

Executive Project Summary

Project: George & Orange City (Rural)

Proposed Project:

The proposed Project by Premier Communications, Inc. (“Premier”) aligns perfectly with the stated goal of the CARES Act Fund: to address the increased need for internet connectivity due to the COVID-19 pandemic. Premier proposes to meet the CARES Act Fund objective, not by constructing a network only meant to meet the bare minimum requirements of 25 Mbps download and 3 Mbps upload, but instead couple the CARES Act Fund objective with the Governor’s Empower Rural Iowa Initiative recommendation of targeting **Future Ready** connectivity that we’ll need tomorrow – not just the level of connectivity we need today. Premier plans to achieve this high standard thru a state-of-the-art, fully Fiber to the Premise (“FTTP”) architecture where every Broadband Unit within the proposed Project area will have access to dedicated fiber facilities. The fiber optic cable infrastructure will be designed in a manner that permits Premier to utilize various technologies such as Active Ethernet, Gigabit Passive Optical Network (“GPON”), or various other next-generation technologies such as Next Generation – Passive Optical Network 2 (“NG-PON2”) which will enable not only today’s telehealth, telemedicine, distance learning and telework applications, but have the ability to very quickly and easily scale to meet any future needs.

The proposed FTTP network architecture will not only provide delivery of Broadband service, but also allows for the delivery of high quality voice and video services across the broadband access platform. Premier will utilize redundant Ethernet uplinks from its FTTP aggregation point to its existing softswitch to facilitate voice services. While the existing softswitch contains existing connections to the public switched telephone network (“PSTN”) that will be required for this voice services implementation, Premier will complete any interconnection work and associated call translations to ensure proper availability of voice services. Premier will also utilize redundant Ethernet uplinks from its FTTP aggregation point to provide access to its Internet Protocol television (“IPTV”) signal which will provide customers within the proposed Project area with a competitive video solution from Premier for the first time. Finally, Premier will implement redundant Ethernet uplinks from the proposed FTTP aggregation point to its core data network. These redundant connections ensure highly reliable Broadband data communications services which is essential when students are learning from home, teachers are educating from home, employees are working from home and maybe even more importantly, patients are being treated from home. Premier will utilize its existing data network routers, Internet uplinks, and ISP services to support new customers in the proposed Project area.

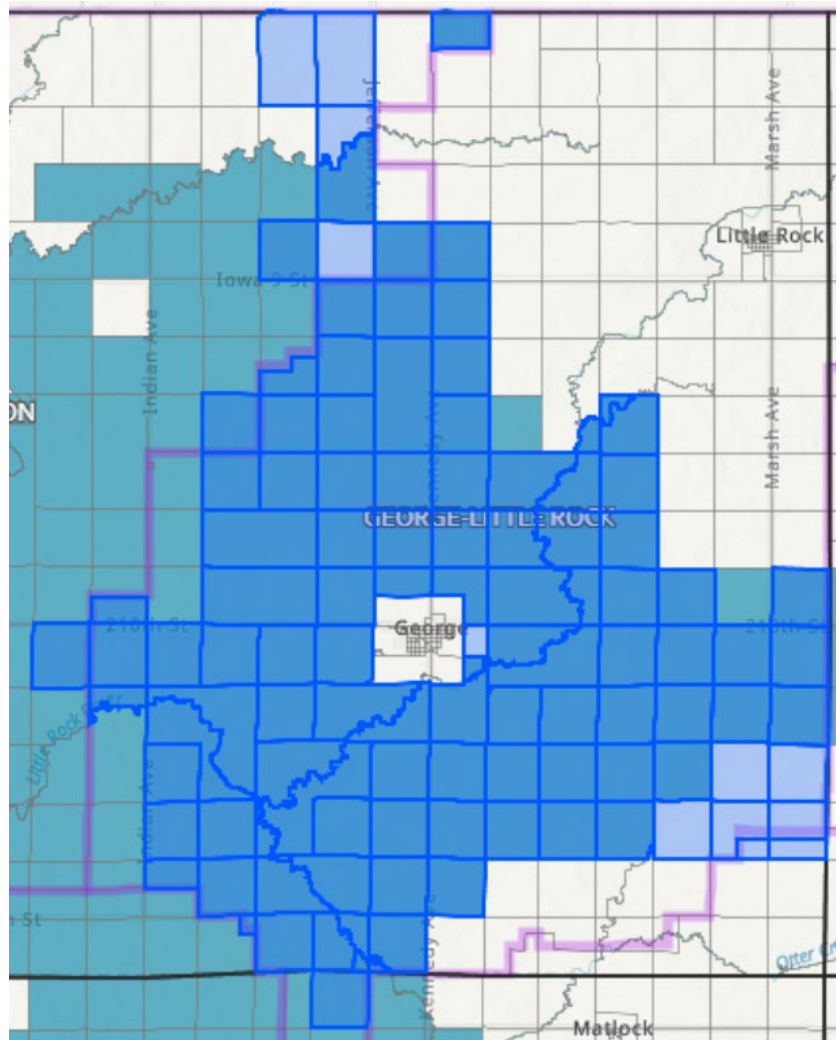
The proposed FTTP network architecture isn’t designed to provide just the minimum broadband speeds of 25 Mbps download and 3 Mbps upload, but is the most state-of-the-art, future-proof network design available providing speeds to each Broadband Unit within the proposed Project Area of 1 Gbps download and 1 Gbps upload (including raw data and Ethernet overheads) today and speeds well beyond 1 Gbps in the future with only electronic upgrades necessary to realize those higher speeds. Not only does a FTTP network design provide the best throughput in terms of Broadband speeds available today, but this type of terrestrial technology, using pulses of light to transmit its traffic, results in one of

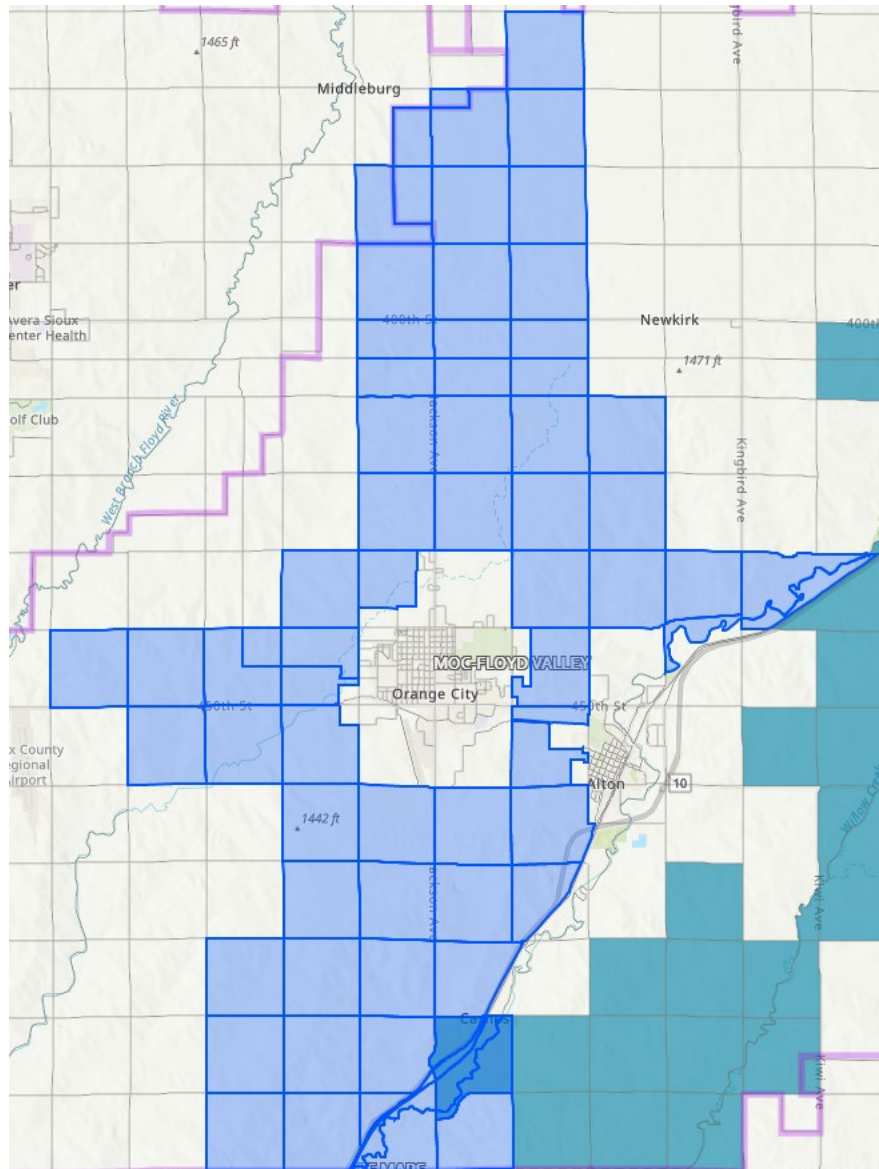
the fastest possible transmission paths, thus creating a very low latency network which is essential when utilizing telehealth video conferencing, live virtual classroom instruction and other 2-way communication applications.

As a locally based provider with a history of successfully deploying FTTP networks and existing operations adjacent to the proposed Project area, Premier is best positioned to provide this state-of-the-art FTTP Broadband network to each and every Broadband Unit within the proposed Project area in the most cost-effective manner possible giving the state of Iowa the best “bang for its buck”.

Geographic Area:

The geographic area in which the Project will occur is shown in the selection below and the specific census blocks are included within the Core Application:





Estimated Start and Completion Dates:

Premier anticipates the proposed Project will commence shortly after it is awarded with construction beginning first thing in September. Customer fiber cutovers are also anticipated to begin in 2020 with construction and cut-overs being completed in the 2nd quarter of 2021. Premier will have no problem meeting the compliance requirements of 50% Project completion by December 30, 2020 and 100% Project completion by July 1, 2021.

Compliance with Terms, Conditions and Requirements of NOFA #003:

Project Completion: Premier is fully capable of meeting the completion milestones of 50% by December 30, 2020 and 100% by July 1, 2021 as detailed in NOFA #003. Throughout the application Premier has demonstrated that it has the financial capability to fund its portion of the Project (see Business Organization attachment), it has shown the project is shovel ready but has not yet commenced construction (see “Current Status of Project” heading below) and it has identified that its management team has been successfully overseeing and implementing on-time FFTP overbuilds for 10+ years, always refining its project management processes to grow from lessons learned (see Demonstrated Experience attachment). Premier is also very capable of complying with field testing compliance measures implemented by the Office of the Chief Information Officer as it is successfully implementing the Federal Communications Commission’s (“FCC”) broadband performance testing measures that went into effect January 1, 2020.

Payment Procedures: Premier, either itself or through its affiliated companies, has been highly regulated since it was formed and due to that regulation has set up accounting policies and procedures designed to comply with FCC rules and regulations that require detailed tracking and documentation of all costs. It has also implemented procedures to comply with previously awarded state grants and a Rural Utility Service (RUS) ReConnect grant, both of which require very detailed tracking and documentation of costs incurred for those projects. It has also been subject to random audits by the Universal Service Administrative Company (“USAC”) for expenditures made and Universal Service Funds received and it has always been found in material compliance with the rules and regulations in place at the time.

Record Retention/Access to Records: As stated previously, Premier has policies, procedures and software in place to be in full compliance with the record retention and access to records requirements in the Notice of Funding Availability (“NOFA”) Grant Agreement. It also has years of experience in complying with both the FCC and USAC’s record retention requirements.

Compliance with Law: Premier has and will continue to comply with all applicable federal, state, foreign and local laws, rules, regulations, codes, standards, ordinances and orders both generally and in connection with the performance of the Grant Agreement. The NOFA grant agreement was reviewed by Premier’s outside general counsel to ensure legal compliance. Premier reviews (annually) and updates its corporate employee handbook and internal compliance programs as needed to meet applicable federal, state and local requirements.

General/Other Provisions: Premier has read, and had its general counsel review the remaining terms, conditions, and requirements of the NOFA Grant Agreement and will be able to comply with all finalized provisions. It has significant experience with contractual compliance as it has been successful in multiple other government programs either itself or through its affiliated companies, in addition to hundreds of other contracts it has entered into over the years with other private entities. To the best of its knowledge, Premier has never been in breach of any contract.

Federal Funding – Required Provisions: Premier has read, and had its general counsel review “Schedule A – Federal Funding – Required Provisions” and feels confident that it is able to comply with the additional CARES Act Requirements and execute the required certifications within this schedule.

Necessity of CARES Act Funds:

Over the last 10 years, Premier, either itself or through its affiliated companies, has constructed fiber to the premise networks within 17 exchanges (8-rural only, 8-town & rural, 1-town only). The density of these projects has typically been less than 10 locations per square mile, with the exception of two projects that included larger towns. Premier's average cost per location for these projects has been around \$5,400. Premier's most expensive fiber to the premise construction project had a per location cost of roughly \$9,700 and its least expensive fiber to the premise construction project had a per location cost of roughly \$4,000.

However, with a density of just over 4 Broadband Units per square mile, the average cost of the proposed Project is closer to \$11,100 per location which is over 2X's the average cost of our prior 17 projects.

The CARES Act Fund matching percentage of 50% is the ONLY possible way for Premier to justify the investment within the proposed Project area as it brings our cost per location within an acceptable range of investment. Without the significant funding being made available, Premier will not move forward with this Project and the teachers, students and employees of the proposed Project area will continue being underserved in a time where access to robust, reliable broadband has never been so important.

Current Status of Project:

Premier has not only completed the preconstruction stages (i.e. engineering and staking) for the proposed Project, but in order to be completely shovel ready, it has secured fiber and a contractor which will allow us to start construction almost immediately upon signing the Grant Agreement. Premier wants to confirm that it has NOT commenced any construction of the proposed Project to date; however, feels it is positioned as well as anybody in the state to start construction immediately upon signing the Grant Agreement and make a real difference to those living in the proposed Project area by the end of the year, with project completion no later than July 1, 2021.