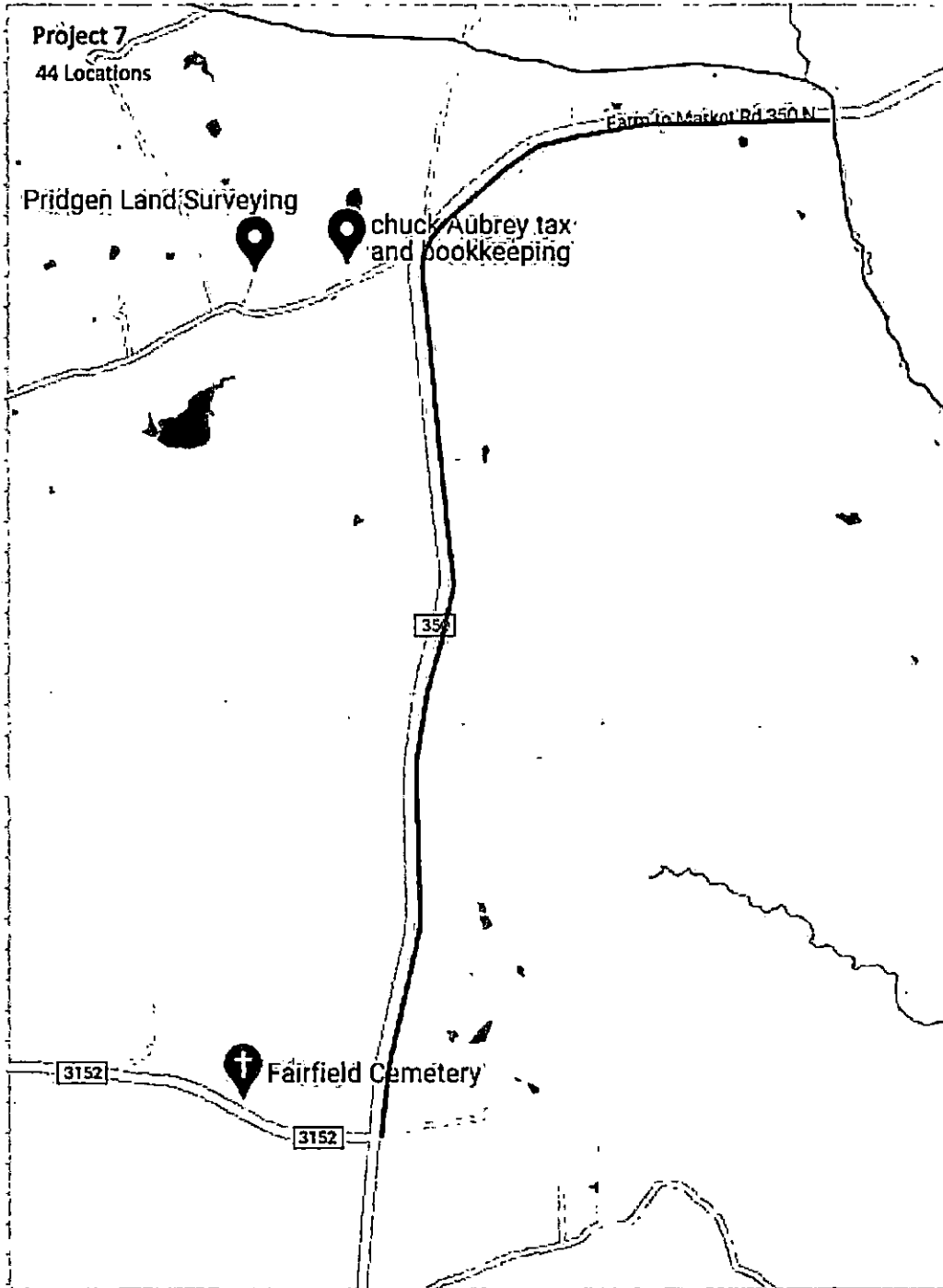
Map 6 – Project 5 – Fiber Backbone (Hwy 287 West of Corrigan to the Polk/Trinity County Line)



Map 7 – Project 6 – Fiber Backbone (FM 350 West from Hwy 59 to Eastex’s Onalaska Exchange Area Boundary)

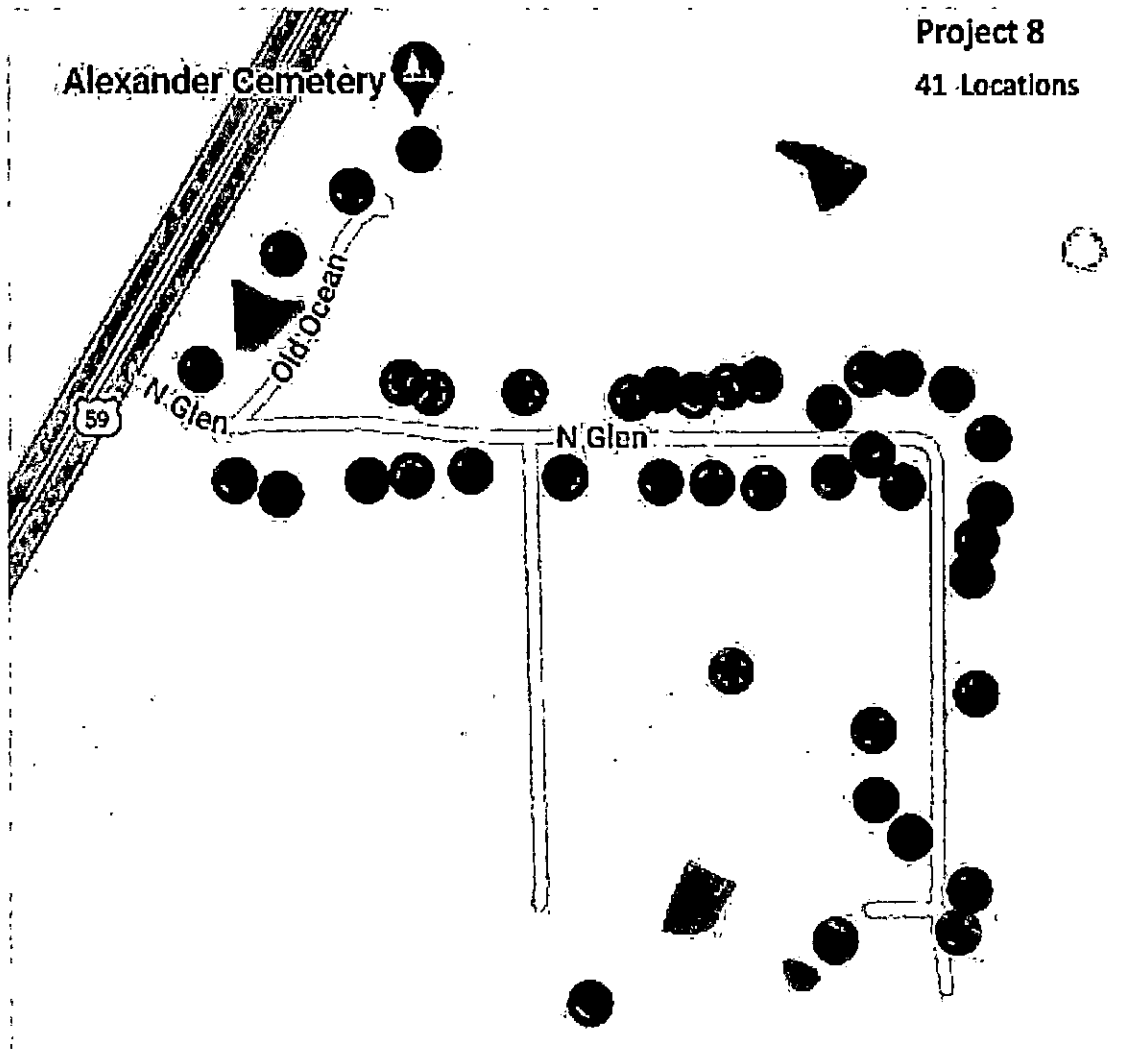


Map 8 – Project 7 – Fiber Backbone (FM 350 Southwest to Intersection of FM 3152)

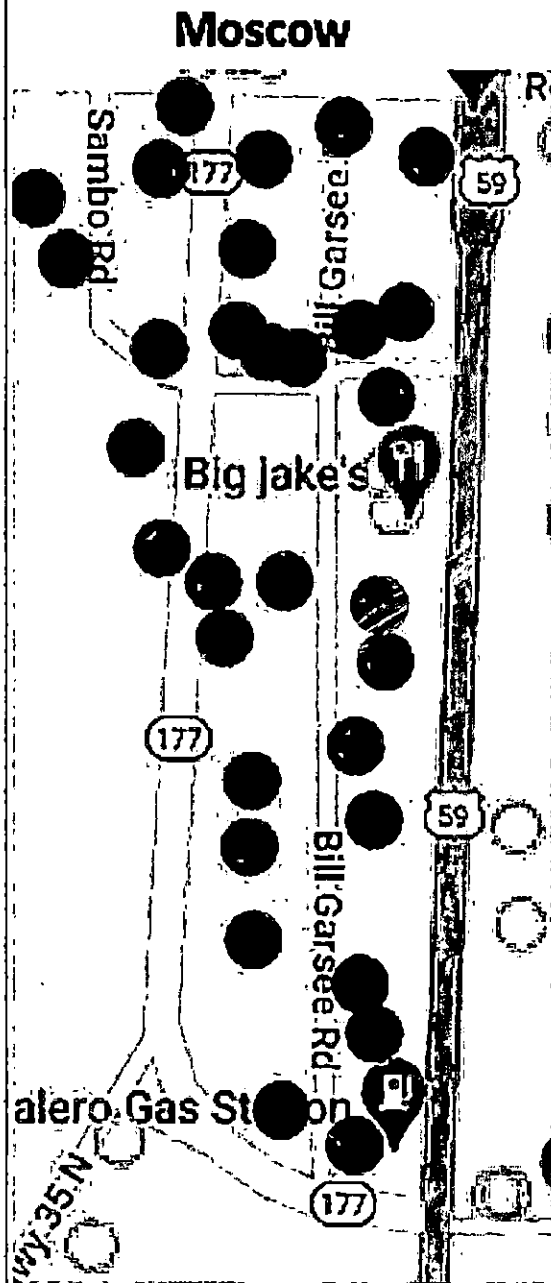


Map 9 – Project 8 – Fiber-to-the-Home (North Glen)

North Glen



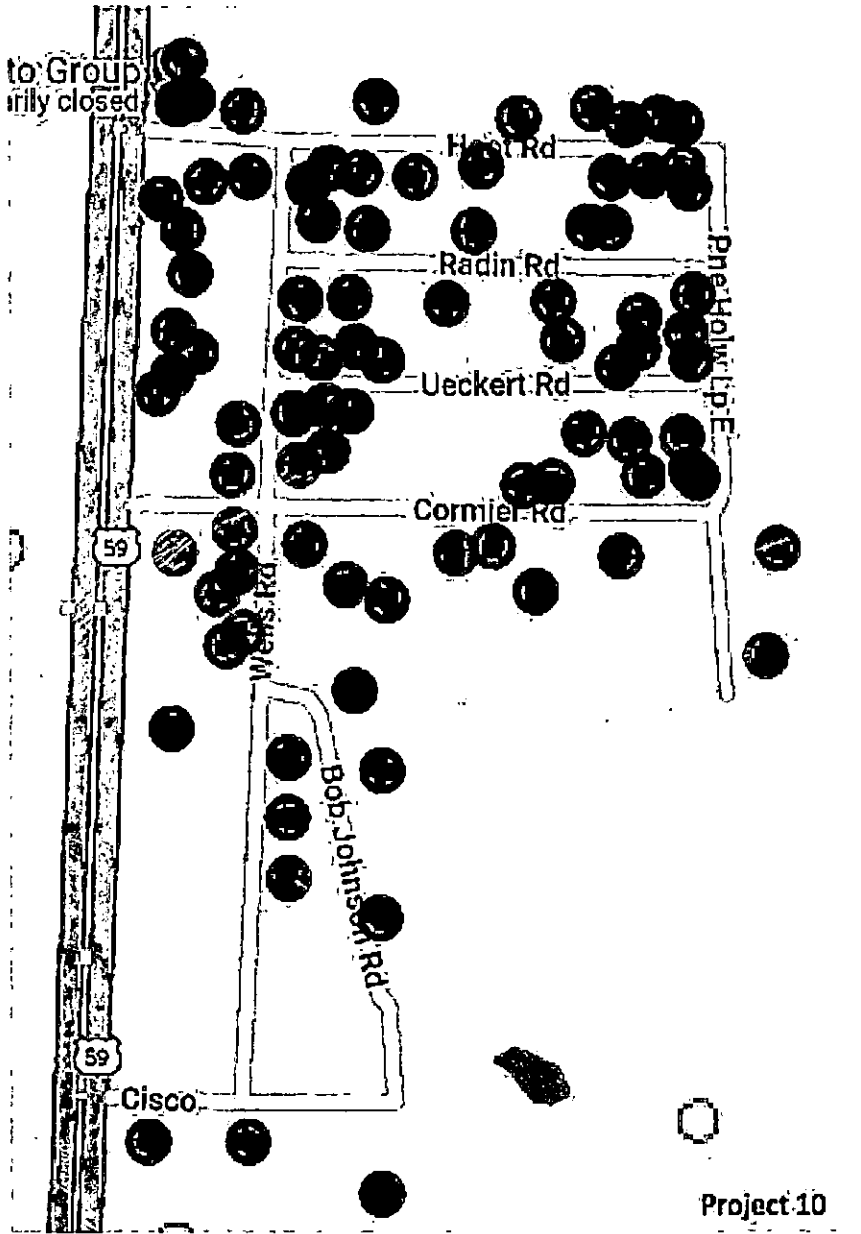
Map 10 – Project 9 – Fiber-to-the-Home (Moscow)



Project 9
30 Locations

Map 11 – Project 10 – Fiber-to-the-Home (Pine Hollow)

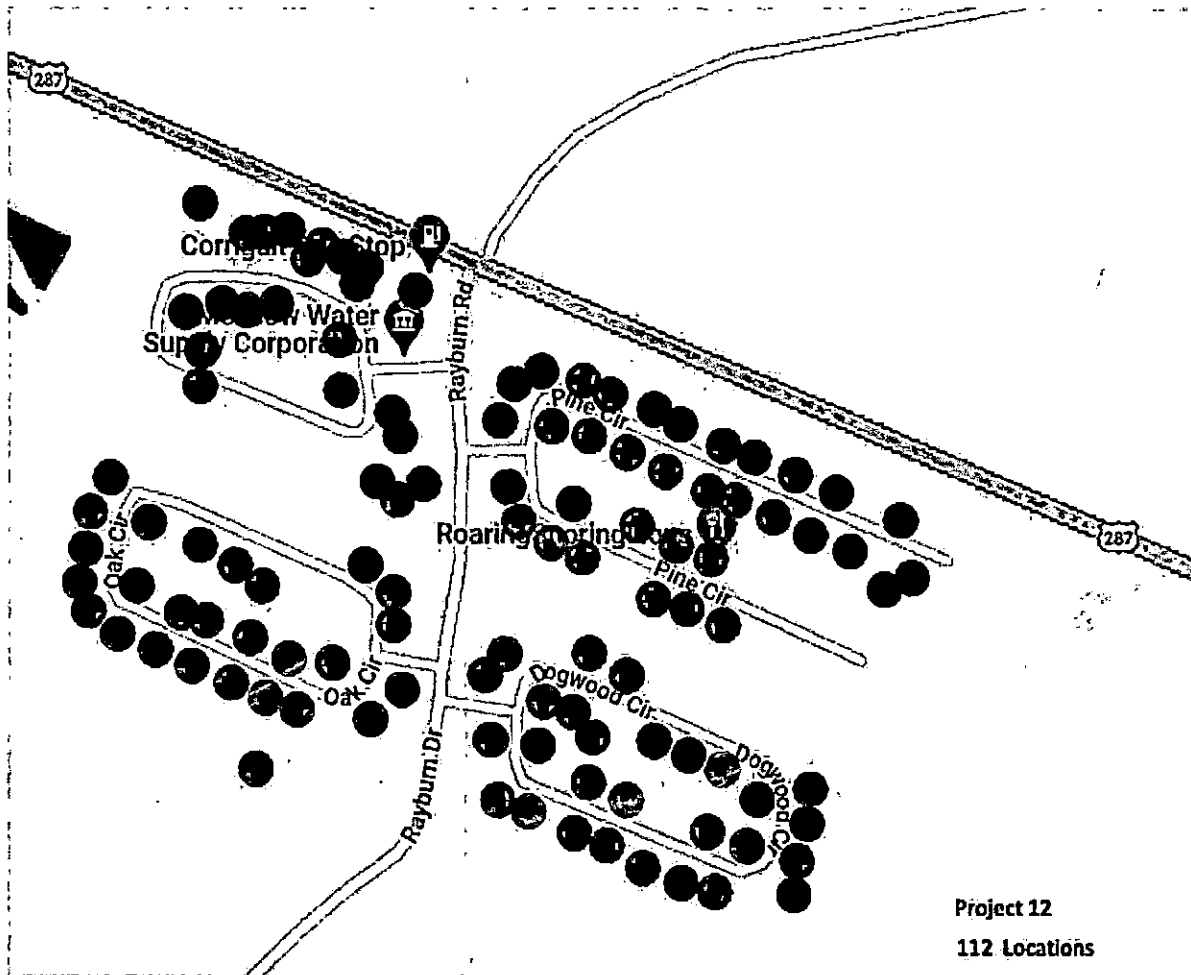
Pine Hollow



88 Locations

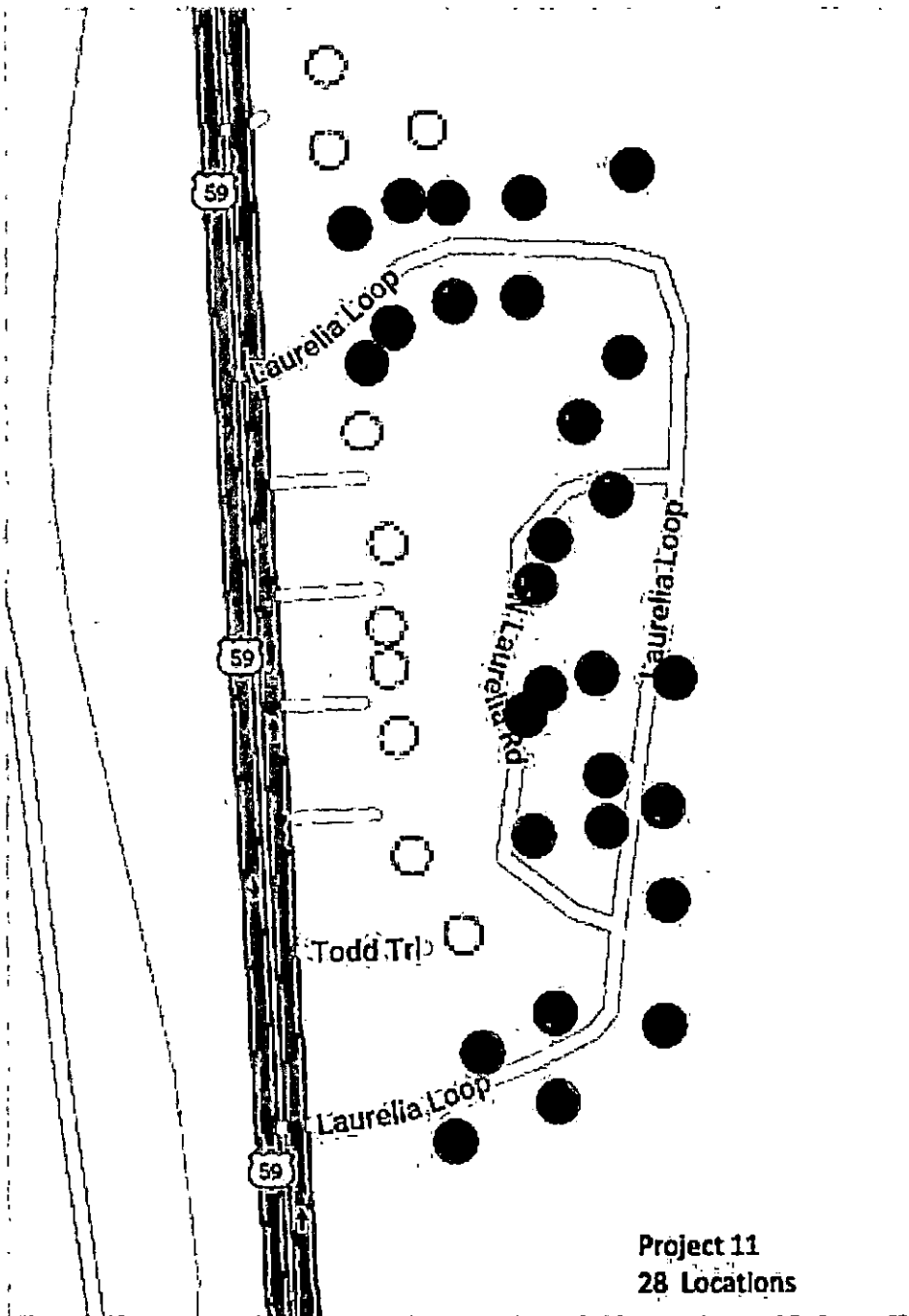
Map 12 – Project 11 – Fiber-to-the-Home (Rayburn)

Rayburn



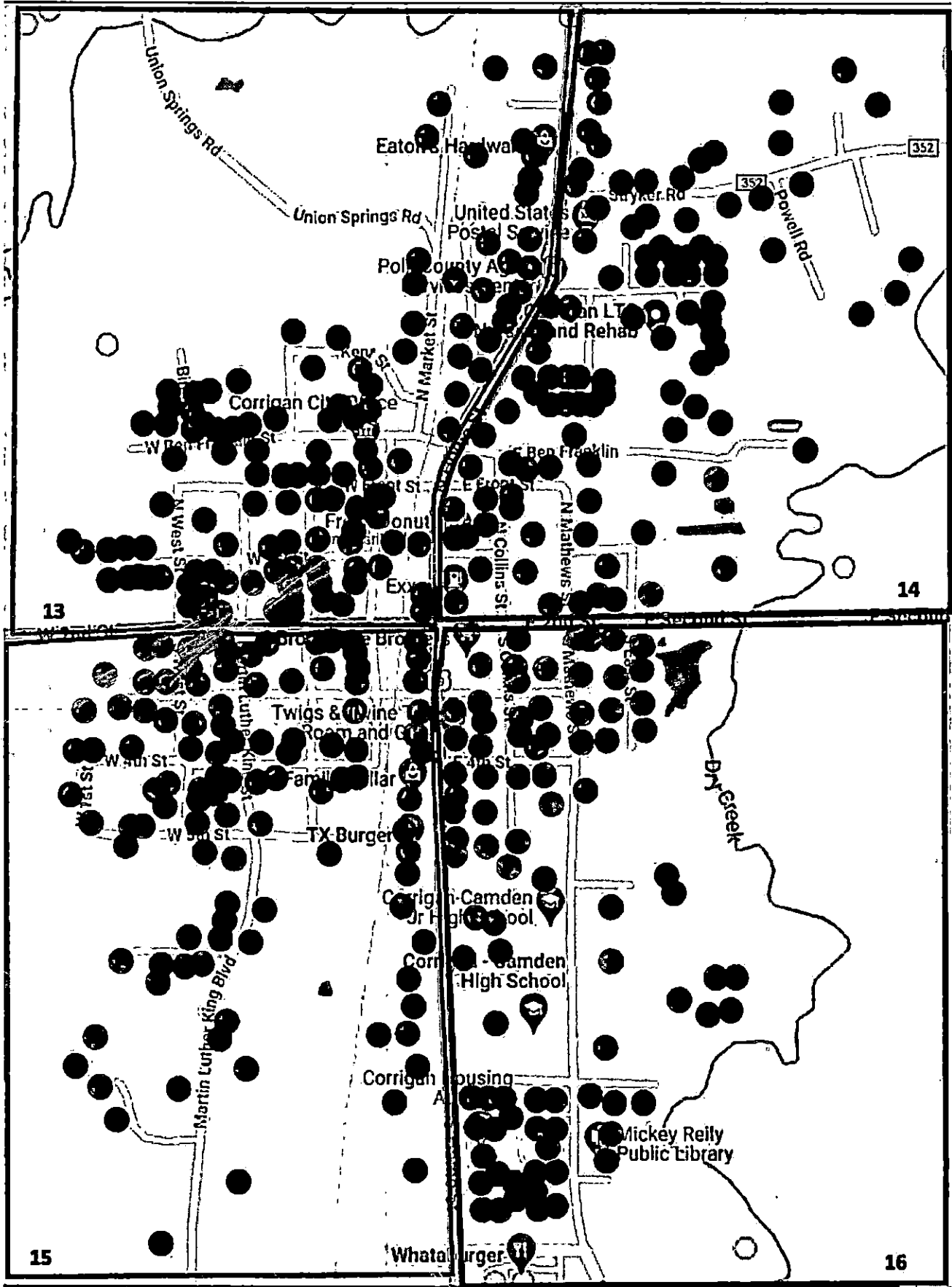
Map 13 – Project 12 – Fiber-to-the-Home (Laurelia Loop)

Laurelia Loop



Map 14 – Projects 13 -16 – Fiber-to-the-Home (City of Corrigan)

City Of Corrigan



City - 406 Locations

Section 13 - 116 Locations

Section 14 - 96 Locations

Section 15 - 107 Locations

Section 16 - 87 Locations

ATTACHMENT C – VERABANK REFERENCE LETTER



VERABANK

BANK REFERENCE LETTER

July 19, 2022

Polk County Assistant Auditor
Attn: Stephanie Dale
602 E. Church Street. Suite 108
Livingston, TX 77351

Re: Polk County Rural Internet Connectivity Project

To whom it may concern:

At the request of our client, we are pleased to report that Eastex Telephone Coop Inc. has been a customer of VeraBank's for over 40 years. Eastex Telephone Coop Inc. maintains their corporate accounts with VeraBank and definitely has the strength and resources to handle a project budget of \$15 million for the Polk County Rural Internet Connectivity Project.

Furthermore, we are pleased to confirm that this relationship is maintained in a very satisfactory manner with our bank, and we hold this account in high regard.

If I can be of further assistance in this matter, please do not hesitate to contact me at (903) 657-8521 ext. 5705 or by email at mmoores@verabank.com.

Sincerely,

Michael R. Moores
EVP & CLO

ATTACHMENT D – NON-COLLUSION CERTIFICATE

By submission of this proposal, each vendor and each person signing on behalf of any vendor certifies, and in the case of a joint quotation each party thereto certifies, as to its own organization, under penalty of perjury, that to the best of his knowledge and belief:

1. The prices in this quotation have been arrived at independently without collusion, consultation, communications, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other vendor or with any competitor;
2. Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the vendor and will not knowingly be disclosed by the vendor, directly or indirectly, to any other vendor or to any competitor;
3. No attempt has been made or will be made by the vendor to include any other person, partnership, or corporation to submit or not to submit a proposal for the purpose of restricting competition; and
4. No employee of Polk County, Texas, has received or will receive any payment or any other form of financial compensation from the Vendor as the result of award of this contract or promise of award to vendor.

Name: RUSTY DORMAN
Signature: _____
Title: GENERAL MANAGER
Company: EASTEX TELEPHONE COOPERATIVE, INC.
Date: AUGUST 1, 2022

Before me, a notary public in and for said county and state, personally appeared Rusty Dorman, who acknowledged the truth of the statements in the foregoing affidavit on this day of August 1, 2022.

Notary Public: _____
Name: _____
County of Residence: _____
My Commission Expires: _____

Polk County, Texas GRANT AGREEMENT

SIGNATURE AND COVER PAGE

County Agency Polk County Commissioners	Agreement Name/Number Rural Internet Connectivity Project
Grantee Livingston Communications Inc. dba LivCom	RFP Issue Date: June 16, 2022
	Initial Agreement Expiration Date December 31, 2023
Agreement Maximum Amount \$326,574.50	Fund Expenditure End Date June 30, 2024
	Agreement Description The Project consists of the Deployment Deploy, Operate, and Maintain an Internet/Broadband Network Which Delivers High-Speed Internet/Broadband to Currently Underserved Premises in Polk County

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

Each person signing this Agreement represents and warrants that he or she is duly authorized to execute this Agreement and to bind the Party authorizing to the other.

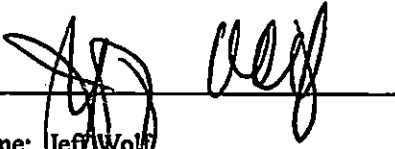
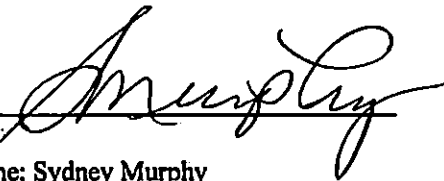
GRANTEE LivCom	Polk County
Livingston Communications Inc. dba LivCom	Polk County, Texas
By: 	By: 
Name: <u>Jeff Wolf</u>	Name: <u>Sydney Murphy</u>
Title: <u>General Manager</u>	Title: <u>Polk County Judge</u>
Date: <u>September 26th, 2022</u>	Date: <u>9/27/2022</u>

TABLE OF CONTENTS

	SIGNATURE AND COVER PAGE	I
1.	PARTIES	2
2.	TERM AND EFFECTIVE DATE.....	2
3.	AUTHORITY	2
4.	DEFINITIONS	3
5.	STATEMENT OF WORK.....	4
6.	PAYMENTS TO GRANTEE.....	4
7.	REPORTING - NOTIFICATION.....	5
8.	GRANTEE RECORDS.....	5
9.	INSURANCE.....	6
11.	BREACH.....	7
12.	DISPUTE RESOLUTION	7
13.	NOTICES AND REPRESENTATIVES.....	7
14.	EXHIBIT A – STATEMENT OF WORK.....	11
15.	EXHIBIT B – PROJECT LIST AND COST	12
16.	EXHIBIT C – PROJECT DELIVERY PLAN.....	13

1. PARTIES

This Agreement is entered into by and between LivCom (Grantee) named on the Signature and Cover Page for this Agreement (the "Grantee"), and Polk County, Texas acting by the Polk County Board of Commissioners

2. TERM AND EFFECTIVE DATE

Effective Date

This Agreement shall not be valid or enforceable until the Effective Date, and the direct capital funding shall be expended by the Fund Expenditure End Date shown on the Signature and Cover Page for this Agreement. The County shall not be bound by any provision of this Agreement before the Effective Date and shall have no obligation to pay Grantee for any Work performed or expense incurred before the Effective Date, or after the Fund Expenditure End Date. If the Work will be performed in multiple phases, the period of performance start and end date of each phase is detailed under the Project Schedule in Exhibit D.

Initial Term

The Parties' respective performances under this Agreement shall commence on the Agreement Performance Beginning Date shown on the Signature and Cover Page for this Agreement and shall terminate on the Initial Agreement Expiration Date shown on the Signature and Cover Page for this Agreement (the "Initial Term") unless sooner terminated or further extended in accordance with the terms of this Agreement.

The County, at its discretion, shall have the option to extend the performance under this Agreement beyond the Initial Term for a period, or for successive periods, of 1 year or less, up to a maximum total agreement length of two years from the effective date of this agreement, at the same rates and under the same terms specified in the Agreement (each such period an "Extension Term"). In order to exercise this option, the County shall provide written notice to Grantee in a form substantially equivalent to Exhibit B.

3. AUTHORITY

Authority to enter into this Agreement exists in the law as follows:

County Authority

Authority to enter into this direct capital funding via the American Rescue Plan Act of 2021 (ARPA), PL 117-2 (March 11, 2021), which amends Title VI of the Social Security Act (42 U.S.C. 801 et seq.). Power to execute this agreement comes from the Polk County Board of Commissioners and their charter.

This Agreement governs action to build fiber mainline infrastructure as requested in the Polk County Request for Proposal to satisfy the needs as laid out in the request within the boundaries of Livingston Communications exchange boundaries.

4. DEFINITIONS

The following terms shall be construed and interpreted as follows:

Agreement means this agreement, including all attached Exhibits, all documents incorporated by reference, all referenced statutes, rules and cited authorities, and any future modifications thereto.

Budget means the budget for the Work described in Exhibit C.

Business Day means any day in which the County is open and conducting business, but shall not include Saturday, Sunday, or any day on which the County observes one of the holidays.

Effective Date means the date on which this Agreement is approved and signed by the Polk County designee, as shown on the Signature and Cover Page for this Agreement.

Exhibits means the following exhibits attached to this Agreement:

Exhibit A, Project List and Project Cost.

Exhibit B, Project Timelines

Incident means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access or disclosure of County Confidential Information or of the unauthorized modification, disruption, or destruction of any County Records.

Party means the County or Grantee, and "Parties" means both the County and Grantee.

Services means the services to be performed by Grantee as set forth in this Agreement and shall include any services to be rendered by Grantee in connection with the Goods.

State Fiscal Rules means fiscal rules promulgated by the Texas State Controller.

County Fiscal Year means a 12-month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year. If a single calendar year follows the term, then it means the County Fiscal Year ending in that calendar year.

Subcontractor means third parties, if any, engaged by Grantee to aid in performance of the Work. Subcontractor.

Work means the delivery of the Goods and performance of the Services described in this Agreement.

Work Product means the tangible and intangible results of the Work, whether finished or unfinished, including drafts. Work Product includes, but is not limited to, documents, text, software (including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, materials, ideas, concepts, know-how, information, and any other results of the Work. Work Product does not include any material that was developed prior to the Effective Date that is used, without modification, in the performance of the Work.

Any other term used in this Agreement that is defined in an Exhibit shall be construed and interpreted as defined in that Exhibit.

5. STATEMENT OF WORK

Grantee shall complete the Work as described in this Agreement and in accordance with the provisions of Exhibit A. The County shall have no liability to compensate Grantee for the delivery of any goods or the performance of any services that are not specifically set forth in this Agreement.

6. PAYMENTS TO GRANTEE

Maximum Amount

- A. Payments to Grantee are limited to the amount awarded in the Polk County RFP.

Payment Procedures

- B. LivCom shall initiate a payment request by invoice to the County, in a form and manner approved by the County.
- C. LivCom will invoice the County for completed work and payment is due within 30 days of invoicing.
- D. LivCom will bill, upon completion of construction, the amount by project name, as listed on attachment C Budget.
- E. Payment is due to LivCom within thirty (30) of invoice date.

PAYMENT DISPUTES

If Grantee disputes any calculation, determination or amount of any payment, Grantee shall notify the County in writing of its dispute within 30 days following the earlier to occur of Grantee's receipt of the payment or notification of the determination or calculation of the payment by the County. The County will review the information presented by Grantee and may make changes to its determination based on this review.

Erroneous Payments

The County may recover payments made to Grantee in error for any reason, including, but not limited to, overpayments or improper payments, and unexpended or excess funds received by Grantee. The County may recover such payments by deduction from subsequent payments under this Agreement, deduction from any payment due under any other contracts, grants or agreements between the County and Grantee, or by any other appropriate method for collecting debts owed to the County.

The County shall reimburse Grantee's allowable costs, not exceeding the maximum total amount described in Exhibit A, **and the Cover Page of this Agreement** for all allowable costs described in this Grant and shown in the Budget, except that Grantee may adjust the amounts between each line item of the Budget without formal modification to this Agreement as long as the Grantee provides notice to the County of the change, the change does not modify the total maximum amount of this Agreement and the change does not modify any requirements of the Work. However, any costs incurred by Grantee prior to the Effective Date shall not be reimbursed. Grantee's costs for Work performed after the Fund Expenditure End Date shown on the Signature and Cover Page for this Agreement, or after any phase performance period end date for a respective phase of the Work, shall not be reimbursable. The County shall only reimburse allowable costs described in this Contract and shown in the Budget if those costs are:

1. Reasonable and necessary to accomplish the Work and for the Goods and Services provided; and
2. Equal to the actual net cost to Grantee (i.e., the price paid minus any items of value received by Grantee that reduce the cost actually incurred).

Close-Out.

Grantee shall close out this Award within 45 days after the Fund Expenditure End Date shown on the Signature and Cover Page for this Agreement. To complete close-out, Grantee shall submit to the County all deliverables as defined in this Agreement and Grantee's final reimbursement request or invoice. The County will withhold the final reimbursement until all final documentation has been submitted and accepted by the County as complete.

7. REPORTING – NOTIFICATION

CONFIDENTIAL INFORMATION-COUNTY RECORDS

A. Confidentiality

Grantee shall hold and maintain, and cause all Subcontractors to hold and maintain, any and all County Records that the County provides or makes available to Grantee for the sole and exclusive benefit of the County, unless those Records are otherwise publicly available at the time of disclosure. Grantee shall not, without prior written approval of the County, use for Grantee's own benefit, publish, copy, or otherwise disclose to any third party, or permit the use by any third party for its benefit or to the detriment of the County, any County Records, except as otherwise stated in this Agreement. Other Entity Access and Nondisclosure Agreements

B. Use, Security, and Retention

Grantee shall use, hold, and maintain County Confidential Information in compliance with any and all applicable laws and regulations in facilities located within the United States, and shall maintain a secure environment that ensures confidentiality of all County Confidential Information wherever located.

C. Incident Notice and Remediation

If Grantee becomes aware of any Incident, it shall notify the County immediately and cooperate with the County regarding recovery, remediation, and the necessity to involve law enforcement, as determined by the County. Unless Grantee can establish that none of Grantee or any of its agents, employees, assigns, or Subcontractors are the cause or source of the Incident, Grantee shall be responsible for the cost of notifying each person who may have been impacted by the Incident. After an Incident, Grantee shall take steps to reduce the risk of incurring a similar type of Incident in the future as directed by the County, which may include, but is not limited to, developing, and implementing a remediation plan that is approved by the County.

CONFLICTS OF INTEREST

A. Actual Conflicts of Interest

Grantee shall not engage in any business or activities or maintain any relationships that conflict in any way with the full performance of the obligations of Grantee under this Agreement. Such a conflict of interest would arise when a Grantee or Subcontractor's employee, officer or agent were to offer or provide any tangible personal benefit to an employee of the County, or any member of his or her immediate family or his or her partner, related to the award of, entry into or management or oversight of this Agreement.

B. Apparent Conflicts of Interest

Grantee acknowledges that, with respect to this Agreement, even the appearance of a conflict of interest shall be harmful to the County's interests. Absent the County's prior written approval, Grantee shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Grantee's obligations under this Agreement.

C. Disclosure to the County

If a conflict or the appearance of a conflict arises, or if Grantee is uncertain whether a conflict or the appearance of a conflict has arisen, Grantee shall submit to the County a disclosure statement setting forth the relevant details for the County's consideration. Failure to promptly submit a disclosure statement or to follow
Page 5

the County's direction in regard to the actual or apparent conflict constitutes a breach of this Agreement.

8. INSURANCE

Grantee shall obtain and maintain, and ensure that each Subcontractor shall obtain and maintain, insurance as specified in this section at all times during the term of this Agreement. All insurance policies required by this Agreement that are not provided through self-insurance shall be issued by insurance companies with an A.M.

D. Workers' Compensation

Workers' compensation insurance as required by state statute, and employers' liability insurance covering all Grantee or Subcontractor employees acting within the course and scope of their employment.

E. General Liability

Commercial general liability insurance written on an Insurance Services Office occurrence form, covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows:

\$1,000,000 each occurrence.
\$1,000,000 general aggregate.
\$1,000,000 products and completed operations aggregate:
And \$50,000 and 1 fire.

Polk County to be named as Additional Insured

Polk County shall be named as additional insured on all commercial general liability policies (leases and construction contracts require additional insured coverage for completed operations) required of Grantee and Subcontractors.

F. Primacy of Coverage

Coverage required of Grantee and each Subcontractor shall be primary over any insurance or self-insurance program carried by Grantee or the County.

G. Cancellation

All commercial insurance policies shall include provisions preventing cancellation or non-renewal, except for cancellation based on non-payment of premiums, without at least 30 days prior notice to Grantee and Grantee shall forward such notice to the Polk County in accordance within 7 days of Grantee's receipt of such notice.

H. Subrogation Waiver

All commercial insurance policies secured or maintained by Grantee or its Subcontractors in relation to this Agreement shall include clauses stating that each carrier shall waive all rights of recovery under subrogation or otherwise against Grantee or the Polk County, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

I. Certificates

For each commercial insurance plan provided by Grantee under this Agreement, Grantee shall provide to the County certificates evidencing Grantee's insurance coverage required in this Agreement within 7 Business Days following the Effective Date. Grantee shall provide to the County certificates evidencing Subcontractor insurance coverage required under this Agreement within 7 Business Days following the Effective Date, except that, if Grantee's subcontract is not in effect as of the Effective Date, Grantee shall provide to the County certificates showing Subcontractor insurance coverage required under this Agreement within 7 Business Days following Grantee's execution of the subcontract. No later than 15 days before the expiration date of Grantee's or any Subcontractor's coverage, Grantee shall deliver to the County certificates of insurance evidencing renewals of coverage. At any other time during the term of

this Agreement, upon request by the County, Grantee shall, within 7 Business Days following the request by the County, supply to the County evidence satisfactory to the County of compliance with the provisions within.

9. BREACH

J. Defined

The failure of a Party to perform any of its obligations in accordance with this Agreement, in whole or in part or in a timely or satisfactory manner, shall be a breach. The institution of proceedings under any bankruptcy, insolvency, reorganization, or similar law, by or against Grantee, or the appointment of a receiver or similar officer for Grantee or any of its property, which is not vacated or fully stayed within 30 days after the institution of such proceeding, shall also constitute a breach.

K. Notice and Cure Period

In the event of a breach, the aggrieved Party shall give written notice of breach to the other Party. If the notified Party does not cure the breach, at its sole expense, within 30 days after the delivery of written notice, the Party may exercise any of the remedies for that Party. Notwithstanding any provision of this Agreement to the contrary, the County, in its discretion, need not provide notice or a cure period and may immediately terminate this Agreement in whole or in part or institute any other remedy in the Agreement in order to protect the public interest of the County.

L. DISPUTE RESOLUTION

Initial Resolution

Except as herein specifically provided otherwise, disputes concerning the performance of this Agreement which cannot be resolved by the designated Agreement representatives shall be referred in writing to a senior departmental management staff member designated by the County and a senior manager designated by Grantee for resolution.

10. NOTICES AND REPRESENTATIVES

Each individual identified below shall be the principal representative of the designating Party. All notices required or permitted to be given under this Agreement shall be in writing and shall be delivered (i) by hand with receipt required, (ii) by certified or registered mail to such Party's principal representative at the address set forth below or (iii) as an email with read receipt requested to the principal representative at the email address, if any, set forth below. If a Party delivers a notice to another through email and the email is undeliverable, then, unless the Party has been provided with an alternate email contact, the Party delivering the notice shall deliver the notice by hand with receipt required or by certified or registered mail to such Party's principal representative at the address set forth below. Either Party may change its principal representative or principal representative contact information by notice submitted in accordance with this §6 without a formal amendment to this Agreement. Unless otherwise provided in this Agreement, notices shall be effective upon delivery of the written notice.

NOTICES AND REPRESENTATIVES

For the County:

Sydney Murphy
410 E Church St Ste E
Livingston, TX 77351
smurphy@co.polk.tx.us

For the Grantee:

Deborah Rand
Livingston Communications
9 Cedarwood Dr, Unit 4
Bedford, NH 03110
Deborah.Rand@highlinefast.com

11. RIGHTS IN WORK PRODUCT AND OTHER INFORMATION

Whether or not Grantee is under contract with the County at the time, Grantee shall execute applications, assignments, and other documents, and shall render all other reasonable assistance requested by the County, to enable the County to secure patents, copyrights, licenses, and other intellectual property rights related to the Work Product. The Parties intend the Work Product to be works made for hire. Grantee assigns to the County and its successors and assigns, the entire right, title, and interest in and to all causes of action, either in law or in equity, for past, present, or future infringement of intellectual property rights related to the Work Product and all works based on, derived from, or incorporating the Work Product. Applicable third-party vendor, or in the case of open-source software, the license terms set forth in the applicable open-source license agreement.

GENERAL PROVISIONS

1. Assignment

Grantee's rights and obligations under this Agreement are personal and may not be transferred or assigned without the prior, written consent of the County. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Grantee's rights and obligations approved by the County shall be subject to the provisions of this Agreement. Laws and regulations, shall provide that they are governed by the laws of the State of Texas, and shall be subject to all provisions of this Agreement.

2. Binding Effect

All provisions of this Agreement, including the benefits and burdens, shall extend to and be binding upon the Parties' respective successors and assigns.

3. Authority

Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations have been duly authorized.

4. Captions and References

The captions and headings in this Agreement are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions. All references in this Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits, or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

5. Counterparts

This Agreement may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

Entire Understanding. This Agreement represents the complete integration of all understandings between the Parties related to the Work, and all prior representations and understandings related to the Work, oral or written, are merged into this Agreement. Prior or contemporaneous additions, deletions, or other changes to this Agreement shall not have any force or effect whatsoever, unless embodied herein.

6. Jurisdiction and Venue

All suits or actions related to this Agreement shall be filed and proceedings held in the State of Texas and exclusive venue shall be in the City and County of Livingston, Polk County

7. Modification

Except as otherwise provided in this Agreement, any modification to this Agreement shall only be effective if agreed to in a formal amendment to this Agreement, properly executed and approved in accordance with applicable Texas State law and State Fiscal Rules. Modifications permitted under this Agreement, other than Agreement amendments, shall conform to the policies promulgated by the County Judge.

8. Order of Precedence

In the event of a conflict or inconsistency between this Agreement and any Exhibits or attachment such conflict or inconsistency shall be resolved by reference to the documents in the following order of priority:

- i. The provisions of the other sections of the main body of this Agreement.
- ii. Exhibit A, Statement of Work.

9. Severability

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations under this Agreement in accordance with the intent of the Agreement.

10. Survival of Certain Agreement Terms

Any provision of this Agreement that imposes an obligation on a Party after termination or expiration of the Agreement shall survive the termination or expiration of the Agreement and shall be enforceable by the other Party.

11. Waiver

A Party's failure or delay in exercising any right, power, or privilege under this Agreement, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege. Standard and Manner of Performance Grantee shall perform its obligations under this Agreement in accordance with the highest standards of care, skill and diligence in Grantee's industry, trade, or profession.

12. Licenses, Permits, and Other Authorizations.

Grantee shall secure, prior to the Effective Date, and maintain at all times during the term of this Agreement, at its sole expense, all licenses, certifications, permits, and other authorizations required to perform its obligations under this Agreement, and shall ensure that all employees, agents and Subcontractors secure and maintain at all times during the term of their employment, agency or Subcontractor, all license, certifications, permits and other authorizations required to perform their obligations in relation to this Agreement.

13. Indemnification

General Indemnification.

Grantee shall indemnify, save, and hold harmless the County, its employees, agents, and assignees (the "Indemnified Parties"), against any and all costs, expenses, claims, damages, liabilities, court awards and other amounts (including attorneys' fees and related costs) incurred by any of the Indemnified Parties in relation to any act or omission by Grantee, or its employees, agents, Subcontractors, or assignees in connection with this Agreement.

14. Confidential Information Indemnification

Disclosure or use by Grantee in violation, may be cause for legal action by third parties against Grantee, the County, or their respective agents. Grantee shall indemnify, save, and hold harmless the Indemnified Parties, against any and all claims, damages, liabilities, losses, costs, expenses (including attorneys' fees and costs) incurred by the County in relation to any act or omission by Grantee, or its employees, agents, assigns, or Subcontractors in violation.

15. Intellectual Property Indemnification

Grantee shall indemnify, save, and hold harmless the Indemnified Parties, against any and all costs, expenses, claims, damages, liabilities, and other amounts (including attorneys' fees and costs) incurred by the Indemnified Parties in relation to any claim that any Work infringes a patent, copyright, trademark, trade secret, or any other intellectual property right.

EXHIBIT A, STATEMENT OF WORK

DESCRIPTION OF THE PROJECT AND WORK.

The County seeks to make available reliable and affordable high-speed internet/broadband services to as many premises in the County as possible, specifically to underserved or unserved households and businesses, defined as those not currently served by a connection that reliably delivers at least 100 Mbps download speed and 100 Mbps upload speed.

The high-speed internet/broadband services shall specifically provide a service designed to reliably meet or exceed a speed of 100 Mbps download and 100 Mbps upload; or in cases where the symmetrical 100/100 Mbps service is not practicable, provide a service designed to reliably meet or exceed 100 Mbps download and at least 20 Mbps upload speeds, and be scalable to a minimum of 100 Mbps download and 100 Mbps upload. Interim Rule, 31 C.F.R § 35.6(e)(2), 86 Fed. Reg. 26786, 26823.

Polk County's primary priority is to create a "backbone" to facilitate current and future connections along state highway 59 and 190 through high traffic and developing areas. This will allow service providers to close the gap between their current services areas and rural homes and businesses. Polk County wants to build fiber infrastructure and LivCom agrees to build in its' service area for:

1. A connection along Highway 59 from the South to the North Polk County line.
2. A connection along highway 350 North from highway 190 to 59 North to create redundancy for the western part of Polk County.
3. A connection along the entire highway 146 in Polk County.

The County does not intend to enter the internet/broadband business as a competitive service provider. The County does not intend to operate the network enterprise it financially supports through this RFP process. The network enterprise will be owned and operated by the selected Applicant, and/or Applicant's subcontractor, as per the contract to be negotiated with the County.

Work Description.

LivCom will build new fiber facilities connecting to its' existing ISP network to provide the scope of work outlined in Exhibit A.

DELIVERABLES

Outcome. The final outcome of this Grant will be FTTP Infrastructure passing 1,969 dwellings/businesses, which will result in new broadband infrastructure.

Service Area. The performance of the Work described within this Agreement shall be located in LivCom's serving area within Polk County, Texas.

Performance Milestones. Grantee shall comply with the performance milestones detailed in Exhibit D.

Remittance Address. If mailed, payments shall be remitted to the following address unless changed in accordance with the notice section of this agreement.

Exhibit B – Project List and Costs

Project Name	Cost Estimate	Cost Per Mile
Highway 59	\$279,087.60	\$56,530.58
Highway 190	\$67,159.35	\$37,381.55
Highway 146	\$306,902.05	\$38,697.14
Total Project Cost	\$653,149	
Total Polk County Cost	\$326,574.50	\$22,276.57
Total Applicant Cost	\$326,574.50	
County Contribution as a Percentage to Total Cost	50%	

EXHIBIT C, Project Delivery Plan

Our work will be completed per the following Barring delays caused by permitting, supply chain issues or acts of God, LivCom will comply with all benchmarks.

Work Plan for HWY 59

Project Name: Polk RFQ Hwy 59 in Exchange including passings

Homes: 257

Miles: 13.65

Project Start Date: RFP Contract Execution Date

Task List:

Major Task	Target Days
Walkout	14
Prelim Design	10
Permit Prep	10
Permit Approval	20
Utility Make-Ready	30
Final Design/Staking Sheets	20
Official BOM	3
Fiber Schematics	10
Fiber Assignment Files for Records	4
Construction and Splicing	60
Activate Equipment	5
Proof of Performance	10
Project Start to Finish*	196
*Does not include weekends and holidays	

Work Plan for HWY 190

Project Name: Polk RFQ Hwy 190 in Exchange including Passings

Homes: 539

Miles: 23.94

Project Start Date: RFP Contract Execution Date

Task List:

Major Task	Target Days
Walkout	19
Prelim Design	14
Permit Prep	14
Permit Approval	28
Utility Make-Ready	42
Final Design/Staking sheets	28
Official BOM	4
Fiber Schematics	14
Fiber Assignment Files for Records	6
Construction and Splicing	84
Activate Equipment	5
Proof of Performance	14
Project Start to Finish*	272
*Does not include weekends and holidays	

Work Plan for HWY 146

Project Name: Polk RFQ Hwy 146 in Exchange including Passings

Homes: 1173

Miles: 34.85

Project Start Date: RFP Contract Execution Date

Task List:

Major Task	Target Days
Walkout	24
Prelim Design	18
Permit Prep	18
Permit Approval	36
Utility Make-Ready	54
Final Design/Staking sheets	36
Official BOM	5
Fiber Schematics	18
Fiber Assignment Files for Records	7
Construction and Splicing	109
Activate Equipment	6
Proof of Performance	18
Project Start to Finish*	349
*Does not include weekends and holidays	