Cordova Telephone Cooperative, Inc. and Subsidiary

Consolidated Financial Statements with Supplemental Information and RUS Letters

Years Ended December 31, 2021 and 2020

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(b) (4)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cordova Telephone Cooperative, Inc. and Subsidiary
Cordova, Alaska

Opinion

We have audited the accompanying consolidated financial statements of Cordova Telephone Cooperative, Inc. (a State of Alaska cooperative) and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cordova Telephone Cooperative, Inc. and Subsidiary as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with accounting standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cordova Telephone Cooperative, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cordova Telephone Cooperative, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cordova Telephone Cooperative and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in aggregate, that raise substantial doubt about Cordova Telephone Cooperative and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 2, 2022, on our consideration of Cordova Telephone Cooperative and Subsidiary's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cordova Telephone Cooperative and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cordova Telephone Cooperative and Subsidiary's internal control over financial reporting and compliance.

(b) (4)

March 2, 2022

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2021 and 2020

ASSETS	2021	2020
Current Assets:		
Cash - without restrictions	$	(b) (4)
Restricted cash		
Marketable securities		
Accounts receivable, less allowance for doubtful accounts of $3,524 in 2021 and 2020		
Access revenue receivable		
Other accounts receivable		
Materials and supplies		
Prepaid expenses and deposits		
Total Current Assets		
Other Assets and Investments:		
Non-regulated investments, net of depreciation		
FCC licenses		
Other investments		
Total Other Assets and Investments		
Property, Plant, and Equipment:		
In-service		
Construction work-in-progress		
Less accumulated depreciation		
Property, Plant, and Equipment, net		
	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Balance Sheets, continued

December 31, 2021 and 2020

LIABILITIES AND MEMBERS' EQUITY	2021	2020
Current Liabilities:		
Current portion of long-term debt	$	(b) (4)
Line of credit		
Accounts payable		
Accrued operating taxes		
Other accrued liabilities		
Customer deposits		
Advance billings		
Total Current Liabilities		
Deferred Income Taxes		
Deferred Revenue		
Long-Term Debt, net of current portion		
Total Liabilities		
Members' Equity:		
Donated and other capital		
Patronage capital - unassigned		
Patronage capital - assigned		
Total Members' Equity		
	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Operations

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues:		
Local network service	$	(b) (4)
Network access service		
Roaming service		
Internet service		
Other		
Total Operating Revenues		
Operating Expenses:		
Plant specific operations		
Plant nonspecific operations		
Depreciation		
Customer operations		
Corporate operations		
Non-regulated operations		
Operating taxes		
Total Operating Expenses		
Operating Margin		
Other Income (Expense):		
Income tax benefit (expense)		
Non-operating income, net		
Net Margin Before Interest Expense		
Interest Expense		
Net Margin	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Members' Equity

Years Ended December 31, 2021 and 2020

	Donated and Other Capital	Patronage Capital Unassigned	Patronage Capital Assigned	Total
Balance, December 31, 2019	$	[redacted]		
Federal Communications excise tax refunds				
Retirement of patronage capital credits				
Other activity - patronage assigned to subsidiary company				
Assignment of patronage capital				
Net margin				
Balance, December 31, 2020				
Federal Communications excise tax refunds				
Retirement of patronage capital credits				
Other activity - patronage assigned to subsidiary company				
Assignment of patronage capital				
Net margin				
Balance, December 31, 2021	$			

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Net margin	$	(b) (4)
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation		
Depreciation on non-regulated investments		
Deferred income taxes		
Deferred revenue		
Patronage allocations from other investments		
Realized and unrealized gain on marketable securities		
Loss on disposal of non-regulated assets		
Changes in operating assets and liabilities:		
Accounts receivable		
Access revenue receivable		
Other accounts receivable		
Materials and supplies		
Prepaid expenses and deposits		
Accounts payable		
Accrued operating taxes		
Other accrued liabilities		
Customer deposits		
Advance billings		
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Additions to property, plant, equipment, and construction work-in-progress		
Plant removal costs, net of salvage		
Purchases of marketable securities		
Proceeds from sales and maturities of marketable securities		
Additions to non-regulated investments		
Purchase of FCC spectrum licenses		
Net Cash Used by Investing Activities	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows, continued

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Financing Activities:		
Payments on long-term debt	$	(b) (4)
Proceeds from line of credit		
Federal excise tax refunds		
Retirement of patronage capital credits		
Net Cash Used by Financing Activities		
Net Increase in Cash		
Cash, beginning		
Cash, ending	$	
Cash Consists Of:		
Cash - without restrictions	$	
Restricted cash		
	$	
Cash Paid for Interest, net of amounts capitalized	$	
Cash Received from Income Tax Refunds	$	
Noncash Activities:		
Additions to property, plant and equipment included in accounts payable, net	$	

See accompanying notes to consolidated financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies

Organization
Cordova Telephone Cooperative, Inc. (the Cooperative or CTC) is an Alaska cooperative corporation providing telecommunications services to its members in and around Cordova, Alaska.

Cordova Wireless Communications, LLC (CWC), a wholly-owned subsidiary of the Cooperative, provides cellular service in and around Cordova, Alaska.

All non-management employees of the Cooperative are members of the International Brotherhood of Electrical Workers (IBEW). The agreement between the Cooperative and IBEW expires in April 2026.

Regulations
The Cooperative is subject to limited regulation by the Federal Communications Commission (FCC) and the Regulatory Commission of Alaska (RCA). The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts, as prescribed by the FCC. As a result, the Cooperative's application of accounting principles generally accepted in the United States of America (US GAAP) differs in certain respects from the application by non-regulated entities. Such differences primarily concern the time at which certain items enter into the determination of net margin.

The Cooperative also receives universal service support from various support mechanisms administered by the Universal Service Administrative Company (USAC) under the direction of the FCC.

Regulatory and legislative actions, as well as future regulations, could have a significant impact on the Cooperative's future operations and financial condition.

Basis of Consolidation
The consolidated financial statements of the Cooperative include the accounts of CTC and CWC, a wholly-owned subsidiary of the Cooperative. All material inter-company transactions and balances have been eliminated in the consolidation.

Future Accounting Standards
In February 2016, the FASB issued ASU No. 2016-02 Leases. The primary change in GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the balance sheet a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Cooperative is evaluating the effect that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

Cash
The Cooperative considers all highly liquid investment securities with a maturity of 3 months or less to be cash equivalents. The Cooperative maintains its cash and cash equivalents in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor per bank. At December 31, 2021, the Cooperative had (b) (4) in uninsured cash (b) (4) as of December 31, 2020). The Cooperative has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash.

Restricted cash is restricted due to the Rural Utilities Service ReConnect Program Grant Agreement (see Note 9). Restricted cash is maintained in a separate account exclusively to meet matching requirements provided for in the grant agreement.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Marketable Securities
Marketable securities held at December 31, 2021 and 2020 consist of mutual funds. Investments are stated at fair value based on a framework that provides a fair value hierarchy prioritizing the inputs to valuation techniques and market price observability used to measure fair value. The Cooperative's marketable securities are measured and reported at fair value on a recurring basis based on quoted prices available in active markets for identical investments as of the reporting date (Classification Level 1). These investments are stated at fair value in the consolidated financial statements and any unrealized gains and losses are recognized in the statement of operations.

Accounts Receivable
Accounts receivable are recorded at unpaid balances, less an allowance for doubtful accounts. Receivables from subscribers are due 30 days after the issuance of the invoice. Receivables from other exchange carriers are typically outstanding from 30 to 60 days before payment is received. Receivables past due more than 90 days are considered delinquent. An allowance for doubtful accounts is maintained, based upon management's review of the year-end accounts receivable aging and past credit and collections history. Receivables are written off when the Cooperative determines an account is uncollectible. Past due status is determined based on the age of the past due account.

Revenue Recognition
The Cooperative recognizes revenue when its performance obligations are satisfied, regardless of the period in which it is billed. The amount and timing of revenue recognition varies based on the nature of the goods or services. Monthly service fees derived from local telephone and broadband service are billed in advance. Advanced billings are recorded as a contract liability and subsequently transferred to income in the period earned. Access charges, long distance and other revenue based on usage are billed in arrears and recognized in the month the service is provided. Revenues for monthly service and access charges are generally due and collected within one month. Various economic factors affect revenues and cash flows. See Note 2 for more information about the Cooperative's revenue.

Materials and Supplies
Materials and supplies are stated at the lower of average cost and net realizable value. Cost is determined principally by the average cost method.

Fair Value of Financial Instruments
The Cooperative's financial instruments, none of which are held for trading purposes, include cash, receivables, accounts payable, mortgage and notes payable. The Cooperative estimates that the fair value of all of these non-derivative financial instruments at December 31, 2021 and 2020 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying consolidated balance sheets.

Property, Plant, and Equipment
Property, plant, and equipment in service and under construction is stated at cost, including appropriate direct and indirect costs associated with construction. Maintenance and repairs are charged to operations when incurred. Renewals and betterments are capitalized. Depreciation is calculated on a straight-line basis over the estimated life of the classes of property and equipment in accordance with rates consistent with industry standards, which range from 3.3% to 20.0%. Costs of regulated plant retired are eliminated from utility plant accounts and such costs plus removal expenses, less salvage, are charged to the accumulated provision for depreciation in accordance with industry practice.

The Cooperative follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. In 2021, (b) (4) of interest was capitalized (b) (4) in 2020).

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Non-Regulated Investments
Non-regulated investments represent the book value of rental phone equipment, internet equipment, cellular equipment and other equipment for the provision of non-regulated services.

Non-regulated property is stated at cost, less accumulated depreciation. The Cooperative provides for depreciation on a straight-line basis at an annual rate of depreciation that will amortize the cost of the equipment over its estimated useful life, which ranges from 5 to 25 years. Upon retirement, sale, or other disposition of non-regulated property, plant, and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gains or losses are included in operations.

FCC Licenses
The FCC licenses allow CWC to provide wireless services by giving CWC the exclusive right to utilize a certain radio frequency spectrum in designated geographic areas, including Cordova, Yakutat, Dillingham, Kodiak, Valdez and areas of Prince William Sound. Although FCC licenses are issued for only a fixed time, generally 10 years, these licenses are renewed by the FCC on a routine basis and for a nominal fee. In addition, CWC has determined that there are no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of the FCC licenses. As a result, CWC's FCC licenses are treated as indefinite lived intangible assets.

Under accounting principles generally accepted in the United States of America, the FCC licenses are not amortized and CWC is required to evaluate the carrying value of the FCC licenses using fair value considerations, at least annually. If the carrying amount of the intangible asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. CWC also determines on an annual basis whether facts and circumstances continue to support an indefinite useful life.

For the years ended December 31, 2021 and 2020, CWC evaluated the fair value of its FCC licenses based on recent activity in the wireless communication industry and other considerations, including estimated future discounted cash flows. CWC has determined that there is no impairment of the carrying value of the FCC licenses.

CWC's expected future cash flows are directly impacted by its ability to extend or renew the FCC licenses. CWC has both the ability and intent to renew the licenses and expects that the licenses will be renewed by the FCC without any material impact to CWC's expected future cash flows.

Other Investments
Other investments consist of investments in other cooperatives and are stated at the net realizable value of the patronage and equity allocated to the Cooperative.

Patronage Capital
Patronage capital assigned consists of undistributed net margins allocated to members and accumulated since inception, less distributions to members. The distribution of such patronage capital to members of the Cooperative may be restricted under covenants of the RUS mortgage notes.

Donated and Other Capital
Donated and other capital consists of the excess of assets over liabilities transferred to the Cooperative from the City of Cordova, escheatment of memberships and patronage capital credits, and gains on the early retirement of capital credits.

Concentrations
A significant portion of the Cooperative's (b) (4) was earned from (b) (4) in 2021 and 2020. Revenues earned related to that (b) (4) totaled approximately (b) (4) for the years ended December 31, 2021 and 2020, and there was (b) (4) in accounts receivable from that (b) (4) at December 31, 2021 (none in 2020).

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Income Taxes
The Cooperative has been granted an exemption from federal income taxes under Section 501(c)(12) of the Internal Revenue Code, except for "unrelated" business income. However, in any year for which greater than 15% of gross revenue is derived from nonmember services, the Cooperative becomes a taxable cooperative. The Cooperative was subject to income taxes in 2021 and in 2020. The Cooperative is also exempt from state income taxes as a gross revenue tax on cooperatives overrides the filing of state income tax.

In years when the Cooperative is taxable, federal and state income taxes payable by taxable cooperatives are computed differently from taxes payable by other corporations, primarily because cooperatives are allowed to deduct margins allocated to patrons within 8½ months after the end of each taxable year.

The Cooperative follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Cooperative recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision in the statement of operations, when applicable. There are no amounts accrued in the consolidated financial statements related to uncertain tax positions.

CWC, a single member LLC, and the Cooperative will file a combined federal income tax return and state gross revenue tax return in 2021 and 2020 (see Note 7).

The Cooperative files informational and income tax returns in the United States and various state and local jurisdictions.

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change in deferred tax assets and liabilities during the period (see Note 7).

Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates involve judgments with respect to numerous factors that are beyond management's control. Actual results could differ from those estimates.

Non-Regulated Operations
Revenue from non-regulated operations includes special access circuits and DSL subscriber billings that are billed at non-tariffed rates and are included in internet service and other revenues on the accompanying consolidated statements of operations. Expenses from non-regulated operations include the cost of non-regulated special access circuits and the Cooperative billing themselves for DSL backhaul at regulated tariffed rates filed directly with the FCC as required.

Subsequent Events
The Cooperative has evaluated subsequent events through March 2, 2022, which is the date the consolidated financial statements were available to be issued.

Note 2 - Revenue

Revenue Recognition

The Cooperative earns revenue from contracts with customers accounted for under Topic 606, primarily through providing local telephone, broadband, basic wireless and roaming services. The Cooperative also earns revenues that are not accounted for under Topic 606 from universal service support payments that do not meet the definition of a contract with a customer (see Note 2, Network Access Revenues), leasing arrangements, and miscellaneous fees. In total, revenues are accounted for as follows:

	2021	2020
Revenues accounted for under Topic 606	$	(b) (4)
Revenues not accounted for under Topic 606		
Total Revenues	$	

Revenue from monthly services is recognized over time as customers receive the services. Revenue from sales of handsets, accessories, and other equipment or other nonrecurring services are recognized at a point in time when control of the equipment is transferred or when service is rendered. For handsets financed by customers, the Cooperative recognizes revenue at the time of the sale and recognizes a contract asset equal to the difference between the amount of revenue recognized and the amount of consideration received from the customer. These contract assets are included in accounts receivable on the accompanying consolidated balance sheets. The financing component of these contracts is not considered significant and therefore is not accounted for separately.

The timing of revenue from contracts with customers is recognized as follows:

	2021	2020
Performed over time	$	(b) (4)
Transferred at point in time		
Total revenues from contracts with customers	$	

Contract Assets and Liabilities

The Cooperative has recorded the following beginning and ending contract balances related to revenue from contracts with customers accounted for under Topic 606:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract Assets - accounts receivable	$	(b) (4)	
Contract Liabilities - advanced billings	$		
Contract Liabilities - deferred revenue	$		

Note 2 - Revenue, continued

Roaming Revenue

Roaming revenue reflects service revenue earned by the Cooperative when customers not associated with the Cooperative operate in the service area of the Cooperative and use the Cooperative's network. The roaming rates with third-party carriers are based on agreements with such carriers. The largest such agreement with a (b) (4) (b) (4) applies an annual cap on the amount of roaming revenue that can be earned in each year of the agreement. As a result, the Cooperative allocates the total roaming revenues due over the life of the contract on a straight-line basis with amounts billed in excess of revenues recognized resulting in a contract liability. This contract liability is reported in the accompanying consolidated balance sheets in "*Advance Billings*" for the amount to be recognized in the next year, and in "*Deferred Revenue*" for amounts to be recognized after one year from the balance sheet date as the Cooperative performs on their stand-ready performance obligation to provide roaming service over the life of the contract.

Network Access Revenues

Network access revenues in the statement of operations consist of the following:

	2021	2020
Interstate Revenues	$	(b) (4)
Interstate Universal Service Support Mechanisms		
Intrastate Access Revenues		
	$	

Interstate Revenues

Interstate revenues consist of certain federally mandated charges to end-users and access charges billed to long distance carriers for access and interconnection to local facilities. The Cooperative no longer participates in any of the revenue pools administered by the National Exchange Carriers Association (NECA). Instead, the Cooperative receives network access revenues through bill and keep based on access-tariffed rates as filed by the Cooperative with the FCC. The tariff rates are generally based on expenses incurred and investment maintained.

Interstate Universal Service Support Mechanisms

Interstate universal support mechanisms are intended to compensate the Cooperative for the high cost of providing service in rural areas. The Cooperative has elected to receive model-based support under the Alaska Plan beginning in 2017, which predetermines the amount of support to be received for a 10-year term instead of receiving support based on the carrier's cost. As a condition of accepting Alaska Plan support, the Cooperative must also meet certain fixed and mobile voice and broadband deployment and performance obligations at the five and 10-year milestones of the plan based on their individualized performance plan filed as part of the Alaska Plan. The Cooperative is in compliance with their deployment obligation as of December 31, 2021 and management believes they will be able to meet all future milestones. In the event the Cooperative is unable to meet future deployment milestones, they may be subject to support reductions that are calibrated to the extent of the non-compliance with the deployment milestones.

As a result of accepting the Alaska Plan fixed support, the Cooperative withdrew from the NECA common line pool and is no longer eligible to receive CAF-BLS and revenue from the Universal Service High Cost Loop Fund (HCL).

The Cooperative receives CAF-ICC support and revenue from other support mechanisms administered by USAC. CAF-ICC is calculated beginning with a base figure consisting of the frozen switched access revenue requirement under the 2011 NECA annual tariff filing, plus certain amounts related to the mandated reduction in intrastate switched access rates and net reciprocal compensation revenue. The base figure is reduced annually by 5% beginning July 1, 2012.

Note 2 - Revenue, continued

Network Access Revenues, continued

Intrastate Access Revenues
Intrastate access consists of access charges billed to long distance carriers based on access tariffs filed through the Alaska Exchange Carriers Association (AECA), and approved by the RCA and the Alaska Universal Service Fund (AUSF) support. Funding provided by the AUSF is determined based on the Cooperative's Essential Network Support revenues as approved by the RCA.

Note 3 - Non-Regulated Investments

Non-regulated investments consist of the following:

	2021	2020
Non-regulated plant and equipment for lease	$	(b) (4)
Less accumulated provisions for depreciation		
	$	

Note 4 - Property, Plant, and Equipment

Major classes of telecommunication property, plant, and equipment are as follows:

	Useful Life (Years)		2021	2020
Central office equipment	15	$	(b) (4)	
Cellular switching equipment	5 - 10			
Lines, cables, and wires	25 - 30			
Buildings and other equipment	5 - 25			
Cellular communications sites and improvements	15			
Land	N/A			
		$		

Note 5 - Long-Term Debt

Long-term debt consists of the following:

	2021	2020
5% mortgage notes payable to the Rural Utilities Service (RUS), payable in quarterly installments of $3,189, principal and interest, collateralized by substantially all real and personal property, due 2025.	$ 37,590	$ 48,137
4.516% mortgage note payable to RUS, payable in monthly installments of $17,300, principal and interest, collateralized by substantially all real and personal property, due 2023.	282,009	472,202
5.49% mortgage notes payable to the Rural Telephone Bank (RTB), payable in monthly installments of $11,937, principal and interest, collateralized by substantially all real and personal property, due 2023.	193,462	322,242
2.34% - 4.46% mortgage notes payable to RUS, payable in monthly installments of $66,645, principal and interest, collateralized by substantially all real and personal property, due 2033.	7,040,803	7,517,658
	7,553,864	8,360,239
Less current portion	840,500	804,000
	$ 6,713,364	$ 7,556,239

Future maturities of long-term debt are as follows:

2022	$ 840,500
2023	667,172
2024	548,700
2025	561,690
2026	582,300
Thereafter	4,353,502
	$ 7,553,864

At December 31, 2021, the Cooperative had no unadvanced loan commitments from RUS (none at December 31, 2020).

The Cooperative is required to comply with several debt covenants. Under the most restrictive covenants, the Cooperative must maintain a prescribed level of insurance, key financial ratios, and may not declare or pay dividends unless certain requirements are met. Management determined the Cooperative was in compliance with these requirements as of December 31, 2021.

The Cooperative secured a (b) (4) line of credit with CoBank in 2020 with interest at (b) (4) above the higher of zero percent or the rate of one-month U.S. dollar deposits, due on May 31, 2022. There was (b) (4) outstanding on the line of credit at December 31, 2021 (none at December 31, 2020) at a (b) (4) interest rate.

Note 6 - Multiemployer Pension Plans

CTC participates in two separate multiemployer defined benefit pension plans, whereas CWC participates in a single plan.

Pension benefits for all eligible CTC employees are provided under union agreements in a defined benefit multi-employer plan with the Alaska Electrical Pension Fund. Pursuant to IRC Section 413(c)(4), the Plan is considered a Multiple Employer (other) Master Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan's employer identification number is 92-6005171 and the Plan Number is 001. Contributions to the union plan, including amounts charged to construction, were (b) (4) in 2021 and 2020, respectively.

For the Alaska Electrical Pension Fund, a "zone status" determination of green was certified by the plan actuary for 2021 and 2020. The plan utilized the special 30-year amortization rules provided by Public Law 111-192, Section 211 to amortize its losses from 2008. There were no surcharges imposed for 2021 or 2020. A collective bargaining agreement with the local chapter of IBEW expires in April 2023 and could affect future contribution requirements.

The National Telecommunications Cooperative Association (NTCA) Retirement and Security Program for Employees of the NTCA and Its Member Systems (the R&S Plan) is a defined benefit pension plan covering many of the full-time employees of NTCA, its affiliates and its members that have adopted the Plan. Pursuant to IRC Section 413(c)(4), the Plan is considered a Multiple Employer (other) Master Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan's employer identification number is 52-0741336 and the Plan Number is 333.

A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative and its subsidiary are participants in the above described plans. The Cooperative's contributions to the Plans in 2021 and 2020 represented less than 5 percent of the total contributions made to each Plan by all participating employers. Total contributions to the R&S Plan were (b) (4) in 2021 and (b) (4) in 2020. There have been no significant changes that affect the comparability of 2021 and 2020 contributions.

The R&S Plan has not imposed a critical status surcharge contribution and does not have a certified zone status as currently defined by the Pension Protection Act (PPA) of 2006 because it is considered a multiple employer plan as noted above. In addition, the accumulated benefit obligations of plan assets are not determined or allocated separately by individual employer.

The R&S Plan meets ERISA minimum funding requirements at January 1, 2020. The Cooperative and Small Employer Charity Pension Flexibility Act (CSEC Act), passed in 2014, permanently exempts the Plan from the PPA minimum funding and benefit restriction rules.

In 2016, the Cooperative was notified by NTCA of certain amendments to the R&S Plan that will impact the Cooperative. These amendments include the following items:

- The contribution rate to fund basic benefits increased by (b) (4) starting January 1, 2017. The Cooperative is not required to increase their contribution percentage.
- The previous surcharge of (b) (4) expired at the end of 2017 and a new surcharge of (b) (4) of the Cooperative's elected contribution rate started in 2018. The surcharge is expected to continue for approximately 12 years.

Note 6 - Multiemployer Pension Plans, continued

The Cooperative also participates in a fixed savings plan sponsored by NTCA, which covers all full-time eligible employees and allows employees to contribute annually up to (b) (4) of their compensation to the plan. The Cooperative does not make any employer contributions to this plan.

Note 7 - Income Taxes

In years when the Cooperative derives more than (b) (4) of its gross revenues from nonmember services, it will be a taxable cooperative and will file a consolidated income tax return with its subsidiary (see Note 1). For the years ended December 31, 2021 and 2020 the Cooperative was taxable.

CWC elected Single Member LLC status during 2013. Earnings and losses generated by CWC will be included in the tax return filed by the Cooperative.

The components of the provision for income tax benefit (expense) for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Current:		
Federal	$	(b) (4)
Prior year over accrual		
Deferred:		
Federal	$	

The provision for income taxes differs from the expense that would result from applying the current statutory income tax rates to income before income taxes because of the effects of nondeductible items, differences in depreciation expense for book and tax purposes, net operating loss deductions, changes in the deferred tax asset valuation allowance, and the patronage exclusion of the Cooperative.

The components of the net deferred tax liability at December 31, 2021 and 2020 are as follows:

	2021	2020
Deferred income tax liability	$	(b) (4)
Long-term deferred income tax assets:		
Accrued expenses and allowances		
Deferred revenue		
Net operating loss carry forward		
Deferred income tax asset		
Net deferred income tax liability	$	

Deferred tax liabilities are the result of using accelerated depreciation for income tax reporting and straight-line for financial statement reporting and differences in accounting for prepaid expenses and other assets in the financial statements and on the income tax return. Deferred tax assets are a result of net operating loss carryforwards and differences in accounting for the allowance for bad debts, deferred revenue and accrued vacation in the financial statements and on the income tax return.

Note 7 - Income Taxes, continued

The Cooperative has federal net operating loss carryforwards of approximately (b) (4) that may be used to offset future taxable income that has no expiration date and can be carried forward indefinitely. During the year ended December 31, 2020, the Cooperative was able to carry back (b) (4) of net operating losses from 2019 that were previously included in the net operating loss carryforward as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed in March 2020. The Cooperative received the refund as filed (b) (4) during the year ended December 31, 2021 with the difference between the receivable included in "*Prepaid expenses and deposits*" on the accompanying consolidated balance sheets at December 31, 2020 to the amount received flowing through the prior year tax over accrual for the year ended December 31, 2021.

Note 8 - Operating Leases

The Cooperative has entered into lease agreements expiring at various dates through 2039 for vehicles, office equipment, and land at various communication sites. Lease expense paid in 2021 was (b) (4) ((b) (4) in 2020).

Future minimum rentals under the leases are as follows:

2022	$ (b) (4)
2023	
2024	
2025	
2026	
Thereafter	

Note 9 - Broadband Grants

In November 2019, the Cooperative was selected to receive funding for a broadband project by the United States Department of Agriculture, through the Rural Utilities Service ReConnect Program. The broadband project is funded through a $18,888,668 grant and requires the Cooperative to provide (b) (4) in matching funds. The Cooperative has deposited the matching funds in a special deposit account and it is presented as restricted cash on the consolidated balance sheet. As of December 31, 2021, the Cooperative had spent (b) (4) in approved matching funds, and requested and received $221,588 in grant funds (none in 2020).

In November 2021, the Cooperative was selected to receive funding for a broadband project by the United States Department of Agriculture, through the Rural Utilities Service Community Connect Grant Program. The broadband project is funded through a $3,000,000 grant and does not require the Cooperative to provide any matching funds. There were no amounts requested or received during 2021, as the Cooperative anticipates construction on the project will commence in 2022.

Note 10 - COVID-19 Response

During the COVID-19 pandemic, the Cooperative's services have generally been considered essential in nature and have not been materially interrupted. As the situation continues to evolve, the Cooperative is closely monitoring the impact of the COVID-19 pandemic on all aspects of the business, including how it impacts customers, subcontractors, suppliers, vendors and employees, in addition to how the COVID-19 pandemic impacts the Cooperative's ability to provide services to its customers. However, the duration and ultimate impact of the COVID-19 pandemic is uncertain and cannot be reasonably estimated at this time.

SUPPLEMENTAL INFORMATION

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Balance Sheets

December 31, 2021

ASSETS	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Current Assets:				
Cash - without restrictions	$	(b) (4)		
Restricted cash				
Marketable securities				
Accounts receivable				
Access revenue receivable				
Other accounts receivable				
Materials and supplies				
Prepaid expenses and deposits				
Total Current Assets				
Other Assets and Investments:				
Non-regulated investments, net of depreciation		(b) (4)		
FCC licenses				
Other investments				
Investment in subsidiary				
Total Other Assets and Investments				
Property, Plant, and Equipment:				
In service				
Construction work-in-progress				
Less accumulated depreciation				
Property, Plant, and Equipment, net	$			

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Balance Sheets, continued

December 31, 2021

LIABILITIES AND MEMBERS' EQUITY	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Current Liabilities:				
Current portion of long-term debt	$	(b) (4)		
Line of credit				
Accounts payable				
Accrued operating taxes				
Other accrued liabilities				
Customer deposits				
Advance billings				
Total Current Liabilities				
Deferred Income Taxes				
Deferred Revenue				
Long-Term Debt, net of current portion				
Total Liabilities				
Members' Equity:				
Donated and other capital				
Patronage capital - unassigned				
Patronage capital - assigned				
Total Members' Equity				
	$			

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Statements of Operations

Year Ended December 31, 2021

	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Operating Revenues:				
Local network service	$	(b) (4)		
Network access service				
Roaming service				
Internet service				
Other				
Total Operating Revenues				
Operating Expenses:				
Plant specific operations				
Plant nonspecific operations				
Depreciation				
Customer operations				
Corporate operations				
Non-regulated operations				
Operating taxes				
Total Operating Expenses				
Operating Margin				
Other Income (Expense):				
Income tax expense				
Non-operating income, net				
Net Margin Before Interest Expense				
Interest Expense				
Net Margin	$			

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Statements of Cash Flows

Year Ended December 31, 2021

	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Cash Flows from Operating Activities:				
Net margin	$	(b) (4)		
Adjustments to reconcile net margin to net cash provided by operating activities:				
Depreciation				
Depreciation on non-regulated investments				
Deferred income taxes				
Deferred revenue				
Patronage allocations from other investments				
Realized and unrealized gain on marketable securities				
Income from subsidiary				
Loss on disposal of non-regulated assets				
Changes in operating assets and liabilities:				
Accounts receivable				
Access revenue receivable				
Other accounts receivable				
Materials and supplies				
Prepaid expenses and deposits				
Accounts payable				
Accrued operating taxes				
Other accrued liabilities				
Customer deposits				
Advance billings				
Net Cash Provided by Operating Activities	$			
Cash Flows from Investing Activities:				
Additions to property, plant, and equipment and construction work-in-progress	$			
Plant removal costs, net of salvage				
Purchases of marketable securities				
Proceeds from sales and maturities of marketable securities				
Additions to non-regulated investments				
Net Cash Used by Investing Activities	$			

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Statements of Cash Flows, continued

Year Ended December 31, 2021

	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Cash Flows from Financing Activities:				
Payments on long-term debt	$	(b) (4)		
Proceeds from line of credit				
Federal excise tax refunds				
Retirement of patronage capital credits				
Net Cash Used by Financing Activities				
Net Increase (Decrease) in Cash				
Cash, beginning				
Cash, ending	$			
Cash Consists Of:				
Cash - without restrictions	$			
Restricted cash				
	$			
Cash Paid for Interest, net of amounts capitalized	$			
Cash Received from Income Tax Refunds	$			
Noncash Activities:				
Additions to property, plant and equipment included in accounts payable, net	$			

(b) (4)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELECOMMUNICATIONS BORROWERS

To the Board of Directors
Cordova Telephone Cooperative, Inc. and Subsidiary
Cordova, Alaska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Cordova Telephone Cooperative, Inc. and Subsidiary (the Cooperative), which are comprised of the consolidated balance sheet as of December 31, 2021, the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements; and have issued our report thereon dated March 2, 2022. In accordance with *Government Auditing Standards* we have also issued our report dated March 2, 2022, on our consideration of the Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe the Cooperative failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers and Grantees, §1773.33, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding the Cooperative's accounting and records to indicate that the Cooperative did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts. The Cooperative is in the process of updating its plant records related to outside plant assets to agree with the controlling general ledger plant accounts.
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;
- Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap.
- Maintain adequate control over materials and supplies;
- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract, agreement, or lease with an affiliate as defined in § 1773.33(d)(2)(i);
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles; and
- Comply with the requirements for the detailed schedule of investments.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELECOMMUNICATIONS BORROWERS, CONTINUED

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The detailed schedule of investments required by 7 CFR 1773.33(i), provided below, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Detailed Schedule of Investments

		Cordova Wireless Communications, LLC
Original Investment and Loan	$	(b) (4)
Accumulated investment advances as of December 31, 2020		
Accumulated loan advances as of December 31, 2020		
Accumulated undistributed income as of December 31, 2020		
Book value of investment as of December 31, 2020		
Investment advances in 2021		
Loan payments in 2021		
Dividends paid in 2021		
Undistributed income in 2021		
Book value of investment as of December 31, 2021	$	

Cordova Wireless Communications, LLC is a wholly-owned subsidiary providing cellular telephone services. This investment is accounted for on the equity basis.

Another wholly-owned subsidiary of the Cooperative, Cordova Long Distance, Inc. was organized to provide long distance telephone services, but has had minimal operating activity since inception and is not material to the consolidated financial statements. Another wholly-owned subsidiary of the Cooperative, CTC Holdings, LLC was formed in 2020 but has also had minimal operating activity since inception and is not material to the consolidated financial statements.

The purpose of this report is solely to communicate, in connection with the audit of the consolidated financial statements, on compliance with aspects of contractual agreements and the regulatory requirements for telecommunications borrowers based on the requirements of 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers and Grantees. Accordingly, this report is not suitable for any other purpose.

(b) (4)

March 2, 2022

(b) (4)

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Cordova Telephone Cooperative, Inc. and Subsidiary
Cordova, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Cordova Telephone Cooperative, Inc. and Subsidiary (the Cooperative), which are comprised of the consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements; and have issued our report thereon dated March 2, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the consolidated financial statements, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Cooperative's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 2, 2022

LEASE AGREEMENT

This Lease Agreement ("Lease"), entered into as of the 24th day of September, 2004, by and between THE EYAK CORPORATION ("Eyak"), an Alaska corporation, the address of which is P.O. Box 340, Cordova, Alaska 99574 (hereinafter "Lessor"), and the CORDOVA TELEPHONE COOPERATIVE, the address of which is PO Box 459, Cordova Alaska 99574 (hereinafter "Lessee").

1. Leased Lands.

Subject to the terms of this Lease, the Lessor does hereby Lease to the Lessee, and the Lessee does hereby Lease from the Lessor, the surface estate to the following described tracts of real property for the purposes herein set forth:

a) A one (1) acre tract of unsubdivided Eyak Land located on the SW1/4 of Section 5 , T. 14S., R. 4E., CRM known as the 50 Mile Reflector Site.
Lat/Long: 60-41-02.23/122-44-30.45

b) A ¼ mile long x 12' wide road located on the SE1/4, Section 6; SW1/4, Section 5; NW1/4, Section 8; T. 14S., R. 3E., CRM known as the 50 Mile Reflector Site Access Road.

c) A One (1) acre tract of unsubdivided Eyak Land located on the E1/2 of Section 7, T. 14S., R 4E., CRM known as the Microwave Radio Terminal Site.
Lat/Long: 60-40-30.13/144-45-08.95

The above-described property shall be referred to as the "Leased Lands" and depicted on a map attached hereto as Exhibit "A".

2. RENTAL FEES.

(a) Land Rent. Beginning upon the execution of this Lease and terminating upon expiration of this Lease or upon earlier termination of this Lease pursuant to the terms hereof, the Lessee shall pay annually to Lessor rent in the amount of (b) (4) (b) (4) per year for the Leased Lands, plus applicable sales taxes, if any (the "Land Rent"). The Land Rent shall be paid annually

in one installment of [redacted], plus applicable sales taxes, beginning on the 24th day of September, 2004 or upon the date execution of this Lease (whichever is earlier) and continuing thereafter annually on the 24th day of September until expiration or termination of this Lease pursuant to the terms hereof.

(b) Breach. The failure of Lessee to deliver rental payments to the Lessor by the 24th day of September of each year in the amount stated in paragraphs (a)(as applicable) shall constitute a material breach of this Lease, and, upon the occurrence of which, the Lessor has the right to notify Lessee that this Lease is terminated.

(c) Rental Payments for Extended Term. Payments for the extended term set forth in Paragraph 4(b) below shall be the rent established in paragraph 2(a), payable as set forth herein, as adjusted annually during the term of the Extended Term for changes in the Consumer Price Index to offset the effects of inflation (2004 equals the base year).

3. ACKNOWLEDGMENT AND DISCLAIMER.

Lessee acknowledges that it has no legal or equitable interest in the surface estate of the Subject Lands or any portion thereof creating any right to title to these lands and that the issuance of the Lease does not create any interest other than the rights specifically granted by this Lease. The Lessee further acknowledges that no right or authority to enter upon and use lands other than those owned by Lessor and described herein shall be conferred by this Lease. Lessee takes this Lease subject to the reservations, terms, and conditions of title held by Lessor.

4. LEASE TERM.

a) Initial Term. The initial term of this Lease shall commence upon the 24th day of September, 2004, and end on the 24th day September of 2007, unless earlier terminated pursuant to the terms hereof.

b) Extended Term. Upon expiration of this Lease, on each of the tracts described above in paragraph 1, Lessee may extend the term of this lease for each of those individual tracts, for a single additional period of thirty (30) years upon giving the Lessor written notice of its election no later than six (6) months prior to the expiration of the initial term as herein provided. Lessor

reserves the right to refuse any extension of the original lease term if the Leased Lands are not being used as part of Lessee's Commercial Telephone Service Activities.

(c) In all respects other than rental payments and the right of Lessor to approve an extension, the Extended Term shall be subject to the provisions of this Lease applicable during the initial term.

5. ACCESS.

Lessor shall have at all reasonable times access to the Leased Lands for purposes of inspecting the Leased Lands pursuant to paragraph 20 of this Lease and verifying compliance with the terms and conditions of this Lease. Lessee agrees that its operation will not unreasonably block or hinder Lessor's access to the Leased Lands. Lessee will further determine the 50 Mile Reflector Access Road location upon construction of the access road, and will contain the road corridor within the general location of the reflector site. The location map identified as Exhibit A of the 50 Mile Reflector Access is meant for planning purposes only and is subject to revision upon Eyak Corporation approval.

6. USE OF LEASED LANDS.

a) Definitions. When used in this Lease:

The phrase "Commercial Activities" means for the Lessee to transfer by motorized vehicle or helicopter Lessee's agents, associated contractors, employees, invitees, and materials to the Leased Lands for the purposes of constructing, operating, and maintaining a reflector station and associated microwave Radio Terminal Site, including the construction and maintenance of the associated access road to the reflector site; and for said personnel to engage in for profit pursuits solely of a non-consumptive nature. "Commercial Activities" does not include any other activity or use not of the kind and character described in the foregoing sentence.

b) Lessee shall utilize the Leased Lands solely in its operations relating to Commercial Activities on the Leased Lands. This Lease does not grant any right to use or to occupy lands other than the Leased Lands, or to engage in any activity on or use of the Leased Lands other than Commercial Activities. Lessee shall conduct all activities on the Leased Lands pursuant to the further terms of this Lease and in accordance with the provisions of the Plan of Operations attached hereto and by this reference made a part

hereof. Lessee shall use and maintain the Leased Lands in a clean and workmanlike fashion.

7. EXCLUSIVITY.

This Lease grants Lessee exclusive use of Leased Lands for the use described in paragraph 6, above. Lessee acknowledges that uses or activities other than those specifically authorized in paragraph 6 above are strictly prohibited. Such prohibited uses shall constitute a material breach of this Lease. Lessor reserves the right to Lease any other uses on the Leased Lands that will not unreasonably interfere with the uses granted herein.

8. ASSIGNMENT.

The rights and obligations of each party to this Lease may be assigned, in whole or in part, at any time, or from time to time, to a responsible third party capable of performing the obligations of the assigning party; provided, however, that any such assignee agrees in writing to be bound by all the terms of this Lease. Such assignment shall become effective only upon the consent of the non-assigning party, which consent shall not be unreasonably withheld. No assignment by one party shall be binding upon any other party unless said party consents and until written notice thereof is delivered to such non-assigning party. Subject to receipt of such consent and written agreement by the assignee, the assignor shall be relieved from any future obligations arising or accruing under this Lease. However, the assignor shall remain liable for all obligations accruing or arising prior to such assignment.

This Lease and all its terms shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

9. IMPROVEMENTS

(a) Obligation to Remove. Lessee shall have the right to place only such improvements upon the Leased Lands as are reasonably related to the Lessee's Commercial Activities. Prior to the termination of this Lease, Lessee shall vacate the Leased Lands and Lessee shall be obligated during such term to remove from the Leased Lands all debris, equipment, materials, improvements, chemicals, goods, supplies, wastes, Hazardous Substances, buildings, structures, and any other items or improvements placed thereon by Lessee. Lessee shall also reclaim the Leased Lands prior to expiration of this Lease. Such reclamation

shall include, without limitation, the stabilization, reshaping, recontouring and revegetation (where such revegetation is reasonably practicable) of all lands affective by Lessee's operations, the proper close-out of any septic or waste water system, the elimination of any unsafe conditions, re-establishment of any stream channels and natural drainage affected by Lessee's operations, and compliance with all applicable laws and permits (including without limitation reclamation and environmental or hazardous waste laws and regulations and requirements contained in any permit obtained by Lessee). Lessee's obligation to perform such reclamation shall accrue when the lands are improved, occupied, or disturbed, and shall survive the termination of this Lease. In the event or failure of Lessee to vacate and restore the Leased Lands in full compliance with this paragraph 9, Lessor may have any substances or improvements removed at Lessee's expense and the Land restored and/or remediated and collect damages for trespass from Lessee. Lessee's obligation to continue making its rental payments pursuant to paragraph 2, its obligation to indemnify Lessor pursuant to paragraph 18, to provide insurance pursuant to paragraph 19, and to pay taxes pursuant to paragraph 10, shall continue until such removal is effected and all the Leased Lands are reasonably reclaimed and restored.

(b) Notice of Excuse of Obligation to Remove. Notwithstanding the provisions of paragraph 9(a) above, if the Lessor so notifies the Lessee in writing within (90) ninety days of termination of this Lease, Lessee shall be relieved of its obligation to remove with reference to the specific items enumerated in said notice. Notwithstanding the receipt of such notice, Lessee shall have the right to so remove for a period of (6) six months after said termination. Any such equipment, materials, chemicals, goods, supplies, wastes, buildings, structures and other items or improvements (i) as to which Lessor gives express written notice under this paragraph 9 and (ii) which are not removed by Lessee within said six months period shall become and remain the property of Lessor. As to all other such materials, chemicals, goods, supplies, wastes, buildings, structures and other items or improvements as to which Lessor has not given express written notice under paragraph 9(b), Lessee shall remain obligated to remove them and Lessor may make or contract to be made full restoration of the Leased Lands and Lessee shall be liable for all costs incurred by Lessor by virtue of said restoration.

10. TAXES AND ASSESSMENTS.

Except as otherwise provided for in this Section, Lessee shall be responsible for and shall promptly pay all real property taxes and assessments levied by any governmental entity on the Leased Lands and which taxes are occasioned by or arise as a result of Lessee's operations or improvements thereon. Any such taxes and assessments shall be prorated in a fair and equitable manner as may be appropriate.

Lessee shall not be liable for any tax based upon the value of improvements, structures, or personal property hereafter made or placed on the Leased Lands unless made or placed, caused to be made or placed, or used thereon by Lessee.

Lessor shall deliver to Lessee any and all governmental notices relating to such taxes and assessments (including, without limitation, assessment notices) promptly after receipt thereof by Lessor. Lessee shall have the right, but not the obligation, to contest the amount of validity of any such taxes and assessments, and may make payment under protest of all or any portion thereof in good faith in appropriate administrative or judicial proceedings. In the event of any such contest, Lessor shall cooperate fully with Lessee, and shall execute any and all documents reasonably necessary to permit Lessee to pursue such contest. Lessee shall not Lease or suffer the Leased Lands, or part thereof to be conveyed, or Lessor's title thereto to be lost, as the result of nonpayment of any such tax or assessment for which Lessee is responsible. Lessee shall furnish Lessor duplicate receipts for all such taxes and assessments when paid.

11. LAWS AND REGULATIONS.

Notwithstanding any other provisions contained herein to the contrary: Lessee shall conduct all operations authorized thereunder in compliance with all applicable state, federal, and local laws and regulations and permits, and shall hold Lessor harmless from any cost, claim, liability, or loss arising from any failure to do so; Lessee shall be responsible for obtaining and shall bear the cost of any government or other Leases or permits; Lessee shall provide Lessor with copies of all Leases, permits and/or licenses obtained in order to undertake the activities associated with this Lease and all notices issued to or by any agency. Consistent with the further terms hereof, Lessor shall reasonably cooperate as may be required in providing concurrence or authorization to obtain permits

necessary for Lessee's operations within the Lease area, to the extent authorized in this Lease.

12. ENVIRONMENTAL PROTECTION AND SAFETY

(a) No Hazardous Substances or Materials.

(i) Definitions. When used in this Lease:

"Environmental Contamination" means pollution resulting from the "release" (as that term is defined in AS 46.03.826) of a "Hazardous Substance."

"Hazardous Substances" means any hazardous substances or materials (as defined in Alaska Statutes 46.03.826 and 46.08.900 and in 42 U.S.C.A. § 9601-9657 (CERCLA) and in 40 C.F.R. U.S.C. § 302, as such statutes and regulations may be amended from time to time) and any hazardous and toxic substance, material or waste that is or becomes regulated by any governmental authority. "Hazardous Substance" includes, without limitation, hydrocarbon fuel such as diesel oil and gasoline, and lubricating oil.

(ii) No Hazardous Substances. Lessee shall not cause or permit to be brought upon, stored or used on or about the Leased Lands by Lessee, its agents, employees, contractors or invitees any Hazardous Substances without the prior written consent of Lessor, which Lessor shall not unreasonably withhold as long as Lessee demonstrates to Lessor's reasonable satisfaction that such Hazardous Substances are reasonably necessary to Lessee's Operations and will be used, kept, and stored in a manner that complies with all Laws regulating any such Hazardous Substances so brought upon, used or kept in or about the Leased Lands. Lessee shall comply, at a minimum, with the applicable requirements of any law of regulation, however, compliance with the requirements of any law or regulation, nor Lessor's consent shall constitute waiver of any rights Lessor possesses, including (a) to seek damages from Lessee resulting from any release, (b) to require cleanup of any release by Lessee, and (c) to require Lessee to indemnify, defend and insure Lessor. Lessor shall not dispose of any Hazardous Substances on the Leased Lands.

(iii) Fuel Storage, Fueling, and Maintenance. Notwithstanding the provisions of Subparagraph (ii) above, Lessee may bring upon the Leased Lands, store and use fuel, hydraulic oil, and lubricating oil only during the term of this Lease to the extent it is transported, used, stored, and disposed of in a manner that strictly complies with all

Laws regulating its use, storage, and disposal, and the further terms of this Lease. Lessor shall not dispose of any Hazardous Substances (including fuel, hydraulic oil, and lubricating oil) on the Leased Lands. Lessee shall maintain and use to the maximum feasible extent centralized fuel storage, refueling and maintenance facilities (including facilities for the collection of waste oil) inspected and approved by the Alaska Department of Environmental Conservation. All fuel storage, fuel transportation, fuel transfer and refueling, and vehicle maintenance (including waste oil collection) shall be conducted over an impermeable barrier or in the presence of sorbent materials.

(iv) Immediate Cleanup of Environmental Contamination. Lessee shall immediately notify Lessor and the Alaska Department of Environmental Conservation of any Environmental Contamination, and Lessee shall immediately take all actions at its sole expense, as are necessary to contain and cleanup Environmental Contamination in a manner consistent with the requirements of law. Without limiting the foregoing, if the presence of any Hazardous Substances on the Leased Lands caused or permitted by Lessee results in any Environmental Contamination of the Leased Lands, Lessee shall promptly take all actions at its sole expense as are necessary to return such areas to the condition existing prior to the introduction of any such Hazardous Substances to the Leased Lands, provided that Lessor's approval of such action shall first be obtained. Such approval shall not be unreasonably withheld, so long as such actions would not potentially have any material adverse short- or long-term effect on the Leased Lands.

(v) Effect of Breach. Without limitation to any other provision of this Lease any breach of this Paragraph shall be considered to be a material breach of this Lease, for which Lessor may immediately terminate this Lease.

(b) Timber. Lessee may cut and remove only that live timber that is necessary for the clearing of space for improvements authorized under this Lease. Lessee may not cut and remove any live trees as part of a commercial logging operation, or for trade or barter. Lessee shall cut timber in a manner incorporating reasonable cutting and yarding specifications of Lessor, and at Lessor's request, Lessee shall make available cut timber cost-free to Lessor.

(c) Artifacts. Lessee shall not tamper with, interfere with, or remove any artifacts that might be discovered during the course of Lessee's activities, which discovery shall be immediately reported to Lessor. Upon

discovery, Lessee shall take reasonable measures to investigate and mitigate potential damage to the artifacts.

(d) Removal of Refuse. Lessee shall dispose of all refuse resulting from its use of the Leased Lands (including but not limited to camp waste, lumber, debris, junk, junk machinery, garbage, and debris of any kind) by carrying out all materials that are not consumed on the Leased Lands.

(e) No Discharge. No waste or by-products shall be discharged on or in the Leased Lands or waters contained therein if such waste contains any hazardous substance in concentrations that will result in harm to fish, wildlife, or to human water supplies. Storage facilities for materials capable of causing water pollution, if accidentally discharged, shall be located so as to prevent any spillage into waters, or channels leading into water that would result in harm to fish wildlife, or human water supplies. Lessee shall take all reasonable steps to avoid the contamination of surface or subsurface waters by contact with sediment, debris, machinery or Hazardous Substances, and Lessee shall ensure that its operations are in compliance with all applicable federal and State of Alaska statutes and regulations governing surface and ground water contamination.

(f) Sewage and Water Facilities. Lessee shall assure that all on-site sewage and water systems shall conform to the statutes and regulations of the State of Alaska or of any other governmental agency having jurisdiction over same.

13. LIENS.

Lessee shall be solely responsible for paying for all labor performed upon or materials furnished to the Lands at the request of Lessee. Lessee shall keep the Lands free and clear of any and all mechanic's, mining, labor, or materialmen's liens arising from the performance of labor upon or the furnishing of materials to the Lands. Lessee may contest the validity of any such lien that may be filed after providing reasonable security to Lessor. Lessee shall notify Lessor prior to initiating any construction on the Premises. Failure to notify Lessor shall be considered a material breach of this Lease. Lessee shall post notices of non-responsibility pursuant to AS 34.35.065 and, if applicable, AS 34.35.150. A sample of such notice is attached hereto as Exhibit B.

14. FIRE PREVENTION AND SUPPRESSION.

(a) Lessee shall take all reasonable precautions to prevent wildland fires. If a wildland fire is started, Lessee shall immediately report it to the appropriate officials of the United States Forest Service Cordova Ranger District and Lessor, and shall make every diligent effort to immediately suppress it.

(b) Lessee shall conduct its operations on the Leased Lands in compliance with all applicable laws and regulations. This includes suitable fire planning and maintaining adequate equipment to suppress promptly any fire that may occur on the Leased Lands.

15. DAMAGES.

Lessee shall exercise due diligence in protecting the Leased Lands owned by Lessor from damages caused by activities under this Lease.

16. CONDITIONS OF LEASED LANDS NOT WARRANTED.

Lessor does not warrant or represent that the Leased Lands are safe, healthful, or suitable for the purposes for which they are permitted to be used under the terms of this Lease, including without limitation for the landing of aircraft, the conduct of tourist business and hiking, and other related activities.

17. REPRESENTATIONS AND WARRANTIES.

(a) Organization and Standing of Lessee. Lessee hereby represents and warrants that it is a domestic Alaska co-operative duly organized, validly existing, and in good standing under the laws of Alaska and has full co-operative power to carry on its business as now conducted by it; that it is fully qualified and licensed under the laws of the State of Alaska to engage in its business; and that this Lease is valid, binding and enforceable, in accordance with its terms, upon Lessee; and that the person executing this Lease on its behalf is duly authorized to do so.

(b) Lessor's Warranties. Lessor hereby represents and warrants that it is a domestic Alaskan corporation duly organized, validly existing, and in good standing under the laws of Alaska and has full corporative power to carry on its business as now conducted by it; that it is fully qualified and licensed under the laws of the State of Alaska to engage in its business; and that this Lease is valid, binding and enforceable, in accordance with its terms, upon

Lessee; and that the person executing this Lease on its behalf is duly authorized to do so. Lessor further hereby warrants that it is vested with title to the surface estate of the Leased Lands, to the extent conveyed to it pursuant to ANCSA (as such title and rights may have been modified by the transaction between Lessor and the State of Alaska and the United States acting through the Exxon Valdez Oil Spill Trustees Council), and that there are no claims, liens, Leases, encumbrances, or charges affecting such lands arising by, through or under Lessor, but not otherwise.

18. INDEMNIFICATION

(a) General. Lessee will at all times fully protect, defend, indemnify and save Lessor, its assigns or successors-in-interest, harmless from and against all actions, claims, losses, expenses, including attorney's fees, suits, liabilities, property damage, or personal injury of any kind resulting from or arising out of or incident to or in connection with any act or omission by Lessee, its agents, employees, contractors or invitees (or the agents, employees, or invitees of Lessee's contractors.) resulting from or arising out of or incident to or connection in any way with the Lessee's use or occupancy for the Leased Lands, or the exercise of any of the privileges herein granted.

(b) Environmental Indemnity. Without limiting the generality of the foregoing subparagraph (a), Lessee shall indemnify, defend, and hold Lessor harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise during or after the term of this Lease of Hazardous Substances on the Leased Lands in violation of the terms of this Lease, including, without limitation, Lessor's costs incurred in connection with any investigation of environmental or other site conditions or any cleanup, remedial removal, or restoration work due to Hazardous Substances.

19. INSURANCE.

(a) Upon the execution of this Lease, Lessee must submit a certificate of insurance acceptable to Lessor (including a deductible acceptable to Lessor) that it has provided, and shall maintain, insurance with an insurance company qualified to do business in Alaska for the duration of the Agreement as required by law, including a provision for a thirty (30) day advance notification to Lessor in the event of cancellation or any material change in the coverage of the insurance. Lessor shall be named as additional

insured. Said policy will include a waiver of all rights of subrogation by the insurer against Lessor. The coverage shall in no case be less than the following limits:

Comprehensive General Liability Coverage Limits ($500,000 per occurrence, $1,000,000 aggregate; and shall name The Eyak Corporation as additional insured; such limits shall be increased for changes in the Consumer Price Index to offset the effects of inflation (2004 equals the base year) after the second year of the initial term of this lease, and upon initiation of the Extended Term, and after the fifth year of the Extended Term):

a. Premises operations
b. Independent Contractors
c. Board form property
d. Personal injury

(b) No helicopter access, all terrain vehicle access, or motorized access shall be allowed under this Lease until Lessor has approved the insurance coverages of Lessee for such activities and further until Lessor has been provided with certificates evidencing such coverage in the amounts and coverages set forth above.

(c) Lessee and its subcontractors shall abide by and comply with all provisions of the Alaska Workers' Compensation Act, and other industrial insurance laws of the State of Alaska, and shall make all payments, contributions and other remittances and all reports, returns and statements required of employers under said laws. Lessee agrees to indemnify and hold harmless Lessor, against any costs, loss, liability, obligation or lien which may arise as a consequence of or which may grow out of any failure of Lessee or any such subcontractor or person to fully comply with said laws. Lessee agrees to immediately qualify and insure its liability, and shall require its subcontractors to qualify and insure their liability according to the coverage set forth above, and to remain so qualified and so insured for the term of this Lease as employers under such law.

20. INSPECTIONS.

Lessor, by and through its officers, agents, employees and/or representatives, reserves the right to inspect the activities of Lessee at any reasonable time while on the Leased Lands with or without advance notice. The presence or absence of Lessor's inspector shall not release Lessee of any liability as specified herein.

21. RELATIONSHIP OF PARTIES.

Lessee shall have no authority to act for Lessor in any manner or to create any liability or obligation binding upon Lessor.

22. TERMINATION.

Lessee shall have the right to terminate this Lease at any time upon sixty (60) days or more written notice to Lessor, specifying such termination date. In the event Lessee fails to provide Lessor sixty (60) days prior notice of termination pursuant to this paragraph, Lessee shall pay to Lessor a sum equal to one (1) year's rental due under this Lease in the year termination occurs, not as penalty, but as liquidated damages. All obligations of the parties arising or vesting prior to such termination shall survive, including, without limitation, all environmental, indemnity, and reclamation obligations.

23. BREACH

(a) The failure of Lessee to keep or perform any obligations on its part to be kept or performed according to the terms or provisions of this Lease (other than the payment of rent, which shall be subject to the provisions of Paragraph 2(b) above) shall, at the election of Lessor, constitute a breach of this Lease unless cured as hereinafter provided. The failure of Lessor to keep or perform any obligations on its part to be kept or performed according to the terms and provisions of this Lease shall, at the election of Lessee, constitute a breach of this Lease unless cured as hereinafter provided.

(b) In the event of any breach other than nonpayment or underpayment of rent, the non-defaulting party shall first deliver to defaulting party written notice thereof (indicating with reasonable particularity the nature of the breach). The defaulting party shall have a reasonable time under the circumstances (which in any event shall not be less than 30 days after delivery of such notice) in which to cure any such breach.

(c) In the event the non-defaulting party terminates this Lease, on account of a material breach, the parties hereto shall be relieved of all further rights, obligations, and liabilities hereunder except for obligations and liabilities already accrued as of the date of termination.

(d) This Paragraph 23 shall not be construed to limit in any way a party's right to recover damages caused by any breach, whether material or non-material.

24. EMPLOYMENT

Lessor is an Alaska Native Village Corporation, organized pursuant to the Alaska Native Claims Settlement Act, as amended. It is an important goal of the Lessor to maximize employment opportunities for the Lessor's Native Alaskan shareholders. Lessee shall use its reasonable efforts to inform Lessor of employment opportunities for Lessor's shareholders and hire for employment qualified and available shareholders of Lessor to carry on Lessee's operations on the Leased Lands where it is reasonably and consistent with good business practices feasible to do so.

25. NOTICE

(a) All notices, requests, demands, and other communications hereunder shall be in writing, and shall be deemed to have been duly given if delivered personally or upon receipt if mailed by certified or registered mail, return receipt requested with postage prepaid as follows:

If to Lessor:

The Eyak Corporation
P.O. Box 340
Cordova, Alaska 99574
Attn: President, Board of Directors

If to Lessee:

The Cordova Telephone Cooperative
PO Box 459
Cordova, AK 99574
Attn: Paul Kelly, General Manager

(b) The address to which a party desires the notices and other documents to be delivered may be changed at any time by giving notice thereof to other parties in the manner contemplated above.

26. ATTORNEY'S FEES.

In the event any party shall bring any action or proceeding under this Lease or to enforce any provision of

this Lease, or to terminate this Lease, the prevailing party shall be entitled to recover all reasonable attorney's fees and costs incurred by it.

27. GENERAL PROVISIONS

(a) United States Currency. All references to dollars in this Lease refer to United States currency.

(b) Time. Time is of the essence of this Lease.

(c) Waiver. The failure of any party to insist upon the strict performance of any provision of this Lease or to exercise any right, power, or remedy consequent upon a breach thereof shall not constitute a waiver by said party of any such provision, breach, or subsequent breach of the same or any other provision.

(d) Remedies. Except as otherwise provided in this Lease, the parties shall be entitled to any and all remedies provided by law.

(e) Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute a single Lease. This Lease shall not become binding upon any party unless and until all parties have executed at least one counterpart of this Lease.

(f) Further Actions. The parties hereby agree to take any and all actions and execute, acknowledge, and deliver any and all documents reasonably necessary to effect the purposes of this Lease.

(g) Modification of Lease. This Lease may be modified only by a document in writing executed by all of the parties hereto.

(h) Entire Lease. This Lease embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter hereof.

(i) Law Governing; Venue and Exclusive Forum. This Lease shall be interpreted and construed in accordance with, and governed and enforced in all respects by, the laws of the State of Alaska. Any legal proceedings under this Lease shall be brought solely in the Superior Court for the State of Alaska, Third Judicial District, in Anchorage, Alaska.

(j) Severability. If any provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such provision shall not be affected thereby.

(k) Binding Effect. The rights, obligations, and liabilities set forth in or arising under this Lease shall extend to, be binding upon, and inure to the benefit of the parties and their respective successors and assigns.

(l) Paragraph Headings. The descriptive paragraph headings throughout this Lease are for convenience and reference only, and the words contained therein shall not be held to expand, modify, amplify or aid in the interpretation or construction of this Lease.

(m) Interpretation of the Lease. This Lease is the result of arm's-length negotiation and accordingly shall not be construed against the drafting party.

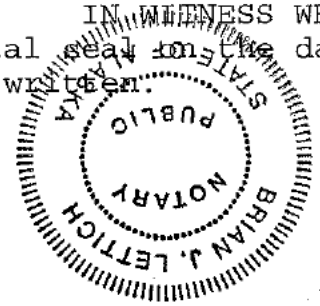
EXECUTED this 24th day of September, 2004.

LESSEE:	LESSOR:
The Cordova Telephone Cooperative	THE EYAK CORPORATION
By: Paul Kelly	By: Daniel L. McDaniel
Paul Kelly	Daniel L. McDaniel
Its: General Manager	Its: Lands Manager

STATE OF Alaska)
Third Judicial District) ss.
~~COUNTY OF~~)

THIS IS TO CERTIFY that on the 24th day of September, 2004, before me, the undersigned, a Notary public in and for Alaska, personally appeared **Paul Kelly** and acknowledged to me that he is the General Manager for the **Cordova Telephone Cooperative**, the Cordova Telephone Cooperative named in the foregoing Lease, and he acknowledged to me that he signed the same on behalf of Cordova Telephone Cooperative for the uses and purposes therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and notarial seal on the date and year in this certificate first above written.

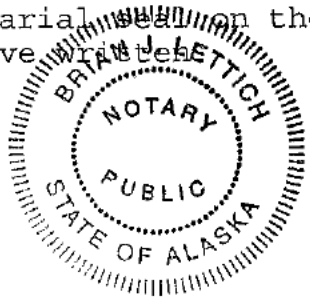


Notary Public in and for Alaska
My commission expires: 11-14-06

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 24th day September 2004, before me, the undersigned, a Notary Public in and for Alaska, personally appeared **Daniel L. McDaniel**, who acknowledged to me that he is the Lands Manager of **THE EYAK CORPORATION**, the corporation named in the foregoing Lease, and he acknowledged to me that he signed the same on behalf of THE EYAK CORPORATION for the uses and purposes therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and notarial seal on the date and year in this certificate first above written.



Notary Public in and for Alaska
My commission expires: 11-14-06

LIST OF EXHIBITS

EXHIBIT A	MAP OR DIAGRAM OF LEASED LANDS
EXHIBIT B	AFFIDAVIT OF POSTING OF NOTICE OF NON-RESPONSIBILITY

Cordova Telephone Cooperative Lease September 24, 2004

EXHIBIT A

MAP OR DIAGRAM OF LEASED LANDS

[RESERVED]

EXHIBIT B

AFFIDAVIT OF POSTING OF
NOTICE OF NON-RESPONSIBILITY
Pursuant to AS 34.35.065

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

_____, being first duly sworn on oath deposes and states:

1. I am a resident of Cordova, Alaska and at least eighteen years of age. I have personal knowledge of the matters stated herein.

2. On _____, I personally witnessed the posting of a Notice of Non-Responsibility, a true and correct copy of which is attached hereto as Attachment 1, by _____ of The Eyak Corporation, on _____ located on lands described as _____ _____ _____ _____ _____ _____ _____, located in the Cordova Recording District.

_____
Printed Name:_____

SUBSCRIBED AND SWORN TO before me by _____ in Cordova, Alaska, this _____ day of _____, 2004.

_____
Notary Public for Alaska
My commission expires:_____

Attachment 1

NOTICE OF NON-RESPONSIBILITY
PURSUANT TO AS 34.35.065

Pursuant to AS 34.35.065, The Eyak Corporation, as owner of the underlying fee surface estate of these lands, the legal description of which is _____
_____
_____
_____
_____
_____
_____
("Lands"), Cordova Recording District, which Lands have been Leased by The Eyak Corporation to _____, hereby posts notice to all this _____ day of _____, 2004, that The Eyak Corporation is not and will not be responsible for any construction, alteration, or repair of any building or improvement on said Lands, or any costs, expenses, or charges arising from or related to such.

THE EYAK CORPORATION

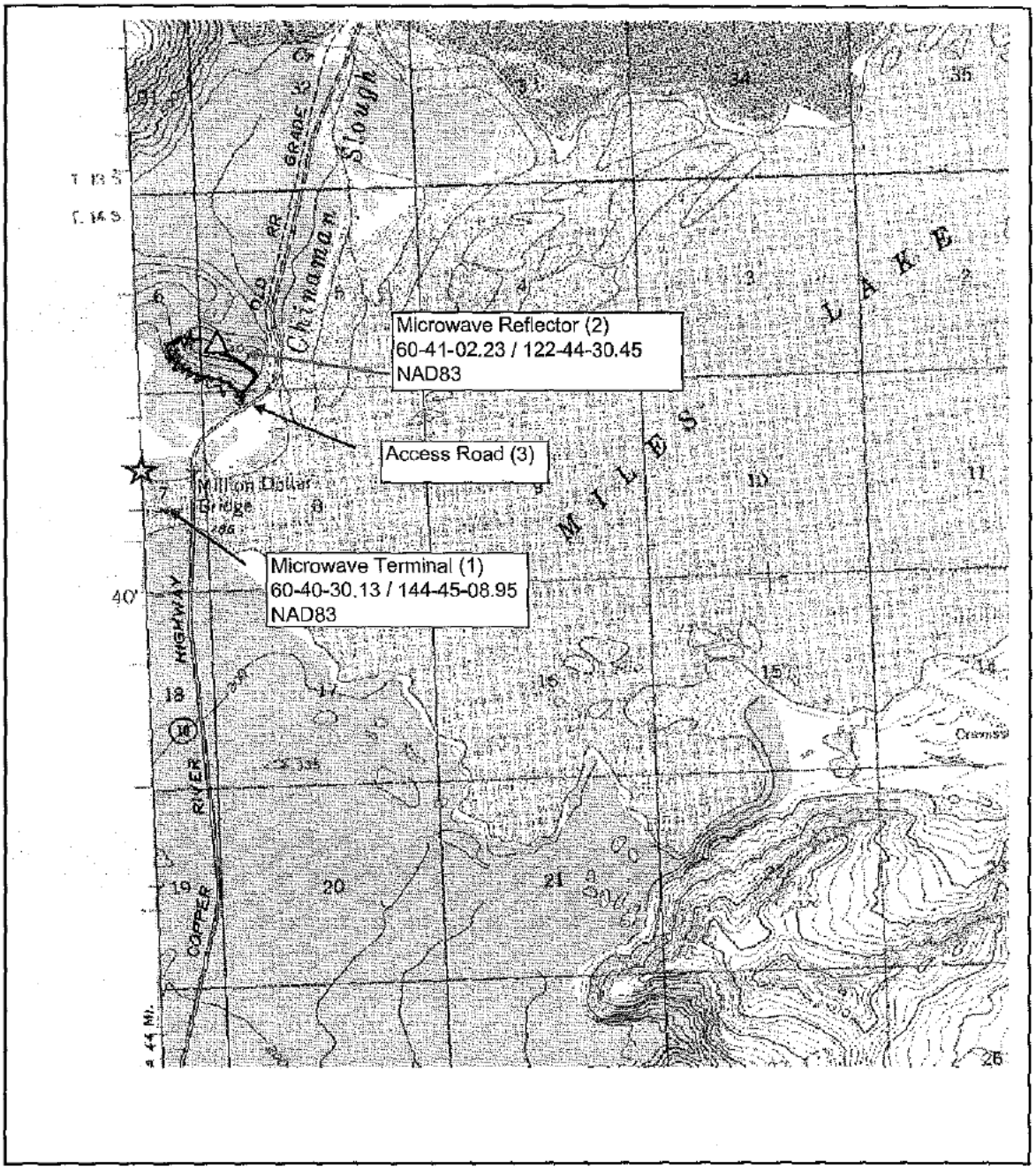
By:_____
Printed Name:_____
Title:_____

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2004, at Cordova, Alaska, by _____, the _____ of The Eyak Corporation, an Alaska corporation, on behalf of the corporation.

_____
Notary Public for Alaska
My commission expires:_____

GILLESPIE, PRUDHON & ASSOCIATES, INC.



MAP EXTRACT

Site Name	Million Dollar, Microwave Terminal (1), Reflector (2), Access Road (3)		
Latitude	See Above	USGS Sheet	Cordova (C-2) Alaska
Longitude	See Above	SEC-TWP-Range	SW 1/4, S5, T14S, R4E Reflector
Elevation	ft. AMSL	SEC-TWP-Range	E ,S7, T14S, R4E Terminal

CORDOVA TELEPHONE COOPERATIVE

OPERATING PLAN

FACILITIES ON EYAK CORPORATION LANDS

Cordova Telephone Cooperative (CTC) is the wireline communications provider serving Cordova, Alaska and the surrounding area. A sister company, Cordova Wireless Corporation, provides wireless service in roughly the same area. CTC plans to extend service to areas not presently served by communications facilities, and hopes to conclude an agreement with the Eyak Corporation to place some infrastructure on Corporation lands near the Million Dollar Bridge.

CTC intends to construct several new microwave radio links to provide a variety of communications services to additional parts of its operating area. One phase of this project will include construction of a link from the Cordova Central Office to Heney Ridge, and from there to Johnstone Point on Hinchinbrook Island. A second phase will build a link from Heney Ridge to the Cordova Airport. The third portion, of interest to Eyak Corporation, will build links from Heney Ridge to Alaganik Slough, from there to Flag Point on the Copper River, and then to the Million Dollar Bridge construction camp on Eyak Corporation lands.

The new system will provide a variety of communications options to the Million Dollar Camp, Eyak Corporation, governmental agencies, and other users in the area. These may include telephone service, data circuits, internet access, video links, and other services. CTC wishes to build a passive repeater, 8' x 10' in size, on the hill north of the Million Dollar Camp, and to install a small shelter and tower in the camp. Because microwave frequencies require direct line of sight, and there is no line of sight from the Flag Point site to Million Dollar Camp, the repeater will reflect signals passing between Flag Point and the camp. This Operating Plan addresses the following questions raised by Eyak Corporation during the course of negotiations:

1. <u>Number Of People Involved, On Site</u>

   During the construction phase of the project, a crew of three to six contractors will be working around the camp and hill for two weeks to a month. CTC is negotiating separately with Eyak Corporation to construct a maintenance road to the repeater site on the hill. After construction and turnup of the system is completed, a CTC technician will make occasional visits for maintenance, troubleshooting, and changes to the system. We anticipate that less than one visit per month will be necessary.

2. Project Description

The repeater on the hill above camp will be 8' x 10' in size and will be erected on a steel base and concrete foundation consisting of a poured pad or four footings. It will be located just below the peak of the hill so that it will not be visible against the skyline of the hill, and will be painted so as to blend in with its surroundings. A maintenance road will be constructed to the repeater location. The repeater is a passive device, so no AC power will be required to the site. After construction, we anticipate that only an annual maintenance visit will be necessary. Some trees must be cleared to make room for the repeater and maintenance road, but no other environmental impact is anticipated.

A small shelter, on the order of 8' x 10' in size, will be placed in the camp to house the microwave radio and other electronic equipment. Discussions have been held with the camp operator, and the shelter will be constructed to conform to the aesthetic standards of other structures in the camp. A 20-foot monopole tower will be installed to support the microwave radio antenna, and will be placed at a location agreed to by CTC and the camp operator. CTC intends to negotiate an agreement with the camp operator for provision of AC power to the shelter.

3. Frequency of Visits

After construction is completed, a CTC technician will make an annual maintenance visit to the repeater site and to the camp. Other visits may be necessary for troubleshooting or to provide additional services requested by users in the area. We anticipate that these will not exceed one visit per month, although requests for service by various users may dictate more frequent trips.

4. Maintenance Plan

An annual scheduled maintenance visit will be made to both the passive repeater and to the camp. The repeater visit will be to check for physical wear and tear, and the camp visit will include FCC-required power and frequency checks. Other maintenance visits may be required occasionally to address service-affecting problems which arise from time to time.

5. Future Expansion

There are presently no plans for future expansion of the system, but new service requests may lead to some growth. If the Eyak Corporation or other users requested service upriver from the present Million Dollar Camp, one option would be to extend AC power to the repeater site on the hill and to construct a microwave spur route north from there to Eyak

village or other locations. Additionally, if demand develops for cellular service at the camp, Cordova Wireless might request permission to install a cellular base station in the camp or at the repeater site.

6. Access

There are no plans to place a gate on the road leading to the repeater site, ~~but one will be provided if required by Eyak Corporation~~. The shelter in the camp will be locked, but a key will be furnished to the camp manager for emergency access to the shelter.

THE EYAK CORPORATION

AMENDMENT
CORDOVA TELEPHONE COOPERATIVE LAND USE LEASE

By mutual consent of the parties in the title paragraph, **The Cordova Telephone Cooperative (CTC) Land Use Lease** grants for use Eyak Corporation lands identified in the land use section as the 50 Mile Reflector Site; and as such, is hereby amended by this instrument for the purpose of relocating on site one (1) 1,500 gallon F921 secondary containment storage tank installed above ground; one (1) 6KW generator; and one (1) 5'x7'x7' molded shelter as shown on the attached map. Any and all uses of on site equipment must adhere to Environmental Protection Agency regulation. Inspections of facilities equipment including the secondary containment storage tank are to be provided by CTC as defined by the listed manufacturers recommendations for long term use. CTC further agrees to pay an annual fee of (b) (4) space rent in addition to the original lease fee of (b) (4) prorated through September 24, 2006 at which time, the adjusted annual fee of (b) (4) will become effective. The site size and all other terms and conditions of this lease remain the same and in full force and effect.

Signed:
EYAK CORPORATION

By: (b) (6)

Title: Lands Manager

Date: 1-25-06

Telephone
CORDOVA ELECTRIC CO-OP

By: (b) (6)

Title: CEO

Date: 1-25-06

THE EYAK CORPORATION
PO BOX 340, CORDOVA, AK 99574
907-424-7161 • FAX: 907-424-5161 • EMAIL: eyakcorp@ctcak.net

January 25, 2006

Paul Kelly, General Manager
Cordova Telephone Cooperative
P. O. Box 459
Cordova, Alaska 99574

Dear Paul:

Attached for your convenience, is the 1st Amendment to the 50 Mile Repeater Facility. Please sign the amendment at your earliest convenience and submit it back to us along with a check or money order payable to the Eyak Corporation in the amount of (b) (4).

Thank you Paul for your continued use of Eyak Corporation lands. If I can be of further assistance to you, please feel free to contact me.

Sincerely,

THE EYAK CORPORATION

(b) (6)

Daniel L. McDaniel
Lands Manager

ARTICLES OF INCORPORATION

BYLAWS

AS AMENDED
March 25, 2022

ARTICLES OF INCORPORATION
OF
CORDOVA TELEPHONE COOPERATIVE, INC.

KNOW ALL MEN BY THESE PRESENT:

That we, the undersigned, being natural persons of the age of nineteen years or more and citizens of the United States of America and residents of the State of Alaska, have this day united and associated ourselves together for the purpose of forming a non-profit cooperative association under the provisions of AS 10.25 and all laws amendatory thereof and supplemental thereto, and we do hereby make, sign and acknowledge the following Articles of Incorporation.

ARTICLE I

The name of the Corporation shall be:

CORDOVA TELEPHONE COOPERATIVE, INCORPORATED.

ARTICLE II

The address of the principal office shall be:

P.O. BOX 459, CORDOVA, ALASKA 99574

ARTICLE III

The purpose or purposes for which this Corporation is formed are:

a. To furnish, improve and expand telephone service to its members, and to other users not in excess of ten percent (10%) of the number of its members.

b. To connect and interconnect the telephone lines, facilities or systems of the Corporation with other telephone lines, facilities or systems.

c. To make its facilities available to persons furnishing telephone service inside or outside the State of Alaska.

d. To construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machines, supplies, apparatus, equipment and telephone distribution lines or systems necessary, convenient, or useful for carrying out and accomplishing any or all of the foregoing purposes.

e. To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights-of-way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Corporation.

f. To buy, sell, lease, own, rent, operate, manage, control and dispose of real property, personal property, mortgages, stocks, bonds, securities and all other property.

g. To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for monies borrowed or in payment for property acquired, or for any of the other objects or purposes of the Corporation; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgages, or deed or deeds of treat upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges, or permits of the Corporation, wheresoever situated, acquired or to be acquired.

h. In general, to do and perform any and all acts and things, and to have and exercise any and all powers as may be necessary or convenient to accomplish any or all of the foregoing purposes, or as may be permitted by the Act; and to do and perform any such acts or things in conjunction with or with aid or assistance from governmental entities or agencies at federal, state, regional or local levels.

i. To have and to exercise all of those other powers granted a telephone cooperative corporation under all of those laws of the United States and of the State of Alaska applicable to the Corporation, as such laws may heretofore or hereafter be amended.

j. To do and accomplish all of the foregoing without pecuniary profit to the Corporation, but solely for the benefit and advantage of the members of the Corporation.

ARTICLE IV

Article IV, Sect. 1

Section 1. The Corporation is a non-profit corporation organized exclusively for the benefit of its members.

Article IV, Sect. 2

Section 2. Membership and membership fees shall be as prescribed in the Bylaws of the Corporation.

Article IV, Sect. 3

Section 3. The private property of the members of the Corporation shall be exempt from execution for the debts of the Corporation.

ARTICLE V

The period of duration of the Corporation is perpetual. The registered office shall be located at 310 "K" Street, Suite 404, Anchorage, Alaska 99501; the registered agent for service of process is Roger R. Kemppel, whose office is located at 310 "K" Street, Suite 404, Anchorage, Alaska 99501.

ARTICLE VI

The number of Directors shall be elected at the first organizational meeting of the Corporation. The names and post office addresses of the temporary Directors who shall manage the affairs and business of the Corporation until the election of the regular Directors at the first organizational meeting shall be the eleven incorporators as set forth in Article VII, below.

ARTICLE VII

The names and addresses of the incorporators of the Corporation are as follows:
Robert Banta, Box 12, Cordova, Alaska 99574
Jack Dinneen, Box 78, Cordova, Alaska 99574
Danny Glasen, Box 575, Cordova, Alaska 99574
Hollis Henrichs, Box 1000, Cordova, Alaska 99574
James Iliff, Box 694, Cordova, Alaska 99574
Axel Janson, Box 576, Cordova, Alaska 99574
John Joslin, Box 980, Cordova, Alaska 99574
Doug Longacre, Box 360, Cordova, Alaska 99574
Ken Roemhildt, Box 741, Cordova, Alaska 99574
Robert Turner, Sr., Box 260, Cordova, Alaska 99574
John R. Wilson, Box 813, Cordova, Alaska 99574

IN WITNESS WHEREOF, we have hereunto set our hands and seals at Cordova, Alaska, this 8th day of December, 1977.

ROBERT BANTA
DANNY GLASEN
JAMES ILIFF
JOHN JOSLIN
KEN ROEMHILDT
JOHN R. WILSON
JACK DINEEN
HOLLIS HENRICHS
AXEL JANSON
DOUG LONGACRE
ROBERT TURNER, SR.

STATE OF ALASKA)
:ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that before me, a Notary Public in and for the State of Alaska, duly sworn and commissioned as such, personally appeared ROBERT BANTA, JACK DINEEN, DANNY GLASEN, HOLLIS HENRICHS, JAMES ILIFF, AXEL JANSON, JOHN JOSLIN, DOUG LONGACRE, KEN ROEMHILDT, ROBERT TURNER, SR., and JOHN R. WILSON, known to me and to me known to be the individuals named in and whose names are subscribed to the foregoing Articles of Incorporation of Cordova Telephone Cooperative, Inc., and they acknowledged to me that they signed, sealed, executed and delivered the said Articles of Incorporation as their free and voluntary act for the uses and purposes contained therein.

IN WITNESS WHEREOF, I have hereunto set my hand and notary seal this 8th day of December, 1977.
Roger R. Kemppel
Notary Public in and for Alaska
My commission expires: April 1979

BYLAWS
OF
CORDOVA TELEPHONE COOPERATIVE, INCORPORATED

ARTICLE I

MEMBERSHIP

Article I, Sect. 1

Section l. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Cordova Telephone Cooperative, Inc., (hereinafter called the "Cooperative") upon receipt of telephone service from the Cooperative, provided that he or it has first:

(a) Made a written application for membership therein and granted to the Cooperative such easements as the Cooperative shall require for the furnishing of telephone service to the applicant and others in the immediate area, without compensation;

(b) Agreed to purchase from the Cooperative telephone service as hereinafter specified; and

(c) Agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors; and as such articles, bylaws, or rules and regulations shall be amended from time to time.

(d) No entity may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.

(e) Purchasers of the Cooperative's services at wholesale, for resale or as an interexchange, interconnection or as a competitive local exchange service provider shall not be eligible for membership.

Article I, Sect. 2

Section 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. In case a certificate is lost, destroyed or mutilated a new certificate may be issued therefore upon receipt of written request and proof of good standing with the Cooperative.

Article I, Sect. 3

Section 3. Joint Membership. A user and co-user of a common telephone service may apply for a joint membership, and subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these Bylaws shall be deemed to include a user and co-user holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

(a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;

(b) The vote of either separately or both jointly shall constitute one joint vote;

(c) A waiver of notice signed by either or both shall constitute a joint waiver;

(d) Notice to either shall constitute notice to both;

(e) Expulsion of either shall terminate the joint membership;

(f) Withdrawal of either shall terminate the joint membership;

(g) Either but not both may be elected or appointed as an officer or board member, provided that both meet the qualifications for such office.

Article I, Sect. 4

Section 4. Conversion of Membership.

(a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and co-user(s) to comply with the Articles of Incorporation, Bylaws and rules and regulations adopted by the Board. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

(b) Upon the death of either co-user(s) who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership shall be surrendered, and shall be reissued in such a manner as shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

(c) Upon the dissolution of a joint membership, the outstanding membership shall be surrendered and new individual memberships shall be issued if all requirements for membership are met, provided, however, that in no case shall either member be released from any debts due to the Cooperative.

Article I, Sect. 5

Section 5. Purchase of Telephone Service. Each member shall, as soon as telephone service shall be available, purchase from the Cooperative all telephone service used on the premises specified in his application for membership, and shall pay therefore at rates which shall from time to time be fixed by the Board. It is expressly understood that amounts paid for telephone service in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of telephone service used, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

Article I, Sect. 6

Section 6. Termination of Membership.

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, at its next regular meeting, by the affirmative vote of not less than a majority of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who has ceased to purchase service from the Cooperative may be cancelled by resolution of the Board.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

Article II, Sect. 1

Section 1. Property Interest of Members. Upon dissolution, after:

(a) All debts and liabilities of the Cooperative shall have been paid; and

(b) All capital furnished through patronage shall have been retired as provided in these bylaws; the remaining property and assets of the Cooperative shall be

distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten (10) years next preceding the date of the filing of the certificate of dissolution.

Article II, Sect. 2

Section 2. Non-liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III

MEETING OF MEMBERS

Article III, Sect. 1

Section 1. Annual Meeting.

(a) The annual meeting of the members shall be during the month of March of each year at such place within the area served by the Cooperative as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of electing Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

(b) The Board of Directors may adopt policies to allow members to participate in an annual meeting by teleconference or similar communication that allows all members to hear each other during the meeting. A member participating in this manner shall be considered to have attended the meeting in person.

Article III, Sect. 2

Section 2. Special Meetings.

(a) Special meetings of the members may be called by a majority of the Board of Directors, or by ten percent (10%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such to be given as hereinafter provided. Special meetings of the members may be held at any place within the area served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

(b) The Board of Directors may adopt policies to allow members to participate in a special meeting by teleconference or similar communication that allows all members to hear each other during the meeting. A member participating in this manner shall be considered to have attended the meeting in person.

Article III, Sect. 3

Section 3. Notice of Members' Meetings.

(a) Written notice stating the place, day and hour of the annual meeting shall be delivered to each member either personally or by mail not less than fifteen (15) nor more than sixty (60) days before the date of the meeting. In the case of a special meeting, written notice stating the place, day, hour, and the specific purpose of any special meeting of the members shall be delivered to each member not less than ninety (90) nor more than one hundred twenty (120) days before the date of the meeting. Notice under this Section shall be given to each member by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the address of the member as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any

member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

(b) Notice of a membership meeting may be provided by electronic mail or text message within the time limits listed in this Section. If sent by text or electronic mail, notice is considered given when the notice is sent to the member's telephone number, if the telephone is capable of receiving text messages, or the electronic mailing address on record with the Cooperative.

Article III, Sect. 4

Section 4. Quorum.

(a) As long as the total number of members does not exceed one thousand (1,000), five percent (5%) of the total number of members, present in person, at any meeting shall constitute a quorum.

(b) In case the total number of members shall exceed one thousand (1,000), fifty (50) members, present in person, shall constitute a quorum.

(c) If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

(d) or purposes of determining a quorum, a member who votes on a matter by electronic communication received or by mail postmarked before a meeting begins is considered to have attended the meeting in person for the matter on which the member voted,

(e) A list of the members present in person at each meeting shall be maintained.

Article III, Sect. 5

Section 5. Voting. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person or by mail except as otherwise provided by law, the Articles of Incorporation or these Bylaws.

Article III, Sect. 6

Section 6. Voting by Mail.

(a) Voting by mail shall be permitted on all questions submitted to the members except for approval of minutes and routine procedural matters or as otherwise prohibited by law, the Bylaws, or the articles of incorporation.

(b) Ballots for use by members voting by mail, together with a small ballot envelope and a large envelope imprinted with the voter's certificate, affixed with the address of the Cooperative, first class United States postage, and the name and address of the voter, shall be mailed to each of the members in sufficient time for such members to reasonably dispatch their ballots to meet the deadline affixed for receipt of ballots at the Cooperative's office in Cordova, Alaska. "Voter's certificate" is defined as a line or other space reserved for and containing the voter's signature. Ballots of members voting by mail must be received at the Cooperative headquarters in Cordova, Alaska, not later than the day of the annual meeting or special meeting, or cast in person at the meeting.

(c) An election committee of not less than three (3) members shall be appointed by the Board of Directors sufficiently in advance of the meeting to ensure validity of the mailed ballots to be counted at the meeting. The election committee shall cause ballots received by mail to be opened no earlier than 8 a.m. on the meeting date. If less than a quorum is present at the meeting, an election committee shall cause to be preserved all ballots received by mail until such time as a quorum is present. In any case, marked ballots will be retained and secured for a period of ninety (90) days following the election, after which time they may be destroyed.

(d) Voting by mail may include voting by electronic means as authorized by the Board of Directors.

Article III, Sect. 7

Section 7. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting.

1. Report on the number of members present in person in order to determine the existence of a quorum.

2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.

3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.

4. Presentation and consideration of reports of officers, trustees and committees.

5. Election of board members.

6. Unfinished business.

7. New business.

8. Adjournment.

Article III, Sect. 8

Section 8. Parliamentary Questions. Parliamentary questions not addressed by these Bylaws will be resolved by reference to Robert's Rules of Order.

ARTICLE IV

BOARD MEMBERS

Article IV, Sect. 1

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of seven (7) members which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

Article IV, Sect. 2

Section 2. Election and Tenure of Office. Directors shall be elected by secret ballot at annual meetings of the membership, by and from the members, to serve for a three (3) year term, or until their successors have been elected and qualified, provided, the Directors elected to fill vacancies as provided in Article IV, Section 6, of these Bylaws, shall serve only for the unexpired portion of the term vacated. Board members may be elected by a plurality vote of the members. If an election of Board members shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing Board members within a reasonable time thereafter.

Article IV, Sect. 3

Section 3. Qualification.

(a) No person shall be eligible to become or remain a Board member of the Cooperative who:

(i) Has not been a member in good standing and bona fide resident in the area served or to be served by the Cooperative for at least a year immediately prior; or

(ii) Is in any way employed by or financially interested in a competing enterprise or a business selling telephone service.

iii) As the General Manager/ Corporate Executive Officer (GM/CEO)or a Cooperative Board member:

1. Sells or barters anything to the Cooperative or to a contractor supplying the Cooperative; or

2. Makes any contract with the Cooperative; or

3. Purchases anything from the Cooperative other than those things which the Cooperative offers generally to the membership (as for example, utility service), and then only on the same terms as are offered to the members, unless an invitation to submit sealed bids is published, and the Cooperative accepts the sealed bid which is most advantageous to the Cooperative; provided that such a sale, contract or purchase involving consideration of not more than Three Hundred Fifty Dollars ($350.00) may be made without bids; Every such sale, contract or purchase as described in this Section 3(a)(iii), regardless of the value of the consideration, must be reported to the Board and entered in the minutes before the Cooperative can pay out any money thereupon or be bound thereon. Any violation of Section 3(a)(iii) with the knowledge, expressed or implied, of the person or corporation contracting with the Cooperative shall render the contract voidable by the Board of Directors.

(iv) Has been an employee of the Cooperative or any of its wholly-owned subsidiaries within the past two (2) years, or has been terminated from employment with the Cooperative or any of its wholly-owned subsidiaries.

(b) Upon establishment of the fact that a Board member is holding office in violation of any foregoing provisions, the Board shall remove such Board member from office.
(c) Nothing contained in Section 3 shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board,

Article IV, Sect. 4

Section 4. Nominations. It shall be the duty of the Board to appoint, not less than seventy (70) nor more than one hundred twenty (120) days before the date of a meeting of the members which Board members are to be elected, a committee on nominations consisting of not less than five (5) nor more than seven (7) members who shall be selected so as to ensure equitable representation among the nominees. One member of the Board will serve on such committee. The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the Cooperative at least sixty (60) days before the meeting a list of nominations for Board members which shall include at least two (2) candidates for each Board position to be filled by the election. The Secretary shall be responsible for mailing, with the notice of the meeting or separately, but at least thirty (30) days before the date of the meeting, a statement of the number of board members to be elected and the names of the candidates nominated by the committee on nominations, the candidates nominated by petition, and the official ballot. Any fifteen (15) or more members acting together may make other nominations by petition and the Secretary shall include such nominations on the official ballot if the petition is received by the Cooperative at least forty-five (45) days before the date of the meeting.

Article IV, Sect. 5

Section 5. Removal of Board Member by Members. Any member may bring charges for cause against a Board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members or three hundred (300), whichever is the lesser, may request the removal of such Board member by reason thereof. Such Board member shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing question of removal of such Board member shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

Article IV, Sect. 6

Section 6. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Board members by the members, or by the death or resignation of a Board member, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members until the next annual or special meeting of the members, at which meeting the members shall fill such vacancy for the remaining unexpired portion of the term. In filling vacancies, the Board of Directors shall provide notice to the members of the vacancy through the Cooperative's website and allow at least thirty (30) days from the date of such notice for members to express interest in filling the Board seat.

Article IV, Sect. 7

Section 7. Compensation. Board members shall not receive any salary for their services as such, except that members of the Cooperative may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of

detailed accounting for some of these expenses. No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the Board member or his close relative shall have been certified by the Board as an emergency measure. For the purpose of this section, close relative includes parents, husband, wife, children, brothers and sisters.

Article IV, Section 8

Section 8. Employment of Board Members and Close Relatives.

(a) A Board member may not be hired by the Cooperative for any newly created or existing employee position for a period of one year after the Board member ceases to hold office.

(b) A close relative of a Board member may not be hired by the Cooperative for a period of sixty (60) days after the Board member ceases to hold office. For the purposes of this section, close relative includes parents, husband, wife, children, brothers and sisters.

(c) A board member who lives in the same household and is financially interdependent with a person wishing to apply for employment with the Cooperative must first resign before the application is submitted.

(d) In the event of an unforeseen vacancy in the General Manager/Corporate Executive Officer position a board member may be appointed to fill the vacancy on an interim basis. The interim position will conclude once a permanent hire is positioned or at the Board's discretion.

ARTICLE V

MEETINGS OF BOARD

Article V, Sect. 1

Section 1. Regular Meetings. A meeting of the Board for the purpose of electing officers shall be held without notice, within 7 days after, the annual meeting of the members at a date and time set in accordance with Article V, Section 2. A regular meeting of the Board shall also be held monthly at such time and place within the area served by the Cooperative as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof. Meetings of the Board shall be open to the membership.

Article V, Sect. 2

Section 2. Special Meeting. Special meetings of the Board may be called by the President or by any three (3) Board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or Board members calling the meeting shall fix the time and place for the holding of the meeting.

Article V, Sect. 3

Section 3. Notice of Board Meetings. Written notice of the time, place, and purpose of any special meeting of the Board shall be delivered to each Board member either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Board member calling the meeting. If notice is delivered by person to every board member such meeting can be called within twenty-four hours. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting. Every special meeting of the Board shall

be announced at least three (3) times publicly stating time, place and purpose, or as hereinafter provided.

Article V, Sect. 4

Section 4. Quorum. A majority of the Board shall constitute a quorum provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board members of the time and place of such adjourned meeting. The act of a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws.

Article V, Sect. 5

Section 5. Executive Sessions. Executive sessions shall be limited to the discussion of pertinent matters, the disclosure of which would adversely affect the Cooperative. No motions can be made or acted upon in such executive sessions.

Article V, Sect. 6

Section 6. Removal of Board Member by Board. Any Board member who fails to attend three (3) regular meetings of the Board in succession, or seventy-five (75%) percent of the board meetings during the term year, without good cause shown, may be removed from the Board by the vote of a majority of the remaining Board members; further, any Board member who, by clear and convincing evidence, does not abide by the terms and conditions of the "Board of Directors Code of Ethics",(Policy Bulletin Number 4B), may be removed from the Board with unanimous vote of all members of the Board (except the member against whom charges are brought).

A vacancy so occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Board until the next annual or special meeting of the members, at which meeting the members shall fill such vacancy for the remaining unexpired portion of the term.

Article V, Sect. 7

Section 7. Emergency Meetings. Conditions resulting from major disasters may be immediately acted upon by a majority of the Board.

ARTICLE VI

OFFICERS

Article VI, Sect. 1

Section 1. Number. The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board from time to time. The office of Secretary and Treasurer may be held by the same person.

Article VI, Sect. 2

Section 2. Election and Term of Office. The officers shall be elected by ballot, annually by and from the Board at the meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

Article VI, Sect. 3

Section 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten percent (10%) of the members or three hundred (300), whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

Article VI, Sect. 4

Section 4. Specific Responsibilities of the Board. It shall be the responsibility of the Board to establish and provide a Policy Manual for the general management and operation of the Cooperative. The acceptance and review of, and any additions or deletions to this Policy Manual shall be presented at three (3) consecutive Board meetings before it is voted upon by the Board.

Article VI, Sect. 5

Section 5. President. The President shall:

(a) Be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;

(b) Sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(c) In general perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Article VI, Sect. 6

Section 6. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board.

Article VI, Sect. 7

Section 7. Secretary. The Secretary shall be responsible for:

(a) Keeping the minutes of the meetings, of the members and of the Board in books provided for that purpose;

(b) Seeing that all notices are duly given in accordance with these Bylaws or as required by law;

(c) Keeping a register of the names and post office addresses of all members;

(d) Signing, with the President, certificates of membership, the issue of which shall have been authorized by the Board or the members;

(e) Keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and

(f) In general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

Article VI, Sect. 8

Section 8. Treasurer. The Treasurer shall be responsible for:
(a) Custody of all funds and securities of the Cooperative;
(b) The receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws;
(c) The general performance of all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board; and
(d) Presentation of a current financial report of the Cooperative to the Board at its regular monthly meeting.

Article VI, Sect. 9

Section 9. General Manager/Corporate Executive Officer (GM/CEO). The Board may appoint a general manager/corporate executive officer (GM/CEO) who may be, but who shall not be required to be, a member of the Cooperative. The GM/CEO shall perform such duties and shall exercise such authority as the Board may from time to time vest in him.

Article VI, Sect. 10

Section 10. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

Article VI, Sect. 11

Section 11. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the Board subject to the provisions of these Bylaws with respect to compensation for a Board member and close relative of a Board member.
The Cooperative shall indemnify present and former directors, officers, including the General Manager/Corporate Executive Officer, agents, and employees against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interests of the Cooperative. The Cooperative may purchase insurance to cover such indemnification.

Article VI, Sect. 12

Section 12. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII

NON-PROFIT OPERATION

Article VII, Sect. 1

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Article VII, Sect. 2

Section 2. Patronage Capital in Connection with Furnishing Telephone Service. In the furnishing of telephone service the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of telephone service in excess of operating costs and expenses properly chargeable against the furnishing of telephone service. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be:

(a) Used to offset any losses incurred during the current or any prior fiscal year; and

(b) To the extent not needed for that purpose, allocated by the Board either (1) to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided, or (2) to a permanent capital account to be held as unallocated equity capital. The Board, in its discretion, may allocate all amounts not received and receivable from the furnishing of telephones service, including, but not limited to, interest or investment income, equity gains from refinancing, and capital gains realized on the sale of assets into the permanent capital account. The amount of this unallocated equity capital shall not be subject to distribution as patronage capital credits but shall be returned to the members upon dissolution of the Cooperative.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part in a manner as may be determined by the Board, including retirement on a discounted basis, except that any such capital retired to a patron shall first be applied to any outstanding balance due the Cooperative together with interest at the legal rate of interest allowed on judgment in the State of Alaska in effect when such amount became overdue, compounded annually. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing, by such patron, the Cooperative, together with interest thereon at the Alaska legal rate on judgments in effect when such amount became overdue, compounded annually.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these Bylaws, the Board at its discretion, shall have the power at any time upon the death of any patron who was a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be

retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws as they may be amended from time to time, shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE VIII

DISPOSITION OF PROPERTY

The Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two-third (2/3) of the members voting on the transaction if the number of members voting to approve it constitutes a majority of all of the members of the Cooperative, and unless the notice of such proposed sale, lease, or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative, provided further that the Board may, upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another cooperative or foreign corporation doing business in this State pursuant to the Act under which this Cooperative is incorporated.

ARTICLE IX

SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Alaska".

ARTICLE X

FISCAL MANAGEMENT AND ACCOUNTING

Article X, Sect. 1

Section 1. Revenues and Expenditures. The Board of Directors shall adopt and maintain a system of accounting for receipts and expenditures in conformance with the laws of the United States and of the State of Alaska, applicable to cooperative associations and corporations, which system shall at all times provide the proper reserves for payment of interest and principal on outstanding indebtedness, reserves for taxes, insurance, depreciation, replacement of capital plant and facilities, and such other reserves and accounts as the Board of Directors shall deem proper.

Article X, Sect. 2

Section 2. Accounting System and Reports. The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Services of the United States of America. The Board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting and a copy of the audit report shall be available to the membership.

ARTICLE XI

FINANCIAL TRANSACTIONS

Article XI, Sect. 1

Section 1. Contracts. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to a specific instance.

Article XI, Sect. 2

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

Article XI, Sect. 3

Section 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select.

Article XI, Sect. 4

Section 4. Change in Rates. When required by the Rural Utilities Service, written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America of any change in the local service rates charged by the Cooperative for telephone services when the Cooperative is in the process of securing a new loan from the Rural Utilities Service.

Article XI, Sect. 5

Section 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

Article XI, Sect. 6

Section 6. Budget. It shall be the responsibility of the Board to approve and adopt a budget for the upcoming fiscal year prior to the beginning of the budget year.

ARTICLE XII

MISCELLANEOUS

Article XII, Sect. 1

Section 1. Membership in Other Organizations. The Cooperative may own, invest in, or become a member of any other organization, corporation, partnership, joint venture, or other business provided that the Board of Directors finds that the relationship will control costs, increase revenues, or improve or expand telephone or communications services to the Cooperative's members or the community of Cordova.

Article XII, Sect. 2

Section 2. Waiver of Notice. Any member or Board member may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or

Board member at any meeting shall constitute a waiver of notice in case a member or Board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

Article XII, Sect. 3

Section 3. Policies, Rules and Regulations. The Board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business affairs of the Cooperative.

Article XII, Sect. 4

Section 4. AREA Coverage. The Board shall make diligent effort to see that telephone service is extended to all unserved persons within the Cooperative service area who:

(a) Desire such service; and

(b) Meet all reasonable requirements established by the Cooperative as a condition of such service.

ARTICLE XIII

AMENDMENTS

Article XIII, Sect. 1

Section 1. Amendments to the Bylaws. Proposed amendments to the Bylaws may be adopted by the affirmative vote of a majority of the members conducted in accordance with Article III. The notice of the member meeting must contain the text of the proposed amendment.

Article XIII, Sect. 2

Section 2. Procedure for Placement of Bylaw Amendments on the Ballot. Proposed amendments to the Bylaws may be placed on the ballot by:

(a) The Board of Directors, upon its own initiative or at the request of a member;

(b) submitting a petition in accordance with Section 3 of this Article XIII.

Article XIII, Sect 3

Section 3. Procedure for Bylaw Amendments by Petition. A petition to amend the Bylaws must:

(a) Identify the sponsor(s) of the amendment;

(b) state whether any sponsor:

(1) is, or is a close relative of, a Cooperative employee or director;

(2) is, or is a close relative of, someone who is employed by, has a material financial interest in, or purchases services from a competitor of the Cooperative;

(c) contain the exact wording of the proposed Bylaw change;

(d) contain a summary and analysis of the proposed Bylaw amendment prepared by the Cooperative's counsel;

(e) be dated and contain the printed names, addresses, and original dated signatures (obtained within ninety (90) days of the petition date) from at least ten percent (10%) of the membership of the Cooperative as of the date of submission;

(f) be submitted not less than one hundred twenty (120) days prior to the scheduled meeting at which the Bylaw revision is to be considered by the members;

(g) determined to be lawful by the Board of Directors legal counsel; and

(h) not be altered or modified after delivery to the Cooperative.

For purposes of Article XIII, Section 3, a "close relative" is defined as set forth in Article IV, Section 8, and "the Cooperative" includes any Cooperative's subsidiary.

IN WITNESS WHEREOF, we have hereunto set our hands this 23rd day of December, 1977.

ROBERT BANTA
DANNY GLASEN
JAMES ILIFF
JOHN JOSLIN
KEN ROEMHILDT
JOHN R. WILSON
JACK DINEEN
HOLLIS HENRICHS
ALEX JANSON
DOUG LONGACRE
ROBERT TURNER, SR.

The Alaska Mental Health Trust Authority
Trust Land Office

REVOCABLE LICENSE FOR LAND USE
NICEY Icy Bay Communications Sites

MHT 9100983
MH Parcel CRM-0007-A

THIS REVOCABLE LICENSE FOR LAND USE ("*License*" or "*Agreement*") is made effective as of the date of Trust Land Office signature and granted by and among **THE ALASKA MENTAL HEALTH TRUST AUTHORITY** ("*Trust Authority*"), a public corporation within the Alaska Department of Revenue (AS 47.30.011 et seq.), acting by and through the State of Alaska, Department of Natural Resources, Trust Land Office ("*TLO*"), pursuant to AS 37.14.009, AS 38.05.801 and 11 AAC 99 (the Trust Authority and the TLO are collectively referred to as "*Grantor*") whose address is 2600 Cordova Street, Suite 201, Anchorage, AK 99503, and made in favor of Cordova Telecom Cooperative ("*Grantee*") whose address is 611 Second Street, Cordova, AK 99574.

In consideration of the cash payment made by Grantee to the Grantor, and other performance to be rendered by Grantee hereunder, it is in the best interests of the beneficiaries of the Alaska Mental Health Trust ("*Trust*") that the License Area be licensed to Grantee, and Grantee desires to enter and use the License Area for the purposes, and on the terms and conditions hereafter set out.

AGREEMENT

NOW THEREFORE, the Parties mutually covenant and agree as follows:

1. **GRANT**. The Grantor hereby grants Grantee a revocable non-exclusive license, without warranty, to enter the following described tract of land: two individual sites on portions of MH parcel CRM-0007-A, with the legal description of Tower Site 1. Airstrip: NE ¼ of Section 33, Township 22 South, Range 22 East, Copper River Meridian, containing approximately 10,000 sq. ft., more or less; and Tower Site 2. Mountain: SE ¼ of Section 13, Township 22 East, Range 22 East, Copper River Meridian within the "License Area" (Schedule 1), and as depicted in Exhibit A and Exhibit B, for the limited uses and purposes as described in Schedule 2 hereof.

2. **TERM.**
   a. This Agreement shall automatically expire at 11:59pm on the 30th of June, 2032 unless it is extended or earlier terminated as elsewhere provided in this Agreement.

b. This Agreement may be extended for one additional 10 year term upon 60 days written notice and request for extension given by Grantee to Grantor and written acceptance made by the Grantor. Unless otherwise specified in the written acceptance made by the Grantor, all of the provisions of this Agreement shall apply during the extension periods. The Grantor within its sole discretion may accept or reject Grantee's request for an extension. If the Grantor fails to give written notice of its acceptance of Grantee's request for an extension 60 days prior to the date this Agreement would otherwise expire, then this Agreement shall terminate on that date.

3. CONSIDERATION.

a. Annual Payments. Grantee shall pay an annual payment to the Grantor in the amount of (b) (4) . Payment will be due on or before the first of July of each year. Payments are due without notification from the Grantor. Annual payments shall be paid in advance. In the case of a requested extension, the following year's payment shall be tendered with the request for an extension as set forth in this Agreement.

b. Payment for Term Extensions. In the case of extensions, payments may be adjusted within the sole discretion of the Grantor. If the Grantor desires to adjust the payments as to any extension, it shall provide a schedule of payments for the next extension at the time Grantor gives its approval of the requested extension. Grantee shall then have thirty (30) days to notice its acceptance of the adjustment or give written notice of its withdrawal of its request for an extension. If Grantee withdraws, then this Agreement shall terminate on the date it otherwise would have had no extension been sought or granted. If Grantee does not withdraw, then this Agreement shall be extended for the additional term as set forth in this Agreement and payments shall be made at the adjusted rate.

4. PAYMENT METHOD.

a. All payments to the Trust Land Office, must be tendered to the Grantor at:

Alaska Mental Health Trust Land Office
2600 Cordova Street, Suite 201
Anchorage, Alaska 99503

b. To any depository designated by the Grantor with at least a (60) days written notice to the Grantee;

c. If the Grantor's (or depository's) office is not open for business, the time for payment is extended to include the next day on which that office is open for business;

d. Credit card payments may be submitted by calling Financial Services, Department of Natural Resources at (907) 269-8684.

5. PERMITTED USES.

a. During the term hereof Grantee shall only use the Property in accordance with the approved uses and purposes attached hereto as Schedule 2 and made a part hereof.

b. Grantee is responsible for obtaining, at its sole expense, all necessary authorizations, permits and/or permission from other property owners and third Parties to conduct its activity and for compliance with restrictions and requirements regarding operations that are contained in this Agreement.

c. The Grantor reserves the right to allow other uses of the Property at its sole discretion. Existing or future authorized uses of the lands subject to this Agreement will not be unreasonably interfered with by Grantee.
d. Grantee shall properly locate all activities and improvements within the Property. For activities and improvements not made part of this Agreement, the Grantee shall obtain prior written approval of the Grantor.

6. ASSIGNMENT. This Agreement, or an interest herein may not be assigned, subleased or otherwise transferred by Grantee.

7. RECORDS AND REPORTING.

a. Throughout the term of this Agreement and for at least three years following termination, Grantee shall keep and retain in its possession books, reports and records (collectively referred to as "Records") concerning the operations and activity conducted under this Agreement or on lands subject to this Agreement. Grantee shall permit the Grantor to examine the Records at all reasonable times. As to all such Records, the Grantee shall use consistently applied generally accepted accounting procedures when applicable.
b. A concise written summary report will be provided to the Grantor that describes the Grantee's actual uses of the lands, rights and resources subject to this Agreement, including but not limited to dates and specific use locations, within 30 days of a Grantor request for such report. Additionally, observations, if any, by the Grantee of other conditions or activities on the lands subject to this Agreement, including trash and debris accumulation, hazardous circumstances or other uses and activities that can reasonably be assumed to be of interest or concern to the Grantor will be reported in writing to the Grantor within 30 days of the observation.
c. For License terms exceeding one year, Grantee shall submit an Annual written report to the Grantor no later than the first day of June of the year after the effective date of the License, on all matters relevant to the character, progress and results of operations as defined under this License and a Completion report within thirty (30) days of the expiration, termination, or revocation of the License. Licenses with terms of one year or less require a Completion report only. These reports shall contain the following information:
d. Maps showing all license land subject to field investigation will be of appropriate scales sufficient to accurately locate all sites and show all details relevant to the interpretation and evaluation of the information presented.
    i. Actual routes of overland vehicular travel.
    ii. A list of vehicles used for any off-road travel that may have taken place.
    iii. A statement of clean-up activities and methods of debris disposal, if any.
    iv. A report covering any known incidents of damage to the vegetative cover and follow-up corrective actions that may have taken place while operating under this License.

8. FAILURE OF TITLE.

a. Grantor makes no representations or warranties, express or implied, as to title to, access to, or quiet enjoyment of, the Property or any portion thereof. Grantor

expressly disclaims liability to the Grantee for any deficiency in title, or difficulty in securing access, to the Property.

b. If all or part of the Property has been selected by the State of Alaska under the laws of the United States granting land to the state, but the land has not been patented to State of Alaska by the United States, then this Agreement is a conditional Agreement as provided by law until the patent becomes effective. If, for any reason, the selection is not finally approved, or the patent does not become effective, any rental, royalty, or other production or profit-based payments made to Grantor under this Agreement will not be refunded.

9. ENVIRONMENTAL/HAZARDOUS MATERIALS.

a. The Grantee shall, at the Grantee's own expense, comply with all existing and hereafter enacted state and federal environmental responsibility laws ("Environmental Laws"). The Grantee shall, at the Grantee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Environmental Laws. As used in this Agreement, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

b. Should the Authority require that a remedial action plan be prepared and that a remedial action be undertaken because of the presence of, or any disposal, release, spill, or discharge, or threatened disposal, release, spill, or discharge of or contamination by Hazardous Materials at the Property that occurs during the term of this Agreement or arises out of or in connection with the Grantee's use or occupancy of the Property, then the Grantee shall, at the Grantee's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. The Grantee's obligations under this section shall arise if there is any event or occurrence at the Property during the term of this Agreement, or arising out of or in connection with the Grantee's use or occupancy of the Property that requires compliance with the Environmental Laws.

c. At no expense to the Grantor, the Grantee shall promptly provide all information requested by the Grantor for preparation of affidavits or other documents required by the Grantor to determine the applicability of the Environmental Laws to the Agreement, and shall sign the affidavits promptly when requested to do so by the Grantor.

d. The Grantee shall indemnify, defend, and hold harmless the Grantor from all fines, penalties, suits, judgments, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of or in any way connected with the presence of or any disposal, release, spill, or discharge or any threatened disposal, release, spill, or discharge of or contamination by Hazardous Materials at the Property that occurs during the term of the Agreement or arises out of or in connection with the Grantee's use or occupancy of the Property; and from all fines, penalties, suits, judgments, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of the Grantee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spill, discharge, or contamination that occurs during the term of this

Agreement or arises out of or in connection with the Grantee's use or occupancy of the Property.

e. The Grantee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals, or Hazardous Materials into the atmosphere, ground, wastewater disposal system, sewer system, or any body of water. If the presence of any Hazardous Material caused or permitted by Grantee results in any contamination of the lands and resources subject to this Agreement, Grantee shall promptly take all actions at its sole expense as are necessary to return the lands and resources subject to this Agreement to the condition existing prior to the introduction of any such Hazardous Material in a manner consistent with applicable law, and to the satisfaction of any governmental agency having jurisdiction over the matter.

f. In any court action or administrative proceeding, in addition to all other applicable presumptions, it shall be rebuttably presumed that any environmental contamination of the Property: (i) has been released on the Property; (ii) has resulted from acts or omissions of the Grantee or its agents; and (iii) has occurred during the term of this Agreement. The Grantee has the burden of rebutting the presumptions by clear and convincing evidence.

g. This section of this Agreement is not intended to in any way alter the State of Alaska's powers and rights or the Grantee's duties and liabilities under Title 46 (or its successor) of the Alaska Statutes or other state, federal, or municipal statutes, regulations, or ordinances. The obligations and provisions of this Section 9 shall survive the termination of this Agreement.

10. PERFORMANCE DEPOSIT. In order to secure its performance hereunder and to secure return of the Property in good condition, Grantee shall furnish a performance deposit or evidence of an existing performance deposit before agreement issuance, in an amount as set forth on Schedule 4 and shall maintain such performance deposit during the term hereof. Grantee may be required to furnish an additional performance deposit where a greater amount is justified by a change in the use and degree of risk involved in the types of operations being or proposed to be carried out under this Agreement. In lieu of the performance deposit required under the preceding sentence Grantee may, with the Grantor's approval, furnish and maintain a statewide performance deposit, in accordance with any applicable regulations.

11. INSURANCE. Without limiting Grantee's indemnification obligation, Grantee shall purchase, at its own expense, and maintain in force at all times during the term of this Agreement, the policies of insurance specified on Schedule 3. Required types of insurance may include, but are not limited to, comprehensive general liability insurance, builder's risk insurance, workers' compensation insurance, and comprehensive automobile and/or aircraft liability insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Grantee's policy contains higher limits, the Grantor shall be entitled to coverage to the extent of such higher limits. Certificates of insurance must be furnished to the Grantor upon execution of this Agreement and must provide for a thirty (30) day prior written notice to the Grantor of cancellation, nonrenewal or material change of the policies. Failure to furnish satisfactory evidence of insurance or the lapse of a

policy is a material breach and grounds for termination of this Agreement. Each Worker's Compensation Insurance policy shall be endorsed with a waiver of subrogation in favor of the TLO and the Trust Authority. All other insurance policies required by this Agreement shall be endorsed to provide that such insurance shall apply as primary insurance and that any insurance or self-insurance carried by either the TLO or the Trust Authority shall be excess only and shall not contribute to the insurance required by this Agreement; shall be endorsed to name the TLO and the Trust Authority as additional insureds; shall provide for a waiver of subrogation in favor of the TLO and the Trust Authority; and shall provide that any loss shall be payable notwithstanding any act of negligence of Grantor, Grantee, or any transferee or other occupant of the Property which might otherwise result in a forfeiture of said insurance. All endorsements shall reference this Agreement. All insurance shall be on an occurrence and not a "claims made" basis. Grantor shall have the right, but shall not be obligated, to pay any delinquent premium on any of Grantee's insurance policies if found necessary to prevent a cancellation, non-renewal or material alteration thereof; and Grantee shall within five (5) days, pay the delinquent premium, together with a ten percent (10%) administrative fee, as additional payments under this Agreement.

12. REVOCATION. Notwithstanding any other provision of this Agreement, the Grantor may, within its sole discretion, for any reason, revoke the license granted hereunder upon sixty (60) days written notice to Grantee. At the end of such sixty (60) day period, this Agreement shall automatically terminate. Unless revoked for breach of any condition, Grantee shall be entitled to a refund on a pro-rata basis of any advance use fees paid hereunder, subject to Grantee's duty to return the License Area in good condition in accordance with the terms of this Agreement.

13. LIABILITY/INDEMNIFICATION.

a. Grantee shall protect, defend, indemnify, and hold harmless the State of Alaska, Department of Natural Resources, the Trust Land Office, the Alaska Mental Health Trust Authority, and their respective officers, directors, employees, volunteers, agents, successors, and assigns from and against all liens, claims, demands, fines, penalties, and causes of action of every kind and character without limit, including claims for loss or damage to property, or injury to any person, or release or discharge of any hazardous substance arising from, or in connection with, any act or omission committed under this Agreement by or on behalf of Grantee, except for damage or injury caused by the sole gross negligence or willful misconduct of the Trust Land Office.

b. Grantee represents and warrants to the Grantor that the potential liabilities that may arise under this Agreement, including the liabilities assumed in the indemnification clause, are fully insured by a policy or policies of insurance purchased by Grantee from insurance companies satisfactory to the Grantor and that the full limits of Grantee's policy or policies are available to protect the Grantor and the Grantee from such liabilities.

c. The Grantor shall not be responsible for any defect or change of condition in the Property, whether to any person or property, due to any cause whatsoever, including, but not limited to, damage done by flood, earthquake, fire, utility outage or acts of

other tenants in the building or other persons or entities, except duly authorized employees or agents of the Grantor.

d. The Grantee agrees to reimburse the Grantor for any and all necessary expenses, attorney's fees, and costs incurred in the non-judicial or judicial enforcement of any part of the foregoing indemnity provision.

14. VALID EXISTING RIGHTS. The Grantee's use of the Property shall not interfere with valid existing rights, if any, that exist upon the Effective Date of this Agreement, without prior written approval from the Party holding those rights.

15. INSPECTION. The Property shall be open to inspection by the Grantor at all reasonable times, but no less than once per year. The Grantor may, in its discretion, charge Grantee with the inspection costs permissible under 11 AAC 05.010, or its successor regulation, including a reasonable inspection fee, reimbursement for Grantor time involved, and/or other associated costs.

16. DEFAULT, TERMINATION AND REMEDIES.

a. The failure of Grantee to abide by all express or implied terms of this Agreement shall constitute a default in Grantee's obligations hereunder. Grantee shall have 30 days after written notice of non-monetary default or 10 days after a monetary default to cure said default. However, if in the sole discretion of the Grantor, the default is resulting in resource damage, Grantor, without waiving or releasing any obligation or default, shall have the right, but shall be under no obligation, to step in and cure the default immediately and charge Grantee with the costs of curing said default, or may require Grantee to cure the default in less than 30 days. If Grantee fails to cure the default to the reasonable satisfaction of the Grantor within the allotted time or the Grantor cured the default to prevent resource damage, then the Grantor may order suspension of all operations and activity under this Agreement until compliance is achieved, or the Grantor may at its sole option terminate this Agreement. It is specifically agreed that no judicial action shall be necessary to terminate this Agreement or to allow Grantor to retake possession of the lands subject to this Agreement. Notwithstanding the foregoing, the cure period for non-monetary defaults may be extended in the sole discretion of the Grantor for a reasonable period of time if such non-monetary default cannot be cured within the 30 day cure period, provided that Grantee takes appropriate action to cure said default within the 30 day cure period and, thereafter, continues to take such action as may be necessary to complete the cure in the shortest possible time.

b. Upon the termination of this Agreement as to all or any portion of the Property, Grantee shall, within 30 days, remove from the Property all machinery, equipment, tools, and materials placed in, on or under the Property by Grantee. Upon the expiration of such period and at the option of Grantor, any machinery, equipment, tools, or materials that Grantee has not removed from the Property shall become the property of the Grantor or may be removed or sold by the Grantor at Grantee's expense. The actual expenses of such removal, including compensation for Grantor's time involved relating to the removal, may be recovered at Grantor's discretion from

the performance deposit (if any), the proceeds of any sale of such equipment, and/or any other sources available to the Grantor at law or in equity.

c. Upon any partial or full surrender, or otherwise upon termination of this Agreement, Grantee shall return the Property to the Grantor in their original condition free and clear of all liens and encumbrances arising by, through or under Grantee, its agents or subcontractors. Grantor may immediately enter, or reenter and take possession of the Property. Such action does not absolve, relieve, release or discharge Grantee, either in whole or in part, of any liability under the Agreement.

d. In addition to the above, if a Default by Grantee occurs under this Agreement, Grantor, at its election, shall be entitled, after the cure periods set forth above have expired: (i) to recover any and all damages including incidental and consequential damages and the full actual amount of all costs and/or fees, including attorneys' fees, reasonably incurred; (ii) to terminate this Agreement and retain the Advance Fee Deposit (if any), the Performance Deposit (if any) and all other fees and deposits paid by Grantee, plus all interest accrued thereon, as liquidated damages and not as a penalty; (iii) to seek specific performance of this Agreement; and (iv) to pursue any and all remedies in addition to, or by way of, alternatives to the foregoing available at law or in equity.

e. No right or remedy herein conferred upon either Party shall be exclusive of any right or remedy contained herein or in any instrument or document delivered in connection with or pursuant to this Agreement, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein and therein or now or hereafter existing at law or in equity or by statute, or otherwise.

17. RESERVED RIGHTS. Grantor reserves for itself and others all rights not expressly granted to Grantee. These reserved rights include the following, at a minimum:

a. the right to allow concurrent users;

b. the right to explore for, remove, and dispose of all resources from the Property;

c. the right to establish or grant easements and rights-of-way upon, in, across, or through the Property for any lawful purpose, including roads, railroads, well sites, pipelines, utility lines and drill holes necessary or convenient for the working of the Property for all resources, or necessary or convenient for access to other land for any useful purpose; and

d. the right to manage and to convey to third Parties by grant, lease, permit, or otherwise, any and all interests in the Property other than those granted by this Agreement, provided that any such conveyance to a third Party shall be made subject to Grantee's rights under this Agreement.

The rights reserved pursuant to this provision shall not be exercised in any manner that unreasonably interferes with Grantee's rights or operations under this Agreement. Grantor shall provide Grantee with prior written notice of Grantor's intent to exercise any such reserved rights. Grantor and Grantee shall work cooperatively to identify potential conflicts and Grantor shall require, as a condition to the exercise by any permittee, lessee, or grantee of Grantor of any of Grantor's reserved rights, such terms as appear necessary to avoid unreasonable interference with Grantee's enjoyment of this Agreement or endangerment of Grantee's operations. If at anytime the exercise of any of Grantor's reserved rights must

cease or a change must be made in the manner or place of such exercise in order to avoid unreasonable interference with Grantee's enjoyment of this Agreement or endangerment of Grantee's operations, such cessation or change shall occur at no cost to Grantee.

18. **SURRENDER.** Grantee may upon 60 days written notice to the Grantor surrender all or part of the Property, with the understanding that such surrender is subject to written acceptance by the Grantor. A partial or unapproved surrender shall not reduce Grantee's obligation to reclaim or otherwise comply with other obligations that may have accrued as a result of Grantee's activities on the surrendered ground. A total surrender of the Property by Grantee with approval by Grantor in writing shall result in termination of this Agreement.

19. **AUTHORIZED REPRESENTATIVES.** The Executive Director of the Trust Land Office, Department of Natural Resources, State of Alaska, or his designee, and the individual executing this Agreement on behalf of the Grantee shall be the authorized representatives of their respective principals for the purposes of signing this Agreement. Such persons shall also be the authorized representatives of their respective principals for the purposes of administering this Agreement, unless otherwise provided in this Agreement. Grantor or the Grantee may change the authorized representative or the address to which notices to that representative are to be sent by a written notice given in accordance with the notice provision of this Agreement. The Grantee shall also designate by name, job title, and address, an agent who will be present in the State during the term of this Agreement.

20. **TRUST LAND OFFICE.** The Trust Land Office is executing this Agreement as agent for the Alaska Mental Health Trust Authority, a public corporation within the Alaska Department of Revenue under AS 47.30.011 et seq., as established by Chapter 66, Session Laws of Alaska, 1991, in order to implement the State's obligation as trustee of the trust established by the Alaska Mental Health Enabling Act of 1956, (P.L. 84-830, 70 Stat. 709), in accordance with State v. Weiss, 706 P.2d 681 (Alaska 1985). Neither the TLO nor the Trust Authority undertake any responsibility to act as a regulator as to this Agreement, or as to any operations of Grantee. Grantee is solely responsible to conduct itself in all respects in conformance with the regulations of the state and federal regulatory authorities having jurisdiction over Grantee and its activities under this Agreement.

21. **STANDARD WARRANTIES.** Grantee represents and warrants that:
    a. It has the capacity to enter into and perform the obligations under this Agreement and all transactions contemplated herein, and all corporate and other actions required to authorize it to enter into and perform this Agreement have been properly taken;
    b. It will not breach any other agreement or violate any law or regulation by entering into or performing this Agreement;
    c. It has had a full opportunity to inspect the Property and has determined that they are suitable for the intended use and accepts the Property "as is" and "where is" with all faults.
    d. It has read and is familiar with the obligations of this Agreement, all operations will be conducted in strict compliance with this Agreement, and it has notified all of its agents, employees and contractors similarly; and

e. This Agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with the terms, including the representations and warranties set forth herein.

22. DENIAL OF WARRANTY. Grantor makes no warranty, express or implied, and has not assumed and expressly disclaims any liability whatsoever, regarding the Property, including, without limitation, the soil conditions, water drainage, access, natural or artificial hazards that may exist, or the merchantability, profitability, or fitness for any particular purpose. Grantor authorizes use of the Property without any warranty of habitability.

23. NOTICES. Any notices required under this Agreement shall be deemed delivered upon receipt if personally delivered in writing, upon confirmation of successful transmission if sent via facsimile, or five (5) days after deposit in the United States mail, postage prepaid, and addressed as set forth in this Agreement if mailed. Either Party may change its notice address by effective written notice given to the other Party. The following addresses shall be used for notices required under this Agreement.

To TLO:
Trust Land Office
2600 Cordova Street, Suite 201
Anchorage, Alaska 99503
Phone No.: (907) 269-8658
Fax No.: (907) 269-8905
Attention: Executive Director

To Grantee:
Cordova Telecom Cooperative
611 Second Street
Cordova, AK 99574
Phone No.: (907) 424-2345
Attention: Jeremiah Beckett

24. GENERAL.

a. Parties**.**
   i. References to Grantee and Grantor shall include their respective agents, employees and subcontractors.
   ii. Nothing in this Agreement shall be construed to make the Grantor an agent, partner or joint venture with Grantee.

b. Least Practicable Harm. Grantee shall conduct all activities under this Agreement in such a manner as to ensure the least practicable harm to the Property and land adjacent to the Property. Grantee shall immediately cease and/or eliminate any condition existing or occurring as a result of granted activities, which may cause harm or damage to any person, structure, property, land, stream or wildlife.

c. Compliance. This Agreement is subject to all applicable local, state and federal statutes and regulations in effect on the Effective Date of this Agreement and to all such statutes

and regulations that may become effective on or after the Effective Date, except those inconsistent with the trust principals imposed on the state by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709. See AS 38.05.801. A reference to a statute or regulation in this Agreement includes any subsequent change in that statute or regulation whether by amendment, repeal or replacement and any successor statute or regulation. All references to specific governmental agencies made herein include any successor agency or different agency that may assume the duties or jurisdiction of the referenced agency. In case of conflicting provisions, the applicable statutes, regulations and ordinances take precedence over this Agreement. This Agreement shall not be construed as a grant or recognition of authority for promulgation or adoption of municipal ordinances that are not otherwise authorized.

d. Historic Sites, etc. No historic site, archaeological site, or camp, either active or abandoned, shall be disturbed in any manner, nor shall any item be removed therefrom. All activities shall be conducted in accordance with AS 41.35.010 et seq., or its successor statute, which prohibits the appropriation, excavation, removal, injury or destruction of any historic, prehistoric, or archaeological resources of the State. If Grantee discovers any sites during the term of the Agreement, Grantee shall promptly notify the State of Alaska Division of Parks and Outdoor Recreation, State Historic Preservation Office and Grantor.

e. Survival. The representations and warranties of both Parties shall survive the termination of this Agreement, unless otherwise provided under this Agreement.

f. Merger. All prior oral and written understandings are merged herein, and no provision hereof may be waived except in writing signed by the Party to be charged with such waiver. Any amendment to this Agreement must be executed in writing by both Parties. This Agreement shall not be construed more strongly against one Party than the other. All rights and obligations of the Parties hereunder shall bind and inure to the benefit of their respective successors and assigns.

g. Governing Law, Jurisdiction and Venue. In any legal action arising out of or related to this Agreement, the Parties agree that the laws of the State of Alaska shall apply and the Agreement shall be construed under Alaska law. The Parties also agree that jurisdiction and venue of such action shall lie exclusively with the courts for the Third Judicial District for the State of Alaska, at Anchorage, Alaska, and consent to personal jurisdiction in such courts.

h. No Discrimination. Grantee and Grantee's subcontractors shall not discriminate against any employee or applicant because of race, religion, marital status, change in marital status, pregnancy, parenthood, physical handicap, color, sex, age, or national origin as set out in AS 18.80.220. Grantee and its subcontractors shall, on beginning any operations under this Agreement, post in a conspicuous place written notices setting out this nondiscrimination policy.

i. Conflict of Laws. This Agreement is made pursuant to AS 37.14.009(a)(2), AS 38.05.801 et seq. and 11 AAC 99 et seq. This Agreement and the respective rights and obligations of the Parties hereunder shall be construed and interpreted as a contract under the laws of the State of Alaska, without regard to its conflict of laws principles. Specifically, all words and phrases used in this Agreement are to be interpreted in conformance with AS 01.10.040. This Agreement shall be interpreted so as to carry forward the intent of the Alaska Mental Health Act of 1956, P.L. 84-830 70 Stat. 709 and

AS 38.05.801 et seq. and regulations promulgated thereunder with maximum force and effectiveness.

j. Modification. This Agreement may be modified or amended only by a document signed by both Parties hereto, which postdates the Effective Date, specifically states the terms of the modification or amendment, and refers to the MHT number written on the first page hereof.

k. Waiver. The receipt of compensation by Grantor, with or without knowledge of any default on the part of the Grantee, is not a waiver of any provision of this Agreement. No delay or omission by Grantor to exercise any right or power accruing upon any noncompliance or default by Grantee with respect to any of the terms hereof shall impair any such right or power, or be construed to be a waiver thereof. Subject to the terms of this paragraph, every such right and power may be exercised at any time during the continuance of such default. It is further agreed that a waiver by Grantor of any of the covenants and agreements hereof to be performed by the other shall not be construed to be a waiver of any succeeding or previous breach thereof or of any other covenants or agreements herein contained.

l. Headings. Paragraph headings are not part of this Agreement, shall have no bearing on the interpretation of this Agreement, and are inserted only for convenience.

m. Enforceability. If any clause or provision of this Agreement is determined illegal, invalid, or unenforceable, in a final judicial proceeding by a court of competent jurisdiction, then the remainder of this Agreement will not be affected, and the Agreement shall be automatically reformed to carry out the intent of the Parties hereto without regard for such clause or provision.

n. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, notwithstanding the fact that all Parties are not signatories to the original or the same counterpart.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the date written above.

GRANTEE

_____	_____
Name: Jeremiah Beckett	**Date**
Title: _____	

GRANTOR
The Alaska Mental Health Trust Authority
By its agent: Trust Land Office

_____	_____
_____	_____
Jusdi Warner	**Effective Date**
Executive Director	

SCHEDULE 1
License Area

1. **REQUIRED PHOTOGRAPHS.** Grantee shall provide the Trust Land Office with three sets of photos: 1) photos identifying the License Area before the Grantee activities commence, 2) photos identifying the License Area during Grantee activities, and 3) representative photos of the License Area after termination of the License.

2. **MATERIALS.** Grantee shall not disturb, cut, remove or displace any materials on Trust lands without first obtaining prior written authorization to do so. "Materials" includes, but is not limited to, gravel, rock, sand, peat, timber and all other vegetative materials that have a commercial value. Grantee will be required to pay for the valuation of Trust "materials" within the License Area proposed. Grantee is required to pay the TLO fair market compensation or a price as negotiated between the TLO and Grantee within three months of issuance of this License for Trust "materials" used by Grantee within the License Area or removed from the License Area. Timber less than six inches in diameter, brush, and slash shall be disposed of to minimize the risk of fire and disease in accordance with the laws, regulations and guidelines established by the State of Alaska, Department of Natural Resources, Division of Forestry.

3. **OPERATIONS.**
   a. The construction of new roads and trails is not authorized under this License. Existing roads and trails shall be used whenever possible. Trail widths shall be kept to the minimum necessary. Trail surface may be cleared of stumps and snags. Due care shall be used to avoid excessive scarring or removal of vegetative ground cover.
   b. Grantee shall take reasonable precautions to prevent and suppress forest, brush and grass fires within the License Area. Uncontrolled fires shall be immediately reported to the appropriate local authorities. The Grantor shall not be responsible for forest fire protection of the Grantee's activities.
   c. Grantee shall conduct all helicopter-supported activities in such a manner as to cause the least disturbance of the land and of any wildlife within the License Area.

Trust
Land Office

Exhibit A

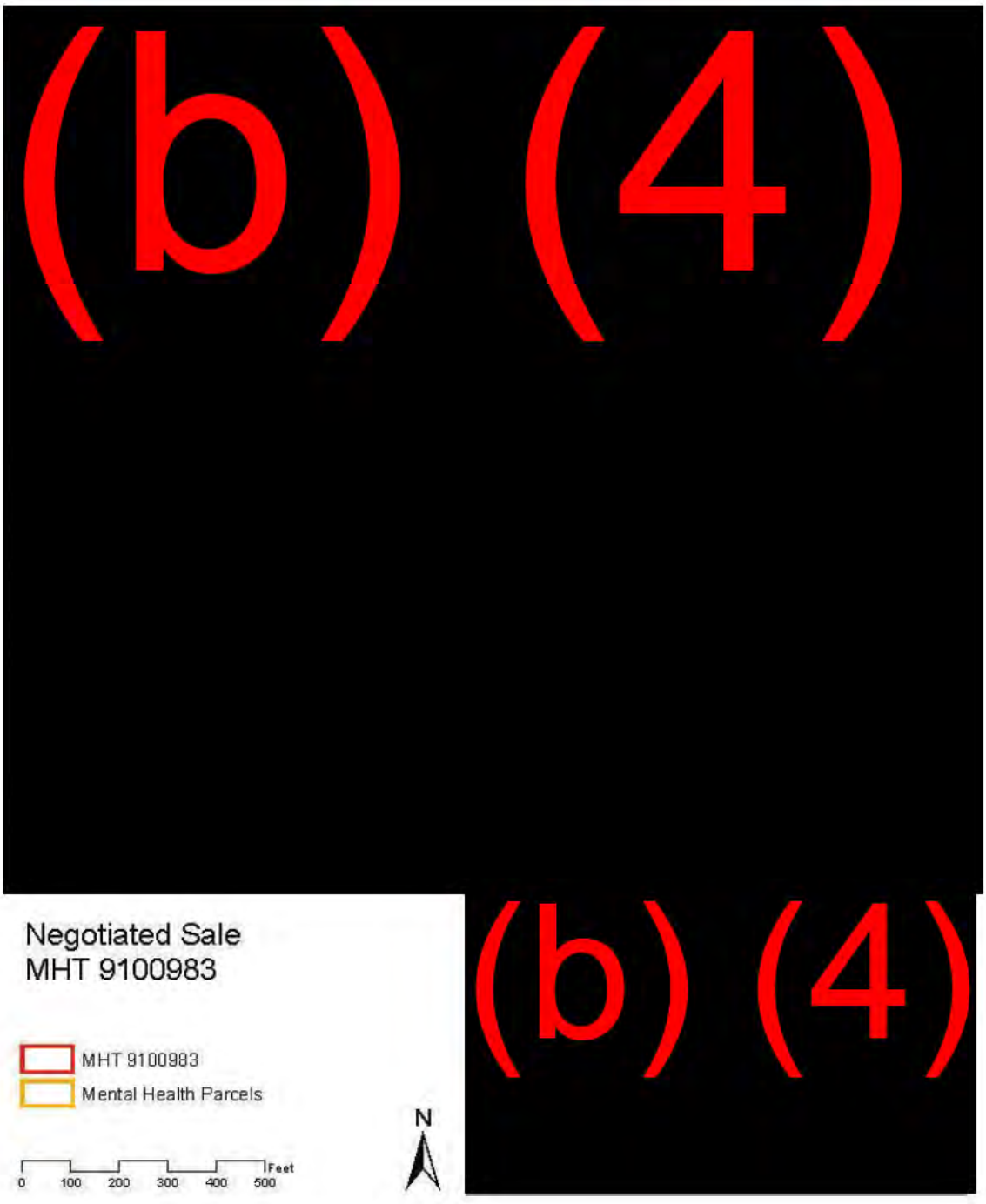
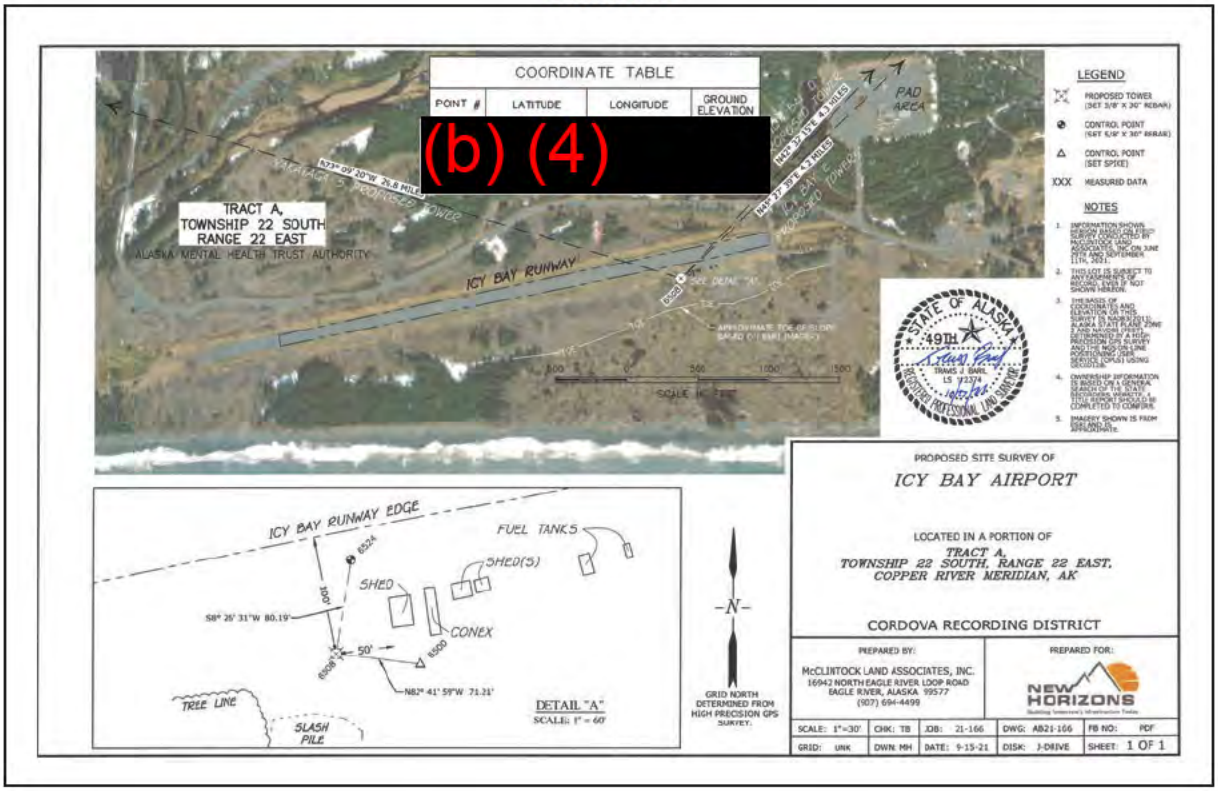
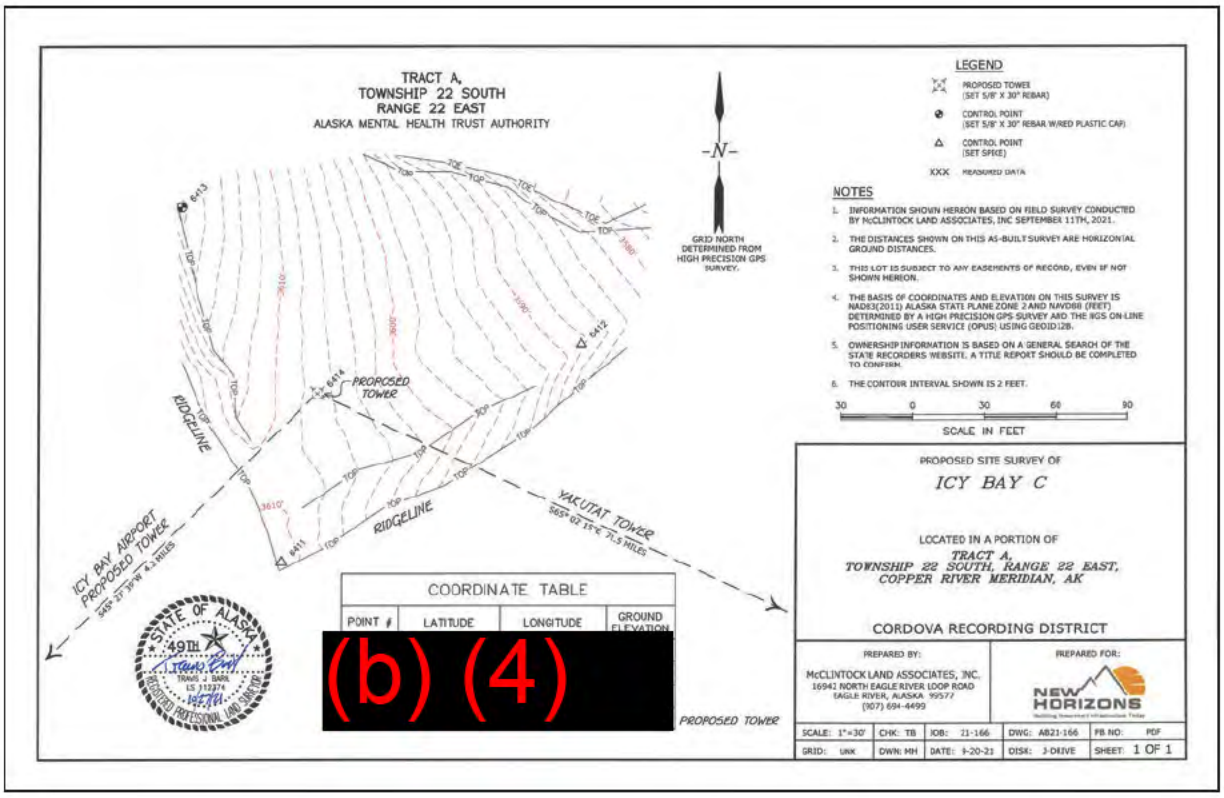


Exhibit B


COORDINATE TABLE
POINT #
LATITUDE
LONGITUDE
GROUND ELEVATION
(b) (4)
TRACT A,
TOWNSHIP 22 SOUTH
RANGE 22 EAST
ALASKA MENTAL HEALTH TRUST AUTHORITY
ICY BAY RUNWAY
PAD AREA
LEGEND
NOTES
ICY BAY RUNWAY EDGE
FUEL TANKS
SHED
SHED(S)
CONEX
TREE LINE
SLASH PILE
DETAIL "A"
SCALE: 1" = 60'
GRID NORTH DETERMINED FROM HIGH PRECISION GPS SURVEY.
PROPOSED SITE SURVEY OF
ICY BAY AIRPORT
LOCATED IN A PORTION OF
TRACT A,
TOWNSHIP 22 SOUTH, RANGE 22 EAST,
COPPER RIVER MERIDIAN, AK
CORDOVA RECORDING DISTRICT
PREPARED BY:
McCLINTOCK LAND ASSOCIATES, INC.
16942 NORTH EAGLE RIVER LOOP ROAD
EAGLE RIVER, ALASKA 99577
(907) 694-4499
PREPARED FOR:
NEW HORIZONS
SCALE: 1"=30'
CHK: TB
JOB: 21-166
DWG: AB21-166
FB NO: PDF
GRID: UNK
DWN: MH
DATE: 9-15-21
DISK: J-DRIVE
SHEET: 1 OF 1


TRACT A,
TOWNSHIP 22 SOUTH
RANGE 22 EAST
ALASKA MENTAL HEALTH TRUST AUTHORITY
LEGEND
NOTES
PROPOSED TOWER
RIDGELINE
YAKUTAT TOWER
ICY BAY AIRPORT PROPOSED TOWER
GRID NORTH DETERMINED FROM HIGH PRECISION GPS SURVEY.
SCALE IN FEET
COORDINATE TABLE
POINT #
LATITUDE
LONGITUDE
GROUND ELEVATION
(b) (4)
PROPOSED SITE SURVEY OF
ICY BAY C
LOCATED IN A PORTION OF
TRACT A,
TOWNSHIP 22 SOUTH, RANGE 22 EAST,
COPPER RIVER MERIDIAN, AK
CORDOVA RECORDING DISTRICT
PREPARED BY:
McCLINTOCK LAND ASSOCIATES, INC.
16942 NORTH EAGLE RIVER LOOP ROAD
EAGLE RIVER, ALASKA 99577
(907) 694-4499
PREPARED FOR:
NEW HORIZONS
SCALE: 1"=30'
CHK: TB
JOB: 21-166
DWG: AB21-166
FB NO: PDF
GRID: UNK
DWN: MH
DATE: 9-20-21
DISK: J-DRIVE
SHEET: 1 OF 1

SCHEDULE 2
Uses and Purposes

1. APPROVED USES AND PURPOSES. Cordova Telecom Cooperative will utilize two locations to install telecommunications equipment. Approximate footprint of each site is roughly 100'x100', for a total square footage of 20,000 square feet.

2. OPERATIONS.

a. Grantee shall conduct all of its operations and activities under this Agreement in strict compliance with all provisions of federal, state and local law and in a manner consistent with the permitted uses.
b. Grantee shall not operate any equipment on Trust land outside of the Property without prior written approval by the Grantor. Activities employing wheeled or tracked vehicles shall be conducted consistent with current state and federal regulations and in such manner as to minimize surface damage. Vehicles shall be operated without disturbing the vegetative mat.
    i. Destruction or removal of the vegetative mat is prohibited by any means except as approved in writing by the Grantor.
    ii. The winter operation of ground contact vehicles for off-road travel must be limited to areas of ground frost or snow cover sufficient to ensure protection of the vegetative matter.
c. All activities shall be conducted in a manner that will minimize disturbance of natural draining systems, that will not cause a change in character, pollution, or siltation of streams, lakes, ponds, water holes, seeps, and marshes, and that will not disturb fish and wildlife resources. Cuts, fills, or other activities causing any of the above disturbances, if not repaired immediately, are subject to any corrective action as may be required by the Grantor.
d. All survey monuments, witness corners, and/or reference monuments shall be protected against damage, destruction, or obliteration. Any damaged or obliterated markers shall be reestablished at the Grantee's expense in accordance with accepted survey practices of the Division of Land and Grantor.
e. Grantee shall not allow any lien to be filed against the lands subject to this Agreement by anyone supplying labor or materials for any improvements or by or for the benefit of Grantee.

3. MAINTENANCE.

a. The Grantee shall be responsible for all maintenance, repair, and reconstruction as required for access, use and activities under this Agreement. Holes, pits, and excavations shall be filled, plugged, or repaired or maintained so as to minimize erosion and siltation and shall be consistent with public safety and welfare.
b. Throughout the term of this Agreement, Grantee shall, at Grantee's sole cost and expense, maintain the Property and all improvements (i) in good repair and in a safe clean and sanitary condition to the reasonable satisfaction of the Grantor without committing waste, ordinary wear and tear excepted, (ii) in accordance with all applicable laws, ordinances, orders and regulations of any governmental agency or body having or claiming jurisdiction over the Property, and (iii) in a manner which will not jeopardize

coverage provided by any insurance company or companies insuring all or any part of the lands, rights and resources subject to this Agreement or improvements.

c. Any structure, property or land harmed or damaged by Grantee during this Agreement shall be reconstructed, repaired, rehabilitated and restored as may be required by state and federal resource agencies and the Grantor, by Grantee as soon as practicable, so that the condition thereof, at the sole discretion of the Grantor, is at least equal to the condition thereof immediately prior to such damage or destruction. If it is commercially impractical to replace or repair such damage or destruction, and at Grantor's option, Grantee may instead pay Grantor the fair market value of the destroyed property, or an amount equal to the diminution in the fair market value of any such damaged property.

SCHEDULE 3

Insurance Requirements

Grantee shall have in place, at its sole expense, at all times during the term of the Agreement the following policies of insurance:

1. Workers' Compensation Insurance: Grantee shall provide and maintain, for all employees of Grantee engaged in work under this Agreement, Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of Alaska. Grantee shall be responsible for Worker's Compensation Insurance for any subcontractor who directly or indirectly provides services under this Agreement. This coverage shall include statutory coverage for states in which employees are engaging in work and employer's liability protection. Where applicable, coverage for all federal acts (e.g., U.S.L. & H., Jones and Harbor Acts) shall also be included.

2. Comprehensive (Commercial) General Liability Insurance: With coverage limits not less than (b) (4)) combined single limit per occurrence and not less than (b) (4) annual aggregate where generally applicable including premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual, and personal injury endorsements.

3. Comprehensive Automobile and Aircraft Liability Insurance: Covering all owned, hired, and non-owned vehicles and aircraft with statutory coverage limits not less than (b) (4) per person and (b) (4) per accident bodily injury and not less than (b) (4) property damage per accident.

4. The TLO shall have the right, at its option, to pay any delinquent premium upon on any of Grantee's insurance policies if found necessary to prevent a cancellation, non-renewal or material alteration thereof; and Grantee shall within five (5) days, reimburse Grantor therefore.

5. Grantor reserves the right to increase the required insurance coverage limits from time to time to reflect then current industry standards or to accommodate changed conditions or perceived risks.

6. The land transaction number "MHT 9101012" will be displayed on the insurance certificate provided to the Grantor.

SCHEDULE 4

Performance Deposit Requirements

Prior to commencing operations, Grantee shall deposit with the Grantor $10,000 in the form of cash, certified check, irrevocable letter of credit, cashiers check, money order or a time certificate of deposit made payable and assignable to the Grantor.

The Grantor agrees to return the performance deposit when this permit terminates, and the Grantee has fully satisfied the terms of this Agreement. The Grantee agrees that the Grantor may keep all or part of the performance deposit in partial satisfaction of the Grantee's obligations under this Agreement if the Grantee has done so without prejudice to any other remedies the Grantor has for the Grantee's breach of contract.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
400 Willoughby Ave., 4th Floor
Juneau, Alaska 99811-1020

Cordova Telecom
ADL No. 109197
LEASE AGREEMENT
AS 38.05.810(e)

Effective this ____ day of _____ 20__, this lease agreement is entered into by the State of Alaska, hereafter referred to as "lessor," and Cordova Telecom, hereafter referred to as "lessee," whether one or more, whose sole addresses for purposes of notification under this lease agreement are listed in section 28.

The lessor and the lessee agree that this lease, including all attachments and documents that are incorporated in this lease by reference, contains the entire agreement between the parties, and each of the covenants and conditions in this lease including any attachments will be binding upon the parties and upon their respective successors and assigns. The lessor and the lessee further agree that this lease is conditioned upon satisfactory performance by the lessor and the lessee of all covenants and conditions contained in this lease. The lessee is aware of the provisions of Title 38, Alaska Statutes, Title 11, Alaska Administrative Code, and other applicable laws, regulations, and ordinances, and fully understands the duties and obligations of the lessee under this lease, and the rights and remedies of the lessor.

This lease is subject to all applicable state, federal, and municipal statutes, regulations, and ordinances in effect on the effective date of this lease, and insofar as is constitutionally permissible, to all statutes, regulations, and ordinances placed in effect after the effective date of this lease. A reference to a statute, regulation, or ordinance in this lease includes any change in that statute, regulation, or ordinance, whether by amendment, repeal and replacement, or other means. This lease does not limit the power of the State of Alaska, its political subdivisions, or the United States of America to enact and enforce legislation or to adopt and enforce regulations or ordinances affecting, directly or indirectly, the activities of the lessee or its agents in connection with this lease or the value of the interest held under this lease. In case of conflicting provisions, statutes, regulations, and ordinances take precedence over this lease. This lease shall not be construed as a grant or recognition of authority for promulgation or adoption of municipal ordinances that are not otherwise authorized.

1. Grant. This lease is issued under the authority of AS 38.05.810(e) for a term of 25 years beginning on the ____ day of _____ 20__, and ending at 12 o'clock midnight on the _____ day of _____ 20___, unless sooner terminated, subject to: compensation as specified in section 2; the attached development plan approved by the State on April 14th, 2021; and attached stipulations, if any, that are incorporated in and made a part of this lease, for the following, hereafter referred to as the "leasehold":

Lease Diagram ADL 109197, located within Section 20, Township 21 South, Range 18 East, Copper River Meridian, containing approximately 0.23 acres more or less, as shown on Attachment 1.

Excepting and reserving any general reservations to the lessor that are required by law and that may be stated elsewhere in this lease, and the following, which the state reserves for itself and others:

Subject to:

Platted easements and restrictions.

Attachment 1, Approved Development Plan, attached to and made part of this lease.

2. Compensation. (a) The lessee shall pay to the lessor compensation as follows, without the necessity of any billing by the lessor: (b) (4) due on or before _____every year. The lessor may, upon 10 days' notice, review and copy any records of the lessee that are necessary to verify the lessee's compliance with this paragraph.

(b) In accordance with AS 38.05.105, the lease compensation is subject to adjustment by the lessor at the commencement of the sixth year of the term and every fifth year thereafter (the "adjustment date"). The compensation adjustment takes effect on the applicable adjustment date, regardless of whether the adjustment determination occurs before or after that date. All reasonable costs of the adjustment, including reappraisal if required by the lessor, will be borne by the lessee.

3. Denial of Warranty. The lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the social, economic, or environmental aspects of the leasehold, including, without limitation, the soil conditions, water drainage, access, natural or artificial hazards that may exist, or the profitability or fitness of the leasehold for any use. The lessee represents that the lessee has inspected the leasehold and determined that the leasehold is suitable for the use intended, or has voluntarily declined to do so, and accepts the leasehold "as is" and "where is."

4. Use of Leasehold. Prior to execution of this lease and to commencing use or development of the leasehold, the lessee shall submit a development plan for the leasehold to the lessor and obtain the lessor's approval of the plan. Any use or development of the leasehold must be consistent with the development plan approved by the lessor. Any proposed revisions to the development plan must be submitted to the lessor for approval before any change in use or development occurs. The lessee shall use and occupy the leasehold in compliance with the approved development plan and all applicable laws, regulations, ordinances, and orders that a public authority has put into effect or may put into effect, including those of a building or zoning authority and those relating to pollution and sanitation control. The lessee may not permit any unlawful occupation, business, or trade to be conducted on the leasehold. The lessee shall properly locate all activities and improvements on the leasehold, and may not commit waste of the parcel. The lessee shall maintain and repair the leasehold including improvements in a reasonably neat and clean condition, and shall take all necessary precautions to prevent or suppress grass, brush, or forest fires, and to prevent erosion, unreasonable deterioration, or destruction of the land or improvements. The lessee agrees not to place any aboveground or underground fuel or chemical tanks on the leasehold without the prior written approval of the lessor.

5. Encumbrance of Leasehold. The lessee may not encumber or cloud the lessor's title to the leasehold, or any portion of the leasehold, nor enter into any lease, easement, or other obligation of the lessor's title without the prior written approval of the lessor.

6. Assignment of Interest. The lessee may not assign or sublet any interest held under this lease, including a security interest, without the prior written approval of the lessor. The lessor may approve such assignment or subletting if the lessor finds it to be in the best interest of the state. No such assignment or subletting will be effective until approved by the lessor in writing, and the assignee agrees to be subject to and governed by the provisions of this lease, any subsequent amendments to this lease, any additional stipulations, or reappraisal as deemed appropriate by the lessor, and all applicable laws, regulations, and ordinances in the same manner as the original lessee. No assignment or subletting of the leasehold, or any portion thereof, by the lessee will annul the lessee's obligation to pay the compensation required for the full term of this lease. Except as provided in this lease, no subdivision of the leasehold interest may occur without the prior written approval of the lessor.

7. Conditional Lease. If all or part of the leasehold has been tentatively approved, or approved, but not yet patented, by the United States to the lessor, then this lease will be conditioned upon receipt by the lessor of such patent. If for any reason the lessor does not receive patent, any compensation paid to the lessor under this lease will not be refunded. Any prepaid compensation for land to which patent is denied the lessor will be refunded to the lessee of record in the amount of the pro-rata portion of the unexpired term. The lessor will have no further liability to the lessee for the termination of the lease.

8. Payment of Taxes and Assessments. The lessee shall pay prior to delinquency all taxes and assessments

accruing against the leasehold.

9. Section Line Rights-of-Way. If the leasehold borders on or includes one or more section lines, the lessor hereby expressly reserves unto itself and its successors and assigns a right-of-way or rights-of-way pursuant to AS 19.10.010.

10. Navigable and Public Waters. (a) Pursuant to AS 38.05.127 and 11 AAC 53.330, the lessor reserves a public access easement to and along all public or navigable water bodies that border on or are included in this leasehold. No public access easement may be obstructed or otherwise rendered incapable of reasonable use for the purposes for which it was reserved. No public access easement may be vacated, abandoned, or extinguished without the prior written approval of the lessor.

(b) The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This lease is issued subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The lessor reserves the right to grant other interests to the leasehold consistent with the Public Trust Doctrine.

11. Condemnation of Leasehold or Improvements. If the whole or any part of the leasehold is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:

(1) Taking of the entire leasehold. If all of the leasehold is taken by condemnation, this lease and all rights of the lessee will immediately terminate, and the compensation will be adjusted so that it is due only until the date the lessee is required to surrender possession of the leasehold. The lessor is entitled to all the condemnation proceeds, except that the lessee will be paid the portion of the proceeds attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned leasehold by the lessee in accordance with the approved development plan.

(2) Taking of substantial part of the leasehold. If the taking is of a substantial part of the leasehold, the following rules apply:

> (A) If the taking by condemnation reduces the ground area of the leasehold by at least 30 percent or materially affects the use being made by the lessee of the leasehold, the lessee has the right to elect to terminate the lease by written notice to the lessor not later than 180 days after the date of taking.
>
> (B) If the lessee elects to terminate, the provisions in subsection (1) of this section govern the condemned portion of the leasehold and the covenants and conditions of the lease govern disposal of the remainder of any buildings or improvements made by the lessee in accordance with the approved development plan.
>
> (C) If the lessee does not elect to terminate, the lease continues and the lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned portion of the leasehold by the lessee in accordance with the approved development plan. Compensation at the existing rate will terminate on the date the lessee is required to surrender possession of the condemned portion of the leasehold. Except as it may be adjusted from time to time under the covenants and conditions of the lease and applicable statutes, compensation for the balance of the term will be adjusted by the lessor to reflect the taking.

(3) Taking of insubstantial part of the leasehold. If the taking by condemnation reduces the ground area of the leasehold by less than 30 percent and the lessor determines that the taking is of such an insubstantial portion that the lessee's use of the leasehold is not materially affected, the lessee may not elect to terminate the lease and the compensation provisions of subsection 2(C) of this section will govern.

12. Valid Existing Rights. This lease is subject to all valid existing rights, including easements, rights-of-way,

reservations, or other interests in land in existence on the date of execution of this lease.

13. Inspection. The lessor will have reasonable access to the leasehold for purposes of inspection.

14. Mineral Reservations. This lease is subject to the reservations required by AS 38.05.125 and the rights and obligations imposed by AS 38.05.130.

15. Concurrent Use. This lease is subject to reasonable concurrent uses as provided under Article VIII, Section 8 of the Constitution of the State of Alaska. The concurrent user who is found to be at fault for damage or injury arising from noncompliance with the terms governing the user's concurrent use is liable for damages and the user's interest is subject to forfeiture or termination by the lessor. In this context, the term "concurrent user" includes the lessee and any other person or entity who lawfully uses the land subject to this lease, but does not include the State of Alaska.

16. Surface Resources. Unless otherwise provided by this lease or other written authorization, the lessee may not sell or remove from the leasehold any timber, stone, gravel, peatmoss, topsoil, or any other material valuable for building or commercial purposes. Material required for the development of the leasehold may be used only in compliance with the approved development plan.

17. Appropriation or Disturbance of Waters. During the term of this lease, the lessee will have the right to apply for an appropriation of ground or surface water on the leasehold in accordance with AS 46.15 and 11 AAC 93.060.

18. Acquisition of Rights or Interests. Any right or interest acquired during the term of this lease and accruing to the benefit of the leasehold will remain appurtenant to the leasehold, and may not be severed or transferred from the leasehold without the prior written approval of the lessor. In the event of termination or forfeiture of this lease, any such right or interest will vest in the lessor.

19. Land Alterations Due to Natural or Artificial Causes. The interest described in this lease constitutes the entire leasehold. If, through natural or artificial causes, accretion or reliction of land occurs contiguous to the leasehold, the Lessee has no right to occupy or use the accreted land unless a separate lease is entered with the Lessor with respect to such lands. The rules of law usually applicable to accretion or reliction of land do not apply to this lease, nor to the interest described in this lease.

20. Waiver or Forbearance. The receipt of compensation by the lessor, with or without knowledge of any default on the part of the lessee, is not a waiver of any provision of this lease. No failure on the part of the lessor to enforce a covenant or condition of this lease, nor the waiver of any right under this lease by the lessor, unless in writing, will discharge or invalidate the application of such covenant or condition. No forbearance or written waiver affects the right of the lessor to enforce any covenant or condition in the event of any subsequent default. The receipt of compensation by the lessor after termination or any notice of termination will not reinstate, continue, or extend this lease, or destroy, or in any manner impair the validity of any notice of termination that may have been given prior to receipt of the compensation, unless specifically stated by the lessor in writing.

21. Default and Remedies. (a) Time is of the essence in this lease. If the lessee defaults on the performance of any of the covenants or conditions of this lease, and the default is not remedied within 60 days after the lessor issues written notice of such default to the lessee and to the holder of a security interest in the leasehold approved by the lessor, or within any additional period the lessor allows for good cause, the lessee will be subject to legal or any other administrative action deemed appropriate by the lessor, including termination of this lease. The lessor may, in the notice of the default or in a separate written notice, state that if the default is not remedied, this lease shall terminate on a date certain, which shall be at least 60 days after issuance of the notice of default. Upon the date specified in such notice, unless the default has been remedied, the lease shall expire automatically without further notice or action by the lessor and this lease and all rights of the lessee under the lease shall terminate. Upon termination of the lease the lessor shall have an immediate right to possession of the leasehold and any possession by the lessee shall be unlawful. It is specifically agreed that no judicial action shall be necessary to terminate this lease or to allow the lessor to retake possession in the event of default by the lessee.

No improvements may be removed from the leasehold while the lease is in default except with the lessor's prior written approval. If this lease is terminated for default, all compensation paid by the lessee is forfeited to the lessor. The lessor is not liable for any expenditures made or undertaken by the lessee under this lease. Any costs or fees, including attorney's fees, reasonably incurred by the lessor for the enforcement of this lease, shall be added to the obligations due and payable by the lessee.

(b) The rights, if any, of third-party security interest holders or lienholders are controlled solely by AS 38.05.103 and 11 AAC 58.590. If the lessee fails to remedy the default within the time allowed in subsection (a) of this section, the holder of an approved security interest who has received notice under subsection (a) of this section may remedy the default. The holder shall act within 60 days from the date of receipt of notice under subsection (a) of this section, or within any additional period the lessor allows for good cause.

(c) The lessor may, at the lessor's option, following the lessee's default and failure to remedy, or after termination of this lease due to such default and failure to remedy, accelerate the unpaid compensation for the remainder of the term of this lease. The lessee's obligation to pay such accelerated rent to the lessor survives termination of this lease.

(d) If this lease is terminated, or all or any portion of the leasehold is abandoned by the lessee, the lessor may immediately enter, or re-enter and take possession of the leasehold, and without liability for any damage, remove all persons and property from the leasehold and may, if necessary, use summary proceedings or an action at law. The words "enter" and "re-enter" as used are not restricted to their technical legal meaning. Any entry, re-entry, possession, repossession, or dispossession by the lessor, whether taken with or without judicial action, does not absolve, relieve, release, or discharge the lessee, either in whole or part, of any liability under the lease.

(e) The lessor, upon or at any time after giving written notice of any default, may enter or re-enter the leasehold to remedy any default by the lessee or exercise any right given under this lease, all without the intervention of any court being required. The curing of such default shall not be deemed for any purpose to be for the benefit of the lessee.

(f) At any time after termination of this lease, the lessor may re-let the leasehold, or any part thereof, in the name of the lessor for such term and on such conditions as the lessor may determine, and may collect and receive the compensation therefor. The lessor shall not be responsible or liable for failure to re-let the leasehold or for any failure to collect any compensation due upon such re-letting, nor shall the lessor be required to account for or pay to the lessee any excess compensation received as a result of such re-letting. The lessee shall be liable for any deficiency, and for all costs, expenses, and fees incurred by the lessor arising out of the default, including the lessor's efforts to re-let the leasehold.

(g) No right or remedy conferred upon or reserved to the lessor in this lease or by statute, or existing in law or equity, is intended to be exclusive of any other right or remedy, and each and every right shall be cumulative.

22. Disposition of Improvements and Chattels After Termination. AS 38.05.090 will govern disposition of any lessor-approved chattels or improvements left on the leasehold after termination. At the lessor's sole option, improvements not approved by the lessor shall be removed from the leasehold and the site restored to its original condition at the lessee's sole expense, or be forfeited to the lessor. The lessee shall be liable to the lessor for any costs, expenses, or damages arising out of the disposition of improvements not approved by the lessor, and may be required to pay rent on any improvements or chattels left on the parcel in accordance with 11 AAC 58.680.

23. Indemnity to Lessor. The lessee shall indemnify, defend, and hold the lessor harmless from and against all claims, demands, judgments, damages, liabilities, penalties, and costs, including attorney's fees, for loss or damage, including but not limited to property damage, personal injury, wrongful death, and wage, employment, or worker's compensation claims, arising out of or in connection with the use or occupancy of the leasehold by the lessee or by any other person holding under the lessee, or at the lessee's sufferance or invitation; and from any accident or fire on the leasehold; and from any nuisance made or suffered on the leasehold; and from any failure by the lessee to keep the leasehold in a safe and lawful condition consistent with applicable laws,

regulations, ordinances, or orders; and from any assignment, sublease, or conveyance, attempted or successful, by the lessee of all or any portion of the leasehold or interest therein contrary to the covenants and conditions of this lease. The lessee holds all goods, materials, furniture, fixtures, equipment, machinery, and other property whatsoever on the parcel at the sole risk of the lessee, and shall defend, indemnify and hold the lessor harmless from any claim of loss or damage by any cause whatsoever, including claims by third parties.

24. Insurance. If required by the lessor, the lessee shall obtain insurance in an amount determined by the lessor to be sufficient. The lessor shall be named as an additional insured party of any such insurance. The types and amount of insurance shall be specified in the attached stipulations made a part of this lease agreement and may be adjusted periodically. The lessee shall maintain that insurance as long as required by the lessor. Any insurance acquired by the lessee for the purpose of providing insurance coverage under this lease must be issued by an insurer authorized to do business in the State of Alaska under the provisions of AS 21.09.010 and AS 21.27.010 for the type of policy being written.

25. Bonding. If required by the lessor, the lessee shall furnish a bond, cash deposit, certificate of deposit, or other form of security acceptable to the lessor in an amount determined by the lessor to be sufficient to ensure faithful performance of the covenants and conditions of this lease, and to cover the cost of site cleanup and restoration and any associated costs after termination of the lease. The amount and conditions of the bond shall be specified in the attached stipulations made a part of this lease agreement. The lessee shall maintain the bond as long as the lessor deems necessary, and in the amount required by the lessor, which amount may be adjusted periodically.

26. Environmental Compliance. (a) The lessee shall, at the lessee's own expense, comply with all existing and hereafter enacted environmental responsibility laws ("Environmental Laws"). The lessee shall, at the lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Environmental Laws.

(b) Should the Authority require that a remedial action plan be prepared and that a remedial action be undertaken because of the presence of, or any disposal, release, spill, or discharge, or threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, then the lessee shall, at the lessee's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. The lessee's obligations under this section shall arise if there is any event or occurrence at the leasehold during the term of this lease, or arising out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, that requires compliance with the Environmental Laws.

(c) At no expense to the lessor, the lessee shall promptly provide all information requested by the lessor for preparation of affidavits or other documents required by the lessor to determine the applicability of the Environmental Laws to the leasehold, and shall sign the affidavits promptly when requested to do so by the lessor.

(d) The lessee shall indemnify, defend, and hold harmless the lessor from all fines, penalties, suits, judgements, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of or in any way connected with the presence of or any disposal, release, spill, or discharge or any threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of the lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease; and from all fines, penalties, suits, judgements, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of the lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spill, discharge, or contamination that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease.

(e) The lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals, or hazardous materials into the atmosphere, ground, wastewater

disposal system, sewer system, or any body of water.

(f) In any court action or administrative proceeding, in addition to all other applicable presumptions, it shall be rebuttably presumed that any environmental contamination of the leasehold (i) has been released on the leasehold; (ii) has resulted from acts or omissions of the lessee or its agents; and (iii) has occurred during the term of this lease. The lessee has the burden of rebutting the presumptions by clear and convincing evidence.

(g) This section of this lease does not in any way alter the State of Alaska's powers and rights or the lessee's duties and liabilities under Title 46 (or its successor) of the Alaska Statutes or other state, federal, or municipal statutes, regulations, or ordinances. For example, notwithstanding the provisions of this lease, the State of Alaska shall not be precluded from claiming under AS 46.03.822 that the lessee is strictly liable, jointly and severally, for damages and costs incurred by the state for clean up of contamination on the leasehold. The obligations and provisions of this section 26 shall survive the termination of this lease.

(h) As used in this lease, the term "hazardous materials" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

27. Surrender of Leasehold. Upon the expiration, termination, or cancellation of this lease, the lessee shall peacefully leave and deliver up all of the leasehold in good, sanitary, and marketable condition, order, and repair.

28. Notices. (a) Any notice or demand by the lessee will be made by hand delivery to the Director, Division of Mining, Land and Water, or by certified mail, postage prepaid, addressed as follows (or to a new address that the lessor designates in writing), with delivery occurring upon receipt by the lessor:

To the Lessor:

Division of Mining, Land and Water
Southeast Regional Office
400 Willoughby Ave., 4th Floor
PO Box 111020
Juneau, AK 99811-1020

(b) Any notice or demand by the lessor will be issued as provided in 11 AAC 02.040(c). If issuance is by mail, the notice or demand will be addressed as follows (or to a new address that the lessee or its successor in interest designates in writing):

To the Lessee:

Cordova Telecom
PO Box 459
Cordova, AK 99574

The lessor will issue a copy of any such notice or demand to each holder of a security interest in the leasehold whose assignment has been approved by the lessor under section 6 of this lease. Any security interest not approved as provided in section 6 is insufficient to require notice by the lessor under AS 38.05.103.

(c) Any notice or demand regarding the lease must be in writing and will be complete if given as set out above.

29. Penalty Charges. The lessee shall pay a fee for any late payment or returned check issued by the lessee as follows:

(1) Late Payment Penalty: The greater of either the fee specified in 11 AAC 05.020 or interest at the rate set by AS 45.45.010(a) will be assessed on a past-due account until payment is received by the lessor. Acceptance of a late payment or of a service charge for a late payment is subject to the lessor's rights under sections 20 and 21 of this lease.

(2) Returned Check Penalty: A returned check fee as provided in 11 AAC 05.020 will be assessed for any check on which the bank refuses payment. If the bank refuses payment, the default termination date remains the same. Late penalties under subsection (1) of this section shall continue to accumulate.

30. Modification. This lease may be modified or amended only by a document signed by both parties. Any purported amendment or modification has no legal effect until placed in writing and signed by both parties.

31. Choice of Law. This lease shall be construed under the laws of the State of Alaska. The lessee confers personal jurisdiction on the courts of the State of Alaska for any litigation under this lease.

32. Severability of Clauses of Lease Agreement. If any clause or provision of this lease is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the lessor and the lessee agree that the remainder of this lease will not be affected, and in lieu of each clause or provision of this lease that is illegal, invalid, or unenforceable, there will be added as a part of this lease a clause or provision as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible, legal, valid, and enforceable.

By signing this lease, the lessor and the lessee agree to be bound by its provisions.

LESSEE:

_____

LESSEE

LESSOR:

_____

Benjamin White, Regional Manager
Southeast Regional Land Office

STATE OF ALASKA)
) ss.
_____Judicial District)

THIS IS TO CERTIFY THAT ON THIS _____ day of _____, _____, before me personally appeared _____, known to me to be the person named and who signed the foregoing lease and acknowledged voluntarily signing the same.

_____
Notary Public in and for the State of Alaska
My commission expires:_____

STATE OF ALASKA)
) ss.
Third Judicial District)

THIS IS TO CERTIFY THAT ON THIS _____ day of _____, _____, before me personally appeared _____, of the Division of Mining, Land and Water of the Department of Natural Resources of the State of Alaska, who executed the foregoing lease on behalf of the State of Alaska, and who is fully authorized by the State to do so.

_____
Notary Public in and for the State of Alaska
My commission expires: _____

Approved as to form February 9, 1994, and September 25, 2001.

_____
/s/ Elizabeth J. Barry, Assistant Attorney General

Recorder's Office: Return the recorded document to:
DNR DMLW, SERO
ATTN: Megan Hillgartner
PO BOX 111020
JUNEAU, AK 99811-1020

Attachment A
Additional Stipulations

1. Authorized Officer. The Authorized Officer (AO) for the State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), is the Regional Manager or designee.

2. Preference Right. No preference right to a sale of this leasehold is granted or implied by the issuance of this Lease. Any renewal of this Lease will be subject to current statutes and regulations at the time of Lease expiration.

3. Valid Existing Rights. This authorization is subject to all valid existing rights and reservations in and to the authorized area. The State makes no representations or warranties, whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.

4. Change of Contact Information. The Lessee shall maintain current contact information with the AO. Any change of contact information must be submitted in writing to the AO.

5. Request for Information. The AO, at any time, may require the Lessee to provide any information directly or indirectly related to this authorization, in a manner prescribed by the AO.

6. Compliance with Government Requirements. The Lessee shall, at its expense, comply with all federal, state, and local laws, regulations, and ordinances directly or indirectly related to this authorization. The Lessee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.

7. Development Plan. Development shall be limited to the authorized area and improvements specified in the approved development plan or subsequent modifications approved by the AO. The Lessee is responsible for accurately siting development and operations within the authorized area. Any proposed revisions to the development plan must be approved in writing by the AO before the change in use or development occurs.

8. Penalty Charges: Late Payment Penalty Charges. The Lessee shall pay a fee for any late payment. The amount is the greater of either $50.00 or interest accrued daily at the rate of 10.5% per annum and will be assessed on each past-due payment until paid in full.

   Returned Check Penalty. A returned check penalty of $50.00 will be charged for any check on which the bank refuses payment. Late payment penalties shall continue to accrue.

9. Visitor Day Use Fee: All commercial recreation authorizations are subject to a "Visitor Day" fee. As defined in 11 AAC 96.250(18), Visitor Day means "all or any part of a calendar day during which a commercial recreation client is present, with each client representing a separate visitor day if multiple clients are present at any time during a calendar day." This fee, as established in 11 AAC 05.180(d)(2)(D) or (G), is collected once a year and due on the same day as the annual fee.

10. Assignment. Stipulation 6 of the Lease Agreement is hereby amended to include the following: In the event the Lessee desires to transfer their interest in the lease to another party the Lessee shall submit to the AO a request for assignment and a copy of a draft agreement which identifies the provisions of the assignment between the parties. The AO reserves the right to require/renegotiate new terms or conditions for the lease prior to approving any assignment. The AO reserves the right to require an assignment between the Lessee and another party in the event of a change in corporate ownership, LLC/LLP membership or name change involving the leased site.

11. Performance Guaranty. Per section 25 of the Lease agreement: The Lessee previously posted a performance guaranty in the amount of $17,500 to secure faithful performance with all terms and conditions of the Lease and

to insure site restoration of the leasehold. This performance guaranty must remain in effect for the duration of the Lease term or until released in writing by the AO. Failure by the Lessee to provide replacement security shall be grounds for the AO to make a claim upon the existing security to protect the Lessor's interests.

12. Insurance. The Lessee shall secure or purchase at its own expense, and maintain in force at all times during the term of this contract, liability coverages and limits consistent with what is professionally recommended as adequate to protect the buyer (the insured) and seller (the State, its officers, agents and employees) from the liability exposures of ALL the insured's operations on state land. Certificates of Insurance must be furnished to the AO prior to the issuance of this lease and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. The Lessee must provide for a 60-day prior notice to the AO before they cancel, not renew or make material changes to conditions to the policy. Failure to furnish satisfactory evidence of insurance, or lapse of the policy, are material breaches of this lease and shall be grounds, at the option of the AO, for termination of the lease. All insurance policies shall comply with, and be issued by, insurers licensed to transact the business of insurance under Alaska Statute, Title 21. The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Division of Risk Management, Department of Administration. The State of Alaska must be named as an additional named insured on the policy.

13. Specific Land Use. Stipulation 4 of the Lease Agreement is hereby amended to include the following: This lease is issued for a specific use and land classification, use of the area for purposes other than those specified constitutes a breach of the lease agreement and may result in revocation. The lease may be terminated upon a finding by the AO that the land or a part of it has not been used by the Lessee for the purpose specified in the lease for a period of two years. The lease cannot be assigned or subleased except with the consent of the AO. A Lessee may not change the use specified in the lease to another or additional use except with the consent of the AO. Any attempts to depart from these conditions without the consent of the AO will cause the lease to be automatically terminated.

14. Concurrent Usage. The AO reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land covered under this authorization. Authorized users of state land, their agents, employees, contractors, subcontractors and licensees shall not interfere with the operation or maintenance activities of other authorized concurrent users. Any future concurrent permit, lease or sub-lease will be subject to the conditions and stipulations contained in the lease, including the additional collection of fees or rents by the AO from any subordinate Lessee or Sublessee.

15. Subleasing. The AO reserves the right to require an additional annual compensation as a condition of a sublease approval. Said increase shall be determined by negotiation between the Lessee and AO but shall not be less than (b) (4) of all compensation paid annually to the Lessee by the Sublessee. Neither the terms of this sublease provision nor any actual compensation derived from a sublease shall have any effect upon a determination of the annual lease fee for the lease parcel pertaining to AS 38.05.075(a) or its appraised market value pertaining to AS 38.05.840. Sublease shall be defined to include any lease, rental, storage, or accommodation agreement between the Lessee and another individual, business or corporation utilizing or benefiting from the lease parcel. Sublessee shall be defined to mean any individual or business entity executing an agreement, as above, with the Lessee. The amount of sublease compensation shall be subject to change at the same time as the lease compensation adjustment and whenever the terms or conditions of the agreement between the Lessee and Sublessee change. Approval of a sublease shall also be conditioned upon:

    a) The Lessee is in full compliance with lease conditions and is in good standing with all other authorization per 11 AAC 96.145;

    b) Sublessee must meet the statutory requirement of the Lease;

c) Submission by the Lessee of a draft copy of the agreement(s) which will govern the relationship and compensation provisions between the Lessee and the Sub-Lessee;

d) Submission by the Lessee of a proposed plan of operations and development for the subleased area and, if necessary, an amended plan of operations and development for the entire lease area; and

e) A Lessor best interest finding and amendments to the lease contract as necessary, if significant changes to the use and development are proposed.

16. Alaska Historic Preservation Act. Under the Alaska Historic Preservation Act, AS 41.35.200, it is unlawful to appropriate, excavate, remove, injure, or destroy any historic, prehistoric, or archaeological resources of the State without a permit from the DNR Commissioner. Should any such resources or sites be discovered, the lessee shall cease any activities that may cause damage and immediately contact the AO and the Office of History and Archaeology in DNR's Division of Parks and Recreation.

17. Inspections. Stipulation 13 of the Lease Agreement is hereby amended to include the following: The AO shall have reasonable access to the authorized area for inspection, which may be conducted without prior notice. If the lessee is found to be in noncompliance the authorized area may be subject to reinspection. The lessee may be charged for actual expenses of any inspection or the fee in 11 AAC 05.160.

18. Incurred Expenses. The Lessor shall in no way be held liable for expenses incurred by the Lessee connected with the activities directly or indirectly related to this authorization.

19. Public Access. The construction, operation, use, and maintenance of the authorized area shall not interfere with public use of roads, trails, waters, landing areas, and public access easements. The ability to use or access state land or public waters may not be restricted in any manner. However, if a specific activity poses a safety concern, the AO may allow the restriction of public access for a specific period of time. The Lessee is required to contact the AO in advance for approval. No restriction is allowed unless specifically authorized in writing by the AO.

20. Site and Improvements Maintenance. The authorized area shall be maintained in a neat, clean, and safe condition, free of any solid waste, debris, or litter, except as specifically authorized. The Lessor is not responsible for maintenance of authorized improvements or liable for injuries or damages related to those improvements. No action or inaction of the Lessor is to be construed as assumption of responsibility.

21. Site Disturbance. Stipulation 4 of the Lease Agreement is hereby amended to include the following:

a) Site disturbance shall be kept to a minimum to protect local habitats. All activities at the site shall be conducted in a manner that will minimize the disturbance of soil and vegetation and changes in the character of natural drainage systems. Any ground disturbances that may occur shall be contoured to blend with the natural topography to protect human and wildlife health and safety. Particular attention must be paid to preventing pollution and siltation of any waterways and to preventing disturbances to fish and wildlife populations and habitats.

b) Brush clearing is allowed only to the extent necessary to maintain the present development. The Lessee may use dead timber that is down. The Lessee shall not cut standing timber within the leased area unless specifically authorized by DNR's Division of Forestry.

The removal of vegetation shall be kept to a minimum and areas requiring disturbance should be seeded or planted as soon as possible after disturbance. To the extent possible, associated

vegetation should be left intact to enhance stability, control erosion and enhance scenic qualities.

22. Hazardous Substances, Explosives.

    a) No storage of hazardous material/substances or explosives is authorized within the leased area.

    b) The use of hazardous substances or explosives must be done in accordance with existing federal, state and local laws, regulations and ordinances. Debris (including soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the sites and managed and disposed of in accordance with state, federal and local laws, statutes and regulations.

23. Proper location. This authorization is for activities on state lands or interests managed by DMLW. It does not authorize any activities on private, federal, native, or municipal lands, or lands which are owned or solely managed by other offices and agencies of the State of Alaska. The Lessee is responsible for proper location within the authorized area.

24. Moving or Damaging Markers. The Lessee shall protect all survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed corner posts against relocation, damage, destruction, or obliteration. The Lessee shall notify the AO of any relocated, damaged, destroyed, or obliterated markers and shall reestablish the markers at the lessee's expense in accordance with accepted survey practices of DMLW.

25. Use and Storage of Fuel. Section 26 of the Lease document is hereby amended to include the following: All fuel storage container(s) with a total combined capacity larger than **55 gallons** shall not be placed within 100 feet from the ordinary high water mark of any water body. When fuel storage container(s) exceed a total combined capacity of **110 gallons**, the containers must be stored within an Alaska Department of Environmental Conservation (ADEC)-approved double-walled tank, or an impermeable diked area, or a portable impermeable containment structure capable of containing 110% of the capacity of the largest independent container. All containers must be clearly marked with the contents and the Lessee's name and ADL number. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up all spills.

26. Notification of Discharge. The Lessee shall immediately notify the Department of Environmental Conservation (ADEC) and AO by phone of any unauthorized discharge of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported immediately.

    If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the lessee shall report the discharge within 48 hours. Any discharge of oil greater than one gallon up to 10 gallons, including a cumulative discharge, solely to land, must be reported in writing on a monthly basis.

    Notification of discharge during normal business hours must be made to the nearest ADEC Area Response Team: Anchorage (907) 269-7500, fax (907) 269-7687; Fairbanks (907) 451-2121, fax (907) 451-2362; Juneau (907) 465-5340, fax (907) 465-5245. For discharges in state offshore waters call (907) 269-0667.The ADEC oil spill report number outside normal business hours is (800) 478-9300.

    Notification of discharge must be made to the appropriate DNR Office: Anchorage (907) 269-8503, fax (907) 269-8913; Fairbanks (907) 451-2678, fax (907) 451-2751, email dnr.nro.spill@alaska.gov; Juneau (907) 465-3400, fax (907) 465-3886. The Lessee shall supply the AO with all incident reports.

Should any unlawful discharge, leakage, spillage, emission or pollution of any type occur due to the Lessee's actions or failure to act, the Lessee, at its expense, shall be obligated to clean the area to the reasonable satisfaction of the State of Alaska.

27. Waste disposal. On-site refuse disposal is prohibited, unless specifically authorized. All waste generated during operation, maintenance, and termination activities under this authorization shall be removed and disposed of at an off-site ADEC approved disposal facility. Waste, in this paragraph, means all discarded matter, including but not limited to human waste, trash, garbage, refuse, oil drums, petroleum products, ashes and discarded equipment.

28. Fire Prevention, Protection and Liability. The lessee shall take all reasonable precautions to prevent and suppress forest, structure, brush and grass fires, and shall assume full liability for any damage to state land and structures resulting from the negligent use of fire. The State is not liable for damage to the Lessee's personal property. To report a wildfire, call 911 or 1-800-237-3633.

29. Waiver of Forbearance. Any failure on the part of the AO to enforce the terms of this authorization, or the waiver of any right under this authorization by the Lessee, unless in writing, shall not discharge or invalidate the authorization of such terms. No forbearance or written waiver affects the right of the AO to enforce any terms in the event of any subsequent violations of terms of this authorization.

The receipt of compensation by the AO, with or without knowledge of any default on the part of the Lessee, is not a waiver of any provision of this authorization. The receipt of compensation by the AO after termination or any notice of termination will not reinstate, continue, or extend this authorization, or destroy or in any manner impair the validity of any notice of termination, unless specifically stated by the AO in writing.

30. Severability Clause. If any clause or provision of this authorization is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the grantor and the Lessee agree that the remainder of this authorization will not be affected, and in lieu of each clause or provision of this authorization that is illegal, invalid, or unenforceable, there will be added as a part of this authorization a clause or provision as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible, to be legal, valid, and enforceable.

31. Lease Expiration and Site Reclamation. No later than one (1) year prior to the lease expiration, the Lessee shall file with the Lessor:

a) A request for a new lease, and/or

b) A reclamation plan for the leasehold lands, which must be approved in writing by the AO. The Lessee is responsible for site reclamation within the leasehold.

The reclamation plan must include a description of the methods and techniques that the Lessee will use to rehabilitate all sites affected by construction and intensive use activities. Under the lease, the Lessee retains all ownership rights to site improvements. In the plan, the Lessee shall describe its intention to remove improvements. The plan must also include a schedule that sets forth the steps required for surface rehabilitation, and a specific time line showing when the Lessee will accomplish each step.

32. Violations. Pursuant to 11 AAC 96.145, the Lessee must be in compliance with provisions of this and other authorizations granted under AS 38.05 or 11 AAC 96 before a new authorization may be granted by DMLW.

33. Lease Termination. This lease authorization may be terminated upon violation of any of its terms, conditions, stipulations or upon failure to comply with any applicable laws, statutes and regulations (state and federal).

34. Lease Utilization. Per 11 AAC 58.510, leases must be utilized for purposes within the scope of the lease and the land classification. Utilization or development for other than the allowed uses or failure to substantially utilize or develop the lease is a violation of the lease. A development plan may be required on all leases. Failure to make substantial use of the land, consistent with the development plan, within five years, will, in the director's discretion, constitute grounds for cancellation.

35. Agents. The lease provisions and stipulations apply with equal force upon an agent, employee, contractor or subcontractor designated by the Lessee to perform any lease or lease-related operations. The Lessee is liable for noncompliance caused by any such agent, employee, contractor, or subcontractor.

36. Additional Authorizations or Permits. If activities other than those authorized by the lease provisions and stipulations are needed, additional written authorizations or permits and their associated additional fees may be required.

37. Access and Road Construction: The Lessee is responsible for providing access to the leasehold. Before constructing any road across state land, the Lessee shall obtain prior approval and authorization from DMLW for the location and construction standards of the road.

38. Proper Storage of Food and Attractants: To reduce the potential for conflict with bears and other wildlife, attractants (e.g., food, trash, fuel containers, oil containers, waste, and other odor producing items) should be stored properly.

39. Site Maintenance: The authorized area shall be maintained in a neat, clean, and safe condition, free of any solid waste, debris, or litter, except as specifically authorized herein.

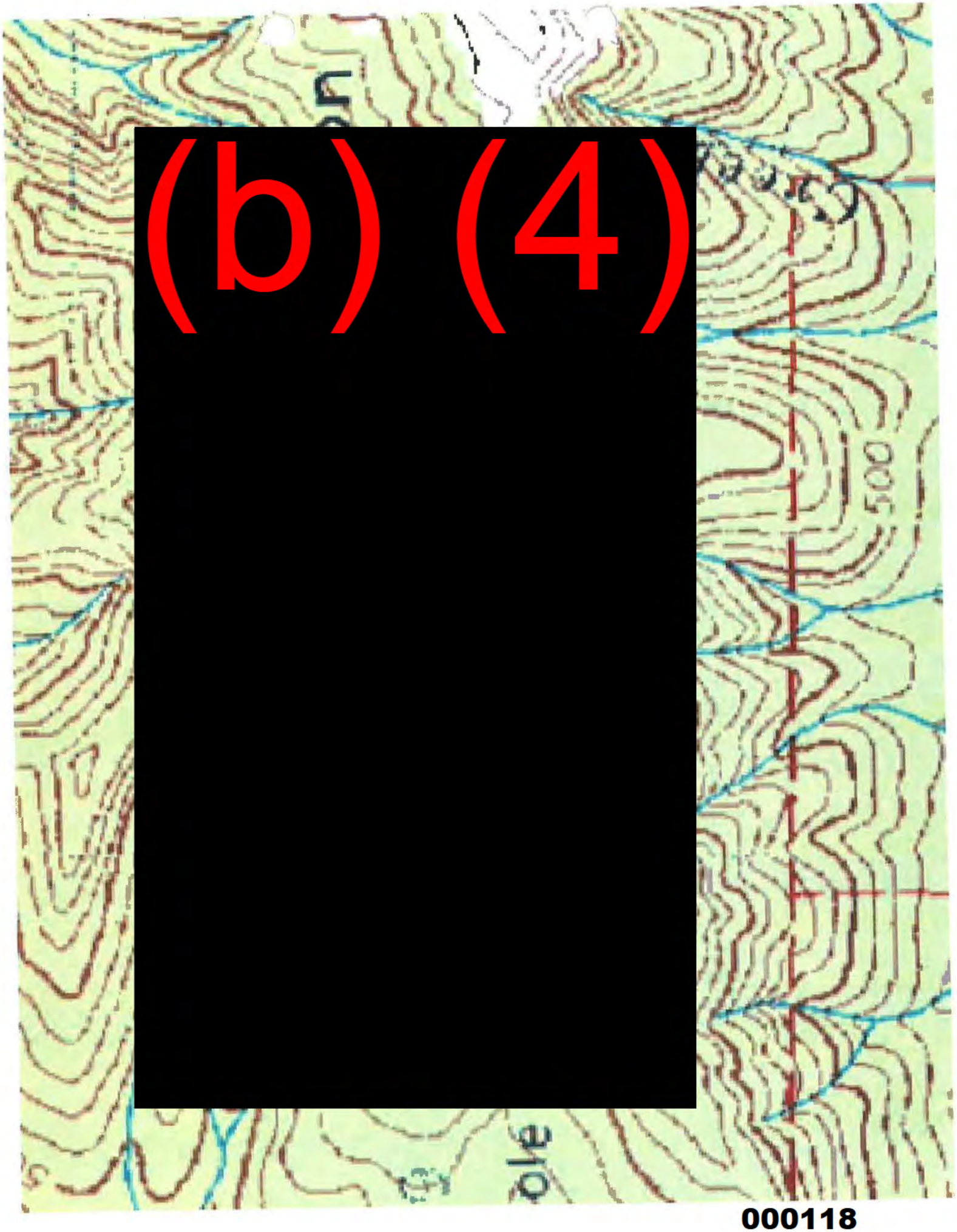


VICINITY MAP

(b) (4)

Date Prepared: 04/02/21	Applicant's Name: Cordova Telephone Cooperative, Inc.
STATE OF ALASKA **DEPARTMENT OF NATURAL RESOURCES** **DIVISION OF MINING, LAND AND WATER**	
DIAGRAM	
Sec.(s): 20 Township: 21S ; Range: 18E, Meridian: Copper River	
Scale" 1" = 63,360	
SHEET 1 of 1	File #:

000117


(b) (4)

Narrative of Yakataga Development Plan

Legal Description

CTC is proposing to lease a 100' x 100' parcel of land located at approximately (b) (4).
Meridian: Copper River
Township: 21S
Range: 18E
Section: 20



Terrain/Ground Cover

This location is composed of shale and silt. It will require excavation to make a level pad for the site.

Access

During construction, material staging will be located in the gully below and camping may need to be set up downhill, about 300 feet to the north. After construction, site visits and general maintenance will occur via helicopter landings directly to the site. It is possible that a roof top entry will need to be built to allow maintenance access during high snow accumulations.

Buildings and other structures

This site will be composed of an 80' foot tower, a 12' x 24' shelter, two 18-panel solar arrays and six 1000-gallon propane tanks. The tower and shelter will sit on concrete piers and slab.

Power source

This site will be powered by a battery bank which is supported by two propane generators and solar panels. The site will have six 1000-gallon propane tanks and two 18-panel solar arrays.

Waste types, Waste Sources, and Disposal Methods

Any material waste generated during construction of the tower will be removed by the contractor via helicopter and landing craft. Tower operation will generate little to no waste and any material waste will be removed by CTC.

Hazardous substances

During construction only, a 55-gallon drum of diesel and a 55-gallon drum of fuel will be located on-site. Six 1000-gallon propane tanks will be located on site during operation.

Water supply

The construction crew will supply their own water during the construction phase. Water supply isnot needed for operations.

Parking Areas and Storage Areas

The construction crew will stage their equipment and machinery around the construction site. The 12' x 24' shelter will be used as storage during tower operations. Helicopter parking will be done on ground within the allotted land lease footprint.

Number of People Using the Site

A crew of approximately 4 people will be at the site during construction. Post-construction, CTC will have 2-3 people on site during maintenance windows only which are anticipated twice annually.

Maintenance and Operations

Maintenance will be performed by CTC Wireless foreman and journeymen. All operation will be conducted by CTC network and wireless staff or approved sub-contractors.

Closure/Reclamation Plan

Upon sunset of the tower, all material will be removed by CTC and the property will be restored to its natural state.

The following information is a generic summary of standard remote site construction plans that would be followed during the development of this site.

Site Construction Overview:

The new remote sites will have an 80 ft tall tower and ice bridge, 12 ft x 24 ft shelter, (2) 18 panel solararrays and (6) 1,000-gallon propane tanks. However, the design for the shelter might change during design from one 12ft x 24ft to a two 12ft x 12ft shelter scenario in order to be able to sling the shelter on site instead of building on site. This will reduce time and gain efficiency's during construction. The footprint of the shelters should remain the same.

The tower will be an 80 ft, self-supporting, 4-leg galvanized steel tower with ladder and safety line. New8 ft diameter microwave antennas will be installed at elevations 60 ft and 30 ft pointing toward towards the inbound site and 8 ft diameter microwave antennas will beinstalled at elevations 60 ft and 30 ft pointing toward outbound site with ice shields.

We will need to fly an engineer via helicopter to this site to determine final specifications for the site plan before construction. Topography will determine the final specifications for the foundation. This can only be done when the snow melt has sufficiently diminished. We expect to have our final engineered specifications available after a visit in the early summer of 2021.

Location: CTC will construct a new remote site at the locations identified.

Scope of Work: The remote site construction project will take place in the summer once snow clears. Construction of the site is expected to take eight (8) weeks with an additionalfour (4) to six (6) weeks to deploy electrical and network equipment, weather pending.

Mobilization to site – staging is out of Cordova Alaska. Supplies/materials will be barged over and will be off loaded to the beach to be slung up to the site. Sling load from barge to site will also be occurring. Any temporary land access needs would be coordinated with landowners along with appropriate permits.

Camp Set Up – A 4-man temporary camp will be constructed utilizing 1 each 12x20 and 1 each 12x16tents for sleeping and kitchen area.

Construction will begin with constructing the tower and shelter concrete pad platforms. The solar array and propane tanks platforms will follow. Based on preliminary design this will be a concrete padinstallation. Concrete mixing will be staged on a barge and slung over via helicopter.

Construction of the shelter and solar array. Set propane frames and grating and then the tanks.

Integration Plan: Tower erectors will come to site immediately following the construction crew.Electricians will also be camped for equipment installation inside the shelter.

Maintaining the construction staging and stockpile areas in clean safe condition.Care and maintenance of equipment.

Cleanup of all construction areas.

Construction and installer crews will have a copy of the applicable site Management Plan on site andwill conduct daily onsite inspections.

Schedule:

Description	Crew on Site	Duration	Helicopter Trips
Mobilization	4-man	5 days	20 (barge to site)
Camp Set Up	4-man	4 days	NONE
Construction	4-man	8 weeks	10-15 (crew support)
Integration (tower)	4 -man	2 weeks	6
Electrical/Network	2-man	6 weeks	10

Equipment: Actual construction will be done by a working crew and power tools with support from ahelicopter for raising the tower and delivering materials. Also on site should be a mini excavator, compactor, and welding equipment.

Toxic/Hazardous Waste

A log of toxic/hazardous materials, if any, brought on site and their disposal will be kept by the onsiteconstruction manager. Any petroleum products brought or stored on site will be kept within plastic secondary containment vessels.

A 55-gallon drum of fuel will be staged on site for generators.

A 55-gallon drum of diesel will be staged on site for equipment.Construction equipment will not be cleaned on site.
Concrete will be batched off site and transported via helicopter to the construction site

Solid Waste (Construction)

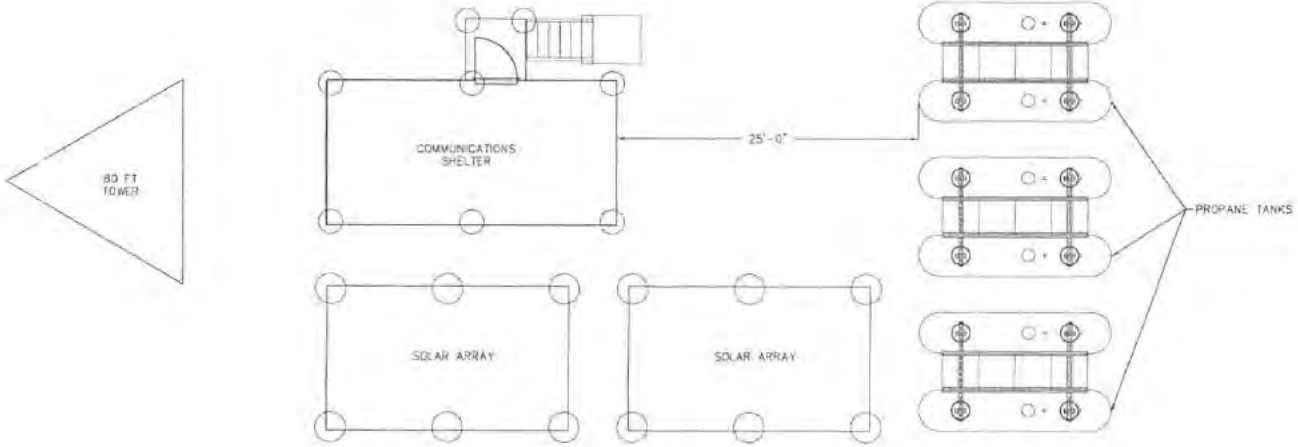
- Construction trash containers will be tightly covered to prevent construction wastes from beingdispersed by wind.
- All trash will be removed from site.
- 2 ea Rent a Cans will be taken to the site during construction and will serviced when necessary.The cans will be removed at the end of the project.

Erosion Control

- Silt fencing will be used to diverted overland runoff (sheet flow) around disturbed areas ifneeded.
- Breaks and gaps in silt fencing will be repaired immediately.

Transportation

- Helicopter support will be on a call out bases for slinging materials from the beach to the site.De-mob should be 10 round trips.
- 3 Days of helicopter support for concrete – Based on 10-hour days with two Huey Helicoptersfrom the barge to site.



1 / C1.0 TYPICAL SITE PLAN LEVEL GROUND
SCALE: 1"=40'

NEW HORIZONS

CORDOVA TELEPHONE COOPERATIVE, INC

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NOT FOR CONSTRUCTION

PRELIMINARY

NO.	DESCRIPTION	DATE

CTC
YAKUTAT
T0
CORDOVA

DWN: RSB	DSN: DRB	APP: DRB	REV
JOB #: 19-0028-90	DATE: 180219		A

TYPICAL
SITE PLAN
LEVEL GROUND
C1.0

FILE: X:\19 JOBS\19-0028-90 CTC YAKUTAT FEASIBILITY SITE\CAD\PLANSHEETS\C1.0 SITE PLAN LEVEL GROUND.DWG | PLOT DATE: 180219

000124

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
400 Willoughby Ave., 4th Floor
Juneau, Alaska 99811-1020

Cordova Telecom
ADL No. 109198
LEASE AGREEMENT
AS 38.05.810(e)

Effective this ____ day of _____ 20__, this lease agreement is entered into by the State of Alaska, hereafter referred to as "lessor," and Cordova Telecom, hereafter referred to as "lessee," whether one or more, whose sole addresses for purposes of notification under this lease agreement are listed in section 28.

The lessor and the lessee agree that this lease, including all attachments and documents that are incorporated in this lease by reference, contains the entire agreement between the parties, and each of the covenants and conditions in this lease including any attachments will be binding upon the parties and upon their respective successors and assigns. The lessor and the lessee further agree that this lease is conditioned upon satisfactory performance by the lessor and the lessee of all covenants and conditions contained in this lease. The lessee is aware of the provisions of Title 38, Alaska Statutes, Title 11, Alaska Administrative Code, and other applicable laws, regulations, and ordinances, and fully understands the duties and obligations of the lessee under this lease, and the rights and remedies of the lessor.

This lease is subject to all applicable state, federal, and municipal statutes, regulations, and ordinances in effect on the effective date of this lease, and insofar as is constitutionally permissible, to all statutes, regulations, and ordinances placed in effect after the effective date of this lease. A reference to a statute, regulation, or ordinance in this lease includes any change in that statute, regulation, or ordinance, whether by amendment, repeal and replacement, or other means. This lease does not limit the power of the State of Alaska, its political subdivisions, or the United States of America to enact and enforce legislation or to adopt and enforce regulations or ordinances affecting, directly or indirectly, the activities of the lessee or its agents in connection with this lease or the value of the interest held under this lease. In case of conflicting provisions, statutes, regulations, and ordinances take precedence over this lease. This lease shall not be construed as a grant or recognition of authority for promulgation or adoption of municipal ordinances that are not otherwise authorized.

1. Grant. This lease is issued under the authority of AS 38.05.810(e) for a term of 25 years beginning on the ____ day of _____ 20__, and ending at 12 o'clock midnight on the _____ day of _____ 20___, unless sooner terminated, subject to: compensation as specified in section 2; the attached development plan approved by the State on April 14th, 2021; and attached stipulations, if any, that are incorporated in and made a part of this lease, for the following, hereafter referred to as the "leasehold":

Lease Diagram ADL 109198, located within Section 14, Township 21 South, Range 9 East, Copper River Meridian, containing approximately 0.23 acres more or less, as shown on Attachment 1.

Excepting and reserving any general reservations to the lessor that are required by law and that may be stated elsewhere in this lease, and the following, which the state reserves for itself and others:

Subject to:

Platted easements and restrictions.

Attachment 1, Approved Development Plan attached to and made part of this lease agreement.

2. Compensation. (a) The lessee shall pay to the lessor compensation as follows, without the necessity of any billing by the lessor: (b) (4) due on or before _____every year. The lessor may, upon 10 days' notice, review and copy any records of the lessee that are necessary to verify the lessee's compliance with this paragraph.

(b) In accordance with AS 38.05.105, the lease compensation is subject to adjustment by the lessor at the commencement of the sixth year of the term and every fifth year thereafter (the "adjustment date"). The compensation adjustment takes effect on the applicable adjustment date, regardless of whether the adjustment determination occurs before or after that date. All reasonable costs of the adjustment, including reappraisal if required by the lessor, will be borne by the lessee.

3. Denial of Warranty. The lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the social, economic, or environmental aspects of the leasehold, including, without limitation, the soil conditions, water drainage, access, natural or artificial hazards that may exist, or the profitability or fitness of the leasehold for any use. The lessee represents that the lessee has inspected the leasehold and determined that the leasehold is suitable for the use intended, or has voluntarily declined to do so, and accepts the leasehold "as is" and "where is."

4. Use of Leasehold. Prior to execution of this lease and to commencing use or development of the leasehold, the lessee shall submit a development plan for the leasehold to the lessor and obtain the lessor's approval of the plan. Any use or development of the leasehold must be consistent with the development plan approved by the lessor. Any proposed revisions to the development plan must be submitted to the lessor for approval before any change in use or development occurs. The lessee shall use and occupy the leasehold in compliance with the approved development plan and all applicable laws, regulations, ordinances, and orders that a public authority has put into effect or may put into effect, including those of a building or zoning authority and those relating to pollution and sanitation control. The lessee may not permit any unlawful occupation, business, or trade to be conducted on the leasehold. The lessee shall properly locate all activities and improvements on the leasehold, and may not commit waste of the parcel. The lessee shall maintain and repair the leasehold including improvements in a reasonably neat and clean condition, and shall take all necessary precautions to prevent or suppress grass, brush, or forest fires, and to prevent erosion, unreasonable deterioration, or destruction of the land or improvements. The lessee agrees not to place any aboveground or underground fuel or chemical tanks on the leasehold without the prior written approval of the lessor.

5. Encumbrance of Leasehold. The lessee may not encumber or cloud the lessor's title to the leasehold, or any portion of the leasehold, nor enter into any lease, easement, or other obligation of the lessor's title without the prior written approval of the lessor.

6. Assignment of Interest. The lessee may not assign or sublet any interest held under this lease, including a security interest, without the prior written approval of the lessor. The lessor may approve such assignment or subletting if the lessor finds it to be in the best interest of the state. No such assignment or subletting will be effective until approved by the lessor in writing, and the assignee agrees to be subject to and governed by the provisions of this lease, any subsequent amendments to this lease, any additional stipulations, or reappraisal as deemed appropriate by the lessor, and all applicable laws, regulations, and ordinances in the same manner as the original lessee. No assignment or subletting of the leasehold, or any portion thereof, by the lessee will annul the lessee's obligation to pay the compensation required for the full term of this lease. Except as provided in this lease, no subdivision of the leasehold interest may occur without the prior written approval of the lessor.

7. Conditional Lease. If all or part of the leasehold has been tentatively approved, or approved, but not yet patented, by the United States to the lessor, then this lease will be conditioned upon receipt by the lessor of such patent. If for any reason the lessor does not receive patent, any compensation paid to the lessor under this lease will not be refunded. Any prepaid compensation for land to which patent is denied the lessor will be refunded to the lessee of record in the amount of the pro-rata portion of the unexpired term. The lessor will have no further liability to the lessee for the termination of the lease.

8. Payment of Taxes and Assessments. The lessee shall pay prior to delinquency all taxes and assessments

accruing against the leasehold.

9. Section Line Rights-of-Way. If the leasehold borders on or includes one or more section lines, the lessor hereby expressly reserves unto itself and its successors and assigns a right-of-way or rights-of-way pursuant to AS 19.10.010.

10. Navigable and Public Waters. (a) Pursuant to AS 38.05.127 and 11 AAC 53.330, the lessor reserves a public access easement to and along all public or navigable water bodies that border on or are included in this leasehold. No public access easement may be obstructed or otherwise rendered incapable of reasonable use for the purposes for which it was reserved. No public access easement may be vacated, abandoned, or extinguished without the prior written approval of the lessor.

(b) The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This lease is issued subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The lessor reserves the right to grant other interests to the leasehold consistent with the Public Trust Doctrine.

11. Condemnation of Leasehold or Improvements. If the whole or any part of the leasehold is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:

(1) Taking of the entire leasehold. If all of the leasehold is taken by condemnation, this lease and all rights of the lessee will immediately terminate, and the compensation will be adjusted so that it is due only until the date the lessee is required to surrender possession of the leasehold. The lessor is entitled to all the condemnation proceeds, except that the lessee will be paid the portion of the proceeds attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned leasehold by the lessee in accordance with the approved development plan.

(2) Taking of substantial part of the leasehold. If the taking is of a substantial part of the leasehold, the following rules apply:

> (A) If the taking by condemnation reduces the ground area of the leasehold by at least 30 percent or materially affects the use being made by the lessee of the leasehold, the lessee has the right to elect to terminate the lease by written notice to the lessor not later than 180 days after the date of taking.
>
> (B) If the lessee elects to terminate, the provisions in subsection (1) of this section govern the condemned portion of the leasehold and the covenants and conditions of the lease govern disposal of the remainder of any buildings or improvements made by the lessee in accordance with the approved development plan.
>
> (C) If the lessee does not elect to terminate, the lease continues and the lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned portion of the leasehold by the lessee in accordance with the approved development plan. Compensation at the existing rate will terminate on the date the lessee is required to surrender possession of the condemned portion of the leasehold. Except as it may be adjusted from time to time under the covenants and conditions of the lease and applicable statutes, compensation for the balance of the term will be adjusted by the lessor to reflect the taking.

(3) Taking of insubstantial part of the leasehold. If the taking by condemnation reduces the ground area of the leasehold by less than 30 percent and the lessor determines that the taking is of such an insubstantial portion that the lessee's use of the leasehold is not materially affected, the lessee may not elect to terminate the lease and the compensation provisions of subsection 2(C) of this section will govern.

12. Valid Existing Rights. This lease is subject to all valid existing rights, including easements, rights-of-way,

reservations, or other interests in land in existence on the date of execution of this lease.

13. Inspection. The lessor will have reasonable access to the leasehold for purposes of inspection.

14. Mineral Reservations. This lease is subject to the reservations required by AS 38.05.125 and the rights and obligations imposed by AS 38.05.130.

15. Concurrent Use. This lease is subject to reasonable concurrent uses as provided under Article VIII, Section 8 of the Constitution of the State of Alaska. The concurrent user who is found to be at fault for damage or injury arising from noncompliance with the terms governing the user's concurrent use is liable for damages and the user's interest is subject to forfeiture or termination by the lessor. In this context, the term "concurrent user" includes the lessee and any other person or entity who lawfully uses the land subject to this lease, but does not include the State of Alaska.

16. Surface Resources. Unless otherwise provided by this lease or other written authorization, the lessee may not sell or remove from the leasehold any timber, stone, gravel, peatmoss, topsoil, or any other material valuable for building or commercial purposes. Material required for the development of the leasehold may be used only in compliance with the approved development plan.

17. Appropriation or Disturbance of Waters. During the term of this lease, the lessee will have the right to apply for an appropriation of ground or surface water on the leasehold in accordance with AS 46.15 and 11 AAC 93.060.

18. Acquisition of Rights or Interests. Any right or interest acquired during the term of this lease and accruing to the benefit of the leasehold will remain appurtenant to the leasehold, and may not be severed or transferred from the leasehold without the prior written approval of the lessor. In the event of termination or forfeiture of this lease, any such right or interest will vest in the lessor.

19. Land Alterations Due to Natural or Artificial Causes. The interest described in this lease constitutes the entire leasehold. If, through natural or artificial causes, accretion or reliction of land occurs contiguous to the leasehold, the Lessee has no right to occupy or use the accreted land unless a separate lease is entered with the Lessor with respect to such lands. The rules of law usually applicable to accretion or reliction of land do not apply to this lease, nor to the interest described in this lease.

20. Waiver or Forbearance. The receipt of compensation by the lessor, with or without knowledge of any default on the part of the lessee, is not a waiver of any provision of this lease. No failure on the part of the lessor to enforce a covenant or condition of this lease, nor the waiver of any right under this lease by the lessor, unless in writing, will discharge or invalidate the application of such covenant or condition. No forbearance or written waiver affects the right of the lessor to enforce any covenant or condition in the event of any subsequent default. The receipt of compensation by the lessor after termination or any notice of termination will not reinstate, continue, or extend this lease, or destroy, or in any manner impair the validity of any notice of termination that may have been given prior to receipt of the compensation, unless specifically stated by the lessor in writing.

21. Default and Remedies. (a) Time is of the essence in this lease. If the lessee defaults on the performance of any of the covenants or conditions of this lease, and the default is not remedied within 60 days after the lessor issues written notice of such default to the lessee and to the holder of a security interest in the leasehold approved by the lessor, or within any additional period the lessor allows for good cause, the lessee will be subject to legal or any other administrative action deemed appropriate by the lessor, including termination of this lease. The lessor may, in the notice of the default or in a separate written notice, state that if the default is not remedied, this lease shall terminate on a date certain, which shall be at least 60 days after issuance of the notice of default. Upon the date specified in such notice, unless the default has been remedied, the lease shall expire automatically without further notice or action by the lessor and this lease and all rights of the lessee under the lease shall terminate. Upon termination of the lease the lessor shall have an immediate right to possession of the leasehold and any possession by the lessee shall be unlawful. It is specifically agreed that no judicial action shall be necessary to terminate this lease or to allow the lessor to retake possession in the event of default by the lessee.

No improvements may be removed from the leasehold while the lease is in default except with the lessor's prior written approval. If this lease is terminated for default, all compensation paid by the lessee is forfeited to the lessor. The lessor is not liable for any expenditures made or undertaken by the lessee under this lease. Any costs or fees, including attorney's fees, reasonably incurred by the lessor for the enforcement of this lease, shall be added to the obligations due and payable by the lessee.

(b) The rights, if any, of third-party security interest holders or lienholders are controlled solely by AS 38.05.103 and 11 AAC 58.590. If the lessee fails to remedy the default within the time allowed in subsection (a) of this section, the holder of an approved security interest who has received notice under subsection (a) of this section may remedy the default. The holder shall act within 60 days from the date of receipt of notice under subsection (a) of this section, or within any additional period the lessor allows for good cause.

(c) The lessor may, at the lessor's option, following the lessee's default and failure to remedy, or after termination of this lease due to such default and failure to remedy, accelerate the unpaid compensation for the remainder of the term of this lease. The lessee's obligation to pay such accelerated rent to the lessor survives termination of this lease.

(d) If this lease is terminated, or all or any portion of the leasehold is abandoned by the lessee, the lessor may immediately enter, or re-enter and take possession of the leasehold, and without liability for any damage, remove all persons and property from the leasehold and may, if necessary, use summary proceedings or an action at law. The words "enter" and "re-enter" as used are not restricted to their technical legal meaning. Any entry, re-entry, possession, repossession, or dispossession by the lessor, whether taken with or without judicial action, does not absolve, relieve, release, or discharge the lessee, either in whole or part, of any liability under the lease.

(e) The lessor, upon or at any time after giving written notice of any default, may enter or re-enter the leasehold to remedy any default by the lessee or exercise any right given under this lease, all without the intervention of any court being required. The curing of such default shall not be deemed for any purpose to be for the benefit of the lessee.

(f) At any time after termination of this lease, the lessor may re-let the leasehold, or any part thereof, in the name of the lessor for such term and on such conditions as the lessor may determine, and may collect and receive the compensation therefor. The lessor shall not be responsible or liable for failure to re-let the leasehold or for any failure to collect any compensation due upon such re-letting, nor shall the lessor be required to account for or pay to the lessee any excess compensation received as a result of such re-letting. The lessee shall be liable for any deficiency, and for all costs, expenses, and fees incurred by the lessor arising out of the default, including the lessor's efforts to re-let the leasehold.

(g) No right or remedy conferred upon or reserved to the lessor in this lease or by statute, or existing in law or equity, is intended to be exclusive of any other right or remedy, and each and every right shall be cumulative.

22. Disposition of Improvements and Chattels After Termination. AS 38.05.090 will govern disposition of any lessor-approved chattels or improvements left on the leasehold after termination. At the lessor's sole option, improvements not approved by the lessor shall be removed from the leasehold and the site restored to its original condition at the lessee's sole expense, or be forfeited to the lessor. The lessee shall be liable to the lessor for any costs, expenses, or damages arising out of the disposition of improvements not approved by the lessor, and may be required to pay rent on any improvements or chattels left on the parcel in accordance with 11 AAC 58.680.

23. Indemnity to Lessor. The lessee shall indemnify, defend, and hold the lessor harmless from and against all claims, demands, judgments, damages, liabilities, penalties, and costs, including attorney's fees, for loss or damage, including but not limited to property damage, personal injury, wrongful death, and wage, employment, or worker's compensation claims, arising out of or in connection with the use or occupancy of the leasehold by the lessee or by any other person holding under the lessee, or at the lessee's sufferance or invitation; and from any accident or fire on the leasehold; and from any nuisance made or suffered on the leasehold; and from any failure by the lessee to keep the leasehold in a safe and lawful condition consistent with applicable laws,

regulations, ordinances, or orders; and from any assignment, sublease, or conveyance, attempted or successful, by the lessee of all or any portion of the leasehold or interest therein contrary to the covenants and conditions of this lease. The lessee holds all goods, materials, furniture, fixtures, equipment, machinery, and other property whatsoever on the parcel at the sole risk of the lessee, and shall defend, indemnify and hold the lessor harmless from any claim of loss or damage by any cause whatsoever, including claims by third parties.

24. Insurance. If required by the lessor, the lessee shall obtain insurance in an amount determined by the lessor to be sufficient. The lessor shall be named as an additional insured party of any such insurance. The types and amount of insurance shall be specified in the attached stipulations made a part of this lease agreement and may be adjusted periodically. The lessee shall maintain that insurance as long as required by the lessor. Any insurance acquired by the lessee for the purpose of providing insurance coverage under this lease must be issued by an insurer authorized to do business in the State of Alaska under the provisions of AS 21.09.010 and AS 21.27.010 for the type of policy being written.

25. Bonding. If required by the lessor, the lessee shall furnish a bond, cash deposit, certificate of deposit, or other form of security acceptable to the lessor in an amount determined by the lessor to be sufficient to ensure faithful performance of the covenants and conditions of this lease, and to cover the cost of site cleanup and restoration and any associated costs after termination of the lease. The amount and conditions of the bond shall be specified in the attached stipulations made a part of this lease agreement. The lessee shall maintain the bond as long as the lessor deems necessary, and in the amount required by the lessor, which amount may be adjusted periodically.

26. Environmental Compliance. (a) The lessee shall, at the lessee's own expense, comply with all existing and hereafter enacted environmental responsibility laws ("Environmental Laws"). The lessee shall, at the lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Environmental Laws.

(b) Should the Authority require that a remedial action plan be prepared and that a remedial action be undertaken because of the presence of, or any disposal, release, spill, or discharge, or threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, then the lessee shall, at the lessee's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. The lessee's obligations under this section shall arise if there is any event or occurrence at the leasehold during the term of this lease, or arising out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, that requires compliance with the Environmental Laws.

(c) At no expense to the lessor, the lessee shall promptly provide all information requested by the lessor for preparation of affidavits or other documents required by the lessor to determine the applicability of the Environmental Laws to the leasehold, and shall sign the affidavits promptly when requested to do so by the lessor.

(d) The lessee shall indemnify, defend, and hold harmless the lessor from all fines, penalties, suits, judgements, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of or in any way connected with the presence of or any disposal, release, spill, or discharge or any threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of the lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease; and from all fines, penalties, suits, judgements, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of the lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spill, discharge, or contamination that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease.

(e) The lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals, or hazardous materials into the atmosphere, ground, wastewater

disposal system, sewer system, or any body of water.

(f) In any court action or administrative proceeding, in addition to all other applicable presumptions, it shall be rebuttably presumed that any environmental contamination of the leasehold (i) has been released on the leasehold; (ii) has resulted from acts or omissions of the lessee or its agents; and (iii) has occurred during the term of this lease. The lessee has the burden of rebutting the presumptions by clear and convincing evidence.

(g) This section of this lease does not in any way alter the State of Alaska's powers and rights or the lessee's duties and liabilities under Title 46 (or its successor) of the Alaska Statutes or other state, federal, or municipal statutes, regulations, or ordinances. For example, notwithstanding the provisions of this lease, the State of Alaska shall not be precluded from claiming under AS 46.03.822 that the lessee is strictly liable, jointly and severally, for damages and costs incurred by the state for clean up of contamination on the leasehold. The obligations and provisions of this section 26 shall survive the termination of this lease.

(h) As used in this lease, the term "hazardous materials" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

27. Surrender of Leasehold. Upon the expiration, termination, or cancellation of this lease, the lessee shall peacefully leave and deliver up all of the leasehold in good, sanitary, and marketable condition, order, and repair.

28. Notices. (a) Any notice or demand by the lessee will be made by hand delivery to the Director, Division of Mining, Land and Water, or by certified mail, postage prepaid, addressed as follows (or to a new address that the lessor designates in writing), with delivery occurring upon receipt by the lessor:

To the Lessor:

Division of Mining, Land and Water
Southeast Regional Office
400 Willoughby Ave., 4th Floor
PO Box 111020
Juneau, AK 99811-1020

(b) Any notice or demand by the lessor will be issued as provided in 11 AAC 02.040(c). If issuance is by mail, the notice or demand will be addressed as follows (or to a new address that the lessee or its successor in interest designates in writing):

To the Lessee:

Cordova Telecom
PO Box 459
Cordova, AK 99574

The lessor will issue a copy of any such notice or demand to each holder of a security interest in the leasehold whose assignment has been approved by the lessor under section 6 of this lease. Any security interest not approved as provided in section 6 is insufficient to require notice by the lessor under AS 38.05.103.

(c) Any notice or demand regarding the lease must be in writing and will be complete if given as set out above.

29. Penalty Charges. The lessee shall pay a fee for any late payment or returned check issued by the lessee as follows:

(1) Late Payment Penalty: The greater of either the fee specified in 11 AAC 05.020 or interest at the rate set by AS 45.45.010(a) will be assessed on a past-due account until payment is received by the lessor. Acceptance of a late payment or of a service charge for a late payment is subject to the lessor's rights under sections 20 and 21 of this lease.

(2) Returned Check Penalty: A returned check fee as provided in 11 AAC 05.020 will be assessed for any check on which the bank refuses payment. If the bank refuses payment, the default termination date remains the same. Late penalties under subsection (1) of this section shall continue to accumulate.

30. Modification. This lease may be modified or amended only by a document signed by both parties. Any purported amendment or modification has no legal effect until placed in writing and signed by both parties.

31. Choice of Law. This lease shall be construed under the laws of the State of Alaska. The lessee confers personal jurisdiction on the courts of the State of Alaska for any litigation under this lease.

32. Severability of Clauses of Lease Agreement. If any clause or provision of this lease is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the lessor and the lessee agree that the remainder of this lease will not be affected, and in lieu of each clause or provision of this lease that is illegal, invalid, or unenforceable, there will be added as a part of this lease a clause or provision as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible, legal, valid, and enforceable.

By signing this lease, the lessor and the lessee agree to be bound by its provisions.

LESSEE:

_____

LESSEE

LESSOR:

_____

Benjamin White, Regional Manager
Southeast Regional Land Office

STATE OF ALASKA)
) ss.
_____Judicial District)

THIS IS TO CERTIFY THAT ON THIS _____ day of _____, _____, before me personally appeared _____, known to me to be the person named and who signed the foregoing lease and acknowledged voluntarily signing the same.

_____
Notary Public in and for the State of Alaska
My commission expires:_____

STATE OF ALASKA)
) ss.
Third Judicial District)

THIS IS TO CERTIFY THAT ON THIS _____ day of _____, _____, before me personally appeared _____, of the Division of Mining, Land and Water of the Department of Natural Resources of the State of Alaska, who executed the foregoing lease on behalf of the State of Alaska, and who is fully authorized by the State to do so.

_____
Notary Public in and for the State of Alaska
My commission expires: _____

Approved as to form February 9, 1994, and September 25, 2001.

_____
/s/ Elizabeth J. Barry, Assistant Attorney General

Recorder's Office: Return the recorded document to:
DNR DMLW, SERO
ATTN: Megan Hillgartner
PO BOX 111020
JUNEAU, AK 99811-1020

Attachment A
Additional Stipulations

1. Authorized Officer. The Authorized Officer (AO) for the State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), is the Regional Manager or designee.

2. Preference Right. No preference right to a sale of this leasehold is granted or implied by the issuance of this Lease. Any renewal of this Lease will be subject to current statutes and regulations at the time of Lease expiration.

3. Valid Existing Rights. This authorization is subject to all valid existing rights and reservations in and to the authorized area. The State makes no representations or warranties, whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.

4. Change of Contact Information. The Lessee shall maintain current contact information with the AO. Any change of contact information must be submitted in writing to the AO.

5. Request for Information. The AO, at any time, may require the Lessee to provide any information directly or indirectly related to this authorization, in a manner prescribed by the AO.

6. Compliance with Government Requirements. The Lessee shall, at its expense, comply with all federal, state, and local laws, regulations, and ordinances directly or indirectly related to this authorization. The Lessee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.

7. Development Plan. Development shall be limited to the authorized area and improvements specified in the approved development plan or subsequent modifications approved by the AO. The Lessee is responsible for accurately siting development and operations within the authorized area. Any proposed revisions to the development plan must be approved in writing by the AO before the change in use or development occurs.

8. Penalty Charges: Late Payment Penalty Charges. The Lessee shall pay a fee for any late payment. The amount is the greater of either $50.00 or interest accrued daily at the rate of 10.5% per annum and will be assessed on each past-due payment until paid in full.

   Returned Check Penalty. A returned check penalty of $50.00 will be charged for any check on which the bank refuses payment. Late payment penalties shall continue to accrue.

9. Visitor Day Use Fee: All commercial recreation authorizations are subject to a "Visitor Day" fee. As defined in 11 AAC 96.250(18), Visitor Day means "all or any part of a calendar day during which a commercial recreation client is present, with each client representing a separate visitor day if multiple clients are present at any time during a calendar day." This fee, as established in 11 AAC 05.180(d)(2)(D) or (G), is collected once a year and due on the same day as the annual fee.

10. Assignment. Stipulation 6 of the Lease Agreement is hereby amended to include the following: In the event the Lessee desires to transfer their interest in the lease to another party the Lessee shall submit to the AO a request for assignment and a copy of a draft agreement which identifies the provisions of the assignment between the parties. The AO reserves the right to require/renegotiate new terms or conditions for the lease prior to approving any assignment. The AO reserves the right to require an assignment between the Lessee and another party in the event of a change in corporate ownership, LLC/LLP membership or name change involving the leased site.

11. Performance Guaranty. Per section 25 of the Lease agreement: The Lessee previously posted a performance guaranty in the amount of (b) (4) to secure faithful performance with all terms and conditions of the Lease and

to insure site restoration of the leasehold. This performance guaranty must remain in effect for the duration of the Lease term or until released in writing by the AO. Failure by the Lessee to provide replacement security shall be grounds for the AO to make a claim upon the existing security to protect the Lessor's interests.

12. Insurance. The Lessee shall secure or purchase at its own expense, and maintain in force at all times during the term of this contract, liability coverages and limits consistent with what is professionally recommended as adequate to protect the buyer (the insured) and seller (the State, its officers, agents and employees) from the liability exposures of ALL the insured's operations on state land. Certificates of Insurance must be furnished to the AO prior to the issuance of this lease and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. The Lessee must provide for a 60-day prior notice to the AO before they cancel, not renew or make material changes to conditions to the policy. Failure to furnish satisfactory evidence of insurance, or lapse of the policy, are material breaches of this lease and shall be grounds, at the option of the AO, for termination of the lease. All insurance policies shall comply with, and be issued by, insurers licensed to transact the business of insurance under Alaska Statute, Title 21. The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Division of Risk Management, Department of Administration. The State of Alaska must be named as an additional named insured on the policy.

13. Specific Land Use. Stipulation 4 of the Lease Agreement is hereby amended to include the following: This lease is issued for a specific use and land classification, use of the area for purposes other than those specified constitutes a breach of the lease agreement and may result in revocation. The lease may be terminated upon a finding by the AO that the land or a part of it has not been used by the Lessee for the purpose specified in the lease for a period of two years. The lease cannot be assigned or subleased except with the consent of the AO. A Lessee may not change the use specified in the lease to another or additional use except with the consent of the AO. Any attempts to depart from these conditions without the consent of the AO will cause the lease to be automatically terminated.

14. Concurrent Usage. The AO reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land covered under this authorization. Authorized users of state land, their agents, employees, contractors, subcontractors and licensees shall not interfere with the operation or maintenance activities of other authorized concurrent users. Any future concurrent permit, lease or sub-lease will be subject to the conditions and stipulations contained in the lease, including the additional collection of fees or rents by the AO from any subordinate Lessee or Sublessee.

15. Subleasing. The AO reserves the right to require an additional annual compensation as a condition of a sublease approval. Said increase shall be determined by negotiation between the Lessee and AO but shall not be less than (b) (4) of all compensation paid annually to the Lessee by the Sublessee. Neither the terms of this sublease provision nor any actual compensation derived from a sublease shall have any effect upon a determination of the annual lease fee for the lease parcel pertaining to AS 38.05.075(a) or its appraised market value pertaining to AS 38.05.840. Sublease shall be defined to include any lease, rental, storage, or accommodation agreement between the Lessee and another individual, business or corporation utilizing or benefiting from the lease parcel. Sublessee shall be defined to mean any individual or business entity executing an agreement, as above, with the Lessee. The amount of sublease compensation shall be subject to change at the same time as the lease compensation adjustment and whenever the terms or conditions of the agreement between the Lessee and Sublessee change. Approval of a sublease shall also be conditioned upon:

    a) The Lessee is in full compliance with lease conditions and is in good standing with all other authorization per 11 AAC 96.145;

    b) Sublessee must meet the statutory requirement of the Lease;

c) Submission by the Lessee of a draft copy of the agreement(s) which will govern the relationship and compensation provisions between the Lessee and the Sub-Lessee;

d) Submission by the Lessee of a proposed plan of operations and development for the subleased area and, if necessary, an amended plan of operations and development for the entire lease area; and

e) A Lessor best interest finding and amendments to the lease contract as necessary, if significant changes to the use and development are proposed.

16. Alaska Historic Preservation Act. Under the Alaska Historic Preservation Act, AS 41.35.200, it is unlawful to appropriate, excavate, remove, injure, or destroy any historic, prehistoric, or archaeological resources of the State without a permit from the DNR Commissioner. Should any such resources or sites be discovered, the lessee shall cease any activities that may cause damage and immediately contact the AO and the Office of History and Archaeology in DNR's Division of Parks and Recreation.

17. Inspections. Stipulation 13 of the Lease Agreement is hereby amended to include the following: The AO shall have reasonable access to the authorized area for inspection, which may be conducted without prior notice. If the lessee is found to be in noncompliance the authorized area may be subject to reinspection. The lessee may be charged for actual expenses of any inspection or the fee in 11 AAC 05.160.

18. Incurred Expenses. The Lessor shall in no way be held liable for expenses incurred by the Lessee connected with the activities directly or indirectly related to this authorization.

19. Public Access. The construction, operation, use, and maintenance of the authorized area shall not interfere with public use of roads, trails, waters, landing areas, and public access easements. The ability to use or access state land or public waters may not be restricted in any manner. However, if a specific activity poses a safety concern, the AO may allow the restriction of public access for a specific period of time. The Lessee is required to contact the AO in advance for approval. No restriction is allowed unless specifically authorized in writing by the AO.

20. Site and Improvements Maintenance. The authorized area shall be maintained in a neat, clean, and safe condition, free of any solid waste, debris, or litter, except as specifically authorized. The Lessor is not responsible for maintenance of authorized improvements or liable for injuries or damages related to those improvements. No action or inaction of the Lessor is to be construed as assumption of responsibility.

21. Site Disturbance. Stipulation 4 of the Lease Agreement is hereby amended to include the following:

a) Site disturbance shall be kept to a minimum to protect local habitats. All activities at the site shall be conducted in a manner that will minimize the disturbance of soil and vegetation and changes in the character of natural drainage systems. Any ground disturbances that may occur shall be contoured to blend with the natural topography to protect human and wildlife health and safety. Particular attention must be paid to preventing pollution and siltation of any waterways and to preventing disturbances to fish and wildlife populations and habitats.

b) Brush clearing is allowed only to the extent necessary to maintain the present development. The Lessee may use dead timber that is down. The Lessee shall not cut standing timber within the leased area unless specifically authorized by DNR's Division of Forestry.

The removal of vegetation shall be kept to a minimum and areas requiring disturbance should be seeded or planted as soon as possible after disturbance. To the extent possible, associated

vegetation should be left intact to enhance stability, control erosion and enhance scenic qualities.

22. Hazardous Substances, Explosives.

    a) No storage of hazardous material/substances or explosives is authorized within the leased area.

    b) The use of hazardous substances or explosives must be done in accordance with existing federal, state and local laws, regulations and ordinances. Debris (including soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the sites and managed and disposed of in accordance with state, federal and local laws, statutes and regulations.

23. Proper location. This authorization is for activities on state lands or interests managed by DMLW. It does not authorize any activities on private, federal, native, or municipal lands, or lands which are owned or solely managed by other offices and agencies of the State of Alaska. The Lessee is responsible for proper location within the authorized area.

24. Moving or Damaging Markers. The Lessee shall protect all survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed corner posts against relocation, damage, destruction, or obliteration. The Lessee shall notify the AO of any relocated, damaged, destroyed, or obliterated markers and shall reestablish the markers at the lessee's expense in accordance with accepted survey practices of DMLW.

25. Use and Storage of Fuel. Section 26 of the Lease document is hereby amended to include the following: All fuel storage container(s) with a total combined capacity larger than **55 gallons** shall not be placed within 100 feet from the ordinary high water mark of any water body. When fuel storage container(s) exceed a total combined capacity of **110 gallons**, the containers must be stored within an Alaska Department of Environmental Conservation (ADEC)-approved double-walled tank, or an impermeable diked area, or a portable impermeable containment structure capable of containing 110% of the capacity of the largest independent container. All containers must be clearly marked with the contents and the Lessee's name and ADL number. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up all spills.

26. Notification of Discharge. The Lessee shall immediately notify the Department of Environmental Conservation (ADEC) and AO by phone of any unauthorized discharge of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported immediately.

    If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the lessee shall report the discharge within 48 hours. Any discharge of oil greater than one gallon up to 10 gallons, including a cumulative discharge, solely to land, must be reported in writing on a monthly basis.

    Notification of discharge during normal business hours must be made to the nearest ADEC Area Response Team: Anchorage (907) 269-7500, fax (907) 269-7687; Fairbanks (907) 451-2121, fax (907) 451-2362; Juneau (907) 465-5340, fax (907) 465-5245. For discharges in state offshore waters call (907) 269-0667.The ADEC oil spill report number outside normal business hours is (800) 478-9300.

    Notification of discharge must be made to the appropriate DNR Office: Anchorage (907) 269-8503, fax (907) 269-8913; Fairbanks (907) 451-2678, fax (907) 451-2751, email dnr.nro.spill@alaska.gov; Juneau (907) 465-3400, fax (907) 465-3886. The Lessee shall supply the AO with all incident reports.

Should any unlawful discharge, leakage, spillage, emission or pollution of any type occur due to the Lessee's actions or failure to act, the Lessee, at its expense, shall be obligated to clean the area to the reasonable satisfaction of the State of Alaska.

27. Waste disposal. On-site refuse disposal is prohibited, unless specifically authorized. All waste generated during operation, maintenance, and termination activities under this authorization shall be removed and disposed of at an off-site ADEC approved disposal facility. Waste, in this paragraph, means all discarded matter, including but not limited to human waste, trash, garbage, refuse, oil drums, petroleum products, ashes and discarded equipment.

28. Fire Prevention, Protection and Liability. The lessee shall take all reasonable precautions to prevent and suppress forest, structure, brush and grass fires, and shall assume full liability for any damage to state land and structures resulting from the negligent use of fire. The State is not liable for damage to the Lessee's personal property. To report a wildfire, call 911 or 1-800-237-3633.

29. Waiver of Forbearance. Any failure on the part of the AO to enforce the terms of this authorization, or the waiver of any right under this authorization by the Lessee, unless in writing, shall not discharge or invalidate the authorization of such terms. No forbearance or written waiver affects the right of the AO to enforce any terms in the event of any subsequent violations of terms of this authorization.

The receipt of compensation by the AO, with or without knowledge of any default on the part of the Lessee, is not a waiver of any provision of this authorization. The receipt of compensation by the AO after termination or any notice of termination will not reinstate, continue, or extend this authorization, or destroy or in any manner impair the validity of any notice of termination, unless specifically stated by the AO in writing.

30. Severability Clause. If any clause or provision of this authorization is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the grantor and the Lessee agree that the remainder of this authorization will not be affected, and in lieu of each clause or provision of this authorization that is illegal, invalid, or unenforceable, there will be added as a part of this authorization a clause or provision as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible, to be legal, valid, and enforceable.

31. Lease Expiration and Site Reclamation. No later than one (1) year prior to the lease expiration, the Lessee shall file with the Lessor:

a) A request for a new lease, and/or

b) A reclamation plan for the leasehold lands, which must be approved in writing by the AO. The Lessee is responsible for site reclamation within the leasehold.

The reclamation plan must include a description of the methods and techniques that the Lessee will use to rehabilitate all sites affected by construction and intensive use activities. Under the lease, the Lessee retains all ownership rights to site improvements. In the plan, the Lessee shall describe its intention to remove improvements. The plan must also include a schedule that sets forth the steps required for surface rehabilitation, and a specific time line showing when the Lessee will accomplish each step.

32. Violations. Pursuant to 11 AAC 96.145, the Lessee must be in compliance with provisions of this and other authorizations granted under AS 38.05 or 11 AAC 96 before a new authorization may be granted by DMLW.

33. Lease Termination. This lease authorization may be terminated upon violation of any of its terms, conditions, stipulations or upon failure to comply with any applicable laws, statutes and regulations (state and federal).

34. Lease Utilization. Per 11 AAC 58.510, leases must be utilized for purposes within the scope of the lease and the land classification. Utilization or development for other than the allowed uses or failure to substantially utilize or develop the lease is a violation of the lease. A development plan may be required on all leases. Failure to make substantial use of the land, consistent with the development plan, within five years, will, in the director's discretion, constitute grounds for cancellation.

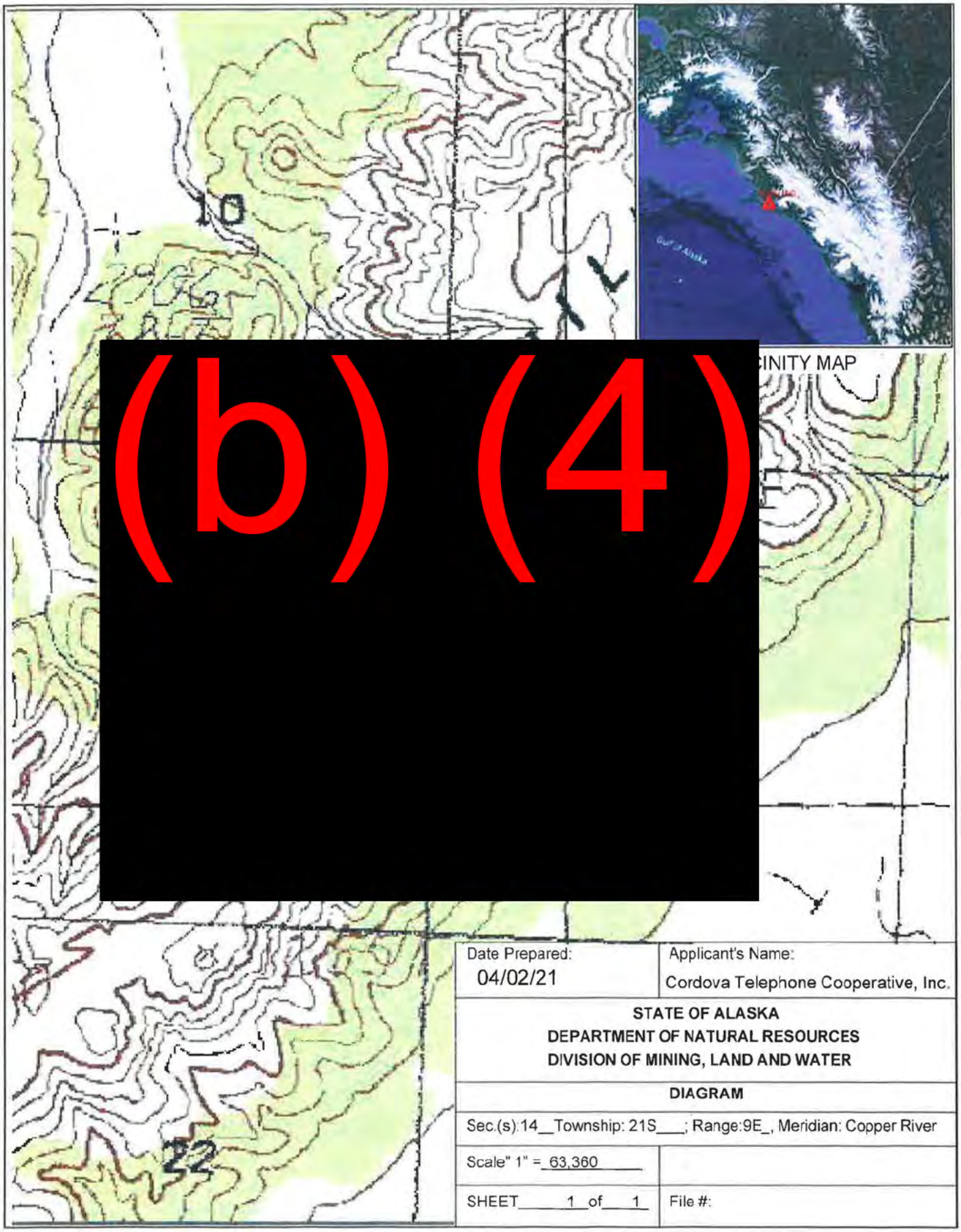
35. Agents. The lease provisions and stipulations apply with equal force upon an agent, employee, contractor or subcontractor designated by the Lessee to perform any lease or lease-related operations. The Lessee is liable for noncompliance caused by any such agent, employee, contractor, or subcontractor.

36. Additional Authorizations or Permits. If activities other than those authorized by the lease provisions and stipulations are needed, additional written authorizations or permits and their associated additional fees may be required.

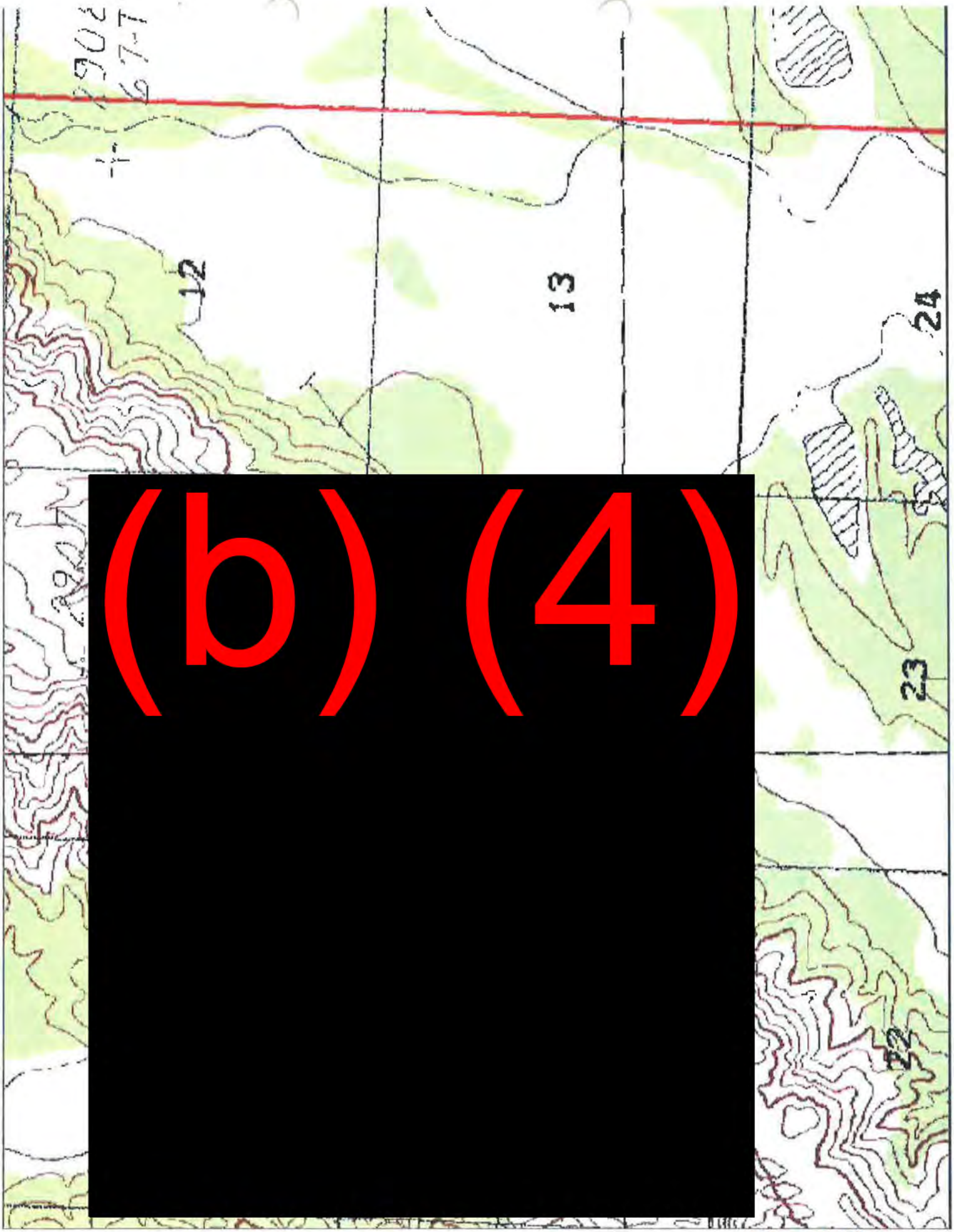
37. Access and Road Construction: The Lessee is responsible for providing access to the leasehold. Before constructing any road across state land, the Lessee shall obtain prior approval and authorization from DMLW for the location and construction standards of the road.

38. Proper Storage of Food and Attractants: To reduce the potential for conflict with bears and other wildlife, attractants (e.g., food, trash, fuel containers, oil containers, waste, and other odor producing items) should be stored properly.

39. Site Maintenance: The authorized area shall be maintained in a neat, clean, and safe condition, free of any solid waste, debris, or litter, except as specifically authorized herein.



Date Prepared: 04/02/21	Applicant's Name: Cordova Telephone Cooperative, Inc.
STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND AND WATER	
DIAGRAM	
Sec.(s):14__Township: 21S___; Range:9E_, Meridian: Copper River	
Scale" 1" = 63,360	
SHEET 1 of 1	File #:


12
13
24
23
22
(b) (4)

Narrative of Suckling Development Plan

Legal Description

CTC is proposing to lease a 100' x 100' parcel of land located at approximately
(b) (4)
Meridian: Copper River
Township: 21S
Range: 9E
Section: 14



Terrain/Ground Cover

This location is on a slightly rounded hill with no visible trees or rocks. It appears bed rock may be 10 feet below grade. The soil above is silty tundra. There is a lot of open room at this site.

Access

During construction, material staging will be located in the gully below and camping may needto be set up downhill, about 300 feet to the north. After construction, site visits and general maintenance will occur via helicopter landings directly to the site. It is possible that a roof top entry will need to be built to allow maintenance access during high snow accumulations.

Buildings and other structures

This site will be composed of an 80' foot tower, a 12' x 24' shelter, two 18-panel solar arraysand six 1000-gallon propane tanks. The tower and shelter will sit on concrete piers and slab.

Power source

This site will be powered by a battery bank which is supported by two propane generators and solar panels. The site will have six 1000-gallon propane tanks and two 18-panel solar arrays.

Waste types, Waste Sources, and Disposal Methods

Any material waste generated during construction of the tower will be removed by the contractor via helicopter and landing craft. Tower operation will generate little to no waste and any material waste will be removed by CTC.

Hazardous substances

During construction only, a 55-gallon drum of diesel and a 55-gallon drum of fuel will be located on-site. Six 1000-gallon propane tanks will be located on site during operation.

Water supply

The construction crew will supply their own water during the construction phase. Water supplyis not needed for operations.

Parking Areas and Storage Areas

The construction crew will stage their equipment and machinery around the construction site.The 12' x 24' shelter will be used as storage during tower operations. Helicopter parking will be done on ground within the allotted land lease footprint.

Number of People Using the Site

A crew of approximately 4 people will be at the site during construction. Post-construction, CTC will have 2-3 people on site during maintenance windows only which are anticipated twice annually.

Maintenance and Operations

Maintenance will be performed by CTC Wireless foreman and journeymen. All operation will be conducted by CTC network and wireless staff or approved sub-contractors.

Closure/Reclamation Plan

Upon sunset of the tower, all material will be removed by CTC and the property will be restored to its natural state.

The following information is a generic summary of standard remote site construction plans that would be followed during the development of this site.

Site Construction Overview:

The new remote sites will have an 80 ft tall tower and ice bridge, 12 ft x 24 ft shelter, (2) 18 panel solararrays and (6) 1,000-gallon propane tanks. However, the design for the shelter might change during design from one 12ft x 24ft to a two 12ft x 12ft shelter scenario in order to be able to sling the shelter on site instead of building on site. This will reduce time and gain efficiency's during construction. The footprint of the shelters should remain the same.

The tower will be an 80 ft, self-supporting, 4-leg galvanized steel tower with ladder and safety line. New8 ft diameter microwave antennas will be installed at elevations 60 ft and 30 ft pointing toward towards the inbound site and 8 ft diameter microwave antennas will beinstalled at elevations 60 ft and 30 ft pointing toward outbound site with ice shields.

We will need to fly an engineer via helicopter to this site to determine final specifications for the site plan before construction. Topography will determine the final specifications for the foundation. This can only be done when the snow melt has sufficiently diminished. We expect to have our final engineered specifications available after a visit in the early summer of 2021.

Location: CTC will construct a new remote site at the locations identified.

Scope of Work: The remote site construction project will take place in the summer once snow clears. Construction of the site is expected to take eight (8) weeks with an additionalfour (4) to six (6) weeks to deploy electrical and network equipment, weather pending.

Mobilization to site – staging is out of Cordova Alaska. Supplies/materials will be barged over and will be off loaded to the beach to be slung up to the site. Sling load from barge to site will also be occurring. Any temporary land access needs would be coordinated with landowners along with appropriate permits.

Camp Set Up – A 4-man temporary camp will be constructed utilizing 1 each 12x20 and 1 each 12x16tents for sleeping and kitchen area.

Construction will begin with constructing the tower and shelter concrete pad platforms. The solar array and propane tanks platforms will follow. Based on preliminary design this will be a concrete padinstallation. Concrete mixing will be staged on a barge and slung over via helicopter.

Construction of the shelter and solar array. Set propane frames and grating and then the tanks.

Integration Plan: Tower erectors will come to site immediately following the construction crew.Electricians will also be camped for equipment installation inside the shelter.

Maintaining the construction staging and stockpile areas in clean safe condition.Care and maintenance of equipment.

Cleanup of all construction areas.

Construction and installer crews will have a copy of the applicable site Management Plan on site andwill conduct daily onsite inspections.

Schedule:

Description	Crew on Site	Duration	Helicopter Trips
Mobilization	4-man	5 days	20 (barge to site)
Camp Set Up	4-man	4 days	NONE
Construction	4-man	8 weeks	10-15 (crew support)
Integration (tower)	4 -man	2 weeks	6
Electrical/Network	2-man	6 weeks	10

Equipment: Actual construction will be done by a working crew and power tools with support from ahelicopter for raising the tower and delivering materials. Also on site should be a mini excavator, compactor, and welding equipment.

Toxic/Hazardous Waste

A log of toxic/hazardous materials, if any, brought on site and their disposal will be kept by the onsiteconstruction manager. Any petroleum products brought or stored on site will be kept within plastic secondary containment vessels.

A 55-gallon drum of fuel will be staged on site for generators.

A 55-gallon drum of diesel will be staged on site for equipment.Construction equipment will not be cleaned on site. Concrete will be batched off site and transported via helicopter to the construction site

Solid Waste (Construction)

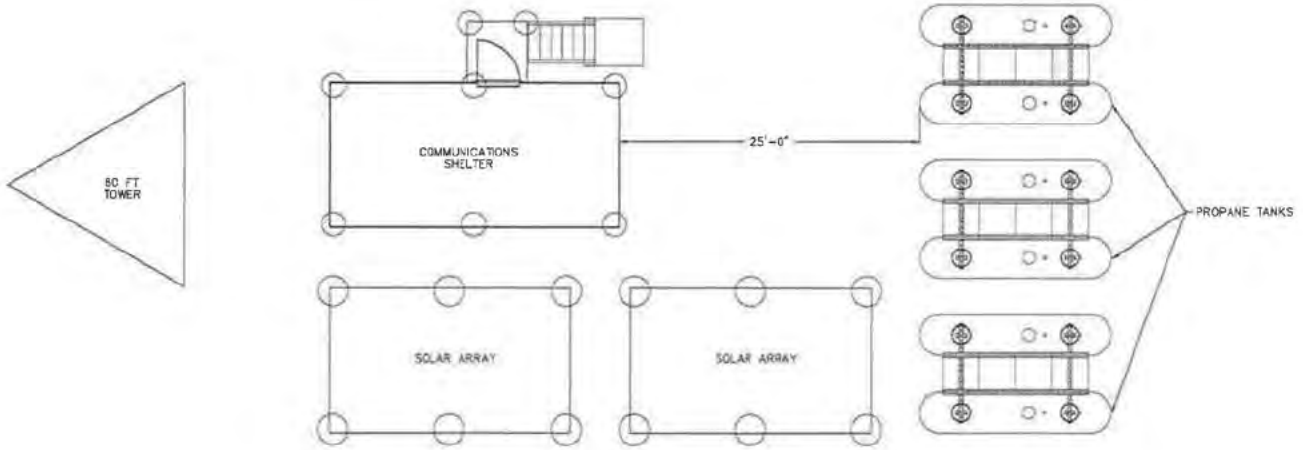
- Construction trash containers will be tightly covered to prevent construction wastes from beingdispersed by wind.
- All trash will be removed from site.
- 2 Rent a Cans will be taken to the site during construction and will serviced when necessary.The cans will be removed at the end of the project.

Erosion Control

- Silt fencing will be used to diverted overland runoff (sheet flow) around disturbed areas ifneeded.
- Breaks and gaps in silt fencing will be repaired immediately.

Transportation

- Helicopter support will be on a call out bases for slinging materials from the beach to the site.De-mob should be 10 round trips.
- 3 Days of helicopter support for concrete – Based on 10-hour days with two Huey Helicoptersfrom the barge to site.



1 / C1.0 TYPICAL SITE PLAN LEVEL GROUND
SCALE: 1"=40'

NEW HORIZONS

CORDOVA TELEPHONE COOPERATIVE, INC.

COPYRIGHT NOTICE
THIS LAYOUT/DESIGN IS AN UNPUBLISHED WORK, AND NEW HORIZON'S TELECOM, INC. HEREBY RESERVES ITS COMMON LAW RIGHT, PURSUANT TO TITLE 17 SECTION 2 OF THE USA CODE TO PREVENT ANY UNAUTHORIZED COPYING, PUBLICATION OR USE OF THIS DESIGN AND TO OBTAIN DAMAGES THEREFORE.

NOT FOR CONSTRUCTION

PRELIMINARY

NO.	DESCRIPTION	DATE

CTC
YAKUTAT
T0
CORDOVA

DWN: RSB	DSN: DRB	APP. DRB	REV
JOB #: 19-0028-90	DATE: 180219		A

TYPICAL
SITE PLAN
LEVEL GROUND
C1.0

PLOTTED BY: TIM ENGLISH ON: 2/19/2018 AT: 11:59:58 AM FILE NAME: C:\USERS\TIM ENGLISH\DESKTOP\YAKUTAT\CTC YAKUTAT T0 CORDOVA\DWG\SITE PLAN LEVEL GROUND.DWG PLOT DATE: 180219

000147

STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
SOUTHCENTRAL REGION LAND OFFICE

550 W. 7TH AVE., SUITE 900C
ANCHORAGE, ALASKA 99501-3577

December 28, 2007

Certified Mail: 7005 1820 0003 7406 2700

Cordova Telephone Cooperative
PO Box 459
Cordova, AK 99574-0459

JAN 02 2008

Mr. Paul Kelly

Congratulations!
Enclosed is your copy of the Flag Point Telecommunication lease.

If you ever have any questions or concerns about your lease, please feel free to contact me.

Phone: 907-269-8111
E-mail: jennifer.murrell@alaska.gov

Sincerely,

Jennifer Murrell

Jennifer Murrell
NRI

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
Cordova Telephone Cooperative, Inc.
LEASE AGREEMENT
ADL No. 229054

Effective this 22nd day of January, 2008, this lease agreement is entered into by the State of Alaska, hereafter referred to as "lessor," and **Cordova Telephone Cooperative Inc.**, hereafter referred to as "lessee," whether one or more, whose sole addresses for purposes of notification under this lease agreement are listed in section 28.

The lessor and the lessee agree that this lease, including all attachments and documents that are incorporated in this lease by reference, contains the entire agreement between the parties, and each of the covenants and conditions in this lease including any attachments will be binding upon the parties and upon their respective successors and assigns. The lessor and the lessee further agree that this lease is conditioned upon satisfactory performance by the lessor and the lessee of all covenants and conditions contained in this lease. The lessee is aware of the provisions of Title 38, Alaska Statutes, Title 11, Alaska Administrative Code, and other applicable laws, regulations, and ordinances, and fully understands the duties and obligations of the lessee under this lease, and the rights and remedies of the lessor.

This lease is subject to all applicable state, federal, and municipal statutes, regulations, and ordinances in effect on the effective date of this lease, and insofar as is constitutionally permissible, to all statutes, regulations, and ordinances placed in effect after the effective date of this lease. A reference to a statute, regulation, or ordinance in this lease includes any change in that statute, regulation, or ordinance, whether by amendment, repeal and replacement, or other means. This lease does not limit the power of the State of Alaska, its political subdivisions, or the United States of America to enact and enforce legislation or to adopt and enforce regulations or ordinances affecting, directly or indirectly, the activities of the lessee or its agents in connection with this lease or the value of the interest held under this lease. In case of conflicting provisions, statutes, regulations, and ordinances take precedence over this lease. This lease shall not be construed as a grant or recognition of authority for promulgation or adoption of municipal ordinances that are not otherwise authorized.

1. Grant. This Public and Charitable Use lease is issued under the authority of AS 38.05.810(e), for a term of 30 year(s) beginning on the 1st day of January, 2008 and ending at 12 o'clock midnight on the 21st day of January 2038, unless sooner terminated, subject to: compensation as specified in section 2; the attached development plan approved by the state on March 17th, 2005; and attached stipulations, if any, that are incorporated in and made a part of this lease, for the following, hereafter referred to as the "leasehold":

   ASLS No. 2005-39 Section: 32 NW1/4, Township: 16 South, Range: 2 East, Copper River Meridian, Alaska and containing 0.23 acres according to the survey plat filed in the Cordova Recording District on 10/23/2007 as Plat # 2007-8. Those state lands located within ASLS 2005-39 are to be used, maintained and developed as follows:

The construction, use and maintenance of an unmanned telecommunication site consisting of one 2500 gallon diesel tank surrounded by an 8' cement wall enclosure, two generators, one 12' x 22' equipment shelter and one 135' monopole which may be heightened in the future to 150'. Future improvements may include the addition of another 12' x 16' equipment shelter and a second diesel tank with cement enclosure.

Excepting and reserving any general reservations to the lessor that are required by law and that may be stated elsewhere in this lease, and the following, which the state reserves for itself and others:

Subject to:

Attachment A, Approved Site Development Plan attached to and made part of this lease agreement.

Attachment B, Special Stipulations, attached to and made part of this lease agreement.

2. Compensation. (a) The lessee shall pay to the lessor compensation as follows, without the necessity of any billing by the lessor:

Equal annual payments in advance, on or before the 22nd day of January of each year during said term at the rate of [redacted]

The lessor may, upon 10 days' notice, review and copy any records of the lessee that are necessary to verify the lessee's compliance with this paragraph.

(b) In accordance with AS 38.05.105, the lease compensation is subject to adjustment by the lessor at the commencement of the sixth year of the term and every fifth year thereafter (the "adjustment date"). The compensation adjustment takes effect on the applicable adjustment date, regardless of whether the adjustment determination occurs before or after that date. All reasonable costs of the adjustment, including reappraisal if required by the lessor, will be borne by the lessee.

3. Denial of Warranty. The lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the social, economic, or environmental aspects of the leasehold, including, without limitation, the soil conditions, water drainage, access, natural or artificial hazards that may exist, or the profitability or fitness of the leasehold for any use. The lessee represents that the lessee has inspected the leasehold and determined that the leasehold is suitable for the use intended, or has voluntarily declined to do so, and accepts the leasehold "as is" and "where is."

4. Use of Leasehold. Prior to execution of this lease and to commencing use or development of the leasehold, the lessee shall submit a development plan for the leasehold to the lessor and obtain the lessor's approval of the plan. Any use or development of the leasehold must be consistent with the development plan approved by the lessor. Any proposed revisions to the development plan must be submitted to the lessor for approval before any change in use or development occurs. The lessee shall use and occupy the leasehold in compliance with the approved development plan and all applicable laws, regulations, ordinances, and orders that a public authority has put into effect or may put into effect, including those of a building or zoning authority and those relating to pollution and sanitation control. The lessee may not permit any unlawful occupation, business, or trade to be conducted on the leasehold. The lessee shall properly locate all activities and improvements on the leasehold, and may not commit waste of the parcel. The lessee shall maintain and repair the leasehold including improvements in a reasonably neat and clean condition, and shall take all necessary precautions to prevent or suppress grass, brush, or forest fires, and to prevent erosion,

unreasonable deterioration, or destruction of the land or improvements. The lessee agrees not to place any aboveground or underground fuel or chemical tanks on the leasehold without the prior written approval of the lessor.

5. Encumbrance of Leasehold. The lessee may not encumber or cloud the lessor's title to the leasehold, or any portion of the leasehold, nor enter into any lease, easement, or other obligation of the lessor's title without the prior written approval of the lessor.

6. Assignment of Interest. The lessee may not assign or sublet any interest held under this lease, including a security interest, without the prior written approval of the lessor. The lessor may approve such assignment or subletting if the lessor finds it to be in the best interest of the state. No such assignment or subletting will be effective until approved by the lessor in writing, and the assignee agrees to be subject to and governed by the provisions of this lease, any subsequent amendments to this lease, any additional stipulations, or reappraisal as deemed appropriate by the lessor, and all applicable laws, regulations, and ordinances in the same manner as the original lessee. No assignment or subletting of the leasehold, or any portion thereof, by the lessee will annul the lessee's obligation to pay the compensation required for the full term of this lease. Except as provided in this lease, no subdivision of the leasehold interest may occur without the prior written approval of the lessor.

7. Conditional Lease. If all or part of the leasehold has been tentatively approved, or approved, but not yet patented, by the United States to the lessor, then this lease will be conditioned upon receipt by the lessor of such patent. If for any reason the lessor does not receive patent, any compensation paid to the lessor under this lease will not be refunded. Any prepaid compensation for land to which patent is denied the lessor will be refunded to the lessee of record in the amount of the pro-rata portion of the unexpired term. The lessor will have no further liability to the lessee for the termination of the lease.

8. Payment of Taxes and Assessments. The lessee shall pay prior to delinquency all taxes and assessments accruing against the leasehold.

9. Section Line Rights-of-Way. If the leasehold borders on or includes one or more section lines, the lessor hereby expressly reserves unto itself and its successors and assigns a right-of-way or rights-of-way pursuant to AS 19.10.010.

10. Navigable and Public Waters. (a) Pursuant to AS 38.05.127 and 11 AAC 53.330, the lessor reserves a public access easement to and along all public or navigable water bodies that border on or are included in this leasehold. No public access easement may be obstructed or otherwise rendered incapable of reasonable use for the purposes for which it was reserved. No public access easement may be vacated, abandoned, or extinguished without the prior written approval of the lessor.

(b) The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This lease is issued subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The lessor reserves the right to grant other interests to the leasehold consistent with the Public Trust Doctrine.

11. Condemnation of Leasehold or Improvements. If the whole or any part of the leasehold is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:

(1) Taking of the entire leasehold. If all of the leasehold is taken by condemnation, this lease and all

rights of the lessee will immediately terminate, and the compensation will be adjusted so that it is due only until the date the lessee is required to surrender possession of the leasehold. The lessor is entitled to all the condemnation proceeds, except that the lessee will be paid the portion of the proceeds attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned leasehold by the lessee in accordance with the approved development plan.

(2) Taking of substantial part of the leasehold. If the taking is of a substantial part of the leasehold, the following rules apply:

(A) If the taking by condemnation reduces the ground area of the leasehold by at least 30 percent or materially affects the use being made by the lessee of the leasehold, the lessee has the right to elect to terminate the lease by written notice to the lessor not later than 180 days after the date of taking.

(B) If the lessee elects to terminate, the provisions in subsection (1) of this section govern the condemned portion of the leasehold and the covenants and conditions of the lease govern disposal of the remainder of any buildings or improvements made by the lessee in accordance with the approved development plan.

(C) If the lessee does not elect to terminate, the lease continues and the lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned portion of the leasehold by the lessee in accordance with the approved development plan. Compensation at the existing rate will terminate on the date the lessee is required to surrender possession of the condemned portion of the leasehold. Except as it may be adjusted from time to time under the covenants and conditions of the lease and applicable statutes, compensation for the balance of the term will be adjusted by the lessor to reflect the taking.

(3) Taking of insubstantial part of the leasehold. If the taking by condemnation reduces the ground area of the leasehold by less than 30 percent and the lessor determines that the taking is of such an insubstantial portion that the lessee's use of the leasehold is not materially affected, the lessee may not elect to terminate the lease and the compensation provisions of subsection 2(C) of this section will govern.

12. Valid Existing Rights. This lease is subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land in existence on the date of execution of this lease.

13. Inspection. The lessor will have reasonable access to the leasehold for purposes of inspection.

14. Mineral Reservations. This lease is subject to the reservations required by AS 38.05.125 and the rights and obligations imposed by AS 38.05.130.

15. Concurrent Use. This lease is subject to reasonable concurrent uses as provided under Article VIII, Section 8 of the Constitution of the State of Alaska. The concurrent user who is found to be at fault for damage or injury arising from noncompliance with the terms governing the user's concurrent use is liable for damages and the user's interest is subject to forfeiture or termination by the lessor. In this context, the term "concurrent user" includes the lessee and any other person or entity who lawfully uses the land subject to this lease, but does not include the State of Alaska.

16. Surface Resources. Unless otherwise provided by this lease or other written authorization, the lessee may not sell or remove from the leasehold any timber, stone, gravel, peatmoss, topsoil, or any other material valuable for building or commercial purposes. Material required for the development of the leasehold may be used only in compliance with the approved development plan.

17. Appropriation or Disturbance of Waters. During the term of this lease, the lessee will have the right to apply for an appropriation of ground or surface water on the leasehold in accordance with AS 46.15 and 11 AAC 93.060.

18. Acquisition of Rights or Interests. Any right or interest acquired during the term of this lease and accruing to the benefit of the leasehold will remain appurtenant to the leasehold, and may not be severed or transferred from the leasehold without the prior written approval of the lessor. In the event of termination or forfeiture of this lease, any such right or interest will vest in the lessor.

19. Land Alterations Due to Natural or Artificial Causes. The interest described in this lease constitutes the entire leasehold. If, through natural or artificial causes, accretion or reliction of land occurs contiguous to the leasehold, the Lessee has no right to occupy or use the accreted land unless a separate lease is entered with the Lessor with respect to such lands. The rules of law usually applicable to accretion or reelection of land do not apply to this lease, nor to the interest described in this lease.

20. Waiver or Forbearance. The receipt of compensation by the lessor, with or without knowledge of any default on the part of the lessee, is not a waiver of any provision of this lease. No failure on the part of the lessor to enforce a covenant or condition of this lease, nor the waiver of any right under this lease by the lessor, unless in writing, will discharge or invalidate the application of such covenant or condition. No forbearance or written waiver affects the right of the lessor to enforce any covenant or condition in the event of any subsequent default. The receipt of compensation by the lessor after termination or any notice of termination will not reinstate, continue, or extend this lease, or destroy, or in any manner impair the validity of any notice of termination that may have been given prior to receipt of the compensation, unless specifically stated by the lessor in writing.

21. Default and Remedies. (a) Time is of the essence in this lease. If the lessee defaults on the performance of any of the covenants or conditions of this lease, and the default is not remedied within 60 days after the lessor issues written notice of such default to the lessee and to the holder of a security interest in the leasehold approved by the lessor, or within any additional period the lessor allows for good cause, the lessee will be subject to legal or any other administrative action deemed appropriate by the lessor, including termination of this lease. The lessor may, in the notice of the default or in a separate written notice, state that if the default is not remedied, this lease shall terminate on a date certain, which shall be at least 60 days after issuance of the notice of default. Upon the date specified in such notice, unless the default has been remedied, the lease shall expire automatically without further notice or action by the lessor and this lease and all rights of the lessee under the lease shall terminate. Upon termination of the lease the lessor shall have an immediate right to possession of the leasehold and any possession by the lessee shall be unlawful. It is specifically agreed that no judicial action shall be necessary to terminate this lease or to allow the lessor to retake possession in the event of default by the lessee. No improvements may be removed from the leasehold while the lease is in default except with the lessor's prior written approval. If this lease is terminated for default, all compensation paid by the lessee is forfeited to the lessor. The lessor is not liable for any expenditures made or undertaken by the lessee under this lease. Any costs or fees, including attorney's fees, reasonably incurred by the lessor for the enforcement of this lease, shall be added to the obligations due and payable by the lessee.

(b) The rights, if any, of third-party security interest holders or lienholders are controlled solely by

AS 38.05.103 and 11 AAC 58.590. If the lessee fails to remedy the default within the time allowed in subsection (a) of this section, the holder of an approved security interest who has received notice under subsection (a) of this section may remedy the default. The holder shall act within 60 days from the date of receipt of notice under subsection (a) of this section, or within any additional period the lessor allows for good cause.

(c) The lessor may, at the lessor's option, following the lessee's default and failure to remedy, or after termination of this lease due to such default and failure to remedy, accelerate the unpaid compensation for the remainder of the term of this lease. The lessee's obligation to pay such accelerated rent to the lessor survives termination of this lease.

(d) If this lease is terminated, or all or any portion of the leasehold is abandoned by the lessee, the lessor may immediately enter, or re-enter and take possession of the leasehold, and without liability for any damage, remove all persons and property from the leasehold and may, if necessary, use summary proceedings or an action at law. The words "enter" and "re-enter" as used are not restricted to their technical legal meaning. Any entry, re-entry, possession, repossession, or dispossession by the lessor, whether taken with or without judicial action, does not absolve, relieve, release, or discharge the lessee, either in whole or part, of any liability under the lease.

(e) The lessor, upon or at any time after giving written notice of any default, may enter or re-enter the leasehold to remedy any default by the lessee or exercise any right given under this lease, all without the intervention of any court being required. The curing of such default shall not be deemed for any purpose to be for the benefit of the lessee.

(f) At any time after termination of this lease, the lessor may re-let the leasehold, or any part thereof, in the name of the lessor for such term and on such conditions as the lessor may determine, and may collect and receive the compensation therefore. The lessor shall not be responsible or liable for failure to re-let the leasehold or for any failure to collect any compensation due upon such re-letting, nor shall the lessor be required to account for or pay to the lessee any excess compensation received as a result of such re-letting. The lessee shall be liable for any deficiency, and for all costs, expenses, and fees incurred by the lessor arising out of the default, including the lessor's efforts to re-let the leasehold.

(g) No right or remedy conferred upon or reserved to the lessor in this lease or by statute, or existing in law or equity, is intended to be exclusive of any other right or remedy, and each and every right shall be cumulative.

22. Disposition of Improvements and Chattels After Termination. AS 38.05.090 will govern disposition of any lessor-approved chattels or improvements left on the leasehold after termination. At the lessor's sole option, improvements not approved by the lessor shall be removed from the leasehold and the site restored to its original condition at the lessee's sole expense, or be forfeited to the lessor. The lessee shall be liable to the lessor for any costs, expenses, or damages arising out of the disposition of improvements not approved by the lessor, and may be required to pay rent on any improvements or chattels left on the parcel in accordance with 11 AAC 58.680.

23. Indemnity to Lessor. The lessee shall indemnify, defend, and hold the lessor harmless from and against all claims, demands, judgments, damages, liabilities, penalties, and costs, including attorney's fees, for loss or damage, including but not limited to property damage, personal injury, wrongful death, and wage, employment, or worker's compensation claims, arising out of or in connection with the use or occupancy of the leasehold by the lessee or by any other person holding under the lessee, or at the lessee's sufferance or invitation; and from any accident or fire on the leasehold; and from any nuisance made or suffered on the leasehold; and from any failure by the lessee to keep the leasehold in a safe and lawful condition consistent with applicable laws,

regulations, ordinances, or orders; and from any assignment, sublease, or conveyance, attempted or successful, by the lessee of all or any portion of the leasehold or interest therein contrary to the covenants and conditions of this lease. The lessee holds all goods, materials, furniture, fixtures, equipment, machinery, and other property whatsoever on the parcel at the sole risk of the lessee, and shall defend, indemnify and hold the lessor harmless from any claim of loss or damage by any cause whatsoever, including claims by third parties.

24. Insurance. If required by the lessor, the lessee shall obtain insurance in an amount determined by the lessor to be sufficient. The lessor shall be named as an additional insured party of any such insurance. The types and amount of insurance shall be specified in the attached stipulations made a part of this lease agreement and may be adjusted periodically. The lessee shall maintain that insurance as long as required by the lessor. Any insurance acquired by the lessee for the purpose of providing insurance coverage under this lease must be issued by an insurer authorized to do business in the State of Alaska under the provisions of AS 21.09.010 and AS 21.27.010 for the type of policy being written.

25. Bonding. If required by the lessor, the lessee shall furnish a bond, cash deposit, certificate of deposit, or other form of security acceptable to the lessor in an amount determined by the lessor to be sufficient to ensure faithful performance of the covenants and conditions of this lease, and to cover the cost of site cleanup and restoration and any associated costs after termination of the lease. The amount and conditions of the bond shall be specified in the attached stipulations made a part of this lease agreement. The lessee shall maintain the bond as long as the lessor deems necessary, and in the amount required by the lessor, which amount may be adjusted periodically.

26. Environmental Compliance. (a) The lessee shall, at the lessee's own expense, comply with all existing and hereafter enacted environmental responsibility laws ("Environmental Laws"). The lessee shall, at the lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Environmental Laws.

(b) Should the Authority require that a remedial action plan be prepared and that a remedial action be undertaken because of the presence of, or any disposal, release, spill, or discharge, or threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, then the lessee shall, at the lessee's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. The lessee's obligations under this section shall arise if there is any event or occurrence at the leasehold during the term of this lease, or arising out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, that requires compliance with the Environmental Laws.

(c) At no expense to the lessor, the lessee shall promptly provide all information requested by the lessor for preparation of affidavits or other documents required by the lessor to determine the applicability of the Environmental Laws to the leasehold, and shall sign the affidavits promptly when requested to do so by the lessor.

(d) The lessee shall indemnify, defend, and hold harmless the lessor from all fines, penalties, suits, judgments, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of or in any way connected with the presence of or any disposal, release, spill, or discharge or any threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of the lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease; and from all fines, penalties, suits, judgments, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out

of the lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spill, discharge, or contamination that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease.

(e) The lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals, or hazardous materials into the atmosphere, ground, wastewater disposal system, sewer system, or any body of water.

(f) In any court action or administrative proceeding, in addition to all other applicable presumptions, it shall be rebuttably presumed that any environmental contamination of the leasehold (i) has been released on the leasehold; (ii) has resulted from acts or omissions of the lessee or its agents; and (iii) has occurred during the term of this lease. The lessee has the burden of rebutting the presumptions by clear and convincing evidence.

(g) This section of this lease does not in any way alter the State of Alaska's powers and rights or the lessee's duties and liabilities under Title 46 (or its successor) of the Alaska Statutes or other state, federal, or municipal statutes, regulations, or ordinances. For example, notwithstanding the provisions of this lease, the State of Alaska shall not be precluded from claiming under AS 46.03.822 that the lessee is strictly liable, jointly and severally, for damages and costs incurred by the state for clean up of contamination on the leasehold. The obligations and provisions of this section 26 shall survive the termination of this lease.

(h) As used in this lease, the term "hazardous materials" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

27. Surrender of Leasehold. Upon the expiration, termination, or cancellation of this lease, the lessee shall peacefully leave and deliver up all of the leasehold in good, sanitary, and marketable condition, order, and repair.

28. Notices. (a) Any notice or demand by the lessee will be made by hand delivery to the Director, Division of Mining, Land and Water, or by certified mail, postage prepaid, addressed as follows (or to a new address that the lessor designates in writing), with delivery occurring upon receipt by the lessor:

To the Lessor:

Division of Mining, Land and Water
550 W. 7th Avenue, Suite 1070
Anchorage, Alaska 99501-3579

(b) Any notice or demand by the lessor will be issued as provided in 11 AAC 02.040(c). If issuance is by mail, the notice or demand will be addressed as follows (or to a new address that the lessee or its successor in interest designates in writing):

To the Lessee:

Cordova Telephone Cooperative, Inc.
PO Box 459
Cordova, AK 99574-0459

The lessor will issue a copy of any such notice or demand to each holder of a security interest in the

leasehold whose assignment has been approved by the lessor under section 6 of this lease. Any security interest not approved as provided in section 6 is insufficient to require notice by the lessor under AS 38.05.103.

(c) Any notice or demand regarding the lease must be in writing and will be complete if given as set out above.

29. Penalty Charges. The lessee shall pay a fee for any late payment or returned check issued by the lessee as follows:

(1) Late Payment Penalty: The greater of either the fee specified in 11 AAC 05.010 or interest at the rate set by AS 45.45.010(a) will be assessed on a past-due account until payment is received by the lessor. Acceptance of a late payment or of a service charge for a late payment is subject to the lessor's rights under sections 20 and 21 of this lease.

(2) Returned Check Penalty: A returned check fee as provided in 11 AAC 05.010 will be assessed for any check on which the bank refuses payment. If the bank refuses payment, the default termination date remains the same. Late penalties under subsection (1) of this section shall continue to accumulate.

30. Modification. This lease may be modified or amended only by a document signed by both parties. Any purported amendment or modification has no legal effect until placed in writing and signed by both parties.

31. Choice of Law. This lease shall be construed under the laws of the State of Alaska. The lessee confers personal jurisdiction on the courts of the State of Alaska for any litigation under this lease.

32. Severability of Clauses of Lease Agreement. If any clause or provision of this lease is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the lessor and the lessee agree that the remainder of this lease will not be affected, and in lieu of each clause or provision of this lease that is illegal, invalid, or unenforceable, there will be added as a part of this lease a clause or provision as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible, legal, valid, and enforceable.

Signature page follows.

By signing this lease, the lessor and the lessee agree to be bound by its provisions.

LESSEE (b) (6)

Cordova Telephone Cooperative, Inc.

LES (b) (6)

Regional Manager, Division of Mining, Land and Water

APPROVED: N/A (b) (6)

Tom Irwin, Commissioner, Department of Natural Resources

STATE OF ALASKA)
3rd **Judicial District**) **ss.**
)

THIS IS TO CERTIFY THAT ON THIS 6th day of December, 2007, before me personally appeared Paul Kelly, known to me to be the person named and who signed the foregoing lease and acknowledged voluntarily signing the same.

Jacqueline Rose
Notary Public in and for the State of Alaska
My commission expires: 4-17-2008

STATE OF ALASKA)
3rd **Judicial District**) **ss.**
)

THIS IS TO CERTIFY THAT ON THIS 10th day of December, 2007, before me personally appeared Richard B. Thompson, of the Division of Mining, Land and Water of the Department of Natural Resources of the State of Alaska, who executed the foregoing lease on behalf of the State of Alaska, and who is fully authorized by the State to do so.

Kathryn K. Luttio
Notary Public in and for the State of Alaska
My commission expires: 11/2/2008
Kathryn K. Luttio Notary Public
State of Alaska
My Commission Expires November 2, 2008

Approved as to form February 9, 1994, and September 25, 2001.

/s/ Elizabeth J. Barry, Assistant Attorney General

CORDOVA TELEPHONE COOPERATIVE, INC.

RECEIVED
MAR 14 2005
DIVISION OF LAND
SOUTHCENTRAL REGION

March 10, 2005

DEVELOPMENT PLAN
FLAG POINT

Cordova Telephone Cooperative (CTC) provides wireline telephone and other communications services to Cordova, Alaska and surrounding areas. A sister company, Cordova Wireless Communications (CWC) provides cellular telephone service in the region. As a result of increased traffic demands, CTC has identified requirements for expansion of its telecommunications infrastructure.

The proposed system will extend wireline service to an area which presently has none, and will provide improved service to another area now served only by a satellite link. It will also benefit public safety and convenience by providing cellular service to the Copper Highway and to two areas of heavy commercial fishing activity.

CTC proposes to install a new digital communications system. The project will provide dial tone, cellular, and other communications options to portions of CTC's service area which are presently unserved or underserved. Digital microwave radio links will be used to extend service to the areas of interest. The enclosed network map indicates the proposed system architecture.

Enclosed are maps showing the following:

- Aerial map, and pictures of location
- Map Extract, showing vicinity/general area, and legal description.
- Site Plan for flag point.

The Flag Point radio site will include the following:

- Access road
- 150 ft tower, initially built to 130 ft.
- One diesel fuel tank
- One equipment shelter

Legal Description: Copper River Meridian, T16S, R2E, S NW32. Location coordinates are (b) (4) [redacted] and will be 100 ft x 100ft area.

Cordova Telephone Cooperative
PO Box 459
611 Second Street
Cordova, Alaska 99574
(907) 424-2345, FAX (907) 424-2344, administrator@ctcak.net

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Terrain/Ground cover: Trees, low vegetation, grasses, mosses. No changes will be made to existing area. The area is flat and no additional erosion control will be needed.

Access: There is an existing dirt path from the highway to the proposed site. The path will be approximately 10ft wide x 50 ft long and will be improved with gravel from a private supplier. The area is not virgin, and has evidence of frequent people and vehicles through this area.

Buildings and other structures: 150 ft radio tower which is free standing and self supporting (no guy wires), two propane tanks, two equipment shelters. The tower does not require FAA lighting or painting.

Power Source: Diesel generated

Waste Types: None, any waste will be removed

Hazardous substances: Diesel contained in double wall certified tanks, and according to stipulations from Final Finding ADL 229054, January 19, 2005

Water supply: None

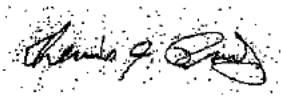
Parking areas: None other than access road leading to shelters

Number of people using site: Two, 24 days per year

Maintenance and operations: Occasional visits for telecommunications equipment, and annual visit to fill fuel tanks

Closure/reclamation plan: At the end of the lease all structures will be removed, improvements will be removed, and land will be restored to original contour and re-seeded.

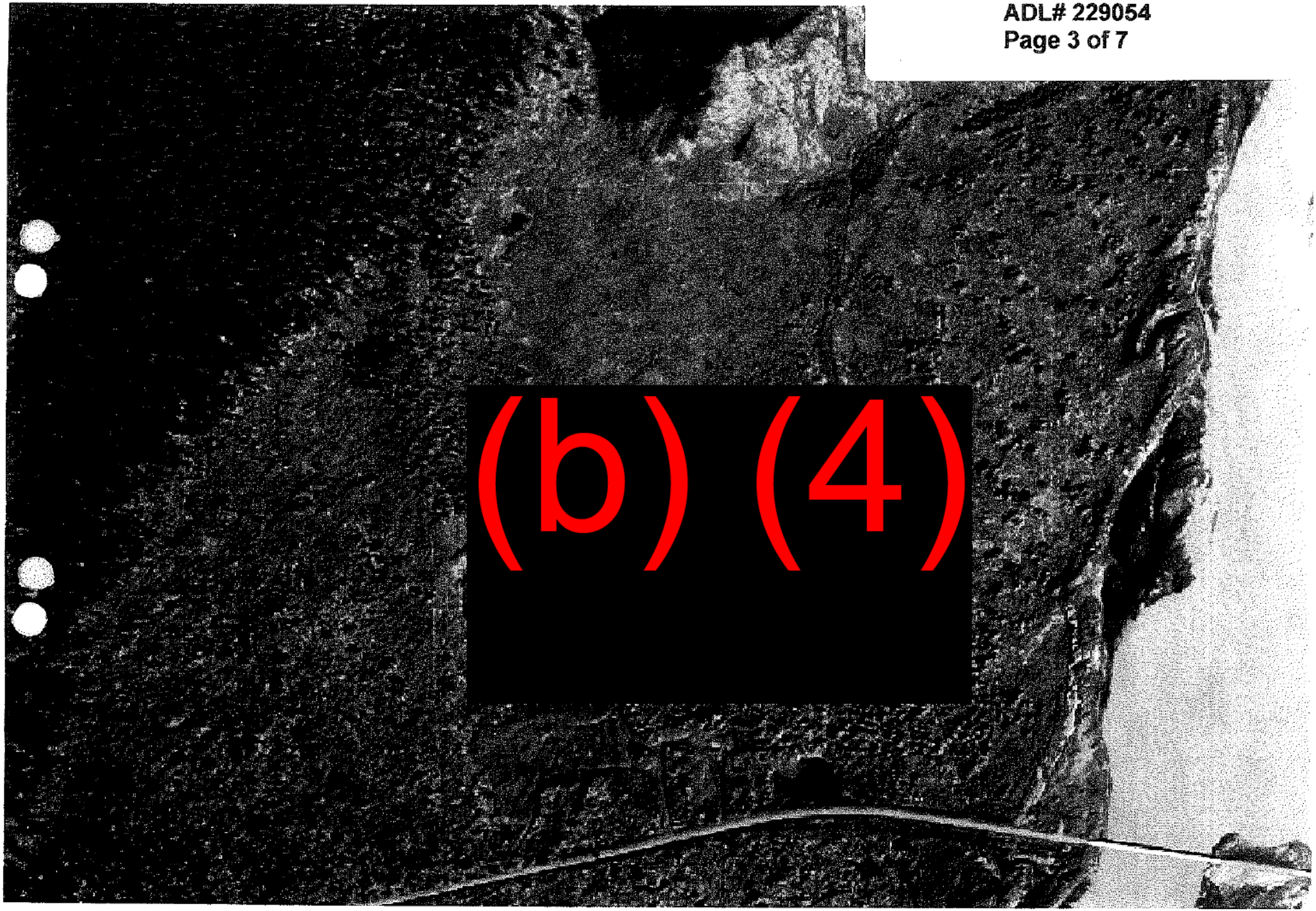
Respectfully,

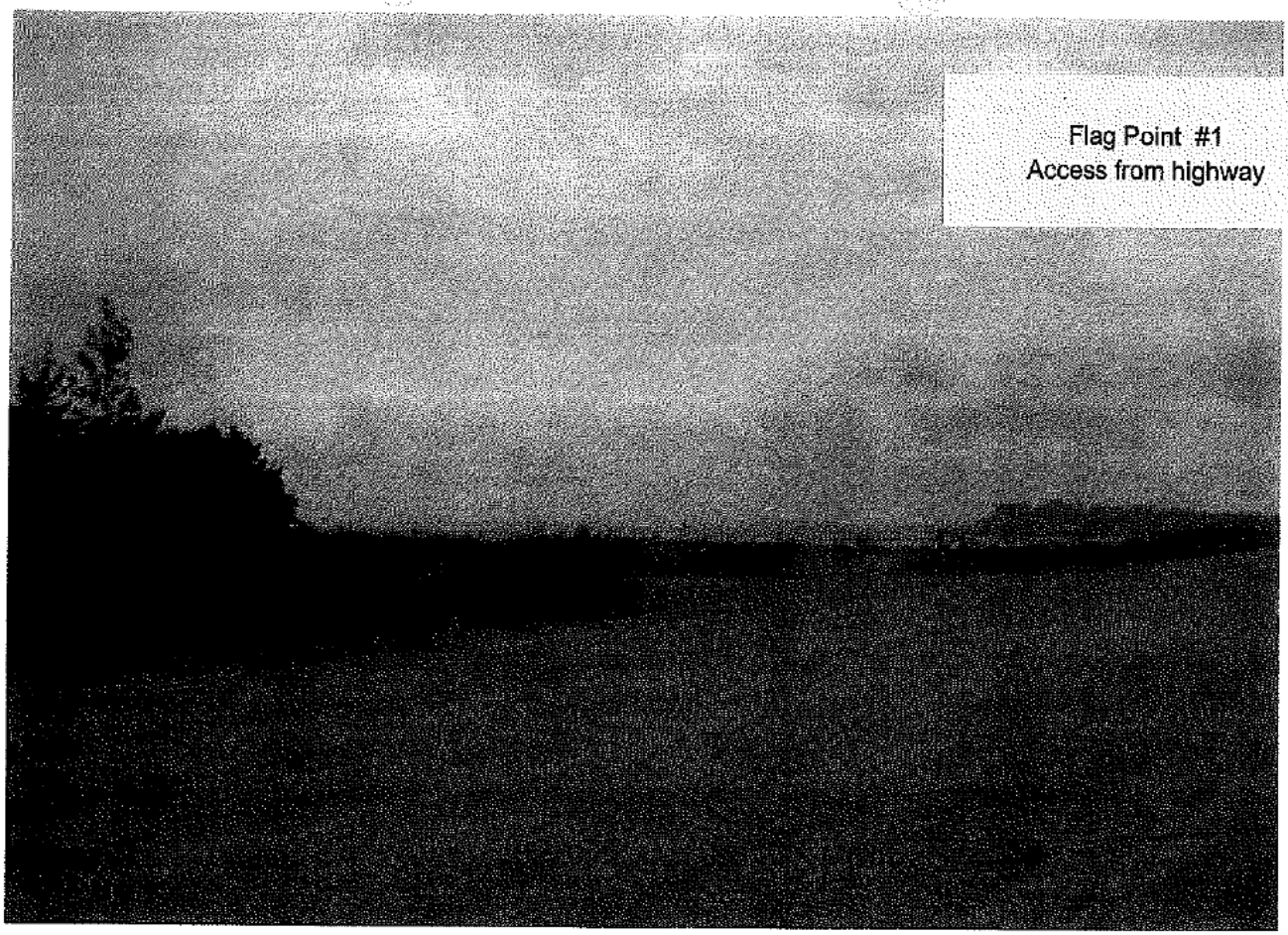


Digitally signed
by Dennis Puetz
Date: 2005.03.10
14:04:23 -08'00'

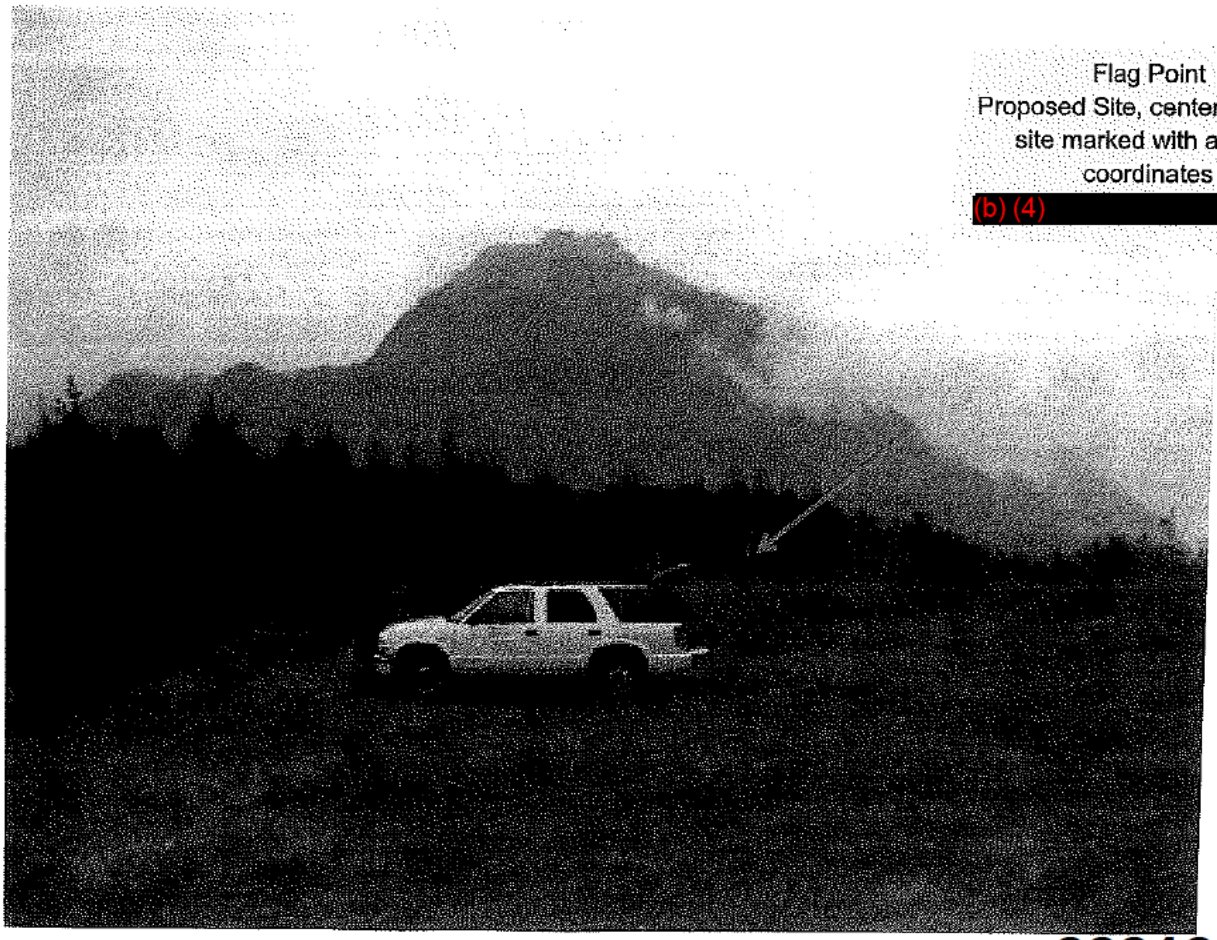
Dennis Puetz
Engineer, Gillespie, Prudhon & Associates
dpuetz@gpatelecom.com, 503-657-0424

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(b) (4)

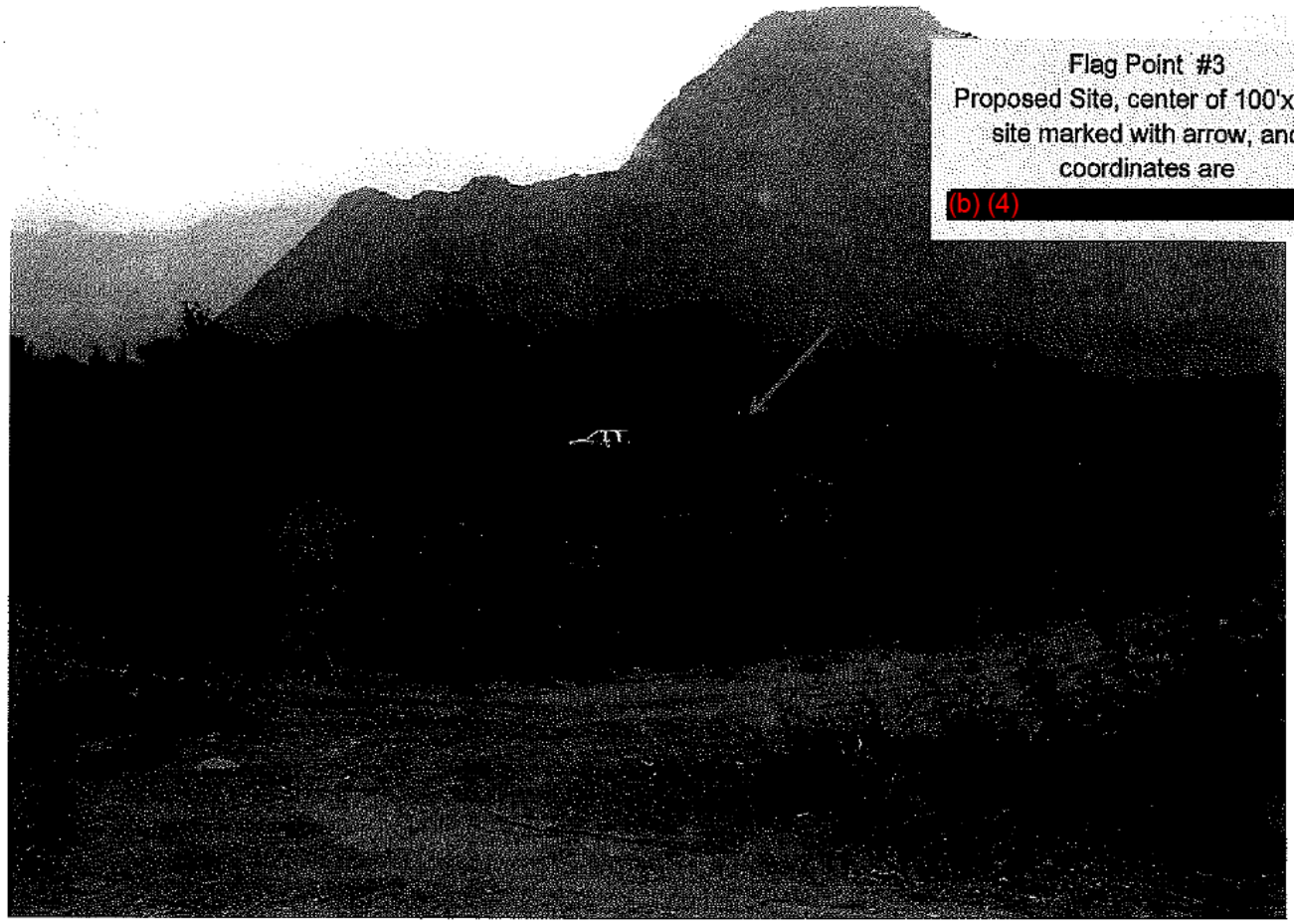


Flag Point #1
Access from highway

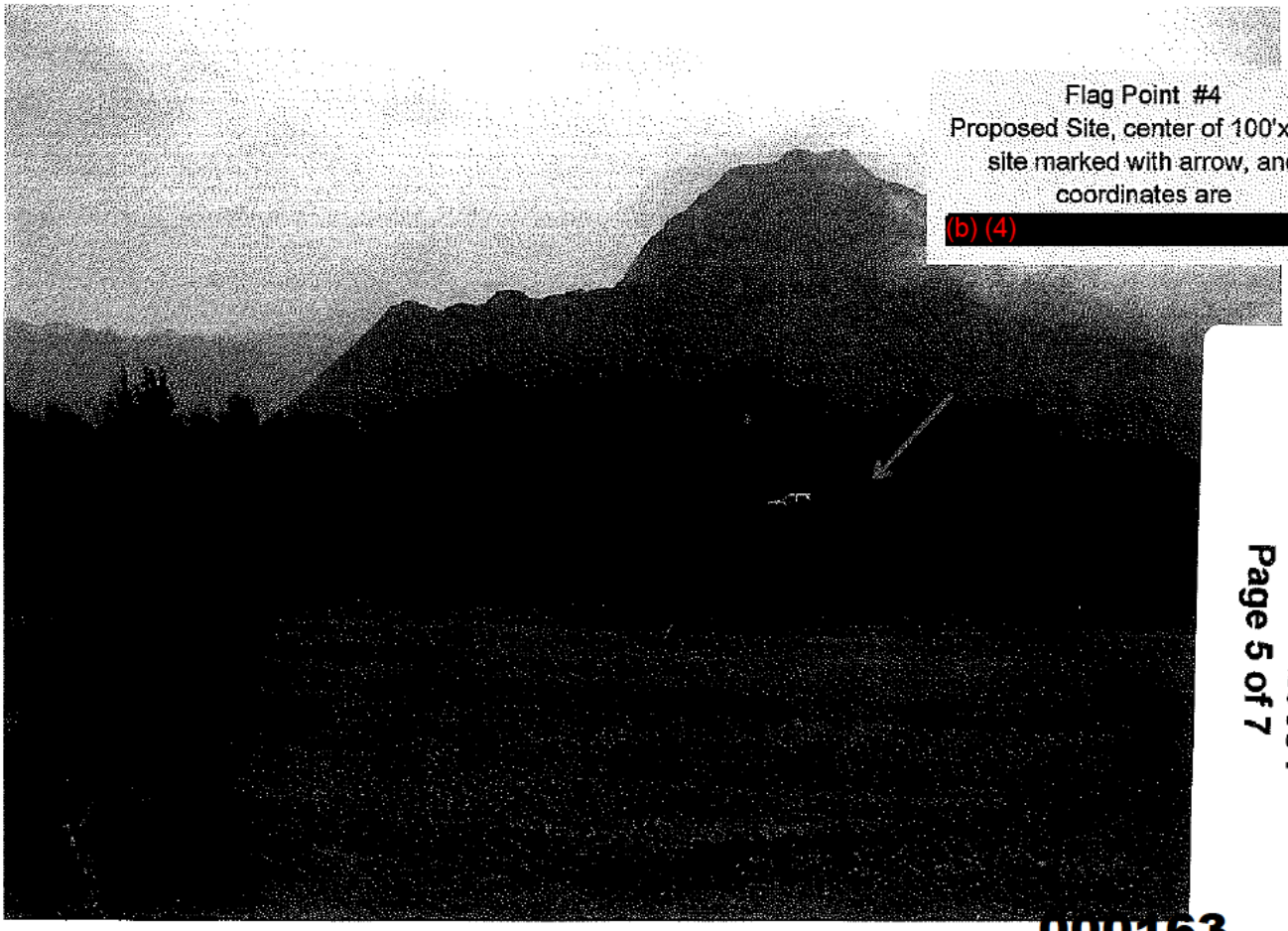


Flag Point #2
Proposed Site, center of 100'x100' site marked with arrow, and coordinates are
(b) (4)

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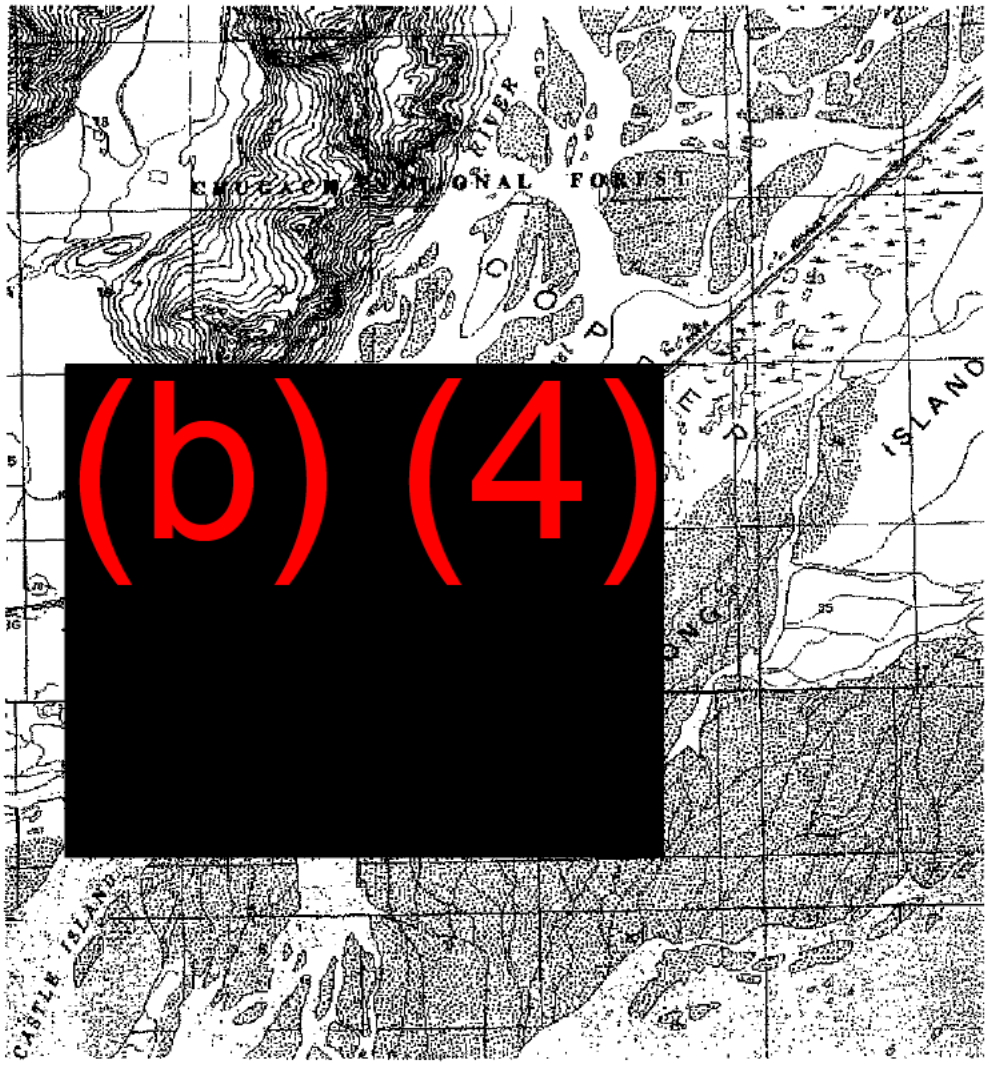
Flag Point #3
Proposed Site, center of 100'x100' site marked with arrow, and coordinates are
(b) (4)



Flag Point #4
Proposed Site, center of 100'x100' site marked with arrow, and coordinates are
(b) (4)

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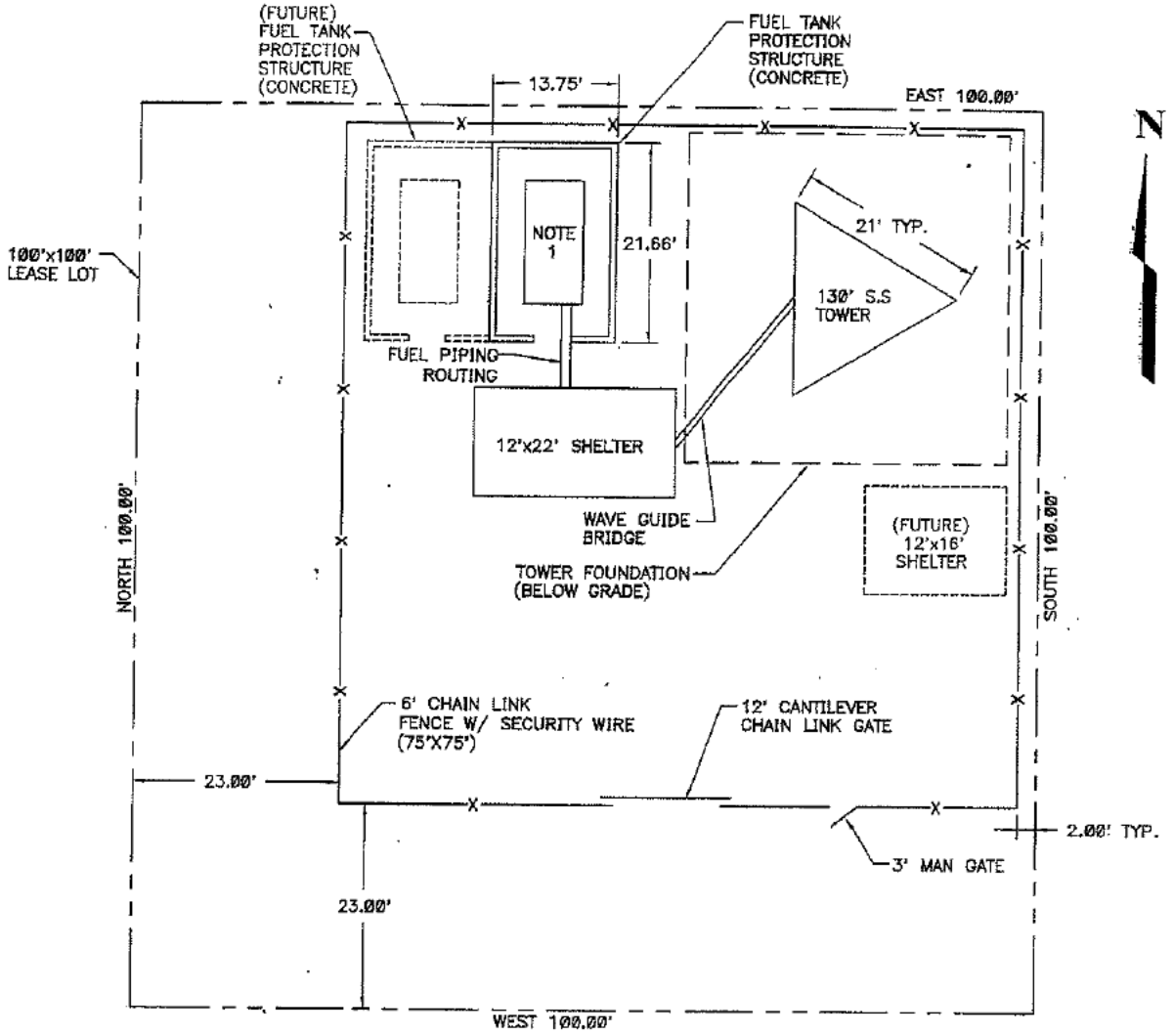
GILLESPIE, PRUDHON & ASSOCIATES, INC.



MAP EXTRACT

Site Name	(b) (4)	Flag Point	
Latitude		USGS Sheet	Cordova B-3, AK
Longitude		SEC-TWP-Range	NW1/4 of S32, T16S, R2E
Elevation	19 ft. AMSL	County-State	Alaska

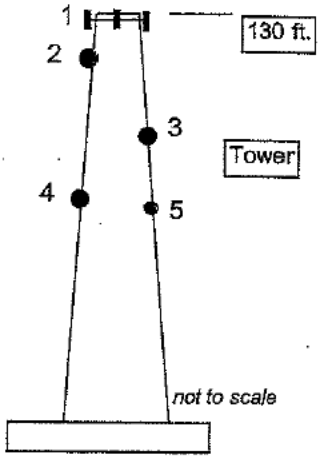
Attachment A
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NOTES:

1. (1) 2500 GALLON, DOUBLE WALL TANK IS SHOWN.

2. Antennas:
   1. 130ft, Cellular (future)
   2. 125ft, 1-6ft parabolic
   3. 100ft, 1-8ft parabolic (future)
   4. 80ft, 1-8ft parabolic (future)
   5. 75ft, 1-8ft parabolic



NEW HORIZONS TELECOM, INC. (877)761-6003

ISO 9001 CERTIFIED

CORDOVA TELEPHONE
FLAG POINT
PROPOSED SITE PLAN

DRAWN BY: DJB	FILE#: C1.0.DWG
DESIGNED BY: DJB	DATE: .
SCALE: 1"=20'	JOB #: 05-
SHEET: .	OF: .

C1.0-B

PATH: X:\05 JOBS\05-0092-80_CTC DIGITAL COMMUNICATIONS SYTEM\CADD\FLAG POINT

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000165

ATTACHMENT B
Lease Special Stipulations
ADL 229054

In addition to the standard stipulations listed within the lease document, the following special stipulations will be incorporated as part of the lease document. The Regional Manager reserves the right to modify the following stipulations or include additional stipulations as necessary.

1. **Preference Right:** This lease is not renewable and no preference right to a subsequent long-term lease, permit or sale is granted or implied by issuance of this lease per AS 38.05.102.

2. **Public Access:** The Lessee shall not close landing areas or trails or otherwise prevent overland access used by the public. The ability of users to use or access state land or public water must not be restricted in any way.

3. **Cultural Resources:** Historic and prehistoric archaeological objects are part of Alaska's cultural heritage and are protected under AS 41.35 the Alaska Historic Preservation Act. If, in connection with activities authorized under this lease, the lessee, its officers, agents, employees, contractors, subcontractors, or their personnel discover any potential archaeological resources, they must not be disturbed. Activities that may cause damage will cease and the Office of History and Archaeology in the Division of Parks and Recreation must be contacted immediately at (907) 269-8721/8720/8722, and the affected coastal district notified.

4. **Compliance:** Failure to comply or meet the terms and conditions of Lease could impede the ability to seek subsequent authorizations from the Division of Mining, Land & Water.

5. **Modifications to Development:** To adequately address any future development or additions to the development plan approved under the Lease, the Lessee will be required to provide advance written notice to the DNR/DMLW/Southcentral Regional Office for approval of any modification prior to construction The department reserves the right to re-evaluate the lease compensation and other terms and conditions of the lease prior to approving any modification to the development plan. Based upon the extent of the modifications a new survey and appraisal may be required at the Lessee's expense. Failure to utilize and develop the leased parcel in accordance with the approved development plan shall constitute a violation of the lease and is grounds for termination.

6. **Assignment:** This lease may be assigned upon approval of the department. The Lessee shall submit to DNR/DMLW/Southcentral Regional Office a request for assignment and a copy of a draft agreement which identifies the provisions of the assignment between the parties. If the assignment changes the type or level of use such that new lease compensation

or special stipulations are necessary to protect the lessor's interest the department reserves the right to require/renegotiate new terms or conditions for the lease prior to approving any assignment.

7. **Violations and Conditions:** This lease is issued for a specific use and development plan identified above. Use of the area for purposes other than those specified constitutes a breach of the lease agreement and may result in revocation.

   The lease authorization may be terminated upon violation of any of its terms, conditions, stipulations or upon failure to comply with any applicable laws, statutes and regulations (state and federal). Per 11 AAC 96.145, the lessee must be in compliance with provisions of this and other authorizations granted under AS 38.05 or 11 AAC 96 before a new authorization may be granted by DNR. Should any unlawful discharge, leakage, spillage, emission or pollution of any type due to Lessee, at its expense, shall be obligated to clean the area to the reasonable satisfaction of the State of Alaska.

8. **Inspections:** Representatives and personnel of the DNR and other interested state agencies may inspect the leased area at any time. Non-compliance determinations will subject the site to re-inspection for which the Lessee may be assessed, at the Director's discretion, either a fee of $100 or a fee equal to the actual expenses incurred by the Department of Mining, Land and Water (11 AAC 05.010).

9. **Performance Guarantee:** As per condition #25 of the Lease Agreement the lessee must post and maintain a performance guaranty or other form of surety in the amount of **$10,000** to secure faithful performance with all terms and conditions of the lease and to insure site restoration of the leasehold. This performance guarantee must remain in effect for the duration of the lease term or until released in writing by the State of Alaska.

   Failure by the Lessee to provide replacement security, upon notice of non-renewal of an existing form of security, shall be grounds for the Lessor to make a claim upon the existing security to protect the lessor's interests.

   The guaranty amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments to this lease lease, assignments, re-appraisals, changes in the development plan, approval of a reclamation plan, any change in the activities conducted or performance of operations conducted on the leased premises and as a result of any violations of this lease agreement.

   The guaranty may be utilized by the DMLW to cover actual costs incurred by the State of Alaska to pay for any necessary corrective actions in the even the lessee does not comply with the site utilization, restoration requirements and/or other stipulations contained in the Lease agreement. If the lessee fails to perform the obligations under the Lease agreement within a reasonable timeframe, the State may perform the lessee's obligations at the lessee's expense. The lessee agrees to pay within 20 days following demand, all costs and

expenses reasonable incurred by the State of Alaska as a result of the failure of the lessee to comply with the terms and conditions of the Lease agreement. The provisions of these authorizations shall not prejudice the State's right to obtain a remedy under any law or regulation.

The performance guaranty will be released upon expiration of the lease provided that all terms and conditions of the lease have been met, including complete removal and restoration of the leased area leaving the site in a safe and clean condition.

10. **Insurance:** The DMLW requires the Lessee to carry liability insurance with the State of Alaska as an additional insured party. This case number **ADL 229054** is to be referenced on the policy.

Insurance is required and is subject to annual review and adjustment by the Department of Natural Resources. The Department may require a reasonable increase based on a change in the Lessee's development plan or with increased risk. The insurance policy or policies must be written by a company or companies on the Division of Insurance's "admitted list" or the "surplus lines insurance list". The broker/agent must be licensed to do business in the state, and, if surplus lines insurance is provided, the broker must have a surplus broker license. Additional information regarding the admitted and surplus lines lists may be obtained from the Division of Insurance (1-907-269-7900)

a) Consult, as appropriate, with an insurance professional licensed to transact the business of insurance under Alaska Statute, Title 21, to determine what types and levels of insurance are adequate to protect the Lessee and Lessor (the State, its officers, agents and employees) relative to the liability exposures of the Lessee's commercial operations.

b) Secure or purchase at Lessee's own expense, and maintain in full force at all times during the term of the Lease, adequate insurance policies and coverage levels recommended by an insurance professional, licensed to transact the business of insurance under Alaska Statute, Title 21, and acceptable to the State of Alaska. The State will expect to see at a minimum, the following types of coverage:

- **Commercial General Liability Insurance:** The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Division of Risk Management, Alaska Department of Administration.

- **Workers' Compensation Insurance:** The Lessee shall provide and maintain, for all its employees, Workers' Compensation Insurance as required by AS 23.30.045. Where applicable, coverage must comply with any other statutory obligations, whether Federal (i.e. U.S.L.&H or Jones Act) or other state laws in which employees are engaged in work on the premises. The

insurance policy must contain a waiver of subrogation clause in favor of the State of Alaska.

c) Provide proof of insurance to the Southcentral Regional Manager on a yearly basis The certificate must provide for a 30-day prior notice to the State of Alaska in the event of cancellation, non-renewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is material breaches of the Lease and shall be grounds, at the option of the DMLW, for termination of the Lease. Generally, that State of Alaska will rely upon the best professional judgment of the licensed insurance agent and, at renewal, the agent's annual re-assessment of the insured's liability exposure for determination of adequate levels of coverage. The State of Alaska reserves the right to require additional coverage if, in its discretion, it determines that it may be warranted. Any change in the approved development and operations plan, or the existence of significant claims against the liability coverage, would warrant examination of the insurance by the State to determine adequacy.

d) In the event the Lessee becomes aware of a claim against any of its liability coverage, the Lessee shall notify, and provide documentation and full disclosure of the claim to the Southcentral Regional Manager within 20 days.

11. **Subleasing:** The Lessor reserves the right to require an increased annual compensation as a condition of a sublease approval. Said increase shall be determined by negotiation between the Lessee and Lessor, and may be based upon a percentage of all compensation paid annually to the Lessee by the Sub-lessee. Neither the terms of this sublease provision nor any actual compensation derived from a sublease shall have any effect upon a determination of appraised market value pertaining to AS 38.05.840 and or this lease parcel. Sublease shall be defined to include any lease, rental, storage, or accommodation agreement between the Lessee and another individual, business or corporation utilizing or benefiting from the lease parcel. Sub-lessee shall be defined to mean any individual, business, or corporation executing an agreement, as above, with the Lessee. The amount of sublease compensation shall be subject to change at the same time as the lease compensation adjustment and whenever the terms or conditions of the agreement between the Lessee and sub-lessee change. Approval of a sublease shall also be conditioned upon:

a) Submission by the Lessee of a draft copy of the agreement(s) which will govern the relationship and compensation provisions between the Lessee and the Sub-lessee;

b) Submission by the Lessee of a proposed plan of operations and development for the subleased area and, if necessary, an amended plan of operations and development for the entire lease area;

c) A Lessor best interest finding and amendments to the lease contract as necessary, if significant changes to the use and development are proposed.

12. **Survey Monuments:** The Lessee shall protect all survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed Lease corner posts existing at the execution of this lease against damage, destruction, or obliteration. The Lessee shall notify the Lessor of any damaged, destroyed, or obliterated markers and shall re-establish the markers in accordance with accepted survey practices of the Department of Natural Resources.

13. **Loss to Improvements:** The Lessee assumes all risk of loss to improvements resulting from natural or catastrophic events.

14. **Request for Data/Additional Information:** For purposes of information and review, the DMLW at any time during normal business hours, may require the Lessee to furnish data related to maintenance and operation activities undertaken in connection with this project. The Lessee shall furnish the required data as soon as possible or as otherwise required under the terms of this Lease.

15. **FCC License/Authorization:** Each communication transmitter covered by this lease shall be operated only by the holder of a current and valid FCC license or authorization applicable thereto. A legible copy of each applicable license or authorization shall, at all times, be posted on the cabinet or rack of each transmitter being operated. Each copy shall indicate each person or entity authorized under the license or authorization to operate the transmitter.

16. **Communication Equipment**: All transmitting and receiving radio equipment shall be mounted in a radio frequency-tight metal enclosure to provide for effective radio frequency shielding. All buildings and antenna towers will be properly grounded and maintained in a clean, neat and orderly manner.

17. **Interference**: The Lessee shall coordinate all future frequency modifications and/or additions with other communication site companies within two (2) miles of the site, if applicable, so as to prevent or reduce to a mutually acceptable level, any interference problem(s). The Lessee shall, at its own expense, take all action necessary to prevent or eliminate such interferences. The term "interference" shall have the meaning given to that term in Section 2.1 of the Rules and Regulations of the FCC.

18. **Emergency Down Time**: The Lessee may be subject to a temporary ceasing of operations if the Lessee's operations interfere with State of Alaska or United State Government radio operations in time of emergency.

19. **Fiber Optic Cables:** This Lease does not allow for the installation of fiber optic cable without the written approval of the DMLW and the payment of the current fiber optic cable fee

20. **Solid Waste and Debris:** On-site refuse disposal is prohibited. All waste generated during operation and termination activities under this authorization shall be removed and disposed of as required by state and federal law. Waste, in this paragraph means all discarded matter, including, but not limited to, human waste, trash, garbage, litter, refuse, oil drums, petroleum products, ashes and discarded equipment.

21. **Fuel:** All fuel storage containers, including flow test holding tanks must be stored within an impermeable diked or portable impermeable containment structure capable of containing 110 percent capacity of the largest independent container.to minimize the potential for uncontained spills or leaks. All fuel storage containers must be clearly marked with the contents and the Lessee's name. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up spills from any transfer or handling of fuel. All fuel storage containers and associated materials must be removed by the Lease expiration or termination date.

22. **Hazardous Material and Substances**: The use and storage of hazardous substances must be done in accordance with existing federal, state and local laws, regulations and ordinances. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the sites and managed and disposed of in accordance with state and federal law.

23. **Spill Response:** The Lessee is responsible for preventing fuel, hydraulic fluid and oil spills that result in contamination of contiguous land and water as well as cleaning any pollutants resulting from the proposed activities. Petroleum products spills shall be cleaned up immediately and any contaminated earth or vegetative materials shall be disposed of as required by the Alaska Department of Environmental Conservation Regulations.

24. **Spill Notification:** The Lessee shall immediately notify DEC by telephone, and immediately afterwards send DEC a written notice by facsimile, hand delivery, or first class mail, informing DEC of: any unauthorized discharges of oil to water, any discharge of hazardous substances other than oil; and any discharge or cumulative discharge of oil greater than 55 gallons solely to land and outside an impermeable containment area. If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the Lessee shall report the discharge within 48 hours, and immediately afterwards send DEC a written notice by facsimile, hand delivery, or first class mail. Any discharge of oil, including a cumulative discharge, solely to land greater than one gallon up to 10 gallons must be reported in writing on a monthly basis. The posting of information requirements of 18 AAC75.305 shall be met. Scope and Duration of Initial Response Actions (18 AAC 75.310) and reporting requirements of 18 AAC 75, Article 3 also apply.

    The Lessee shall supply DEC with all follow-up incident reports. Notification of a discharge must be made to the nearest DEC Area Response Team during working hours:

Anchorage (907) 269-7500, fax (907) 269-7648; Fairbanks (907) 451-2121, fax (907) 451-2362; Juneau (907) 465-5340, fax (907) 465-2237. The DEC oil spill report number outside normal business hours is (800) 478-9300.

25. **Lease Expiration and Site Reclamation:** The lessee is responsible for site reclamation within the leasehold. No later than one (1) year prior to the lease expiration, the lessee shall file with the lessor:

    a) a request for a new lease, and/or

    b) a reclamation plan for the leasehold lands, which must be approved in writing by the Lessor.

    The reclamation plan must include a description of the methods and techniques that the lessee will use to rehabilitate all sites affected by construction and intensive use activities. Under the lease, the Lessee retains all ownership rights to site improvements. In the plan, the Lessee shall describe its intention to remove improvements. The plan must also include a schedule that sets forth the steps required for surface rehabilitation, and a specific time line showing when the Lessee will accomplish each step.

Signature page follows.

By signing this Attachment B, it is agreed that I have read Attachment B and will comply with all conditions and provisions within.

(b) (6)

Sign ve

Paul Kelly
Printed Name

CEO/GM
Title

Attachment B
Special Stipulations
ADL 229054, Lessee _____

INTEROPERATING SUPPORT AGREEMENT

THIS AGREEMENT is made this 29th day of May, 2019, by and between CORDOVA TELEPHONE COOPERATIVE, INC. d/b/a CORDOVA TELECOM COOPERATIVE, a telephone cooperative corporation organized and existing under the laws of the state of Alaska, with its principal place of business in Cordova, Alaska (hereinafter referred to as "CTC"), and CORDOVA WIRELESS COMMUNICATIONS, LLC, a limited liability company organized and existing under the laws of the state of Alaska, with its principal place of business in Cordova, Alaska (hereinafter referred to as "CWC").

WHEREAS, CTC is a certificated public utility engaged in the business of providing telecommunication services to Cordova in accordance with the terms and conditions imposed by its tariff and, having paid all taxes and having filed its annual report when last due, is in all respects fully qualified to enter into this Agreement; and

WHEREAS, CWC is a wholly owned subsidiary of CTC and CWC will be providing services in CTC's service area; and

WHEREAS, CWC must make arrangements to secure interoperative support in order to allow it to do business; and

WHEREAS, CTC has the experience, expertise, and trained personnel sufficient to meet the needs of CWC in the context of providing support to CWC,

FOR AND IN CONSIDERATION of the mutual promises and covenants hereinafter set forth, the parties hereto agree as follows:

1. Provision of Services. CTC herein agrees to provide, and CWC agrees to receive and pay for, services sufficient to allow CWC to operate in a manner consistent with the wishes of CWC's officers and directors. Those services to be provided by CTC under this Agreement include, but shall not be limited to, technical, engineering, construction, maintenance and operations, bookkeeping and accountancy functions, marketing, ordering, execution of contracts, customer relations, and other services as requested.

2. Term. The term of this Agreement shall be for a period of six (6) months beginning as of the date of execution hereof, unless sooner terminated pursuant to the terms of this Agreement. This Agreement shall be deemed to be automatically renewed at six-month intervals from the date of execution hereof unless sooner terminated by mutual consent of the parties or by the giving of thirty (30) days' written notice by either party.

3. Compensation. CWC agrees to pay CTC for all services provided hereunder at the hourly rate normally charged by CTC for the rendition of comparable administrative services on behalf of its customers. A listing of said rates and charges shall at all times relevant hereto

be available at the principal place of business of CTC for inspection by CWC or its designee.

CWC agrees to reimburse CTC for all expenses reasonably and necessarily incurred by CTC in conjunction with the implementation and administration of this Agreement. CTC agrees to furnish CWC, on a periodic basis, with a detailed accounting listing all of the charges imposed under this Agreement, with said accounting to be compiled on the basis of time sheet accounting and to be made available to CWC by CTC every sixty (60) days from the date of execution hereof until this Agreement is terminated.

4. Contract Administrator. The General Manager/CEO of CTC shall function as contract administrators on behalf of each entity. All coordination necessary to the effective rendition of services hereunder including, but not limited to, the nature and extent of the goods and services provided, the costs thereof, the use of individual items of office equipment, and the like, shall be determined by the General Manager/CEO. Either party may appoint a different Contract Administrator at any time.

5. Insurance and Indemnification. Each of the parties hereto shall bear sole and exclusive responsibility for maintaining any forms of insurance, liability, casualty, or otherwise, in any amounts, if any, which it deems proper and appropriate, and neither shall be accountable to the other with respect to the type or quantum of coverage which it chooses to maintain, if any.

(a) CWC shall, during the life of this Agreement, operate as an independent contractor and not as agent of CTC and shall assume liability for and shall protect, indemnify, save, and keep harmless CTC from and against all losses, penalties, claims, suits, costs, and expenses, including legal expenses of whatever kind and nature imposed upon, incurred by, or asserted against CTC if said claim or demand arises out of the independent act, error, or omission of CWC, its employees, subscribers, agents, or designees.

(b) CTC shall, during the life of this Agreement, operate as an independent contractor and not as agent of CWC and shall assume liability for and shall protect, indemnify, save, and keep harmless CWC from and against all losses, penalties, claims, suits, costs, and expenses, including legal expenses of whatever kind and nature imposed upon, incurred by, or asserted against CWC if said claim or demand arises out of the independent act, error, or omission of CTC, its employees, subscribers, agents, or designees.

(c) The indemnities contained in this paragraph shall continue in full force and effect notwithstanding the termination of this Agreement.

6. Integration. All understandings and agreements are merged herein, and no provision hereof may be waived except in a writing signed by the party to be charged with such waiver. Nothing herein may be changed or terminated orally.

7. Binding Effect. The provisions hereof apply to and are binding upon the successors and assigns of the parties. The representations, warranties, and covenants herein shall survive the Closing.

8. Construction. This Agreement between the parties shall not be construed more strongly against one party than the other.

CORDOVA TELEPHONE COOPERATIVE, INC.
d/b/a CORDOVA TELECOM COOPERATIVE

Dated: 05/29/19

(b) (6)

By: Jeremiah Beckett
Its: General Manager & CEO

CORDOVA WIRELESS COMMUNICATIONS, LLC

Dated: 05/29/19

(b) (6)

By: Jeremiah Beckett
Its: General Manager & CEO

United States Department of Agriculture

Rural Development

RUS Telecommunications Program

1400 Independence Ave, SW
Room 4121 - Stop 1590
Washington, DC 20250

Voice 202.720.0800

Sarah Kathrein
Project Manager
Cordova Telephone Cooperative, Incorporated
P.O. Box 459
Cordova, Alaska 99574

Dear Ms. Kathrein,

We are pleased to inform you that your application for a grant from the Rural Utilities Service ReConnect Program has been approved. We are offering you a grant in the amount of $34,905,000. The grant is subject to the terms of the enclosed Grant Agreement provided in draft form. The grant designation for your project is AK 1701-C73. This designation should be referenced in all future correspondence concerning this grant.

Please be advised that pursuant to federal regulations at 7 CFR 1970.11(b), the Agency has determined that assured access to ReConnect funding for this Project is necessary for economic rural development. As a result, the attached Grant and Security Agreement is subject to the completion of all necessary environmental procedures required by Federal law. Given that all such procedures have not yet finished on your Project, no work on the Project, whether work which will be reimbursed through federal funds, or work which will be paid for with Awardees own funds, may be engaged until successful completion of the environmental reviews. Awardee acknowledges that unless it has received written notice from the Agency, it will not engage in any work on the Project, under any circumstances, except for that required to finalize the environmental reviews. Failure to abide by this requirement will result in the termination of the Grant and Security Agreement. Additionally, Awardee acknowledges that should any findings in the environmental reviews require significant changes to the Project, and as a result to the Grant and Security Agreement, such changes will constitute an immediate deobligation of federal funding and the termination of the Grant and Security Agreement, and will not result in an amended agreement until revised terms are agreed upon and funding is determined to be still available.

It is acceptable for ReConnect awardees to order materials and enter into engineering contracts prior to the commencement of “work”. However, applicants must request permission to purchase the materials and must submit the engineering contracts for approval and must be informed that any purchases completed or contracts entered into before all environmental clearances have been obtained are at their own risk and that RUS has no obligation to reimburse these purchases.

USDA is an equal opportunity provider, employer, and lender.

Also, please find attached a copy of your RUS approved budget and a draft copy of your Grant Agreement. Please have your legal counsel review your draft agreement and respond to RUS within 10 business days with any changes or corrections needed. If there are no changes or corrections, please let us know.

Finally, before funds are drawn, you should have in place a cybersecurity plan, a supply chain plan, and a plan to comply with cybersecurity requirements of the National Institute of Standards and Technology and the Cybersecurity and Infrastructure Security Agency.

Please indicate your acceptance of this offer by having the **president or other authorized official** sign this letter, and within two (2) days from the date hereof, returning it **by email** to:

Mr. Randall Millhiser, Deputy Assistant Administrator
Loan Origination and Approval Division
USDA, Rural Utilities Service
Stop 1590, Room 4121, South Building
1400 Independence Avenue, S.W.
Washington, D.C. 20250-1590
Email: LOADinfo@usda.gov

Upon receipt of the signed copy of this letter and notification of any changes required in your grant agreement, the grant documents will be prepared and forwarded in the near future for execution. This grant is approved with the understanding that the grant documents will be authorized and executed by your organization and returned to us within the time period which will be set forth in the letter of transmittal.

Although we are very glad to be making this grant to Cordova Telephone Cooperative, Incorporated, we would appreciate it if you did not announce this grant offer until USDA makes a formal announcement of your acceptance of the grant.

Sincerely,

Andrew Berke
Administrator
Rural Utilities Service

USDA is an equal opportunity provider, employer, and lender.

ACCEPTANCE:

Cordova Telephone Cooperative, Incorporated

By: _____
Name: _____
Title: _____
Date: _____

Enclosures:
Grant and Security Agreement
Subordination Agreement with Personal Property
RUS Approved Budget

A.A#: RECON 428

USDA is an equal opportunity provider, employer, and lender.

United States Department of Agriculture
Rural Development
Washington, D.C. 20250
Rural Electric And Telephone
Statement of Loan Account and
Transactions for Three Month Period Ending September 30, 2022

RECEIVED
OCT 13 2022
BY:

CORDOVA TELEPHONE COOPERATIVE INC
P O BOX 459
CORDOVA, AK 99574-0459

Reference Number: 020522

Note Designation	Loan Designation	Note Date	Note Amount	Unadvanced Amount
2	A8#2	03/18/81	(b) (4)	$.00
3	C12	06/13/05		$.00
4	D42	06/08/10		$.00

7D00012510I LRLS8718

Rural Electric And Telephone Reference Number: 020522

Statement of Loan Account and Transactions for Three Month Period Ending September 30, 2022

Account Number	Interest Rate	Date of Transaction	Event Name	Paid/Applied	Outstanding Balances		
					Interest	Deferred Principal	Principal
2-3		06/30/22	Beginning Balance				
2-3	5.0000	07/01/22	Interest Rate				
2-3		09/30/22	Current Interest				
2-3		09/30/22	Principal				
2-3		09/30/22	Ending Balance				
3-1		06/30/22	Beginning Balance				
3-1	4.5160	07/01/22	Interest Rate				
3-1		07/29/22	Current Interest				
3-1		07/29/22	Principal				
3-1		08/31/22	Current Interest				
3-1		08/31/22	Principal				
3-1		09/30/22	Current Interest				
3-1		09/30/22	Principal				
3-1		09/30/22	Ending Balance				
4-1		06/30/22	Beginning Balance				
4-1	3.7760	07/01/22	Interest Rate				
4-1		07/29/22	Current Interest				
4-1		07/29/22	Principal				
4-1		08/31/22	Current Interest				
4-1		08/31/22	Principal				
4-1		09/30/22	Current Interest				
4-1		09/30/22	Principal				
4-1		09/30/22	Ending Balance				
4-2		06/30/22	Beginning Balance				
4-2	4.3540	07/01/22	Interest Rate				
4-2		07/29/22	Current Interest				
4-2		07/29/22	Principal				
4-2		08/31/22	Current Interest				
4-2		08/31/22	Principal				
4-2		09/30/22	Current Interest				
4-2		09/30/22	Principal				
4-2		09/30/22	Ending Balance				
4-3		06/30/22	Beginning Balance				
4-3	4.4600	07/01/22	Interest Rate				
4-3		07/29/22	Current Interest				
4-3		07/29/22	Principal				
4-3		08/31/22	Current Interest				
4-3		08/31/22	Principal				
4-3		09/30/22	Current Interest				
4-3		09/30/22	Principal				
4-3		09/30/22	Ending Balance				

(b) (4)

Rural Electric And Telephone Reference Number: 020522

Statement of Loan Account and Transactions for Three Month Period Ending September 30, 2022

Account Number	Interest Rate	Date of Transaction	Event Name	Paid/Applied	Outstanding Balances		
					Interest	Deferred Principal	Principal
4-4		06/30/22	Beginning Balance				
4-4	4.3620	07/01/22	Interest Rate				
4-4		07/29/22	Current Interest				
4-4		07/29/22	Principal				
4-4		08/31/22	Current Interest				
4-4		08/31/22	Principal				
4-4		09/30/22	Current Interest				
4-4		09/30/22	Principal				
4-4		09/30/22	Ending Balance				
4-5		06/30/22	Beginning Balance				
4-5	3.9900	07/01/22	Interest Rate				
4-5		07/29/22	Current Interest				
4-5		07/29/22	Principal				
4-5		08/31/22	Current Interest				
4-5		08/31/22	Principal				
4-5		09/30/22	Current Interest				
4-5		09/30/22	Principal				
4-5		09/30/22	Ending Balance				
4-6		06/30/22	Beginning Balance				
4-6	2.9000	07/01/22	Interest Rate				
4-6		07/29/22	Current Interest				
4-6		07/29/22	Principal				
4-6		08/31/22	Current Interest				
4-6		08/31/22	Principal				
4-6		09/30/22	Current Interest				
4-6		09/30/22	Principal				
4-6		09/30/22	Ending Balance				
4-7		06/30/22	Beginning Balance				
4-7	2.3400	07/01/22	Interest Rate				
4-7		07/29/22	Current Interest				
4-7		07/29/22	Principal				
4-7		08/31/22	Current Interest				
4-7		08/31/22	Principal				
4-7		09/30/22	Current Interest				
4-7		09/30/22	Principal				
4-7		09/30/22	Ending Balance				

(b) (4)

7D0000125102 LRLS8718

Rural Electric And Telephone

Reference Number: 020522

Statement of Loan Account and Transactions for Three Month Period Ending September 30, 2022

Account Number	Interest Rate	Date of Transaction	Event Name	Paid/Applied	Outstanding Balances		
					Interest	Deferred Principal	Principal
4-8		06/30/22	Beginning Balance	[redacted]			
4-8	3.3860	07/01/22	Interest Rate				
4-8		07/29/22	Current Interest				
4-8		07/29/22	Principal				
4-8		08/31/22	Current Interest				
4-8		08/31/22	Principal				
4-8		09/30/22	Current Interest				
4-8		09/30/22	Principal				
4-8		09/30/22	Ending Balance				
			Total Paid/Applied:				
			Current Interest				
			Principal				
Balance as of September 30, 2022				[redacted]			

Rural Telephone Bank Reference Number: 020522

Statement of Loan Account and Transactions for Three Month Period Ending September 30, 2022

Note Designation	Loan Designation	Note Date	Note Amount	Unadvanced Amount
2	C12	06/13/05	(b) (4)	(b) (4)

7D000125103 LRLS8718

Rural Telephone Bank Reference Number: 020522

Statement of Loan Account and Transactions for Three Month Period Ending September 30, 2022

Account Number	Interest Rate	Date of Transaction	Event Name	Paid/Applied	Outstanding Balances		
					Interest	Deferred Principal	Principal
2-1		06/30/22	Beginning Balance	(b) (4)			
2-1	5.4900	07/01/22	Interest Rate				
2-1		07/29/22	Current Interest				
2-1		07/29/22	Principal				
2-1		08/31/22	Current Interest				
2-1		08/31/22	Principal				
2-1		09/30/22	Current Interest				
2-1		09/30/22	Principal				
2-1		09/30/22	Ending Balance				
2-2		06/30/22	Beginning Balance				
2-2	5.4900	07/01/22	Interest Rate				
2-2		07/29/22	Current Interest				
2-2		07/29/22	Principal				
2-2		08/31/22	Current Interest				
2-2		08/31/22	Principal				
2-2		09/30/22	Current Interest				
2-2		09/30/22	Principal				
2-2		09/30/22	Ending Balance				
2-3		06/30/22	Beginning Balance				
2-3	5.4900	07/01/22	Interest Rate				
2-3		07/29/22	Current Interest				
2-3		07/29/22	Principal				
2-3		08/31/22	Current Interest				
2-3		08/31/22	Principal				
2-3		09/30/22	Current Interest				
2-3		09/30/22	Principal				
2-3		09/30/22	Ending Balance				
			Total Paid/Applied:				
			Current Interest				
			Principal				
Balance as of September 30, 2022				(b) (4)			

Alaska Public Utilities Commission

Certificate of Public Convenience and Necessity No. 162

Having found that the grantee of this certificate is fit, willing, and able to provide the utility services applied for and that such services are required for the convenience and necessity of the public, the Alaska Public Utilities Commission, pursuant to the authority vested in it by AS 42.05, hereby issues this certificate of Public Convenience and Necessity to

CORDOVA TELEPHONE COOPERATIVE, INC.

authorizing it to operate a public utility, as defined by AS 42.05.990(4) (B) for the purpose of furnishing

TELECOMMUNICATIONS SERVICE (LOCAL EXCHANGE)

This Certificate is issued under, and subject to, the provisions of AS 42.05 and all rules, regulations, and orders from time to time promulgated by the Commission governing the rates, charges, services, facilities, and practices of utility operations of the kind authorized herein.

The specific nature, scope, terms, conditions, and limitations of the authority granted by this Certificate, as amended to date, are set forth in the appendix hereto and in the following order(s) of the Commission which, by this reference, are incorporated in and made a part hereof as though fully set forth herein.

Docket No.	Date of Order
U-92-82(1E)	July 27, 1993

(Chronology and service area description shown on the attached Appendix A)

IN WITNESS THEREOF, the undersigned members of the Commission have executed this Certificate of Public Convenience and Necessity at Anchorage, Alaska on this 10th day of September 19 93

Alaska Public Utilities Commission

(CHAIRMAN)

Susan M. Knowles
(COMMISSIONER)

(COMMISSIONER)

Mark D. Foster
(COMMISSIONER)

(COMMISSIONER)

000186

Account Information

Legal Name of Applicant	Cordova Telephone Cooperative, Inc.
Applicant's Tax Identification Number	920069166
Applicant's UEI Number	X6G6CDLTL5F6
Applicant's Duns Number	039513544

Physical Address of Applicant

Street1	611 2nd Street
Street2	
City	Cordova
State	Alaska
Zip Code	99574

Correspondence Address of Applicant

Street1	PO Box 459
Street2	
City	Cordova
State	Alaska
Zip Code	99574

Applicant's Business Phone Number 9074242345

Eligible Entity Type Cooperative or mutual organization

Civil Right Status * Not Applicable

Applicant's Headquarters Congressional District * 1

Is the Applicant Regulated by a Public Utilities Commission? * No

Is the Applicant required to file an EEO-1 Report? * No

Does the applicant have a CAGE code? * Yes

Applicant's Cage Code 0B7S4

Is applicant a start-up operation formed from partnerships of existing utility providers? * No

Does the applicant own any real property? * No

Partner Details

Partner Name
No Records Found.

Parent Information

Does the applicant have a Parent Company? No

Affiliate Details

Affiliate Name	Services Provided
No Records Found.	

Does the applicant have any financial or operational relationship with any other affiliated companies?These dealings could be in the form of the sharing of assets or staff or providing services to and/or relying on services from an affiliated company. No

Subsidiary Details

Subsidiary Name	Services Provided
Cordova Long Distance Inc	Telephone long distance services.
Cordova Wireless Communications, LLC	Wireless cellular services.
CTC Holdings, LLC	Holding company for asset purchases.
Yakutat Telecom Company	Broadband and business services

Does the applicant have a subsidiary? Yes

Does the applicant rely on services and/or employees of the above subsidiary? Yes

Account Documents

Section	Document Type	Description	File Name	User	Date/Time
Account Information	501(c)(3) - Tax Exempt Status		IRS 501(c)(12) tax exempt letter.pdf	Sarah Kathrein	Oct 27, 2022, 16:37
Account Information	Applicant's Audited Financial Statements		12-31-21 Cordova Telephone Cooperative and Subsidiary Audited Financial Statements.pdf	Sarah Kathrein	Oct 27, 2022, 17:27
Account Information	Articles of Incorporation		CTC Articles of Incorporation.pdf	Sarah Kathrein	Oct 27, 2022, 16:16
Account Information	Board of Directors		CTC Board of Directors.pdf	Sarah Kathrein	Oct 27, 2022, 16:45
Account Information	Broadband Operations Experience		CTC Broadband Operations Experience.pdf	Sarah Kathrein	Oct 28, 2022, 18:42
Account Information	Bylaws		2022 BYLAWS.pdf	Sarah Kathrein	Oct 27, 2022, 13:17
Account Information	Evidence of Good Standing with the Secretary of State		CTC Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:16
Account Information	Evidence of Good Standing with the Secretary of State		CWC Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:17
Account Information	Evidence of Good Standing with the Secretary of State		Cordova Long Distance Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:18
Account Information	Evidence of Good Standing with the Secretary of State		CTC Holdings Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:19
Account Information	Evidence of Good Standing with the Secretary of State		YTC Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:19

Section	Document Type	Description	File Name	User	Date/Time
Account Information	Legal Opinion		CTC - RUS Initial Opinion ReCon4 App FINAL (10-28-22).pdf	Sarah Kathrein	Oct 28, 2022, 18:36
Account Information	Management Experience and Compensation		CTC Management Experience - Duties Responsibilities and Qualifications.pdf	Sarah Kathrein	Oct 27, 2022, 16:44
Account Information	Organizational Chart		CTC All Org Chart Oct 2022.pdf	Sarah Kathrein	Oct 27, 2022, 17:32
Account Information	Resumes of Key Management		CEO Jeremiah Beckett Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:38
Account Information	Resumes of Key Management		CFO Lisa Koker Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:38
Account Information	Resumes of Key Management		Project Manager Sarah Kathrein Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:38
Account Information	Resumes of Key Management		Plant Foreman Adrian Smith Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:39
Account Information	Resumes of Key Management		Network Journeyman Shane Songer Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:39
Account Information	Resumes of Key Management		Network Manager Stephen Phillips Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:39
Account Information	RUS Form 87 - Mail List Data		Form 87 Signed.pdf	Sarah Kathrein	Oct 27, 2022, 16:33
Account Information	Subsidiary's Historical Financial Statements		12-31-21 Cordova Telephone Cooperative and Subsidiary Audited Financial Statements.pdf	Sarah Kathrein	Oct 27, 2022, 17:29
Account Information	Subsidiary's Organizational Chart		CWC Only Org Chart 2022.pdf	Sarah Kathrein	Oct 27, 2022, 17:33
Account Information	Subsidiary's Organizational Chart		YTC Only Org Chart 2022.pdf	Sarah Kathrein	Oct 27, 2022, 17:33
Account Information	Subsidiary's Services Agreement		ADMINISTRATIVE SUPPORT AGREEMENT CTC-CWC 5-29-19.pdf	Sarah Kathrein	Oct 27, 2022, 16:36
Account Information	Subsidiary's Services Agreement		Interoperating Support Agreement CTC YTC.pdf	Sarah Kathrein	Oct 27, 2022, 16:37
Account Information	Evidence of Legal Authority to Enter into an Agreement with the Federal Government		CTC SAM Expires 4-2023.pdf	Sarah Kathrein	Oct 27, 2022, 16:59
Account Information	Evidence of Legal Capacity and Authority to Own and Operate Proposed Broadband Facilities		Alaska Public Utilities Commission Certificate of Public Convenience and Necessity.pdf	Sarah Kathrein	Oct 27, 2022, 16:24

RUS Details

Name	RUS ID
Cordova Telephone Cooperative, Inc. (AK0522)	AK0522

Project Information

Funding Opportunity	RDRUS-RC-2022-2023
Application Name	101001335
High-Level Description of the Project	Cordova Telephone Cooperative, Inc. (CTC, DBA as Cordova Telecom Cooperative) is requesting funding to deliver high-speed broadband service in the community of Pelican, Alaska while also improving broadband services across Southern Alaska regions. The "FISH in SEAK" investment will fortify broadband connectivity for five rural communities, enable 100MB symmetrical service for over 4000 stakeholders and Alaska Native entities and businesses, provide geographic broadband redundancy for six coastal communities, and help protect over $2 billion in annual economic revenues for Southern Alaska.
Funding Type	100% Grant
Application Year	2022
Bridge Year	2022
Technology Type	Hybrid-Fiber-Coax;Fixed Wireless - Unlicensed
Does the applicant have unadvanced loan funds from prior RUS loans that will be expended during the 5-year buildout period?	No
Is the applicant planning on investing any funds to construct broadband facilities in the NFSA during the 5-year forecast period?	Yes
Is the applicant requesting SUTA consideration?	No
Is the applicant proposing services on a Tribal Land?	Yes
Is the applicant a publicly traded company?	No
Is the applicant replacing the standard grant security arrangements with an ILOC?	No

Executive Summary

Detailed Description of Existing Operations

Cordova Telephone Cooperative, Inc. (CTC) is committed to the provision, improvement, and expansion of quality, competitively priced communication services in Cordova and the surrounding service area. In 1978, the voters of Cordova approved a resolution providing for the transfer of assets of Cordova Public Utilities-Telephone Utility to Cordova Telephone Cooperative, Inc (CTC). And thus, a member-owned telephone cooperative was established.
In 1997, CTC again broadened its scope of services and established two subsidiaries: Cordova Wireless Communications (CWC) and Cordova Long Distance (CLD). Cordova Wireless has become a successful cellular provider in Cordova with 18 cellular sites, serving two communities and all the Prince William Sound. Long distance wholesale rates for Cordova Long Distance were available for several years, and CLD started offering service to Cordova in 2012. CTC formed additional entities to support the business. In 2019, CTC Holdings LLC was established for managed purchased assets from third parties, and in 2022, Yakutat Telecom Company LLC to provide broadband services in Yakutat, Alaska.
CTC is a rural rate of return incumbent local exchange telecommunications carrier providing service in and around Cordova, Alaska. CTC is an active borrower of the RUS, regulated by the FCC for interstate purposes, regulated on limited basis under the Regulatory Commission of Alaska for intrastate calling and regulated by its board of directors for local exchange purposes. CTC is the carrier of last resort and has ETC status for our established service area for both wireline and wireless services.
Cordova's existing network has grown organically over 40 years to provide essential services to our community, including: telephone/VoIP, internet, tv, and wireless cellular. The majority of our existing outside plant going to building units is copper running ADSL/VDSL broadband technologies and supported primarily with Adtran and [redacted] infrastructure. Our network has reached its peak performance for broadband speeds, leaving our community underserved until we can deploy Fiber-To-The-Home.
In 2009, CTC was awarded RUS loan funds for a secured loan to deploy an undersea fiber cable from Cordova to Valdez. This project produced tremendous rewards and efficiencies, generating additional commerce for Cordova. As internet service becomes increasingly important to our member owners and to Congress, there is mounting pressure on CTC to provide a much higher level of quality, speed, and greater capacity. In addition to the need for more advanced internet services in Prince William Sound, there is a need for a local company that is invested in the future of its stakeholders to provide these services. CTC is committed to being that provider.
CTC continues work on active capital projects for expanding our network and is looking to deliver the next generation of broadband services for Southern Alaska that will support communities' communication needs for the next 50 years and beyond.

Discussion about Key Management

Key management roles of the cooperative include the Board of Directors, CEO, CFO, project manager, and lead technical team members.
The CTC board consists of seven community representatives elected by cooperative members who serve three-year terms. The current board is comprised of two men and five females with a variety of backgrounds ranging from commercial fishing, education, engineering, and construction. Several of the board members have served multiple terms, all receive annual training, and all have opportunities to participate in telecommunications training events. The board meets monthly at regular meetings to review business operations, community activities, finances, and strategic investments.
Jeremiah Beckett has served as CEO since January of 2018. He grew up in Cordova and has more than 20 years of managerial and business experience. He started his technical career at a telecom construction company in the 90's supporting engineering and field project management teams after receiving his B.S. in business management from DeVry University in Phoenix, Arizona. He started two successful technology-related companies and has worked with several large telecommunications companies over the years. He started the Cordova School District's robotics program and continues to volunteer his time overseeing the program and coaching the Cordova High School Robotics Team.
Lisa Koker received her B.S. in business administration, finance, and accounting from Western Washington University. She has 27 years of experience in business management and in the telecommunications industry and has passed all sections of the CPA Exam. She has worked for CTC for 13 years, originally serving as accountant and office manager. Her current role as CFO allows her to manage the cooperative's finances and oversee all accounting related processes for

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CTC. She also sits on the Cordova Chamber of Commerce Board and volunteers with the local baseball league.
Sarah Kathrein received her B.A. in Communications from Western Oregon University and has 8 years of experience in project management and business. She is responsible for supporting internal operational initiatives and leading large capital projects successfully from inception to completion at the cooperative.
CTC has a very strong seasoned technical leadership team that bring a wealth of industry expertise, technical skill sets, seasoned construction skills, and a high aptitude for telecommunications. This group consists of four foreman/managers all with over 20 years' experience as follows: Adrian Smith, Outside Plant Foreman, Jesse Carter, Wireless Foreman, Shane Songer, Network Engineer and Inside Plant Foreman, and Stephen Phillips, Network Manager.

Description of the Company's Workforce

Cordova Telephone Cooperative (CTC, d.b.a. Cordova Telecom Cooperative) currently employs 17 full time employees in Cordova and 2 employees in Yakutat to support operations.

The CTC team is comprised of three main functional groups: management, office, and technical. The management team consists of CEO, CEO, and Project Manager. The office team has an executive assistant, accountant, bookkeeper, three customer service representatives, and network coordinator. The technical team has a network manager, outside plant foreman, inside plant foreman, wireless foreman, and four combo technicians.

The workforce has a very dedicated staff and long tenure with the average employee duration over 7 years. The team is highly involved in the community, including serving on local boards and volunteering with the schools and community events. All staff members are advocates of the local cooperative and of Alaskan telecommunications.

Description of interaction between any parent, subsidiary or affiliate operation

Cordova Telephone Cooperative (CTC, d.b.a. Cordova Telecom Cooperative) has four wholly owned subsidiaries to support key business functions of the cooperative. The BOD, CEO, and CFO have general management and oversight of all five companies.

Cordova Long Distance Inc. (CLD) is a single member corporation with no human resources that is used historically to solely manage the contracts and financials relative to long-distance telephone services.

Cordova Wireless Communications LLC (CWC) is a single member company that focuses on providing wireless cellular services in Cordova, the Prince William Sound, and Yakutat areas. This business has the same BOD and executive makeup as the parent company, with dedicated personal for customer service and financial management. This entity has a services agreement with the parent company for general staffing and technical support, needs while maintaining completely separate accounting, contracts, and vendor relations from the parent company.

Yakutat Telecom Company LLC (YTC) is a single member company that focuses on providing broadband services in Yakutat Alaska. This business has the same BOD and executive makeup as the parent company, with dedicated personal for customer service and technical support. This entity has a services agreement with the parent company for general staffing and technical support, needs while maintaining completely separate accounting, contracts, and vendor relations from the parent company.

CTC Holdings LLC (YTC) is a single member company that is used for holding assets acquired from partners and communities outside of Cordova. This business has the same BOD and executive makeup as the parent company. This entity has a services agreement with the parent company.

Detailed description of the proposed project

Cordova Telephone Cooperative, Inc. (CTC, DBA as Cordova Telecom Cooperative) is requesting funding from the USDA's ReConnect program to deliver high-speed broadband service in the community of Pelican in Southeast Alaska while also improving performance, reliability, and economic stability for the entire Southcentral Alaska region. The "FISH in SEAK" investment will fortify broadband connectivity for five small rural coastal communities, enable 100MB symmetrical service for over 4000 stakeholders and dozens of Alaska Native entities and businesses, provide geographic broadband redundancy for six coastal communities, and help protect over $2 billion in annual economic revenues for Southern Alaska.
"FISH in SEAK" consists of the following key elements:
• New Fiber-To-The-Home for the unserved community of Pelican, Alaska
• Critical middle mile connectivity for Southcentral and Southeast Alaska.
This is a request for support to bring broadband services to several communities in Southeast Alaska in step with the rest of the world and fulfill the dreams of Congress as it promotes nationwide broadband deployment at speeds sufficient for public safety, healthcare, commerce, and education in rural and Tribal areas.
This project will be able to deliver 100/100MB broadband internet service to all year-round residents and businesses in the PFSA, delivering modern broadband communications for online education, telemedicine, economic opportunities, and public safety resources.

National Environmental Policy Act (NEPA) Review

Is the proposed action one that Rural Development has identified as requiring an Environmental Impact Statement (EIS) (see 7CFR1970.151) or has an EIS been prepared due to the involvement of another federal agency? No

Is the proposed action one that Rural Development has identified as requiring an Environmental Assessment (EA) (see 7CFR1970.101) or has an EA been prepared due to the involvement of another federal agency? No

Project Documents

Section	Document Type	Description	File Name	User	Date/Time
Project Information	Applicant's Audited Financial Statements		12-31-21 Cordova Telephone Cooperative and Subsidiary Audited Financial Statements.pdf	Sarah Kathrein	Oct 27, 2022, 17:42
Project Information	Executive Summary - Additional Information	CTC ReConnect R4 executive summary	CTC R4 FISHinSEAK ExecSummary.pdf	Jeremiah Beckett	Nov 01, 2022, 18:30
Project Information	Funding Request Resolution		CTC BOD R4 Resolution.pdf	Sarah Kathrein	Oct 27, 2022, 17:42
Project Information	Funding Request Resolution	CTC Secretary Certificate	CTC BOD Secretary Certificiate.pdf	Sarah Kathrein	Oct 27, 2022, 17:43
Project Information	Funding Request Resolution	CTC Board Net Neutrality Resolution	CTC Net Neutrality Resolution.pdf	Sarah Kathrein	Oct 31, 2022, 13:12
Project Information	Legal Opinion		CTC - RUS Initial Opinion ReCon4 App FINAL (10-28-22).pdf	Sarah Kathrein	Oct 28, 2022, 18:33
Project Information	Other	City of Pelican Resolution	Pelican Signed Resolution.pdf	Sarah Kathrein	Oct 31, 2022, 13:10
Project Information	Other	City of Gustavus Resolution	Gustavus Signed Resolution.pdf	Sarah Kathrein	Oct 31, 2022, 13:11
Project Information	Tribal Government Resolution of Consent		HIA Signed Resolution.pdf	Jeremiah Beckett	Oct 18, 202[illegible]

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Note: This section includes attachments.

Service Areas

Name	Service Area Funding	Service Area Type	HH Without Access to Broadband	% HH Without Access to Broadband	Population	Square Miles	Housing Units	Households	Businesses	States	Congressional Districts	Counties	Communities	Map
Hoonah	Proposed Funded	New	1	100.00%	1	0.07	1	1	0	AK	AK-00	Hoonah-Angoon	Hoonah-Angoon census subarea, Hoonah-Angoon Census Area, Alaska; Klukwan census subarea, Hoonah-Angoon Census Area, Alaska	
NFSA - Existing	Non-Funded	Existing		0.00%	2,079	92.29	1,003	788	114	AK	AK-00	Yakutat	Yakutat census subarea, Yakutat City and Borough, Alaska; Copper River census subarea, Valdez-Cordova Census Area, Alaska; Chugach census subarea, Valdez-Cordova Census Area, Alaska	
Pelican	Proposed Funded	New	8	100.00%	27	0.06	15	8	8	AK	AK-00	Hoonah-Angoon	Hoonah-Angoon census subarea, Hoonah-Angoon Census Area, Alaska; Klukwan census subarea, Hoonah-Angoon Census Area, Alaska	

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Network

Network Design

Description of proposed technology that will be used to deliver the broadband services:

CTC proposes bringing highspeed broadband internet with fiber-to-the-home in Pelican Alaska and adding critical middle mile connectivity to multiple communities. This solution will provide capabilities of delivering broadband ethernet speeds up to 100/100MB symmetrical using technologies from [redacted] CTC will complete this project with two distinct tracts that will be delivered in parallel, including; extending the CTC middle mile network from Cordova to Juneau using [redacted] technologies; and deploying new fiber optic plant in Pelican using [redacted] technologies. CTC will construct a critical middle mile fiber network to Juneau that will connect Gustavus, Hoonah, Pelican, and Yakutat to the Cordova fiber optic networks for Direct Internet Access (DIA) to consumers. CTC will construct a 520 mile fiber optic middle mile and 2 miles of fiber-to-the-home plant delivering a Passive Optic Network (PON) built on industry leading network solutions already used in Cordova from [redacted] and [redacted] to support the communities' local network, internet, and other communications needs supporting over 100 building units and delivering a local network transport infrastructure that will last for decades. The fiber network will be connected on [redacted] technology and delivered to consumers using the [redacted] product line of modem/router devices.

Detailed description of the applicant's existing network:

The CTC network has grown over 40 years to provide a range of telecommunication services to Cordova plus the surrounding areas of Chenega and Yakutat, including: local and long distance telephone, Voice Over IP (VOIP), broadband internet, wifi hotspots, IP TV, wireless cellular, network transport, and a range of local business services. The CTC network core is built on industry [redacted] equipment that manages all network traffic (IP and Sonnet), services interconnect, and backhaul transport out of Cordova. The primary [redacted] equipment currently in use includes [redacted] switches and [redacted] routers which are complemented by other [redacted] carrier grade routers and switches. CTC currently has one active middle mile network leaving Cordova towards Valdez Alaska to provide Direct Internet Access and backhaul transport, this submarine cable was RUS funded and completed in 2011. This middle mile solution includes a submarine fiber optic cable running on Ciena OME equipment plus a small microwave network running on Aviat equipment, both middle mile segments interconnect to the [redacted] Core network in Cordova and interconnect with carrier partners in Valdez. The submarine line is an ocean grade 48 hair fiber optic cable with 6 connected hairs end-to-end, 4 hairs running on 10GE interfaces and 2 running Sonnet circuits for legacy interconnect, with 42 hairs available for growth. The Microwave network runs a range of spectrum from 6Mhz to 11Mhz providing 240MB of throughput between Cordova and Valdez and is used for special circuits for FAA and USCG, wireless remote site transport. The middle mile fiber terminates at a shared colo in Valdez for further transport services and Direct Internet Access (DIA) with ACS which is configured for an active/passive design through an existing fiber optic loop maintained by ACS. The CTC broadband internet services are currently delivered over 3GB of DIA to support all businesses and residential consumers in Cordova which runs about 60% capacity during peak season and usage times. With a community population of about 2200 residents, 1000 cooperative members, and 800 broadband users the current over subscription ratio runs between 8-1 and 12-1 variably. Standard internet packages range from 8/2MB to 100/10MB on ADSL, VDSL, and bonded VDSL with very limited business symmetrical and fiber services available, all of which are delivered ove [redacted] end user modem router devices. Broadband services are connected via [redacted] router/switch equipment to the core and complemented by [redacted] servers. This CTC network has local copper facilities, some fiber optic backbone, and a pilot of fiber-to-the-home serving all the residents and businesses in Cordova. The majority of the outside plant in Cordova is Copper, almost half of which was direct buried over 40 years ago. A combination of Fiber nodes and DSLAMs are distributed throughout the local network to improve connectivity, redundancy and local transport capacity. The CTC core network is managed and monitored with a variety of industry tools including: [redacted]. These tools ensure proper insights and standardized management across the platforms. The CTC current network equipment and backhaul transport can easily scale to support additional middle mile infrastructure. Additional DIA capacity can be purchased and easily configured as needed when the combined community usage requires.

Detailed description of the applicant's proposed network:

CTC is proposing a broadband solution that addresses both the expensive middle mile backhaul connectivity and local fiber plant necessary to deliver all consumers highspeed broadband for a solution that will support the community of Pelican and enable future broadband needs for decades in Gustavus, Hoonah, and Yakutat. CTC will extend existing middle mile and local network elements to deliver a mature proven solution that seamlessly integrates with CTCs infrastructure and standardized environment running on Adtran, Ciena, and [redacted]. The CTC current network design allows for easy expansion for additional middle mile links and has sufficient capacity to support the project. The new middle mile network will support approximately several hundred gigabits of transport while adding path diversity to ensure high availability for all communities services. The proposed network is further detailed in the application provided network diagrams.

Note: This section includes attachments.

Network Documents

Section	Document Type	Description	File Name	User	Date/Time
Network Information	Existing Network Diagram	CTC Current Network Diagrams	CTC R4 Network Diagrams for FISHinSEAK Current.pdf	Jeremiah Beckett	Nov 01, 2022, 17:02
Network Information	Network Design PE Certification	CTC R4 PE Certification	CTC_reconnect_program_network_design_certification_10312022.pdf	Jeremiah Beckett	Oct 31, 2022, 13:50
Network Information	Proposed Network Diagram	CTC Future Network Diagrams	CTC R4 Network Diagrams for FISHinSEAK Future.pdf	Jeremiah Beckett	Nov 01, 2022, 16:51

Build-out Timeline and Milestones

Time Frame:	BUILDOUT MILESTONE:	BUILDOUT SUPPORT FOR REASONABLENESS / DATA POINTS
2022	Grant Application	Grant Research - Submarine Fiber Routing and Cost Study - PFSA Planning - Project Financial Planning Grant Application - Supporting Documents Preparation - Third Party Approvals and Support Letters - Financial and Network Asset Preparation - Application Submittal FISH in SEAK Grant Application Approved
2023	Project Planning and Readiness	Engineering, Permitting and Surveys - Environmental Review - Survey Permits - Marine Desktop Study - Landing Site Surveys - Construction Permits - FTTH Engineering Procurement - Cable Procurement - Marine Installer RFP - Network Equipment Procurement - Construction Materials
2024	Construction Phase I	FTTH Deployment - Fiber Backbone Construction - Fiber Customer Drops and NID deployment Submarine Construction - Beach Landing Construction - Cable Landing Site Construction
2025	Construction Phase II	Submarine Construction - Marine Cable Deployment - Deployment Validation and Testing Submarine Enablement - Carrier Integration - Direct Internet Access Acquisition - Network MPLS Integration FTTH Deployment - Customer Modem Deployments
2026	Service Enablement	Service Enablement - Middle Mile Submarine Transport End-To-End - Full Enablement of Fiber-To-The-Home for entire PFSA - Steady State Operations and Support
2027	Project Closeout	Complete service enablement and USDA project closeout

Capital Investment Workbook (CIW)

Proposed Funded Service Area

CIW - Service Area Costs

Pelican

Outside Plant

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Fiber - Buried	(b) (4)				
Total Fiber - Buried					
Fiber - Underground Cable					
Fiber - Underground Cable					
Total Fiber - Underground Cable					
Conduit Systems					
Total Conduit Systems					
Drops					
Drops					
Drops					
Drops					
Total Drops					
Cabinets/underground vaults					
Cabinets/underground vaults					
Total Cabinets/underground vaults					
Total Outside Plant					
Pelican Total					

CIW - Common Network Facilities Costs

Network and Access Equipment

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Switching Equipment	(b) (4)				
Total Switching Equipment					
Total Network and Access Equipment					

Outside Plant

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Asset Type					
Fiber - Submarine Cable					
Fiber - Submarine Cable					
Fiber - Submarine Cable					
Fiber - Submarine Cable					
Total Fiber - Submarine Cable					
Total Outside Plant					
Total					

(b) (4)

CIW - Other Costs

Professional Services

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Engineering Services					
Engineering Services					
Total Engineering Services					
Total Professional Services					
Total					

(b) (4)

CIW – Summary

Proposed Funded Service Area(s) | Cost

Network and Access Equipment	
Switching Equipment	
Total Network and Access Equipment	
Outside Plant	
Cabinets/underground vaults	
Conduit Systems	
Drops	
Fiber - Buried	
Fiber - Submarine Cable	
Fiber - Underground Cable	
Total Outside Plant	
Professional Services	
Engineering Services	
Total Professional Services	
Total Proposed Funded Service Area Cost	

(b) (4)

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Funding Information

Funding Type	Funding Amount
Grant Amount Requested	$ 34,905,000
Loan Amount Requested	(b) (4)
Matching Funds	
Other Funds	
Total Project Costs	

Non-Funded Service Area

CIW - Service Area Costs

NFSA - Existing

Network and Access Equipment

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Switching Equipment	(b) (4)				
Switching Equipment					
Total Switching Equipment					
Others (Specify)					
Total Others (Specify)					
Total Network and Access Equipment					

Outside Plant

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Copper Cable - Underground	(b) (4)				
Total Copper Cable - Underground					
Fiber - Underground Cable					
Fiber - Underground Cable					
Fiber - Underground Cable					
Fiber - Underground Cable					
Total Fiber - Underground Cable					
Conduit Systems					
Conduit Systems					
Conduit Systems					
Total Conduit Systems					
Drops					

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Drops					
Drops					
Drops					
Drops					
Total Drops					
Cabinets/underground vaults					
Cabinets/underground vaults					
Total Cabinets/underground vaults					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Total Others (Specify)					
Fiber - Buried					
Total Fiber - Buried					
Total Outside Plant					

(b) (4)

Buildings

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Pre-Fab Huts					
Total Pre-Fab Huts					
Improvements					
Total Improvements					
Others (Specify)					
Others (Specify)					
Total Others (Specify)					
Total Buildings					

(b) (4)

Towers

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Improvements					
Total Improvements					
Others (Specify)					
Others (Specify)					

(b) (4)

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Others (Specify)					
Others (Specify)					
Others (Specify)					
Total Others (Specify)					
Total Towers					

(b) (4)

Customer Premises Equipment

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Modems and Routers					
Modems and Routers					
Modems and Routers					
Total Modems and Routers					
Total Customer Premises Equipment					
NFSA - Existing Total					

(b) (4)

CIW - Common Network Facilities Costs

Network and Access Equipment

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Transport Equipment					
Transport Equipment					
Transport Equipment					
Transport Equipment					
Transport Equipment					
Transport Equipment					
Transport Equipment					
Total Transport Equipment					
Power Equipment					
Power Equipment					
Power Equipment					
Power Equipment					
Power Equipment					
Power Equipment					
Power Equipment					

(b) (4)

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Total Power Equipment					
Others (Specify)					
Others (Specify)					
Total Others (Specify)					
Switching Equipment					
Total Switching Equipment					
Total Network and Access Equipment					

(b) (4)

Outside Plant

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Fiber - Underground Cable					
Fiber - Underground Cable					
Fiber - Underground Cable					
Fiber - Underground Cable					
Fiber - Underground Cable					
Total Fiber - Underground Cable					
Cabinets/underground vaults					
Total Cabinets/underground vaults					
Others (Specify)					
Total Others (Specify)					
Fiber - Submarine Cable					
Fiber - Submarine Cable					
Fiber - Submarine Cable					
Fiber - Submarine Cable					
Total Fiber - Submarine Cable					
Total Outside Plant					

(b) (4)

Buildings

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Pre-Fab Huts					
Pre-Fab Huts					
Pre-Fab Huts					
Total Pre-Fab Huts					
Total Buildings					

(b) (4)

Towers

000201

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Lattice Towers					
Lattice Towers					
Lattice Towers					
Lattice Towers					
Lattice Towers					
Lattice Towers					
Lattice Towers					
Lattice Towers					
Lattice Towers					
Total Lattice Towers					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Others (Specify)					
Total Others (Specify)					
Total Towers					
Total					

(b) (4)

CIW - Other Costs

Support Assets

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Construction Vehicles					
Construction Vehicles					
Total Construction Vehicles					

(b) (4)

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Tools					
Total Tools					
Construction Equipment					
Total Construction Equipment					
Total Support Assets					

(b) (4)

Professional Services

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Engineering Services					
Engineering Services					
Engineering Services					
Engineering Services					
Engineering Services					
Engineering Services					
Engineering Services					
Engineering Services					
Engineering Services					
Engineering Services					
Engineering Services					
Total Engineering Services					
Environmental Services					
Environmental Services					
Total Environmental Services					
Other (specify the type of service)					
Other (specify the type of service)					
Total Other (specify the type of service)					
Total Professional Services					

(b) (4)

Other Expenditures

Asset Type	Quantity	Unit	Unit Cost	Total Cost	Description
Others (Specify)					
Others (Specify)					
Others (Specify)					
Total Others (Specify)					
Total Other Expenditures					

(b) (4)

000203

Total	(b) (4)

CIW – Summary

Non-Funded Service Area(s) | Cost

Network and Access Equipment	Total Cost
Others (Specify)	(b) (4)
Power Equipment	
Switching Equipment	
Transport Equipment	
Total Network and Access Equipment	
Outside Plant	**Total Cost**
Cabinets/underground vaults	(b) (4)
Conduit Systems	
Copper Cable - Underground	
Drops	
Fiber - Buried	
Fiber - Submarine Cable	
Fiber - Underground Cable	
Others (Specify)	
Total Outside Plant	
Buildings	**Total Cost**
Improvements	(b) (4)
Others (Specify)	
Pre-Fab Huts	
Total Buildings	
Towers	**Total Cost**
Improvements	(b) (4)
Lattice Towers	
Others (Specify)	
Total Towers	
Customer Premises Equipment	**Total Cost**
Modems and Routers	(b) (4)
Total Customer Premises Equipment	
Support Assets	**Total Cost**
Construction Equipment	(b) (4)
Construction Vehicles	
Tools	
Total Support Assets	
Other Expenditures	**Total Cost**

Others (Specify)	(b) (4)
Total Other Expenditures	
Professional Services	**Total Cost**
Engineering Services	(b) (4)
Environmental Services	
Other (specify the type of service)	
Total Professional Services	
Total Non-Funded Service Area Cost	

Capital Investment Schedule

Proposed Funded Service Area

Network and Access Equipment

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Switching Equipment	(b) (4)								
Professional Services									

Outside Plant

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Fiber - Submarine Cable	(b) (4)								
Cabinets/underground vaults									
Drops									
Conduit Systems									
Fiber - Underground Cable									
Fiber - Buried									
Professional Services									

Professional Services

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Total	(b) (4)								

Total Capital Investment Schedule

		2022	2023	2024	2025	2026	2027	Total	
Total Capital Investment Schedule	(b) (4)								

Annual Capital Investment

Total Proposed Funded Services Area Costs							
	Total Costs	2023	2024	2025	2026	2027	Total
Total Match Amoun	(b) (4)						
Total Grant Amount	$34,905,000	$750,000	$2,000,000	$16,650,000	$15,505,000	$0	$34,905,000
Other Funds							
Total	(b) (4)						

000206

Non-Funded Service Area

Network and Access Equipment

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Switching Equipment	(b) (4)								
Professional Services									
Power Equipment									
Transport Equipment									
Others (Specify)									

Outside Plant

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Copper Cable - Underground	(b) (4)								
Fiber - Submarine Cable									
Professional Services									
Fiber - Buried									
Fiber - Underground Cable									
Conduit Systems									
Drops									
Cabinets/underground vaults									
Others (Specify)									

Buildings

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Pre-Fab Huts	(b) (4)								
Others (Specify)									
Professional Services									
Improvements									

Towers

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Improvements	(b) (4)								
Professional Services									
Others (Specify)									
Lattice Towers									

Customer Premises Equipment

000207

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Modems and Routers	(b) (4)								
Professional Services									

Support Assets

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Construction Vehicles	(b) (4)								
Construction Equipment									
Tools									

Other Expenditures

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Others (Specify)	(b) (4)								

Professional Services

Asset Type	CIW Summary Amounts	2022	2023	2024	2025	2026	2027	Total	Amts Fully Distb?
Total	(b) (4)								

Total Capital Investment Schedule

		2022	2023	2024	2025	2026	2027	Total	
Total Capital Investment Schedule	(b) (4)								

Unadvanced Prior Loan Funds

000208

Local Network Services Revenue

Service Offerings

Service Offering Summary View

Service Area	Service Offering	Service Offering Description	Service Offering Status	Broadband Dwnld Speed	Broadband Upload Speed	Customer Type	Price
NFSA - Existing	Voice	BILLING CONTROL FANI7	Existing			Residential	(b) (4)
NFSA - Existing	Voice	BILLING CONTROL FANI7	Existing			Business	
NFSA - Existing	Voice	BLOCK OF 100 CHARGE	Existing			Business	
NFSA - Existing	Voice	BLOCK OF 25 CHARGE	Existing			Business	
NFSA - Existing	Voice	BUS LINE TOUCH TONE	Existing			Business	
NFSA - Existing	Voice	BUSINESS LINE TRUNK CHARGE	Existing			Business	
NFSA - Existing	Voice	BUSINESS TEEN LINE	Existing			Business	
NFSA - Existing	Voice	CALL FORWARD/REMOTE	Existing			Business	
NFSA - Existing	Voice	CHANNEL TERMINATION 2 WIRE	Existing			Business	
NFSA - Existing	Voice	CHANNEL TERMINATION 4W	Existing			Business	
NFSA - Existing	Voice	CONFERENCE CALL MONTHLY	Existing			Business	
NFSA - Existing	Voice	HPBX ANALOG STATION	Existing			Business	
NFSA - Existing	Voice	HPBX BASIC STATION	Existing			Business	
NFSA - Existing	Voice	HPBX PREMIUM STATION	Existing			Business	
NFSA - Existing	Voice	HPBX STANDARD STATION	Existing			Business	
NFSA - Existing	Voice	HUNT GROUP SEQUENTIAL	Existing			Business	
NFSA - Existing	Voice	KEY SYSTEM TT LINE PRIOR 87	Existing			Business	
NFSA - Existing	Voice	OFFPREM CONTINUOUS	Existing			Residential	
NFSA - Existing	Voice	OFFPREM CONTINUOUS	Existing			Business	
NFSA - Existing	Voice	OFFPREM NONCONT	Existing			Residential	
NFSA - Existing	Voice	OFFPREM NONCONT	Existing			Business	
NFSA - Existing	Voice	OFFPREM NONCONT ADDL QTR	Existing			Residential	
NFSA - Existing	Voice	OFFPREM NONCONT ADDL QTR	Existing			Business	
NFSA - Existing	Voice	PABX DID TRUNK CHARGE	Existing			Business	
NFSA - Existing	Voice	REMOTE CALL FORWARD	Existing			Residential	
NFSA - Existing	Voice	REMOTE CALL FORWARD	Existing			Business	
NFSA - Existing	Voice	RES LINE TOUCH TONE	Existing			Residential	
NFSA - Existing	Voice	TEEN LINE	Existing			Residential	
NFSA - Existing	Voice	TOLL DENY	Existing			Residential	
NFSA - Existing	Voice	TOLL DENY	Existing			Business	
NFSA - Existing	Data		New	25 Mbps	3 Mbps	Business	0

Service Area	Service Offering	Service Offering Description	Service Offering Status	Broadband Dwnld Speed	Broadband Upload Speed	Customer Type	Price
		Chenega Unlimited Better Internet (25/3 Bus)					
NFSA - Existing	Data	Chenega Unlimited Better Internet (25/3)	New	25 Mbps	3 Mbps	Residential	(b) (4)
NFSA - Existing	Data	Chenega Unlimted Basic Internet (8/2)	New	10 Mbps	1 Mbps	Residential	
NFSA - Existing	Data	Chenega Unlimted Basic Internet (8/2)	New	10 Mbps	1 Mbps	Business	
NFSA - Existing	Data	INTERNET BASIC-BUSINESS (8/2 MB)	Existing	10 Mbps	1 Mbps	Business	
NFSA - Existing	Data	INTERNET BEST-BUSINESS (50/10 MB)	Existing	50 Mbps	10 Mbps	Business	
NFSA - Existing	Data	INTERNET BEST-MEMBER (50/10 MB)	Existing	50 Mbps	10 Mbps	Residential	
NFSA - Existing	Data	INTERNET BETTER-BUSINESS (25/5 MB)	Existing	25 Mbps	4 Mbps	Business	
NFSA - Existing	Data	INTERNET BETTER-MEMBER (25/5 MB)	Existing	25 Mbps	4 Mbps	Residential	
NFSA - Existing	Data	INTERNET ULTIMATE-MEMBER (100/10 MB)	Existing	100 Mbps	10 Mbps	Residential	
Hoonah	Data	Symmetrical Basic (100/100MB)	New	100 Mbps	100 Mbps	Residential	
Pelican	Data	Symmetrical Basic (100/100MB)	New	100 Mbps	100 Mbps	Residential	
Pelican	Data	Symmetrical Basic 100/100	New	100 Mbps	100 Mbps	Business	
Hoonah	Data	Symmetrical Basic 100/100	New	100 Mbps	100 Mbps	Business	
NFSA - Existing	Data	Symmetrical DSL 10/10MB	Existing	10 Mbps	10 Mbps	Business	
NFSA - Existing	Data	Symmetrical DSL 100/100MB	New	100 Mbps	100 Mbps	Business	
Hoonah	Data	Unlimited Basic (8/2MB)	New	10 Mbps	1 Mbps	Residential	
Pelican	Data	Unlimited Basic (8/2MB)	New	10 Mbps	1 Mbps	Residential	
Hoonah	Data	Unlimited Basic Business (10/2MB)	New	10 Mbps	1 Mbps	Business	
Pelican	Data	Unlimited Basic Business (10/2MB)	New	10 Mbps	1 Mbps	Business	
NFSA - Existing	Data	Unlimited Basic Internet (8/2)	Existing	10 Mbps	1 Mbps	Residential	
Pelican	Data	Unlimited Best (50/10MB)	New	50 Mbps	10 Mbps	Residential	
Hoonah	Data	Unlimited Best (50/10MB)	New	50 Mbps	10 Mbps	Residential	
Hoonah	Data	Unlimited Best Business (50/10MB)	New	50 Mbps	10 Mbps	Business	
Pelican	Data	Unlimited Best Business (50/10MB)	New	50 Mbps	10 Mbps	Business	
Pelican	Data	Unlimited Better (25/5MB)	New	25 Mbps	4 Mbps	Residential	
Hoonah	Data	Unlimited Better (25/5MB)	New	25 Mbps	4 Mbps	Residential	
Hoonah	Data	Unlimited Better Business (25/5MB)	New	25 Mbps	4 Mbps	Business	
Pelican	Data	Unlimited Better Business (25/5MB)	New	25 Mbps	4 Mbps	Business	
Hoonah	Data	Unlimited Ultimate (100/10MB)	New	100 Mbps	10 Mbps	Residential	
Pelican	Data	Unlimited Ultimate (100/10MB)	New	100 Mbps	10 Mbps	Residential	
Hoonah	Data		New	100 Mbps	10 Mbps	Business	0

Service Area	Service Offering	Service Offering Description	Service Offering Status	Broadband Dwnld Speed	Broadband Upload Speed	Customer Type	Price
		Unlimited Ultimate Business (100/10MB)					
Pelican	Data	Unlimited Ultimate Business (100/10MB)	New	100 Mbps	10 Mbps	Business	(b) (4)
NFSA - Existing	Data	Unlimited Ultimate Internet (100/10 Bus)	Existing	100 Mbps	10 Mbps	Business	
NFSA - Existing	Data	Yakutat Unlimited Basic (8/2 Bus)	New	10 Mbps	1 Mbps	Business	
NFSA - Existing	Data	Yakutat Unlimited Basic Internet (8/2)	New	10 Mbps	1 Mbps	Residential	
NFSA - Existing	Data	Yakutat Unlimited Best Internet (50/10)	New	50 Mbps	10 Mbps	Residential	
NFSA - Existing	Data	Yakutat Unlimited Better Internet (25/4 Bus)	New	25 Mbps	4 Mbps	Business	
NFSA - Existing	Data	Yakutat Unlimited Better Internet (25/4)	New	25 Mbps	4 Mbps	Residential	
NFSA - Existing	Data	Yakutat Unlimited Ultimate Internet (100/10)	New	100 Mbps	10 Mbps	Residential	
NFSA - Existing	Data	Yakutat Unlimited Ultimate Internet 100/10 Business	New	100 Mbps	10 Mbps	Business	
NFSA - Existing	Data	Yakutat Unlimted Best Internet (50/10 Bus)	New	50 Mbps	10 Mbps	Business	

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Subscriber Projections

NFSA - Existing

RES LINE TOUCH TONE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

BUS LINE TOUCH TONE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

KEY SYSTEM TT LINE PRIOR 87

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

BUSINESS LINE TRUNK CHARGE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

PABX DID TRUNK CHARGE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

HPBX BASIC STATION

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

HPBX STANDARD STATION

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

HPBX PREMIUM STATION

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

HPBX ANALOG STATION

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

BILLING CONTROL FANI7

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										

(b) (4)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

BILLING CONTROL FANI7

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

BUSINESS TEEN LINE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

HUNT GROUP SEQUENTIAL

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										

(b) (4)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Churn Rate	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%

REMOTE CALL FORWARD

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

REMOTE CALL FORWARD

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

OFFPREM CONTINUOUS

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

TEEN LINE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

TOLL DENY

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

TOLL DENY

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

OFFPREM CONTINUOUS

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										

(b) (4)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Existing Subscribers	(b) (4)									
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

OFFPREM NONCONT

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

OFFPREM NONCONT

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

OFFPREM NONCONT ADDL QTR

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Additions	(b) (4)									
Ending Subscribers										
Churn Rate										

OFFPREM NONCONT ADDL QTR

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

CALL FORWARD/REMOTE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

CONFERENCE CALL MONTHLY

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

BLOCK OF 25 CHARGE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

BLOCK OF 100 CHARGE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

Unlimited Basic Internet (8/2)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

INTERNET BASIC-BUSINESS (8/2 MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Business

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	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

INTERNET BETTER-MEMBER (25

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	4 Mbps	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

INTERNET BETTER-BUSINESS (25/5 MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	4 Mbps	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

INTERNET BEST-MEMBER (50/10 MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	50 Mbps	10 Mbps	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										

(b) (4)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

INTERNET BEST-BUSINESS (50/1

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	50 Mbps	10 Mbps	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

INTERNET ULTIMATE-MEMBER (100/10 MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	10 Mbps	Residential

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

CHANNEL TERMINATION 4W

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										

(b) (4)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Churn Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CHANNEL TERMINATION 2 WIRE

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Voice	N/A	N/A	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price										
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

(b) (4)

Yakutat Unlimited Best Internet (50/10)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	50 Mbps	10 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Yakutat Unlimited Better Internet (25/4)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	4 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Yakutat Unlimited Ultimate Internet 100/10 Business

000223

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	10 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Chenega Unlimted Basic Internet (8/2)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Business

Price	
Existing Subscribers	
New Subscribers	
Cancellations	
Net Additions	
Ending Subscribers	
Churn Rate	

(b) (4)

Chenega Unlimted Basic Internet

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Chenega Unlimited Better Internet (25/3)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	3 Mbps	Residential

Price	

(b) (4)

	2022	2023	2024	2025	2026	2027
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Chenega Unlimited Better Internet

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	3 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Yakutat Unlimted Best Internet (50

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	50 Mbps	10 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Yakutat Unlimited Better Internet

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	4 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						

(b) (4)

5

	2022	2023	2024	2025	2026	2027
Net Additions	(b) (4)					
Ending Subscribers						
Churn Rate						

Yakutat Unlimited Ultimate Internet (100/10)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	10 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Yakutat Unlimited Basic Internet (8/2)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Yakutat Unlimited Basic (8/2 Bus)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Unlimited Ultimate Internet (100/10 Bus)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	10 Mbps	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

Symmetrical DSL 10/10MB

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	10 Mbps	Business

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Price	(b) (4)									
Existing Subscribers										
New Subscribers										
Cancellations										
Net Additions										
Ending Subscribers										
Churn Rate										

Symmetrical DSL 100/100MB

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	100 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Pelican

Symmetrical Basic 100/100

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	100 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Unlimited Basic (8/2MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Unlimited Better (25/5MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	4 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Unlimited Best (50/10MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	50 Mbps	10 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price	(b) (4)	(b) (4)	(b) (4)	(b) (4)	(b) (4)	(b) (4)

	2022	2023	2024	2025	2026	2027
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Unlimited Ultimate (100/10MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	10 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Symmetrical Basic (100/100MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	100 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Unlimited Basic Business (10/2MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						

(b) (4)

9

	2022	2023	2024	2025	2026	2027
Net Additions	(b) (4)					
Ending Subscribers						
Churn Rate						

Unlimited Better Business (25/5MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	4 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Unlimited Best Business (50/10MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	50 Mbps	10 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Unlimited Ultimate Business (100/10MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	10 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Hoonah

Symmetrical Basic 100/100

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	100 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Unlimited Basic (8/2MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Unlimited Better (25/5MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	4 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Unlimited Best (50/10MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	50 Mbps	10 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Unlimited Ultimate (100/10MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	10 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Symmetrical Basic (100/100MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	100 Mbps	Residential

	2022	2023	2024	2025	2026	2027
Price						
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

(b) (4)

Unlimited Basic Business (10/2MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	10 Mbps	1 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price						

(b) (4)

	2022	2023	2024	2025	2026	2027
Existing Subscribers	(b) (4)					
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Unlimited Better Business (25/5MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	25 Mbps	4 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Unlimited Best Business (50/10MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	50 Mbps	10 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						
Net Additions						
Ending Subscribers						
Churn Rate						

Unlimited Ultimate Business (100/10MB)

Service Offering	Broadband Download Speed	Broadband Upload Speed	Customer Type
Data	100 Mbps	10 Mbps	Business

	2022	2023	2024	2025	2026	2027
Price	(b) (4)					
Existing Subscribers						
New Subscribers						
Cancellations						

	2022	2023	2024	2025	2026	2027
Net Additions	(b) (4)					
Ending Subscribers						
Churn Rate						

Other Revenues

Do you charge an Installation or Setup Fee when connecting new subscribers?	Yes
On average, how much does the company charge a new subscriber to install or set-up equipment?	18.00
Do you have any Other Local Network Services Revenues to report?	Yes

LINE ITEM	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Other Local Network Services Revenue	(b) (4)									

Please identify what services are generating the Other Local Network Services Revenues: Leased Equipment Revenues- Modem/Router leases. Assumes 50% subscribers lease vs buy. Increases with subscriber count.

Subscriber Breakdown by Service Area

NFSA - Existing

RESIDENTIAL	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Voice	(b) (4)									
Data										
Total Residential Subscribers										
Households										
Household Penetration Rates										

BUSINESS	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Voice	(b) (4)									
Data										
Total Business Subscribers										
Businesses										
Business Penetration Rates										

Pelican

RESIDENTIAL	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Data	(b) (4)									
Total Residential Subscribers										
Alternate Households										
Alternate Household Penetration										

BUSINESS	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Data	(b) (4)									
Total Business Subscribers										
Businesses										

BUSINESS	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Business Penetration Rates	(b) (4)									

Hoonah

RESIDENTIAL	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Data	(b) (4)									
Total Residential Subscribers										
Households										
Household Penetration Rates										

BUSINESS	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Data	(b) (4)									
Total Business Subscribers										
Businesses										
Business Penetration Rates										

Summary

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Residential Subscribers	(b) (4)									
Total Business Subscribers										

Local Network Services Revenue

SERVICE OFFERING	CUSTOMER TYPE	2022	2023	2024	2025	2026	2027
Voice	Residential	(b) (4)					
Data	Residential						
Voice	Business						
Data	Business						
Residential Local Network Services Revenue							
Residential Average Revenue per User (ARPU)							
Business Local Network Services Revenue							
Business Average Revenue per User (ARPU)							
One-time Set-up Fees							
Other Local Network Services Revenue							
Total Local Network Services Revenue							

Alternate Household Documents

000236

Pelican

Section	Document Type	Description	File Name	User	Date/Time
Financial Information	Alternate Households Supporting Data	CTC evidence for alternative household data from the City of Pelican	CTC R4 Evidence - Alternate Household Data.pdf	Jeremiah Beckett	Oct 31, 2022, 14:15

Competitor Service Offerings

Service Area	Service Provider	Service Offering	Service Offering Description	Broadband Dwnld Speed	Broadband Upload Speed	Customer Type	Price
NFSA - Existing	Alaska Communications	Voice	Home Voice			Residential	$ 38.25
Pelican	Alaska Communications	Voice	Home Voice			Residential	$ 38.25
Hoonah	Alaska Communications	Voice	Home Voice			Residential	$ 38.25
NFSA - Existing	GCI	Voice	No Limits Home Calling Plan			Residential	$ 29.99
Hoonah	Snow Cloud Services	Data	Hoonah Broadband	25 Mbps	4 Mbps	Residential	$ 165.00
Hoonah	Snow Cloud Services	Data	Hoonah Residential Advanced	10 Mbps	1 Mbps	Residential	$ 105.00
Hoonah	Snow Cloud Services	Data	Hoonah Residential Basic	4 Mbps	1 Mbps	Residential	$ 65.00
Hoonah	HughesNet Satellite	Data	HughesNet 100GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 149.99
Pelican	HughesNet Satellite	Data	HughesNet 100GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 149.99
NFSA - Existing	HughesNet Satellite	Data	HughesNet 100GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 149.99
Pelican	HughesNet Satellite	Data	HughesNet 15GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 64.99
Hoonah	HughesNet Satellite	Data	HughesNet 15GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 64.99
NFSA - Existing	HughesNet Satellite	Data	HughesNet 15GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 64.99
NFSA - Existing	HughesNet Satellite	Data	HughesNet 30GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 74.99
Pelican	HughesNet Satellite	Data	HughesNet 30GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 74.99
Hoonah	HughesNet Satellite	Data	HughesNet 30GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 74.99
Hoonah	HughesNet Satellite	Data	HughesNet 45GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 109.99
NFSA - Existing	HughesNet Satellite	Data	HughesNet 45GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 109.99
Pelican	HughesNet Satellite	Data	HughesNet 45GB (25/3MB)	25 Mbps	3 Mbps	Residential	$ 109.99
Hoonah	Alaska Communications	Data	Unlimited Internet	10 Mbps	1 Mbps	Residential	$ 84.99
NFSA - Existing	GCI	Data	Xtreme12 (12/1MB, 60GB Data Limit)	10 Mbps	1 Mbps	Residential	$ 69.99
NFSA - Existing	GCI	Data	Xtreme15 (15/1MB, 100GB Data Limit)	10 Mbps	1 Mbps	Residential	$ 74.99
NFSA - Existing	GCI	Data	Xtreme18 (18/1MB, 150GB Data Limit)	10 Mbps	1 Mbps	Residential	$ 94.99
NFSA - Existing	GCI	Data	Xtreme22 (22/1MB, 200GB Data Limit)	25 Mbps	1 Mbps	Residential	$ 124.99
NFSA - Existing	GCI	Data	Xtreme22 Plus (22/1MB, 250GB Data Limit)	25 Mbps	1 Mbps	Residential	$ 149.99
NFSA - Existing	GCI	Data	Xtreme22 Premium (22/1MB, 300GB Data Limit)	25 Mbps	1 Mbps	Residential	$ 174.99

Depreciation Schedule

Depreciation Rates

CIW Project Asset Type	Depreciation Rate (%)
Switching Equipment	6.67
Power Equipment	20.00
Others (Specify)	6.67
Transport Equipment	6.67
Fiber - Submarine Cable	3.33
Fiber - Buried	3.33
Fiber - Underground Cable	3.33
Conduit Systems	3.33
Drops	4.00
Cabinets/underground vaults	4.00
Copper Cable - Underground	3.33
Others (Specify)	3.33
Pre-Fab Huts	4.00
Others (Specify)	4.00
Improvements	4.00
Improvements	7.00
Others (Specify)	7.00
Lattice Towers	7.00
Modems and Routers	100.00
Construction Vehicles	20.00
Tools	20.00
Construction Equipment	20.00

Composite Economic Life

Project Asset Category	CIW Asset Type	Depreciation Rate (%)	ECONOMIC LIFE (Years)	2023	2024	2025	2026	2027	Total	ECONOMIC LIFE Calculation
Network and Access Equipment	Switching Equipment	6.67	14.99	$ 0	(b) (4)					
Outside Plant	Fiber - Submarine Cable	3.33	30.03	$ 0						
Outside Plant	Fiber - Buried	3.33	30.03	$ 0						
Outside Plant	Fiber - Underground Cable	3.33	30.03	$ 0						
Outside Plant	Conduit Systems	3.33	30.03	$ 0						
Outside Plant	Drops	4.00	25.00	$ 0						
Outside Plant	Cabinets/underground vaults	4.00	25.00	$ 0						
			Total Composite Economic Life	**$ 0**						
			Composite Economic Life							

Annual Depreciation Expense

Proposed Funded Service Area

CIW Asset Type	Project Asset Category	Depreciation Rate (%)	ECONOMIC LIFE (Years)	2022	2023	2024	2025	2026	2027
Network and Access Equipment	Switching Equipment	6.67	14.99	(b) (4)					
Outside Plant	Fiber - Submarine Cable	3.33	30.03						
Outside Plant	Fiber - Buried	3.33	30.03						
Outside Plant	Fiber - Underground Cable	3.33	30.03						
Outside Plant	Conduit Systems	3.33	30.03						
Outside Plant	Drops	4.00	25.00						
Outside Plant	Cabinets/underground vaults	4.00	25.00						
			Total Annual Depreciation Expenses						

Non-Funded Service Area

CIW Asset Type	Project Asset Category	Depreciation Rate (%)	ECONOMIC LIFE (Years)	2022	2023	2024	2025	2026	2027
Network and Access Equipment	Switching Equipment	6.67	14.99	(b) (4)					
Network and Access Equipment	Power Equipment	20.00	5.00						
Network and Access Equipment	Transport Equipment	6.67	14.99						
Network and Access Equipment	Others (Specify)	6.67	14.99						
Outside Plant	Copper Cable - Underground	3.33	30.03						
Outside Plant	Fiber - Submarine Cable	3.33	30.03						
Outside Plant	Fiber - Buried	3.33	30.03						
Outside Plant	Fiber - Underground Cable	3.33	30.03						
Outside Plant	Conduit Systems	3.33	30.03						
Outside Plant	Drops	4.00	25.00						
Outside Plant	Cabinets/underground vaults	4.00	25.00						
Outside Plant	Others (Specify)	3.33	30.03						
Buildings	Pre-Fab Huts	4.00	25.00						
Buildings	Others (Specify)	4.00	25.00						
Buildings	Improvements	4.00	25.00						
Towers	Improvements	7.00	14.29						
Towers	Others (Specify)	7.00	14.29						
Towers	Lattice Towers	7.00	14.29						
Customer Premises Equipment	Modems and Routers	100.00	1.00						
Support Assets	Construction Vehicles	20.00	5.00						
Support Assets	Tools	20.00	5.00						
Support Assets	Construction Equipment	20.00	5.00						

CIW Asset Type	Project Asset Category	Depreciation Rate (%)	ECONOMIC LIFE (Years)	2022	2023	2024	2025	2026	2027
			Total Annual Depreciation Expenses						

Unadvanced Prior Loan Fund

CIW Asset Type	Project Asset Category	Depreciation Rate (%)	ECONOMIC LIFE (Years)	2022	2023	2024	2025	2026	2027

Depreciation Expense Summary

Statement Sub Type	2022	2023	2024	2025	2026	2027
Existing Property, Plant and Equipment	(b) (4)					
Non-telecommunications plant added during forecast period						
Telecommunications Plant - PFSA						
Telecommunications Plant - NFSA						
Less Grant-Funded Plant						
Total Annual Depreciation Expense Summary						

Long-Term Debt Schedule

Funded Debt - Existing RUS/RTB/FFB Notes

Does the applicant have existing RUS debt to report? Yes

RUS ID	Note Designation	Loan Description	Original Principal Balance	Outstanding Principal Balance	Annual Interest Rate	Term of Note (Years)	Number of Payments (per Year)	Annual Payment Amount	Date of Note
AK0522-A8	2	RUS - Cost-of-Money	$2,861,000	$29,180	5.00	45	4	$12,757	03/18/81
AK0522-C12	3	RUS - Cost-of-Money	$231,900	$116,549	4.52	19	12	$207,597	06/13/05
AK0522-C12-RTB	2	RTB	$1,497,789	$80,711	5.49	19	12	$775,448	06/13/05
AK0552-D42a	4	RUS - Cost-of-Money	$10,750,000	$6,505,719	3.70	24	12	$775,448	06/08/10

Funded Debt - RUS/RTB/FFB - Amortization

AK0522-A8

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	$0	$0	$0	$0	$0	$0	$0
Interest Paid	$1,674	$1,109	$516	$33	$0	$0	$0
Principal Paid	$11,083	$11,648	$12,241	$2,618	$0	$0	$0
Total Debt Service	$12,757	$12,757	$12,757	$2,651	$0	$0	$0
Long-Term Portion - LTD	$14,859	$2,618	$0	$0	$0	$0	$0
Current Maturities - LTD	$11,648	$12,241	$2,618	$0	$0	$0	$0
Year-End Balance - LTD	$26,507	$14,859	$2,618	$0	$0	$0	$0

AK0522-C12

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	$0	$0	$0	$0	$0	$0	$0
Interest Paid	$8,638	$916	$0	$0	$0	$0	$0
Principal Paid	$198,959	$83,050	$0	$0	$0	$0	$0
Total Debt Service	$207,597	$83,966	$0	$0	$0	$0	$0
Long-Term Portion - LTD	$0	$0	$0	$0	$0	$0	$0
Current Maturities - LTD	$83,050	$0	$0	$0	$0	$0	$0
Year-End Balance - LTD	$83,050	$0	$0	$0	$0	$0	$0

AK0522-C12-RTB

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	$0	$0	$0	$0	$0	$0	$0
Interest Paid	$8,687	$2,645	$0	$0	$0	$0	$0
Principal Paid	$134,562	$58,901	$0	$0	$0	$0	$0
Total Debt Service	$143,249	$61,546	$0	$0	$0	$0	$0
Long-Term Portion - LTD	$0	$0	$0	$0	$0	$0	$0
Current Maturities - LTD	$58,901	$0	$0	$0	$0	$0	$0
Year-End Balance - LTD	$58,901	$0	$0	$0	$0	$0	$0

AK0552-D42a

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	$0	$0	$0	$0	$0	$0	$0
Interest Paid	$279,520	$259,831	$239,362	$218,079	$195,951	$172,945	$149,026
Principal Paid	$495,928	$515,617	$536,086	$557,369	$579,497	$602,503	$626,422
Total Debt Service	$775,448	$775,448	$775,448	$775,448	$775,448	$775,448	$775,448
Long-Term Portion - LTD	$6,029,257	$5,493,171	$4,935,802	$4,356,305	$3,753,802	$3,127,380	$3,127,380
Current Maturities - LTD	$515,617	$536,086	$557,369	$579,497	$602,503	$626,422	$0
Year-End Balance - LTD	$6,544,874	$6,029,257	$5,493,171	$4,935,802	$4,356,305	$3,753,802	$3,127,380

Summary

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	$0	$0	$0	$0	$0	$0	$0
Interest Paid	$298,519	$264,501	$239,878	$218,112	$195,951	$172,945	$149,026
Principal Paid	$840,532	$669,216	$548,327	$559,987	$579,497	$602,503	$626,422
Total Debt Service	$1,139,051	$933,717	$788,205	$778,099	$775,448	$775,448	$775,448
Long-Term Portion - LTD	$6,044,116	$5,495,789	$4,935,802	$4,356,305	$3,753,802	$3,127,380	$3,127,380
Current Maturities - LTD	$669,216	$548,327	$559,987	$579,497	$602,503	$626,422	$0
Year-End Balance - LTD	$6,713,332	$6,044,116	$5,495,789	$4,935,802	$4,356,305	$3,753,802	$3,127,380

Funded Debt - Other

Does the applicant have any Funded Debt - Other to report? Yes

Long-Term Debt Identifier	Name of Lender	Loan Description	Original Principal Balance	Outstanding Principal Balance	Annual Interest Rate	Term of Note (Years)	Number of Payments (per Year)	Annual Payment Amount	Start Date of Note	Is the Loan Secured by Applicant's Assets, Revenues or Stock?	Security Evidenced by UCC?	State of UCC Filing	Date of UCC Filing
(b) (4)													

Funded Debt - Other - Amortization

(b) (4)

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	(b) (4)						
Interest Paid							
Principal Paid							
Total Debt Service							
Long-Term Portion - LTD							
Current Maturities - LTD							
Year-End Balance - LTD							

Funded Debt - Rural Development

Does the applicant have any Rural Development Loan(s) to report? No

Long-Term Debt Identifier	Name of Lender	Loan Description	Original Principal Balance	Outstanding Principal Balance	Annual Interest Rate	Term of Note (Years)	Number of Payments (per Year)	Annual Payment Amount	Start Date of Note	Is the Loan Secured by Applicant's Assets, Revenues or Stock?	Security Evidenced by UCC?	State of UCC Filing	Date of UCC Filing

Funded Debt - Rural Development Loan - Amortization

No Records Found.

Other Long-Term Debt

Does the applicant have any other Long-Term Debt to report? Yes

Long-Term Debt Identifier	Name of Lender	Loan Description	Original Principal Balance	Outstanding Principal Balance	Annual Interest Rate	Term of Note (Years)	Number of Payments (per Year)	Annual Payment Amount	Start Date of Note	Is the Loan Secured by Applicant's Assets, Revenues or Stock?	Security Evidenced by UCC?	State of UCC Filing	Date of UCC Filing

Other Long-Term Debt - Amortization

No Records Found.

Obligations Under Capital Lease

Does the applicant have any Obligations Under Capital Lease to report? Yes

Capital Lease Identifier	Name of Lessor	Lease Description	Original Capital Lease Amount	Outstanding Capital Lease Amount	Annual Interest Rate (%)	Term of Lease (Years)	Number of Payments (per Year)	Annual Lease Payment	Start Date of Lease
(b) (4)									

Capital Lease Identifier	Name of Lessor	Lease Description	Original Capital Lease Amount	Outstanding Capital Lease Amount	Annual Interest Rate (%)	Term of Lease (Years)	Number of Payments (per Year)	Annual Lease Payment	Start Date of Lease
(b) (4)									

Obligations Under Capital Lease - Amortization

042922 MHT 9100983 NICEY Icy Bay Land use License TLO

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	(b) (4)						
Interest Paid							
Principal Paid							
Total Debt Service							
Long-Term Portion - LTD							
Current Maturities - LTD							
Year-End Balance - LTD							

50 Mile Site Lease

New Borrowing	(b) (4)						
Interest Paid							
Principal Paid							
Total Debt Service							
Long-Term Portion - LTD							
Current Maturities - LTD							
Year-End Balance - LTD							

ADL 109197 Suckling Land Lease

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	(b) (4)						
Interest Paid							
Principal Paid							
Total Debt Service							
Long-Term Portion - LTD							

	2022	2023	2024	2025	2026	2027	2028
Current Maturities - LTD	(b) (4)						
Year-End Balance - LTD							

ADL 109198 Yakutaga Land Lease

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	(b) (4)						
Interest Paid							
Principal Paid							
Total Debt Service							
Long-Term Portion - LTD							
Current Maturities - LTD							
Year-End Balance - LTD							

ADL 233511 Eyak Lake

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	(b) (4)						
Interest Paid							
Principal Paid							
Total Debt Service							
Long-Term Portion - LTD							
Current Maturities - LTD							
Year-End Balance - LTD							

ADL No 229054 Flag Point

	2022	2023	2024	2025	2026	2027	2028
New Borrowing	(b) (4)						
Interest Paid							
Principal Paid							
Total Debt Service							
Long-Term Portion - LTD							
Current Maturities - LTD							
Year-End Balance - LTD							

Crater Lake Lease Agreement

	2022	2023	2024	2025	2026	2027	2028
New Borrowing							
Interest Paid							
Principal Paid							
Total Debt Service							
Long-Term Portion - LTD							
Current Maturities - LTD							
Year-End Balance - LTD							

(b) (4)

Summary

	2022	2023	2024	2025	2026	2027	2028
New Borrowing							
Interest Paid							
Principal Paid							
Total Debt Service							
Long-Term Portion - LTD							
Current Maturities - LTD							
Year-End Balance - LTD							

(b) (4)

Long-Term Debt Documents

The Alaska Mental Health Trust Authori-042922 MHT 9100983 NICEY Icy Bay Land us

Section	Document Type	Description	File Name	User	Date/Time
Financial Information	Obligations Under Capital Leases - Lease Agreement		(b) (4)		

The Eyak Corporation-50 Mile Site Lease

Section	Document Type	Description	File Name	User	Date/Time
Financial Information	Obligations Under Capital Leases - Lease Agreemen		(b) (4)		

State of Alaska Department of Natural Resources-ADL 109197 Suckling Land Lease

Section	Document Type	Description	File Name	User	Date/Time
Financial Information	Obligations Under Capital Leases - Lease Agreement		(b) (4)		

State of Alaska Department of Natural R-ADL 109198 Yakutaga Land Lease

Section	Document Type	Description	File Name	User	Date/Time
Financial Information	Obligations Under Capital Leases - Lease Agreemen		(b) (4)		

000246

State of Alaska Department of Natural R-ADL 233511 Eyak Lake

Section	Document Type	Description	File Name	User	Date/Time
Financial Information	Obligations Under Capital Leases - Lease Agreemen	(b) (4)			

State of Alaska Department of Natural R-ADL No 229054 Flag Point

Section	Document Type	Description	File Name	User	Date/Time
Financial Information	Obligations Under Capital Leases - Lease Agreement	(b) (4)			

CoBank-CoBank Loan

Section	Document Type				
Financial Information	Funded Debt - Other - Debt Instrument	(b) (4)			

The Eyak Corporation-Crater Lake Lease Agreement

Section	Document Type	Description	File Name	User	Date/Time
Financial Information	Obligations Under Capital Leases - Lease Agreement	(b) (4)			

Amortization Schedule

RUS Debt Summary

Funded Debt - Summary

	2022	2023	2024	2025	2026	2027
New Borrowing	$0	$0	$0	$0	$0	$0
Interest Paid	$298,519	$264,501	$239,878	$218,112	$195,951	$172,945
Principal Paid	$840,532	$669,216	$548,327	$559,987	$579,497	$602,503
Total Debt Service	$1,139,051	$933,717	$788,205	$778,099	$775,448	$775,448
Long-Term Portion - LTD	$6,044,116	$5,495,789	$4,935,802	$4,356,305	$3,753,802	$3,127,380
Current Maturities - LTD	$669,216	$548,327	$559,987	$579,497	$602,503	$626,422
Year-End Balance - LTD	$6,713,332	$6,044,116	$5,495,789	$4,935,802	$4,356,305	$3,753,802

Financial Statements

Non-Operating Net Income

Does the applicant have any non-operating revenues and expenses to report? Yes

Non-Operating Revenues

NON-OPERATING NET INCOME ITEM	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	ASSUMPTIONS
Interest Income	(b) (4)										
Miscellaneous Income											
Other Non-operating Income											
Subsidiary Income											
Total Non-Operating Revenues											

Non-Operating Expenses

NON-OPERATING NET INCOME ITEM	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	ASSUMPTIONS
Charitable Contributions	(b) (4)										
Scholarships											
Total Non-Operating Expenses											

Non-Operating Net Incom

NON-OPERATING NET INCOME ITEM	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	ASSUMPTIONS

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NON-OPERATING NET INCOME ITEM	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	ASSUMPTIONS
Total Non-Operating Net Income	(b) (4)										

Plant-in-Service Schedule

	2022	2023	2024	2025	2026	2027
Plant-in-Service, Beginning of Year	(b) (4)					
Telecommunications Plant Additions - PFSA						
Telecommunications Plant Additions - NFSA						
Non-Telecommunications Plant Additions						
Less Plant Retirements						
Less Grant-Funded Expenses						
Less Grant-Funded Assets						
Plant-in-Service, End of Year						

Network Access Services Revenue

Does the applicant have any Network Access Services Revenue to report? Yes

STATEMENT SUB-TYPE	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	ASSUMPTIONS
End User Federal Subscriber Line Charges	(b) (4)										
Federal USF Alaska Plan Support											
End User Federal Access Recovery Charges											
Federal USF Connect America Fund - Broadband Loop Support (formerly ICLS)											
State Universal Service Support											
Federal USF Connect America Fund Intercarrier Compensation Support											
Carrier Interstate Switched Access Charges											
Carrier Intrastate Switched Access Charges											

STATEMENT SUB-TYPE	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	ASSUMPTIONS
Interstate Special Access Charges (aka, Business Data Services Charges)	(b) (4)										
Total Network Access Services Revenue											

Financial Statements - Continued

Income Statement

LINE ITEM	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Local Network Services Revenue	(b) (4)									
Network Access Services Revenue										
Long Distance Network Services Revenue										
Carrier Billing and Collection Revenue										
Other Operating Revenue										
Amortized Grant Revenue										
Uncollectible Revenue										
Net Operating Revenues										
Plant Specific Operations Expense										
Plant Nonspecific Operations Expense (Excluding Depreciation and Amortization)										
Depreciation Expense										
Amortization Expense										
Customer Operations and Corporate Operations Expenses										
Other Operating Expense										
Total Operating Expenses										
Operating Income or Margins										
Non-Operating Net Income										
Interest on Funded Debt (RUS, RTB and FFB Notes										
Other Interest Expense										
Interest on Line(s) of Credit										
Allowance for Funds Used During Construction										
Total Fixed Charges										
Taxes										
Extraordinary Items										
Total Net Income or Margins										
EBITDA										
EBIT										
Principal Payments on Long-Term Debt and Capital Leases										
TIER										
DSCR										
Network Access Services Revenue / Net Operating Revenues										
Cash Flow from Operations / Total Debt Service										

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Assumptions

LINE ITEM	ASSUMPTION
Local Network Services Revenue	(b) (4)
Network Access Services Revenue	
Long Distance Network Services Revenue	
Carrier Billing and Collection Revenue	
Other Operating Revenue	
Amortized Grant Revenue	
Uncollectible Revenue	
Net Operating Revenues	
Plant Specific Operations Expense	
Plant Nonspecific Operations Expense (Excluding Depreciation and Amortization)	
Depreciation Expense	
Amortization Expense	
Customer Operations and Corporate Operations Expenses	
Other Operating Expense	
Total Operating Expenses	
Operating Income or Margins	
Non-Operating Net Income	
Interest on Funded Debt (RUS, RTB and FFB Notes)	
Other Interest Expense	
Interest on Line(s) of Credit	
Allowance for Funds Used During Construction	
Total Fixed Charges	
Taxes	
Extraordinary Items	
Total Net Income or Margins	
EBITDA	
EBIT	
Principal Payments on Long-Term Debt and Capital Leases	
TIER	
DSCR	
Network Access Services Revenue / Net Operating Revenues	
Cash Flow from Operations / Total Debt Service	

Balance Sheet

Assets

000253

LINE ITEM	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Cash & Equivalents	(b) (4)									
Cash-RUS Construction Fund										
Accounts Receivable - Affiliates										
Accounts Receivable - Non-Affiliates										
Notes Receivable - Affiliates										
Notes Receivable - Non-Affiliates										
Interest and Dividends Receivable										
Materials and Inventory										
Other Current Assets										
Total Current Assets										
Investment in Affiliated Companies - Rural Development										
Investment in Affiliated Companies - Non-Rural Development										
Intangible Assets										
Other Noncurrent Assets										
Total Non-Current Assets										
Plant-in-Service										
Plant Under Construction										
Plant Adjustment, Nonoperating Plant & Goodwill										
Less Accumulated Depreciation										
Net Plant										
Total Assets										

Liabilities and Equity

LINE ITEM										
Accounts Payable - Affiliates	(b) (4)									
Accounts Payable - Non-Affiliates										
Notes Payable - Affiliates										
Notes Payable - Non-Affiliates										
Current Maturities Long-Term Debt - RUS, RTB, and FFB Notes										
Current Maturities Long-Term Debt - Funded Debt - Other										
Current Maturities Long-Term Debt - Funded Debt - Rural Development Loan										
Current Maturities Other Long Term Debt										
Current Maturities - Capital Leases										
Lines of Credit										
Other Current Liabilities										
Total Current Liabilities										
Funded Debt - RUS, RTB, and FFB Notes										

LINE ITEM	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Less Unapplied Payments - Cushion of Credit	(b) (4)									
Funded Debt - Other										
Funded Debt - Rural Development Loan										
Obligations Under Capital Lease										
Other Long-Term Debt										
Total Long-Term Debt										
Other Longer-Term Liabilities and Deferred Credits										
Deferred Grant Revenue										
Total Liabilities										
Capital Stock Outstanding & Subscribed										
Additional Paid-in-Capital										
Membership & Capital Certificates										
Patronage Capital Credits										
Retained Earnings or Margins										
Total Equity										
Total Liabilities & Equity										

Financial Performance Metrics

LINE ITEM	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Equity / Total Assets	(b) (4)									
Current Ratio										
Quick Ratio										
Working Capital in dollars										
Total Liabilities / Total Equity										
Net Plant / Long Term Debt										
Tangible Equity										
Tangible Equity / Total Assets										

Assumptions

LINE ITEM	ASSUMPTION
Cash & Equivalents	(b) (4)
Cash-RUS Construction Fund	
Accounts Receivable - Affiliates	
Accounts Receivable - Non-Affiliates	
Notes Receivable - Affiliates	
Notes Receivable - Non-Affiliates	
Interest and Dividends Receivable	
Materials and Inventory	
Other Current Assets	

LINE ITEM	ASSUMPTION
Total Current Assets	(b) (4)
Investment in Affiliated Companies - Rural Development	
Investment in Affiliated Companies - Non-Rural Development	
Intangible Assets	
Other Noncurrent Assets	
Total Non-Current Assets	
Plant-in-Service	
Plant Under Construction	
Plant Adjustment, Nonoperating Plant & Goodwill	
Less Accumulated Depreciation	
Net Plant	
Total Assets	
Accounts Payable - Affiliates	
Accounts Payable - Non-Affiliates	
Notes Payable - Affiliates	
Notes Payable - Non-Affiliates	
Current Maturities Long-Term Debt - RUS, RTB, and FFB Notes	
Current Maturities Long-Term Debt - Funded Debt - Other	
Current Maturities Long-Term Debt - Funded Debt - Rural Development Loan	
Current Maturities Other Long Term Debt	
Current Maturities - Capital Leases	
Lines of Credit	
Other Current Liabilities	
Total Current Liabilities	
Funded Debt - RUS, RTB, and FFB Notes	
Less Unapplied Payments - Cushion of Credit	
Funded Debt - Other	
Funded Debt - Rural Development Loan	
Obligations Under Capital Lease	
Other Long-Term Debt	
Total Long-Term Debt	
Other Longer-Term Liabilities and Deferred Credits	
Deferred Grant Revenue	
Total Liabilities	
Capital Stock Outstanding & Subscribed	
Additional Paid-in-Capital	
Membership & Capital Certificates	
Patronage Capital Credits	
Retained Earnings or Margins	
Total Equity	

LINE ITEM	ASSUMPTION
Total Liabilities & Equity	
Total Equity / Total Assets	
Current Ratio	
Quick Ratio	
Working Capital in dollars	
Total Liabilities / Total Equity	
Net Plant / Long Term Debt	
Tangible Equity	
Tangible Equity / Total Assets	

Statement of Cash Flow

Cash & Equivalents Beginning of Period

LINE ITEM	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Cash (Cash & Equivalents plus RUS Const. Fund)	(b) (4)								

Cash Flows From Operating Activities

LINE ITEM	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Income (Loss)	(b) (4)								
Add: Depreciation									
Add: Amortization									
Decrease / (Increase) in Accounts Receivable									
Decrease / (Increase) in Materials & Inventory									
Decrease / (Increase) in Other Current Assets, Interest, and Dividends Receivable									
Increase / (Decrease) in Accounts Payable									
Increase / (Decrease) in Other Current Liabilities									
Net Cash Provided/(Used) by Operations									

Cash Flows From Investing

LINE ITEM	2019	2020	2021	2022	2023	2024	2025	2026	2027
Capital Expenditures (excluding plant constructed using grant proceeds)	(b) (4)								
a. Plant Constructed Using Grant Proceeds									
Other Long-Term Investments									
Intangible Assets									
Other Noncurrent Assets									

LINE ITEM	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Cash Provided/(Used) by Investing Activities	(b) (4)								

Cash Flows From Financing Activities

LINE ITEM	2019	2020	2021	2022	2023	2024	2025	2026	2027
Decrease / (Increase) in Notes Receivable	(b) (4)								
Increase / (Decrease) in Notes Payable & Lines of Credit									
Net Increase / (Decrease) in Long Term Debt (Including Current Maturities)									
Decrease / (Increase) in Unapplied Payments - Cushion o Credit									
Increase / (Decrease) in Other Liabilities & Deferred Credits									
Increase / (Decrease) in Capital Stock, Paid-in-Capital, Membership and Capital Certificates & Other Capital									
Proceeds from Grant Funds									
Less: Distributions (Payment of Dividends, Patronage Capital Credits Retired, or any other Distribution)									
Net Cash Provided/(Used) by Financing Activities									

Totals

LINE ITEM	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Increase / (Decrease) in Cash	(b) (4)								
Ending Cash									

Assumptions

LINE ITEM	ASSUMPTION
Beginning Cash (Cash & Equivalents plus RUS Const. Fund)	(b) (4)
Net Income (Loss)	
Add: Depreciation	
Add: Amortization	
Decrease / (Increase) in Accounts Receivable	
Decrease / (Increase) in Materials & Inventory	
Decrease / (Increase) in Other Current Assets, Interest, and Dividends Receivable	
Increase / (Decrease) in Accounts Payable	
Increase / (Decrease) in Other Current Liabilities	
Net Cash Provided/(Used) by Operations	
Capital Expenditures (excluding plant constructed using grant proceeds)	
a. Plant Constructed Using Grant Proceeds	
Other Long-Term Investments	
Intangible Assets	

LINE ITEM	ASSUMPTION
Other Noncurrent Assets	
Net Cash Provided/(Used) by Investing Activities	
Decrease / (Increase) in Notes Receivable	
Increase / (Decrease) in Notes Payable & Lines of Credit	
Net Increase / (Decrease) in Long Term Debt (Including Current Maturities)	
Decrease / (Increase) in Unapplied Payments - Cushion of Credit	
Increase / (Decrease) in Other Liabilities & Deferred Credits	
Increase / (Decrease) in Capital Stock, Paid-in-Capital, Membership and Capital Certificates & Other Capital	
Proceeds from Grant Funds	
Less: Distributions (Payment of Dividends, Patronage Capital Credits Retired, or any other Distribution)	
Net Cash Provided/(Used) by Financing Activities	
Net Increase / (Decrease) in Cash	
Ending Cash	

(b) (4)

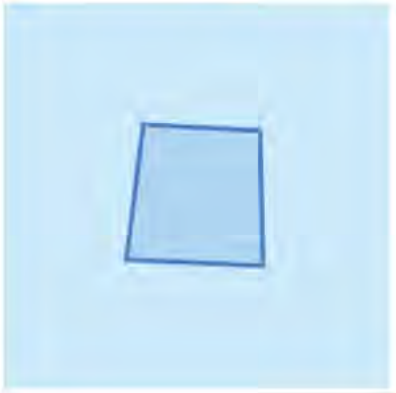
Financial Documents

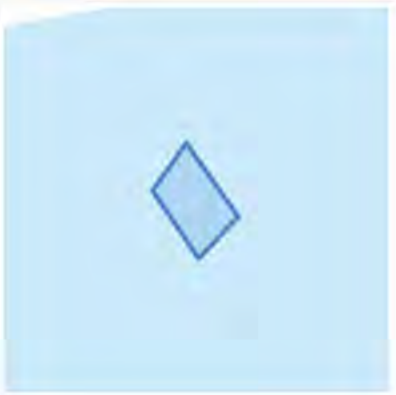
Section	Document Type	Description	File Name	User	Date/Time
Financial Information	Alternate Households Supporting Data	CTC evidence for alternative household data from the City of Pelican	CTC R4 Evidence - Alternate Household Data.pdf	Jeremiah Beckett	Oct 31, 2022, 14:15
Financial Information	Evidence of Matching Contribution	Matching Contribution Schedule and Sources	Matching Contribution Schedule and Source.pdf	Lisa Koker	Nov 01, 2022, 18:23
Financial Information	Evidence of Matching Contribution	CoBank Loan Documents	CoBank Loan and Line of Credit.pdf	Lisa Koker	Nov 01, 2022, 18:51
Financial Information	Funded Debt - Other - Debt Instrument	CoBank Loan Commitment Letter	CoBank Commitment Letter.pdf	Lisa Koker	Nov 01, 2022, 13:35
Financial Information	Funded Debt - Rural Development Loan - Debt Instrument	AK0522-A8, C-12,C-12RTB and D42z Q3 2022 Statement	AK0522-A8,C-12, C-12 RTB, D42a.pdf	Lisa Koker	Nov 01, 2022, 18:21
Financial Information	Line of Credit Documents		CoBank LOC extension.pdf	Lisa Koker	Nov 01, 2022, 18:17
Financial Information	Line of Credit Documents	Line of Credit 2022 Renewal	CoBank Line of Credit Renewal 2022.pdf	Lisa Koker	Nov 01, 2022, 18:21
Financial Information	Obligations Under Capital Leases - Lease Agreement	04922 MHT 9100983 NICEY ICY Bay Land Lease	042922 MHT 9100983 NICEY Icy Bay Land Use License TLO.pdf	Lisa Koker	Oct 24, 2022, 19:50
Financial Information	Obligations Under Capital Leases - Lease Agreement	ADL 109197 Suckling Land Lease	ADL 109197 Suckling Land Lease.pdf	Lisa Koker	Oct 24, 2022, 19:59
Financial Information	Obligations Under Capital Leases - Lease Agreement	ADL 109198 Yakutaga Land Lease	ADL 109198 Yakutaga Land Lease.pdf	Lisa Koker	Oct 24, 2022, 20:04
Financial Information	Obligations Under Capital Leases - Lease Agreement	ADL No 229054 Flag Point	ADL No 229054 Flag Point.pdf	Lisa Koker	Oct 24, 2022, 20:14
Financial Information	Obligations Under Capital Leases - Lease Agreement	Crater Lake Lease Agreement	Crater Lake Lease Agreement (Eyak Corp CTC Exp 2067).pdf	Lisa Koker	Oct 24, 2022, 20:24
Financial Information	Obligations Under Capital Leases - Lease Agreement	50 Mile Land Lease	50 Mile Land Lease.pdf	Lisa Koker	Oct 24, 2022, 20:39
Financial Information	Obligations Under Capital Leases - Lease Agreement	DNR Eyak Lake	Eyak Lake.pdf	Lisa Koker	Oct 25, 2022, 10:06
Financial Information	Obligations Under Capital Leases - Lease Agreement		042922 MHT 9100983 NICEY Icy Bay Land Use License TLO.pdf	Lisa Koker	Nov 01, 2022, 17:01
Financial Information	Supporting Documents	Plant Specific Operating Expense	Plant Specific Expense.xlsx	Lisa Koker	Oct 28, 2022, 11:17
Financial Information	Supporting Documents	Plant Nonspecific Expense	Plant Nonspecific Expense.xlsx	Lisa Koker	Oct 28, 2022, 11:21
Financial Information	Supporting Documents	Subsidiary Income and Investment	Subsidiary Income and Investment.xlsx	Lisa Koker	Nov 01, 2022, 17:29
Financial Information	Supporting Documents	Subscriber Projections	Subscriber Projections- Data Services.xlsx	Lisa Koker	Nov 01, 2022, 17:33
Financial Information	Supporting Documents	Other Operating Expenses	Other Operating Expenses.xlsx	Lisa Koker	Nov 01, 2022, 17:34
Financial Information	Supporting Documents	Interstate Special Access Revenues	Intersate Special Access Revenues.xlsx	Lisa Koker	Nov 01, 2022, 17:34

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Environmental

Construction Map

Site/Route Name	Project Location Type	Please Specify the Width of the Route (in feet):	Map
BMH Cordova	Site		
BMH Gustavus	Site		

Site/Route Name	Project Location Type	Please Specify the Width of the Route (in feet):	Map
BMH Hoonah	Site		
BMH Juneau	Site		
BMH Pelican	Site		

Site/Route Name	Project Location Type	Please Specify the Width of the Route (in feet):	Map
BMH Yakutat	Site		
Hoonah Fiber	Route	25	
Pelican Fiber	Route	25	

Site/Route Name	Project Location Type	Please Specify the Width of the Route (in feet):	Map
Submarine FISH South	Route	25	

Site/Route Descriptions

Site Descriptions

BMH Cordova

Is the proposed Site located on Tribal Land(s) as identified in the Tribal Lands layer of the Construction Map?	No
Is the proposed site located on or does it cross Federally Managed Land(s) as identified in the Formally Classified Federal Lands layer of the construction?	No

Buildings		
Name	Questions	Response

Towers		
Name	Questions	Response

Access Roads / Parking Lots		
Name	Questions	Response

Large Enclosure Cabinets		
Name	Questions	Response
Cordova CLS		
	Is this an existing cabinet or a cabinet to be constructed?	Existing Cabinet
	Will there be any improvements made to the existing cabinet?	No
	Is the applicant proposing to install any network and access equipment in this cabinet?	Yes
	Please select the type of equipment that will be installed	Batteries/UPS;Rack-mounted equipment
	Are you collocating, upgrading, or installing a new antenna?	
	Is FCC license required for any of this equipment?	
	Is the applicant proposing to install a generator at this cabinet?	

BMH Gustavus

Is the proposed Site located on Tribal Land(s) as identified in the Tribal Lands layer of the Construction Map?	No
Is the proposed site located on or does it cross Federally Managed Land(s) as identified in the Formally Classified Federal Lands layer of the construction?	No

Buildings		
Name	Questions	Response

Towers		
Name	Questions	Response

Access Roads / Parking Lots		
Name	Questions	Response

Large Enclosure Cabinets		
Name	Questions	Response
Gustavus CLS		
	Is this an existing cabinet or a cabinet to be constructed?	
	Ground Disturbance Length (in feet)	
	Ground Disturbance Width (in feet)	
	Ground Disturbance Depth (in feet)	
	Is the applicant proposing to install any network and access equipment in this cabinet?	
	Please select the type of equipment that will be installed	
	Are you collocating, upgrading, or installing a new antenna?	
	Is FCC license required for any of this equipment?	
	Is the applicant proposing to install a generator at this cabinet?	

(b) (4)

BMH Hoonah

Is the proposed Site located on Tribal Land(s) as identified in the Tribal Lands layer of the Construction Map?	Yes
Is the proposed site located on or does it cross Federally Managed Land(s) as identified in the Formally Classified Federal Lands layer of the construction?	Yes

Buildings		
Name	Questions	Response

Towers		
Name	Questions	Response

Access Roads / Parking Lots		
Name	Questions	Response

Large Enclosure Cabinets		
Name	Questions	Response
Hoonah CLS		
	Is this an existing cabinet or a cabinet to be constructed?	
	Ground Disturbance Length (in feet)	
	Ground Disturbance Width (in feet)	
	Ground Disturbance Depth (in feet)	
	Is the applicant proposing to install any network and access equipment in this cabinet?	
	Please select the type of equipment that will be installed	
	Are you collocating, upgrading, or installing a new antenna?	
	Is FCC license required for any of this equipment?	
	Is the applicant proposing to install a generator at this cabinet?	

(b) (4)

BMH Juneau

Is the proposed Site located on Tribal Land(s) as identified in the Tribal Lands layer of the Construction Map?	No
	No

Is the proposed site located on or does it cross Federally Managed Land(s) as identified in the Formally Classified Federal Lands layer of the construction?

Buildings		
Name	Questions	Response

Towers		
Name	Questions	Response

Access Roads / Parking Lots		
Name	Questions	Response

Large Enclosure Cabinets		
Name	Questions	Response
Juneau CLS		
	Is this an existing cabinet or a cabinet to be constructed?	(b) (4)
	Will there be any improvements made to the existing cabinet?	
	Ground Disturbance Length (in feet)	
	Ground Disturbance Width (in feet)	
	Ground Disturbance Depth (in feet)	
	Is the applicant proposing to install any network and access equipment in this cabinet?	
	Please select the type of equipment that will be installed	
	Are you collocating, upgrading, or installing a new antenna?	
	Is FCC license required for any of this equipment?	
	Is the applicant proposing to install a generator at this cabinet?	

BMH Pelican

Is the proposed Site located on Tribal Land(s) as identified in the Tribal Lands layer of the Construction Map? No

Is the proposed site located on or does it cross Federally Managed Land(s) as identified in the Formally Classified Federal Lands layer of the construction? Yes

Buildings		
Name	Questions	Response

Towers		
Name	Questions	Response

Access Roads / Parking Lots		
Name	Questions	Response

Large Enclosure Cabinets		
Name	Questions	Response
Pelican CLS		
	Is this an existing cabinet or a cabinet to be constructed?	(b) (4)
	Ground Disturbance Length (in feet)	
	Ground Disturbance Width (in feet)	
	Ground Disturbance Depth (in feet)	

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Large Enclosure Cabinets		
Name	Questions	Response
	Is the applicant proposing to install any network and access equipment in this cabinet?	(b) (4)
	Please select the type of equipment that will be installed	
	Are you collocating, upgrading, or installing a new antenna?	
	Is FCC license required for any of this equipment?	
	Is the applicant proposing to install a generator at this cabinet?	

BMH Yakutat

Is the proposed Site located on Tribal Land(s) as identified in the Tribal Lands layer of the Construction Map?	Yes
Is the proposed site located on or does it cross Federally Managed Land(s) as identified in the Formally Classified Federal Lands layer of the construction?	Yes

Buildings		
Name	Questions	Response

Towers		
Name	Questions	Response

Access Roads / Parking Lots		
Name	Questions	Response

Large Enclosure Cabinets		
Name	Questions	Response

Route Descriptions

Hoonah Fiber

Is the proposed route located on or does it cross Tribal Land(s) as identified in the Tribal Lands layer of the construction map?	(b) (4)
Is the proposed route located on or does it cross Federally Managed Land(s) as identified in the Formally Classified Lands layer of the construction map?	
Is the route new or upgrading/rebuilding existing telecommunication facilities?	
Is the route in a previously-developed, existing right-of-way?	
What is the installation method?	
Plowed Miles	
Open Trench Miles	
Plowed Width	
Plowed Depth	
Trench Width	
Trench Depth	
Will associated cabinets or underground vaults be installed nearby in previously-disturbed or developed land?	

Pelican Fiber

Is the proposed route located on or does it cross Tribal Land(s) as identified in the Tribal Lands layer of the construction map?	(b) (4)
Is the proposed route located on or does it cross Federally Managed Land(s) as identified in the Formally Classified Lands layer of the construction map	
Is the route new or upgrading/rebuilding existing telecommunication facilities?	
Is the route in a previously-developed, existing right-of-way?	
What is the installation method?	
Plowed Miles	
Open Trench Miles	
Plowed Width	
Plowed Depth	
Trench Width	
Trench Depth	
Will associated cabinets or underground vaults be installed nearby in previously-disturbed or developed land?	

Submarine FISH South

Is the proposed route located on or does it cross Tribal Land(s) as identified in the Tribal Lands layer of the construction map?	
Is the proposed route located on or does it cross Federally Managed Land(s) as identified in the Formally Classified Lands layer of the construction map	
Is the route new or upgrading/rebuilding existing telecommunication facilities?	
Is the route in a previously-developed, existing right-of-way?	
What is the installation method?	
Underwater Miles	
Will associated cabinets or underground vaults be installed nearby in previously-disturbed or developed land?	

Environmental Questionnaire

☑ By checking the box, I affirm that I have completed the Construction Map and Site/Route Descriptions. While checked, the Construction Map and Site/Route Descriptions will lock for completion of the below EQs. To edit the Construction Map and/or Site/Route Descriptions, uncheck the box. Changing the information provided on the previous pages may result in changes to the requirements for the EQs.

The actions identified in the Site/Route Description section of this application have been determined by Rural Development to have no potential to cause effects to historic properties. There is no need to complete the S106 EQ at this time unless the S106 process has already been initiated with Tribes, the State Historic Preservation Office or other interested parties.

Environmental Documents

Environmental Documents

Section	Document Type	Description	File Name	User	Date/Time
Environmental Documents	NHPA Section 106 Environmental Questionnaire		ReConnect_Program_Section_106_EQ.pdf	Sarah Kathrein	Oct 31, 2022, 13:20
Environmental Documents	Project Environmental Questionnaire		Reconnect_Program_Project_EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:34

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Site Environmental Questionnaires

BMH Cordova

Section	Document Type	Description	File Name	User	Date/Time
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Cordova EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:36

BMH Gustavus

Section	Document Type	Description	File Name	User	Date/Time
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Gustavus EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:35

BMH Hoonah

Section	Document Type	Description	File Name	User	Date/Time
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Hoonah EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:35

BMH Juneau

Section	Document Type	Description	File Name	User	Date/Time
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Juneau EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:36

BMH Pelican

Section	Document Type	Description	File Name	User	Date/Time
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Pelican EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:34

BMH Yakutat

Section	Document Type	Description	File Name	User	Date/Time
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Yakutat EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:35

Route Environmental Questionnaires

Hoonah Fiber

Section	Document Type	Description	File Name	User	Date/Time
Route Environmental Questionnaire	Route Environmental Questionnaire		System Route Hoonah.pdf	Sarah Kathrein	Oct 28, 2022, 17:37

Pelican Fiber

Section	Document Type	Description	File Name	User	Date/Time
Route Environmental Questionnaire	Route Environmental Questionnaire		System Route Pelican.pdf	Sarah Kathrein	Oct 28, 2022, 17:37

Submarine FISH South

Section	Document Type	Description	File Name	User	Date/Time
Route Environmental Questionnaire	Route Environmental Questionnaire		Submarine FISH in SEAK.pdf	Sarah Kathrein	Oct 28, 2022, 17:36

Other Environmental Documents

Section	Document Type	Description	File Name	User	Date/Time
Other Environmental	Miscellaneous - Other	Endangered Species EQ Table	Special_Status_Plant_and_Wildlife_Species_Table.xlsx	Sarah Kathrein	Oct 28, 2022, 17:40
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	FISH in SEAK Submarine	FISH in SEAK Submarine.pdf	Sarah Kathrein	Oct 27, 2022, 15:33
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	PFSA Hoonah	PFSA Hoonah.pdf	Sarah Kathrein	Oct 27, 2022, 15:33
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Cordova	BMH Cordova R4.pdf	Sarah Kathrein	Oct 27, 2022, 15:34
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Yakutat	BU Yakutat.pdf	Sarah Kathrein	Oct 27, 2022, 15:35
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Pelican	BMH Pelican.pdf	Sarah Kathrein	Oct 27, 2022, 15:37
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	PFSA Pelican	PFSA Pelican.pdf	Sarah Kathrein	Oct 27, 2022, 15:38
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Gustavus	BMH Gustavus.pdf	Sarah Kathrein	Oct 27, 2022, 15:38
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Hoonah	BMH Hoonah.pdf	Sarah Kathrein	Oct 27, 2022, 15:39
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Juneau	BMH Juneau.pdf	Sarah Kathrein	Oct 27, 2022, 15:39
Other Environmental	Subpart N - Essential Fish Habitat Map		EFH Mapper Report.pdf	Sarah Kathrein	Oct 28, 2022, 18:01
Other Environmental	Subpart N - Essential Fish Habitat Map	Essential Fish Habitat Summary	CTC Essential Fish Habitat.pdf	Sarah Kathrein	Oct 31, 2022, 13:24
Other Environmental	Subpart N - Marine Mammal Protection Act Map		MMPA and ESA Table.xlsx	Sarah Kathrein	Oct 28, 2022, 17:39

Evaluation Criteria

Evaluation Criteria Summary

Evaluation Criteria	Input Values	Score
Does the applicant propose to build in areas that are not receiving service of at least 25 Mbps downstream and 3 Mbps upstream?	[redacted]	[redacted]
Does the applicant intend to offer at least one low-cost option to all households within the proposed funded service area?		
Is the applicant a local government, non-profit, or a cooperative entity?		
Does the applicant commit to strong labor standards, consistent with Tribal Laws when the project proposes to build infrastructure on Tribal Lands?		
Will the applicant commit to following the Federal Communications Commissions rules regarding net neutrality?		
Will the applicant commit to offering wholesale broadband services at rates and terms that are reasonable and Nondiscriminatory?		
Rurality of Proposed Funded Service Area		
Tribal Lands		
Economic Need of Community		
Socially Vulnerable Communities		
Total Score	[redacted]	
Service Areas Consider		

Evaluation Criteria Documents

Section	Document Type	Description	File Name	User	Date/Time
Evaluation Criteria	Evidence from Tribal Leader	Hoonah Indian Association Letter of Support	HIA Letter of Support.pdf	Jeremiah Beckett	10/27/2022 6:42 PM
Evaluation Criteria	Other	CTC R4 required scoring summary document	CTC R4 Evidence - Scoring Summary.pdf	Jeremiah Beckett	10/31/2022 2:12 PM
Evaluation Criteria	Other	CTC R4 Evidence of Alternate Household Data	CTC R4 Evidence - Alternate Household Data.pdf	Jeremiah Beckett	10/31/2022 2:12 PM
Evaluation Criteria	Other	CTC R4 formal PFSA Description	CTC R4 Evidence - PFSA.pdf	Jeremiah Beckett	10/31/2022 2:13 PM
Evaluation Criteria	Other	CTC R4 Service Area Summary	CTC R4 Evidence - Service Area.pdf	Jeremiah Beckett	10/31/2022 2:13 PM
Evaluation Criteria	Net Neutrality Supporting Documentation	CTC supports and enforces net neutrality for all our our infrastructure and services	CTC R4 Evidence - Net Neutrality.pdf	Jeremiah Beckett	10/31/2022 2:13 PM
Evaluation Criteria	Evidence of Applicant Commitment to Strong Labor Standards	bor Standards CTC supports strong labor standards within our own workforce and that of contractors and subcontractors	CTC R4 Evidence - Labor Standards.pdf	Jeremiah Beckett	10/31/2022 2:13 PM
Evaluation Criteria	Evidence 25 Mbps / 3 Mbps Service Does Not Exist	CTC evidence PFSA is unserved	CTC R4 Evidence - Internet Speed.pdf	Jeremiah Beckett	10/31/2022 2:14 PM
Evaluation Criteria	Evidence of Low-Cost Option	CTC R4 Evidence for broadband affordability which compares rural to urban pricing and support for federal low cost programs	CTC R4 Evidence - Affordability.pdf	Jeremiah Beckett	10/31/2022 2:15 PM

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Licenses & Agreements

Section	Document Type	Description	Agreement Status	File Name	User	Date/Time
Licenses & Agreements	Building Lease Agreement	Possible colocation in Juneau, contingent upon award	Contingent upon award			
Licenses & Agreements	Certificate of Public Convenience and Necessity (CPCN)		Not Required			
Licenses & Agreements	Fiber Lease Agreement		Not Required			
Licenses & Agreements	Internet Service Agreement		Not Required			
Licenses & Agreements	Network Management Agreement		Not Required			
Licenses & Agreements	Pole Attachment Agreement		Not Required			
Licenses & Agreements	Special Permits (Federal, highway, bridge, etc.)	Multiple permits for submarine line and PFSA, contingent upon award	Contingent upon award			
Licenses & Agreements	Spectrum Lease Agreement		Not Required			
Licenses & Agreements	Tower Lease Agreement		Not Required			
Licenses & Agreements	Video Franchise Agreement		Not Required			
Licenses & Agreements	Video Services Agreement		Not Required			
Licenses & Agreements	Wireless Spectrum License(s)		Not Required			
Licenses & Agreements	Wireless Spectrum License(s) for Backhaul		Not Required			

Certification Regarding Architectural Barriers

"All facilities financed with Rural Utilities Service (RUS) loans and/or grants that are open to the public, or in which physically handicapped persons may be employed or reside, must be designed, constructed, and/or altered to be readily accessible to, and usable by, handicapped persons. Standards for these facilities must comply with the Architectural Barriers Act of 1968, as amended, (42 U.S.C. 4151 et seq.) and with the Uniform Federal Accessibility Standards (UFAS), (Appendix A to 41 C.F.R. subpart 101-19.6)."

As an applicant of financial assistance from RUS, this organization commits to carry out RUS' established policy to comply with the requirements of the above referenced law to the effect that all facilities must be readily accessible to and usable by handicapped persons.

We, *Cordova Telephone Cooperative, Inc.* (the Applicant) hereby certify that, as an applicant under this RUS, Telecommunications Program, we are in compliance, or will be in compliance upon completion of the project, with the above referenced law.

Acknowledge that everything above is correct to the best of my knowledge: YES

Sarah Kathrein, On the date and time recorded below:
Oct 27, 2022 14:35:32

Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions

The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. § 552a, as amended). This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, and 2 C.F.R. § 180.335, Participants' responsibilities. The regulations were amended and published on August 31, 2005, in 70 Fed. Reg. 51865-51880. Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed covered transaction.

The provisions of appropriate criminal, civil, fraud, privacy, and other statutes may be applicable to the information provided.

1. ☑ A. We, *Cordova Telephone Cooperative, Inc.*, the prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
   1. Are not presently debarred, suspended, or proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
   2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
   3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (A.2.) of this certification; and
   4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
2. ☐ B. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Acknowledge that everything above is correct to the best of my knowledge: YES

Sarah Kathrein, On the date and time recorded below:
Oct 27, 2022 14:35:32

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Certificate Regarding Flood Hazard Area Precautions

"If the project is located in an area subject to flooding, flood insurance must be provided to the extent available and required under the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 through 4128). If applicable, the insurance must cover, in addition to the buildings, any machinery, equipment, fixtures, and furnishings contained in the buildings. Rural Utilities Service (RUS) will comply with Executive Order 11988, Floodplain Management (3 CFR, 1977 Comp., p.117), and 7 CFR 1970, of this chapter in considering the application for this project."

Please check the appropriate line below:

☑ The project is not located in a 100 year flood plain; therefore, no Flood Insurance is required.

☐ The project is located in a 100 year flood plain and the required insurance is or will be provided by:

We, *Cordova Telephone Cooperative, Inc.* (the Applicant) hereby certify that, as a prospective recipient under this RUS, Telecommunications Program, we are in compliance, or will be in compliance during construction and/or installation of equipment and upon completion of the project, with the above referenced law.

Acknowledge that everything above is correct to the best of my knowledge: YES

Sarah Kathrein, On the date and time recorded below:
Oct 27, 2022 14:35:32

Certification Regarding Lobbying for Contracts, Grants, Loans and Cooperative Agreements

"We, *Cordova Telephone Cooperative, Inc.* (the Applicant) the undersigned certify, to the best of our knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on our behalf, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, we shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions. See https://www.gsa.gov/forms-library/disclosure-lobbying-activities for Disclosure Instructions.
3. We shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Acknowledge that everything above is correct to the best of my knowledge: YES

Sarah Kathrein, On the date and time recorded below.
Oct 27, 2022 14:35:32

Civil Rights Compliance Assurance

(Title VI, Civil Rights Act of 1964, Section 504, Rehabilitation Act of 1973, Age Discrimination Act of 1975)

The undersigned acknowledges that it is familiar with Title VI of the Civil Rights Act of 1964, as amended (42 U.S. C. 2000d et seq.) ("Title VI of the Civil Rights Act"), Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794) ("Section 504 of the Rehabilitation Act"), the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.) (the "Age Discrimination Act"), the rules and regulations of the U.S. Department of Agriculture implementing Title VI of the Civil Rights Act (7 CFR Part 15) and implementing Section 504 of the Rehabilitation Act (7 CFR Part 15b), the government-wide rules and regulations of the U.S. Department of Health and Human Services implementing the Age Discrimination Act (45 CFR Part 90) under which the U.S. Department of Agriculture is operating until such time as it adopts its own implementing regulations (7 CFR Part 15, 7 CFR Part 15b and 45 CFR Part 90 being hereinafter collectively called the "Departmental rules and regulations"), and the rules and regulations of the Rural Utilities Service implementing Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, the Age Discrimination Act and the Departmental rules and regulations (7 CFR Part 1786) (the "RUS Regulations").

The undersigned hereby assures the Rural Utilities Service that it will comply fully with all requirements imposed by or pursuant to such Departmental rules and regulations and the RUS regulations which require that no person, on the basis of race, color, national origin, age, or handicap, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the conduct of its program and the operation of its facilities.

The undersigned further agrees that, in the event of its violation of or failure to comply with any of the requirements imposed by or pursuant to such Departmental rules and regulations, the United States may seek judicial enforcement of compliance with such requirements.

This assurance is executed and supplied to the Rural Utilities Service pursuant to a duly adopted resolution of the board of directors of the undersigned.

Acknowledge that everything above is correct to the best of my knowledge: YES

Sarah Kathrein, On the date and time recorded below:
Oct 27, 2022 14:35:32

Federal Collection Policies for Commercial Debt Certification

Is, *Cordova Telephone Cooperative, Inc.* (the Applicant) delinquent on any federal debt?: NO

Note: *Example of debts include, but are not limited to, delinquent taxes, guaranteed or direct government loans (more than 31 days past due) and other administrative debts. If YES, please provide explanatory information and upload as the 'Outstanding Federal Debt' attachment.*

FEDERAL COLLECTION POLICIES FOR COMMERCIAL DEBT
The Federal Government is authorized by law to take any or all of the following actions in the event that a borrower's loan payments become delinquent or the borrower defaults on its loan: (1) Report the borrower's delinquent account to a credit bureau; (2) Assess additional interest and penalty charges for the period of time that payment is not made; (3) Assess charges to cover additional administrative costs incurred by the Government to service the borrower's account; (4) Offset amounts owed to the borrower under other Federal programs; (5) Refer the borrower's debt to the Internal Revenue Service for offset against any amount owed to the borrower as an income tax refund; (6) Refer the borrower's account to a private collection agency to collect the amount due; and (7) Refer the borrower's account to the Department of Justice for litigation in the courts.
All of these actions can and will be used to recover any debts owed when it is determined to be in the interest of the Government to do so.

Acknowledge that I have read and understand the actions the Federal Government can take in the event that I fail to meet scheduled payments in accordance with the terms and conditions of my agreements: YES

Sarah Kathrein, On the date and time recorded below:
Oct 27, 2022 14:35:32

Representations Regarding Felony Conviction (AD 3030) - For Corporations Only

"Note: You only need to complete this form if you are a Non-profit entity, For-profit corporation, or a Cooperative and Mutual Organization. A corporation includes, but is not limited to, any entity that has filed articles of incorporation in one of the 50 States, the District of Columbia, or the various territories of the United States including American Samoa, Federated States of Micronesia, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, Republic of Palau, Republic of the Marshall Islands, or the U.S. Virgin Islands. Corporations include both for profit and non-profit entities.

The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552(a), as amended). The authority for requesting the following information for USDA Agencies and staff offices is in §738 and 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. 112-55, as amended and/or subsequently enacted. The information will be used to confirm applicant status concerning entity conviction of a felony criminal violation, and/or unpaid Federal tax liability status.

According to the Paperwork Reduction Act of 1985 an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0505-0025. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Name: Cordova Telephone Cooperative, Inc.
Tax ID# (last 4 digits): 9166
Applicant's Address:
611 2nd Street
Cordova
Alaska
99574

Has the Applicant been convicted of a felony criminal violation under Federal or State law in the 24 months preceding the date of application? No

Has any officer or agent of Applicant been convicted of a felony criminal violation for actions taken on behalf of Applicant under Federal or State law in the 24 months preceding the date of application? No

Does the Applicant have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability? No

Providing the requested information is voluntary. However, failure to furnish the requested information will make the applicant ineligible to enter into a contract, memorandum of understanding, grant, loan, loan guarantee, or cooperative agreement with USDA.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Acknowledge that everything above is correct to the best of my knowledge: YES

Sarah Kathrein, On the date and time recorded below:
Oct 27, 2022 14:35:32

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification

We, *Cordova Telephone Cooperative, Inc.* (the Applicant) assure the U.S. government that we will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. 4601 et seq., and with implementing federal regulations in 49 C.F.R. Part 24 and 7 C.F.R. Part 21.

Specifically, we assure that whenever Federal financial assistance is used to pay for any part of the cost of a program or project which will result in the displacement of any person:

1. Fair and reasonable relocation payments and assistance shall be provided to or for displaced persons in accordance with sections 202, 203, and 204 of the Uniform Act;
2. Relocation assistance programs offering the services described in section 205 of the Uniform Act shall be provided to displaced persons; and
3. Within a reasonable period of time prior to displacement, comparable replacement dwellings will be available to displaced persons in accordance with section 205(c) (3) of the Uniform Act.

Acknowledge that everything above is correct to the best of my knowledge: YES

Sarah Kathrein, On the date and time recorded below:
Oct 27, 2022 14:35:32

Compliance with RUS Award Documents

On behalf of *Cordova Telephone Cooperative, Inc.* (the Applicant), I certify, to the best of my knowledge and belief, that:
Existing agreements with, or obligations to investors, will not breach the obligations to the U. S. federal government under the RUS Award Documents, when entered into, including distribution requirements, and that any such agreements that conflict with the Award Documents will be amended before execution, so that such obligations are made contingent to compliance with the RUS Award Documents.

Will provision(s) within existing agreement(s) need to be amended so that such obligations will be in compliance with the RUS Award Documents? NO
If the answer is Yes, please list the agreement(s) and provision(s) within each agreement that will need to be amended:

Acknowledge that everything above is correct to the best of my knowledge: YES

Sarah Kathrein, On the date and time recorded below:
Oct 27, 2022 14:35:32

Certifications Documents

Section	Document Type	Description	File Name	User	Date/Time

Manage Uploaded Documents

Section	Document Type	Description	File Name	User	Date/Time
Account Information	501(c)(3) - Tax Exempt Status		IRS 501(c)(12) tax exempt letter.pdf	Sarah Kathrein	Oct 27, 2022, 16:37
Account Information	Applicant's Audited Financial Statements		12-31-21 Cordova Telephone Cooperative and Subsidiary Audited Financial Statements.pdf	Sarah Kathrein	Oct 27, 2022, 17:27
Account Information	Articles of Incorporation		CTC Articles of Incorporation.pdf	Sarah Kathrein	Oct 27, 2022, 16:16
Account Information	Board of Directors		CTC Board of Directors.pdf	Sarah Kathrein	Oct 27, 2022, 16:45
Account Information	Broadband Operations Experience		CTC Broadband Operations Experience.pdf	Sarah Kathrein	Oct 28, 2022, 18:42
Account Information	Bylaws		2022 BYLAWS.pdf	Sarah Kathrein	Oct 27, 2022, 13:17
Account Information	Evidence of Good Standing with the Secretary of State		CTC Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:16
Account Information	Evidence of Good Standing with the Secretary of State		CWC Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:17
Account Information	Evidence of Good Standing with the Secretary of State		Cordova Long Distance Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:18
Account Information	Evidence of Good Standing with the Secretary of State		CTC Holdings Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:19
Account Information	Evidence of Good Standing with the Secretary of State		YTC Cert of Compliance.pdf	Sarah Kathrein	Oct 27, 2022, 16:19
Account Information	Legal Opinion		CTC - RUS Initial Opinion ReCon4 App FINAL (10-28-22).pdf	Sarah Kathrein	Oct 28, 2022, 18:36
Account Information	Management Experience and Compensation		CTC Management Experience - Duties Responsibilities and Qualifications.pdf	Sarah Kathrein	Oct 27, 2022, 16:44
Account Information	Organizational Chart		CTC All Org Chart Oct 2022.pdf	Sarah Kathrein	Oct 27, 2022, 17:32
Account Information	Resumes of Key Management		CEO Jeremiah Beckett Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:38
Account Information	Resumes of Key Management		CFO Lisa Koker Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:38
Account Information	Resumes of Key Management		Project Manager Sarah Kathrein Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:38
Account Information	Resumes of Key Management		Plant Foreman Adrian Smith Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:39

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Section	Document Type	Description	File Name	User	Date/Time
Account Information	Resumes of Key Management		Network Journeyman Shane Songer Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:39
Account Information	Resumes of Key Management		Network Manager Stephen Phillips Resume.pdf	Sarah Kathrein	Oct 27, 2022, 16:39
Account Information	RUS Form 87 - Mail List Data		Form 87 Signed.pdf	Sarah Kathrein	Oct 27, 2022, 16:33
Account Information	Subsidiary's Historical Financial Statements		12-31-21 Cordova Telephone Cooperative and Subsidiary Audited Financial Statements.pdf	Sarah Kathrein	Oct 27, 2022, 17:29
Account Information	Subsidiary's Organizational Chart		CWC Only Org Chart 2022.pdf	Sarah Kathrein	Oct 27, 2022, 17:33
Account Information	Subsidiary's Organizational Chart		YTC Only Org Chart 2022.pdf	Sarah Kathrein	Oct 27, 2022, 17:33
Account Information	Subsidiary's Services Agreement		ADMINISTRATIVE SUPPORT AGREEMENT CTC-CWC 5-29-19.pdf	Sarah Kathrein	Oct 27, 2022, 16:36
Account Information	Subsidiary's Services Agreement		Interoperating Support Agreement CTC YTC.pdf	Sarah Kathrein	Oct 27, 2022, 16:37
Account Information	Evidence of Legal Authority to Enter into an Agreement with the Federal Government		CTC SAM Expires 4-2023.pdf	Sarah Kathrein	Oct 27, 2022, 16:59
Account Information	Evidence of Legal Capacity and Authority to Own and Operate Proposed Broadband Facilities		Alaska Public Utilities Commission Certificate of Public Convenience and Necessity.pdf	Sarah Kathrein	Oct 27, 2022, 16:24
Evaluation Criteria	Evidence from Tribal Leader	Hoonah Indian Association Letter of Support	HIA Letter of Support.pdf	Jeremiah Beckett	Oct 27, 2022, 18:42
Evaluation Criteria	Other	CTC R4 required scoring summary document	CTC R4 Evidence - Scoring Summary.pdf	Jeremiah Beckett	Oct 31, 2022, 14:12
Evaluation Criteria	Other	CTC R4 Evidence of Alternate Household Data	CTC R4 Evidence - Alternate Household Data.pdf	Jeremiah Beckett	Oct 31, 2022, 14:12
Evaluation Criteria	Other	CTC R4 formal PFSA Description	CTC R4 Evidence - PFSA.pdf	Jeremiah Beckett	Oct 31, 2022, 14:13
Evaluation Criteria	Other	CTC R4 Service Area Summary	CTC R4 Evidence - Service Area.pdf	Jeremiah Beckett	Oct 31, 2022, 14:13
Evaluation Criteria	Net Neutrality Supporting Documentation	CTC supports and enforces net neutrality for all our our infrastructure and services	CTC R4 Evidence - Net Neutrality.pdf	Jeremiah Beckett	Oct 31, 2022, 14:13
Evaluation Criteria	Evidence of Applicant Commitment to Strong Labor Standards	bor Standards CTC supports strong labor standards within our own workforce and that of contractors and subcontractors	CTC R4 Evidence - Labor Standards.pdf	Jeremiah Beckett	Oct 31, 2022, 14:13
Evaluation Criteria	Evidence 25 Mbps / 3 Mbps Service Does Not Exist	CTC evidence PFSA is unserved	CTC R4 Evidence - Internet Speed.pdf	Jeremiah Beckett	Oct 31, 2022, 14:14
Evaluation Criteria	Evidence of Low-Cost Option	CTC R4 Evidence for broadband affordability which compares rural to urban pricing and support for federal low cost programs	CTC R4 Evidence - Affordability.pdf	Jeremiah Beckett	Oct 31, 2022, 14:15
Financial Information	Alternate Households Supporting Data	CTC evidence for alternative household data from the City of Pelican	CTC R4 Evidence - Alternate Household Data.pdf	Jeremiah	Oct 31,

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Section	Document Type	Description	File Name	User	Date/Time
				Beckett	2022, 14:15
Financial Information	Evidence of Matching Contribution	Matching Contribution Schedule and Sources	Matching Contribution Schedule and Source.pdf	Lisa Koker	Nov 01, 2022, 18:23
Financial Information	Evidence of Matching Contribution	CoBank Loan Documents	CoBank Loan and Line of Credit.pdf	Lisa Koker	Nov 01, 2022, 18:51
Financial Information	Funded Debt - Other - Debt Instrument	CoBank Loan Commitment Letter	CoBank Commitment Letter.pdf	Lisa Koker	Nov 01, 2022, 13:35
Financial Information	Funded Debt - Rural Development Loan - Debt Instrument	AK0522-A8, C-12,C-12RTB and D42z Q3 2022 Statement	AK0522-A8,C-12, C-12 RTB, D42a.pdf	Lisa Koker	Nov 01, 2022, 18:21
Financial Information	Line of Credit Documents		CoBank LOC extension.pdf	Lisa Koker	Nov 01, 2022, 18:17
Financial Information	Line of Credit Documents	Line of Credit 2022 Renewal	CoBank Line of Credit Renewal 2022.pdf	Lisa Koker	Nov 01, 2022, 18:21
Financial Information	Obligations Under Capital Leases - Lease Agreement	04922 MHT 9100983 NICEY ICY Bay Land Lease	042922 MHT 9100983 NICEY Icy Bay Land Use License TLO.pdf	Lisa Koker	Oct 24, 2022, 19:50
Financial Information	Obligations Under Capital Leases - Lease Agreement	ADL 109197 Suckling Land Lease	ADL 109197 Suckling Land Lease.pdf	Lisa Koker	Oct 24, 2022, 19:59
Financial Information	Obligations Under Capital Leases - Lease Agreement	ADL 109198 Yakutaga Land Lease	ADL 109198 Yakutaga Land Lease.pdf	Lisa Koker	Oct 24, 2022, 20:04
Financial Information	Obligations Under Capital Leases - Lease Agreement	ADL No 229054 Flag Point	ADL No 229054 Flag Point.pdf	Lisa Koker	Oct 24, 2022, 20:14
Financial Information	Obligations Under Capital Leases - Lease Agreement	Crater Lake Lease Agreement	Crater Lake Lease Agreement (Eyak Corp CTC Exp 2067).pdf	Lisa Koker	Oct 24, 2022, 20:24
Financial Information	Obligations Under Capital Leases - Lease Agreement	50 Mile Land Lease	50 Mile Land Lease.pdf	Lisa Koker	Oct 24, 2022, 20:39
Financial Information	Obligations Under Capital Leases - Lease Agreement	DNR Eyak Lake	Eyak Lake.pdf	Lisa Koker	Oct 25, 2022, 10:06
Financial Information	Obligations Under Capital Leases - Lease Agreement		042922 MHT 9100983 NICEY Icy Bay Land Use License TLO.pdf	Lisa Koker	Nov 01, 2022, 17:01
Financial Information	Supporting Documents	Plant Specific Operating Expense	Plant Specific Expense.xlsx	Lisa Koker	Oct 28, 2022, 11:17
Financial Information	Supporting Documents	Plant Nonspecific Expense	Plant Nonspecific Expense.xlsx	Lisa Koker	Oct 28, 2022, 11:21
Financial Information	Supporting Documents	Subsidiary Income and Investment	Subsidiary Income and Investment.xlsx	Lisa Koker	Nov 01, 2022, 17:29
Financial Information	Supporting Documents	Subscriber Projections	Subscriber Projections- Data Services.xlsx	Lisa Koker	Nov 01, 2022, 17:33
Financial Information	Supporting Documents	Other Operating Expenses	Other Operating Expenses.xlsx	Lisa Koker	Nov 01, 2022,

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Section	Document Type	Description	File Name	User	Date/Time
					17:34
Financial Information	Supporting Documents	Interstate Special Access Revenues	Intersate Special Access Revenues.xlsx	Lisa Koker	Nov 01, 2022, 17:34
Network Information	Existing Network Diagram	CTC Current Network Diagrams	CTC R4 Network Diagrams for FISHinSEAK Current.pdf	Jeremiah Beckett	Nov 01, 2022, 17:02
Network Information	Network Design PE Certification	CTC R4 PE Certification	CTC_reconnect_program_network_design_certification_10312022.pdf	Jeremiah Beckett	Oct 31, 2022, 13:50
Network Information	Proposed Network Diagram	CTC Future Network Diagrams	CTC R4 Network Diagrams for FISHinSEAK Future.pdf	Jeremiah Beckett	Nov 01, 2022, 16:51
Project Information	Applicant's Audited Financial Statements		12-31-21 Cordova Telephone Cooperative and Subsidiary Audited Financial Statements.pdf	Sarah Kathrein	Oct 27, 2022, 17:42
Project Information	Executive Summary - Additional Information	CTC ReConnect R4 executive summary	CTC R4 FISHinSEAK ExecSummary.pdf	Jeremiah Beckett	Nov 01, 2022, 18:30
Project Information	Funding Request Resolution		CTC BOD R4 Resolution.pdf	Sarah Kathrein	Oct 27, 2022, 17:42
Project Information	Funding Request Resolution	CTC Secretary Certificate	CTC BOD Secretary Certificiate.pdf	Sarah Kathrein	Oct 27, 2022, 17:43
Project Information	Funding Request Resolution	CTC Board Net Neutrality Resolution	CTC Net Neutrality Resolution.pdf	Sarah Kathrein	Oct 31, 2022, 13:12
Project Information	Legal Opinion		CTC - RUS Initial Opinion ReCon4 App FINAL (10-28-22).pdf	Sarah Kathrein	Oct 28, 2022, 18:33
Project Information	Other	City of Pelican Resolution	Pelican Signed Resolution.pdf	Sarah Kathrein	Oct 31, 2022, 13:10
Project Information	Other	City of Gustavus Resolution	Gustavus Signed Resolution.pdf	Sarah Kathrein	Oct 31, 2022, 13:11
Project Information	Tribal Government Resolution of Consent		HIA Signed Resolution.pdf	Jeremiah Beckett	Oct 18, 2022, 12:11
Other Environmental	Miscellaneous - Other	Endangered Species EQ Table	Special_Status_Plant_and_Wildlife_Species_Table.xlsx	Sarah Kathrein	Oct 28, 2022, 17:40
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	FISH in SEAK Submarine	FISH in SEAK Submarine.pdf	Sarah Kathrein	Oct 27, 2022, 15:33
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	PFSA Hoonah	PFSA Hoonah.pdf	Sarah Kathrein	Oct 27, 2022, 15:33
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Cordova	BMH Cordova R4.pdf	Sarah Kathrein	Oct 27, 2022, 15:34
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Yakutat	BU Yakutat.pdf	Sarah Kathrein	Oct 27, 2022, 15:35
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Pelican	BMH Pelican.pdf	Sarah Kathrein	Oct 27, 2022, 15:37

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Section	Document Type	Description	File Name	User	Date/Time
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	PFSA Pelican	PFSA Pelican.pdf	Sarah Kathrein	Oct 27, 2022, 15:38
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Gustavus	BMH Gustavus.pdf	Sarah Kathrein	Oct 27, 2022, 15:38
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Hoonah	BMH Hoonah.pdf	Sarah Kathrein	Oct 27, 2022, 15:39
Other Environmental	Subpart N - Endangered Species Act (ESA) Official Species List	BMH Juneau	BMH Juneau.pdf	Sarah Kathrein	Oct 27, 2022, 15:39
Other Environmental	Subpart N - Essential Fish Habitat Map		EFH Mapper Report.pdf	Sarah Kathrein	Oct 28, 2022, 18:01
Other Environmental	Subpart N - Essential Fish Habitat Map	Essential Fish Habitat Summary	CTC Essential Fish Habitat.pdf	Sarah Kathrein	Oct 31, 2022, 13:24
Other Environmental	Subpart N - Marine Mammal Protection Act Map		MMPA and ESA Table.xlsx	Sarah Kathrein	Oct 28, 2022, 17:39
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Pelican EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:34
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Hoonah EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:35
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Gustavus EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:35
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Yakutat EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:35
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Cordova EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:36
Site Environmental Questionnaire	Site Environmental Questionnaire		BMH Juneau EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:36
Route Environmental Questionnaire	Route Environmental Questionnaire		Submarine FISH in SEAK.pdf	Sarah Kathrein	Oct 28, 2022, 17:36
Route Environmental Questionnaire	Route Environmental Questionnaire		System Route Pelican.pdf	Sarah Kathrein	Oct 28, 2022, 17:37
Route Environmental Questionnaire	Route Environmental Questionnaire		System Route Hoonah.pdf	Sarah Kathrein	Oct 28, 2022, 17:37
Summary and Submit	Draft Application PDF	Draft	Application PDF_101001335 - Draft.pdf	Sarah Kathrein	Nov 01, 2022, 17:56
Environmental Information	NHPA Section 106 Environmental Questionnaire		ReConnect_Program_Section_106_EQ.pdf	Sarah Kathrein	Oct 31, 2022, 13:20
Environmental Information	Project Environmental Questionnaire		Reconnect_Program_Project_EQ.pdf	Sarah Kathrein	Oct 28, 2022, 17:34

USDA
United States Department of Agriculture

Rural Development

RUS Telecommunications Program

1400 Independence Ave, SW
Room 4121 - Stop 1590
Washington, DC 20250

Voice 202.720.0800

MEMO

TO: Rural Utilities Service Administrator

FROM: ReConnect Program

DATE: June 20, 2023

SUBJECT: Application Approval Recommendation

The Reconnect Program recommends the following 100% Grant application for approval:
Cordova Telephone Cooperative, Incorporated

Cordova Telephone Cooperative, Incorporated

Total Grant Funding Requested: $34,905,000
Matching Funds: (b) (4)
Total Project Co

Cordova Telephone Cooperative, Incorporated (CTC), DBA as Cordova Telecom Cooperative, is an Alaska cooperative corporation providing telecommunication services to its members in and around Cordova, Alaska. The applicant currently supports a network that covers 788 households providing data and voice services. CTC is requesting $34.9M under the 100% Grant program with matching funds of (b) (4) to construct a fiber-to-the-home (FTTH) network in Pelican, Alaska, providing data services to 33 households. The Service Area map indicates nine households within the PFSAs. However, the applicant provided alternate household data reflecting 24 additional households. The required matching funds of (b) (4) will be sourced (b) (4)

APPROVAL:

X

Andrew Berke
Administrator, Rural Utilities Service

101001335 - Cordova Telephone Cooperative, Inc.

Approved Project Budget Summary

Network and Access Equipment	Total Cost	Comments
Switching Equipment	(b) (4)	
Total Network and Access Equipment		
Outside Plant		
Cabinets/underground vaults	(b) (4)	
Conduit Systems		
Drops		
Fiber - Buried		
Fiber - Submarine Cable		
Fiber - Underground Cable		
Total Outside Plant		
Professional Services		
Engineering Services	(b) (4)	
Total Professional Services		
Total Proposed Funded Service Area Cost		

Funding Information

Funding Type	Funding Amount	
Grant Amount Requested	$ 34,905,000	
Loan Amount Requested	(b) (4)	
Matching Funds		
Other Funds		
Total Project Costs		

ATTACHMENT A - Build America, Buy America Act Project Evaluation and Determination Checklist

Program: ReConnect

Applicant Name: Cordova Telephone Cooperative, Incorporated

Type of Assistance: ☑ Grant ☐ Loan ☐ Guarantee ☐ Other

☐ De Minimis: The project to be funded is within the scope of the USDA Department wide Public Interest Waivers: De Minimis, Small Grants, and Minor Components of Build America, Buy America Provisions as Applied to Recipients of USDA Federal Financial Assistance (De Minimis) and this project is in compliance with BABAA through the waiver. (Skip to Part II)

Part I- Evaluation

Applicant: The applicant is a non-Federal entity covered by BABAA (make one selection)

☐ States ☐ Local Governments ☐ Indian Tribes ☐ Nonprofit organizations (includes cooperatives with a 1773 type designation with no Single Audit Designation)

☐ Institutions of Higher Education ☑ Not a non-Federal entity: Applicant type: Cooperative (Skip to Part II)

Project: The project to be funded is an infrastructure project covered by BABAA (select all that apply)

Infrastructure Projects:

☐ Road, Highways, and bridges
☐ Dams, ports, harbors, and other maritime facilities
☐ Public transportation
☐ Intercity passenger and freight railroads
☐ Freight and inter-modal facilities
☐ Airports
☐ Electric transmission facilities and systems, including electric vehicle (EV) charging stations
☐ Water systems, including drinking water and wastewater systems
☐ Utilities
☐ Broadband infrastructure
☐ Buildings and real property
☐ Not an infrastructure project Project Description: (Skip to Part II)

Project Activities: The project to be funded includes activities covered by BABAA (select all that apply)

☐ Construction ☐ Alteration ☐ Maintenance ☐ Repair ☐ Not a project activity Project Activity: (Skip to Part II)

Part II - Determination

☐ I have evaluated the project and it is within the scope of the De Minimis waiver. No further BABAA requirements are needed.
☐ I have evaluated the applicant, project and activities and all are covered. Therefore I have determined the proposed funds are subject to BABAA.
☐ I have evaluated the applicant, project and activities and I am uncertain if the funds are subject to BABAA. Further evaluation is needed.
☑ I have evaluated the applicant, project, or activities and determined that the proposed funds are not subject to BABAA and the obligation may be approved.

APPROVAL OFFICIAL SIGNATURE & DATE: Randall Millhiser
Digitally signed by Randall Millhiser
Date: 2023.06.21 17:22:41 -04'00'

REVIEW OFFICIAL SIGNATURE & DATE:
☑ Concur ☐ Do Not Concur
ANDREW BERKE
Digitally signed by ANDREW BERKE
Date: 2023.06.22 09:38:37 -04'00'

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*For official Agency use only. Please keep in project file for compliance with BABAA Instructions.

L1 Summary Report - 101001335	
Applicant Name	Cordova Telephone Cooperative, Inc.
Application Control ID	101001335
Funding Type	100 Percent Grant
Amount Requested	$34,905,000.00
FOA #	#4
Case Manager	Gray Maglieri
Reviewer	Faiza Ahmad
Application Received	11/16/2022

Section:	Sufficient for L2 Review	Flagged Responses
Account	Yes	
Project	No	3a,3b
Service Area	Yes	
Network	Yes	
Environmental	Yes	
Evaluation Criteria	Yes	
Certifications	Yes	

Section Completion Validation	Complete
Automatic Validation	Fail
Missing Env Docs?	Received Necessary Environmental Documents
Recommendation	Perform L2 Review

Summary Comments:

This application is recommended to proceed to L2 review. The Applicant's Funding Request Resolution document does not specify funding type or amount. This will be addressed before closing.

Eligibility Issues:

Section	Identified Issues	Question	Reviewer Notes
Project	3a	If Yes, does the funding type on the funding resolution match the funding type in Question 2? If No, identify discrepancies in the "Comments Box".	Applicant's Funding Request Resolution does not specify the type of grant the applicant is applying for.
Project	3b	If Yes, is the funding amount on the funding resolution equal to or more than the amount on the Capital Investment Workbook? If No, identify discrepancies in the "Comments Box".	Applicant's Funding Request Resolution does not specify the grant amount the applicant is applying for.

Identified Issues:

Section	Identified Issues	Question	Reviewer Notes
Account	2	Is the applicant an existing RUS borrower and/or grantee? Search the applicant's name or RUS ID (if provided) in CLSS. If Yes, provide all RUS IDs in the "Comments Box".	AK0522, AK1415, AK1701
Account	6	Is the Congressional District for the headquarters of the applicant correct? If No, provide the correct Congressional District	At-Large Congressional district of Alaska

		using the following format, e.g. AL-01, in the "Comments Box".	
Account	28	Does the applicant own any real property?	Applicant does not own any real property.
Project	3a	If Yes, does the funding type on the funding resolution match the funding type in Question 2? If No, identify discrepancies in the "Comments Box".	Applicant's Funding Request Resolution does not specify the type of grant the applicant is applying for.
Project	3b	If Yes, is the funding amount on the funding resolution equal to or more than the amount on the Capital Investment Workbook? If No, identify discrepancies in the "Comments Box".	Applicant's Funding Request Resolution does not specify the grant amount the applicant is applying for.
Project	7	Is the applicant a publicly traded company?	Applicant is not a publicly traded company.
Service Area	16	Is the applicant proposing services on tribal land?	Applicant's PFSA, 'Hoonah', overlaps with tribal land.
Service Area	16b	If Yes, list the name(s) of the tribal lands in which the PFSA overlaps in the "Comments Box".	Hoonah Indian Association (Hoonah ANVSA, Census Code: 6590)

Network	1	Does the proposed technology in the Network Design match with the technology options selected under Question 1 in "Project Information"? If No, identify discrepancies in the "Comments Box".	(b) (4)
Network	2	Was the Network Design certified by a PE licensed in at least one of the states in which the project is located? If No, identify discrepancies in the "Comments Box". NOTE: Refer to Question 1 in "Service Area" for the State(s) served.	PE Certification uploaded to SP.

Network	10	Was the buildout time submitted on a quarterly basis for wireless networks? If No, identify discrepancies in the "Comments Box". NOTE: Refer to Question 1 under "Project Information" to see the type(s) of proposed technology.	(b) (4)

L2 SUMMARY

Section 1: Project Summary

Project Description	
Applicant Name	Cordova Telephone Cooperative, Inc.
Legal Structure	Cooperative or mutual organizations
Funding Type	100% Grant
Funding Amount Requested	$34,905,000.00
Matching Funds	(b) (4)
Other Funds	
Total Project Costs	
Location(s)	AK
Loan Interest Rate & Term	N/A
SUTA Consideration	No
Technology Type	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed
Proposed Construction Dates	2024 - 2025
Existing Relationship with RUS	
Existing RUS Borrower/Awardee	Yes
RUS ID(s)	AK0522, AK1415, AK1701
Applicant's Unique Entity Identifier (UEI)	X6G6CDLTL5F6
Certifications	PE Certification and Tribal Resolution document
Review Outputs	
Financial Feasibility	(b) (4)
Technical Feasibility	
Environmental Review	
Evaluation Criteria Score	
SAV	
Recommendations	
Financial Recommendation	**Approve**
Technical Recommendation	**Approve**
Review Team Recommendation	[Review Team Recommendation]

Updates in Response to Comments from Credit Committee

Click or tap here to enter text.

Section 2: Service Area

Proposed Funded Service Area(s)	Total Households (HH)	% HH Currently without Sufficient Broadband	Validation
Hoonah	1	100%	
Pelican	8	100%	
Does any of the PFSA(s) overlap with a protected borrower's service area?			No
Does any of the PFSA(s) overlap with a non-rural area?			No
Does any of the PFSA(s) overlap with service area(s) included in a recently submitted Farm Bill or Infrastructure (Pending) loan application?			Yes, overlaps with a pending application, Byte Networking LLC dba Fibre Alaska (101001494).
Does any of the PFSA(s) overlap with the RDOF – Ready to Authorize layer?			No
Does any of the PFSA(s) overlap with Tribal Land?			Yes, but the applicant provided a Tribal Resolution certification.

Section 3: Financial Feasibility Review

Recommendation from Financial Review: Approve

Summary

Cordova Telephone Cooperative, Inc. (CTC) is committed to the provision, improvement, and expansion of quality, competitively priced communication services in Cordova, Alaska, and the surrounding service area. In 1978, the voters of Cordova approved a resolution providing for the transfer of assets of Cordova Public Utilities-Telephone Utility to Cordova Telephone Cooperative, Inc (CTC). And thus, a member-owned telephone cooperative was established. In 1997, CTC again broadened its scope of services and established two subsidiaries: Cordova Wireless Communications (CWC) and Cordova Long Distance (CLD). Cordova Wireless has become a successful cellular provider in Cordova with 18 cellular sites, serving two communities and all the Prince William Sound. Long distance wholesale rates for Cordova Long Distance were available for several years, and CLD started offering service to Cordova in 2012. In 2019, CTC Holdings LLC was established for managed purchased assets from third parties, and in 2022, Yakutat Telecom Company LLC to provide broadband services in Yakutat, Alaska.

The proposed project has a cost (b) (4) This 100% proposed ReConnect Grant for $34,905,000 with additional matching funds o (b) (4) s needed to source the increase in the project costs. The matching funds will be generated from the following breakdown, (b) (4) oan from

CoBank. A(b) (4) etter of Credit from CoBank and (b) (4) ash infusion from the Applicant and its subsidiaries. The matching funds will be disbursed in the first three years before any of the ReConnect funds are applied to the project.

CTC is a rural rate of return incumbent local exchange telecommunications carrier providing service in and around Cordova, Alaska. CTC is an active borrower of the RUS, regulated by the FCC for interstate purposes, regulated on limited basis under the Regulatory Commission of Alaska for intrastate calling and regulated by its board of directors for local exchange purposes. CTC is the carrier of last resort and has ETC status for our established service area for both wireline and wireless services. Cordova's existing network has grown organically over 40 years to provide essential services to our community, including: telephone/VoIP, internet, tv, and wireless cellular. Our network has reached its peak performance for broadband speeds, leaving our community underserved until we can deploy Fiber-To-The-Home.

As mentioned above, the applicant is one operating group under common management. Due to the size of the proposed project, CTC plans on using its own workforce and outside contractors to construct the project. A mitigant will be included to ensure any outside design and construction is separated.

Assumptions

A new base was created to correct the Depreciation Rates which were incorrect inputs by the applicant. After these adjustments the New Base met all FOA requirements.

Outside the New Base adjustments cited above, the applicant didn't use any alternative households. In addition, since this is a 100% Grant, the matching sources of dollars will be required, it's believed that these dollars will be sourced from outside Loans, a Letter of Credit and cash on hand from subsidiaries.

Sensitivity Test #1 for a standard economic downturn was performed by lowering prices across the board by 10% while also introducing a 10% Churn Rate. This was done to stress the assumptions, especially since the applicant forecasts a high 108.21% PFSA Data Penetration Rate by 2027. This is mitigated some by the applicant's 38.68% NFSA data penetration rate and historically low 9.98% churn rate. The result of this Sensitivity Test is the applicant met 3 out of 4 FOA requirements.

The applicant forecasts a nominal amount of NONI income of just $10K annually during the Forecast Period and consists of investment income and merchandise/jobbing income.

Financial Strengths and Risks

This application meets all FOA requirements and is recommended for approval based on the data operating experience of the applicant, its strong financials, and the estimated strong data penetration rates they are forecasted to receive in the PFSA. Since the applicant is a cooperative entity seeking a 100% grant the most important FOA ratio is DSCR. The 2027 forecasted DSCR ratio is strong at 7.81x and in the most important forecast year as it's after all interest deferrals burn off. Per the Income Statement the LNSR income from the NFSA and PFSA buildout should alone generate sufficient cash flow to service the potential RUS loan.

Finally, there are also concerns that construction costs could continue to go up due to inflation and supply-chain issues and require RUC to adjust their budget up yet again after already increasing it from(b) (4) . All of these concerns are mitigated by the fact the potential RUS loan will be secured by the infrastructure it creates, and the potential of continuing decreasing inflation as covid impacted supply chain issues continue to diminish. Finally, it should also be noted that RUC has (b) (4) in Unrestricted Cash on hand.

In conclusion the applicant's current Management Team, with 17.5 years of average company experience, should be able to navigate all the above-mentioned concerns. This is especially true with their experience with broadband projects and/or other major utility projects of similar size and scope. The applicant should also be able to cover their debt obligations in the future and even under various stressed scenarios.

Recommended Mitigants

The Awardee cannot allow contractors who design the network to also be the network construction company.

Awardee needs to provide an executed servicing or operating agreement with the affiliate, which defines the roles and responsibilities of each entity and requires RUS approval prior to release of funds.

Awardee must provide evidence, in form and substance satisfactory to the Awardee entering into this Agreement and have each released or subordinated their liens on all loan assets funded under the Award, as well as on the matching funds required under Section 4.2(b). Intercreditor agreements with all existing lenders with a first lien on any collateral, including Awardee, must be executed between the Government, the awardee, and third parties.

Awardee must receive a formal Tribal Government Resolution of Consent from Chenega Nation prior to close.

Awardee must submit a statement certifying that the funds requested from ReConnect have not been and will not be reimbursed by the RDOF award.

Risk Rating Scorecard - Historical

Rating Factor	Sub-Factor	Risk Level
Business Profile	(b) (4)	
Profitability and Scale		
Leverage and Coverage		

Rating Factor	Sub-Factor	Risk Level
	(b) (4)	
Management and Financial Policy		
	Final Rating	(b) (4)

Compliance with FOA Financial Requirements – New Base Application

Rating Factor	FOA	Forecast Year 3	Forecast Year 4	Forecast Year 5
DSCR	(b) (4)			
Current Ratio				
TIER				
Ending Cash Balance at End of Forecast Period				

Historical Summary

Rating Factor	2020	2021	Bridge Year	Forecast Year
Operating Revenues	(b) (4)			
Operating Expenses				
Nonoperating Net Income				
Fixed Charges				
Net Income				

Proposed Financing Structure

Source of Funds	Amount	% Of Total
Grant Amount Requested	$34,905,000.00	(b) (4)
Loan Amount Requested	$0.00	
Other Funds	$0.00	
Total Match Amount	(b) (4)	
TOTAL		

Capital Investment

Capital Type	Cost	% Of Total
Network and Access Equipment	(b) (4)	
Outside Plant		
Buildings		
Towers		
Customer Premises Equipment		
Support Assets		

Capital Type	Cost	% Of Total
Non-Depreciable Assets	(b) (4)	
Professional Services		
Other Expenditures		
TOTAL		

Section 4: Technical Feasibility Review

Recommendation from Technical Review: Approve

Broadband Service

PFSA	Broadband Technology	New or Existing	Reviewer-Validated Download Speed	Reviewer-Validated Upload Speed
Hoonah	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed	New	100 Mbps	100 Mbps
Pelican	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed	New	100 Mbps	100 Mbps

Summary

ReConnect Level II Technical Notebook Summary: Application #101001335

The applicant, Cordova Telephone Cooperative, Inc. (CTC), is an ILEC in business since 1978. CTC provides telecommunication services in Cordova and the surrounding area in the Prince William Sound, including Chenega and Yakutat, as well as Pelican in Southeast Alaska. CTC is also a transport hub for submarine fiber networks connecting the Alaska interior with Southcentral and Southeast Alaska for state carriers to provide Direct Internet Access and Ethernet transport. CTC intends to serve the community of Pelican in Southeast Alaska while also improving performance and reliability for the entire Southcentral Alaska region. The investment will fortify broadband connectivity for five small rural coastal communities, enable 100Mbps symmetrical service for over 4000 stakeholders and dozens of Alaska Native entities and businesses, provide geographic broadband redundancy for six coastal communities The technology is only identified as an FTTH PON system.

The applicant intends to install approximately 571 miles of fiber from 2023 – 2026. All but 4 miles are submarine cable. Subscriber Breakdown by Service Area lists 42 total households and businesses for the project and the applicant projects 48 total customers. The highest level of service is 100 Mbps/100 Mbps.

The technical analysis was performed to confirm general feasibility towards the basic requirements of the proposed plan for speeds, coverages, subscribers, premises, and service types. This analysis resulted in an overall “Weak (Pass)” rating for the application.

Phase II Technical Analysis Detail

The detailed technical analysis was performed based on analyzing key items across 7 primary areas addressing 3 primary network layers (Access, Distribution, and Core), with primary Network Integration to existing applicant owned or affiliate network elements, network Construction and Timelines, Permitting and Legal Requirements, and Budgets.

Beginning with the first of the 3 primary network layers, the Access portion. The access network is feasible. (b) (4) Optical Line Terminals (OLTs) will feed Optical Network Terminals (ONTs) at the premises in a Passive Optical Network (PON) configuration. (b) (4) product line of modem/router devices will be installed inside the premises.

The distribution network is feasible. (b) (4) Optical Line Terminals (OLTs) will feed the last mile and are connected upstream to the Cordova CO with new submarine fiber.

The core network is feasible. The CTC network core is built on (b) (4) equipment that manages all network traffic (IP and Sonnet), services interconnect, and backhaul transport out of Cordova. The primary (b) (4) equipment currently in use includes (b) (4) switches and (b) (4) routers. CTC currently has one active middle mile network leaving Cordova towards Valdez Alaska to provide Direct Internet Access and backhaul transport.

This is an expansion of an existing network and integration should be seamless. Interconnection occurs with carrier partners in Anchorage.

Contingent upon award is a possible colocation building lease in Juneau and multiple permits for submarine line and PFSA build.

The build out timeline is achievable based on the application. The Yakutat site description is empty, so this review is unable to determine what is happening at this site.

Notes:

1. There are no ONTs or OLTs specified in the budget for the access network. It is possible these items are included in the switching equipment budget line item but is unknown.

2. There are 3 new cabinets described in the site descriptions and only one budgeted for in the Pelican CIW.

3. The Hoonah CIW is empty, but the site and route descriptions identify fiber and equipment being installed there.

4. High construction costs overall are likely justified by geographic challenges.

5. Although the applicant states that the project will provide new Fiber-To-The-Home for the unserved community of Pelican, Alaska and critical middle mile connectivity for Southcentral and Southeast Alaska, new fiber will serve four (4) rural Native Alaskan coastal communities; providing connection to the internet via a diverse submarine network from Cordova to Juneau with branch units to Pelican, Gustavus, and Hoonah there are only 46 new customers projected in Pelican and 2 in Hoonah. That's ~(b) (4) per customer.

Risks: Missing from the budget are ONTs, OLTs, cabinets, and everything in the Hoonah CIW.

Covenants: None

Recommended Mitigants

N/A

Detailed Technical Analysis

Analysis Topics	Findings
Technical Due Diligence	(b) (4)
Technical Feasibility	
Construction Feasibility	
Budget Feasibility	
Final Rating	

Section 5: Environmental Review

Recommendation from Environmental Review: Sufficient for Obligation

Summary

The applicant has satisfied all environmental requirements for obligation pursuant to 7 CFR 1970.11(b). The full environmental clearance required to close the Agreement still needs to be completed.

Recommended Conditions

As the full environmental clearance for this application still must be completed, the following language should be included as a condition precedent to closing the Agreement:

Pursuant to 7 CFR 1970.11(b), the Agency has determined that assurance of funding for this Project is necessary for economic rural development. As a result, this Agreement is subject to the completion of all necessary environmental procedures required by Federal law, and funds may not be disbursed until successful completion of such procedures. The Awardee acknowledges that it may not engage in any work on the Project until Awardee has received written notice from the Agency, and that unauthorized work will result in the termination of this Agreement. Awardee also acknowledges that any findings in the environmental reviews requiring significant changes to the Project will constitute an immediate de-obligation of funding and termination of this Agreement and will not result in an amended agreement until revised terms are agreed upon and funding is determined to be still available.

Section 6: Scoring Criteria Results

Evaluation Criteria	Applicant Score	Reviewer Score	Maximum Points
Rurality of Proposed Funded Service Area	(b) (4)		
Level of existing service			
Economic need of the community			
Affordability			
Labor Standards			
Tribal lands			
Local governments, non-profits, and cooperatives			
Socially Vulnerable Communities			
Net neutrality			
Wholesale broadband services			
TOTAL			

L2 SUMMARY

Section 1: Project Summary

Project Description	
Applicant Name	Cordova Telephone Cooperative, Incorporated
Legal Structure	Cooperative or mutual organizations
Funding Type	100% Grant
Funding Amount Requested	$34,905,000.00
Matching Funds	(b) (4)
Other Funds	
Total Project Costs	
Location(s)	AK
Loan Interest Rate & Term	N/A
SUTA Consideration	No
Technology Type	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed
Proposed Construction Dates	2023 - 2026
Existing Relationship with RUS	
Existing RUS Borrower/Awardee	Yes
RUS ID(s)	AK0522, AK1415, AK1701
Applicant's Unique Entity Identifier (UEI)	X6G6CDLTL5F6
Certifications	PE Certification and Tribal Resolution Document
Review Outputs	
Financial Feasibility	(b) (4)
Technical Feasibility	
Environmental Review	
Evaluation Criteria Score	
SAV	
Financial QC Performed By	**Robert Irby**
Financial Recommendation	**Approve**
Technical QC Performed By	**Izzy Abbass**
Technical Recommendation	**Approve**
Review Team Recommendation	**Approve**

Updates in Response to Comments from Credit Committee

N/A

Section 2: Service Area

Proposed Funded Service Area(s)	Total Households (HH)	Total Alternate Households (AHH)	% HH Currently without Sufficient Broadband	Validation
Hoonah	1	0	100%	Yes, Passed SAV
Pelican	8	33	100%	Yes, Passed SAV
Does any of the PFSA(s) overlap with a protected borrower's service area?				(b) (4)
Does any of the PFSA(s) overlap with a non-rural area?				
Does any of the PFSA(s) overlap with service area(s) included in a recently submitted Farm Bill or Infrastructure (Pending) loan application?				
Overlap Analysis Results – Overlap with RDOF, CAF II, NTIA TBCP Awards/Pending, or NTIA BIP?				

Proposed Funded Service Area(s)	Total Households (HH)	Total Alternate Households (AHH)	% HH Currently without Sufficient Broadband	Validation
Does any of the PFSA(s) overlap with Tribal Land? • **If Yes, is the Applicant a Tribal Entity?**				(b) (4)

Section 3: Financial Feasibility Review

Recommendation from Financial Review: Approve

Summary

Cordova Telephone Cooperative, Incorporated (CTC), DBA as Cordova Telecom Cooperative, is an Alaska cooperative corporation providing telecommunication services to its members in and around Cordova, Alaska. The applicant currently supports a network that covers 788 households providing data and voice services. CTC is requesting $34.9M under the 100% Grant program with matching funds o (b) (4) o construct a fiber-to-the-home (FTTH) network in Pelican, Alaska, providing data services to 33 households. The Service Area map indicates nine households within the PFSAs. However, the applicant provided alternate household data reflecting 24 additional households. The required matching funds of (b) (4)

The applicant provided its audited, consolidated 2021 - 2020 comparative financial statements, which include the applicant and their wholly owned subsidiary Cordova Wireless Communications, LLC. The applicant is applying for funding as a consolidated company. The subsidiary Cordova Wireless Communications LLC (CWC) focuses on providing wireless cellular services and has a service agreement with the parent company for general staffing and technical support needs. CTC employs 19 full-time employees.

The application summary indicates there are other associated companies with the applicant, which includes Cordova Long Distance Inc., Yakutat Telecom Company, LLC, and CTC Holdings, LLC. These companies are not discussed within the financial statements but are included in the organizational chart as single member companies.

Net Operating Revenue for 2021 (b) (4) , primarily derived from Network Access Services Revenue (NASR), which makes up (b) (4) of the total revenue, with Local Network Services Revenues making up (b) (4) of the total revenue. Ending cash and equivalents in 2021 and was (b) (4), with a Current Ratio of (b) (4), a TIER of (b) (4) and a DSCR of (b) (4) The applicant has a (b) (4) Line-of-Credit with CoBank. As of December 31, 2021, the audited financials indicate (b) (4) outstanding. Total Net Income in 2021 was (b) (4) and ending cash was (b) (4)

CTC is a Round 1 and Round 3 grant awardee and RUS borrower, with past obligations showing as paid-in-full, indicating a positive credit relationship with RUS and knowledge of RUS reporting and compliance rules.

The applicant does not indicate the use of RDOF funds within the Application Summary, the Financial Notes, or within the Financial Model. The applicant is not requesting SUTA consideration in the application and both PFSAs overlap 100% with FAR Level 4 areas.

Assumptions

The applicant indicated they were not regulated by a PUC, however, the rates used in the application did not match current RUS depreciation rates. The rates were adjusted to match the most current approved RUS rates, which lowered the economic life from 30 years to 20 years. In addition, the applicant did not correctly apply grant accounting principles under the CIAC method used. Updates were made to Plant Constructed Using Grant Proceeds, Proceeds from Grant Funds, Less Grant Funded Assets, and Less Grant Funded Plant. The adjustments included the changes to the Statement of Cash Flows, Plant-In-Service, and Depreciation Expense Summary.

The NFSA subscriber rate was submitted with a total take rate of 414% in 2021, this is due to the applicant entering extra services for phone and data as separate packages instead of other Local Network Services Revenues. In addition, the applicant entered cancellation numbers as a negative, which adds subscribers instead of reducing them, which was corrected. The extra services were removed from the calculations and data services were reduced by 30% for all years. This reduced the overall take rate to 93%, which is reasonable.

The applicant provided documentation on alternate household counts for their PFSA at 33 versus the system-generated census count of 9 (377% change), which was supported by the applicant's research. The applicant provided an alternate household report on demographic information in the area, which was reviewed and found to be acceptable by the Program. It is to be noted that if alternate household data were not used, the subscriber take rate would be 244.44% instead of 64.71% in 2027.

All these changes were incorporated into a New Base Financial Model. Under this New Base Model, the applicant satisfies the program financial requirements with positive ending cash throughout the forecast period and meeting two of the three applicable ratios.

The applicant assumes that Network Access Services Revenues (NASR) will increase from (b) (4) in 2022 to (b) (4) in 2027, which represents a CAGR of (b) (4) This is primarily from the Alaska Plan and Interstate Special Access Charges. CTC has reflected receiving (b) (4) (NASR), which is slightly less that the financial statements, which indicate (b) (4). USAC indicates the amount received for the Alaska Plan exceeds the amount in the application. The increased revenue is from Interstate Special Access Charges, which has been increasing historically at a (b) (4) CAGR. In downside testing this revenue was reduced by 10% for each forecast year, which reduced the CAGR to match the historical rate (b) (4) Under this test the applicant did not meet program ratio requirements as the Current Ratio dropped to (b) (4) and the TIER is a (b) (4) Indicating the applicant has a strong reliance on Network Access Services Revenues. However, if the applicant included the additional amount indicated from the Alaska Plan from USAC this would more than make up for the difference.

The applicant projects that Local Network Services Revenue (LNSR) will increase from (b) (4) in 2022 to (b) (4) in 2027, which is a (b) (4) CAGR. The applicant is projecting that ARPU will increase from (b) (4) in 2022 to (b) (4) in 2027 and is adding 22 new subscribers in their PFSA. The applicant is projecting a take rate of (b) (4) in the PFSA, which is in line with the adjusted NFSA with a (b) (4) subscription rate. The PFSA Churn Rate is indicted to be (b) (4) which isn't reasonable, where the NFSA has an average churn rate of (b) (4), which is in line with the industry. Downside testing reduced prices (b) (4) and the churn rate in the PFSA was set (b) (4) Under this stress test the applicant meets cash requirements with ending cash of (b) (4) in 2027, however the applicant only meets one of the ratio requirements as the TIER was (b) (4) and the Current Ratio was (b) (4) slightly below the requirement of (b) (4). The Financial Statements indicate (b) (4) 2021, which is slightly less than the application amount of (b) (4), however this is likely due to classification differences.

Non-Operating Net Income (NONI) is projected to decrease from (b) (4) in 2022 to (b) (4) in 2027, which represents a CAGR of (b) (4) which is reasonable. This revenue is primarily indicated to be derived from subsidiary income. No testing required.

The applicant assumes an increase in Net Operating Revenue with a CAGR (b) (4) and an increase in Total Operating Expenses with a CAGR (b) (4) over the forecast years, which is reasonable. The applicant's Operating Margin is projected to increase slightly from (b) (4) in 2021 to (b) (4) in 2027 indicating an increase in efficiencies.

Financial Strengths and Risks

The applicant meets the program financial requirements and is recommended for approval based on the applicant's strong business profile, financial position, and stable revenue sources.

The applicant has a stable operating cash flow generating an average of (b) (4) over the forecast period primarily from Network Access Services Revenue, providing the applicant with a reliable stable revenue source forming the basis of the successful completion and build out of the project.

It was noted that the applicant's net income becomes negative in 2026 and 2027, due to the expansion costs of the prior round awards and the significant increase in depreciation expenses that increase from (b) (4) in 2021 to (b) (4) in 2027 for a CAGR of (b) (4) The applicant is investing (b) (4) over the bridge and forecast years, which represents a significant investment in the infrastructure of the company and the high costs of building in Alaska. The applicant has a history of investing in their equipment as demonstrated by their Capital Expenditure to Revenue ratio of (b) (4), which is necessary to remain competitive in the telecommunication industry.

It should be noted that the applicant's EBITA increases from (b) (4) over the pro forma years and the applicant's ending cash increases from (b) (4) in 2021 to (b) (4) in 2027, which could be used to reduce the applicants risk exposure and handle any unforeseen expenses.

In 2021 the applicant had a strong TIER of (b) (4) a DSCR of (b) (4), a Cash Flow from Operations to Total Debt Service ratio of (b) (4), and a Current Ratio of (b) (4) These ratios indicate the applicant is in a strong financial position with the ability to handle their debt obligations. While the large expanse does stress the applicant's financial position, the applicant has a strong cash flow and cash reserve balance to

support the growth and once the projects are complete the applicant's revenue and net income will improve.

The Senior Management Team has an average of 17.5 years of Telecom experience. The applicant was awarded a Round 1 and Round 3 ReConnect award and a Community Connect Grant as well as 5 other loans totaling (b) (4) that are either current or paid in full.

Recommended Mitigants

Awardee must provide evidence, in form and substance satisfactory to RUS that CoBank has consented to the Awardee entering into this Agreement and has released or subordinated their liens on all grant assets funded under the Award, as well as on the matching funds required under Section 4.3(b).

Awardee must provide documentation to support the extension to their existing Line-of-Credit to fund the 25% matching fund requirement.

Risk Rating Scorecard - Historical

Rating Factor	Sub-Factor	Risk Level
Business Profile	(b) (4)	
Profitability and Scale		
Leverage and Coverage		
Management and Financial Policy		
	Final Rating	(b) (4)

Compliance with Program Financial Requirements – New Base Application

Rating Factor	Program Requirement	Forecast Year 3	Forecast Year 4	Forecast Year 5
DSCR	(b) (4)			
Current Ratio				
TIER				
Ending Cash Balance at End of Forecast Period				

Historical Summary

Rating Factor	2020	2021	Bridge Year	Forecast Year 5
Operating Revenues	(b) (4)			
Operating Expenses				
Nonoperating Net Income				
Fixed Charges				
Net Income				

Proposed Financing Structure

Source of Funds	Amount	% Of Total
Grant Amount Requested	$34,905,000.00	(b) (4)
Loan Amount Requested	$0.00	
Other Funds	$0.00	
Total Match Amount	(b) (4)	
TOTAL		

Capital Investment

Capital Type	Cost	% Of Total
Network and Access Equipment	(b) (4)	
Outside Plant		
Buildings		
Towers		
Customer Premises Equipment		
Support Assets		
Non-Depreciable Assets		
Professional Services		
Other Expenditures		
TOTAL		

Section 4: Technical Feasibility Review

Recommendation from Technical Review: Approve

Broadband Service

PFSA	Broadband Technology	New or Existing	Reviewer-Validated Download Speed	Reviewer-Validated Upload Speed
Hoonah	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed	New	100 Mbps	100 Mbps
Pelican	Hybrid-Fiber-Coax; Fixed	New	100 Mbps	100 Mbps

PFSA	Broadband Technology	New or Existing	Reviewer-Validated Download Speed	Reviewer-Validated Upload Speed
	Wireless - Unlicensed			

Summary

ReConnect Level II Technical Notebook Summary: Application #101001335

The applicant, Cordova Telephone Cooperative, Incorporated (CTC), is an ILEC in business since 1978. CTC provides telecommunication services in Cordova and the surrounding area in the Prince William Sound, including Chenega and Yakutat, as well as Pelican in Southeast Alaska. CTC is also a transport hub for submarine fiber networks connecting the Alaska interior with Southcentral and Southeast Alaska for state carriers to provide Direct Internet Access and Ethernet transport. CTC intends to serve the community of Pelican in Southeast Alaska while also improving performance and reliability for the entire Southcentral Alaska region. The investment will fortify broadband connectivity for five small rural coastal communities, enable 100Mbps symmetrical service for over 4,000 stakeholders and dozens of Alaska Native entities and businesses, as well as provide geographic broadband redundancy for six coastal communities. The technology is only identified as an FTTH PON system.

The applicant intends to install approximately 571 miles of fiber from 2023 – 2026 to provide service to total 33 households. The highest level of service is 100 Mbps/100 Mbps.

The technical analysis was performed to confirm general feasibility towards the basic requirements of the proposed plan for speeds, coverages, subscribers, premises, and service types. This analysis resulted in an overall "Weak (Pass)" rating for the application.

Phase II Technical Analysis Detail

The detailed technical analysis was performed based on analyzing key items across 7 primary areas addressing 3 primary network layers (Access, Distribution, and Core), with primary Network Integration to existing applicant owned or affiliate network elements, network Construction and Timelines, Permitting and Legal Requirements, and Budgets.

Beginning with the first of the 3 primary network layers, the Access portion. The access network is feasible. (b) (4) Optical Line Terminals (OLTs) will feed Optical Network Terminals (ONTs) at the premises in a Passive Optical Network (PON) configuration. (b) (4) product line of modem/router devices will be installed inside the premises.

The distribution network is feasible. (b) (4) Optical Line Terminals (OLTs) will feed the last mile and are connected upstream to the Cordova CO with new submarine fiber.

The core network is feasible. The CTC network core is built on (b) (4) equipment that manages all network traffic (IP and Sonnet), services interconnect, and backhaul transport out of Cordova. The primary (b) (4) equipment currently in use includes (b) (4) switches and (b) (4) routers. CTC currently

has one active middle mile network leaving Cordova towards Valdez Alaska to provide Direct Internet Access and backhaul transport.

This is an expansion of an existing network and integration should be seamless. Interconnection occurs with carrier partners in Anchorage.

Contingent upon award is a possible colocation building lease in Juneau and multiple permits for submarine line and PFSA build.

The build out timeline is achievable based on the application. The Yakutat site description is empty, so this review is unable to determine what is happening at this site.

Notes:

1. There are no ONTs or OLTs specified in the budget for the access network. It is possible these items are included in the switching equipment budget line item but is unknown.

2. There are 3 new cabinets described in the site descriptions and only one budgeted for in the Pelican CIW.

3. The Hoonah CIW is empty, but the site and route descriptions identify fiber and equipment being installed there.

4. High construction costs overall are likely justified by geographic challenges.

5. The applicant states that the project will provide new Fiber-To-The-Home for the unserved community of Pelican, Alaska, and critical middle mile connectivity for Southcentral and Southeast Alaska. New fiber will serve four (4) rural Native Alaskan coastal communities, providing connection to the internet via a diverse submarine network from Cordova to Juneau, with branch units to Pelican, Gustavus, and Hoonah. However, there are only 33 new customers projected in Pelican and 2 in Hoonah. That is over (b) (4) per customer.

Risks: Missing from the budget are ONTs, OLTs, cabinets, and everything in the Hoonah CIW.

Recommended Mitigants

N/A

Detailed Technical Analysis

Analysis Topics	Findings
Technical Due Diligence	(b) (4)
Technical Feasibility	

Analysis Topics	Findings
	(b) (4)
Construction Feasibility	
Budget Feasibility	
Final Rating	

Section 5: Environmental Review

Recommendation from Environmental Review: Sufficient for Obligation

Summary

The applicant has satisfied all environmental requirements for obligation pursuant to 7 CFR 1970.11(b). The full environmental clearance required to close the Agreement still needs to be completed.

Recommended Conditions

As the full environmental clearance for this application still must be completed, the following language should be included as a condition precedent to closing the Agreement:

Pursuant to 7 CFR 1970.11(b), the Agency has determined that assurance of funding for this Project is necessary for economic rural development. As a result, this Agreement is subject to the completion of all necessary environmental procedures required by Federal law, and funds may not be disbursed until successful completion of such procedures. The Awardee acknowledges that it may not engage in any work on the Project until Awardee has received written notice from the Agency,

and that unauthorized work will result in the termination of this Agreement. Awardee also acknowledges that any findings in the environmental reviews requiring significant changes to the Project will constitute an immediate de-obligation of funding and termination of this Agreement and will not result in an amended agreement until revised terms are agreed upon and funding is determined to be still available.

Section 6: Scoring Criteria Results

Evaluation Criteria	
Rurality of Proposed Funded Service Area	(b) (4)
Level of existing service	
Economic need of the community	
Affordability	
Labor Standards	
Tribal lands	
Local governments, non-profits, and cooperatives	
Socially Vulnerable Communities	
Net neutrality	
Wholesale broadband services	
TOTAL	

L2 SUMMARY

Section 1: Project Summary

Project Description	
Applicant Name	Cordova Telephone Cooperative, Inc.
Legal Structure	Cooperative or mutual organizations
Funding Type	100% Grant
Funding Amount Requested	$34,905,000.00
Matching Funds	(b) (4)
Other Funds	
Total Project Costs	
Location(s)	AK
Loan Interest Rate & Term	N/A
SUTA Consideration	No
Technology Type	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed
Proposed Construction Dates	2023 - 2026
Existing Relationship with RUS	
Existing RUS Borrower/Awardee	Yes
RUS ID(s)	AK0522, AK1415, AK1701
Applicant's Unique Entity Identifier (UEI)	X6G6CDLTL5F6
Certifications	PE Certification and Tribal Resolution Document
Review Outputs	
Financial Feasibility	(b) (4)
Technical Feasibility	
Environmental Review	
Evaluation Criteria Score	
SAV	
Financial QC Performed By	**Kristin Hansen**
Financial Recommendation	**Approve**
Technical QC Performed By	**Izzy Abbass**
Technical Recommendation	**Approve**
Review Team Recommendation	**Approve**

Updates in Response to Comments from Credit Committee

N/A

Section 2: Service Area

Proposed Funded Service Area(s)	Total Households (HH)	Total Alternate Households (AHH)	% HH Currently without Sufficient Broadband	Validation
Hoonah	1	1	100%	Yes, Passed SAV
Pelican	8	33	100%	Yes, Passed SAV
Does any of the PFSA(s) overlap with a protected borrower's service area?				(b) (4)
Does any of the PFSA(s) overlap with a non-rural area?				
Does any of the PFSA(s) overlap with service area(s) included in a recently submitted Farm Bill or Infrastructure (Pending) loan application?				(b) (4)
Overlap Analysis Results – Overlap with RDOF, CAF II, NTIA TBCP Awards/Pending, or NTIA BIP?				

Proposed Funded Service Area(s)	Total Households (HH)	Total Alternate Households (AHH)	% HH Currently without Sufficient Broadband	Validation
Does any of the PFSA(s) overlap with Tribal Land? • **If Yes, is the Applicant a Tribal Entity?**				(b) (4)

Section 3: Financial Feasibility Review

Recommendation from Financial Review: Approve

Summary

Cordova Telephone Cooperative, Inc. (CTC) DBA, as Cordova Telecom Cooperative, is an Alaska cooperative corporation providing telecommunication services to its members in and around Cordova, Alaska. CTC has four wholly owned subsidiaries to support key business functions of the cooperative: Cordova Long Distance Inc. (CLD) is a single-member corporation with no human resources that is used historically to solely manage the contracts and financials relative to long-distance telephone services; Cordova Wireless Communications LLC (CWC) is a single member company that focuses on providing wireless cellular services in Cordova, the Prince William Sound, and Yakutat areas. This entity has a services agreement with the parent company for general staffing and technical support needs while maintaining completely separate accounting, contracts, and vendor relations from the parent company; Yakutat Telecom Company LLC (YTC) is a single-member company that focuses on providing broadband services in Yakutat Alaska. This entity has a services agreement with the parent company for general staffing and technical support needs while maintaining completely separate accounting, contracts, and vendor relations from the parent company; CTC Holdings LLC (CTCH) is a single-member company that is used for holding assets acquired from partners and communities outside of Cordova. This entity has a services agreement with the parent company. CTC employs 17 full-time employees in Cordova and two in Yakutat to support operations. The Board of Directors, CEO, and CFO have general management and oversight of all five companies. CTC has a current network covers 788 households providing data and voice services.

CTC is requesting $34.9M via a 100% Grant to construct a fiber-to-the-home (FTTH) network in Pelican, Alaska, providing data services to 34 households. The Service Area map indicates nine households within the PFSAs. However, the applicant provided alternate household data reflecting 25 additional households. The grant funds will be used to improve broadband services across southern Alaska regions — fortifying broadband connectivity for five rural communities, enabling 100MB symmetrical service for stakeholders and Alaska Native entities and businesses, and providing geographic broadband redundancy for six coastal communities. The required matching funds of (b) (4)
(b) (4)

While the applicant provided its audited, consolidated 2021 and 2020 financial statements, CTC is applying for funding on a stand-alone basis. The audited financials provide breakout schedules for the applicant's Balance Sheet, Income Statement, and Statement of Cash Flows for 2021 only; no breakout information for 2020 was included as part of the audit package. The Balance Sheet, Statement of Cash Flows, and Income Statement bottom lines of the application are not materially different than the amounts reflected on the most recent audited financials. It does appear that certain differences in Local Network Service Revenue and Network Access Service Revenue classification exist on the application versus the financial statements.

Net Operating Revenue for 2021 was(b) (4), primarily derived from Network Access Services Revenue of(b) (4) or(b) (4) with Local Network Services Revenues making up(b) (4) or(b) (4) of the total revenue. 2021 Total Operating Expenses were(b) (4), or(b) (4) of Net Operating Revenues, and comprised primarily of plant-related depreciation and customer and corporate operating expenses. Ending cash in 2021 was(b) (4), with a Current Ratio of(b) (4)and an Operating Margin of(b) (4). 2021 TIER and DSCR ratios were(b) (4) and(b) (4), respectively. According to the audited financials, the applicant has(b) (4)million in Long-term debt, net of the current portion, with RUS and RTB. In addition, the applicant has a(b) (4) million Line-of-Credit with CoBank. As of December 31, 2021, the audited financials indicate(b) (4) outstanding. Total Net Income in 2021 was(b) (4), and ending cash was(b) (4)

There is no indication CTC will hire contractors to assist in the proposed project.

CTC is a Round 1 and Round 3 grant awardee and RUS borrower, with past obligations showing as paid-in-full, indicating a positive credit relationship with RUS and knowledge of RUS reporting and compliance rules.

The applicant does not indicate the use of RDOF funds within the Application Summary, the Financial Notes, or within the Financial Model. The applicant is not requesting SUTA consideration. in the application. Both PFSAs appear to overlap 100% with FAR Level 4 areas.

Assumptions

The applicant is using the CIAC accounting method. Updates were made to the base financial model to reflect the results of grant accounting analysis, including adjustments to Capital Expenditures (excluding plant constructed using grant proceeds), Plant Constructed Using Grant Proceeds, and Proceeds from Grant Funds on the Statement of Cash Flows, Less Grant-Funded Assets on the Plant-In-Service tab; and Less Grant Funded Plant on the Depreciation Expense Summary tab. The applicant provided documentation on alternate household counts for their PFSA at 34 versus the system-generated census count of 9 (377% change), which was supported by the applicant's research. The applicant provided an alternate household list indicating the data sources used by the applicant. However, the applicant did not provide the detailed source used. The data list was submitted to the Program for source validation. It is to be noted that if alternate household data were not used, the subscriber take rate would be 244.44% instead of 64.71% in 2027. The projected subscriber level for the PFSA appeared unreasonably high and adjustments were made to the levels to a more reasonable range. Adjustments were made to the NFSA subscriber levels to synch with

the subscriber level supporting documentation provided by the applicant and to track more closely to the reported 2021 level. In addition, the Applicant input NFSA subscriber cancellation figures incorrectly, which had the result in actually increasing existing subscriber levels rather than reducing them (the applicant input cancellation data as a negative number, but the model formula subtracts the cancellation figure, resulting in the negative cancellation figure being added, rather than subtracted) – these figures were adjusted accordingly. The applicant is not regulated by a PUC but provided depreciation rates that did not match RUS rates. Depreciation rates were updated to match RUS rates. All the changes discussed above were incorporated into a New Base Financial Model. Under this New Base Model, the applicant satisfies the program financial requirements with positive ending cash throughout the forecast period and meeting 2 of the three applicable ratios.

It is assumed that the 2020 financial information provided within the application is accurate, as no 2020 break-out information was provided by the applicant. Only break-out information for 2021 was included in the consolidated, audited financial statements provided.

CTC has reflected receiving (b) (4) in Network Access Services Revenues (NASR) and (b) (4) million in Local Network Services Revenues (LNSR) on the application. However, the 2021 audited financials reflect them receiving (b) (4) in Local Network Services Revenues, (b) (4) million in Network Access Services Revenues, and (b) (4) million in Internet Service. While the individual line items don't match, the reviewer assumes the LNSR and NASR differences are related to the Internet Service classification by the auditor. The 2021 total operating revenues on the application matched the amounts indicated on the audited financials.

The applicant indicated spending (b) (4) million in CAPEX in 2021; however, according to the audited financials, (b) (4) million was spent in CAPEX. However, since the ending cash matched, the reviewer assumes it's a categorization difference, so no adjustments were made.

Applicant assumes Local Network Services Revenues will increase by (b) (4) CAGR over the bridge and forecast years, increasing from (b) (4) million in 2021 to (b) (4) million by 2027. The increase in LNSR is attributed to increased subscribers gained through the PFSA and NFSA. In supporting documentation, the applicant states that all prior awarded communities are in the NFSA. Within the NFSA, the applicant assumes the data subscriber rate will reach (b) (4) by 2027, which is unreasonable. Total NFSA subscriber rates are projected at (b) (4) by 2027 – which again is unreasonable. In supporting documentation, the applicant notes, "The ReConnect portal subscriber breakdown still consolidates all like service types to calculate the number of subscribers. CTC included all our services in our forecasting, so a residential customer that has a land line with long distance and voicemail is getting counted multiple times by the portal". This statement appears to address the unreasonable Voice services subscriber rate, but it is unclear if this statement also applies to data services. Further, it is unclear if the applicant intended to use an alternative household count in the NFSA or if the projected subscribers for data services are a result of the applicant's proposed project complementing its existing investments. Regardless, without additional information, it is assumed that the revised NFSA data subscriber levels are correct, and that applicant did not input accurate household counts as an alternative to the census data. PFSA data subscriber rates are projected at (b) (4) by 2027, which is supported by reported 2021 NFSA data

subscriber rates but again clouded by the uncertainty around total NFSA households. ARPU is projected to grow at a CAGR of (b) (4) over the 2021-2027 time period, from (b) (4) to (b) (4) The NFSA is forecast to average a churn rate of 4.12% over the pro forma period, which is optimistic. The PFSA churn rate is forecast to average (b) (4) which again appears low. Under downside testing that reduced pricing by (b) (4) and set churn rates to (b) (4) for the NFSA and PFSA, the applicant satisfied program financial requirements, ending cash requirements was positive over all the forecast years, and met 2 of 3 of the program financial ratio requirements.

In 2021, (b) (4) or (b) (4), of the applicant's operating revenue comprised Network Access Services Revenue. This revenue stream is projected to grow at a (b) (4) CAGR over the 2021-2027, reaching (b) (4). Much of such revenue is indicated to be received through ACAM and interstate Special Access Revenue. The two sources of revenue made up a combined 88% of Network Access Services in 2021 and will continue to make up the majority of NASR throughout the forecast years. ACAM, which is received through the Alaska Plan, is indicated to amount to (b) (4) for all years. Interstate Special Access Revenues, which are charged to Wireless providers and ISPs, Interexchange carriers, and the State of Alaska, are projected to increase, going from (b) (4) in 2021 to (b) (4) in 2027, representing a CAGR of (b) (4) A test was conducted, applying a (b) (4) haircut to Interstate Special Access Revenues for 2025-2027 (when this revenue component showed increases above the historical trend). Under this scenario, the applicant satisfied program financial requirements, with ending cash requirements positive over all the forecast years and the applicant meeting 2 of 3 program financial ratio requirements.

Over the historical and bridge years, Non-Operating Net Income (NONI) averaged (b) (4) and is projected to average (b) (4) over the forecast period. While NONI is indicated to come through different items, the majority comes via subsidiaries' income. A test was conducted, holding bridge and forecast years subsidiary income constant at its 2021 level. Under this scenario, the applicant satisfied program financial requirements, with ending cash requirements positive over all the forecast years and the applicant meeting 2 of 3 program financial ratio requirements.

The applicant assumes an increase in Net Operating Revenue with a CAGR of (b) (4) and an increase in Total Operating Expenses with a CAGR (b) (4) over the 2021-2027 time period. This spread is acceptable. The applicant's Operating Margin is projected to increase from (b) (4) in 2021 to (b) (4), indicating an increase in efficiencies. The applicant forecasts an average Net Cash from Operations of (b) (4) per year over the pro forma period.

Historically net income averaged (b) (4) and is projected to average (b) (4) over the proforma years, with negative net income of (b) (4) projected in 2026 and (b) (4) in 2027. The drop in net income is primarily due to increased operating expenses with the proposed project's construction.

Financial Strengths and Risks

The application met the program financial requirements and is recommended for approval based on its strong leverage and coverage position and sustainable operating revenue sources.

The applicant is a telephone cooperative that was established in 1978. CTC has stable operating cash flow from its model-based support as well as Special Access Revenues, which will provide adequate

cash flow as the applicant undergoes significant upgrades to their broadband network. Historically, net cash provided by operations averaged (b) (4) and is expected to average (b) (4) throughout the forecast period. Including the Rounds 1 & 3 ReConnect awards and Community Connect Grant, CTC intends to utilize over (b) (4) million in capital to upgrade and maintain its current infrastructure over the forecast period. As of 2021, the applicant's long-term debts are received through RUS or RTB, which are all indicated to be current. In 2021, the applicant reflected a strong Current Ratio and DSCR of (b) (4), respectively, indicating strong liquidity and capital structure. Cash flow from operations to total debt service ratio remains strong throughout the forecast period, ending at (b) (4) by 2027, indicating the applicant's ability to service its debt. Once the applicant starts and finishes its network upgrades, the revenues generated through its service areas will provide improved cash flow opportunities throughout the forecast period and beyond.

Historically, the applicant has focused on improving asset quality and expanding its service area, indicative of capital expenditures making up (b) (4) of revenues. It is noted that of the (b) (4) ending cash reflected in 2021, (b) (4) million is restricted due to the matching funds' requirements of prior RUS awards.

The applicant's operating margin volatility indicates unpredictability in operations and has historically demonstrated an above-average reliance on Non-Operating Net Income (NONI). However, NONI as a percentage of Operating Revenue is projected to decline over the pro forma period. Additionally, stress testing of projected NONI levels resulted in the applicant still satisfying the program financial requirements.

Recommended Mitigants

Awardee must execute a Security Agreement and Financing Statement.

Awardee must provide evidence, in form and substance satisfactory to RUS that CoBank has consented to the Awardee entering into this Agreement and has released or subordinated their liens on all grant assets funded under the Award, as well as on the matching funds required under Section 4.2(b).

Awardee must provide documentation to support the extension to their existing Line-of-Credit to fund the 25% matching fund requirement.

Awardee to provide executed documentation to support the approval and terms of the Loan with CoBank to fund the 25% matching fund requirement.

Risk Rating Scorecard - Historical

Rating Factor	Sub-Factor	Risk Level
Business Profile	(b) (4)	

Rating Factor	
Profitability and Scale	(b) (4)
Leverage and Coverage	
Management and Financial Policy	
Final Rating	(b) (4)

Compliance with Program Financial Requirements – New Base Application

Rating Factor	Program Requirement	Forecast Year 3	Forecast Year 4	Forecast Year 5
DSCR	(b) (4)			
Current Ratio				
TIER				
Ending Cash Balance at End of Forecast Period				

Historical Summary

Rating Factor	2020	2021	Bridge Year	Forecast Year
Operating Revenues	(b) (4)			
Operating Expenses				
Nonoperating Net Income				
Fixed Charges				
Net Income				

Proposed Financing Structure

Source of Funds	Amount	% Of Total
Grant Amount Requested	$34,905,000.00	(b) (4)
Loan Amount Requested	$0.00	
Other Funds	$0.00	
Total Match Amount	(b) (4)	
TOTAL		

Capital Investment

Capital Type	
Network and Access Equipment	
Outside Plant	
Buildings	
Towers	
Customer Premises Equipment	
Support Assets	
Non-Depreciable Assets	
Professional Services	
Other Expenditures	
TOTAL	

(b) (4)

Section 4: Technical Feasibility Review

Recommendation from Technical Review: Approve

Broadband Service

PFSA	Broadband Technology	New or Existing	Reviewer-Validated Download Speed	Reviewer-Validated Upload Speed
Hoonah	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed	New	100 Mbps	100 Mbps
Pelican	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed	New	100 Mbps	100 Mbps

Summary

ReConnect Level II Technical Notebook Summary: Application #101001335

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The applicant intends to install approximately 571 miles of fiber from 2023 – 2026 to provide service to total 34 households. All but 4 miles are submarine cable. The highest level of service is 100 Mbps/100 Mbps.

The technical analysis was performed to confirm general feasibility towards the basic requirements of the proposed plan for speeds, coverages, subscribers, premises, and service types. This analysis resulted in an overall "Weak (Pass)" rating for the application.

Phase II Technical Analysis Detail

The detailed technical analysis was performed based on analyzing key items across 7 primary areas addressing 3 primary network layers (Access, Distribution, and Core), with primary Network Integration to existing applicant owned or affiliate network elements, network Construction and Timelines, Permitting and Legal Requirements, and Budgets.

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This is an expansion of an existing network and integration should be seamless. Interconnection occurs with carrier partners in Anchorage.

Contingent upon award is a possible colocation building lease in Juneau and multiple permits for submarine line and PFSA build.

The build out timeline is achievable based on the application. The Yakutat site description is empty, so this review is unable to determine what is happening at this site.

Notes:

1. There are no ONTs or OLTs specified in the budget for the access network. It is possible these items are included in the switching equipment budget line item but is unknown.

2. There are 3 new cabinets described in the site descriptions and only one budgeted for in the Pelican CIW.

3. The Hoonah CIW is empty, but the site and route descriptions identify fiber and equipment being installed there.

4. High construction costs overall are likely justified by geographic challenges.

5. Although the applicant states that the project will provide new Fiber-To-The-Home for the unserved community of Pelican, Alaska and critical middle mile connectivity for Southcentral and Southeast Alaska, new fiber will serve four (4) rural Native Alaskan coastal communities; providing connection to the internet via a diverse submarine network from Cordova to Juneau with branch units to Pelican, Gustavus, and Hoonah there are only 46 new customers projected in Pelican and 2 in Hoonah. That's ~(b) (4) per customer.

Risks: Missing from the budget are ONTs, OLTs, cabinets, and everything in the Hoonah CIW.

Recommended Mitigants

N/A

Detailed Technical Analysis

Analysis Topics	Findings
Technical Due Diligence	(b) (4)
Technical Feasibility	
Construction Feasibility	
Budget Feasibility	

Final Rating	(b) (4)

Section 5: Environmental Review

Recommendation from Environmental Review: Sufficient for Obligation

Summary

The applicant has satisfied all environmental requirements for obligation pursuant to 7 CFR 1970.11(b). The full environmental clearance required to close the Agreement still needs to be completed.

Recommended Conditions

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Section 6: Scoring Criteria Results

Evaluation Criteria	Applicant Score	Reviewer Score	Maximum Points
Rurality of Proposed Funded Service Area	(b) (4)		
Level of existing service			
Economic need of the community			
Affordability			
Labor Standards			
Tribal lands			
Local governments, non-profits, and cooperatives			
Socially Vulnerable Communities			
Net neutrality			
Wholesale broadband services			
TOTAL			

L2 SUMMARY

Section 1: Project Summary

Project Description	
Applicant Name	Cordova Telephone Cooperative, Inc.
Legal Structure	Cooperative or mutual organizations
Funding Type	100% Grant
Funding Amount Requested	$34,905,000.00
Matching Funds	(b) (4)
Other Funds	
Total Project Costs	
Location(s)	
Loan Interest Rate & Term	N/A
SUTA Consideration	No
Technology Type	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed
Proposed Construction Dates	2023 - 2026
Existing Relationship with RUS	
Existing RUS Borrower/Awardee	Yes
RUS ID(s)	AK0522, AK1415, AK1701
Applicant's Unique Entity Identifier (UEI)	X6G6CDLTL5F6
Certifications	PE Certification and Tribal Resolution document
Review Outputs	
Financial Feasibility	(b) (4)
Technical Feasibility	
Environmental Review	
Evaluation Criteria Score	
SAV	
Recommendations	
Financial Recommendation	**Approve**
Technical Recommendation	**Approve**
Review Team Recommendation	**Approve**

Updates in Response to Comments from Credit Committee

Click or tap here to enter text.

Section 2: Service Area

Proposed Funded Service Area(s)	Total Households (HH)	% HH Currently without Sufficient Broadband	Validation
Hoonah	1	100%	
Pelican	8	100%	
Does any of the PFSA(s) overlap with a protected borrower's service area?			(b) (4)
Does any of the PFSA(s) overlap with a non-rural area?			
Does any of the PFSA(s) overlap with service area(s) included in a recently submitted Farm Bill or Infrastructure (Pending) loan application?			
Does any of the PFSA(s) overlap with the RDOF – Ready to Authorize layer?			
Does any of the PFSA(s) overlap with Tribal Land?			
PFSA Farm Bill or Infrastructure loan application overlap issue must be deconflicted prior to award.			

Section 3: Financial Feasibility Review

Recommendation from Financial Review: Approve

Summary

Cordova Telephone Cooperative, Inc. (CTC, Applicant) DBA as Cordova Telecom Cooperative, is an Alaska cooperative corporation providing telecommunication services to its members in and around Cordova, Alaska. CTC has four wholly owned subsidiaries to support key business functions of the cooperative: Cordova Long Distance Inc. (CLD) is a single member corporation with no human resources that is used historically to solely manage the contracts and financials relative to long-distance telephone services; Cordova Wireless Communications LLC (CWC) is a single member company that focuses on providing wireless cellular services in Cordova, the Prince William Sound, and Yakutat areas. This entity has a services agreement with the parent company for general staffing and technical support, needs while maintaining completely separate accounting, contracts, and vendor relations from the parent company; Yakutat Telecom Company LLC (YTC) is a single member company that focuses on providing broadband services in Yakutat Alaska. This entity has a services agreement with the parent company for general staffing and technical support, needs while maintaining completely separate accounting, contracts, and vendor relations from the parent company; CTC Holdings LLC (CTCH) is a single member company that is used for holding assets

acquired from partners and communities outside of Cordova. This entity has a services agreement with the parent company. The Board of Directors, CEO, and CFO have general management and oversight of all five companies. CTC has a current network that covers 788 households providing data and voice services.

CTC is requesting $34.9M via a 100% Grant to construct a fiber-to-the-home (FTTH) network in the community of Pelican, Alaska, providing data services to 34 households. The grant funds will also be used to improve broadband services across southern Alaska regions — fortifying broadband connectivity for five rural communities, enable 100MB symmetrical service for stakeholders and Alaska Native entities and businesses, and provide geographic broadband redundancy for six coastal communities. The required matching funds of(b) (4) (b) (4) .

While the applicant provided its audited, consolidated 2021 and 2020 financial statements, CTC is applying for funding on a stand-alone basis. The audited financials provide breakout schedules for the applicant's Balance Sheet, Income Statement and Statement of Cash Flows for 2021 only, no break-out information for 2020 was included as part of the audit package. The Balance Sheet, Statement of Cash Flows, and Income Statement bottom lines of the application is not materially different than the amounts reflected on the most recent audited financials. It does appear that certain differences in Local Network Service Revenue and Network Access Service Revenue classification exist on the application versus the financial statements.

Net Operating Revenue for 2021 was(b) (4) which is primarily derived from Network Access Services Revenue of(b) (4) or(b) (4) with Local Network Services Revenues making up(b) (4) or (b) (4) of the total revenue. 2021 Total Operating Expenses were(b) (4), or(b) (4) of Net Operating Revenues, and comprised primarily of plant-related operating expenses, depreciation expense and customer and corporate operating expenses. Ending cash in 2021 was(b) (4), with a Current Ratio of (b) (4) and an Operating Margin of(b) (4) 2021 TIER and DSCR ratios were(b) (4) and(b) (4), respectively. According to the audited financials, the applicant has(b) (4) in Long-term debt, net of current portion, with RUS and RTB. In addition, the applicant has a(b) (4) Line-of-Credit with CoBank. As of December 31, 2021, the audited financials indicate there was(b) (4) outstanding.

There is no indication CTC will hire contractors to assist in the proposed project.

CTC is a past and current RUS borrower, with past obligations showing as paid-in-full, indicating a positive credit relationship with RUS and knowledge of RUS reporting and compliance rules. CTC is a Round 1 and Round 3 grant awardee.

The applicant does not indicate the use of RDOF funds within the Application Summary, the Financial Notes or within the Financial Model. The applicant is not requesting SUTA consideration. in the application. Both PFSAs appear to overlap 100% with FAR Level 4 areas.

Assumptions

It is assumed the Applicant is using the CIAC accounting method. Updates were made to the base financial model to reflect the results of grant accounting analysis, to include adjustments to Capital Expenditures (excluding plant constructed using grant proceeds), Plant Constructed Using Grant Proceeds and Proceeds from Grant Funds on the Statement of Cash Flows; Less Grant-Funded Assets on the Plant-In-Service tab; and Less Grant Funded Plant on the Depreciation Expense Summary tab. The Applicant assumes alternative household counts for the PFSAs and provided support for their use. These alternative household counts for the PFSAs were accepted. The projected subscriber level for the PFSA appeared unreasonably high and adjustments were made to the levels to a more reasonable range. Adjustments were made to the NFSA subscriber levels to synch with the subscriber level supporting documentation provided by the Applicant, and to track more closely to the reported 2021 level. In addition, the Applicant input NFSA subscriber cancellation figures incorrectly, which had the result of actually increasing existing subscriber levels rather than reduce them (applicant input cancellation data as a negative number, but the model formula subtracts the cancellation figure, resulting in the negative cancellation figure being added, rather than subtracted) – these figures were adjusted accordingly. The applicant is not regulated by a PUC but provided depreciation rates that did not match RUS rates. Depreciation rates were updated to match RUS rates. All the changes discussed above were incorporated into a New Base Financial Model. Under this New Base Model, the Applicant satisfies FOA requirements, with positive ending cash throughout the forecast period, and meeting 2 of the 3 applicable ratios.

It is assumed that 2020 financial information provided within the application is accurate, as no 2020 break-out information was provided by the applicant, only break-out information for 2021 was included in the consolidated, audited financial statements provided.

CTC has reflected receiving (b) (4) million in Network Access Services Revenues (NASR) and (b) (4) million in Local Network Services Revenues (LNSR) on the application, however the 2021 audited financials reflect them receiving (b) (4) in Local Network Services Revenues, (b) (4) million in Network Access Services Revenues and (b) (4) million in Internet Service. While the individual line items don't match, the reviewer assumes the LNSR and NASR differences are related to the Internet Service classification by the auditor. 2021 total operating revenues on the application matches the amounts indicated on the audited financials.

Applicant indicated spending (b) (4) million in CAPEX in 2021, however according to the audited financials, (b) (4) million was spent in CAPEX. However, since ending cash matched, the reviewer assumes it's a categorization difference, so no adjustments were made.

Applicant assumes Local Network Services Revenues will increase by (b) (4) CAGR over the bridge and forecast years, increasing from (b) (4) million in 2021 to (b) (4) million by 2027. The increase in LNSR is attributed to the increase in subscribers gained through both the PFSA and NFSA. In supporting documentation, Applicant states that all prior awarded communities are in the NFSA. Within the NFSA, the applicant assumes the data penetration rate will reach (b) (4) by 2027, which is not reasonable. Total NFSA penetration rates are projected at (b) (4) by 2027 – which again is not reasonable. In supporting documentation, Applicant notes that "The ReConnect portal subscriber

breakdown still consolidates all like service types to calculate the number of subscribers. CTC included all our services in our forecasting so a residential customer that has a land line with long distance and voicemail is getting counted multiple times by the portal". This statement appears to address the unreasonable Voice services penetration rate, but it is unclear if this statement applies to data services as well. Further, it is unclear if applicant intended to use an alternative household count in the NFSA or if the projected subscribers for data services is a result of Applicant's proposed project complementing its existing investments. Regardless, without additional information, it is assumed that the revised NFSA data subscriber levels are correct, and that Applicant did not input correct household counts as an alternative to the census data. PFSA data penetration rates are projected (b) (4) by 2027, which is supported by reported 2021 NFSA data penetration rates, but again clouded by the uncertainty around total NFSA households. ARPU is projected to grow at a CAGR of(b) (4) over the 2021-2027 time period, from(b) (4) The NFSA is forecast to average a churn rate of(b) (4) over the pro forma period, which is likely optimistic. The PFSA churn rate is forecast to average(b) (4), which again appears low. Under downside testing that reduced pricing by(b) (4) and set churn rates to(b) (4) for the NFSA and PFSA, the applicant satisfied FOA requirements, with ending cash requirements positive over all forecast years and Applicant meeting 2 of 3 FOA ratio requirements.

In 2021,(b) (4), of the applicant's operating revenue consisted of Network Access Services Revenue. This revenue stream is projected to grow at a(b) (4) CAGR over the 2021-2027 time period, reaching(b) (4). Much of such revenue is indicated to be received through ACAM and interstate Special Access Revenue. The two sources of revenue made up a combined(b) (4) of Network Access Services in 2021 and will continue to make up the majority of NASR throughout the forecast years. ACAM, which is received through the Alaska Plan, is indicated to amount to(b) (4) for all years. Interstate Special Access Revenues, which are charged to Wireless providers and ISPs, Interexchange carriers, and the State of Alaska, are projected to increase, going from(b) (4) in 2021 to(b) (4) in 2027, representing a CAGR of(b) (4) A test was conducted, applying a(b) (4) haircut to Interstate Special Access Revenues for the years 2025-2027 (the years when this revenue component showed increases above the historical trend). Under this scenario, the applicant satisfied FOA requirements, with ending cash requirements positive over all forecast years and Applicant meeting 2 of 3 FOA ratio requirements.

Over the historical and bridge years, Non-Operating Net Income (NONI) averaged(b) (4) and is projected to average(b) (4) over the forecast period. While NONI is indicated to come through different items, the majority comes via subsidiaries income. A test was conducted, holding bridge and forecast years subsidiary income constant at its 2021 level. Under this scenario, the applicant satisfied FOA requirements, with ending cash requirements positive over all forecast years and Applicant meeting 2 of 3 FOA ratio requirements.

The applicant assumes an increase in Net Operating Revenue with a CAGR(b) (4) and an increase in Total Operating Expenses with a CAGR of(b) (4) over the 2021-2027 time period. This spread is acceptable. The applicant's Operating Margin is projected to increase from(b) (4) in 2021 to (b) (4), indicating an increase in efficiencies. The applicant forecasts an average Net Cash from Operations of(b) (4) per year over the pro forma period.

Financial Strengths and Risks

The application meets FOA requirements and is recommended for approval based on its strong leverage and coverage position and sustainable operating revenue sources.

The applicant is a telephone cooperative that was established in 1978. CTC has received and will continue to receive stable operating cash flow from its model-based support as well as Special Access Revenues which will provide adequate cash flow as the applicant undergoes significant upgrades to their broadband network. Net cash provided by operations historically averaged (b) (4) and is expected to average (b) (4) throughout the forecast period. Including the Round 1 & 3 ReConnect awards and Community Connect Grant, CTC intends to utilize over (b) (4) million in capital to upgrade and maintain its current infrastructure over the forecast period. As of 2021, the applicant's long-term debts are received through RUS or RTB, which are all indicated to be current. In 2021, the applicant reflected a strong Current Ratio and DSCR of (b) (4), respectfully, indicating strong liquidity and capital structure. Cash flow from operations to total debt service ratio also remains strong throughout the forecast period, ending at (b) (4) by 2027, indicating the applicant's ability to service its debt. Once the applicant starts and finishes its network upgrades, the revenues generated through its service areas will provide improved cash flow opportunities throughout the forecast period and beyond.

Historically, the applicant has focused on improving its asset quality and expanding its service area, which is indicative of capital expenditures making up (b) (4) of revenues. It is noted that of the (b) (4) M ending cash reflected in 2021, (b) (4) million is restricted due to the matching funds requirements of prior RUS awards.

The applicant's operating margin volatility indicates an unpredictability in operations, and it has demonstrated an above average reliance on Non-Operating Net Income (NONI) historically, though NONI as a percentage of Operating Revenue is projected to decline over the pro forma period. Additionally, stress testing of projected NONI levels resulted in the Applicant still satisfying FOA requirements.

Recommended Mitigants

Prior to funding awardee must provide the awardee's 2020 audited break-out financials for RUS review and approval.

Awardee must execute a Security Agreement and Financing Statement.

Awardee must provide evidence, in form and substance satisfactory to RUS that CoBank has consented to the Awardee entering into this Agreement and has released or subordinated their liens on all grant assets funded under the Award, as well as on the matching funds required under Section 4.2(b).

Awardee must provide documentation to support the extension to their existing Line-of-Credit to fund the 25% matching fund requirement.

Awardee to provide executed documentation to support the approval and terms of the Loan with CoBank to fund the 25% matching fund requirement.

Risk Rating Scorecard - Historical

Rating Factor	Sub-Factor	Risk Level
Business Profile	(b) (4)	
Profitability and Scale		
Leverage and Coverage		
Management and Financial Policy		
	Final Rating	(b) (4)

Compliance with FOA Financial Requirements – New Base Application

Rating Factor	FOA Requirement	Forecast Year 3	Forecast Year 4	Forecast Year 5
DSCR	(b) (4)			
Current Ratio				
TIER				
Ending Cash Balance at End of Forecast Period				

Historical Summary

Rating Factor	2020	2021	Bridge Year	Forecast Year 5
Operating Revenues	(b) (4)			
Operating Expenses				
Nonoperating Net Income				
Fixed Charges				
Net Income				

Proposed Financing Structure

Source of Funds	Amount	% Of Total
Grant Amount Requested	$34,905,000.00	(b) (4)
Loan Amount Requested	$0.00	
Other Funds	$0.00	
Total Match Amount	(b) (4)	
TOTAL		

Capital Investment

Capital Type	Cost	% Of Total
Network and Access Equipment	(b) (4)	
Outside Plant		
Buildings		
Towers		
Customer Premises Equipment		
Support Assets		
Non-Depreciable Assets		
Professional Services		
Other Expenditures		
TOTAL		

Section 4: Technical Feasibility Review

Recommendation from Technical Review: Approve

Broadband Service

PFSA	Broadband Technology	New or Existing	Reviewer-Validated Download Speed	Reviewer-Validated Upload Speed
Hoonah	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed	New	100 Mbps	100 Mbps
Pelican	Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed	New	100 Mbps	100 Mbps

Summary

ReConnect Level II Technical Notebook Summary: Application #101001335

The applicant, Cordova Telephone Cooperative, Inc. (CTC), is an ILEC in business since 1978. CTC provides telecommunication services in Cordova and the surrounding area in the Prince William Sound, including Chenega and Yakutat, as well as Pelican in Southeast Alaska. CTC is also a transport hub for submarine fiber networks connecting the Alaska interior with Southcentral and Southeast Alaska for state carriers to provide Direct Internet Access and Ethernet transport. CTC intends to

serve the community of Pelican in Southeast Alaska while also improving performance and reliability for the entire Southcentral Alaska region. The investment will fortify broadband connectivity for five small rural coastal communities, enable 100Mbps symmetrical service for over 4000 stakeholders and dozens of Alaska Native entities and businesses, provide geographic broadband redundancy for six coastal communities The technology is only identified as an FTTH PON system.

The applicant intends to install approximately 571 miles of fiber from 2023 – 2026. All but 4 miles are submarine cable. Subscriber Breakdown by Service Area lists 33 total households and 8 businesses for the project and the applicant projects 48 total customers. The highest level of service is 100 Mbps/100 Mbps.

The technical analysis was performed to confirm general feasibility towards the basic requirements of the proposed plan for speeds, coverages, subscribers, premises, and service types. This analysis resulted in an overall “Weak (Pass)” rating for the application.

Phase II Technical Analysis Detail

The detailed technical analysis was performed based on analyzing key items across 7 primary areas addressing 3 primary network layers (Access, Distribution, and Core), with primary Network Integration to existing applicant owned or affiliate network elements, network Construction and Timelines, Permitting and Legal Requirements, and Budgets.

Beginning with the first of the 3 primary network layers, the Access portion. The access network is feasible. (b) (4) Optical Line Terminals (OLTs) will feed Optical Network Terminals (ONTs) at the premises in a Passive Optical Network (PON) configuration. (b) (4) product line of modem/router devices will be installed inside the premises.

The distribution network is feasible. (b) (4) Optical Line Terminals (OLTs) will feed the last mile and are connected upstream to the Cordova CO with new submarine fiber.

The core network is feasible. The CTC network core is built on (b) (4) equipment that manages all network traffic (IP and Sonnet), services interconnect, and backhaul transport out of Cordova. The primary (b) (4) equipment currently in use includes (b) (4) switches and (b) (4) routers. CTC currently has one active middle mile network leaving Cordova towards Valdez Alaska to provide Direct Internet Access and backhaul transport.

This is an expansion of an existing network and integration should be seamless. Interconnection occurs with carrier partners in Anchorage.

Contingent upon award is a possible colocation building lease in Juneau and multiple permits for submarine line and PFSA build.

The build out timeline is achievable based on the application. The Yakutat site description is empty, so this review is unable to determine what is happening at this site.

Notes:

1. There are no ONTs or OLTs specified in the budget for the access network. It is possible these items are included in the switching equipment budget line item but is unknown.

2. There are 3 new cabinets described in the site descriptions and only one budgeted for in the Pelican CIW.

3. The Hoonah CIW is empty, but the site and route descriptions identify fiber and equipment being installed there.

4. High construction costs overall are likely justified by geographic challenges.

5. Although the applicant states that the project will provide new Fiber-To-The-Home for the unserved community of Pelican, Alaska and critical middle mile connectivity for Southcentral and Southeast Alaska, new fiber will serve four (4) rural Native Alaskan coastal communities; providing connection to the internet via a diverse submarine network from Cordova to Juneau with branch units to Pelican, Gustavus, and Hoonah there are only 46 new customers projected in Pelican and 2 in Hoonah. That's ~(b) (4) per customer.

Risks: Missing from the budget are ONTs, OLTs, cabinets, and everything in the Hoonah CIW.

Covenants: None

Recommended Mitigants

N/A

Detailed Technical Analysis

Analysis Topics	Findings
Technical Due Diligence	(b) (4)
Technical Feasibility	

Construction Feasibility	(b) (4)
Budget Feasibility	
Final Rating	

Section 5: Environmental Review

Recommendation from Environmental Review: Sufficient for Obligation

Summary

The applicant has satisfied all environmental requirements for obligation pursuant to 7 CFR 1970.11(b). The full environmental clearance required to close the Agreement still needs to be completed.

Recommended Conditions

As the full environmental clearance for this application still must be completed, the following language should be included as a condition precedent to closing the Agreement:

Pursuant to 7 CFR 1970.11(b), the Agency has determined that assurance of funding for this Project is necessary for economic rural development. As a result, this Agreement is subject to the completion of all necessary environmental procedures required by Federal law, and funds may not be disbursed until successful completion of such procedures. The Awardee acknowledges that it may not engage in any work on the Project until Awardee has received written notice from the Agency, and that unauthorized work will result in the termination of this Agreement. Awardee also acknowledges that any findings in the environmental reviews requiring significant changes to the Project will constitute an immediate de-obligation of funding and termination of this Agreement and will not result in an amended agreement until revised terms are agreed upon and funding is determined to be still available.

Section 6: Scoring Criteria Results

Evaluation Criteria	Applicant Score	Reviewer Score	Maximum Points
Rurality of Proposed Funded Service Area	(b) (4)		
Level of existing service			
Economic need of the community			

Affordability	(b) (4)
Labor Standards	
Tribal lands	
Local governments, non-profits, and cooperatives	
Socially Vulnerable Communities	
Net neutrality	
Wholesale broadband services	
TOTAL	

Cordova Telephone Cooperative, LLC

Application #: 101001335

Date Completed:

Funding Category: 100% Grant

L2 Reviewer(s): Mark Levin

QC Reviewer:

Total Project Amount: (b) (4)

Grant Amount: $34,905,000

Matching (including cash substitution): (b) (4)

Loan Amount:

Other Funds:

Primary Borrower ID: 719502773

Applicant's Unique Entity Identifier (UEI): X6G6CDLTL5F6

SAV Status (Completed/Not Completed):

Entity Type: Cooperative

SUTA Consideration (Yes/No):

Comments: $K denotes thousand(s) $M denotes million(s)

DUE DILIGENCE

Summary Question #1 - Summarize the applicant, beginning with what type of entity it is. Describe its organizational structure including partners, parent, subsidiary, and affiliate companies (i.e., affiliated entities). Describe major business activities of the applicant, and of any affiliated entities that impact the applicant and / or project's financial feasibility. To provide context for the award, provide a snapshot of the applicant's latest financial condition, including primary sources of revenues and income, expenses, liabilities and assets, and cash balances. Describe how the project fits into the applicant's business model, and how the project will be funded, including the source of matching funds. Indicate if the applicant is applying for Substantially Underserved Trust Area (SUTA) or if an applicant provides supporting information that demonstrates that the PFSA(s) is comprised 100 percent of locations within areas classified by the USDA Economic Research Service as FAR Level 4. Indicate if the applicant has been awarded RDOF funds. Indicate if the applicant provided alternate households for their NFSA or PFSA (if applicable).

Cordova Telephone Cooperative, Inc. (CTC) is committed to the provision, improvement, and expansion of quality, competitively priced communication services in Cordova, Alaska, and the surrounding service area. In 1978, the voters of Cordova approved a resolution providing for the transfer of assets of Cordova Public Utilities-Telephone Utility to Cordova Telephone Cooperative, Inc (CTC). And thus, a member-owned telephone cooperative was established. In 1997, CTC again broadened its scope of services and established two subsidiaries: Cordova Wireless Communications (CWC) and Cordova Long Distance (CLD). Cordova Wireless has become a successful cellular provider in Cordova with 18 cellular sites, serving two communities and all the Prince William Sound. Long distance wholesale rates for Cordova Long Distance were available for several years, and CLD started offering service to Cordova in 2012. In 2019, CTC Holdings LLC was established for managed purchased assets from third parties, and in 2022, Yakutat Telecom Company LLC to provide broadband services in Yakutat, Alaska.

The proposed project has a cost (b) (4) This 100% proposed ReConnect Grant for $34,905,000 with additional matching funds of (b) (4) is needed to source the increase in the project costs. The matching funds will be generated from the following breakdown, (b) (4) from the Applicant and its subsidiaries. The matching funds will be disbursed in the first three years before any of the ReConnect funds are applied to the project.

CTC is a rural rate of return incumbent local exchange telecommunications carrier providing service in and around Cordova, Alaska. CTC is an active borrower of the RUS, regulated by the FCC for interstate purposes, regulated on limited basis under the Regulatory Commission of Alaska for intrastate calling and regulated by its board of directors for local exchange purposes. CTC is the carrier of last resort and has ETC status for our established service area for both wireline and wireless services. Cordova's existing network has grown organically over 40 years to provide essential services to our community, including: telephone/VoIP, internet, tv, and wireless cellular. Our network has reached its peak performance for broadband speeds, leaving our community underserved until we can deploy Fiber-To-The-Home.

As mentioned above, the applicant is one operating group under common management. Due to the size of the proposed project, CTC plans on using its own workforce and outside contractors to construct the project. A mitigant will be included to ensure any outside design and construction is separated.

DUE DILIGENCE

Summary Question #1a - Describe any discrepancies between the financial statements and the submitted application. Any significant discrepancy should be noted as part of Summary Question #2:

- The Balance Sheet, Statement of Cash Flows, and Income Statement bottom lines of the application is not materially different than the amounts reflected on the most recent audited financials. Ending cash on the Statement of Cash Flows matches the amount reflected on the audit.
    - Small deviations to the above statement include:
        - A New Base was created to reconcile small category changes in the Statement of Cash Flows. More regarding this is in Summary Question #2 below.

DUE DILIGENCE

Summary Question #1b - Review the notes in the audited financial statements and note any items that may impact financial feasibility and sustainability. (If notes are not included in the application, that should be mentioned as part of Summary Question #2). This should include any discussions regarding lawsuits, mergers, acquisitions, or information regarding subsidiaries. Additionally, review any information from the CPA, normally located at the end of the audited statements regarding any non-compliance issues or if the CPA has indicated the statements are "qualified" (which could be an eligibility issue).

(b) (5)

Summary Question #1c - Review the loan documentation for the existing debt and describe any discrepancies between those documents and the submitted application. Validate whether the applicant is in compliance with existing loan covenants if such information is available. Any significant discrepancies should be noted as part of Summary Question #2: Also indicate what the total long-term debt payments over the next five years are supposed to be.

- The Cooperative is subject to limited regulation by the Federal Communications Commission (FCC) and the Regulatory Commission of Alaska (RCA). The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts, as prescribed by the FCC. As a result, the Cooperative's application of accounting principles generally accepted in the United States of America (US GAAP) differs in certain respects from the application by non-regulated entities. Such differences primarily concern the time at which certain items enter into the determination of net margin.

(b) (5)

DUE DILIGENCE

Summary Question #1d - List the full name of all the applicant's existing lenders, including RUS, FFB, RDUP, and RTB: In addition to the table below, please indicate whether, substantially, all property and equipment of Company will be pledged as security, any additional debt items show up on the application that are not listed on the audited historical statements or any debt items for which documentation was not provided. This information should also be reflected in the narrative above. If the applicant has a parent company, please indicate whether the applicant is substantially secured by the parent's existing debt (Table 2).

Table 1: Applicant Related Debt

Name of Lender	Type of Loan	Current Balance	Interest Rate (%)	Payment	Secured Against Assets?
RUS	RUS	$37,590	5.00%	$12,756	YES
RUS	RUS	$282,009	4.516%	$17,300	YES
RTB	RTB	$194,462	5.49%	$143,244	YES
RUS	RUS	$7,040,803	2.34%	$799,740	YES
(b) (4)					

Table 2: Parent Related Debt

Name of Lender	Type of Loan	Current Balance	Secured Against Applicant's Assets?
NA	NA	NA	NA

Long Term Debt Service Payment Schedule (*First year listed on the Schedule should be first year after the audited historical financial statements*)

2022	(b) (4)
2023	
2024	
2025	
2026	

DUE DILIGENCE

Summary Question #2 - If a new base was created by the Reviewer, an explanation should be discussed first (i.e., Grant Accounting, Depreciation Rates, incorrect allocation of NONI and/or CAPEX, etc.). Discuss the reasonableness of key assumptions related to the application and the financial feasibility of the applicant. Applicant assumptions driving the financial projections for new and existing service areas and services. Assumptions should cover telecom revenue (e.g., pricing, penetration rates, churn rates, average revenue per user), other operating revenue (such as electric revenue) and operating expenses. Specifically discuss the projections and underlying assumptions associated with the PFSA and make note if no PFSA subscribers are projected. If the application does or does not include forecasted NASR or NONI, discuss those projections. If the reviewer made certain significant assumptions in the review, those should be discussed. Incorporate the results of any sensitivity analyses performed to test these assumptions, as described in greater detail in Summary Question #3. Indicate assumptions made by the applicant regarding RDOF (if applicable). Discuss depreciation rate assumption (PUC vs. RUS rates). If Alternate Households were provided, indicate if they were accepted by the Reviewer or if the figures were used within the sensitivity tests. Please note, if the application is a 50% Loan/50% Grant, a sensitivity test will need to be performed using the current market interest rate.

(b) (5)

Click or tap here to enter text.

SENSITIVITY ANALYSIS

Summary Question #2a -The Financial Reviewer has the option to run as many Sensitivity Analyses as needed, however only one is required. When discussing the results of each Analysis, please discuss the impact the sensitivity test had on the FOA Ratio Requirements (Current Ratio, DSCR, TIER and ending cash).

Sensitivity #1

- **Describe changes to the reviewer's version:** [redacted]
- **Explain why the sensitivity was tested:** [redacted]
- **Describe the results of the Analysis:** [redacted]
- **Describe how the application measured against the financial FOA requirements under this scenario** [redacted]

Sensitivity #2

- **Describe changes to the reviewer's version:** Click or tap here to enter text.
- **Explain why the sensitivity was tested:** Click or tap here to enter text.
- **Describe the results of the Analysis:** Click or tap here to enter text.
- **Describe how the application measured against the financial FOA requirements under this scenario:** Click or tap here to enter text.

Sensitivity #3

- **Describe changes to the reviewer's version:** Click or tap here to enter text.
- **Explain why the sensitivity was tested:** Click or tap here to enter text.
- **Describe the results of the Analysis:** Click or tap here to enter text.
- **Describe how the application measured against the financial FOA requirements under this scenario:** Click or tap here to enter text.

SENSITIVITY ANALYSIS

Summary Question #3 - Describe sensitivity analyses performed, which assumptions they were intended to test, and the results of the analysis. If needed under exceptional circumstances, describe any changes to the reviewer version related to financial feasibility.

Sensitivity Test #1 Reason / Standard Economic Downturn:

(b) (5)

DUE DILIGENCE

Summary Question #4 - Is the financial information that was submitted internally consistent and sufficient to perform the financial review? If no, describe discrepancies, and how the applicant may be able to remedy the issue.

(b) (5)

Summary Question #5 - Describe whether pre-existing agreements or liabilities conflict with FOA requirements for collateral and security based on the funding type, listing all debt instruments for which the current lender may have security rights over applicant assets that require Intercreditor or Shared Mortgage Agreements to be included in the Loan/Grant packages. Additionally, for 100% Loans and 50/50s, if mortgages, intercreditor, or subordination agreements are provided in the application, list the full agreement name, all parties to the agreement, and the dates of all agreements provided, including those shared between RUS and the applicant's other existing lenders:

NA

SUMMARY

What is the L2 Reviewer's recommendation based on Financial Feasibility? Approve

Summary Question #6 Describe the L2 Reviewer's view of the application, and the recommendation for approval, rejection, or to request additional information. Provide supporting arguments for the recommendation, beginning with the most relevant strengths or weaknesses (Material weaknesses from Risk Rating Tool must be discussed) as appropriate. Describe offsetting factors as well, to provide a well-rounded view of the applicant. If relevant to the recommendation for the specific application, describe financial attributes, business attributes, management experience and organizational structure. Generally, start the response with a clear recommendation for approval or rejection, then support such recommendation with specific descriptions and examples.

Final Rating (Insert Risk Rating Tool Score):

(b) (5)

SUMMARY

Summary Question #7 **Describe recommended mitigants, and how each mitigates financial risk of the project described in the summary.**

[redacted]

Summary Question #8 **List covenants and / or conditions to be included in legal agreements. These should map one-to-one to the question above. Please refer to the ReConnect Covenant and Conditions document for standard language to use. If the suggested covenant / condition is not standard, draft it in a way that conforms to the conventions of the standard language (e.g., refer to applicant as "Awardee"):**

[redacted]

RISK RATING

***Note: If a risk criterion does not apply for the associated applicant's entity type, please reflect "N/A" for that specific criterion.**

Business Profile

- **Competitive Environment:** (b) (5)
- **Market Share:** (b) (5)
- **Asset Quality:** (b) (5)
- **Business Model:** (b) (5)
- **Business Diversity:** (b) (5)
- **Non-Operating Income:** (b) (5)
-

Profitability and Scale

- **Total Revenue:** (b) (5)
- **Revenue Trend:** (b) (5)
- **Operating Margin:** (b) (5)
- **Margin Volatility:** (b) (5)

Leverage and Coverage

- **DSCR:** (b) (5)
- **Tangible Equity/Assets:** (b) (5)
- **Cash flow from operations:** (b) (5)
- **Current Ratio:** (b) (5)

Management and Financial Policy

- **Management:** (b) (5)
- **Financial Policy:** (b) (5)

Other Considerations

- **Reviewer Notching to be Applied:** Click or tap here to enter text.

SUMMARY

Forecast Year 3

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Forecast Year 4

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Forecast Year 5

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

This application is recommended to proceed to L2 review. The Applicant's Funding Request Resolution document does not specify funding type or amount. This will be addressed before closing.

Eligibility Issues:

Section	Identified Issues	Question	Reviewer Notes
Project	3a	If Yes, does the funding type on the funding resolution match the funding type in Question 2? If No, identify discrepancies in the "Comments Box".	Applicant's Funding Request Resolution does not specify the type of grant the applicant is applying for.
Project	3b	If Yes, is the funding amount on the funding resolution equal to or more than the amount on the Capital Investment Workbook? If No, identify discrepancies in the "Comments Box".	Applicant's Funding Request Resolution does not specify the grant amount the applicant is applying for.

Identified Issues:

Section	Identified Issues	Question	Reviewer Notes
Account	2	Is the applicant an existing RUS borrower and/or grantee? Search the applicant's name or RUS ID (if provided) in CLSS. If Yes, provide all RUS IDs in the "Comments Box".	AK0522, AK1415, AK1701
Account	6	Is the Congressional District for the headquarters of the applicant correct? If No, provide the correct Congressional District	At-Large Congressional district of Alaska

		using the following format, e.g. AL-01, in the "Comments Box".	
Account	28	Does the applicant own any real property?	Applicant does not own any real property.
Project	3a	If Yes, does the funding type on the funding resolution match the funding type in Question 2? If No, identify discrepancies in the "Comments Box".	Applicant's Funding Request Resolution does not specify the type of grant the applicant is applying for.
Project	3b	If Yes, is the funding amount on the funding resolution equal to or more than the amount on the Capital Investment Workbook? If No, identify discrepancies in the "Comments Box".	Applicant's Funding Request Resolution does not specify the grant amount the applicant is applying for.
Project	7	Is the applicant a publicly traded company?	Applicant is not a publicly traded company.
Service Area	16	Is the applicant proposing services on tribal land?	Applicant's PFSA, 'Hoonah', overlaps with tribal land.
Service Area	16b	If Yes, list the name(s) of the tribal lands in which the PFSA overlaps in the "Comments Box".	Hoonah Indian Association (Hoonah ANVSA, Census Code: 6590)

Network	1	Does the proposed technology in the Network Design match with the technology options selected under Question 1 in "Project Information"? If No, identify discrepancies in the "Comments Box".	(b) (5)
Network	2	Was the Network Design certified by a PE licensed in at least one of the states in which the project is located? If No, identify discrepancies in the "Comments Box". NOTE: Refer to Question 1 in "Service Area" for the State(s) served.	PE Certification uploaded to SP.

Network	10	Was the buildout time submitted on a quarterly basis for wireless networks? If No, identify discrepancies in the "Comments Box". NOTE: Refer to Question 1 under "Project Information" to see the type(s) of proposed technology.	(b) (5) [redacted]

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Site and Route Environmental Questionnaire

Applicant Name:	Cordova Telephone Cooperative
Application Number:	101001335
Site or Route Name:	BMH Cordova
Construction Asset Type:	Site - Large Enclosure Cabinet

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Site and Route Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application. This information will be used in conjunction with the Project EQ to determine the overall environmental compliance of the proposed project. RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in the EQs.

An applicant must submit to RUS a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local, or other federal agencies. Such material, to the extent determined to be relevant, can be used to fulfill RUS' environmental review requirements.

Environmental Questions

- **Floodplains (Subpart F):** Use the **Flood Hazard Zones (FEMA)**[1] layer available in the construction map to determine potential impact to a floodplain. If the site or route falls within a community not participating in the National Flood Insurance Program (NFIP) or an area of undetermined flood hazard (Zone D), use the **Flood Frequency (NRCS)**[2] layer available in the construction map to determine the flooding frequency of the area.

[1]The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500-year or 100-year floodplain, it should be considered within a floodplain for environmental analysis.

[2] The frequency of "Rare," "Occasional," or "Frequent" should be considered within a floodplain for environmental analysis.

Detailed guidance related to evaluating impacts to and from floodplains can be found in RD Instruction 1970 - Subpart F – Floodplain Management (available at this link: https://www.rd.usda.gov/files/1970f.pdf)

1) Is the applicant's proposed action located in a floodplain?

- ◯ NO Go to Floodplains Question 3.
- ◯ YES Go to Floodplains Question 2.

2) Does the applicant's proposed action in the floodplain consist of more than buried or aerial utilities lines?

- ◯ NO Go to Floodplains Question 3.
- ◯ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

3) Does the applicant's proposed action have the potential to affect a floodplain?

- ◯ NO Go to Floodplains Question 4.
- ◯ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

4) Does the applicant's proposed action have the potential to be affected by a floodplain?

- ◯ NO The Floodplains review for this site or route is complete.
- ◯ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

- **Wetlands (Subpart G):** Use the **National Wetland Inventory (NWI)** layer available in the construction map to determine potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use **Soil Hydric Class (NRCS) (Wetlands Subpart G)** to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of 'Partially Hydric' (1 – 95 percent) or 'All Hydric' (96 – 100 percent), the AOI will be considered to be located in a wetland.

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Detailed guidance related to evaluating impacts to wetlands can be found in RD Instruction 1970 - Subpart G - Wetland Protection (available at this link: https://www.rd.usda.gov/files/1970g.pdf).

1) Is the applicant's proposed action located in a wetland?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES Go to Wetlands Question 2.

2) Does the project's interaction with wetlands consist entirely of avoiding wetlands by means of directional boring?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES The Wetlands review for this site or route is complete.

3) Does the applicant's proposed action have the potential to be affect a wetland?

- ◯ NO Go to Wetlands Question 4.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

4) Does the applicant's proposed action have the potential be affected by a wetland?

- ◯ NO The Wetlands review for this site or route is complete.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

5) What kind of permit is required to address wetland impacts?

- U.S. Army Corps of Engineers (USACE) Individual Permit
  - ◯ • **If the Individual Permit has already been obtained**, attach it under the Environmental Documents section of this application. The wetlands review for this site or route is complete.
  - ◯ • **If an individual permit has not been obtained**, complete the wetlands section of the Project EQ.

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- USACE Nationwide or General Permit[3]

◯ • Complete the wetlands section of the Project EQ, omitting the public notice requirements as being fulfilled by the USACE Nationwide Permits (NWP) Program. Identify the NWP or General Permit Number below.

NWP or General Permit Number: _____

- Local permit **OR** unknown permit **OR** permit undetermined

◯ • Complete the Wetlands section of the Project EQ.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Use the **Farmland Class (NRCS) (FFPA)[4]** layer available under the **Land Use (Subpart L)** category in the construction map to determine potential impact to a Farmland. Detailed guidance related to evaluating impacts to farmlands can be found in RD Instruction 1970 - Subpart L – Land Use and Formally Classified Land (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

1) Will the site or route overlap an area identified as protected farmland in the construction map?

◯ NO The FPPA review for this site or route is complete.

◯ YES The site or route will cross or take place on an area identified as protected.

2) Does the applicant's proposed project consist solely of routes utilizing construction techniques along existing ROW?

◯ NO Go to FPPA Question 3.

◯ YES The FPPA review for this site or route is complete.

[3] Additional information on the USACE Nationwide Permit Program is available at this link: https://go.usa.gov/xeaR2

[4] For the purpose of FPPA, farmland includes, "All areas are prime farmland," "Farmland of unique importance," "Farmland of statewide importance," or "Farmland of local importance." Be advised: farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

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3) Are the sites or routes where a new ROW or easement will need to be established located on land that has previously been converted for use and can no longer be utilized as farmland?

- ○ NO Go to FPPA Question 4.
- ○ YES Explain in the text entry box. The FPPA review for this site or route is complete.

4) Does the action result in the conversion of farmland to nonagricultural uses?

- ○ NO Explain in the text entry box. The FPPA review for this site or route is complete.

- ○ YES Go to FPPA Question 5.

5) Is the entire site or route located in an "urbanized area" as identified in a Census Bureau Map (information available at this link: https://go.usa.gov/xeaRJ) with a "tint overprint" on a USGS Topographical Map (information available at this link: https://go.usa.gov/xeanr)?

- ○ NO Please complete the appropriate Farmland Conversion Impact Rating Form on behalf of the federal agency and submit to the appropriate NRCS State FPPA contact (available at this link: https://go.usa.gov/xeaUw). Include the completed farmland consultation under the Environmental Documents section of this application, and complete the FPPA section of the Project EQ.

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- **Subpart L AD-1006** for sites (available at this link: https://go.usa.gov/xeaUM)
- **Subpart L NRCS CPA-106** for routes (available at this link: https://go.usa.gov/xeaPc)

○ YES Please attach the Census Bureau or USGS Topographical Map under the Environmental Documents section of this application. The FPPA review for this site or route is complete.

- **Threatened and Endangered Species (Subpart N):** Use the Endangered Species link for each site or route in the Environmental Questionnaire (EQ) section of your application to request an "Official Species List" from the U.S. Fish and Wildlife Service (USFWS), Information for Planning and Consultation (IPaC) project planning tool[5]. Applicants must include this species list and appropriate species accounts (for example: requisite habitat) for each site or route included in the application. An official species list is a letter from the local USFWS office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the IPaC regulatory review process.

  Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate Fisheries office (available at this link: https://go.usa.gov/xeaE8).

  The list(s) obtained from the USFWS and NOAA should be used to complete the Subpart N Special Status Plant and Wildlife Species Table (available at this link: https://go.usa.gov/xerfT). Please attach the completed table under the Environmental Documents section of this application.

  Special Status Plant and Wildlife Species Table Guidance:
  Research each species identified on the Official Species List(s) to complete the Description of the Suitable Habitat column.

[5] You must create a free account (available at this link: https://go.usa.gov/xeamV) and login to IPaC using this link: https://ecos.fws.gov/ipac/ before you can receive an official letter and species list from the local USFWS. The Endangered Species link for each site or route in the EQ will transfer the geospatial data to USFWS. Click "Define Project" and enter a project name and description. On the Project Home page, click "Request Species List" or click "Start Review" and follow the prompts.

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Cross-reference the species information gained through your research, with your knowledge of the project site or route, to identify the "Potential for Occurrence":

- If Critical Habitat is present or a survey indicates species are present, select "Documented," and explain.

- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain.

- If suitable habitat is present but based on your knowledge of the site or route, is unlikely for species to occur, select "Unlikely" and explain your reasoning.

- If suitable habitat is present, but data (for instance, surveys) indicate species and critical habitatare absent from the action area, select "None" and cite the survey.

- If suitable habitat is not present in the action area, select "None" and explain your reasoning.

Next, "Propose a Finding of Effect":

- If species are not present, conclude "No Effect" and explain your finding.
    - If species are identified, "lack of critical habitat" or "familiarity with the proposed area" are not sufficient reasonings for a finding of "No Effect."

- If species may be present in the action area but will not be exposed directly or indirectly to the proposed action or any resulting environmental changes, conclude "No Effect" and explain your finding.

- If species may be present in the action area, will be exposed to the action but will not respond in any manner, conclude "No Effect" and explain your finding.

- If species may be present in the action area and will respond upon exposure to the action, but effects will be wholly beneficial[6],

[6] "Beneficial effects" are positive responses without any negative response. This analysis is done at the individual level. If an action will have beneficial effects for the species overall, but adversely impacts one or more individuals in the process, "likely to adversely affect" is the appropriate conclusion.

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insignificant[7], or discountable[8], conclude "may affect, not likely to adversely affect"

- If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude "May Affect - Likely to Adversely Affect."

Detailed guidance related to evaluating impacts to biological resources can be found in RD Instruction 1970 - Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

- **Transportation (Subpart O):** Responses to Transportation (Subpart O) questions are only required if the construction asset type is a "Site."

Air

If required by the Federal Aviation Administration (FAA), or if the applicant proposes any of the following types of construction or alteration, the applicant must file a notice with the FAA. Use the FAA Notice Criteria Tool (available at this link: https://go.usa.gov/xeayP) to help determine whether your project construction requires filing with the FAA for proposed structures.

1) Is the applicant required to file a notice with the FAA?

○ NO

○ YES Identify the reason(s) why a notice must be filed and file a notice at this link: https://go.usa.gov/xeayE.

☐ • Required by the FAA

☐ • Proposed construction or alteration that is more than 200 feet above ground level at its site.

☐ • Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:

[7] "Insignificant effects" are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure or detect such responses, then it is appropriate to conclude insignificant effects.

[8] "Discountable" means extremely unlikely to occur.

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(a) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport[9] with its longest runway more than 3,200 feet in actual length, excluding heliports.

(b) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.

(c) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.

On-Road

1) Has a Traffic Impact Study (TIS) been completed?

- ○ NO Go to On-Road Question 2.
- ○ YES Please upload the TIS to the Environmental documents section of the Application and go to On-Road Question 5.

2) Will this project cause an increase in traffic in the surrounding area during construction or operation?

- ○ NO Go to On-Road Question 5.
- ○ YES Describe the magnitude of the increase in the text entry box.

[9] Airports and heliports include: (1) A public use airport listed in the Airport - Facility Directory, Alaska Supplement, or Pacific Chart Supplement of U.S. Government Flight Information Publications (2) A military airport under construction, or an airport under construction that will be available for public use (3) An airport operated by a federal agency or the Department of Defense (4) An airport or heliport with at least one FAA-approved instrument approach procedure.

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3) Will hazardous materials be involved?

- ◯ NO Go to On-Road Question 5.
- ◯ YES Go to On-Road Question 4.

4) Will vehicles be carrying hazardous wastes through or past the project site?

- ◯ NO
- ◯ YES

5) Will the applicant be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

- ◯ NO
- ◯ YES

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The following pages have been sent to United States Department of Interior Fish and Wildlife Service (FWS) for consultation. When FWS responds to the consultation, the records will be released.

Pages 368-404

415-425

436-446

457-467

478-493

511-596

612-634

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Site and Route Environmental Questionnaire

Applicant Name:	Cordova Telephone Cooperative
Application Number:	101001335
Site or Route Name:	BMH Cordova
Construction Asset Type:	Site - Large Enclosure Cabinet

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The Site and Route Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application. This information will be used in conjunction with the Project EQ to determine the overall environmental compliance of the proposed project. RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in the EQs.

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[1]The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500-year or 100-year floodplain, it should be considered within a floodplain for environmental analysis.

[2] The frequency of "Rare," "Occasional," or "Frequent" should be considered within a floodplain for environmental analysis.

Detailed guidance related to evaluating impacts to and from floodplains can be found in RD Instruction 1970 - Subpart F – Floodplain Management (available at this link: https://www.rd.usda.gov/files/1970f.pdf)

1) Is the applicant's proposed action located in a floodplain?

- ○ NO Go to Floodplains Question 3.
- ○ YES Go to Floodplains Question 2.

2) Does the applicant's proposed action in the floodplain consist of more than buried or aerial utilities lines?

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- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

3) Does the applicant's proposed action have the potential to affect a floodplain?

- ○ NO Go to Floodplains Question 4.
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4) Does the applicant's proposed action have the potential to be affected by a floodplain?

- ○ NO The Floodplains review for this site or route is complete.
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- **Wetlands (Subpart G):** Use the **National Wetland Inventory (NWI)** layer available in the construction map to determine potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use **Soil Hydric Class (NRCS) (Wetlands Subpart G)** to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of 'Partially Hydric' (1 – 95 percent) or 'All Hydric' (96 – 100 percent), the AOI will be considered to be located in a wetland.

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1) Is the applicant's proposed action located in a wetland?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES Go to Wetlands Question 2.

2) Does the project's interaction with wetlands consist entirely of avoiding wetlands by means of directional boring?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES The Wetlands review for this site or route is complete.

3) Does the applicant's proposed action have the potential to be affect a wetland?

- ◯ NO Go to Wetlands Question 4.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

4) Does the applicant's proposed action have the potential be affected by a wetland?

- ◯ NO The Wetlands review for this site or route is complete.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

5) What kind of permit is required to address wetland impacts?

- U.S. Army Corps of Engineers (USACE) Individual Permit
  - ◯ • **If the Individual Permit has already been obtained**, attach it under the Environmental Documents section of this application. The wetlands review for this site or route is complete.
  - ◯ • **If an individual permit has not been obtained**, complete the wetlands section of the Project EQ.

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- USACE Nationwide or General Permit[3]

◯ • Complete the wetlands section of the Project EQ, omitting the public notice requirements as being fulfilled by the USACE Nationwide Permits (NWP) Program. Identify the NWP or General Permit Number below.

NWP or General Permit Number: _____

- Local permit **OR** unknown permit **OR** permit undetermined

◯ • Complete the Wetlands section of the Project EQ.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Use the **Farmland Class (NRCS) (FFPA)[4]** layer available under the **Land Use (Subpart L)** category in the construction map to determine potential impact to a Farmland. Detailed guidance related to evaluating impacts to farmlands can be found in RD Instruction 1970 - Subpart L – Land Use and Formally Classified Land (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

1) Will the site or route overlap an area identified as protected farmland in the construction map?

◯ NO The FPPA review for this site or route is complete.

◯ YES The site or route will cross or take place on an area identified as protected.

2) Does the applicant's proposed project consist solely of routes utilizing construction techniques along existing ROW?

◯ NO Go to FPPA Question 3.

◯ YES The FPPA review for this site or route is complete.

[3] Additional information on the USACE Nationwide Permit Program is available at this link: https://go.usa.gov/xeaR2

[4] For the purpose of FPPA, farmland includes, "All areas are prime farmland," "Farmland of unique importance," "Farmland of statewide importance," or "Farmland of local importance." Be advised: farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

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3) Are the sites or routes where a new ROW or easement will need to be established located on land that has previously been converted for use and can no longer be utilized as farmland?

○ NO Go to FPPA Question 4.

○ YES Explain in the text entry box. The FPPA review for this site or route is complete.

4) Does the action result in the conversion of farmland to nonagricultural uses?

○ NO Explain in the text entry box. The FPPA review for this site or route is complete.

○ YES Go to FPPA Question 5.

5) Is the entire site or route located in an "urbanized area" as identified in a Census Bureau Map (information available at this link: https://go.usa.gov/xeaRJ) with a "tint overprint" on a USGS Topographical Map (information available at this link: https://go.usa.gov/xeanr)?

○ NO Please complete the appropriate Farmland Conversion Impact Rating Form on behalf of the federal agency and submit to the appropriate NRCS State FPPA contact (available at this link: https://go.usa.gov/xeaUw). Include the completed farmland consultation under the Environmental Documents section of this application, and complete the FPPA section of the Project EQ.

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- **Subpart L AD-1006** for sites (available at this link: https://go.usa.gov/xeaUM)
- **Subpart L NRCS CPA-106** for routes (available at this link: https://go.usa.gov/xeaPc)

○ YES Please attach the Census Bureau or USGS Topographical Map under the Environmental Documents section of this application. The FPPA review for this site or route is complete.

- **Threatened and Endangered Species (Subpart N):** Use the Endangered Species link for each site or route in the Environmental Questionnaire (EQ) section of your application to request an "Official Species List" from the U.S. Fish and Wildlife Service (USFWS), Information for Planning and Consultation (IPaC) project planning tool[5]. Applicants must include this species list and appropriate species accounts (for example: requisite habitat) for each site or route included in the application. An official species list is a letter from the local USFWS office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the IPaC regulatory review process.

  Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate Fisheries office (available at this link: https://go.usa.gov/xeaE8).

  The list(s) obtained from the USFWS and NOAA should be used to complete the Subpart N Special Status Plant and Wildlife Species Table (available at this link: https://go.usa.gov/xerfT). Please attach the completed table under the Environmental Documents section of this application.

  Special Status Plant and Wildlife Species Table Guidance:
  Research each species identified on the Official Species List(s) to complete the Description of the Suitable Habitat column.

[5] You must create a free account (available at this link: https://go.usa.gov/xeamV) and login to IPaC using this link: https://ecos.fws.gov/ipac/ before you can receive an official letter and species list from the local USFWS. The Endangered Species link for each site or route in the EQ will transfer the geospatial data to USFWS. Click "Define Project" and enter a project name and description. On the Project Home page, click "Request Species List" or click "Start Review" and follow the prompts.

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Cross-reference the species information gained through your research, with your knowledge of the project site or route, to identify the "Potential for Occurrence":

- If Critical Habitat is present or a survey indicates species are present, select "Documented," and explain.

- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain.

- If suitable habitat is present but based on your knowledge of the site or route, is unlikely for species to occur, select "Unlikely" and explain your reasoning.

- If suitable habitat is present, but data (for instance, surveys) indicate species and critical habitatare absent from the action area, select "None" and cite the survey.

- If suitable habitat is not present in the action area, select "None" and explain your reasoning.

Next, "Propose a Finding of Effect":

- If species are not present, conclude "No Effect" and explain your finding.
    - If species are identified, "lack of critical habitat" or "familiarity with the proposed area" are not sufficient reasonings for a finding of "No Effect."

- If species may be present in the action area but will not be exposed directly or indirectly to the proposed action or any resulting environmental changes, conclude "No Effect" and explain your finding.

- If species may be present in the action area, will be exposed to the action but will not respond in any manner, conclude "No Effect" and explain your finding.

- If species may be present in the action area and will respond upon exposure to the action, but effects will be wholly beneficial[6],

[6] "Beneficial effects" are positive responses without any negative response. This analysis is done at the individual level. If an action will have beneficial effects for the species overall, but adversely impacts one or more individuals in the process, "likely to adversely affect" is the appropriate conclusion.

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insignificant[7], or discountable[8], conclude "may affect, not likely to adversely affect"

- If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude "May Affect - Likely to Adversely Affect."

Detailed guidance related to evaluating impacts to biological resources can be found in RD Instruction 1970 - Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

- **Transportation (Subpart O):** Responses to Transportation (Subpart O) questions are only required if the construction asset type is a "Site."

Air

If required by the Federal Aviation Administration (FAA), or if the applicant proposes any of the following types of construction or alteration, the applicant must file a notice with the FAA. Use the FAA Notice Criteria Tool (available at this link: https://go.usa.gov/xeayP) to help determine whether your project construction requires filing with the FAA for proposed structures.

1) Is the applicant required to file a notice with the FAA?

○ NO

○ YES Identify the reason(s) why a notice must be filed and file a notice at this link: https://go.usa.gov/xeayE.

☐ • Required by the FAA

☐ • Proposed construction or alteration that is more than 200 feet above ground level at its site.

☐ • Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:

[7] "Insignificant effects" are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure or detect such responses, then it is appropriate to conclude insignificant effects.

[8] "Discountable" means extremely unlikely to occur.

USDA is an equal opportunity provider, employer, and lender.

(a) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport[9] with its longest runway more than 3,200 feet in actual length, excluding heliports.

(b) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.

(c) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.

On-Road

1) Has a Traffic Impact Study (TIS) been completed?

- ○ NO Go to On-Road Question 2.
- ○ YES Please upload the TIS to the Environmental documents section of the Application and go to On-Road Question 5.

2) Will this project cause an increase in traffic in the surrounding area during construction or operation?

- ○ NO Go to On-Road Question 5.
- ○ YES Describe the magnitude of the increase in the text entry box.

[9] Airports and heliports include: (1) A public use airport listed in the Airport - Facility Directory, Alaska Supplement, or Pacific Chart Supplement of U.S. Government Flight Information Publications (2) A military airport under construction, or an airport under construction that will be available for public use (3) An airport operated by a federal agency or the Department of Defense (4) An airport or heliport with at least one FAA-approved instrument approach procedure.

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3) Will hazardous materials be involved?

- ◯ NO Go to On-Road Question 5.
- ◯ YES Go to On-Road Question 4.

4) Will vehicles be carrying hazardous wastes through or past the project site?

- ◯ NO
- ◯ YES

5) Will the applicant be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

- ◯ NO
- ◯ YES

USDA is an equal opportunity provider, employer, and lender.

The following pages have been sent to United States Department of Interior Fish and Wildlife Service (FWS) for consultation. When FWS responds to the consultation, the records will be released.

Pages 368-404

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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Site and Route Environmental Questionnaire

Applicant Name:	Cordova Telephone Cooperative
Application Number:	101001335
Site or Route Name:	BMH Cordova
Construction Asset Type:	Site - Large Enclosure Cabinet

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Site and Route Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application. This information will be used in conjunction with the Project EQ to determine the overall environmental compliance of the proposed project. RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in the EQs.

An applicant must submit to RUS a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local, or other federal agencies. Such material, to the extent determined to be relevant, can be used to fulfill RUS' environmental review requirements.

Environmental Questions

- **Floodplains (Subpart F):** Use the **Flood Hazard Zones (FEMA)**[1] layer available in the construction map to determine potential impact to a floodplain. If the site or route falls within a community not participating in the National Flood Insurance Program (NFIP) or an area of undetermined flood hazard (Zone D), use the **Flood Frequency (NRCS)**[2] layer available in the construction map to determine the flooding frequency of the area.

[1]The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500-year or 100-year floodplain, it should be considered within a floodplain for environmental analysis.

[2] The frequency of "Rare," "Occasional," or "Frequent" should be considered within a floodplain for environmental analysis.

Detailed guidance related to evaluating impacts to and from floodplains can be found in RD Instruction 1970 - Subpart F – Floodplain Management (available at this link: https://www.rd.usda.gov/files/1970f.pdf)

1) Is the applicant's proposed action located in a floodplain?

- ○ NO Go to Floodplains Question 3.
- ○ YES Go to Floodplains Question 2.

2) Does the applicant's proposed action in the floodplain consist of more than buried or aerial utilities lines?

- ○ NO Go to Floodplains Question 3.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

3) Does the applicant's proposed action have the potential to affect a floodplain?

- ○ NO Go to Floodplains Question 4.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

4) Does the applicant's proposed action have the potential to be affected by a floodplain?

- ○ NO The Floodplains review for this site or route is complete.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

- **Wetlands (Subpart G):** Use the **National Wetland Inventory (NWI)** layer available in the construction map to determine potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use **Soil Hydric Class (NRCS) (Wetlands Subpart G)** to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of 'Partially Hydric' (1 – 95 percent) or 'All Hydric' (96 – 100 percent), the AOI will be considered to be located in a wetland.

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Detailed guidance related to evaluating impacts to wetlands can be found in RD Instruction 1970 - Subpart G - Wetland Protection (available at this link: https://www.rd.usda.gov/files/1970g.pdf).

1) Is the applicant's proposed action located in a wetland?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES Go to Wetlands Question 2.

2) Does the project's interaction with wetlands consist entirely of avoiding wetlands by means of directional boring?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES The Wetlands review for this site or route is complete.

3) Does the applicant's proposed action have the potential to be affect a wetland?

- ◯ NO Go to Wetlands Question 4.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

4) Does the applicant's proposed action have the potential be affected by a wetland?

- ◯ NO The Wetlands review for this site or route is complete.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

5) What kind of permit is required to address wetland impacts?

- U.S. Army Corps of Engineers (USACE) Individual Permit
  - ◯ • **If the Individual Permit has already been obtained**, attach it under the Environmental Documents section of this application. The wetlands review for this site or route is complete.
  - ◯ • **If an individual permit has not been obtained**, complete the wetlands section of the Project EQ.

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- USACE Nationwide or General Permit[3]

◯ • Complete the wetlands section of the Project EQ, omitting the public notice requirements as being fulfilled by the USACE Nationwide Permits (NWP) Program. Identify the NWP or General Permit Number below.

NWP or General Permit Number: _____

- Local permit **OR** unknown permit **OR** permit undetermined

◯ • Complete the Wetlands section of the Project EQ.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Use the **Farmland Class (NRCS) (FFPA)[4]** layer available under the **Land Use (Subpart L)** category in the construction map to determine potential impact to a Farmland. Detailed guidance related to evaluating impacts to farmlands can be found in RD Instruction 1970 - Subpart L – Land Use and Formally Classified Land (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

1) Will the site or route overlap an area identified as protected farmland in the construction map?

◯ NO The FPPA review for this site or route is complete.

◯ YES The site or route will cross or take place on an area identified as protected.

2) Does the applicant's proposed project consist solely of routes utilizing construction techniques along existing ROW?

◯ NO Go to FPPA Question 3.

◯ YES The FPPA review for this site or route is complete.

[3] Additional information on the USACE Nationwide Permit Program is available at this link: https://go.usa.gov/xeaR2

[4] For the purpose of FPPA, farmland includes, "All areas are prime farmland," "Farmland of unique importance," "Farmland of statewide importance," or "Farmland of local importance." Be advised: farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

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3) Are the sites or routes where a new ROW or easement will need to be established located on land that has previously been converted for use and can no longer be utilized as farmland?

- ○ NO Go to FPPA Question 4.
- ○ YES Explain in the text entry box. The FPPA review for this site or route is complete.

4) Does the action result in the conversion of farmland to nonagricultural uses?

- ○ NO Explain in the text entry box. The FPPA review for this site or route is complete.

- ○ YES Go to FPPA Question 5.

5) Is the entire site or route located in an "urbanized area" as identified in a Census Bureau Map (information available at this link: https://go.usa.gov/xeaRJ) with a "tint overprint" on a USGS Topographical Map (information available at this link: https://go.usa.gov/xeanr)?

- ○ NO Please complete the appropriate Farmland Conversion Impact Rating Form on behalf of the federal agency and submit to the appropriate NRCS State FPPA contact (available at this link: https://go.usa.gov/xeaUw). Include the completed farmland consultation under the Environmental Documents section of this application, and complete the FPPA section of the Project EQ.

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- **Subpart L AD-1006** for sites (available at this link: https://go.usa.gov/xeaUM)
- **Subpart L NRCS CPA-106** for routes (available at this link: https://go.usa.gov/xeaPc)

○ YES Please attach the Census Bureau or USGS Topographical Map under the Environmental Documents section of this application. The FPPA review for this site or route is complete.

- **Threatened and Endangered Species (Subpart N):** Use the Endangered Species link for each site or route in the Environmental Questionnaire (EQ) section of your application to request an "Official Species List" from the U.S. Fish and Wildlife Service (USFWS), Information for Planning and Consultation (IPaC) project planning tool[5]. Applicants must include this species list and appropriate species accounts (for example: requisite habitat) for each site or route included in the application. An official species list is a letter from the local USFWS office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the IPaC regulatory review process.

  Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate Fisheries office (available at this link: https://go.usa.gov/xeaE8).

  The list(s) obtained from the USFWS and NOAA should be used to complete the Subpart N Special Status Plant and Wildlife Species Table (available at this link: https://go.usa.gov/xerfT). Please attach the completed table under the Environmental Documents section of this application.

  Special Status Plant and Wildlife Species Table Guidance:
  Research each species identified on the Official Species List(s) to complete the Description of the Suitable Habitat column.

[5] You must create a free account (available at this link: https://go.usa.gov/xeamV) and login to IPaC using this link: https://ecos.fws.gov/ipac/ before you can receive an official letter and species list from the local USFWS. The Endangered Species link for each site or route in the EQ will transfer the geospatial data to USFWS. Click "Define Project" and enter a project name and description. On the Project Home page, click "Request Species List" or click "Start Review" and follow the prompts.

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Cross-reference the species information gained through your research, with your knowledge of the project site or route, to identify the "Potential for Occurrence":

- If Critical Habitat is present or a survey indicates species are present, select "Documented," and explain.

- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain.

- If suitable habitat is present but based on your knowledge of the site or route, is unlikely for species to occur, select "Unlikely" and explain your reasoning.

- If suitable habitat is present, but data (for instance, surveys) indicate species and critical habitatare absent from the action area, select "None" and cite the survey.

- If suitable habitat is not present in the action area, select "None" and explain your reasoning.

Next, "Propose a Finding of Effect":

- If species are not present, conclude "No Effect" and explain your finding.
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- If species may be present in the action area and will respond upon exposure to the action, but effects will be wholly beneficial[6],

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insignificant[7], or discountable[8], conclude "may affect, not likely to adversely affect"

- If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude "May Affect - Likely to Adversely Affect."

Detailed guidance related to evaluating impacts to biological resources can be found in RD Instruction 1970 - Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

- **Transportation (Subpart O):** Responses to Transportation (Subpart O) questions are only required if the construction asset type is a "Site."

Air

If required by the Federal Aviation Administration (FAA), or if the applicant proposes any of the following types of construction or alteration, the applicant must file a notice with the FAA. Use the FAA Notice Criteria Tool (available at this link: https://go.usa.gov/xeayP) to help determine whether your project construction requires filing with the FAA for proposed structures.

1) Is the applicant required to file a notice with the FAA?

○ NO

○ YES Identify the reason(s) why a notice must be filed and file a notice at this link: https://go.usa.gov/xeayE.

☐ • Required by the FAA

☐ • Proposed construction or alteration that is more than 200 feet above ground level at its site.

☐ • Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:

[7] "Insignificant effects" are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure or detect such responses, then it is appropriate to conclude insignificant effects.

[8] "Discountable" means extremely unlikely to occur.

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(a) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport[9] with its longest runway more than 3,200 feet in actual length, excluding heliports.

(b) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.

(c) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.

On-Road

1) Has a Traffic Impact Study (TIS) been completed?

- ○ NO Go to On-Road Question 2.
- ○ YES Please upload the TIS to the Environmental documents section of the Application and go to On-Road Question 5.

2) Will this project cause an increase in traffic in the surrounding area during construction or operation?

- ○ NO Go to On-Road Question 5.
- ○ YES Describe the magnitude of the increase in the text entry box.

[9] Airports and heliports include: (1) A public use airport listed in the Airport - Facility Directory, Alaska Supplement, or Pacific Chart Supplement of U.S. Government Flight Information Publications (2) A military airport under construction, or an airport under construction that will be available for public use (3) An airport operated by a federal agency or the Department of Defense (4) An airport or heliport with at least one FAA-approved instrument approach procedure.

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3) Will hazardous materials be involved?

- ◯ NO Go to On-Road Question 5.
- ◯ YES Go to On-Road Question 4.

4) Will vehicles be carrying hazardous wastes through or past the project site?

- ◯ NO
- ◯ YES

5) Will the applicant be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

- ◯ NO
- ◯ YES

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Pages 368-404

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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Site and Route Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Site or Route Name: BMH Cordova

Construction Asset Type: Site - Large Enclosure Cabinet

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Site and Route Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application. This information will be used in conjunction with the Project EQ to determine the overall environmental compliance of the proposed project. RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in the EQs.

An applicant must submit to RUS a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local, or other federal agencies. Such material, to the extent determined to be relevant, can be used to fulfill RUS' environmental review requirements.

Environmental Questions

- **Floodplains (Subpart F):** Use the **Flood Hazard Zones (FEMA)**[1] layer available in the construction map to determine potential impact to a floodplain. If the site or route falls within a community not participating in the National Flood Insurance Program (NFIP) or an area of undetermined flood hazard (Zone D), use the **Flood Frequency (NRCS)**[2] layer available in the construction map to determine the flooding frequency of the area.

[1]The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500-year or 100-year floodplain, it should be considered within a floodplain for environmental analysis.

[2] The frequency of "Rare," "Occasional," or "Frequent" should be considered within a floodplain for environmental analysis.

Detailed guidance related to evaluating impacts to and from floodplains can be found in RD Instruction 1970 - Subpart F – Floodplain Management (available at this link: https://www.rd.usda.gov/files/1970f.pdf)

1) Is the applicant's proposed action located in a floodplain?

- ○ NO Go to Floodplains Question 3.
- ○ YES Go to Floodplains Question 2.

2) Does the applicant's proposed action in the floodplain consist of more than buried or aerial utilities lines?

- ○ NO Go to Floodplains Question 3.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

3) Does the applicant's proposed action have the potential to affect a floodplain?

- ○ NO Go to Floodplains Question 4.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

4) Does the applicant's proposed action have the potential to be affected by a floodplain?

- ○ NO The Floodplains review for this site or route is complete.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

- **Wetlands (Subpart G):** Use the **National Wetland Inventory (NWI)** layer available in the construction map to determine potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use **Soil Hydric Class (NRCS) (Wetlands Subpart G)** to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of 'Partially Hydric' (1 – 95 percent) or 'All Hydric' (96 – 100 percent), the AOI will be considered to be located in a wetland.

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Detailed guidance related to evaluating impacts to wetlands can be found in RD Instruction 1970 - Subpart G - Wetland Protection (available at this link: https://www.rd.usda.gov/files/1970g.pdf).

1) Is the applicant's proposed action located in a wetland?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES Go to Wetlands Question 2.

2) Does the project's interaction with wetlands consist entirely of avoiding wetlands by means of directional boring?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES The Wetlands review for this site or route is complete.

3) Does the applicant's proposed action have the potential to be affect a wetland?

- ◯ NO Go to Wetlands Question 4.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

4) Does the applicant's proposed action have the potential be affected by a wetland?

- ◯ NO The Wetlands review for this site or route is complete.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

5) What kind of permit is required to address wetland impacts?

- U.S. Army Corps of Engineers (USACE) Individual Permit
  - ◯ • **If the Individual Permit has already been obtained**, attach it under the Environmental Documents section of this application. The wetlands review for this site or route is complete.
  - ◯ • **If an individual permit has not been obtained**, complete the wetlands section of the Project EQ.

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- USACE Nationwide or General Permit[3]

◯ • Complete the wetlands section of the Project EQ, omitting the public notice requirements as being fulfilled by the USACE Nationwide Permits (NWP) Program. Identify the NWP or General Permit Number below.

NWP or General Permit Number: _____

- Local permit **OR** unknown permit **OR** permit undetermined

◯ • Complete the Wetlands section of the Project EQ.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Use the **Farmland Class (NRCS) (FFPA)[4]** layer available under the **Land Use (Subpart L)** category in the construction map to determine potential impact to a Farmland. Detailed guidance related to evaluating impacts to farmlands can be found in RD Instruction 1970 - Subpart L – Land Use and Formally Classified Land (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

1) Will the site or route overlap an area identified as protected farmland in the construction map?

◯ NO The FPPA review for this site or route is complete.

◯ YES The site or route will cross or take place on an area identified as protected.

2) Does the applicant's proposed project consist solely of routes utilizing construction techniques along existing ROW?

◯ NO Go to FPPA Question 3.

◯ YES The FPPA review for this site or route is complete.

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[3] Additional information on the USACE Nationwide Permit Program is available at this link: https://go.usa.gov/xeaR2

[4] For the purpose of FPPA, farmland includes, "All areas are prime farmland," "Farmland of unique importance," "Farmland of statewide importance," or "Farmland of local importance." Be advised: farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

USDA is an equal opportunity provider, employer, and lender.

3) Are the sites or routes where a new ROW or easement will need to be established located on land that has previously been converted for use and can no longer be utilized as farmland?

○ NO Go to FPPA Question 4.

○ YES Explain in the text entry box. The FPPA review for this site or route is complete.

4) Does the action result in the conversion of farmland to nonagricultural uses?

○ NO Explain in the text entry box. The FPPA review for this site or route is complete.

○ YES Go to FPPA Question 5.

5) Is the entire site or route located in an "urbanized area" as identified in a Census Bureau Map (information available at this link: https://go.usa.gov/xeaRJ) with a "tint overprint" on a USGS Topographical Map (information available at this link: https://go.usa.gov/xeanr)?

○ NO Please complete the appropriate Farmland Conversion Impact Rating Form on behalf of the federal agency and submit to the appropriate NRCS State FPPA contact (available at this link: https://go.usa.gov/xeaUw). Include the completed farmland consultation under the Environmental Documents section of this application, and complete the FPPA section of the Project EQ.

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- **Subpart L AD-1006** for sites (available at this link: https://go.usa.gov/xeaUM)
- **Subpart L NRCS CPA-106** for routes (available at this link: https://go.usa.gov/xeaPc)

○ YES Please attach the Census Bureau or USGS Topographical Map under the Environmental Documents section of this application. The FPPA review for this site or route is complete.

- **Threatened and Endangered Species (Subpart N):** Use the Endangered Species link for each site or route in the Environmental Questionnaire (EQ) section of your application to request an "Official Species List" from the U.S. Fish and Wildlife Service (USFWS), Information for Planning and Consultation (IPaC) project planning tool[5]. Applicants must include this species list and appropriate species accounts (for example: requisite habitat) for each site or route included in the application. An official species list is a letter from the local USFWS office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the IPaC regulatory review process.

  Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate Fisheries office (available at this link: https://go.usa.gov/xeaE8).

  The list(s) obtained from the USFWS and NOAA should be used to complete the Subpart N Special Status Plant and Wildlife Species Table (available at this link: https://go.usa.gov/xerfT). Please attach the completed table under the Environmental Documents section of this application.

  Special Status Plant and Wildlife Species Table Guidance:
  Research each species identified on the Official Species List(s) to complete the Description of the Suitable Habitat column.

[5] You must create a free account (available at this link: https://go.usa.gov/xeamV) and login to IPaC using this link: https://ecos.fws.gov/ipac/ before you can receive an official letter and species list from the local USFWS. The Endangered Species link for each site or route in the EQ will transfer the geospatial data to USFWS. Click "Define Project" and enter a project name and description. On the Project Home page, click "Request Species List" or click "Start Review" and follow the prompts.

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Cross-reference the species information gained through your research, with your knowledge of the project site or route, to identify the "Potential for Occurrence":

- If Critical Habitat is present or a survey indicates species are present, select "Documented," and explain.

- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain.

- If suitable habitat is present but based on your knowledge of the site or route, is unlikely for species to occur, select "Unlikely" and explain your reasoning.

- If suitable habitat is present, but data (for instance, surveys) indicate species and critical habitatare absent from the action area, select "None" and cite the survey.

- If suitable habitat is not present in the action area, select "None" and explain your reasoning.

Next, "Propose a Finding of Effect":

- If species are not present, conclude "No Effect" and explain your finding.
    - If species are identified, "lack of critical habitat" or "familiarity with the proposed area" are not sufficient reasonings for a finding of "No Effect."

- If species may be present in the action area but will not be exposed directly or indirectly to the proposed action or any resulting environmental changes, conclude "No Effect" and explain your finding.

- If species may be present in the action area, will be exposed to the action but will not respond in any manner, conclude "No Effect" and explain your finding.

- If species may be present in the action area and will respond upon exposure to the action, but effects will be wholly beneficial[6],

[6] "Beneficial effects" are positive responses without any negative response. This analysis is done at the individual level. If an action will have beneficial effects for the species overall, but adversely impacts one or more individuals in the process, "likely to adversely affect" is the appropriate conclusion.

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insignificant[7], or discountable[8], conclude "may affect, not likely to adversely affect"

- If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude "May Affect - Likely to Adversely Affect."

Detailed guidance related to evaluating impacts to biological resources can be found in RD Instruction 1970 - Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

- **Transportation (Subpart O):** Responses to Transportation (Subpart O) questions are only required if the construction asset type is a "Site."

Air

If required by the Federal Aviation Administration (FAA), or if the applicant proposes any of the following types of construction or alteration, the applicant must file a notice with the FAA. Use the FAA Notice Criteria Tool (available at this link: https://go.usa.gov/xeayP) to help determine whether your project construction requires filing with the FAA for proposed structures.

1) Is the applicant required to file a notice with the FAA?

○ NO

○ YES Identify the reason(s) why a notice must be filed and file a notice at this link: https://go.usa.gov/xeayE.

☐ • Required by the FAA

☐ • Proposed construction or alteration that is more than 200 feet above ground level at its site.

☐ • Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:

[7] "Insignificant effects" are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure or detect such responses, then it is appropriate to conclude insignificant effects.

[8] "Discountable" means extremely unlikely to occur.

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(a) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport[9] with its longest runway more than 3,200 feet in actual length, excluding heliports.

(b) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.

(c) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.

On-Road

1) Has a Traffic Impact Study (TIS) been completed?

- ○ NO Go to On-Road Question 2.
- ○ YES Please upload the TIS to the Environmental documents section of the Application and go to On-Road Question 5.

2) Will this project cause an increase in traffic in the surrounding area during construction or operation?

- ○ NO Go to On-Road Question 5.
- ○ YES Describe the magnitude of the increase in the text entry box.

[9] Airports and heliports include: (1) A public use airport listed in the Airport - Facility Directory, Alaska Supplement, or Pacific Chart Supplement of U.S. Government Flight Information Publications (2) A military airport under construction, or an airport under construction that will be available for public use (3) An airport operated by a federal agency or the Department of Defense (4) An airport or heliport with at least one FAA-approved instrument approach procedure.

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3) Will hazardous materials be involved?

- ◯ NO Go to On-Road Question 5.
- ◯ YES Go to On-Road Question 4.

4) Will vehicles be carrying hazardous wastes through or past the project site?

- ◯ NO
- ◯ YES

5) Will the applicant be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

- ◯ NO
- ◯ YES

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The following pages have been sent to United States Department of Interior Fish and Wildlife Service (FWS) for consultation. When FWS responds to the consultation, the records will be released.

Pages 368-404

415-425

436-446

457-467

478-493

511-596

612-634

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Site and Route Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Site or Route Name: BMH Cordova

Construction Asset Type: Site - Large Enclosure Cabinet

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Site and Route Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application. This information will be used in conjunction with the Project EQ to determine the overall environmental compliance of the proposed project. RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in the EQs.

An applicant must submit to RUS a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local, or other federal agencies. Such material, to the extent determined to be relevant, can be used to fulfill RUS' environmental review requirements.

Environmental Questions

- **Floodplains (Subpart F):** Use the **Flood Hazard Zones (FEMA)**[1] layer available in the construction map to determine potential impact to a floodplain. If the site or route falls within a community not participating in the National Flood Insurance Program (NFIP) or an area of undetermined flood hazard (Zone D), use the **Flood Frequency (NRCS)**[2] layer available in the construction map to determine the flooding frequency of the area.

[1]The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500-year or 100-year floodplain, it should be considered within a floodplain for environmental analysis.

[2] The frequency of "Rare," "Occasional," or "Frequent" should be considered within a floodplain for environmental analysis.

Detailed guidance related to evaluating impacts to and from floodplains can be found in RD Instruction 1970 - Subpart F – Floodplain Management (available at this link: https://www.rd.usda.gov/files/1970f.pdf)

1) Is the applicant's proposed action located in a floodplain?

- ○ NO Go to Floodplains Question 3.
- ○ YES Go to Floodplains Question 2.

2) Does the applicant's proposed action in the floodplain consist of more than buried or aerial utilities lines?

- ○ NO Go to Floodplains Question 3.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

3) Does the applicant's proposed action have the potential to affect a floodplain?

- ○ NO Go to Floodplains Question 4.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

4) Does the applicant's proposed action have the potential to be affected by a floodplain?

- ○ NO The Floodplains review for this site or route is complete.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

- **Wetlands (Subpart G):** Use the **National Wetland Inventory (NWI)** layer available in the construction map to determine potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use **Soil Hydric Class (NRCS) (Wetlands Subpart G)** to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of 'Partially Hydric' (1 – 95 percent) or 'All Hydric' (96 – 100 percent), the AOI will be considered to be located in a wetland.

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Detailed guidance related to evaluating impacts to wetlands can be found in RD Instruction 1970 - Subpart G - Wetland Protection (available at this link: https://www.rd.usda.gov/files/1970g.pdf).

1) Is the applicant's proposed action located in a wetland?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES Go to Wetlands Question 2.

2) Does the project's interaction with wetlands consist entirely of avoiding wetlands by means of directional boring?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES The Wetlands review for this site or route is complete.

3) Does the applicant's proposed action have the potential to be affect a wetland?

- ◯ NO Go to Wetlands Question 4.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

4) Does the applicant's proposed action have the potential be affected by a wetland?

- ◯ NO The Wetlands review for this site or route is complete.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

5) What kind of permit is required to address wetland impacts?

- U.S. Army Corps of Engineers (USACE) Individual Permit
  - ◯ • **If the Individual Permit has already been obtained**, attach it under the Environmental Documents section of this application. The wetlands review for this site or route is complete.
  - ◯ • **If an individual permit has not been obtained**, complete the wetlands section of the Project EQ.

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- USACE Nationwide or General Permit[3]

◯ • Complete the wetlands section of the Project EQ, omitting the public notice requirements as being fulfilled by the USACE Nationwide Permits (NWP) Program. Identify the NWP or General Permit Number below.

NWP or General Permit Number: _____

- Local permit **OR** unknown permit **OR** permit undetermined

◯ • Complete the Wetlands section of the Project EQ.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Use the **Farmland Class (NRCS) (FFPA)[4]** layer available under the **Land Use (Subpart L)** category in the construction map to determine potential impact to a Farmland. Detailed guidance related to evaluating impacts to farmlands can be found in RD Instruction 1970 - Subpart L – Land Use and Formally Classified Land (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

1) Will the site or route overlap an area identified as protected farmland in the construction map?

◯ NO The FPPA review for this site or route is complete.

◯ YES The site or route will cross or take place on an area identified as protected.

2) Does the applicant's proposed project consist solely of routes utilizing construction techniques along existing ROW?

◯ NO Go to FPPA Question 3.

◯ YES The FPPA review for this site or route is complete.

[3] Additional information on the USACE Nationwide Permit Program is available at this link: https://go.usa.gov/xeaR2

[4] For the purpose of FPPA, farmland includes, "All areas are prime farmland," "Farmland of unique importance," "Farmland of statewide importance," or "Farmland of local importance." Be advised: farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

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3) Are the sites or routes where a new ROW or easement will need to be established located on land that has previously been converted for use and can no longer be utilized as farmland?

- ○ NO Go to FPPA Question 4.
- ○ YES Explain in the text entry box. The FPPA review for this site or route is complete.

4) Does the action result in the conversion of farmland to nonagricultural uses?

- ○ NO Explain in the text entry box. The FPPA review for this site or route is complete.

- ○ YES Go to FPPA Question 5.

5) Is the entire site or route located in an "urbanized area" as identified in a Census Bureau Map (information available at this link: https://go.usa.gov/xeaRJ) with a "tint overprint" on a USGS Topographical Map (information available at this link: https://go.usa.gov/xeanr)?

- ○ NO Please complete the appropriate Farmland Conversion Impact Rating Form on behalf of the federal agency and submit to the appropriate NRCS State FPPA contact (available at this link: https://go.usa.gov/xeaUw). Include the completed farmland consultation under the Environmental Documents section of this application, and complete the FPPA section of the Project EQ.

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- **Subpart L AD-1006** for sites (available at this link: https://go.usa.gov/xeaUM)
- **Subpart L NRCS CPA-106** for routes (available at this link: https://go.usa.gov/xeaPc)

○ YES Please attach the Census Bureau or USGS Topographical Map under the Environmental Documents section of this application. The FPPA review for this site or route is complete.

- **Threatened and Endangered Species (Subpart N):** Use the Endangered Species link for each site or route in the Environmental Questionnaire (EQ) section of your application to request an "Official Species List" from the U.S. Fish and Wildlife Service (USFWS), Information for Planning and Consultation (IPaC) project planning tool[5]. Applicants must include this species list and appropriate species accounts (for example: requisite habitat) for each site or route included in the application. An official species list is a letter from the local USFWS office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the IPaC regulatory review process.

  Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate Fisheries office (available at this link: https://go.usa.gov/xeaE8).

  The list(s) obtained from the USFWS and NOAA should be used to complete the Subpart N Special Status Plant and Wildlife Species Table (available at this link: https://go.usa.gov/xerfT). Please attach the completed table under the Environmental Documents section of this application.

  Special Status Plant and Wildlife Species Table Guidance:
  Research each species identified on the Official Species List(s) to complete the Description of the Suitable Habitat column.

[5] You must create a free account (available at this link: https://go.usa.gov/xeamV) and login to IPaC using this link: https://ecos.fws.gov/ipac/ before you can receive an official letter and species list from the local USFWS. The Endangered Species link for each site or route in the EQ will transfer the geospatial data to USFWS. Click "Define Project" and enter a project name and description. On the Project Home page, click "Request Species List" or click "Start Review" and follow the prompts.

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Cross-reference the species information gained through your research, with your knowledge of the project site or route, to identify the "Potential for Occurrence":

- If Critical Habitat is present or a survey indicates species are present, select "Documented," and explain.

- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain.

- If suitable habitat is present but based on your knowledge of the site or route, is unlikely for species to occur, select "Unlikely" and explain your reasoning.

- If suitable habitat is present, but data (for instance, surveys) indicate species and critical habitatare absent from the action area, select "None" and cite the survey.

- If suitable habitat is not present in the action area, select "None" and explain your reasoning.

Next, "Propose a Finding of Effect":

- If species are not present, conclude "No Effect" and explain your finding.
    - If species are identified, "lack of critical habitat" or "familiarity with the proposed area" are not sufficient reasonings for a finding of "No Effect."

- If species may be present in the action area but will not be exposed directly or indirectly to the proposed action or any resulting environmental changes, conclude "No Effect" and explain your finding.

- If species may be present in the action area, will be exposed to the action but will not respond in any manner, conclude "No Effect" and explain your finding.

- If species may be present in the action area and will respond upon exposure to the action, but effects will be wholly beneficial[6],

[6] "Beneficial effects" are positive responses without any negative response. This analysis is done at the individual level. If an action will have beneficial effects for the species overall, but adversely impacts one or more individuals in the process, "likely to adversely affect" is the appropriate conclusion.

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insignificant[7], or discountable[8], conclude "may affect, not likely to adversely affect"

- If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude "May Affect - Likely to Adversely Affect."

Detailed guidance related to evaluating impacts to biological resources can be found in RD Instruction 1970 - Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

- **Transportation (Subpart O):** Responses to Transportation (Subpart O) questions are only required if the construction asset type is a "Site."

Air

If required by the Federal Aviation Administration (FAA), or if the applicant proposes any of the following types of construction or alteration, the applicant must file a notice with the FAA. Use the FAA Notice Criteria Tool (available at this link: https://go.usa.gov/xeayP) to help determine whether your project construction requires filing with the FAA for proposed structures.

1) Is the applicant required to file a notice with the FAA?

○ NO

○ YES Identify the reason(s) why a notice must be filed and file a notice at this link: https://go.usa.gov/xeayE.

☐ • Required by the FAA

☐ • Proposed construction or alteration that is more than 200 feet above ground level at its site.

☐ • Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:

[7] "Insignificant effects" are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure or detect such responses, then it is appropriate to conclude insignificant effects.

[8] "Discountable" means extremely unlikely to occur.

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(a) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport[9] with its longest runway more than 3,200 feet in actual length, excluding heliports.

(b) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.

(c) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.

On-Road

1) Has a Traffic Impact Study (TIS) been completed?

- ○ NO Go to On-Road Question 2.
- ○ YES Please upload the TIS to the Environmental documents section of the Application and go to On-Road Question 5.

2) Will this project cause an increase in traffic in the surrounding area during construction or operation?

- ○ NO Go to On-Road Question 5.
- ○ YES Describe the magnitude of the increase in the text entry box.

[9] Airports and heliports include: (1) A public use airport listed in the Airport - Facility Directory, Alaska Supplement, or Pacific Chart Supplement of U.S. Government Flight Information Publications (2) A military airport under construction, or an airport under construction that will be available for public use (3) An airport operated by a federal agency or the Department of Defense (4) An airport or heliport with at least one FAA-approved instrument approach procedure.

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3) Will hazardous materials be involved?

- ◯ NO Go to On-Road Question 5.
- ◯ YES Go to On-Road Question 4.

4) Will vehicles be carrying hazardous wastes through or past the project site?

- ◯ NO
- ◯ YES

5) Will the applicant be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

- ◯ NO
- ◯ YES

USDA is an equal opportunity provider, employer, and lender.

The following pages have been sent to United States Department of Interior Fish and Wildlife Service (FWS) for consultation. When FWS responds to the consultation, the records will be released.

Pages 368-404

415-425

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478-493

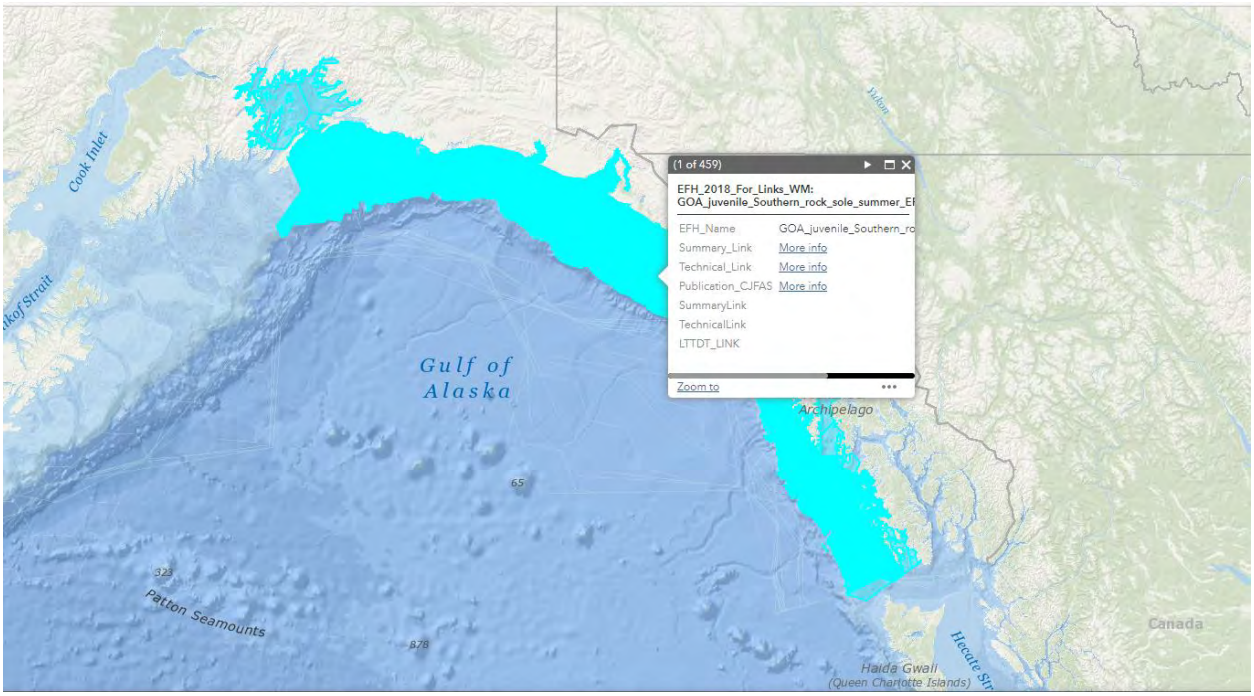
511-596

612-634

CTC Environmental- Essential Fish Habitat

As the 16th largest seafood port in the United States, Cordova's commitment to preserving and maintaining our local fish habitat is an engrained cultural value within our community. CTC has uploaded Essential Fish Habitat Map Reports from the EFR Mapper Tool: [EFH Mapper (noaa.gov)]. The uploading report contains data collected from outside of each of our submarine cable landing sites in Cordova, Yakutat, Pelican, Gustavus, Hoonah, and Juneau, Alaska. Additionally, to demonstrate the significance of the essential fish habitat within Southcentral and Southeast Alaska, CTC utilized the Essential Fish Habitat (ESH) map from the National Oceanic and Atmospheric Administration (NOAA): [EFH Application Alaska (noaa.gov)].

While there is not an export option located on the web application, below is a screenshot from the ARCGIS map showing 459 species of fish that have been identified in our project's region.



While the above image is only an approximation, Cordova Telephone Cooperative is committed to protecting local fish populations while installing our submarine fiber. CTC will collaborate with state and federal entities and complete all necessary environmental reviews, environmental permitting, and will work with monitors as needed.

CORDOVA TELEPHONE COOPERATIVE, INC.

BOARD OF DIRECTORS

December 22, 2022 Special Meeting

RESOLUTION 22-12-38

WHEREAS, Cordova Telephone Cooperative, Inc. ("Cooperative") has several opportunities to expand broadband deployment and has identified Rural Utilities Service ("RUS") grant funds available through the ReConnect Program that will facilitate the Cooperative's broadband projects;

WHEREAS, The Cooperative's Board of Directors ("Board") has considered the Cooperative's broadband projects, the potential availability of RUS grant funds, and the RUS application requirements, and finds it is in the best interests of the Cooperative to apply for available RUS ReConnect Program grant funds; and

WHEREAS, The Board previously approved the Cooperative to apply for a specific Round 4 RUS Reconnect Program grant, and in Resolution 22-10-18 authorized certain Cooperative personnel to perform application functions, The Board now provides this affirmation and authorization to meet a condition of the RUS application for that grant;

IT IS THEREFORE:

RESOLVED that the Cooperative is authorized to apply for the RUS ReConnect Progam grant of thirty-five million dollars ($35,000,000.00) in the funding category of "100% Grant," and that authorization for all prior actions taken by authorized Cooperative personnel in pursuing and submitting the application for these grant funds are reaffirmed and such actions are ratified.

Approved by: Wendy A Ranney
Wendy Ranney
Board President

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 22th day of December, 2022.

Ann Schultz
Ann Schultz
Secretary

[Corp Seal]

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 60º 32' 45" N, Longitude = 146º 11' 53" W
Decimal Degrees: Latitude = 60.546, Longitude = -145.802

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Walleye pollock (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data.
****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**

Gulf of Alaska Groundfish EFH,
Big Skate,
Longnose Skate,
Sharks,
Bering Sea / Aleutian Islands Groundfish EFH,
Forage Fish Complex,
Sharks (Bering Sea),
Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 59º 31' 2" N, Longitude = 140º 5' 15" W
Decimal Degrees: Latitude = 59.517, Longitude = -139.912

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Adult (Summer) Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Alaska skate (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Aleutian skate (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Atka mackerel (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Bering skate (Gulf of Alaska)	Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Bigmouth sculpin (Gulf of Alaska)	Adult (Spring) Adult (Summer) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Black rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Blackspotted rockfish (Gulf of Alaska)	Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dark rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Egg (Summer) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dusky rockfish (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Egg (Summer) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Great sculpin (Gulf of Alaska)	Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Greenstriped rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Harlequin rockfish (Gulf of Alaska)	Adult (Spring) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Longspine thornyhead rockfish (Gulf of Alaska)	Adult (Spring) Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rockfish (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Octopus (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Adult (Fall) Adult (Winter) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pygmy rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Quillback rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Redbanded rockfish (Gulf of Alaska)	Adult (Spring) Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rosethorn rockfish (Gulf of Alaska)	Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rougheye rockfish (Gulf of Alaska)	Adult (Fall) Adult (Summer) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Sablefish (Gulf of Alaska)	Adult (Fall) Adult (Winter) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Sharpchin rockfish (Gulf of Alaska)	Adult (Spring) Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Shortraker rockfish (Gulf of Alaska)	Adult (Fall) Adult (Spring) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Shortspine thornyhead rockfish (Gulf of Alaska)	Adult (Fall) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Adult (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Walleye pollock (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Egg (Summer) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellow Irish lord (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yelloweye rockfish (Gulf of Alaska)	Adult (Spring) Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Adult (Summer) Egg (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Redstriped rockfish (Gulf of Alaska)	Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Silvergrey rockfish (Gulf of Alaska)	Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data. ****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**
Gulf of Alaska Groundfish EFH, Big Skate, Longnose Skate, Sharks, **Bering Sea / Aleutian Islands Groundfish EFH**, Forage Fish Complex, Sharks (Bering Sea), Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 57° 58' 29" N, Longitude = 137° 44' 4" W
Decimal Degrees: Latitude = 57.975, Longitude = -136.266

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Walleye pollock (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data.
****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**

Gulf of Alaska Groundfish EFH,
Big Skate,
Longnose Skate,
Sharks,
Bering Sea / Aleutian Islands Groundfish EFH,
Forage Fish Complex,
Sharks (Bering Sea),
Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 58º 23' 12" N, Longitude = 136º 15' 26" W
Decimal Degrees: Latitude = 58.387, Longitude = -135.743

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data. ****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**
Gulf of Alaska Groundfish EFH, Big Skate, Longnose Skate, Sharks, **Bering Sea / Aleutian Islands Groundfish EFH**, Forage Fish Complex, Sharks (Bering Sea), Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 58º 9' 44" N, Longitude = 136º 33' 9" W
Decimal Degrees: Latitude = 58.162, Longitude = -135.448

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Walleye pollock (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data.
****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**

Gulf of Alaska Groundfish EFH,
Big Skate,
Longnose Skate,
Sharks,
Bering Sea / Aleutian Islands Groundfish EFH,
Forage Fish Complex,
Sharks (Bering Sea),
Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 58º 22' 47" N, Longitude = 135º 13' 24" W
Decimal Degrees: Latitude = 58.380, Longitude = -134.777

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Walleye pollock (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data.
****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**

Gulf of Alaska Groundfish EFH,
Big Skate,
Longnose Skate,
Sharks,
Bering Sea / Aleutian Islands Groundfish EFH,
Forage Fish Complex,
Sharks (Bering Sea),
Squid Complex

The following pages have been sent to United States Department of Interior Fish and Wildlife Service (FWS) for consultation. When FWS responds to the consultation, the records will be released.

Pages 368-404

415-425

436-446

457-467

478-493

511-596

612-634

Cordova Telephone Cooperative, LLC

Application #: 101001335

Date Completed:

Funding Category: 100% Grant

L2 Reviewer(s): Mark Levin

QC Reviewer:

Total Project Amount: (b) (4)

Grant Amount: $34,905,000

Matching (including cash substitution): (b) (4)

Loan Amount:

Other Funds:

Primary Borrower ID: 719502773

Applicant's Unique Entity Identifier (UEI): X6G6CDLTL5F6

SAV Status (Completed/Not Completed):

Entity Type: Cooperative

SUTA Consideration (Yes/No):

Comments: $K denotes thousand(s) $M denotes million(s)

DUE DILIGENCE

Summary Question #1 - Summarize the applicant, beginning with what type of entity it is. Describe its organizational structure including partners, parent, subsidiary, and affiliate companies (i.e., affiliated entities). Describe major business activities of the applicant, and of any affiliated entities that impact the applicant and / or project's financial feasibility. To provide context for the award, provide a snapshot of the applicant's latest financial condition, including primary sources of revenues and income, expenses, liabilities and assets, and cash balances. Describe how the project fits into the applicant's business model, and how the project will be funded, including the source of matching funds. Indicate if the applicant is applying for Substantially Underserved Trust Area (SUTA) or if an applicant provides supporting information that demonstrates that the PFSA(s) is comprised 100 percent of locations within areas classified by the USDA Economic Research Service as FAR Level 4. Indicate if the applicant has been awarded RDOF funds. Indicate if the applicant provided alternate households for their NFSA or PFSA (if applicable).

Cordova Telephone Cooperative, Inc. (CTC) is committed to the provision, improvement, and expansion of quality, competitively priced communication services in Cordova, Alaska, and the surrounding service area. In 1978, the voters of Cordova approved a resolution providing for the transfer of assets of Cordova Public Utilities-Telephone Utility to Cordova Telephone Cooperative, Inc (CTC). And thus, a member-owned telephone cooperative was established. In 1997, CTC again broadened its scope of services and established two subsidiaries: Cordova Wireless Communications (CWC) and Cordova Long Distance (CLD). Cordova Wireless has become a successful cellular provider in Cordova with 18 cellular sites, serving two communities and all the Prince William Sound. Long distance wholesale rates for Cordova Long Distance were available for several years, and CLD started offering service to Cordova in 2012. In 2019, CTC Holdings LLC was established for managed purchased assets from third parties, and in 2022, Yakutat Telecom Company LLC to provide broadband services in Yakutat, Alaska.

The proposed project has a cost (b) (4) This 100% proposed ReConnect Grant for $34,905,000 with additional matching funds of (b) (4) s needed to source the increase in the project costs. The matching funds will be generated from the following breakdown, (b) (4) loan from CoBank. A (b) (4) Letter of Credit from CoBank and a (b) (4) cash infusion from the Applicant and its subsidiaries. The matching funds will be disbursed in the first three years before any of the ReConnect funds are applied to the project.

CTC is a rural rate of return incumbent local exchange telecommunications carrier providing service in and around Cordova, Alaska. CTC is an active borrower of the RUS, regulated by the FCC for interstate purposes, regulated on limited basis under the Regulatory Commission of Alaska for intrastate calling and regulated by its board of directors for local exchange purposes. CTC is the carrier of last resort and has ETC status for our established service area for both wireline and wireless services. Cordova's existing network has grown organically over 40 years to provide essential services to our community, including: telephone/VoIP, internet, tv, and wireless cellular. Our network has reached its peak performance for broadband speeds, leaving our community underserved until we can deploy Fiber-To-The-Home.

As mentioned above, the applicant is one operating group under common management. Due to the size of the proposed project, CTC plans on using its own workforce and outside contractors to construct the project. A mitigant will be included to ensure any outside design and construction is separated.

DUE DILIGENCE

Summary Question #1a - Describe any discrepancies between the financial statements and the submitted application. Any significant discrepancy should be noted as part of Summary Question #2:

- The Balance Sheet, Statement of Cash Flows, and Income Statement bottom lines of the application is not materially different than the amounts reflected on the most recent audited financials. Ending cash on the Statement of Cash Flows matches the amount reflected on the audit.
    - Small deviations to the above statement include:
        - A New Base was created to reconcile small category changes in the Statement of Cash Flows. More regarding this is in Summary Question #2 below.

DUE DILIGENCE

Summary Question #1b - Review the notes in the audited financial statements and note any items that may impact financial feasibility and sustainability. (If notes are not included in the application, that should be mentioned as part of Summary Question #2). This should include any discussions regarding lawsuits, mergers, acquisitions, or information regarding subsidiaries. Additionally, review any information from the CPA, normally located at the end of the audited statements regarding any non-compliance issues or if the CPA has indicated the statements are "qualified" (which could be an eligibility issue).

- The consolidated audit for all utility lines didn't identify any major risks, or concentrations of concern. Any potential risks they indicated are mitigated by various lines of commercial insurance carried by the applicant.
  - The audit did mention that all material inter-company transactions and balance have been eliminated in the consolidation.
  - At December 31,2021, the Cooperative had (b) (4) in uninsured cash (b) (4) as of December 31, 2020). The Cooperative has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash.

While these above risks and contingencies were noted by the auditor, they are not expected to materially impact the financial feasibility and sustainability of the applicant.

Summary Question #1c - Review the loan documentation for the existing debt and describe any discrepancies between those documents and the submitted application. Validate whether the applicant is in compliance with existing loan covenants if such information is available. Any significant discrepancies should be noted as part of Summary Question #2: Also indicate what the total long-term debt payments over the next five years are supposed to be.

- The Cooperative is subject to limited regulation by the Federal Communications Commission (FCC) and the Regulatory Commission of Alaska (RCA). The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts, as prescribed by the FCC. As a result, the Cooperative's application of accounting principles generally accepted in the United States of America (US GAAP) differs in certain respects from the application by non-regulated entities. Such differences primarily concern the time at which certain items enter into the determination of net margin.
  - As of 12/31/2021 their outstanding Revenue Bond balance was (b) (4) and their General Obligation bond balance was (b) (4)
  - There is a mention of a CoBank (b) (4) Line of Credit (LOC) in the audit.

There is no mention of any default of any debt obligations in the audit.

DUE DILIGENCE

Summary Question #1d - List the full name of all the applicant's existing lenders, including RUS, FFB, RDUP, and RTB: In addition to the table below, please indicate whether, substantially, all property and equipment of Company will be pledged as security, any additional debt items show up on the application that are not listed on the audited historical statements or any debt items for which documentation was not provided. This information should also be reflected in the narrative above. If the applicant has a parent company, please indicate whether the applicant is substantially secured by the parent's existing debt (Table 2).

Table 1: Applicant Related Debt

Name of Lender	Type of Loan	Current Balance	Interest Rate (%)	Payment	Secured Against Assets?
RUS	RUS	$37,590	5.00%	$12,756	YES
RUS	RUS	$282,009	4.516%	$17,300	YES
RTB	RTB	$194,462	5.49%	$143,244	YES
RUS	RUS	$7,040,803	2.34%	$799,740	YES
CoBank	LOC	$500,000	4.13%	NA	NA

Table 2: Parent Related Debt

Name of Lender	Type of Loan	Current Balance	Secured Against Applicant's Assets?
NA	NA	NA	NA

Long Term Debt Service Payment Schedule (*First year listed on the Schedule should be first year after the audited historical financial statements*)

2022	(b) (4)
2023	
2024	
2025	
2026	

DUE DILIGENCE

Summary Question #2 - If a new base was created by the Reviewer, an explanation should be discussed first (i.e., Grant Accounting, Depreciation Rates, incorrect allocation of NONI and/or CAPEX, etc.). Discuss the reasonableness of key assumptions related to the application and the financial feasibility of the applicant. Applicant assumptions driving the financial projections for new and existing service areas and services. Assumptions should cover telecom revenue (e.g., pricing, penetration rates, churn rates, average revenue per user), other operating revenue (such as electric revenue) and operating expenses. Specifically discuss the projections and underlying assumptions associated with the PFSA and make note if no PFSA subscribers are projected. If the application does or does not include forecasted NASR or NONI, discuss those projections. If the reviewer made certain significant assumptions in the review, those should be discussed. Incorporate the results of any sensitivity analyses performed to test these assumptions, as described in greater detail in Summary Question #3. Indicate assumptions made by the applicant regarding RDOF (if applicable). Discuss depreciation rate assumption (PUC vs. RUS rates). If Alternate Households were provided, indicate if they were accepted by the Reviewer or if the figures were used within the sensitivity tests. Please note, if the application is a 50% Loan/50% Grant, a sensitivity test will need to be performed using the current market interest rate.

(b) (5)

Click or tap here to enter text.

SENSITIVITY ANALYSIS

Summary Question #2a -The Financial Reviewer has the option to run as many Sensitivity Analyses as needed, however only one is required. When discussing the results of each Analysis, please discuss the impact the sensitivity test had on the FOA Ratio Requirements (Current Ratio, DSCR, TIER and ending cash).

Sensitivity #1

- **Describe changes to the reviewer's version:** (b) (5) .
- **Explain why the sensitivity was tested:** (b) (5) (b) (5)
- **Describe the results of the Analysis:** (b) (5) (b) (5)
- **Describe how the application measured against the financial FOA requirements under this scenario:** (b) (5) .

Sensitivity #2

- **Describe changes to the reviewer's version:** Click or tap here to enter text.
- **Explain why the sensitivity was tested:** Click or tap here to enter text.
- **Describe the results of the Analysis:** Click or tap here to enter text.
- **Describe how the application measured against the financial FOA requirements under this scenario:** Click or tap here to enter text.

Sensitivity #3

- **Describe changes to the reviewer's version:** Click or tap here to enter text.
- **Explain why the sensitivity was tested:** Click or tap here to enter text.
- **Describe the results of the Analysis:** Click or tap here to enter text.
- **Describe how the application measured against the financial FOA requirements under this scenario:** Click or tap here to enter text.

SENSITIVITY ANALYSIS

Summary Question #3 - Describe sensitivity analyses performed, which assumptions they were intended to test, and the results of the analysis. If needed under exceptional circumstances, describe any changes to the reviewer version related to financial feasibility.

Sensitivity Test #1 Reason / Standard Economic Downturn:

(b) (5)

DUE DILIGENCE

Summary Question #4 - Is the financial information that was submitted internally consistent and sufficient to perform the financial review? If no, describe discrepancies, and how the applicant may be able to remedy the issue.

Yes, the data provided was sufficient to evaluate the current status and feasibility of the entity in the future as well.

Summary Question #5 - Describe whether pre-existing agreements or liabilities conflict with FOA requirements for collateral and security based on the funding type, listing all debt instruments for which the current lender may have security rights over applicant assets that require Intercreditor or Shared Mortgage Agreements to be included in the Loan/Grant packages. Additionally, for 100% Loans and 50/50s, if mortgages, intercreditor, or subordination agreements are provided in the application, list the full agreement name, all parties to the agreement, and the dates of all agreements provided, including those shared between RUS and the applicant's other existing lenders:

NA

SUMMARY

What is the L2 Reviewer's recommendation based on Financial Feasibility? Approve

Summary Question #6 Describe the L2 Reviewer's view of the application, and the recommendation for approval, rejection, or to request additional information. Provide supporting arguments for the recommendation, beginning with the most relevant strengths or weaknesses (Material weaknesses from Risk Rating Tool must be discussed) as appropriate. Describe offsetting factors as well, to provide a well-rounded view of the applicant. If relevant to the recommendation for the specific application, describe financial attributes, business attributes, management experience and organizational structure. Generally, start the response with a clear recommendation for approval or rejection, then support such recommendation with specific descriptions and examples.

Final Rating (Insert Risk Rating Tool Score): A

(b) (5)

SUMMARY

Summary Question #7 Describe recommended mitigants, and how each mitigates financial risk of the project described in the summary.

(b) (5)

Summary Question #8 List covenants and / or conditions to be included in legal agreements. These should map one-to-one to the question above. Please refer to the ReConnect Covenant and Conditions document for standard language to use. If the suggested covenant / condition is not standard, draft it in a way that conforms to the conventions of the standard language (e.g., refer to applicant as "Awardee"):

(b) (5)

RISK RATING

***Note: If a risk criterion does not apply for the associated applicant's entity type, please reflect "N/A" for that specific criterion.**

Business Profile

- **Competitive Environment:** (b) (5)
- **Market Share:** (b) (5)
- **Asset Quality:** (b) (5)
- **Business Model:** (b) (5)
- **Business Diversity:** (b) (5)
- **Non-Operating Income** (b) (5)
-

Profitability and Scale

- **Total Revenue:** (b) (5)
- **Revenue Trend:** (b) (5)
- **Operating Margin:** (b) (5)
- **Margin Volatility:** (b) (5)

Leverage and Coverage

- **DSCR:** (b) (5)
- **Tangible Equity/Assets:** (b) (5)
- **Cash flow from operations:** (b) (5)
- **Current Ratio:** (b) (5)

Management and Financial Policy

- **Management:** (b) (5)
- **Financial Policy:** (b) (5)

Other Considerations

- **Reviewer Notching to be Applied:** Click or tap here to enter text.

SUMMARY

Forecast Year 3

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Forecast Year 4

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Forecast Year 5

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Department of Commerce, Community, and Economic Development
CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

LICENSE DETAILS

This serves as primary source verification* of the license.

License #: AELE9870

Program: Architects, Engineers and Land Surveyors

Type: Registered Professional Electrical Engineer

Status: Active

Issue Date: 02/01/1999

Effective Date: 12/10/2021

Expiration Date: 12/31/2023

Mailing Address: ANCHORAGE, AK, UNITED STATES

*Primary Source verification: License information provided by the Alaska Division of Corporations, Business and Professional Licensing, per AS 08 and 12 AAC.

Owners

Owner Name	Entity Number
PATRICK THOMAS GOODYEAR	

Relationships

No Relationships Found

Designations

No Designations Found

Agreements & Actions

The following pages have been sent to United States Department of Interior Fish and Wildlife Service (FWS) for consultation. When FWS responds to the consultation, the records will be released.

Pages 368-404

415-425

436-446

457-467

478-493

511-596

612-634

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Project Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Project Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application, as well as the overall project. This information will be used in conjunction with each site and route EQ to determine the overall environmental compliance of the proposed project.

RUS will use this information to consider the environmental review process complete, or to determine the appropriate level of additional impact analyses needed in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary.

An applicant may submit a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local or other federal agencies. Such material – to the extent determined to be relevant – can be used to fulfill RUS environmental review requirements.

This EQ consists of two sections: "**Preliminary Environmental Questions**" and "**Detailed Environmental Responses**." Responses under "Preliminary Environmental Questions" identify which portions of the "Detailed Environmental Responses" must be completed.

Please use as much space as needed to respond fully to each question in the Detailed Environmental Responses section. Additional information in support of any response can be added to the Support Schedule section located at the end of this EQ.

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Preliminary Environmental Questions

- **Floodplains (Subpart F):** Do any of the applicant's site or route EQs identify a requirement for floodplain analysis to be conducted at the project level? If the response to Questions 2, 3, or 4 on any site or route EQ is YES, select YES.

  ◯ NO The Floodplains review for this project is complete.

  ◯ YES Floodplains (Subpart F) under the Detailed Environmental Responses section must be completed by the applicant.

- **Wetlands (Subpart G):** Do any of the applicant's site or route EQs identify a requirement for wetlands analysis to be conducted at the project level? If the response to Questions 3 or 4 on any site or route EQ is YES and the required permit type is not a USACE Individual Permit (already obtained and included as part of the application), select YES.

  ◯ NO The Wetlands review for this project is complete.

  ◯ YES Wetlands (Subpart G) under the Detailed Environmental Responses section must be completed by the applicant.

- **Compliance with Applicable Laws and Regulations (Subpart I):** Does the proposed project threaten to violate any applicable federal, state, local statutory, regulatory, or permit requirements for environment, safety, and health?

  ◯ NO The Compliance review for this project is complete.

  ◯ YES Compliance with Applicable Laws and Regulations (Subpart I) under the Detailed Environmental Responses section must be completed by the applicant.

- **Hazardous Materials (Subpart J):** Will the proposed project result in production or handling of hazardous substances, pollutants, contaminants, or petroleum and natural gas products?

  ◯ NO The Hazardous Materials review for this project is complete.

  ◯ YES Hazardous Materials (Subpart J) under the Detailed Environmental Responses section must be completed by the applicant.

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- **Resource Conservation and Recovery Act (Subpart J):** Does the proposed project involve the siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities, including incinerators permitted by the Resource Conservation and Recovery Act (RCRA)?

  ○ NO The RCRA review for this project is complete.

  ○ YES Resource Conservation and Recovery Act (Subpart J) under the Detailed Environmental Responses section must be completed by the applicant.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Do any of the applicant's site or route EQs identify a site with total points calculated on a Farmland Conversion Impact Rating Form (AD-1006 or NRCS CPA-106) (available at this link: https://go.usa.gov/xeDQZ) equal to or greater than 160?

  ○ NO The FPPA review for this project is complete.

  ○ YES Farmland Protection Policy Act (FPPA) (Subpart L) under the Detailed Environmental Responses section must be completed by the applicant.

- **Formally Classified Lands (Subpart L):** Use the **Formally Classified Lands** layer available in the construction map in conjunction with local resources or maps that indicate state and local municipally-managed lands to determine overlap with formally classified lands. A detailed list of areas considered Formally Classified Lands can be found in RD Instruction 1970 – Subpart L – Land Use and Formally Classified Lands (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

  Will the proposed action occur within or adjacent to any Formally Classified Lands?

  ○ NO The Formally Classified Lands review for this project is complete.

  ○ YES Formally Classified Lands (Subpart L) under the Detailed Environmental Responses section must be completed by the applicant.

- **Coral Reefs (Subpart N):** Use the **Coral Reef Ecosystem** group layer available in the construction map to determine overlap with a coral reef ecosystem. This consideration only applies to American Samoa, Florida, Guam, Hawaii, Northern Marianna Islands, PuertoRico, and the U.S. Virgin Islands.

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Is any part of the proposed project located in an area designated as Habitat Boundary as identified by the **Coral Reef Ecosystem** group layer on the construction map?

- ○ NO The Coral Reefs review for this project is complete.
- ○ YES Coral Reefs (Subpart N) under the Detailed Environmental Responses section must be completed by the applicant.

- **Invasive Species (Subpart N):** Under Executive Order (EO) 13112 (available at this link: https://www.invasivespeciesinfo.gov/executive-order-13112), Rural Development cannot authorize, fund, or carry out actions that are likely to cause or promote the introduction or spread of invasive species in the United States or elsewhere unless all reasonable measures to minimize risk of harm have been analyzed and considered. Complying with EO 13112 means federal assistance cannot be used for construction, re-vegetation, or landscaping of project areas that purposely include the use of known invasive plant species.

  Will the proposed project include construction, re-vegetation, or landscaping of project areas that include the use of known invasive plant species?

  - ○ NO
  - ○ YES

- **Bald and Golden Eagle Protection Act and Migratory Bird Treaty Act (Subpart N):** The Bald and Golden Eagle Protection Act (BGEPA) (available at this link: https://www.fws.gov/le/USStatutes/BEPA.pdf) and the Migratory Bird Treaty Act (MBTA) (available at this link: https://www.fws.gov/laws/lawsdigest/migtrea.html) apply to actions taken by the applicant. It is the applicant's responsibility to understand and comply with MBTA and BGEPA. The unauthorized taking of migratory birds or bald and golden eagles is a strict liability criminal offense which does not require knowledge or specific intent on the part of the offender. As such, even when engaged in an otherwise legal activity where the intent is not to kill or injure migratory birds or eagles, violations can occur if bird injury or death results.

  Proposals involving the construction of overhead utility lines, wind turbines, or telecommunications towers may require pre-construction and post-construction monitoring, development of an avian protection plan that identifies measures to avoid or minimize impacts, and other best practices or mitigation measures to eliminate or minimize potential takings of birds protected under MBTA or BGEPA.

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Is the applicant aware of its responsibilities under MBTA and BGEPA?

◯ NO The applicant is unaware of its responsibilities under MBTA and BGEPA.

◯ YES The applicant acknowledges its responsibilities under MBTA and BGEPA.

- **Threatened and Endangered Species (Subpart N):** Combine each site and route Endangered Species Table into a project-level table. Detailed guidance related to evaluating impacts to Threatened and Endangered Species can be found in RD Instruction 1970 – Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

  Are any proposed findings on the project-level Endangered Species spreadsheet "MayAffect-Not Likely to Adversely Affect," or "May Affect-Likely to Adversely Affect?"

  ◯ NO The Threatened and Endangered Species review for this project is complete.

  ◯ YES Threatened and Endangered Species (Subpart N) under the Detailed Environmental Responses section must be completed by the applicant.

- **Air Quality (Subpart O):** Use the **Air Quality** group layer available in the construction map to determine overlap with any non-attainment or maintenance areas. Detailed guidance related to evaluating impacts to Air Quality and General Conformity can be found in RD Instruction 1970 – Subpart O – Miscellaneous Resources (available at this link: https://www.rd.usda.gov/files/1970o.pdf).

  Is any part of the proposed project located in a non-attainment or maintenance area as identified by the **Air Quality** group layer on the construction map?

  ◯ NO The Air Quality review for this project is complete.

  ◯ YES Air Quality (Subpart O) under the Detailed Environmental Responses section must be completed by the applicant.

- **Coastal Barriers (Subpart O):** Use the **Coastal Barriers (CBRS)** layer available in the construction map to determine overlap with an Otherwise Protected Area or System Unit. Detailed guidance related to evaluating impacts to Coastal Barriers can be found in RD Instruction 1970 – Subpart O – Miscellaneous Resources, (available at this link:

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https://www.rd.usda.gov/files/1970o.pdf).

Is any part of the proposed project located in an area designated as an Otherwise Protected Area or System Unit as identified by the **Coastal Barriers (CBRS)** layer on the construction map?

- ○ NO The Coastal Barriers review for this project is complete.
- ○ YES Coastal Barriers (Subpart O) under the Detailed Environmental Responses section must be completed by the applicant.

- **Coastal Zones (Subpart O):** Use the **Coastal Zone** layer available in the construction map to determine overlap with Coastal Zones. Detailed guidance related to evaluating impacts to coastal areas can be found in RD Instruction 1970 – Subpart O – Miscellaneous Resources (available at this link: https://www.rd.usda.gov/files/1970o.pdf).

  Is any part of the proposed project located in an area designated as a Coastal Zone as identified by the **Coastal Zone** layer on the construction map?

  - ○ NO The Coastal Zones review for this project is complete.
  - ○ YES Coastal Zones (Subpart O) under the Detailed Environmental Responsessection must be completed by the applicant.

- **Sole Source Aquifers (Subpart O):** Use the **Sole Source Aquifer** layer available in the construction map to determine overlap with Sole Source Aquifers. Detailed guidance related to evaluating impacts to Sole Source Aquifers can be found in RD Instruction 1970 – Subpart O – Miscellaneous Resources (available at this link: https://www.rd.usda.gov/files/1970o.pdf).

  Is any part of the proposed project located in an area designated as a Sole Source Aquifer as identified by the **Sole Source Aquifer** layer on the construction map?

  - ○ NO The Sole Source Aquifers review for this project is complete.
  - ○ YES Sole Source Aquifers (Subpart O) under the Detailed Environmental Response section must be completed by the applicant.

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Detailed Environmental Responses

With the exception of the MBTA and BGEPA (Subpart N) question, if "NO" was selected for all Preliminary Environmental Questions, the EQ is complete, and no further evaluation is needed. If "YES" was selected for any of the Preliminary Environmental Questions, complete the identified section under the Detailed Environmental Responses section. Use as much space as necessary to respond fully to each question in this section. Additional information in support of any response can be added to the Support Schedule section located at the end of this EQ.

Publication Guidelines:

Public notices must be placed in a newspaper of general circulation (both in print and online) within the affected areas. The notice must be published in the non-classified section of the newspaper. If the affected area is largely non-English speaking or bilingual, the notice must be published in both English and non-English language newspapers serving the affected area, if both are available. In general, the timeframe between Preliminary and Final notices is 14 days, unless there is reason to extend the comment period.

- **Floodplains (Subpart F):** Complete the Public Notification and Private Party Notification Template Preliminary Public Notice Language for Potential Impacts to Floodplains (RD 1970 Subpart F Exhibit B Attachment B-1, available at this link: https://go.usa.gov/xerdY). The notice must include all sites that will be located in, or will have the potential to affect – or be affected by – a floodplain, as identified in the site or route EQ.

1) **Preliminary Notice.** Has the Preliminary Notice been published?

- ◯ NO The Preliminary Notice must be published before the application can besubmitted.
- ◯ YES Upload the Preliminary Notice and an Affidavit of Publication to the Environmental Documents section of this application.

2) **Public Notice Period.** Has the minimum preliminary public notice period of 14 days elapsed since the publication of the Preliminary Notice?

- ◯ NO Go to Question 3 of the Detailed Floodplains Review.
- ◯ YES Upload any comments received to the Environmental Documents page of the ReConnect application system. Go to Question 3 of the Detailed Floodplains Review.

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3) **Practicable Alternatives.** For each site that may impact a floodplain, identify and evaluate practicable alternatives to locating the proposed action in the floodplain. Include off-site and on-site alternatives, other configurations or other avoidance actions, and the "no action" alternative, as appropriate. By definition, a "practicable" alternative is one which can be implemented considering cost, logistics, and technology. If no practicable alternatives exist, this must be explained. For example, for a proposed structure inside the floodplain, example alternatives include constructing the structure outside the floodplain, elevating the structure out of the floodplain, and the "no action"alternative. The "no action" alternative must be considered for each site. **Reminder: Please use as much space as you need to respond to the questions in this section.**

4) **Identify Floodplain's Beneficial Functions**. Identify the floodplain's beneficial functions and values such as water quality improvement, water filtration, floodwater storage, fish and wildlife habitat, aesthetics, and biological productivity. Please use as much space as you need to respond below.

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5) **Identify Adverse Impacts.** Analyze the potential direct, indirect, and cumulative impacts associated with the applicant's proposal to the following factors:

a) **Natural environment (topography, water sources, habitat areas, and so on):**

- Direct impacts that occur at the same time and place as the activity:

- Indirect impacts that occur away from construction or after the activity:

- Cumulative impacts that illustrate the total impact to a floodplain, including impacts prior to the activity, project activity itself, and the activities of others:

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b) **Social concerns (aesthetics, historic and cultural values, land use patterns, and so on):**

- Direct Impacts that occur at the same time and place as the activity:

- Indirect impacts that occur away from construction or after the activity:

- Cumulative impacts that illustrate the total impact to a floodplain, including impacts prior to the activity, project activity itself, and the activities of others:

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c) **Economic and engineering aspects (costs of construction, transportation, access, ingress, egress, and so on):**

- Direct impacts that occur at the same time and place as the activity:

- Indirect impacts that occur away from construction, or after the activity:

- Cumulative impacts that illustrate the total impact to a floodplain, including impacts prior to the activity, project activity itself, and the activities of others:

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d) **Legal considerations (permits, leases, deed restrictions, setbacks, and so on):**

6) **Mitigate Adverse Impacts.** Mitigation[1] can take the form of avoidance, minimization of floodplain impacts, or compensation for impacts, and can include all efforts to minimize the adverse impacts to floodplains identified previously.

- **Avoidance:** What actions can be taken to avoid impacts to floodplains?

- **Minimization:** What actions can be taken to reduce and control impacts to floodplains?

[1] For the purposes of EO 11988, flood insurance is not considered a mitigation strategy, but may be required by the agency for actions that occur in a 100-year flood plain.

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- **Compensation:** What actions are needed to compensate for any impacts that remain?

7) **Re-evaluate Alternatives:** For each site that has the potential to impact a floodplain, re-evaluate the proposed action to determine if it is still practicable. The analysis of each alternative should discuss:

- any remaining exposure to flood hazards
- the extent to which the action will aggravate hazards
- the potential to disrupt floodplain values

Alternatives rejected earlier should be re-evaluated as to whether they are practicable in light of the identified impacts and proposed mitigation. Once again, the "no action" alternative must be considered for each site or route.

8) **Final Notice.** Has the analysis identified practicable alternatives to avoid, minimize, or compensate for all impacts of the proposed action on floodplains?

◯ NO Complete the Public Notice and Private Party Notice Template, Final Public Notice Language for Potential Impacts to Floodplains (RD 1970 Subpart F Exhibit B Attachment B-3, available at this link: https://go.usa.gov/xerdT). The notice must include all sites

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that will be located in, or will have the potential to affect, or be affected by a floodplain, as identified in the site and route EQs. Publish notice in accordance with the aforementioned Publication Guidelines.

○ YES Implement the practicable alternative that will avoid, minimize, or compensate for all impacts of the proposed action on floodplains. The Floodplains review for this project is complete.

9) **Final Notice.** Has the Final Notice been published?

○ NO Once the final notice has been published, upload the Final Notice, an Affidavit of Publication, and any comments received to the Environmental Documents section of this application.

○ YES Upload the Final Notice, an Affidavit of Publication, and any comments received to the Environmental Documents section of this application.

- **Wetlands (Subpart G):**

1) Which of the following are required, as identified by the site and route EQs?

○ USACE Individual Permit
- **The individual permit has been issued**. Upload the permit under the Environmental Documents section of this application. Once uploaded, the Wetlands review for this project is complete.

○ USACE Individual Permit
- **The individual permit has not yet been obtained**. Complete Questions 2 through 10 of the Detailed Wetlands Review.

○ USACE Nationwide or General Permit
- Complete Questions 4 through 8 of the Detailed Wetlands Review.

○ Local permit – **or** – unknown permit – **or** – permit undetermined
- Complete Questions 2 through 10 of the Detailed Wetlands Review.

2) **Preliminary Notice.** Complete the Public Notice Template, Preliminary Public Notice for Potential Impacts to Wetlands (RD Instruction 1970 Subpart G, Exhibit B, available at this link: https://go.usa.gov/xerdb). Include in the notice all sites and routes whose site or route EQ indicated project level analysis was required. Publish notice in accordance with the aforementioned Publication

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Guidelines.

Has the Preliminary Notice been published?

- ○ NO — Applicants must publish the Preliminary Notice and upload it along with an Affidavit of Publication to the Environmental Documents section of this application before the application can be submitted.
- ○ YES — Upload the Preliminary Notice and an Affidavit of Publication to the Environmental Documents section of this application.

3) **Public Comments.** Has the minimum preliminary public notice period of 14 dayselapsed since the publication of the Preliminary Notice?

- ○ NO — Go to Question 4 of the Detailed Wetlands Review.
- ○ YES — Upload any comments received to the Environmental Documents section of this application. Go to Question 4 of the Detailed Wetlands Review.

4) **Practicable Alternatives.** For each site that may impact a wetland, identify and evaluate practicable alternatives to locating the proposed action in the wetland. A "practicable" alternative is one which can be implemented considering cost, logistics, and technology. If no practicable alternatives exist, this must be explained. Include off-site and on-site alternatives, alternative configurations, other avoidance actions, and the “no action” alternative, as appropriate. The “no action” alternative must be considered for each site.

A submarine fiber requires landing at a physical location on both ends. We have completed a study and all identified locations required a path from land to sea. The sites and routes selected for the PFSAs and beach manhole sites have the least amount of risk for the path and all of the associated wetland locations are already disturbed and developed.

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5) **Identify Wetland's Beneficial Functions.** Identify the wetland's beneficial functions and values, such as water quality improvement, water filtration, floodwater storage, fish and wildlife habitat, aesthetics, and biological productivity.

The State of Alaska and the landowners of the identified wetland locations in Cordova, Yakutat, Pelican, Hoonah, and Gustavus, Alaska have previously altered and disturbed the sites for residential or economic development.

6) **Identify Adverse Impacts.** Analyze the potential direct, indirect, and cumulative impacts associated with the applicant's proposal to the following factors:

a) **Natural environment (topography, water sources, habitat areas, and so on):**

- Direct impacts are those that occur at the same time and place as the activity:

There are no direct adverse impacts on the natural environment.

- Indirect impacts that occur away from construction or after the activity:

There are no indirect adverse impacts on the natural environment.

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- Cumulative impacts that illustrate the total impact to a wetland, including impacts prior to the activity, project activity itself, and the activities of others:

There are no cumulative impacts on these sites as the landowning entities have already disturbed these identified wetlands.

b) **Social concerns (aesthetics, historic and cultural values, land use patterns, and so on):**

- Direct impacts are those that occur at the same time and place as the activity:

These sites will include either a beach manhole with a standard vault cover or buried fiber-optic cable inside HDPE conduit. Neither of these will result in direct affects to the wetland's aesthetics, land use, or other concerns.

- Indirect impacts that occur away from construction or after the activity:

These sites will include either a beach manhole with a standard vault cover or buried fiber-optic cable inside HDPE conduit. Neither of these will result in indirect affects to the wetland's aesthetics, land use, or other concerns.

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- Cumulative impacts that illustrate the total impact to a wetland, including impacts prior to the activity, project activity itself, and the activities of others:

The only cumulative impact will be the slight aesthetic change of a beach manhole cover or the temporary equipment to install the HDPE conduit and fiber-optic cables. The beach manhole cover is a minor adjustment and the placement of equipment will be temporary and kept to previously disturbed land so there will be no environmental impact.

c) **Economic and engineering aspects (costs of construction, transportation, access,ingress, egress, and so on):**

- Direct impacts are those that occur at the same time and place as the activity:

This project will have no direct impacts to economic and engineering aspects.

- Indirect impacts that occur away from construction or after the activity:

There are no indirect impacts to economic and engineering aspects.

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- Cumulative impacts that illustrate the total impact to a wetland, including impacts prior to the activity, project activity itself, and the activities of others:

This project will have no cumulative impacts to the economic and engineering aspects of the associated wetland locations.

d) **Legal considerations (permits, leases, deed restrictions, setbacks, and so on):**

Cordova Telephone Cooperative (CTC) will be responsible for coordinating with all necessary parties to obtain permits, leases, and other documentation as needed.

7) **Mitigate Adverse Impacts.** Mitigation can take the form of avoidance, minimization of - or compensation for – wetland impacts, and can include all efforts to minimize adverse impacts to wetlands identified previously.

Cordova Telephone Cooperative is committed to following all best mitigation practices in order to limit any adverse impacts on the identified wetland areas.

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- **Avoidance**: What actions can be taken to avoid impacts to the wetlands?

CTC will adhear to all state and federal standards and base our construction on certified surveys and engineering specifications to avoid impacts on wetlands.

- **Minimization**: What actions can be taken to reduce and control impacts to the wetlands?

Cordova Telephone Cooperative has worked with a consulting agency to determine that this submarine path is the most optimal with minimal impact to the wetlands at the beach manhole sites. Additionally, CTC will work with an engineering firm for our PFSA locations to follow best practices and minimize any impact on local wetlands.

- **Compensation:** What actions are needed to compensate for any impacts that remain?

Cordova Telephone Cooperative will take all financial responsibility for permitting and other project-related costs.

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8) **Re-evaluate Alternatives:** For each site that may impact wetlands, re-evaluate the proposed action to determine if it is still practicable. The analysis of each alternative should include discussion of:

- any remaining impacts to wetlands
- the potential to disrupt wetland values.

Alternatives rejected earlier should be re-evaluated as to whether they are practicable in light of the identified impacts and proposed mitigation. Once again, the "no action" alternative must be considered for each site and route.

Cordova, Alaska is a desginated rainforest with numerous wetlands. All areas in scope of this project are on developed land and there will be no additional disturbances. CTC has 40 years of experience implementing successful projects with minimal environmental impact.

9) **Final Notice.** Has the analysis identified practicable alternatives to avoid, minimize, or compensate for all impacts of the proposed action on wetlands?

○ NO Complete the Public Notice and Private Party Notification Template, Final Public Notice Language for Potential Impacts to Wetlands (RD 1970 Subpart G Exhibit B Attachment B-1, available at this link: https://go.usa.gov/xerdj). Include in the notice all sites that will be located in, or will have the potential to affect – or be affected by – a wetland, as identified in the site and route EQs. Publish notice in accordance with the aforementioned Publication Guidelines.

◉ YES Implement the practicable alternative that will avoid, minimize, or compensate for all impacts of the proposed action on wetlands. The Wetlands review for this project is complete.

10) **Final Notice.** Has the Final Notice been published?

○ NO Once the final notice has been published, upload the Final Notice, an Affidavit of Publication, and any comments received to the Environmental Documents section of this application.

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○ YES Upload the Final Notice, an Affidavit of Publication, and any comments received to the Environmental Documents section of this application.

- **Compliance with Applicable Laws and Regulations (Subpart I):** Describe any violation and upload relevant documents under the Environmental Documents section of this application.

- **Hazardous Materials (Subpart J):** Describe any potential releases of hazardous substances, pollutants, contaminants, or petroleum and natural gas products. Describe any permits associated with hazardous substances, pollutants, contaminants, or petroleum and natural gas products, and upload copies of permits under the Environmental Documents section of this application.

- **Resource Conservation and Recovery Act (Subpart J):** Describe the siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities – including incinerators permitted by the Resource Conservation and Recovery Act – and attach relevant documents under the Environmental Documents Section of this document.

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- **Farmland Protection Policy Act (Subpart L):**
  Complete the Public Notice Template for Farmland Conversion (RD 1970 Subpart L Exhibit A, available at this link: https://go.usa.gov/xerdZ). Include in the notice all sites that have a Farmland Conversion Impact Rating greater than or equal to 160. Post the completed public notice of the proposed action at the closest post office on community bulletin board for 7 days. Include postmarks on the notice to document the date it was posted and the date it was removed.

  1) Has the public posting period elapsed?

  ○ NO Upload postmarked Farmland Conversion Notice to the Environmental Documents section of this application.

  ○ YES Upload postmarked Farmland Conversion Notice and any comments received to the Environmental Documents section of this application.

- **Formally Classified Lands (Subpart L):**
  Contact that land's managing agency to obtain permission to proceed.

  1) Does the applicant have a special use permit to construct on the Formally Classified Lands for the applicable managing agency or agencies?

  ○ NO Please contact RUS using the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) and describe the project. Additional information may be requested by RUS at the time the application is reviewed.

  ○ YES Applicants must contact the formally classified lands' managing agency(s) to ensure that the permit they have in place is applicable for the proposed project.

  2) Have the appropriate managing agency or agencies been contacted?

  ○ NO Applicants must contact the formally classified lands' managing agency and upload evidence of that correspondence to the Environmental Documents section of this application.

  ○ YES Upload copies of all correspondence to and from the managing agency or agencies – along with any required mitigating measures – to the Environmental Documents section of this application.

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- **Coral Reefs (Subpart N):**
  Explain whether the proposal has the potential to impact coral reefs.

- **Threatened and Endangered Species (Subpart N):**

1) Are any proposed findings on the project-level Endangered Species spreadsheet "May Affect-Likely to Adversely Affect?"

○ NO Populate the Informal Consultation and Concurrence Request Template (RD 1970 Subpart N Exhibit B Attachment B-2, available at this link: https://go.usa.gov/xerdk) and upload to the Environmental Documents section of this application. RUS will determine if informal consultation is required.

○ YES RUS must initiate formal consultation. The applicant will be contacted by RUS if additional information is required.

2) Has correspondence with the appropriate service or services been initiated?

○ NO Applicants must initiate correspondence with the appropriate agency and upload evidence of correspondence to the Environmental Documents section of this application.

○ YES Upload all Threatened and Endangered Species information, analysis, and appropriate correspondence with the service or services to the Environmental Documents section of this application.

- **Air Quality (Subpart O):**
  Is the proposal exempt from conformity determination (per 40 CFR 93.153(c)(2) – available at this link: https://go.usa.gov/xerdU)?

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◯ NO Develop an emissions inventory to verify if the emissions from the project exceed the Environmental Protection Agency's (EPA's) de minimis levels for criteria pollutants (per 40CFR93.153(c)(1), available at this link: https://go.usa.gov/xerdU). Please upload the emissions inventory to the Environmental Documents section of this application.

◯ YES Identify the exemption and explain.

- **Coastal Barriers (Subpart O):**

1) Is the project excepted (available at this link: https://go.usa.gov/xerpv) under Section 6 of the Coastal Barrier Resources Act (CBRA) 16USC 3505.a.6, available at this link: https://go.usa.gov/xerde)?

◯ NO The project is ineligible for funding.

◯ YES Explain below.

2) If the project is excepted under Section 6 of the CBRA, consultation with U.S. Fish and Wildlife Service (USFWS) is required. Use the **Subpart O Template for Inter-Agency CBRA Consultations** (available at this link: https://go.usa.gov/xerdw) to initiate consultation on behalf of RUS. Has contact been initiated with USFWS?

◯ NO Consultation with USFWS must be initiated.

◯ YES Upload all Coastal Barrier documentation and consultation to the Environmental Documents section of this application.

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- **Coastal Zones (Subpart O):**

1) Explain below whether the proposal is subject to Federal Consistency review by the appropriate state agency. Detailed guidance and activity lists can be found at the Office for Coastal Management, National Oceanic and Atmospheric Administration, State Federal Consistency Lists (available at this link: https://coast.noaa.gov/czm/consistency/states/).

2) If the project is subject to Federal Consistency Review, submit the required package to the appropriate Coastal Zone Management Program (available at this link: https://coast.noaa.gov/czm/mystate/).

Has the required package been uploaded to the appropriate Coastal Zone Management Program?

○ NO The application cannot be submitted until the Federal Consistency Review has been initiated.

○ YES Upload the Consistency Review documents and all correspondence to the Environmental Documents section of this application.

- **Sole Source Aquifers (Subpart O):**

1) Explain whether the proposal has the potential to contaminate designated Sole Source Aquifers (SSA) or adversely affect an SSA recharge area. Go to Question 2 of the Detailed Sole Source Aquifers Review.

2) If the project lies within – or will affect – an SSA or its recharge area, the appropriate EPA regional office must be contacted to determine review requirements. Has contact been initiated with the appropriate EPA regional office?

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○ NO Applicants must initiate contact with the appropriate EPA regional office and upload any correspondence to the Environmental Documents section of this application.

○ YES Upload the results of the EPA's review and all correspondence to the Environmental Documents section of this application.

- **Support Schedule**

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- **Support Schedule … continued**

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- **Support Schedule … continued**

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- **Support Schedule … continued**

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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | National Historic Preservation Act Section 106 Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The NHPA Section 106 EQ is intended to capture the appropriate information for each proposed site and route included in the application, as well as the overall proposed project. This information will be used in conjunction with each Site and Route EQ and Project EQ to determine the overall compliance of the proposed project with NHPA Section 106 requirements. RUS will use this information and either complete the NHPA Section 106 portion of the environmental review process, or determine the appropriate level of additional impact analysis needed in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in each of the EQs.

An applicant may submit a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local or other federal agencies. Such material, to the extent determined to be relevant, may be used to fulfill RUS environmental review requirements. Be advised: once an applicant initiates the NHPA Section 106 process with the State Historic Preservation Officer (SHPO), Tribal Historic Preservation Officer (THPO), or other interested parties, the applicant must complete the process even if RUS determines the type of construction activity has "No potential to cause effects."

The NHPA Section 106 EQ requirement is determined by the applicant's responses to each of the Site and Route Description questions. For example, if the applicant answers "Yes" to the question, "Is this site on Tribal Land(s)?" the NHPA Section 106 EQ may need to be uploaded as part of the application. A final determination will be made by RUS after the applicant consults with the Agency.

NHPA Section 106 Questions

1) **SHPO Initiation.** Has the applicant sent a notification letter (SHPO Notification LetterTemplate) (available at this link: https://go.usa.gov/xeYsy) or a finding letter (SHPO Finding Letter Template) (available at this link: https://go.usa.gov/xeYsp) to the applicable SHPO(s)?

◯ NO Do not complete the NPHA Section 106 EQ or initiate the Section 106 process at this time. Please reach out to RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) to determine next steps.

◯ YES Upload the letter that was sent to the SHPO and any subsequent correspondence to the Environmental Documents section of this application. Go to Question 2.

2) **Tribal Notification**: Has the applicant sent notification letters (THPO Notification LetterTemplate) (available at this link: https://go.usa.gov/xeYsf) or finding letters (THPO Finding Letter Template) (available at this link: https://go.usa.gov/xeYsG) to interested Tribe(s)?

◯ NO Do not complete the NPHA Section 106 EQ or initiate the Section 106 process at this time. Please reach out to RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) to determine next steps.

◯ YES Upload the letter(s) that were sent to the Tribe(s) and any subsequent correspondence to the Environmental Documents section of this application. Go to Question 3.

3) **Identify Historic Properties:** Review existing information on historic properties within the Area of Potential Effects (APE)[1]. As part of this review, consider information or requests resulting from the notification letters sent to the SHPO and Tribe(s). Include properties that are at least 50 years old but have not been evaluated for eligibility. Sources for this information include databases maintained by the SHPO, literature searches, and cultural resource surveys.

The applicant is encouraged to consult a Cultural Resources contractor to conduct identification efforts – including cultural resources surveys – and provide professional and technical advice and recommendations on the identification of –

[1] APE is defined as the area in which eligible properties may be directly or indirectly affected by the proposed project.

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and effects to – historic properties. If the applicant chooses to consult a Cultural Resources contractor, the contractor must meet the Secretary of the Interior's Professional Qualification Standards (available at this link: https://www.nps.gov/history/local-law/arch_stnds_9.htm) used by the National Park Service.

Have historic properties been identified within the APE?

◯ NO Do not complete the NPHA Section 106 EQ or initiate the Section 106 process at this time. Please reach out to RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) to determine next steps.

◯ YES Go to Question 4.

4) **Adverse Effect**: An adverse effect occurs when a project may directly or indirectly diminish the integrity of a historic property by altering any of the characteristics that qualify the property for National Register inclusion. Specifically, if the project diminishes the integrity of a property's location, design, setting, materials, workmanship, feeling, and association, then there is an adverse effect. Examples of adverse effects include:

- Physical destruction or damage
- Alteration inconsistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties (available at this link: https://www.nps.gov/tps/standards.htm).
- Relocation of the property
- Change in the character of the property's use or setting
- Introduction of incompatible visual, atmospheric, or audible elements
- Neglect and deterioration
- Transfer, lease, or sale out of federal control without adequate preservation restrictions

Are adverse effects to historic properties expected?

◯ NO Do not complete the NPHA Section 106 EQ or initiate the Section 106 process at this time. Please reach out to RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) to determine next steps.

◯ YES Agency intervention required. Additional information may be requested by RUS at the time the application is reviewed. Responses to the NHPA Section106 EQ are complete.

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5) **SHPO and THPO Response Period**: If the applicant sent notification or finding letters to the applicable SHPO(s) and THPO(s), has a response been received from any of these entities?

- ◯ NO Go to Question 6.
- ◯ YES Upload the SHPO(s) and THPO(s) response(s) to the Environmental Documents section of this application.

6) **SHPO and THPO Response**: If no response has been received, has the 30-day response period elapsed?

- ◯ NO Identify when the 30-day response period will elapse: _____.
- ◯ YES Responses to the NHPA Section 106 EQ are complete.

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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Site and Route Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Site or Route Name: BMH Cordova

Construction Asset Type: Site - Large Enclosure Cabinet

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Site and Route Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application. This information will be used in conjunction with the Project EQ to determine the overall environmental compliance of the proposed project. RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in the EQs.

An applicant must submit to RUS a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local, or other federal agencies. Such material, to the extent determined to be relevant, can be used to fulfill RUS' environmental review requirements.

Environmental Questions

- **Floodplains (Subpart F):** Use the **Flood Hazard Zones (FEMA)**[1] layer available in the construction map to determine potential impact to a floodplain. If the site or route falls within a community not participating in the National Flood Insurance Program (NFIP) or an area of undetermined flood hazard (Zone D), use the **Flood Frequency (NRCS)**[2] layer available in the construction map to determine the flooding frequency of the area.

[1]The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500-year or 100-year floodplain, it should be considered within a floodplain for environmental analysis.

[2] The frequency of "Rare," "Occasional," or "Frequent" should be considered within a floodplain for environmental analysis.

Detailed guidance related to evaluating impacts to and from floodplains can be found in RD Instruction 1970 - Subpart F – Floodplain Management (available at this link: https://www.rd.usda.gov/files/1970f.pdf)

1) Is the applicant's proposed action located in a floodplain?

- ○ NO Go to Floodplains Question 3.
- ○ YES Go to Floodplains Question 2.

2) Does the applicant's proposed action in the floodplain consist of more than buried or aerial utilities lines?

- ○ NO Go to Floodplains Question 3.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

3) Does the applicant's proposed action have the potential to affect a floodplain?

- ○ NO Go to Floodplains Question 4.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

4) Does the applicant's proposed action have the potential to be affected by a floodplain?

- ○ NO The Floodplains review for this site or route is complete.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

- **Wetlands (Subpart G):** Use the **National Wetland Inventory (NWI)** layer available in the construction map to determine potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use **Soil Hydric Class (NRCS) (Wetlands Subpart G)** to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of 'Partially Hydric' (1 – 95 percent) or 'All Hydric' (96 – 100 percent), the AOI will be considered to be located in a wetland.

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Detailed guidance related to evaluating impacts to wetlands can be found in RD Instruction 1970 - Subpart G - Wetland Protection (available at this link: https://www.rd.usda.gov/files/1970g.pdf).

1) Is the applicant's proposed action located in a wetland?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES Go to Wetlands Question 2.

2) Does the project's interaction with wetlands consist entirely of avoiding wetlands by means of directional boring?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES The Wetlands review for this site or route is complete.

3) Does the applicant's proposed action have the potential to be affect a wetland?

- ◯ NO Go to Wetlands Question 4.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

4) Does the applicant's proposed action have the potential be affected by a wetland?

- ◯ NO The Wetlands review for this site or route is complete.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

5) What kind of permit is required to address wetland impacts?

- U.S. Army Corps of Engineers (USACE) Individual Permit
  - ◯ • **If the Individual Permit has already been obtained**, attach it under the Environmental Documents section of this application. The wetlands review for this site or route is complete.
  - ◯ • **If an individual permit has not been obtained**, complete the wetlands section of the Project EQ.

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- USACE Nationwide or General Permit[3]

◯ • Complete the wetlands section of the Project EQ, omitting the public notice requirements as being fulfilled by the USACE Nationwide Permits (NWP) Program. Identify the NWP or General Permit Number below.

NWP or General Permit Number: _____

- Local permit **OR** unknown permit **OR** permit undetermined

◯ • Complete the Wetlands section of the Project EQ.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Use the **Farmland Class (NRCS) (FFPA)[4]** layer available under the **Land Use (Subpart L)** category in the construction map to determine potential impact to a Farmland. Detailed guidance related to evaluating impacts to farmlands can be found in RD Instruction 1970 - Subpart L – Land Use and Formally Classified Land (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

1) Will the site or route overlap an area identified as protected farmland in the construction map?

◯ NO The FPPA review for this site or route is complete.

◯ YES The site or route will cross or take place on an area identified as protected.

2) Does the applicant's proposed project consist solely of routes utilizing construction techniques along existing ROW?

◯ NO Go to FPPA Question 3.

◯ YES The FPPA review for this site or route is complete.

[3] Additional information on the USACE Nationwide Permit Program is available at this link: https://go.usa.gov/xeaR2

[4] For the purpose of FPPA, farmland includes, "All areas are prime farmland," "Farmland of unique importance," "Farmland of statewide importance," or "Farmland of local importance." Be advised: farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

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3) Are the sites or routes where a new ROW or easement will need to be established located on land that has previously been converted for use and can no longer be utilized as farmland?

○ NO Go to FPPA Question 4.

○ YES Explain in the text entry box. The FPPA review for this site or route is complete.

4) Does the action result in the conversion of farmland to nonagricultural uses?

○ NO Explain in the text entry box. The FPPA review for this site or route is complete.

○ YES Go to FPPA Question 5.

5) Is the entire site or route located in an "urbanized area" as identified in a Census Bureau Map (information available at this link: https://go.usa.gov/xeaRJ) with a "tint overprint" on a USGS Topographical Map (information available at this link: https://go.usa.gov/xeanr)?

○ NO Please complete the appropriate Farmland Conversion Impact Rating Form on behalf of the federal agency and submit to the appropriate NRCS State FPPA contact (available at this link: https://go.usa.gov/xeaUw). Include the completed farmland consultation under the Environmental Documents section of this application, and complete the FPPA section of the Project EQ.

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- **Subpart L AD-1006** for sites (available at this link: https://go.usa.gov/xeaUM)
- **Subpart L NRCS CPA-106** for routes (available at this link: https://go.usa.gov/xeaPc)

○ YES Please attach the Census Bureau or USGS Topographical Map under the Environmental Documents section of this application. The FPPA review for this site or route is complete.

- **Threatened and Endangered Species (Subpart N):** Use the Endangered Species link for each site or route in the Environmental Questionnaire (EQ) section of your application to request an "Official Species List" from the U.S. Fish and Wildlife Service (USFWS), Information for Planning and Consultation (IPaC) project planning tool[5]. Applicants must include this species list and appropriate species accounts (for example: requisite habitat) for each site or route included in the application. An official species list is a letter from the local USFWS office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the IPaC regulatory review process.

  Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate Fisheries office (available at this link: https://go.usa.gov/xeaE8).

  The list(s) obtained from the USFWS and NOAA should be used to complete the Subpart N Special Status Plant and Wildlife Species Table (available at this link: https://go.usa.gov/xerfT). Please attach the completed table under the Environmental Documents section of this application.

  Special Status Plant and Wildlife Species Table Guidance:
  Research each species identified on the Official Species List(s) to complete the Description of the Suitable Habitat column.

[5] You must create a free account (available at this link: https://go.usa.gov/xeamV) and login to IPaC using this link: https://ecos.fws.gov/ipac/ before you can receive an official letter and species list from the local USFWS. The Endangered Species link for each site or route in the EQ will transfer the geospatial data to USFWS. Click "Define Project" and enter a project name and description. On the Project Home page, click "Request Species List" or click "Start Review" and follow the prompts.

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Cross-reference the species information gained through your research, with your knowledge of the project site or route, to identify the "Potential for Occurrence":

- If Critical Habitat is present or a survey indicates species are present, select "Documented," and explain.

- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain.

- If suitable habitat is present but based on your knowledge of the site or route, is unlikely for species to occur, select "Unlikely" and explain your reasoning.

- If suitable habitat is present, but data (for instance, surveys) indicate species and critical habitatare absent from the action area, select "None" and cite the survey.

- If suitable habitat is not present in the action area, select "None" and explain your reasoning.

Next, "Propose a Finding of Effect":

- If species are not present, conclude "No Effect" and explain your finding.
    - If species are identified, "lack of critical habitat" or "familiarity with the proposed area" are not sufficient reasonings for a finding of "No Effect."

- If species may be present in the action area but will not be exposed directly or indirectly to the proposed action or any resulting environmental changes, conclude "No Effect" and explain your finding.

- If species may be present in the action area, will be exposed to the action but will not respond in any manner, conclude "No Effect" and explain your finding.

- If species may be present in the action area and will respond upon exposure to the action, but effects will be wholly beneficial[6],

[6] "Beneficial effects" are positive responses without any negative response. This analysis is done at the individual level. If an action will have beneficial effects for the species overall, but adversely impacts one or more individuals in the process, "likely to adversely affect" is the appropriate conclusion.

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insignificant[7], or discountable[8], conclude "may affect, not likely to adversely affect"

- If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude "May Affect - Likely to Adversely Affect."

Detailed guidance related to evaluating impacts to biological resources can be found in RD Instruction 1970 - Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

- **Transportation (Subpart O):** Responses to Transportation (Subpart O) questions are only required if the construction asset type is a "Site."

Air

If required by the Federal Aviation Administration (FAA), or if the applicant proposes any of the following types of construction or alteration, the applicant must file a notice with the FAA. Use the FAA Notice Criteria Tool (available at this link: https://go.usa.gov/xeayP) to help determine whether your project construction requires filing with the FAA for proposed structures.

1) Is the applicant required to file a notice with the FAA?

○ NO

○ YES Identify the reason(s) why a notice must be filed and file a notice at this link: https://go.usa.gov/xeayE.

☐ • Required by the FAA

☐ • Proposed construction or alteration that is more than 200 feet above ground level at its site.

☐ • Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:

[7] "Insignificant effects" are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure or detect such responses, then it is appropriate to conclude insignificant effects.

[8] "Discountable" means extremely unlikely to occur.

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(a) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport[9] with its longest runway more than 3,200 feet in actual length, excluding heliports.

(b) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.

(c) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.

On-Road

1) Has a Traffic Impact Study (TIS) been completed?

- ○ NO Go to On-Road Question 2.
- ○ YES Please upload the TIS to the Environmental documents section of the Application and go to On-Road Question 5.

2) Will this project cause an increase in traffic in the surrounding area during construction or operation?

- ○ NO Go to On-Road Question 5.
- ○ YES Describe the magnitude of the increase in the text entry box.

[9] Airports and heliports include: (1) A public use airport listed in the Airport - Facility Directory, Alaska Supplement, or Pacific Chart Supplement of U.S. Government Flight Information Publications (2) A military airport under construction, or an airport under construction that will be available for public use (3) An airport operated by a federal agency or the Department of Defense (4) An airport or heliport with at least one FAA-approved instrument approach procedure.

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3) Will hazardous materials be involved?

- ◯ NO Go to On-Road Question 5.
- ◯ YES Go to On-Road Question 4.

4) Will vehicles be carrying hazardous wastes through or past the project site?

- ◯ NO
- ◯ YES

5) Will the applicant be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

- ◯ NO
- ◯ YES

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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Site and Route Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Site or Route Name: BMH Cordova

Construction Asset Type: Site - Large Enclosure Cabinet

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Site and Route Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application. This information will be used in conjunction with the Project EQ to determine the overall environmental compliance of the proposed project. RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in the EQs.

An applicant must submit to RUS a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local, or other federal agencies. Such material, to the extent determined to be relevant, can be used to fulfill RUS' environmental review requirements.

Environmental Questions

- **Floodplains (Subpart F):** Use the **Flood Hazard Zones (FEMA)**[1] layer available in the construction map to determine potential impact to a floodplain. If the site or route falls within a community not participating in the National Flood Insurance Program (NFIP) or an area of undetermined flood hazard (Zone D), use the **Flood Frequency (NRCS)**[2] layer available in the construction map to determine the flooding frequency of the area.

[1]The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500-year or 100-year floodplain, it should be considered within a floodplain for environmental analysis.

[2] The frequency of "Rare," "Occasional," or "Frequent" should be considered within a floodplain for environmental analysis.

Detailed guidance related to evaluating impacts to and from floodplains can be found in RD Instruction 1970 - Subpart F – Floodplain Management (available at this link: https://www.rd.usda.gov/files/1970f.pdf)

1) Is the applicant's proposed action located in a floodplain?

- ○ NO Go to Floodplains Question 3.
- ○ YES Go to Floodplains Question 2.

2) Does the applicant's proposed action in the floodplain consist of more than buried or aerial utilities lines?

- ○ NO Go to Floodplains Question 3.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

3) Does the applicant's proposed action have the potential to affect a floodplain?

- ○ NO Go to Floodplains Question 4.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

4) Does the applicant's proposed action have the potential to be affected by a floodplain?

- ○ NO The Floodplains review for this site or route is complete.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

- **Wetlands (Subpart G):** Use the **National Wetland Inventory (NWI)** layer available in the construction map to determine potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use **Soil Hydric Class (NRCS) (Wetlands Subpart G)** to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of 'Partially Hydric' (1 – 95 percent) or 'All Hydric' (96 – 100 percent), the AOI will be considered to be located in a wetland.

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Detailed guidance related to evaluating impacts to wetlands can be found in RD Instruction 1970 - Subpart G - Wetland Protection (available at this link: https://www.rd.usda.gov/files/1970g.pdf).

1) Is the applicant's proposed action located in a wetland?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES Go to Wetlands Question 2.

2) Does the project's interaction with wetlands consist entirely of avoiding wetlands by means of directional boring?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES The Wetlands review for this site or route is complete.

3) Does the applicant's proposed action have the potential to be affect a wetland?

- ◯ NO Go to Wetlands Question 4.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

4) Does the applicant's proposed action have the potential be affected by a wetland?

- ◯ NO The Wetlands review for this site or route is complete.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

5) What kind of permit is required to address wetland impacts?

- U.S. Army Corps of Engineers (USACE) Individual Permit
  - ◯ • **If the Individual Permit has already been obtained**, attach it under the Environmental Documents section of this application. The wetlands review for this site or route is complete.
  - ◯ • **If an individual permit has not been obtained**, complete the wetlands section of the Project EQ.

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- USACE Nationwide or General Permit[3]

◯ • Complete the wetlands section of the Project EQ, omitting the public notice requirements as being fulfilled by the USACE Nationwide Permits (NWP) Program. Identify the NWP or General Permit Number below.

NWP or General Permit Number: _____

- Local permit **OR** unknown permit **OR** permit undetermined

◯ • Complete the Wetlands section of the Project EQ.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Use the **Farmland Class (NRCS) (FFPA)[4]** layer available under the **Land Use (Subpart L)** category in the construction map to determine potential impact to a Farmland. Detailed guidance related to evaluating impacts to farmlands can be found in RD Instruction 1970 - Subpart L – Land Use and Formally Classified Land (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

1) Will the site or route overlap an area identified as protected farmland in the construction map?

◯ NO The FPPA review for this site or route is complete.

◯ YES The site or route will cross or take place on an area identified as protected.

2) Does the applicant's proposed project consist solely of routes utilizing construction techniques along existing ROW?

◯ NO Go to FPPA Question 3.

◯ YES The FPPA review for this site or route is complete.

[3] Additional information on the USACE Nationwide Permit Program is available at this link: https://go.usa.gov/xeaR2

[4] For the purpose of FPPA, farmland includes, "All areas are prime farmland," "Farmland of unique importance," "Farmland of statewide importance," or "Farmland of local importance." Be advised: farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

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3) Are the sites or routes where a new ROW or easement will need to be established located on land that has previously been converted for use and can no longer be utilized as farmland?

- ○ NO Go to FPPA Question 4.
- ○ YES Explain in the text entry box. The FPPA review for this site or route is complete.

4) Does the action result in the conversion of farmland to nonagricultural uses?

- ○ NO Explain in the text entry box. The FPPA review for this site or route is complete.

- ○ YES Go to FPPA Question 5.

5) Is the entire site or route located in an "urbanized area" as identified in a Census Bureau Map (information available at this link: https://go.usa.gov/xeaRJ) with a "tint overprint" on a USGS Topographical Map (information available at this link: https://go.usa.gov/xeanr)?

- ○ NO Please complete the appropriate Farmland Conversion Impact Rating Form on behalf of the federal agency and submit to the appropriate NRCS State FPPA contact (available at this link: https://go.usa.gov/xeaUw). Include the completed farmland consultation under the Environmental Documents section of this application, and complete the FPPA section of the Project EQ.

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- **Subpart L AD-1006** for sites (available at this link: https://go.usa.gov/xeaUM)
- **Subpart L NRCS CPA-106** for routes (available at this link: https://go.usa.gov/xeaPc)

○ YES Please attach the Census Bureau or USGS Topographical Map under the Environmental Documents section of this application. The FPPA review for this site or route is complete.

- **Threatened and Endangered Species (Subpart N):** Use the Endangered Species link for each site or route in the Environmental Questionnaire (EQ) section of your application to request an "Official Species List" from the U.S. Fish and Wildlife Service (USFWS), Information for Planning and Consultation (IPaC) project planning tool[5]. Applicants must include this species list and appropriate species accounts (for example: requisite habitat) for each site or route included in the application. An official species list is a letter from the local USFWS office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the IPaC regulatory review process.

  Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate Fisheries office (available at this link: https://go.usa.gov/xeaE8).

  The list(s) obtained from the USFWS and NOAA should be used to complete the Subpart N Special Status Plant and Wildlife Species Table (available at this link: https://go.usa.gov/xerfT). Please attach the completed table under the Environmental Documents section of this application.

  Special Status Plant and Wildlife Species Table Guidance:
  Research each species identified on the Official Species List(s) to complete the Description of the Suitable Habitat column.

[5] You must create a free account (available at this link: https://go.usa.gov/xeamV) and login to IPaC using this link: https://ecos.fws.gov/ipac/ before you can receive an official letter and species list from the local USFWS. The Endangered Species link for each site or route in the EQ will transfer the geospatial data to USFWS. Click "Define Project" and enter a project name and description. On the Project Home page, click "Request Species List" or click "Start Review" and follow the prompts.

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Cross-reference the species information gained through your research, with your knowledge of the project site or route, to identify the "Potential for Occurrence":

- If Critical Habitat is present or a survey indicates species are present, select "Documented," and explain.

- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain.

- If suitable habitat is present but based on your knowledge of the site or route, is unlikely for species to occur, select "Unlikely" and explain your reasoning.

- If suitable habitat is present, but data (for instance, surveys) indicate species and critical habitatare absent from the action area, select "None" and cite the survey.

- If suitable habitat is not present in the action area, select "None" and explain your reasoning.

Next, "Propose a Finding of Effect":

- If species are not present, conclude "No Effect" and explain your finding.
    - If species are identified, "lack of critical habitat" or "familiarity with the proposed area" are not sufficient reasonings for a finding of "No Effect."

- If species may be present in the action area but will not be exposed directly or indirectly to the proposed action or any resulting environmental changes, conclude "No Effect" and explain your finding.

- If species may be present in the action area, will be exposed to the action but will not respond in any manner, conclude "No Effect" and explain your finding.

- If species may be present in the action area and will respond upon exposure to the action, but effects will be wholly beneficial[6],

[6] "Beneficial effects" are positive responses without any negative response. This analysis is done at the individual level. If an action will have beneficial effects for the species overall, but adversely impacts one or more individuals in the process, "likely to adversely affect" is the appropriate conclusion.

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insignificant[7], or discountable[8], conclude "may affect, not likely to adversely affect"

- If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude "May Affect - Likely to Adversely Affect."

Detailed guidance related to evaluating impacts to biological resources can be found in RD Instruction 1970 - Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

- **Transportation (Subpart O):** Responses to Transportation (Subpart O) questions are only required if the construction asset type is a "Site."

Air

If required by the Federal Aviation Administration (FAA), or if the applicant proposes any of the following types of construction or alteration, the applicant must file a notice with the FAA. Use the FAA Notice Criteria Tool (available at this link: https://go.usa.gov/xeayP) to help determine whether your project construction requires filing with the FAA for proposed structures.

1) Is the applicant required to file a notice with the FAA?

○ NO

○ YES Identify the reason(s) why a notice must be filed and file a notice at this link: https://go.usa.gov/xeayE.

☐ • Required by the FAA

☐ • Proposed construction or alteration that is more than 200 feet above ground level at its site.

☐ • Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:

[7] "Insignificant effects" are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure or detect such responses, then it is appropriate to conclude insignificant effects.

[8] "Discountable" means extremely unlikely to occur.

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(a) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport[9] with its longest runway more than 3,200 feet in actual length, excluding heliports.

(b) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.

(c) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.

On-Road

1) Has a Traffic Impact Study (TIS) been completed?

- ○ NO Go to On-Road Question 2.
- ○ YES Please upload the TIS to the Environmental documents section of the Application and go to On-Road Question 5.

2) Will this project cause an increase in traffic in the surrounding area during construction or operation?

- ○ NO Go to On-Road Question 5.
- ○ YES Describe the magnitude of the increase in the text entry box.

[9] Airports and heliports include: (1) A public use airport listed in the Airport - Facility Directory, Alaska Supplement, or Pacific Chart Supplement of U.S. Government Flight Information Publications (2) A military airport under construction, or an airport under construction that will be available for public use (3) An airport operated by a federal agency or the Department of Defense (4) An airport or heliport with at least one FAA-approved instrument approach procedure.

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3) Will hazardous materials be involved?

- ◯ NO Go to On-Road Question 5.
- ◯ YES Go to On-Road Question 4.

4) Will vehicles be carrying hazardous wastes through or past the project site?

- ◯ NO
- ◯ YES

5) Will the applicant be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

- ◯ NO
- ◯ YES

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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Site and Route Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Site or Route Name: BMH Cordova

Construction Asset Type: Site - Large Enclosure Cabinet

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Site and Route Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application. This information will be used in conjunction with the Project EQ to determine the overall environmental compliance of the proposed project. RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in the EQs.

An applicant must submit to RUS a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local, or other federal agencies. Such material, to the extent determined to be relevant, can be used to fulfill RUS' environmental review requirements.

Environmental Questions

- **Floodplains (Subpart F):** Use the **Flood Hazard Zones (FEMA)**[1] layer available in the construction map to determine potential impact to a floodplain. If the site or route falls within a community not participating in the National Flood Insurance Program (NFIP) or an area of undetermined flood hazard (Zone D), use the **Flood Frequency (NRCS)**[2] layer available in the construction map to determine the flooding frequency of the area.

[1]The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500-year or 100-year floodplain, it should be considered within a floodplain for environmental analysis.

[2] The frequency of "Rare," "Occasional," or "Frequent" should be considered within a floodplain for environmental analysis.

Detailed guidance related to evaluating impacts to and from floodplains can be found in RD Instruction 1970 - Subpart F – Floodplain Management (available at this link: https://www.rd.usda.gov/files/1970f.pdf)

1) Is the applicant's proposed action located in a floodplain?

- ○ NO Go to Floodplains Question 3.
- ○ YES Go to Floodplains Question 2.

2) Does the applicant's proposed action in the floodplain consist of more than buried or aerial utilities lines?

- ○ NO Go to Floodplains Question 3.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

3) Does the applicant's proposed action have the potential to affect a floodplain?

- ○ NO Go to Floodplains Question 4.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

4) Does the applicant's proposed action have the potential to be affected by a floodplain?

- ○ NO The Floodplains review for this site or route is complete.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

- **Wetlands (Subpart G):** Use the **National Wetland Inventory (NWI)** layer available in the construction map to determine potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use **Soil Hydric Class (NRCS) (Wetlands Subpart G)** to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of 'Partially Hydric' (1 – 95 percent) or 'All Hydric' (96 – 100 percent), the AOI will be considered to be located in a wetland.

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Detailed guidance related to evaluating impacts to wetlands can be found in RD Instruction 1970 - Subpart G - Wetland Protection (available at this link: https://www.rd.usda.gov/files/1970g.pdf).

1) Is the applicant's proposed action located in a wetland?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES Go to Wetlands Question 2.

2) Does the project's interaction with wetlands consist entirely of avoiding wetlands by means of directional boring?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES The Wetlands review for this site or route is complete.

3) Does the applicant's proposed action have the potential to be affect a wetland?

- ◯ NO Go to Wetlands Question 4.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

4) Does the applicant's proposed action have the potential be affected by a wetland?

- ◯ NO The Wetlands review for this site or route is complete.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

5) What kind of permit is required to address wetland impacts?

- U.S. Army Corps of Engineers (USACE) Individual Permit
  - ◯ • **If the Individual Permit has already been obtained**, attach it under the Environmental Documents section of this application. The wetlands review for this site or route is complete.
  - ◯ • **If an individual permit has not been obtained**, complete the wetlands section of the Project EQ.

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- USACE Nationwide or General Permit[3]

◯ • Complete the wetlands section of the Project EQ, omitting the public notice requirements as being fulfilled by the USACE Nationwide Permits (NWP) Program. Identify the NWP or General Permit Number below.

NWP or General Permit Number: _____

- Local permit **OR** unknown permit **OR** permit undetermined

◯ • Complete the Wetlands section of the Project EQ.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Use the **Farmland Class (NRCS) (FFPA)[4]** layer available under the **Land Use (Subpart L)** category in the construction map to determine potential impact to a Farmland. Detailed guidance related to evaluating impacts to farmlands can be found in RD Instruction 1970 - Subpart L – Land Use and Formally Classified Land (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

1) Will the site or route overlap an area identified as protected farmland in the construction map?

◯ NO The FPPA review for this site or route is complete.

◯ YES The site or route will cross or take place on an area identified as protected.

2) Does the applicant's proposed project consist solely of routes utilizing construction techniques along existing ROW?

◯ NO Go to FPPA Question 3.

◯ YES The FPPA review for this site or route is complete.

[3] Additional information on the USACE Nationwide Permit Program is available at this link: https://go.usa.gov/xeaR2

[4] For the purpose of FPPA, farmland includes, "All areas are prime farmland," "Farmland of unique importance," "Farmland of statewide importance," or "Farmland of local importance." Be advised: farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

USDA is an equal opportunity provider, employer, and lender.

3) Are the sites or routes where a new ROW or easement will need to be established located on land that has previously been converted for use and can no longer be utilized as farmland?

○ NO Go to FPPA Question 4.

○ YES Explain in the text entry box. The FPPA review for this site or route is complete.

4) Does the action result in the conversion of farmland to nonagricultural uses?

○ NO Explain in the text entry box. The FPPA review for this site or route is complete.

○ YES Go to FPPA Question 5.

5) Is the entire site or route located in an "urbanized area" as identified in a Census Bureau Map (information available at this link: https://go.usa.gov/xeaRJ) with a "tint overprint" on a USGS Topographical Map (information available at this link: https://go.usa.gov/xeanr)?

○ NO Please complete the appropriate Farmland Conversion Impact Rating Form on behalf of the federal agency and submit to the appropriate NRCS State FPPA contact (available at this link: https://go.usa.gov/xeaUw). Include the completed farmland consultation under the Environmental Documents section of this application, and complete the FPPA section of the Project EQ.

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- **Subpart L AD-1006** for sites (available at this link: https://go.usa.gov/xeaUM)
- **Subpart L NRCS CPA-106** for routes (available at this link: https://go.usa.gov/xeaPc)

○ YES Please attach the Census Bureau or USGS Topographical Map under the Environmental Documents section of this application. The FPPA review for this site or route is complete.

- **Threatened and Endangered Species (Subpart N):** Use the Endangered Species link for each site or route in the Environmental Questionnaire (EQ) section of your application to request an "Official Species List" from the U.S. Fish and Wildlife Service (USFWS), Information for Planning and Consultation (IPaC) project planning tool[5]. Applicants must include this species list and appropriate species accounts (for example: requisite habitat) for each site or route included in the application. An official species list is a letter from the local USFWS office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the IPaC regulatory review process.

  Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate Fisheries office (available at this link: https://go.usa.gov/xeaE8).

  The list(s) obtained from the USFWS and NOAA should be used to complete the Subpart N Special Status Plant and Wildlife Species Table (available at this link: https://go.usa.gov/xerfT). Please attach the completed table under the Environmental Documents section of this application.

  Special Status Plant and Wildlife Species Table Guidance:
  Research each species identified on the Official Species List(s) to complete the Description of the Suitable Habitat column.

[5] You must create a free account (available at this link: https://go.usa.gov/xeamV) and login to IPaC using this link: https://ecos.fws.gov/ipac/ before you can receive an official letter and species list from the local USFWS. The Endangered Species link for each site or route in the EQ will transfer the geospatial data to USFWS. Click "Define Project" and enter a project name and description. On the Project Home page, click "Request Species List" or click "Start Review" and follow the prompts.

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Cross-reference the species information gained through your research, with your knowledge of the project site or route, to identify the "Potential for Occurrence":

- If Critical Habitat is present or a survey indicates species are present, select "Documented," and explain.

- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain.

- If suitable habitat is present but based on your knowledge of the site or route, is unlikely for species to occur, select "Unlikely" and explain your reasoning.

- If suitable habitat is present, but data (for instance, surveys) indicate species and critical habitatare absent from the action area, select "None" and cite the survey.

- If suitable habitat is not present in the action area, select "None" and explain your reasoning.

Next, "Propose a Finding of Effect":

- If species are not present, conclude "No Effect" and explain your finding.
    - If species are identified, "lack of critical habitat" or "familiarity with the proposed area" are not sufficient reasonings for a finding of "No Effect."

- If species may be present in the action area but will not be exposed directly or indirectly to the proposed action or any resulting environmental changes, conclude "No Effect" and explain your finding.

- If species may be present in the action area, will be exposed to the action but will not respond in any manner, conclude "No Effect" and explain your finding.

- If species may be present in the action area and will respond upon exposure to the action, but effects will be wholly beneficial[6],

[6] "Beneficial effects" are positive responses without any negative response. This analysis is done at the individual level. If an action will have beneficial effects for the species overall, but adversely impacts one or more individuals in the process, "likely to adversely affect" is the appropriate conclusion.

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insignificant[7], or discountable[8], conclude "may affect, not likely to adversely affect"

- If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude "May Affect - Likely to Adversely Affect."

Detailed guidance related to evaluating impacts to biological resources can be found in RD Instruction 1970 - Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

- **Transportation (Subpart O):** Responses to Transportation (Subpart O) questions are only required if the construction asset type is a "Site."

Air

If required by the Federal Aviation Administration (FAA), or if the applicant proposes any of the following types of construction or alteration, the applicant must file a notice with the FAA. Use the FAA Notice Criteria Tool (available at this link: https://go.usa.gov/xeayP) to help determine whether your project construction requires filing with the FAA for proposed structures.

1) Is the applicant required to file a notice with the FAA?

○ NO

○ YES Identify the reason(s) why a notice must be filed and file a notice at this link: https://go.usa.gov/xeayE.

☐ • Required by the FAA

☐ • Proposed construction or alteration that is more than 200 feet above ground level at its site.

☐ • Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:

[7] "Insignificant effects" are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure or detect such responses, then it is appropriate to conclude insignificant effects.

[8] "Discountable" means extremely unlikely to occur.

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(a) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport[9] with its longest runway more than 3,200 feet in actual length, excluding heliports.

(b) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.

(c) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.

On-Road

1) Has a Traffic Impact Study (TIS) been completed?

- ○ NO Go to On-Road Question 2.
- ○ YES Please upload the TIS to the Environmental documents section of the Application and go to On-Road Question 5.

2) Will this project cause an increase in traffic in the surrounding area during construction or operation?

- ○ NO Go to On-Road Question 5.
- ○ YES Describe the magnitude of the increase in the text entry box.

[9] Airports and heliports include: (1) A public use airport listed in the Airport - Facility Directory, Alaska Supplement, or Pacific Chart Supplement of U.S. Government Flight Information Publications (2) A military airport under construction, or an airport under construction that will be available for public use (3) An airport operated by a federal agency or the Department of Defense (4) An airport or heliport with at least one FAA-approved instrument approach procedure.

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3) Will hazardous materials be involved?

- ◯ NO Go to On-Road Question 5.
- ◯ YES Go to On-Road Question 4.

4) Will vehicles be carrying hazardous wastes through or past the project site?

- ◯ NO
- ◯ YES

5) Will the applicant be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

- ◯ NO
- ◯ YES

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Cordova Telephone Cooperative, Inc. and Subsidiary

Consolidated Financial Statements with Supplemental Information and RUS Letters

Years Ended December 31, 2020 and 2019

Aldrich SM

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CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Financial Statements with Supplemental Information and RUS Letters

Years Ended December 31, 2020 and 2019

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(b) (4)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cordova Telephone Cooperative, Inc. and Subsidiary
Cordova, Alaska

We have audited the accompanying consolidated financial statements of Cordova Telephone Cooperative, Inc. (a State of Alaska cooperative) and Subsidiary, which are comprised of the consolidated balance sheets as of December 31, 2020 and 2019, the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cordova Telephone Cooperative, Inc. and Subsidiary as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 11, 2021 on our consideration of Cordova Telephone Cooperative, Inc. and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cordova Telephone Cooperative, Inc. and Subsidiary's internal control over financial reporting and compliance.

(b) (4)

March 11, 2021

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2020 and 2019

ASSETS	2020	2019
Current Assets:		
Cash - without restrictions	$	(b) (4)
Restricted cash		
Marketable securities		
Accounts receivable, less allowance for doubtful accounts of $3,524 in 2020 and 2019		
Access revenue receivable		
Other accounts receivable		
Materials and supplies		
Prepaid expenses and deposits		
Total Current Assets		
Other Assets and Investments:		
Non-regulated investments, net of depreciation		
FCC licenses		
Other investments		
Total Other Assets and Investments		
Property, Plant, and Equipment:		
In-service		
Construction work-in-progress		
Less accumulated depreciation		
Property, Plant, and Equipment, net		
	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2020 and 2019

LIABILITIES AND MEMBERS' EQUITY	2020	2019
Current Liabilities:		
Current portion of long-term debt	$	(b) (4)
Accounts payable		
Accrued operating taxes		
Other accrued liabilities		
Customer deposits		
Advance billings		
Total Current Liabilities		
Deferred Income Taxes		
Deferred Revenue		
Long-Term Debt, net of current portion		
Total Liabilities		
Members' Equity:		
Donated and other capital		
Patronage capital - unassigned		
Patronage capital - assigned		
Total Members' Equity		
	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Operations

Years Ended December 31, 2020 and 2019

	2020	2019
Operating Revenues:		
Local network service	$	(b) (4)
Network access service		
Roaming service		
Internet service		
Other		
Total Operating Revenues		
Operating Expenses:		
Plant specific operations		
Plant nonspecific operations		
Depreciation		
Customer operations		
Corporate operations		
Non-regulated operations		
Operating taxes		
Total Operating Expenses		
Operating Margin		
Other Income (Expense):		
Income tax benefit (expense)		
Non-operating income, net		
Net Margin Before Interest Expense		
Interest Expense		
Net Margin	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Members' Equity

Years Ended December 31, 2020 and 2019

	Donated and Other Capital	Patronage Capital Unassigned	Patronage Capital Assigned	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2018	$	[redacted]			
Cumulative effect of change in accounting principle					
Federal Communications excise tax refunds					
Retirement of patronage capital credits					
Other activity - patronage assigned to subsidiary company					
Assignment of patronage capital					
Net margin					
Balance, December 31, 2019					
Federal Communications excise tax refunds					
Retirement of patronage capital credits					
Other activity - patronage assigned to subsidiary company					
Assignment of patronage capital					
Net margin					
Balance, December 31, 2020	$				

(b) (4)

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Net margin	$	(b) (4)
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation		
Depreciation on non-regulated investments		
Deferred income taxes		
Deferred revenue		
Patronage allocations from other investments		
Realized and unrealized gain on marketable securities		
Changes in operating assets and liabilities:		
Accounts receivable		
Access revenue receivable		
Other accounts receivable		
Materials and supplies		
Prepaid expenses and deposits		
Accounts payable		
Accrued operating taxes		
Other accrued liabilities		
Customer deposits		
Advance billings		
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Additions to property, plant, equipment, and construction work-in-progress		
Plant removal costs, net of salvage		
Purchases of marketable securities		
Proceeds from sales and maturities of marketable securities		
Additions to non-regulated investments		
Purchase of FCC spectrum licenses		
Net Cash Used by Investing Activities	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows, continued

Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Financing Activities:		
Payments on long-term debt	$	(b) (4)
Federal excise tax refunds		
Retirement of patronage capital credits		
Net Cash Used by Financing Activities		
Net Increase (Decrease) in Cash		
Cash, beginning		
Cash, ending	$	
Cash Consists Of:		
Cash - without restrictions	$	
Restricted cash		
	$	
Cash Paid for Interest, net of amounts capitalized	$	
Cash Paid for Income Taxes	$	
Noncash Activities:		
Transfer of cellular communications site between property, plant, and equipment and non-regulated investments	$	
Additions to property, plant and equipment included in accounts payable, net	$	
Transfers of property, plant and equipment to inventory	$	

See accompanying notes to consolidated financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies

Organization
Cordova Telephone Cooperative, Inc. (the Cooperative or CTC) is an Alaska cooperative corporation providing telecommunications services to its members in and around Cordova, Alaska.

Cordova Wireless Communications, LLC (CWC), a wholly-owned subsidiary of the Cooperative, provides cellular service in and around Cordova, Alaska.

All non-management employees of the Cooperative are members of the International Brotherhood of Electrical Workers (IBEW). The agreement between the Cooperative and IBEW expires in April 2023.

Regulations
The Cooperative is subject to limited regulation by the Federal Communications Commission (FCC) and the Regulatory Commission of Alaska (RCA). The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts, as prescribed by the FCC. As a result, the Cooperative's application of accounting principles generally accepted in the United States of America (GAAP) differs in certain respects from the application by non-regulated entities. Such differences primarily concern the time at which certain items enter into the determination of net margin.

The FCC is currently in the process of implementing its Report and Order 11-161 that reforms the universal service and Intercarrier Compensation (ICC) system and adopts support for broadband-capable networks as an express universal service principle. In 2016, the FCC issued Order 16-33, reforming universal service support, which provided the option for a voluntary election by rate-of-return carriers to receive model-based support under the Alternative Connect America Cost Model (A-CAM), and Order 16-115, which adopted the Alaska Plan to address both fixed and mobile voice and broadband service in high-cost areas of the state of Alaska. Instead of receiving support based on the carrier's cost, both the A-CAM and the Alaska Plan predetermines the amount of support to be received for a 10-year term.

The Cooperative has elected to receive support pursuant to the Alaska Plan and as a result was required to withdraw from the NECA Common Line Pool. They must also meet certain broadband deployment and performance obligations at the five and 10-year milestones of the plan based on their individualized performance plan filed as part of the Alaska Plan. The first milestone will be effective at the end of 2021. Management believes they will be able to meet all future milestones. In the event the Company is unable to meet future deployment milestones they may be subject to support reductions that are calibrated to the extent of the non-compliance with the deployment milestones as described in the Order.

CWC was granted competitive eligible telecommunications carrier (CETC) status by the Regulatory Commission of Alaska (RCA), and was therefore eligible to receive support from the Universal Service High Cost Loop Fund administered by USAC. As a CETC, CWC also receives support pursuant to the Alaska Plan. Support levels adopted by the Alaska Plan will be maintained for the first five years of the term to spur 4G LTE deployment in remote Alaska, consistent with the carriers' performance commitments. In the fifth year, the FCC will address the potential for duplicative support by evaluating whether there is any overlap in subsidized coverage, with the expectation of eliminating any such duplicative support during the second half of the Alaska Plan's 10-year term.

Regulatory and legislative actions, as well as future regulations, could have a significant impact on the Cooperative's future operations and financial condition.

Basis of Consolidation
The consolidated financial statements of the Cooperative include the accounts of CTC and CWC, a wholly-owned subsidiary of the Cooperative. All material inter-company transactions and balances have been eliminated in the consolidation.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Future Accounting Standards
In February 2016, the FASB issued ASU No. 2016-02 Leases. The primary change in GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the balance sheet a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Cooperative is evaluating the effect that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

Cash
The Cooperative considers all highly liquid investment securities with a maturity of 3 months or less to be cash equivalents. The Cooperative maintains its cash and cash equivalents in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor per bank. At December 31, 2020, the Cooperative had (b) (4) in uninsured cash (b) (4) as of December 31, 2019). The Cooperative has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash.

Restricted cash is restricted due to the Rural Utilities Service ReConnect Program Grant Agreement (see Note 8). Restricted cash is maintained in a separate account exclusively to meet matching requirements provided for in the grant agreement.

Marketable Securities
Marketable securities held at December 31, 2020 and 2019 consist of mutual funds. Investments are stated at fair value based on a framework that provides a fair value hierarchy prioritizing the inputs to valuation techniques and market price observability used to measure fair value. The Cooperative's marketable securities are measured and reported at fair value on a recurring basis based on quoted prices available in active markets for identical investments as of the reporting date (Classification Level 1). These investments are stated at fair value in the consolidated financial statements and any unrealized gains and losses are recognized in the statement of operations.

Accounts Receivable
The Cooperative extends credit to its members and others. Receivables from subscribers are due 30 days after the issuance of the invoice. Receivables from other exchange carriers are typically outstanding from 30 to 60 days before payment is received. Receivables past due more than 90 days are considered delinquent. Delinquent accounts are written off to uncollectible expense when it is determined that the account will not be collected, based on individual credit evaluation and specific circumstances of the customer. Past due status is determined based on how recently payment has been received. Accounts receivable are recorded as a contract asset at unpaid balances as of December 31, 2020 of (b) (4) ((b) (4) on December 31, 2019 and (b) (4) on January 1, 2019).

Materials and Supplies
Materials and supplies are stated at the lower of average cost and net realizable value. Cost is determined principally by the average cost method.

Fair Value of Financial Instruments
The Cooperative's financial instruments, none of which are held for trading purposes, include cash, receivables, accounts payable, mortgage and notes payable. The Cooperative estimates that the fair value of all of these non-derivative financial instruments at December 31, 2020 and 2019 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying consolidated balance sheets.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Property, Plant, and Equipment
Property, plant, and equipment in service and under construction is stated at cost, including appropriate direct and indirect costs associated with construction. Maintenance and repairs are charged to operations when incurred. Renewals and betterments are capitalized. Depreciation is calculated on a straight-line basis over the estimated life of the classes of property and equipment in accordance with rates consistent with industry standards, which range from (b) (4) Costs of regulated plant retired are eliminated from utility plant accounts and such costs plus removal expenses, less salvage, are charged to the accumulated provision for depreciation in accordance with industry practice.

The Cooperative follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. In 2020 (b) (4) of interest was capitalized ((b) (4) in 2019).

Non-Regulated Investments
Non-regulated investments represent the book value of rental phone equipment, internet equipment, cellular equipment and other equipment for the provision of non-regulated services.

Non-regulated property is stated at cost, less accumulated depreciation. The Cooperative provides for depreciation on a straight-line basis at an annual rate of depreciation that will amortize the cost of the equipment over its estimated useful life, which ranges from 5 to 25 years. Upon retirement, sale, or other disposition of non-regulated property, plant, and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gains or losses are included in operations.

FCC Licenses
The FCC licenses allow CWC to provide wireless services by giving CWC the exclusive right to utilize a certain radio frequency spectrum in designated geographic areas, including Cordova, Yakutat, Dillingham, Kodiak, Valdez and areas of Prince William Sound. Although FCC licenses are issued for only a fixed time, generally 10 years, these licenses are renewed by the FCC on a routine basis and for a nominal fee. In addition, CWC has determined that there are no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of the FCC licenses. As a result, CWC's FCC licenses are treated as indefinite lived intangible assets.

Under accounting principles generally accepted in the United States of America, the FCC licenses are not amortized and CWC is required to evaluate the carrying value of the FCC licenses using fair value considerations, at least annually. If the carrying amount of the intangible asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. CWC also determines on an annual basis whether facts and circumstances continue to support an indefinite useful life.

For the years ended December 31, 2020 and 2019, CWC evaluated the fair value of its FCC licenses based on recent activity in the wireless communication industry and other considerations, including estimated future discounted cash flows. CWC has determined that there is no impairment of the carrying value of the FCC licenses.

CWC's expected future cash flows are directly impacted by its ability to extend or renew the FCC licenses. CWC has both the ability and intent to renew the licenses, and expects that the licenses will be renewed by the FCC without any material impact to CWC's expected future cash flows.

Other Investments
Other investments consist of investments in other cooperatives and are stated at the net realizable value of the patronage and equity allocated to the Cooperative.

Patronage Capital
Patronage capital assigned consists of undistributed net margins allocated to members and accumulated since inception, less distributions to members. The distribution of such patronage capital to members of the Cooperative may be restricted under covenants of the RUS mortgage notes.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Donated and Other Capital

Donated and other capital consists of the excess of assets over liabilities transferred to the Cooperative from the City of Cordova, escheatment of memberships and patronage capital credits, and gains on the early retirement of capital credits.

Revenue Recognition

The Cooperative earns revenue from contracts with customers, primarily through providing local telephone, broadband, basic wireless and roaming services. Revenues are accounted for under Topic 606, which the Cooperative adopted on January 1, 2019. The Cooperative recognizes revenue from contracts with customers when its performance obligations are satisfied, regardless of the period in which it is billed. Monthly service fees derived from local telephone, broadband, and wireless service are billed in advance. Advance billings are recorded as a contract liability and subsequently transferred to income in the period earned. The balance of contract liabilities for advanced billings as of December 31, 2020 is (b) (4) on December 31, 2019 and (b) (4) on January 1, 2019). Access charges (see Note 1, Network Access Revenue), long distance, and other revenue based on usage are billed in arrears and recognized in the month the service is provided. Various economic factors affect revenues and cash flows. Revenues for monthly service and access charges are generally due and collected within one month.

Roaming revenue reflects service revenue earned by the Cooperative when customers not associated with the Cooperative operate in the service area of the Cooperative and use the Cooperative's network. The roaming rates with third-party carriers are based on agreements with such carriers. The largest such agreement with a single carrier applies an annual cap on the amount of roaming revenue that can be earned in each year of the agreement. As a result, the Cooperative allocates the total roaming revenues due over the life of the contract on a straight-line basis with amounts billed in excess of revenues recognized resulting in a contract liability of (b) (4) as of December 31, 2020 ((b) (4) as of December 31, 2019 and none as of January 1, 2019). This contract liability is reported in the accompanying consolidated balance sheets as (b) (4) in "*Advance Billings*" for the amount to be recognized in the next year and (b) (4) in "*Deferred Revenue*" for amounts to be recognized after one year from the balance sheet date as the Cooperative performs on their stand-ready performance obligation to provide roaming service over the life of the contract.

The Cooperative recognizes revenue from sales of handsets and accessories at the time of sale. For handsets financed by customers the Cooperative recognizes revenue at the time of sale and recognizes a contract asset equal to the difference between the amount of revenue recognized and the amount of consideration received from the customer. These contract assets are included in accounts receivable on the accompanying consolidated balance sheet. The financing component of these contracts is not considered significant and therefore is not accounted for separately.

The Cooperative also earns revenues that are not accounted for under Topic 606 from universal service support payments that do not meet the definition of a contract with a customer (see Note 1, Network Access Revenues), leasing arrangements, and miscellaneous fees. In total, revenues are accounted for as follows:

	2020	2019
Revenues accounted for under Topic 606	$	(b) (4)
Revenues not accounted for under Topic 606		
Total Revenues	$	

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Network Access Revenue
Network access revenue in the statement of operations consists of the following:

	2020	2019
Interstate Revenues	$	(b) (4)
Interstate Universal Service Support Mechanisms		
Intrastate Access Revenues		
	$	

Interstate Revenues
Interstate revenues consist of certain federally mandated charges to end-users and access charges billed to long distance carriers for access and interconnection to local facilities. The Cooperative no longer participates in any of the revenue pools administered by the National Exchange Carriers Association (NECA). Instead, the Cooperative receives network access revenues through bill and keep based on access-tariffed rates as filed by the Cooperative with the FCC. The tariff rates are generally based on expenses incurred and investment maintained.

Interstate Universal Service Support Mechanisms
Interstate universal service support mechanisms are intended to compensate the Cooperative for the high cost of providing service in rural areas. The Cooperative has elected to receive model based support under the Alaska Plan beginning in 2017. As a result, the Cooperative withdrew from the NECA common line pool and no longer receives interstate common line support (ICLS, now CAF-BLS) and no longer receives revenues from the Universal Service High Cost Loop Fund (HCL).

The Cooperative receives CAF-ICC support and revenue from other support mechanisms administered by USAC. CAF-ICC support is calculated beginning with a base figure consisting of the frozen switched access revenue requirement under the 2011 NECA annual tariff filing plus certain amounts related to the mandated reduction in intrastate switched access rates and net reciprocal compensation revenue. The base figure is reduced annually by 5% beginning July 1, 2012.

Intrastate Access Revenues
Intrastate access consists of access charges billed to long distance carriers based on access tariffs filed through the Alaska Exchange Carriers Association (AECA) and approved by the RCA, and the Alaska Universal Service Fund (AUSF) support. Funding provided by the AUSF is determined based on the Cooperative's approved Essential Network Support revenues as approved by the RCA.

Concentrations
A significant portion of the Cooperative's roaming service revenues were earned from one mobile carrier in 2020 and 2019. Revenues earned related to that mobile carrier totaled approximately (b) (4) for the years ended December 31, 2020 and 2019, and there were no accounts receivable from that mobile carrier at December 31, 2020 and 2019.

Income Taxes
The Cooperative has been granted an exemption from federal income taxes under Section 501(c)(12) of the Internal Revenue Code, except for "unrelated" business income. However, in any year for which greater than 15% of gross revenue is derived from nonmember services, the Cooperative becomes a taxable cooperative. The Cooperative was subject to income taxes in 2020 and in 2019. The Cooperative is also exempt from state income taxes as a gross revenue tax on cooperatives overrides the filing of state income tax.

In years when the Cooperative is taxable, federal and state income taxes payable by taxable cooperatives are computed differently from taxes payable by other corporations, primarily because cooperatives are allowed to deduct margins allocated to patrons within 8½ months after the end of each taxable year.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Income Taxes, continued
The Cooperative follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Cooperative recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision in the statement of operations, when applicable. There are no amounts accrued in the consolidated financial statements related to uncertain tax positions.

CWC, a single member LLC, and the Cooperative will file a combined federal income tax return and state gross revenue tax return in 2020 and 2019 (see Note 6).

The Cooperative files informational and income tax returns in the United States and various state and local jurisdictions.

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change in deferred tax assets and liabilities during the period (see Note 6).

Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates involve judgments with respect to numerous factors that are beyond management's control. Actual results could differ from those estimates.

Non-Regulated Operations
Revenue from non-regulated operations includes special access circuits and DSL subscriber billings that are billed at non-tariffed rates and are included in internet service and other revenues on the accompanying consolidated statements of operations. Expenses from non-regulated operations include the cost of non-regulated special access circuits and the Cooperative billing themselves for DSL backhaul at regulated tariffed rates filed directly with the FCC as required.

Reclassification
Certain accounts in the 2019 consolidated financial statements have been reclassified to conform to the presentation in the 2020 consolidated financial statements. Such reclassifications have no effect on net margin or members' equity.

Subsequent Events
The Cooperative has evaluated subsequent events through March 11, 2021, which is the date the consolidated financial statements were available to be issued.

Note 2 - Non-Regulated Investments

Non-regulated investments consist of the following:

	2020	2019
Non-regulated plant and equipment for lease	$	(b) (4)
Less accumulated provisions for depreciation	$	

Note 3 - Property, Plant, and Equipment

Major classes of telecommunication property, plant, and equipment are as follows:

	Useful Life (Years)		2020	2019
Central office equipment	15	$	(b) (4)	
Cellular switching equipment	5 - 10			
Lines, cables, and wires	25 - 30			
Buildings and other equipment	5 - 25			
Cellular communications sites and improvements	15			
Land	N/A			
		$		

Note 4 - Long-Term Debt

	2020	2019
5% mortgage notes payable to the Rural Utilities Service (RUS), payable in quarterly installments of $3,189, principal and interest, collateralized by substantially all real and personal property, due 2025.	$ 48,137	$ 58,172
4.516% mortgage note payable to RUS, payable in monthly installments of $17,300, principal and interest, collateralized by substantially all real and personal property, due 2023.	472,202	654,007
5.49% mortgage notes payable to the Rural Telephone Bank (RTB), payable in monthly installments of $11,937, principal and interest, collateralized by substantially all real and personal property, due 2023.	322,242	444,153
2.34% - 4.46% mortgage notes payable to RUS, payable in monthly installments of $66,645, principal and interest, collateralized by substantially all real and personal property, due 2033.	7,517,658	7,976,120
	8,360,239	9,132,452
Less current portion	804,000	769,500
	$ 7,556,239	$ 8,362,952

Future maturities of long-term debt are as follows:

2021	$ 804,000
2022	840,500
2023	667,345
2024	548,700
2025	561,737
Thereafter	4,937,957
	$ 8,360,239

At December 31, 2020, the Cooperative had no unadvanced loan commitments from RUS (none at December 31, 2019).

Note 4 - Long-Term Debt, continued

The Cooperative is required to comply with several debt covenants. Under the most restrictive covenants, the Cooperative must maintain a prescribed level of insurance, key financial ratios, and may not declare or pay dividends unless certain requirements are met. Management determined the Cooperative was in compliance with these requirements as of December 31, 2020.

The Cooperative secured a (b) (4) line of credit with CoBank in 2020 with interest at (b) (4) above the higher of zero percent or the rate of one-month U.S. dollar deposits, due on May 31, 2021. There were no amounts outstanding on the line of credit at December 31, 2020.

Note 5 - Multiemployer Pension Plans

CTC participates in two separate multiemployer defined benefit pension plans, whereas CWC participates in a single plan.

Pension benefits for all eligible CTC employees are provided under union agreements in a defined benefit multi-employer plan with the Alaska Electrical Pension Fund. Pursuant to IRC Section 413(c)(4), the Plan is considered a Multiple Employer (other) Master Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan's employer identification number is 92-6005171 and the Plan Number is 001. Contributions to the union plan, including amounts charged to construction, were (b) (4) in 2020 and 2019, respectively.

For the Alaska Electrical Pension Fund, a "zone status" determination of green was certified by the plan actuary for 2020 and 2019. The plan utilized the special 30-year amortization rules provided by Public Law 111-192, Section 211 to amortize its losses from 2008. There were no surcharges imposed for 2020 or 2019. A collective bargaining agreement with the local chapter of IBEW expires in April 2023 and could affect future contribution requirements.

The National Telecommunications Cooperative Association (NTCA) Retirement and Security Program for Employees of the NTCA and Its Member Systems (the R&S Plan) is a defined benefit pension plan covering many of the full-time employees of NTCA, its affiliates and its members that have adopted the Plan. Pursuant to IRC Section 413(c)(4), the Plan is considered a Multiple Employer (other) Master Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan's employer identification number is 52-0741336 and the Plan Number is 333.

A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative and its subsidiary are participants in the above described plans. The Cooperative's contributions to the Plans in 2020 and 2019 represented less than 5 percent of the total contributions made to each Plan by all participating employers. Total contributions to the R&S Plan were (b) (4) in 2020 and (b) (4) in 2019. There have been no significant changes that affect the comparability of 2020 and 2019 contributions.

The R&S Plan has not imposed a critical status surcharge contribution and does not have a certified zone status as currently defined by the Pension Protection Act (PPA) of 2006 because it is considered a multiple employer plan as noted above. In addition, the accumulated benefit obligations of plan assets are not determined or allocated separately by individual employer.

The R&S Plan meets ERISA minimum funding requirements at January 1, 2019. The Cooperative and Small Employer Charity Pension Flexibility Act (CSEC Act) passed in 2014 permanently exempts the Plan from the PPA minimum funding and benefit restriction rules.

Note 5 - Multiemployer Pension Plans, continued

In 2016 the Cooperative was notified by NTCA of certain amendments to the R&S Plan that will impact the Cooperative. These amendments include the following items:

- The contribution rate to fund basic benefits increased by (b) (4) starting January 1, 2017. The Cooperative is not required to increase their contribution percentage.
- The previous surcharge of (b) (4) expired at the end of 2017 and a new surcharge of (b) (4) of the Cooperative's elected contribution rate started in 2018. The surcharge is expected to continue for approximately 12 years.

The Cooperative also participates in a fixed savings plan sponsored by NTCA, which covers all full-time eligible employees and allows employees to contribute annually up to (b) (4) of their compensation to the plan. The Cooperative does not make any employer contributions to this plan.

Note 6 - Income Taxes

In years when the Cooperative derives more than 15% of its gross revenues from nonmember services, it will be a taxable cooperative and will file a consolidated income tax return with its subsidiary (see Note 1). For the years ended December 31, 2020 and 2019 the Cooperative was taxable.

CWC elected Single Member LLC status during 2013. Earnings and losses generated by CWC will be included in the tax return filed by the Cooperative.

The components of the provision for income tax benefit (expense) for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Current:		
Federal	$	(b) (4)
Prior year over accrual		
Deferred:		
Federal		
	$	

The provision for income taxes differs from the expense that would result from applying the current statutory income tax rates to income before income taxes because of the effects of nondeductible items, differences in depreciation expense for book and tax purposes, net operating loss deductions, changes in the deferred tax asset valuation allowance, and the patronage exclusion of the Cooperative.

The components of the net deferred tax liability at December 31, 2020 and 2019 are as follows:

	2020	2019
Deferred income tax liability	$	(b) (4)
Long-term deferred income tax assets:		
Accrued expenses and allowances		
Deferred revenue		
Net operating loss carry forward		
Deferred income tax asset		
Net deferred income tax liability	$	

Note 6 - Income Taxes, continued

Deferred tax liabilities are the result of using accelerated depreciation for income tax reporting and straight-line for financial statement reporting and differences in accounting for prepaid expenses and other assets in the financial statements and on the income tax return. Deferred tax assets are a result of net operating loss carryforwards and differences in accounting for the allowance for bad debts, deferred revenue and accrued vacation in the financial statements and on the income tax return.

The Cooperative has federal net operating loss carryforwards of approximately (b) (4) that may be used to offset future taxable income that has no expiration date and can be carried forward indefinitely. Due to the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed in March 2020, the Cooperative was able to carry back (b) (4) of net operating losses from the prior year previously included in the net operating loss carryforward. The Cooperative has recorded a receivable in "*Prepaid expense and deposits*" on the accompanying consolidated balance sheets for the expected refund as filed, with the carryback flowing through both the prior year over accrual and federal deferred tax expense for the year ended December 31, 2020.

Note 7 - Operating Leases

The Cooperative has entered into lease agreements expiring at various dates through 2039 for vehicles, office equipment, and land at various communication sites. Lease expense paid in 2020 was (b) (4) in 2019).

Future minimum rentals under the leases are as follows:

2021	$ (b) (4)
2022	
2023	
2024	
2025	
Thereafter	

Note 8 - Broadband Grant

In November 2019, the Cooperative was selected to receive funding for a broadband project by the United States Department of Agriculture, through the Rural Utilities Service ReConnect Program. The broadband project is funded through a $18,888,668 grant and requires the Cooperative to provide (b) (4) in matching funds. The Cooperative has deposited (b) (4) in a special deposit account and it is presented as restricted cash on the consolidated balance sheet. There were no amounts spent, requested, or received during 2020 or 2019, as the Cooperative anticipates construction on the project will commence in 2021.

Note 9 - COVID-19 Response

During the COVID-19 pandemic, the Cooperative's services have generally been considered essential in nature and have not been materially interrupted. As the situation continues to evolve, management is closely monitoring the impact of the COVID-19 pandemic on all aspects of the business, including how it impacts the Cooperative's customers, subcontractors, suppliers, vendors and employees, in addition to how the COVID-19 pandemic impacts the Cooperative's ability to provide services to their customers. However, the duration and ultimate impact of the COVID-19 pandemic is uncertain and cannot be reasonably estimated at this time.

SUPPLEMENTAL INFORMATION

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Balance Sheets

December 31, 2020

ASSETS	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Current Assets:				
Cash - without restrictions	$	[redacted]		
Restricted cash				
Marketable securities				
Accounts receivable				
Access revenue receivable				
Other accounts receivable				
Materials and supplies				
Prepaid expenses and deposits				
Total Current Assets				
Other Assets and Investments:				
Non-regulated investments, net of depreciation		[redacted]		
FCC licenses				
Other investments				
Investment in subsidiary				
Total Other Assets and Investments				
Property, Plant, and Equipment:				
In service				
Construction work-in-progress				
Less accumulated depreciation				
Property, Plant, and Equipment, net				
	$			

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Balance Sheets

December 31, 2020

LIABILITIES AND MEMBERS' EQUITY	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Current Liabilities:				
Current portion of long-term debt	$	(b) (4)		
Accounts payable				
Accrued operating taxes				
Other accrued liabilities				
Customer deposits				
Advance billings				
Total Current Liabilities				
Deferred Income Taxes				
Deferred Revenue				
Long-Term Debt, net of current portion				
Total Liabilities				
Members' Equity:				
Donated and other capital				
Patronage capital - unassigned				
Patronage capital - assigned				
Total Members' Equity				
	$			

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Statements of Operations

Year Ended December 31, 2020

	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Operating Revenues:				
Local network service	$	[redacted]		
Network access service				
Roaming service				
Internet service				
Other				
Total Operating Revenues				
Operating Expenses:				
Plant specific operations				
Plant nonspecific operations				
Depreciation				
Customer operations				
Corporate operations				
Non-regulated operations				
Operating taxes				
Total Operating Expenses				
Operating Margin				
Other Income:				
Income tax benefit				
Non-operating income, net				
Net Margin Before Interest Expense				
Interest Expense				
Net Margin	$			

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Statements of Cash Flows

Year Ended December 31, 2020

	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Cash Flows from Operating Activities:				
Net margin	$	[redacted]		
Adjustments to reconcile net margin to net cash provided by operating activities:				
Depreciation				
Depreciation on non-regulated investments				
Deferred income taxes				
Deferred revenue				
Patronage allocations				
Realized and unrealized gain on marketable securities				
Income from subsidiary				
Changes in operating assets and liabilities:				
Accounts receivable				
Access revenue receivable				
Other accounts receivable				
Materials and supplies				
Prepaid expenses and deposits				
Accounts payable				
Accrued operating taxes				
Other accrued liabilities				
Customer deposits				
Advance billings				
Net Cash Provided by Operating Activities	$			
Cash Flows from Investing Activities:				
Additions to property, plant, and equipment and construction work-in-progress	$			
Plant removal costs, net of salvage				
Purchases of marketable securities				
Proceeds from sales and maturities of marketable securities				
Additions to non-regulated investments				
Dividends received from subsidiary				
Purchase of FCC spectrum licenses				
Net Cash Provided (Used) by Investing Activities	$			

(b) (4)

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Statements of Cash Flows, continued

Year Ended December 31, 2020

	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Cash Flows from Financing Activities:				
Payments on long-term debt	$	[redacted]		
Payment of dividends				
Federal excise tax refunds				
Retirement of patronage capital credits				
Net Cash Used by Financing Activities				
Net Increase (Decrease) in Cash				
Cash, beginning				
Cash, ending	$			
Cash Consists Of:				
Cash - without restrictions	$			
Restricted cash				
	$			
Cash Paid for Interest, net of amounts capitalized	$			
Cash Paid for Income Taxes	$			
Noncash Activities:				
Additions to property, plant and equipment included in accounts payable, net	$			

(b) (4)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELECOMMUNICATIONS BORROWERS

To the Board of Directors
Cordova Telephone Cooperative, Inc. and Subsidiary
Cordova, Alaska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Cordova Telephone Cooperative, Inc. and Subsidiary (the Cooperative), which are comprised of the consolidated balance sheet as of December 31, 2020, the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements; and have issued our report thereon dated March 11, 2021. In accordance with *Government Auditing Standards* we have also issued our report dated March 11, 2021, on our consideration of the Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe the Cooperative failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers, §1773.33, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding the Cooperative's accounting and records to indicate that the Cooperative did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts. The Cooperative is in the process of updating its plant records related to outside plant assets to agree with the controlling general ledger plant accounts.
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;
- Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap.
- Maintain adequate control over materials and supplies;
- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract, agreement, or lease with an affiliate as defined in § 1773.33(d)(2)(i);
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles; and
- Comply with the requirements for the detailed schedule of investments.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELECOMMUNICATIONS BORROWERS, CONTINUED

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The detailed schedule of investments required by 7 CFR 1773.33(i), and provided below, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Detailed Schedule of Investments

	Cordova Wireless Communications, LLC
Original Investment and Loan	$ (b) (4)
Accumulated investment advances as of December 31, 2019	
Accumulated loan advances as of December 31, 2019	
Accumulated undistributed income as of December 31, 2019	
Book value of investment as of December 31, 2019	
Investment advances in 2020	
Loan payments in 2020	
Dividends paid in 2020	
Undistributed income in 2020	
Book value of investment as of December 31, 2020	$

Cordova Wireless Communications, LLC is a wholly-owned subsidiary providing cellular telephone services. This investment is accounted for on the equity basis.

Another wholly-owned subsidiary of the Cooperative, Cordova Long Distance, Inc. was organized to provide long distance telephone services, but has had minimal operating activity since inception and is not material to the consolidated financial statements.

The purpose of this report is solely to communicate, in connection with the audit of the consolidated financial statements, on compliance with aspects of contractual agreements and the regulatory requirements for telecommunications borrowers based on the requirements of 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers and Grantees. Accordingly, this report is not suitable for any other purpose.

(b) (4)

March 11, 2021

(b) (4)

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Cordova Telephone Cooperative, Inc. and Subsidiary
Cordova, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Cordova Telephone Cooperative, Inc. and Subsidiary (the Cooperative), which are comprised of the consolidated balance sheets as of December 31, 2020 and 2019, the related consolidated statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements; and have issued our report thereon dated March 11, 2021.

Internal Control over Financial Reporting
In planning and performing our audits of the consolidated financial statements, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Cooperative's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Cooperative's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

Salem, Oregon
March 11, 2021

Cordova Telephone Cooperative, Inc. and Subsidiary

Consolidated Financial Statements with Supplemental Information and RUS Letters

Years Ended December 31, 2021 and 2020

Aldrich SM

000728

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Financial Statements with Supplemental Information and RUS Letters

Years Ended December 31, 2021 and 2020

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(b) (4)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cordova Telephone Cooperative, Inc. and Subsidiary
Cordova, Alaska

Opinion

We have audited the accompanying consolidated financial statements of Cordova Telephone Cooperative, Inc. (a State of Alaska cooperative) and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cordova Telephone Cooperative, Inc. and Subsidiary as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with accounting standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cordova Telephone Cooperative, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cordova Telephone Cooperative, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cordova Telephone Cooperative and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in aggregate, that raise substantial doubt about Cordova Telephone Cooperative and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 2, 2022, on our consideration of Cordova Telephone Cooperative and Subsidiary's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cordova Telephone Cooperative and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cordova Telephone Cooperative and Subsidiary's internal control over financial reporting and compliance.

(b) (4)

March 2, 2022

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2021 and 2020

ASSETS	2021	2020
Current Assets:		
Cash - without restrictions	$	(b) (4)
Restricted cash		
Marketable securities		
Accounts receivable, less allowance for doubtful accounts of (b) (4) in 2021 and 2020		
Access revenue receivable		
Other accounts receivable		
Materials and supplies		
Prepaid expenses and deposits		
Total Current Assets		
Other Assets and Investments:		
Non-regulated investments, net of depreciation		
FCC licenses		
Other investments		
Total Other Assets and Investments		
Property, Plant, and Equipment:		
In-service		
Construction work-in-progress		
Less accumulated depreciation		
Property, Plant, and Equipment, net	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Balance Sheets, continued

December 31, 2021 and 2020

LIABILITIES AND MEMBERS' EQUITY	2021	2020
Current Liabilities:		
Current portion of long-term debt	$	(b) (4)
Line of credit		
Accounts payable		
Accrued operating taxes		
Other accrued liabilities		
Customer deposits		
Advance billings		
Total Current Liabilities		
Deferred Income Taxes		
Deferred Revenue		
Long-Term Debt, net of current portion		
Total Liabilities		
Members' Equity:		
Donated and other capital		
Patronage capital - unassigned		
Patronage capital - assigned		
Total Members' Equity		
	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Operations

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues:		
Local network service	$	(b) (4)
Network access service		
Roaming service		
Internet service		
Other		
Total Operating Revenues		
Operating Expenses:		
Plant specific operations		
Plant nonspecific operations		
Depreciation		
Customer operations		
Corporate operations		
Non-regulated operations		
Operating taxes		
Total Operating Expenses		
Operating Margin		
Other Income (Expense):		
Income tax benefit (expense)		
Non-operating income, net		
Net Margin Before Interest Expense		
Interest Expense		
Net Margin	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Members' Equity

Years Ended December 31, 2021 and 2020

	Donated and Other Capital	Patronage Capital Unassigned	Patronage Capital Assigned	Total
Balance, December 31, 2019	$	[redacted]		
Federal Communications excise tax refunds				
Retirement of patronage capital credits				
Other activity - patronage assigned to subsidiary company				
Assignment of patronage capital				
Net margin				
Balance, December 31, 2020				
Federal Communications excise tax refunds				
Retirement of patronage capital credits				
Other activity - patronage assigned to subsidiary company				
Assignment of patronage capital				
Net margin				
Balance, December 31, 2021	$			

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Net margin	$	(b) (4)
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation		
Depreciation on non-regulated investments		
Deferred income taxes		
Deferred revenue		
Patronage allocations from other investments		
Realized and unrealized gain on marketable securities		
Loss on disposal of non-regulated assets		
Changes in operating assets and liabilities:		
Accounts receivable		
Access revenue receivable		
Other accounts receivable		
Materials and supplies		
Prepaid expenses and deposits		
Accounts payable		
Accrued operating taxes		
Other accrued liabilities		
Customer deposits		
Advance billings		
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Additions to property, plant, equipment, and construction work-in-progress		
Plant removal costs, net of salvage		
Purchases of marketable securities		
Proceeds from sales and maturities of marketable securities		
Additions to non-regulated investments		
Purchase of FCC spectrum licenses		
Net Cash Used by Investing Activities	$	

See accompanying notes to consolidated financial statements.

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows, continued

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Financing Activities:		
Payments on long-term debt	$	(b) (4)
Proceeds from line of credit		
Federal excise tax refunds		
Retirement of patronage capital credits		
Net Cash Used by Financing Activities		
Net Increase in Cash		
Cash, beginning		
Cash, ending	$	
Cash Consists Of:		
Cash - without restrictions	$	
Restricted cash		
	$	
Cash Paid for Interest, net of amounts capitalized	$	
Cash Received from Income Tax Refunds	$	
Noncash Activities:		
Additions to property, plant and equipment included in accounts payable, net	$	

See accompanying notes to consolidated financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies

Organization
Cordova Telephone Cooperative, Inc. (the Cooperative or CTC) is an Alaska cooperative corporation providing telecommunications services to its members in and around Cordova, Alaska.

Cordova Wireless Communications, LLC (CWC), a wholly-owned subsidiary of the Cooperative, provides cellular service in and around Cordova, Alaska.

All non-management employees of the Cooperative are members of the International Brotherhood of Electrical Workers (IBEW). The agreement between the Cooperative and IBEW expires in April 2026.

Regulations
The Cooperative is subject to limited regulation by the Federal Communications Commission (FCC) and the Regulatory Commission of Alaska (RCA). The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts, as prescribed by the FCC. As a result, the Cooperative's application of accounting principles generally accepted in the United States of America (US GAAP) differs in certain respects from the application by non-regulated entities. Such differences primarily concern the time at which certain items enter into the determination of net margin.

The Cooperative also receives universal service support from various support mechanisms administered by the Universal Service Administrative Company (USAC) under the direction of the FCC.

Regulatory and legislative actions, as well as future regulations, could have a significant impact on the Cooperative's future operations and financial condition.

Basis of Consolidation
The consolidated financial statements of the Cooperative include the accounts of CTC and CWC, a wholly-owned subsidiary of the Cooperative. All material inter-company transactions and balances have been eliminated in the consolidation.

Future Accounting Standards
In February 2016, the FASB issued ASU No. 2016-02 Leases. The primary change in GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the balance sheet a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Cooperative is evaluating the effect that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

Cash
The Cooperative considers all highly liquid investment securities with a maturity of 3 months or less to be cash equivalents. The Cooperative maintains its cash and cash equivalents in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor per bank. At December 31, 2021, the Cooperative had (b) (4) in uninsured cash (b) (4) as of December 31, 2020). The Cooperative has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash.

Restricted cash is restricted due to the Rural Utilities Service ReConnect Program Grant Agreement (see Note 9). Restricted cash is maintained in a separate account exclusively to meet matching requirements provided for in the grant agreement.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Marketable Securities
Marketable securities held at December 31, 2021 and 2020 consist of mutual funds. Investments are stated at fair value based on a framework that provides a fair value hierarchy prioritizing the inputs to valuation techniques and market price observability used to measure fair value. The Cooperative's marketable securities are measured and reported at fair value on a recurring basis based on quoted prices available in active markets for identical investments as of the reporting date (Classification Level 1). These investments are stated at fair value in the consolidated financial statements and any unrealized gains and losses are recognized in the statement of operations.

Accounts Receivable
Accounts receivable are recorded at unpaid balances, less an allowance for doubtful accounts. Receivables from subscribers are due 30 days after the issuance of the invoice. Receivables from other exchange carriers are typically outstanding from 30 to 60 days before payment is received. Receivables past due more than 90 days are considered delinquent. An allowance for doubtful accounts is maintained, based upon management's review of the year-end accounts receivable aging and past credit and collections history. Receivables are written off when the Cooperative determines an account is uncollectible. Past due status is determined based on the age of the past due account.

Revenue Recognition
The Cooperative recognizes revenue when its performance obligations are satisfied, regardless of the period in which it is billed. The amount and timing of revenue recognition varies based on the nature of the goods or services. Monthly service fees derived from local telephone and broadband service are billed in advance. Advanced billings are recorded as a contract liability and subsequently transferred to income in the period earned. Access charges, long distance and other revenue based on usage are billed in arrears and recognized in the month the service is provided. Revenues for monthly service and access charges are generally due and collected within one month. Various economic factors affect revenues and cash flows. See Note 2 for more information about the Cooperative's revenue.

Materials and Supplies
Materials and supplies are stated at the lower of average cost and net realizable value. Cost is determined principally by the average cost method.

Fair Value of Financial Instruments
The Cooperative's financial instruments, none of which are held for trading purposes, include cash, receivables, accounts payable, mortgage and notes payable. The Cooperative estimates that the fair value of all of these non-derivative financial instruments at December 31, 2021 and 2020 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying consolidated balance sheets.

Property, Plant, and Equipment
Property, plant, and equipment in service and under construction is stated at cost, including appropriate direct and indirect costs associated with construction. Maintenance and repairs are charged to operations when incurred. Renewals and betterments are capitalized. Depreciation is calculated on a straight-line basis over the estimated life of the classes of property and equipment in accordance with rates consistent with industry standards, which range from 3.3% to 20.0%. Costs of regulated plant retired are eliminated from utility plant accounts and such costs plus removal expenses, less salvage, are charged to the accumulated provision for depreciation in accordance with industry practice.

The Cooperative follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. In 2021, (b) (4) of interest was capitalized(b) (4) in 2020).

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Non-Regulated Investments
Non-regulated investments represent the book value of rental phone equipment, internet equipment, cellular equipment and other equipment for the provision of non-regulated services.

Non-regulated property is stated at cost, less accumulated depreciation. The Cooperative provides for depreciation on a straight-line basis at an annual rate of depreciation that will amortize the cost of the equipment over its estimated useful life, which ranges from 5 to 25 years. Upon retirement, sale, or other disposition of non-regulated property, plant, and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gains or losses are included in operations.

FCC Licenses
The FCC licenses allow CWC to provide wireless services by giving CWC the exclusive right to utilize a certain radio frequency spectrum in designated geographic areas, including Cordova, Yakutat, Dillingham, Kodiak, Valdez and areas of Prince William Sound. Although FCC licenses are issued for only a fixed time, generally 10 years, these licenses are renewed by the FCC on a routine basis and for a nominal fee. In addition, CWC has determined that there are no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of the FCC licenses. As a result, CWC's FCC licenses are treated as indefinite lived intangible assets.

Under accounting principles generally accepted in the United States of America, the FCC licenses are not amortized and CWC is required to evaluate the carrying value of the FCC licenses using fair value considerations, at least annually. If the carrying amount of the intangible asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. CWC also determines on an annual basis whether facts and circumstances continue to support an indefinite useful life.

For the years ended December 31, 2021 and 2020, CWC evaluated the fair value of its FCC licenses based on recent activity in the wireless communication industry and other considerations, including estimated future discounted cash flows. CWC has determined that there is no impairment of the carrying value of the FCC licenses.

CWC's expected future cash flows are directly impacted by its ability to extend or renew the FCC licenses. CWC has both the ability and intent to renew the licenses and expects that the licenses will be renewed by the FCC without any material impact to CWC's expected future cash flows.

Other Investments
Other investments consist of investments in other cooperatives and are stated at the net realizable value of the patronage and equity allocated to the Cooperative.

Patronage Capital
Patronage capital assigned consists of undistributed net margins allocated to members and accumulated since inception, less distributions to members. The distribution of such patronage capital to members of the Cooperative may be restricted under covenants of the RUS mortgage notes.

Donated and Other Capital
Donated and other capital consists of the excess of assets over liabilities transferred to the Cooperative from the City of Cordova, escheatment of memberships and patronage capital credits, and gains on the early retirement of capital credits.

Concentrations
A significant portion of the Cooperative's roaming service revenues was earned from one mobile carrier in 2021 and 2020. Revenues earned related to that mobile carrier totaled approximately (b) (4) for the years ended December 31, 2021 and 2020, and there was (b) (4) in accounts receivable from that mobile carrier at December 31, 2021 (none in 2020).

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Income Taxes
The Cooperative has been granted an exemption from federal income taxes under Section 501(c)(12) of the Internal Revenue Code, except for "unrelated" business income. However, in any year for which greater than 15% of gross revenue is derived from nonmember services, the Cooperative becomes a taxable cooperative. The Cooperative was subject to income taxes in 2021 and in 2020. The Cooperative is also exempt from state income taxes as a gross revenue tax on cooperatives overrides the filing of state income tax.

In years when the Cooperative is taxable, federal and state income taxes payable by taxable cooperatives are computed differently from taxes payable by other corporations, primarily because cooperatives are allowed to deduct margins allocated to patrons within 8½ months after the end of each taxable year.

The Cooperative follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Cooperative recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision in the statement of operations, when applicable. There are no amounts accrued in the consolidated financial statements related to uncertain tax positions.

CWC, a single member LLC, and the Cooperative will file a combined federal income tax return and state gross revenue tax return in 2021 and 2020 (see Note 7).

The Cooperative files informational and income tax returns in the United States and various state and local jurisdictions.

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change in deferred tax assets and liabilities during the period (see Note 7).

Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates involve judgments with respect to numerous factors that are beyond management's control. Actual results could differ from those estimates.

Non-Regulated Operations
Revenue from non-regulated operations includes special access circuits and DSL subscriber billings that are billed at non-tariffed rates and are included in internet service and other revenues on the accompanying consolidated statements of operations. Expenses from non-regulated operations include the cost of non-regulated special access circuits and the Cooperative billing themselves for DSL backhaul at regulated tariffed rates filed directly with the FCC as required.

Subsequent Events
The Cooperative has evaluated subsequent events through March 2, 2022, which is the date the consolidated financial statements were available to be issued.

Note 2 - Revenue

Revenue Recognition

The Cooperative earns revenue from contracts with customers accounted for under Topic 606, primarily through providing local telephone, broadband, basic wireless and roaming services. The Cooperative also earns revenues that are not accounted for under Topic 606 from universal service support payments that do not meet the definition of a contract with a customer (see Note 2, Network Access Revenues), leasing arrangements, and miscellaneous fees. In total, revenues are accounted for as follows:

	2021	2020
Revenues accounted for under Topic 606	$	(b) (4)
Revenues not accounted for under Topic 606		
Total Revenues	$	

Revenue from monthly services is recognized over time as customers receive the services. Revenue from sales of handsets, accessories, and other equipment or other nonrecurring services are recognized at a point in time when control of the equipment is transferred or when service is rendered. For handsets financed by customers, the Cooperative recognizes revenue at the time of the sale and recognizes a contract asset equal to the difference between the amount of revenue recognized and the amount of consideration received from the customer. These contract assets are included in accounts receivable on the accompanying consolidated balance sheets. The financing component of these contracts is not considered significant and therefore is not accounted for separately.

The timing of revenue from contracts with customers is recognized as follows:

	2021	2020
Performed over time	$	(b) (4)
Transferred at point in time		
Total revenues from contracts with customers	$	

Contract Assets and Liabilities

The Cooperative has recorded the following beginning and ending contract balances related to revenue from contracts with customers accounted for under Topic 606:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract Assets - accounts receivable	$	(b) (4)	
Contract Liabilities - advanced billings	$		
Contract Liabilities - deferred revenue	$		

Note 2 - Revenue, continued

Roaming Revenue
Roaming revenue reflects service revenue earned by the Cooperative when customers not associated with the Cooperative operate in the service area of the Cooperative and use the Cooperative's network. The roaming rates with third-party carriers are based on agreements with such carriers. The largest such agreement with a single carrier applies an annual cap on the amount of roaming revenue that can be earned in each year of the agreement. As a result, the Cooperative allocates the total roaming revenues due over the life of the contract on a straight-line basis with amounts billed in excess of revenues recognized resulting in a contract liability. This contract liability is reported in the accompanying consolidated balance sheets in "*Advance Billings*" for the amount to be recognized in the next year, and in "*Deferred Revenue*" for amounts to be recognized after one year from the balance sheet date as the Cooperative performs on their stand-ready performance obligation to provide roaming service over the life of the contract.

Network Access Revenues
Network access revenues in the statement of operations consist of the following:

	2021	2020
Interstate Revenues	$	(b) (4)
Interstate Universal Service Support Mechanisms		
Intrastate Access Revenues		
	$	

Interstate Revenues
Interstate revenues consist of certain federally mandated charges to end-users and access charges billed to long distance carriers for access and interconnection to local facilities. The Cooperative no longer participates in any of the revenue pools administered by the National Exchange Carriers Association (NECA). Instead, the Cooperative receives network access revenues through bill and keep based on access-tariffed rates as filed by the Cooperative with the FCC. The tariff rates are generally based on expenses incurred and investment maintained.

Interstate Universal Service Support Mechanisms
Interstate universal support mechanisms are intended to compensate the Cooperative for the high cost of providing service in rural areas. The Cooperative has elected to receive model-based support under the Alaska Plan beginning in 2017, which predetermines the amount of support to be received for a 10-year term instead of receiving support based on the carrier's cost. As a condition of accepting Alaska Plan support, the Cooperative must also meet certain fixed and mobile voice and broadband deployment and performance obligations at the five and 10-year milestones of the plan based on their individualized performance plan filed as part of the Alaska Plan. The Cooperative is in compliance with their deployment obligation as of December 31, 2021 and management believes they will be able to meet all future milestones. In the event the Cooperative is unable to meet future deployment milestones, they may be subject to support reductions that are calibrated to the extent of the non-compliance with the deployment milestones.

As a result of accepting the Alaska Plan fixed support, the Cooperative withdrew from the NECA common line pool and is no longer eligible to receive CAF-BLS and revenue from the Universal Service High Cost Loop Fund (HCL).

The Cooperative receives CAF-ICC support and revenue from other support mechanisms administered by USAC. CAF-ICC is calculated beginning with a base figure consisting of the frozen switched access revenue requirement under the 2011 NECA annual tariff filing, plus certain amounts related to the mandated reduction in intrastate switched access rates and net reciprocal compensation revenue. The base figure is reduced annually by 5% beginning July 1, 2012.

Note 2 - Revenue, continued

Network Access Revenues, continued

Intrastate Access Revenues
Intrastate access consists of access charges billed to long distance carriers based on access tariffs filed through the Alaska Exchange Carriers Association (AECA), and approved by the RCA and the Alaska Universal Service Fund (AUSF) support. Funding provided by the AUSF is determined based on the Cooperative's Essential Network Support revenues as approved by the RCA.

Note 3 - Non-Regulated Investments

Non-regulated investments consist of the following:

	2021	2020
Non-regulated plant and equipment for lease	$	(b) (4)
Less accumulated provisions for depreciation	$	

Note 4 - Property, Plant, and Equipment

Major classes of telecommunication property, plant, and equipment are as follows:

	Useful Life (Years)	2021	2020
Central office equipment	15	$	(b) (4)
Cellular switching equipment	5 - 10		
Lines, cables, and wires	25 - 30		
Buildings and other equipment	5 - 25		
Cellular communications sites and improvements	15		
Land	N/A		
		$	

Note 5 - Long-Term Debt

Long-term debt consists of the following:

	2021	2020
5% mortgage notes payable to the Rural Utilities Service (RUS), payable in quarterly installments of $3,189, principal and interest, collateralized by substantially all real and personal property, due 2025.	$ 37,590	$ 48,137
4.516% mortgage note payable to RUS, payable in monthly installments of $17,300, principal and interest, collateralized by substantially all real and personal property, due 2023.	282,009	472,202
5.49% mortgage notes payable to the Rural Telephone Bank (RTB), payable in monthly installments of $11,937, principal and interest, collateralized by substantially all real and personal property, due 2023.	193,462	322,242
2.34% - 4.46% mortgage notes payable to RUS, payable in monthly installments of $66,645, principal and interest, collateralized by substantially all real and personal property, due 2033.	7,040,803	7,517,658
	7,553,864	8,360,239
Less current portion	840,500	804,000
	$ 6,713,364	$ 7,556,239

Future maturities of long-term debt are as follows:

2022	$ 840,500
2023	667,172
2024	548,700
2025	561,690
2026	582,300
Thereafter	4,353,502
	$ 7,553,864

At December 31, 2021, the Cooperative had no unadvanced loan commitments from RUS (none at December 31, 2020).

The Cooperative is required to comply with several debt covenants. Under the most restrictive covenants, the Cooperative must maintain a prescribed level of insurance, key financial ratios, and may not declare or pay dividends unless certain requirements are met. Management determined the Cooperative was in compliance with these requirements as of December 31, 2021.

The Cooperative secured a (b) (4) line of credit with CoBank in 2020 with interest (b) (4) above the higher of zero percent or the rate of one-month U.S. dollar deposits, due on May 31, 2022. There was (b) (4) outstanding on the line of credit at December 31, 2021 (none at December 31, 2020) at a (b) (4) interest rate.

Note 6 - Multiemployer Pension Plans

CTC participates in two separate multiemployer defined benefit pension plans, whereas CWC participates in a single plan.

Pension benefits for all eligible CTC employees are provided under union agreements in a defined benefit multi-employer plan with the Alaska Electrical Pension Fund. Pursuant to IRC Section 413(c)(4), the Plan is considered a Multiple Employer (other) Master Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan's employer identification number is 92-6005171 and the Plan Number is 001. Contributions to the union plan, including amounts charged to construction, were (b) (4) in 2021 and 2020, respectively.

For the Alaska Electrical Pension Fund, a "zone status" determination of green was certified by the plan actuary for 2021 and 2020. The plan utilized the special 30-year amortization rules provided by Public Law 111-192, Section 211 to amortize its losses from 2008. There were no surcharges imposed for 2021 or 2020. A collective bargaining agreement with the local chapter of IBEW expires in April 2023 and could affect future contribution requirements.

The National Telecommunications Cooperative Association (NTCA) Retirement and Security Program for Employees of the NTCA and Its Member Systems (the R&S Plan) is a defined benefit pension plan covering many of the full-time employees of NTCA, its affiliates and its members that have adopted the Plan. Pursuant to IRC Section 413(c)(4), the Plan is considered a Multiple Employer (other) Master Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan's employer identification number is 52-0741336 and the Plan Number is 333.

A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative and its subsidiary are participants in the above described plans. The Cooperative's contributions to the Plans in 2021 and 2020 represented less than 5 percent of the total contributions made to each Plan by all participating employers. Total contributions to the R&S Plan were (b) (4) in 2021 and (b) (4) in 2020. There have been no significant changes that affect the comparability of 2021 and 2020 contributions.

The R&S Plan has not imposed a critical status surcharge contribution and does not have a certified zone status as currently defined by the Pension Protection Act (PPA) of 2006 because it is considered a multiple employer plan as noted above. In addition, the accumulated benefit obligations of plan assets are not determined or allocated separately by individual employer.

The R&S Plan meets ERISA minimum funding requirements at January 1, 2020. The Cooperative and Small Employer Charity Pension Flexibility Act (CSEC Act), passed in 2014, permanently exempts the Plan from the PPA minimum funding and benefit restriction rules.

In 2016, the Cooperative was notified by NTCA of certain amendments to the R&S Plan that will impact the Cooperative. These amendments include the following items:

- The contribution rate to fund basic benefits increased by (b) (4) starting January 1, 2017. The Cooperative is not required to increase their contribution percentage.
- The previous surcharge of (b) (4) expired at the end of 2017 and a new surcharge of (b) (4) of the Cooperative's elected contribution rate started in 2018. The surcharge is expected to continue for approximately 12 years.

Note 6 - Multiemployer Pension Plans, continued

The Cooperative also participates in a fixed savings plan sponsored by NTCA, which covers all full-time eligible employees and allows employees to contribute annually up to (b) (4) of their compensation to the plan. The Cooperative does not make any employer contributions to this plan.

Note 7 - Income Taxes

In years when the Cooperative derives more than (b) (4) of its gross revenues from nonmember services, it will be a taxable cooperative and will file a consolidated income tax return with its subsidiary (see Note 1). For the years ended December 31, 2021 and 2020 the Cooperative was taxable.

CWC elected Single Member LLC status during 2013. Earnings and losses generated by CWC will be included in the tax return filed by the Cooperative.

The components of the provision for income tax benefit (expense) for the years ended December 31, 2021 and 2020 are as follows:



The provision for income taxes differs from the expense that would result from applying the current statutory income tax rates to income before income taxes because of the effects of nondeductible items, differences in depreciation expense for book and tax purposes, net operating loss deductions, changes in the deferred tax asset valuation allowance, and the patronage exclusion of the Cooperative.

The components of the net deferred tax liability at December 31, 2021 and 2020 are as follows:



Deferred tax liabilities are the result of using accelerated depreciation for income tax reporting and straight-line for financial statement reporting and differences in accounting for prepaid expenses and other assets in the financial statements and on the income tax return. Deferred tax assets are a result of net operating loss carryforwards and differences in accounting for the allowance for bad debts, deferred revenue and accrued vacation in the financial statements and on the income tax return.

Note 7 - Income Taxes, continued

The Cooperative has federal net operating loss carryforwards of approximately (b) (4) that may be used to offset future taxable income that has no expiration date and can be carried forward indefinitely. During the year ended December 31, 2020, the Cooperative was able to carry back (b) (4) of net operating losses from 2019 that were previously included in the net operating loss carryforward as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed in March 2020. The Cooperative received the refund as filed (b) (4) during the year ended December 31, 2021 with the difference between the receivable included in "*Prepaid expenses and deposits*" on the accompanying consolidated balance sheets at December 31, 2020 to the amount received flowing through the prior year tax over accrual for the year ended December 31, 2021.

Note 8 - Operating Leases

The Cooperative has entered into lease agreements expiring at various dates through 2039 for vehicles, office equipment, and land at various communication sites. Lease expense paid in 2021 was (b) (4) in 2020).

Future minimum rentals under the leases are as follows:

2022	$ (b) (4)
2023	
2024	
2025	
2026	
Thereafter	

Note 9 - Broadband Grants

In November 2019, the Cooperative was selected to receive funding for a broadband project by the United States Department of Agriculture, through the Rural Utilities Service ReConnect Program. The broadband project is funded through a $18,888,668 grant and requires the Cooperative to provide (b) (4) matching funds. The Cooperative has deposited the matching funds in a special deposit account and it is presented as restricted cash on the consolidated balance sheet. As of December 31, 2021, the Cooperative had spent $(b) (4) in approved matching funds, and requested and received (b) (4) in grant funds (none in 2020).

In November 2021, the Cooperative was selected to receive funding for a broadband project by the United States Department of Agriculture, through the Rural Utilities Service Community Connect Grant Program. The broadband project is funded through a $3,000,000 grant and does not require the Cooperative to provide any matching funds. There were no amounts requested or received during 2021, as the Cooperative anticipates construction on the project will commence in 2022.

Note 10 - COVID-19 Response

During the COVID-19 pandemic, the Cooperative's services have generally been considered essential in nature and have not been materially interrupted. As the situation continues to evolve, the Cooperative is closely monitoring the impact of the COVID-19 pandemic on all aspects of the business, including how it impacts customers, subcontractors, suppliers, vendors and employees, in addition to how the COVID-19 pandemic impacts the Cooperative's ability to provide services to its customers. However, the duration and ultimate impact of the COVID-19 pandemic is uncertain and cannot be reasonably estimated at this time.

SUPPLEMENTAL INFORMATION

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Balance Sheets

December 31, 2021

ASSETS	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Current Assets:				
Cash - without restrictions	$	(b) (4)		
Restricted cash				
Marketable securities				
Accounts receivable				
Access revenue receivable				
Other accounts receivable				
Materials and supplies				
Prepaid expenses and deposits				
Total Current Assets				
Other Assets and Investments:				
Non-regulated investments, net of depreciation				
FCC licenses				
Other investments				
Investment in subsidiary				
Total Other Assets and Investments				
Property, Plant, and Equipment:				
In service				
Construction work-in-progress				
Less accumulated depreciation				
Property, Plant, and Equipment, net	$			

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Balance Sheets, continued

December 31, 2021

LIABILITIES AND MEMBERS' EQUITY	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Current Liabilities:				
Current portion of long-term debt	$	(b) (4)		
Line of credit				
Accounts payable				
Accrued operating taxes				
Other accrued liabilities				
Customer deposits				
Advance billings				
Total Current Liabilities				
Deferred Income Taxes				
Deferred Revenue				
Long-Term Debt, net of current portion				
Total Liabilities				
Members' Equity:				
Donated and other capital				
Patronage capital - unassigned				
Patronage capital - assigned				
Total Members' Equity				
	$			

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Statements of Operations

Year Ended December 31, 2021

	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Operating Revenues:				
Local network service	$			
Network access service				
Roaming service				
Internet service				
Other				
Total Operating Revenues				
Operating Expenses:				
Plant specific operations				
Plant nonspecific operations				
Depreciation				
Customer operations				
Corporate operations				
Non-regulated operations				
Operating taxes				
Total Operating Expenses				
Operating Margin				
Other Income (Expense):				
Income tax expense				
Non-operating income, net				
Net Margin Before Interest Expense				
Interest Expense				
Net Margin	$			

(b) (4)

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Statements of Cash Flows

Year Ended December 31, 2021

	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Cash Flows from Operating Activities:				
Net margin	$	[redacted]		
Adjustments to reconcile net margin to net cash provided by operating activities:				
Depreciation				
Depreciation on non-regulated investments				
Deferred income taxes				
Deferred revenue				
Patronage allocations from other investments				
Realized and unrealized gain on marketable securities				
Income from subsidiary				
Loss on disposal of non-regulated assets				
Changes in operating assets and liabilities:				
Accounts receivable				
Access revenue receivable				
Other accounts receivable				
Materials and supplies				
Prepaid expenses and deposits				
Accounts payable				
Accrued operating taxes				
Other accrued liabilities				
Customer deposits				
Advance billings				
Net Cash Provided by Operating Activities	$			
Cash Flows from Investing Activities:				
Additions to property, plant, and equipment and construction work-in-progress	$			
Plant removal costs, net of salvage				
Purchases of marketable securities				
Proceeds from sales and maturities of marketable securities				
Additions to non-regulated investments				
Net Cash Used by Investing Activities	$			

(b) (4)

CORDOVA TELEPHONE COOPERATIVE, INC. AND SUBSIDIARY

Consolidating Statements of Cash Flows, continued

Year Ended December 31, 2021

	Cordova Telephone Cooperative, Inc.	Cordova Wireless Communications, LLC	Eliminations	Consolidated
Cash Flows from Financing Activities:				
Payments on long-term debt	$	(b) (4)		
Proceeds from line of credit				
Federal excise tax refunds				
Retirement of patronage capital credits				
Net Cash Used by Financing Activities				
Net Increase (Decrease) in Cash				
Cash, beginning				
Cash, ending	$			
Cash Consists Of:				
Cash - without restrictions	$			
Restricted cash				
	$			
Cash Paid for Interest, net of amounts capitalized	$			
Cash Received from Income Tax Refunds	$			
Noncash Activities:				
Additions to property, plant and equipment included in accounts payable, net	$			

(b) (4)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELECOMMUNICATIONS BORROWERS

To the Board of Directors
Cordova Telephone Cooperative, Inc. and Subsidiary
Cordova, Alaska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Cordova Telephone Cooperative, Inc. and Subsidiary (the Cooperative), which are comprised of the consolidated balance sheet as of December 31, 2021, the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements; and have issued our report thereon dated March 2, 2022. In accordance with *Government Auditing Standards* we have also issued our report dated March 2, 2022, on our consideration of the Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe the Cooperative failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers and Grantees, §1773.33, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding the Cooperative's accounting and records to indicate that the Cooperative did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts. The Cooperative is in the process of updating its plant records related to outside plant assets to agree with the controlling general ledger plant accounts.
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;
- Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap.
- Maintain adequate control over materials and supplies;
- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract, agreement, or lease with an affiliate as defined in § 1773.33(d)(2)(i);
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles; and
- Comply with the requirements for the detailed schedule of investments.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELECOMMUNICATIONS BORROWERS, CONTINUED

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The detailed schedule of investments required by 7 CFR 1773.33(i), provided below, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Detailed Schedule of Investments

		Cordova Wireless Communications, LLC
Original Investment and Loan	$	(b) (4)
Accumulated investment advances as of December 31, 2020		
Accumulated loan advances as of December 31, 2020		
Accumulated undistributed income as of December 31, 2020		
Book value of investment as of December 31, 2020		
Investment advances in 2021		
Loan payments in 2021		
Dividends paid in 2021		
Undistributed income in 2021		
Book value of investment as of December 31, 2021	$	

Cordova Wireless Communications, LLC is a wholly-owned subsidiary providing cellular telephone services. This investment is accounted for on the equity basis.

Another wholly-owned subsidiary of the Cooperative, Cordova Long Distance, Inc. was organized to provide long distance telephone services, but has had minimal operating activity since inception and is not material to the consolidated financial statements. Another wholly-owned subsidiary of the Cooperative, CTC Holdings, LLC was formed in 2020 but has also had minimal operating activity since inception and is not material to the consolidated financial statements.

The purpose of this report is solely to communicate, in connection with the audit of the consolidated financial statements, on compliance with aspects of contractual agreements and the regulatory requirements for telecommunications borrowers based on the requirements of 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers and Grantees. Accordingly, this report is not suitable for any other purpose.

(b) (4)

March 2, 2022

(b) (4)

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Cordova Telephone Cooperative, Inc. and Subsidiary
Cordova, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Cordova Telephone Cooperative, Inc. and Subsidiary (the Cooperative), which are comprised of the consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements; and have issued our report thereon dated March 2, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the consolidated financial statements, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Cooperative's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS,* CONTINUED

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(b) (4)

March 2, 2022

ATTACHMENT A - Build America, Buy America Act Project Evaluation and Determination Checklist

Program: ReConnect

Applicant Name: Cordova Telephone Cooperative, Incorporated

Type of Assistance: ☑ Grant ☐ Loan ☐ Guarantee ☐ Other

☐ De Minimis: The project to be funded is within the scope of the USDA Department wide Public Interest Waivers: De Minimis, Small Grants, and Minor Components of Build America, Buy America Provisions as Applied to Recipients of USDA Federal Financial Assistance (De Minimis) and this project is in compliance with BABAA through the waiver. (Skip to Part II)

Part I- Evaluation

Applicant: The applicant is a non-Federal entity covered by BABAA (make one selection)

☐ States ☐ Local Governments ☐ Indian Tribes ☐ Nonprofit organizations (includes cooperatives with a 1773 type designation with no Single Audit Designation)

☐ Institutions of Higher Education ☑ Not a non-Federal entity: Applicant type: Cooperative (Skip to Part II)

Project: The project to be funded is an infrastructure project covered by BABAA (select all that apply)

Infrastructure Projects:

☐ Road, Highways, and bridges
☐ Dams, ports, harbors, and other maritime facilities
☐ Public transportation
☐ Intercity passenger and freight railroads
☐ Freight and inter-modal facilities
☐ Airports
☐ Electric transmission facilities and systems, including electric vehicle (EV) charging stations
☐ Water systems, including drinking water and wastewater systems
☐ Utilities
☐ Broadband infrastructure
☐ Buildings and real property
☐ Not an infrastructure project Project Description: (Skip to Part II)

Project Activities: The project to be funded includes activities covered by BABAA (select all that apply)

☐ Construction ☐ Alteration ☐ Maintenance ☐ Repair ☐ Not a project activity Project Activity: (Skip to Part II)

Part II - Determination

☐ I have evaluated the project and it is within the scope of the De Minimis waiver. No further BABAA requirements are needed.
☐ I have evaluated the applicant, project and activities and all are covered. Therefore I have determined the proposed funds are subject to BABAA.
☐ I have evaluated the applicant, project and activities and I am uncertain if the funds are subject to BABAA. Further evaluation is needed.
☑ I have evaluated the applicant, project, or activities and determined that the proposed funds are not subject to BABAA and the obligation may be approved.

APPROVAL OFFICIAL SIGNATURE & DATE: Randall Millhiser
Digitally signed by Randall Millhiser
Date: 2023.06.21 17:22:41 -04'00'

REVIEW OFFICIAL SIGNATURE & DATE:
☑ Concur ☐ Do Not Concur
ANDREW BERKE
Digitally signed by ANDREW BERKE
Date: 2023.06.22 09:38:37 -04'00'

000759

*For official Agency use only. Please keep in project file for compliance with BABAA Instructions.

JEREMIAH BECKETT

[redacted]

Cordova Telecom Cooperative , www.ctcak.net — Cordova, Alaska
CEO — January 2018 to present

Manage strategic and day-to-day operations of local telecommunications cooperative that delivers best in class telephone, internet, wireless, and media services to residents and businesses in rural Alaska.

Accomplishments

- Expanded [redacted] strategic agreement for [redacted] to support government first responder network
- Successfully won and improved on all USAC services in community for schools and hospitals
- Secured over [redacted] in grant funding to deliver broadband to neighboring native villages
- Increased cooperative revenues ten percent in first three year of leadership

[redacted]

Chief Financial Officer

Lisa Koker

Professional Summary

CFO, CPA Candidate, and an active community member that brings telecommunication experience and an established background in finance to the table.

Experience

February 2018 - Present

Chief Financial Officer *Cordova Telecom Cooperative, Inc.- Cordova AK*

- Responsible for managing all financials including budget development, reporting, and accounting processes for the Cooperative and its subsidiaries.
- Directly supervises all front office and accounting staff.
- Ensures compliance with USDA, State of Alaska, FCC, and USAC regulations by successfully completing annual financial audits with no findings.
- Develops and submits key financial components for federal grant applications.

June 2017 – January 2018

Interim General Manager/Chief Executive Officer *Cordova Telephone Cooperative, Inc. – Cordova, AK*

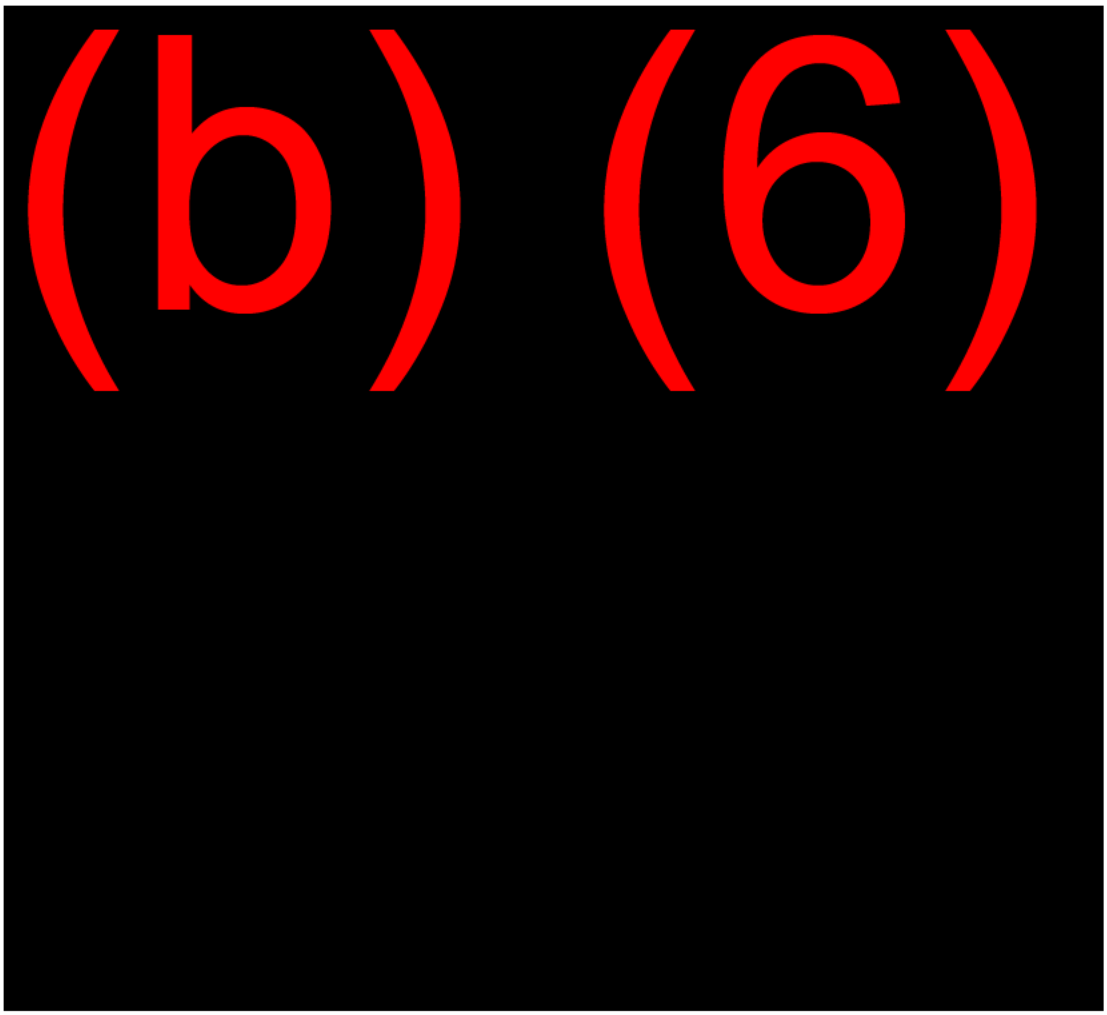
- Directly supervise front office, plant, and network staff for the Telephone Cooperative and its wireless subsidiary.
- Working with the Alaskan and western telecom associations to continue to educate and influence regulators and lawmakers regarding rural broadband initiatives.
- Continuously assessing strategies for maximizing revenues while improving the customer experience.
- Cultivate productive working relationship with the Cooperative's roaming partner, AT&T.

January 2010 – May 2017

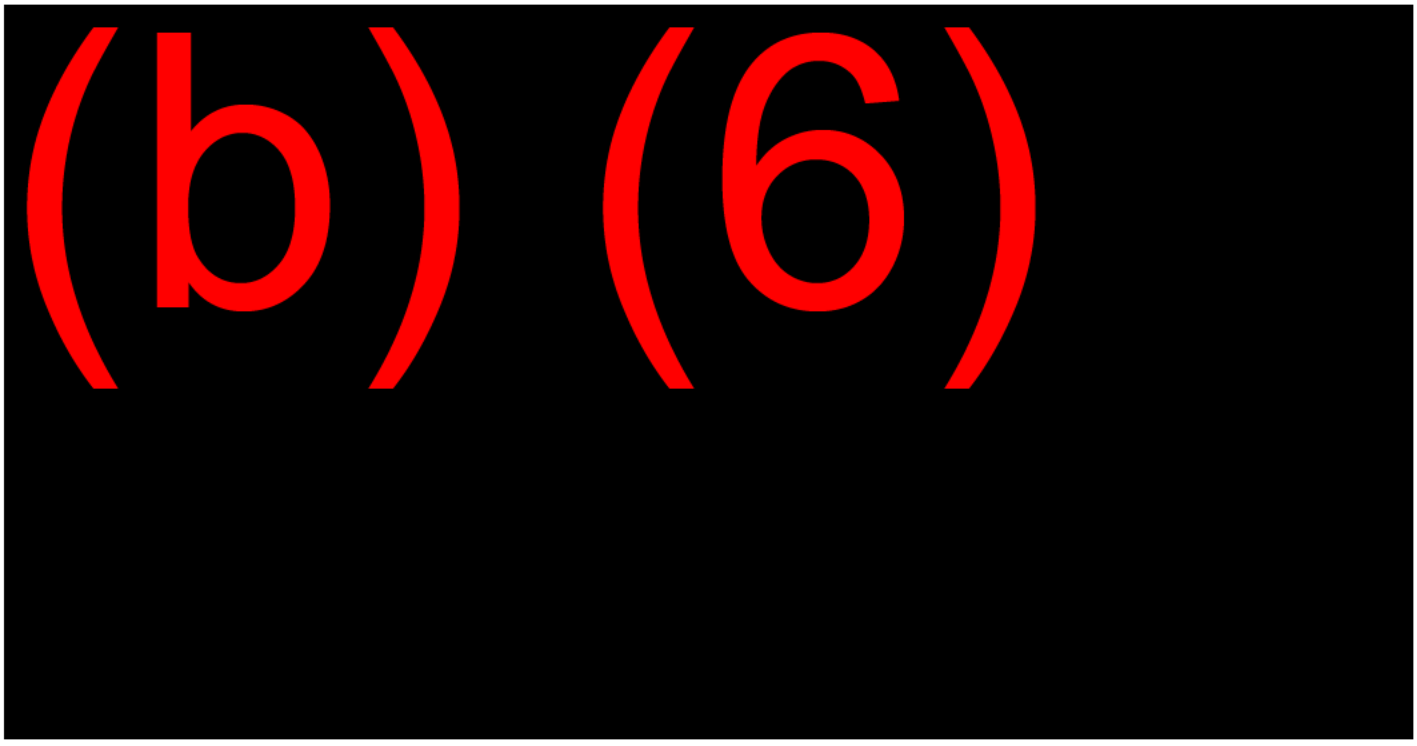
Accountant/Office Manager *Cordova Telephone Cooperative, Inc. - Cordova, AK*

- Responsible for all journal entries and final audit results.
- Prepare and submit monthly and annual filings, data requests, and tariff filings with the State of Alaska and Federal regulatory agencies.
- Prepare and present monthly financial statements to the Board of Directors.
- Maintain and update work orders to ensure accurate records.
- Oversee all front office staff and financial processes.

(b) (6)



Education Skills Volunteer Contact



CoBANK

6340 South Fiddlers Green Circle
Greenwood Village, CO 80111
800-542-8072
www.cobank.com

October 31, 2022

Cordova Telephone Cooperative, Inc.
Attn: Jeremiah Beckett/Lisa Koker
611 2nd Street
Cordova, AK 99574

Dear Mr. Beckett and Ms. Koker:

CoBank, ACB ("**CoBank**") is pleased to issue its commitment (the "**Commitment**") to provide Cordova Telephone Cooperative, Inc. (the "**Company**") with a (b) (4) single advance term loan (**"Term Loan"**) and a renewal and extension of a (b) (4) Revolving Line of Credit (the **"RLOC" together with the Term Loan, the "Facility"**) to support the Company's required matching contribution specifically for its USDA RUS ReConnect 4 application.

The **Facility** is subject to, and contingent upon, the execution by CoBank and the Company of all **Facility** documentation (the "**Facility Documents**") required by, and in form and content acceptable to, CoBank, together with the payment of any and all associated fees or costs and such other requirements as deemed necessary by CoBank.

The **Facility Documents** will be provided to the Company under separate cover. The **Facility** will not be available until the **Facility Documents** have been executed by all parties and all terms and conditions detailed in such documents have been satisfied as determined in CoBank's sole discretion. Nothing contained in this letter shall be construed as an agreement or a commitment on behalf of CoBank to provide additional financing commitments in the future.

The Company agrees to indemnify and hold harmless CoBank (in all of its capacities), its respective affiliates and its respective officers, directors, employees, advisors, representatives and agents (each an "**Indemnitee**") from and against any and all losses, claims, counterclaims, damages, liabilities, and related expenses (including, without limitation, the reasonable fees, charges and disbursements of counsel to such Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any person (including the Company or any of its affiliates) other than such Indemnitee arising out of, in connection with or relating to this letter, the **Facility Documents** or the transactions contemplated hereby or thereby, regardless of whether any Indemnitee is a party thereto, and to reimburse each Indemnitee upon demand for any reasonable legal or other expenses incurred in connection with the foregoing; provided that the foregoing indemnity will not, as to any Indemnitee, be available to the extent that such losses, claims, counterclaims, damages,

liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (i) the gross negligence or willful misconduct of such Indemnitee or (ii) breach in bad faith of such Indemnitee's obligations under this letter (solely if such determination arises from a claim of breach in bad faith brought by the Company). Under no circumstances shall any Indemnitee be responsible or liable to the Company for consequential, punitive, special or indirect damages that may be alleged as a result of this letter, the LOC Documents, or the transactions contemplated hereby or thereby.

If you have any questions, please contact me at (303) 793-2242.

(b) (6)

Hunter Hook, Managing Director

Agreed and Accepted:

Cordova Telephone Cooperative, Inc.

(b) (6)

B
Jeremiah Beckett

(b) (6)

Lisa Roker
CFO

CoBANK

INSTRUCTION LETTER

July 22, 2022

Ms. Lisa Koker, CFO
CORDOVA TELEPHONE COOPERATIVE, INCORPORATED
611 2nd Street
Cordova, Alaska 99574

Dear Ms. Koker:

First, we want to thank you for your continued business and support of CoBank. We appreciate the opportunity to serve the financing needs of CORDOVA TELEPHONE COOPERATIVE, INCORPORATED (the "Borrower"). As discussed in your Credit Agreement with CoBank, this instruction letter will provide details, in the form of a checklist that will assist you in managing the closing process. This instruction letter constitutes a "Loan Document." Capitalized terms used and not defined in this letter have the meanings given to them in the Credit Agreement or any other Loan Document.

Signing instructions for documents that need to be signed are provided below. Please return all signed documents, and other documents to be delivered, to the attention of Loan Processing Closing at your earliest convenience. A Federal Express label has been included for your use. You are welcome to expedite the processing of this transaction by e-mailing the signed documents to riclosing@cobank.com or by faxing the signed documents to Loan Processing Closing Fax No. (877) 222-1603, provided that all documents bearing the original ink signatures are mailed promptly to 6340 S. Fiddlers Green Cir., Greenwood Village, CO 80111.

CONDITIONS PRECEDENT. CoBank's obligation to extend credit pursuant to the documents listed below is conditioned upon the receipt of the following items, all of which must be acceptable in form and substance to CoBank in its sole discretion and in compliance with the requirements of the Loan Documents.

SIGNING AUTHORITY OF BORROWER

☒ **Incumbency Certificate (Update as Needed).** Complete the new incumbency certificate only if authorized signers have changed since the last incumbency certificate was submitted to CoBank. If there are changes, obtain the signatures of all officers authorized by the resolution, and have the Secretary or Assistant Secretary complete the certification at the bottom of the form. If we do not receive a new incumbency certificate, we will rely on the enclosed last incumbency certificate we received from you.

It is important that the documents listed below are executed by an officer authorized by your resolution and who has signed the most recent incumbency certificate (a copy with authorized titles and signatures circled is included).

BORROWER ITEMS TO BE DELIVERED OR COMPLETED

☒ **This Letter.**

Proud Member of the Farm Credit System

☐ **Promissory Note No.** 00128554S01-A.

☐ **Beneficial Ownership Certificate.** A Beneficial Ownership Certificate may be required to be completed prior to closing. You will receive this form directly from your Relationship Manager. Instructions for completing and returning the Beneficial Owner Certificate are included with the form. Please contact your Relationship Manager with any questions.

COBANK DISCLOSURE MATERIAL

- **Notice Regarding Electronic Signatures.**

When all condition precedent documents have been delivered, and CoBank has determined that all closing conditions have been met and the loan closes (the "**Closing Date**"), we will send you a copy of the signed document(s) that are countersigned by CoBank for your records.

The Borrower hereby represents that nothing in the Borrower Organizational Documents has changed since such documents were last submitted to CoBank and the Borrower remains in good standing in the jurisdiction of its incorporation or formation.

By signing this letter, Borrower hereby affirms and/or reaffirms each and every representation and warranty set forth herein and in any other Loan Documents.

This Instruction Letter, each Promissory Note and any other Loan Document may be executed in counterparts, each of which will constitute an original, but all of which when taken together will constitute a single contract. Delivery of an executed counterpart of a signature page of this Instruction Letter, each Promissory Note and any other Loan Document by facsimile or other electronic means will be as effective as delivery of a manually executed counterpart of each such agreement.

If you have any questions, contact one of your CoBank team members:

CoBank Associate	Specialty	Phone Number	E-mail Address
Hunter Hook	Relationship Manager	(b) (6)	
Odessa Chambers	Documentation		
Daphne J. Satriano	Closer		
Mary Maikoetter	Responsible Attorney		

Sincerely,

Odessa Chambers

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO INSTRUCTION LETTER

IN WITNESS WHEREOF, the parties have caused this Instruction Letter to the Agreement to be executed by their duly authorized officer(s).

CORDOVA TELEPHONE COOPERATIVE, INCORPORATED

By: (b) (6)

Name: Jaramian Beckett

Title: CEO

SIGNATURE PAGE TO INSTRUCTION LETTER

IN WITNESS WHEREOF, the parties have caused this Instruction Letter to the Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: (b) (6)

Name: Fidel Escalante

Title: Assistant Corporate Secretary

COBANK
COOPERATIVE. CONNECTED. COMMITTED

Loan No. 00128554S01-A

AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTE

THIS AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTE (this "**Promissory Note**") to the Credit Agreement dated March 16, 2020 (such agreement, as may be amended, hereinafter referred to as the "**Credit Agreement**"), is entered into as of July 22, 2022 between **COBANK, ACB,** a federally-chartered instrumentality of the United States ("**Lender**") and **CORDOVA TELEPHONE COOPERATIVE, INC.**, Cordova, Alaska, a non-profit corporation (together with its permitted successors and assigns, the "**Borrower**"). Capitalized terms not otherwise defined in this Promissory Note will have the meanings set forth in the Credit Agreement.

RECITALS

(A) This Promissory Note amends, restates, replaces and supersedes, but does not constitute payment of the indebtedness evidenced by, the promissory note set forth in the Revolving Credit Promissory Note numbered 00128554S01, dated as of March 16, 2020, between Lender and the Borrower.

SECTION 1. REVOLVING CREDIT COMMITMENT. On the terms and conditions set forth in the Credit Agreement and this Promissory Note, Lender agrees to make loans to the Borrower during the period set forth below in an aggregate principal amount not to exceed (b) (4) at any one time outstanding (the "**Commitment**"). Within the limits of the Commitment, the Borrower may borrow, repay and re-borrow.

SECTION 2. PURPOSE. The purpose of the Commitment is to finance general corporate purposes.

SECTION 3. TERM. The term of the Commitment will be from the date hereof, up to and including May 31, 2023, or such later date as Lender may, in its sole discretion, authorize in writing (the "**Term Expiration Date**"). Notwithstanding the foregoing, the Commitment will be renewed for an additional year only if, on or before the Term Expiration Date, Lender provides to the Borrower a written notice of renewal for an additional year (a "**Renewal Notice**"). If on or before the Term Expiration Date, Lender grants a short-term extension of the Commitment, the Commitment will be renewed for an additional year only if Lender provides to the Borrower a Renewal Notice on or before such extended expiration date. All annual renewals will be measured from, and effective as of, the same day as the Term Expiration Date in any year.

SECTION 4. LIMITS ON ADVANCES, AVAILABILITY, ETC. The loans will be made available as provided in Article 2 of the Credit Agreement.

SECTION 5. INTEREST. The Borrower agrees to pay interest on the unpaid balance of the loan(s) in accordance with the following interest rate option(s):

(A) Daily Simple SOFR. At a variable rate per annum equal at all times to (b) (4) (the "**Daily Simple SOFR Margin**") plus the higher of: (1) zero percent (0.00%); and (2) Daily Simple SOFR

(as defined below). Borrowings may only be made on a day which is a Business Day (as defined below) and requests for borrowings must be received by 12:00 p.m. Denver, Colorado time on the date the borrowing is desired. Information about the then-current rate will be made available upon telephonic request. For purposes of this Promissory Note, Daily Simple SOFR shall be considered a variable rate option. For purposes hereof, (a) "**Daily Simple SOFR**" means SOFR (as defined below) for the day that is five U.S. Government Securities Business Days (as defined below) prior to (i) if such day is a U.S. Government Securities Business Day, such day or (ii) if such day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such day. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower; (b) "**SOFR**" means, for any U.S. Government Securities Business Day, a rate per annum equal to the secured overnight financing rate for such day published (at such time as Lender may determine in its sole discretion) by the SOFR Administrator on its website (or any successor source identified by the SOFR Administrator from time to time) on the immediately succeeding U.S. Government Securities Business Day; (c) "**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate); (d) "**U.S. Government Securities Business Day**" means any day except for (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; and (e) "**Business Day**" means a day on which Lender and the Federal Reserve Banks are open for business.

Interest will be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and will be payable quarterly in arrears by the 20th day of each March, June, September, and December or on such other day as Lender will require in a written notice to the Borrower ("**Interest Payment Date**").

SECTION 6. PROMISSORY NOTE. The Borrower promises to repay the unpaid principal balance of the loans on the Term Expiration Date, as the term may be extended from time to time.

In addition to the above, the Borrower promises to pay interest on the unpaid principal balance of the loans at the times and in accordance with the provisions set forth herein.

SECTION 7. SECURITY. Except for Lender's lien on the Borrower's equity in Lender, the Borrower's obligations hereunder and, to the extent related hereto, under the Credit Agreement, will be unsecured.

SECTION 8. FEES.

(A) Commitment Fee. In consideration of the Commitment, the Borrower agrees to pay to Lender a commitment fee on the average daily unused available portion of the Commitment at the rate of 0.375% per annum (calculated on a 360-day basis), payable quarterly in arrears by the 20th day following each March, June, September, and December. Such fee will be payable for each quarter (or portion thereof) occurring during the original or any extended term of the Commitment.

SECTION 9. LETTERS OF CREDIT. INTENTIONALLY OMITTED.

SECTION 10. BENCHMARK AND TENOR REPLACEMENT AND MODIFICATION. Notwithstanding anything to the contrary in this Promissory Note or in any other Loan Document,

(A) if at any time Lender determines that (1) any interest rate offered hereunder (each such interest rate, a "Benchmark") or any tenor of such Benchmark has been, or is likely to be, discontinued; (2) any Benchmark or any tenor of any Benchmark is not or is likely to not be representative of the underlying market and economic reality that such Benchmark or tenor is intended to measure; or (3) any Benchmark or any tenor of any Benchmark does not, or is likely not to, adequately and fairly reflect the cost to Lender of making or maintaining loans hereunder, or (4) any Benchmark or any tenor of any Benchmark is, or is likely to be, unlawful, Lender may amend this Promissory Note and any other Loan Document to replace such Benchmark or tenor with a Benchmark Replacement or to remove such tenor. The selection of a Benchmark Replacement by Lender may be for one, some or all tenors of the then-current Benchmark. "Benchmark Replacement" means, for any Benchmark or tenor, a replacement benchmark rate, which may include a spread adjustment, that has been selected by Lender in its sole discretion, giving due consideration to (a) any recommendation by a relevant governmental body of a replacement benchmark rate, the mechanism for determining such a rate or a spread adjustment, or (b) any evolving or then-prevailing market convention for determining a benchmark rate or a spread adjustment. Lender may effect such amendments to this Promissory Note and the other Loan Documents as Lender in its sole discretion deems appropriate to reflect the adoption and implementation of such replacement rate, which amendments will become effective without any further action or consent of any other party to this Promissory Note or any other Loan Document; provided that Lender shall give the Borrower notice of any such amendment. In no event shall any Benchmark Replacement be less than zero percent (0.00%).

(B) if at any time Lender determines in its discretion that any Benchmark or any tenor of any Benchmark is unavailable for any reason on a temporary basis, Lender may (i) calculate such Benchmark or tenor using such previous or historical publications of such Benchmark or tenor as Lender determines in its discretion to be appropriate, (ii) suspend the availability of such tenor or (iii) select and apply a Benchmark Replacement during such period.

(C) Lender will have the right to make from time to time any technical, administrative or operational changes that Lender decides in its discretion may be appropriate to permit or enhance the efficient administration of any Benchmark or any tenor of any Benchmark or the adoption, implementation or administration of any Benchmark Replacement or any tenor of any Benchmark Replacement. Any amendments implementing such changes will become effective without any further action or consent of any other party to this Promissory Note or any other Loan Document; provided that Lender shall give the Borrower notice of any such amendment.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

CORDOVA TELEPHONE COOPERATIVE, INC.

By: (b) (6)

Name: Jeramiah Beckett

Title: CEO

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: (b) (6)

Name: Fidel Escalante

Title: Assistant Corporate Secretary

Alaska Entity #59511D

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Compliance

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, and custodian of corporation records for said state, hereby issues a Certificate of Compliance for:

CORDOVA LONG DISTANCE, INC.

This entity was formed on November 18, 1996 and is in good standing. This entity has filed all biennial reports and fees due at this time.

No information is available in this office on the financial condition, business activity or practices of this corporation.

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **October 3, 2022**.

Julie Sande
Commissioner

LEASE AGREEMENT

This Lease Agreement ("Lease"), entered into as of the 31st day of January 2018, by and between THE EYAK CORPORATION ("Eyak"), an Alaska corporation, the address of which is P.O. Box 340, Cordova, Alaska 99574 (hereinafter "Lessor"), and the CORDOVA TELEPHONE COOPERATIVE, the address of which is PO Box 459, Cordova Alaska 99574 (hereinafter "Lessee").

1. Leased Lands.

Subject to the terms of this Lease, the Lessor does hereby Lease to the Lessee, and the Lessee does hereby Lease from the Lessor, the surface estate to the following described tracts of real property for the purposes herein set forth:

a) A 40 foot by 40 foot (1,600 square foot) parcel of Eyak Corporation land located within T. 15 S., R. 3 W. and T 14 S., R. 3 W. Copper River Meridian. Within Plat 98-53. Coordinates 60-34-45.49N, 145-41-22.66W.

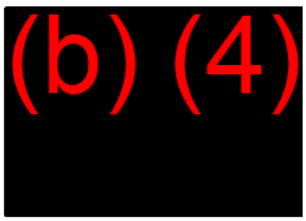
b) A 3,500 foot by 5 foot (17,500 square foot) cable corridor located on The Eyak Corporation lands as shown on Exhibit A.

The above-described property encompasses .438 acres and shall be referred to as the "Leased Lands" and depicted on a map attached hereto as Exhibit "A".

2. RENTAL FEES.

(a) Land Rent. Beginning upon the execution of this Lease and terminating upon expiration of this Lease or upon earlier termination of this Lease pursuant to the terms hereof, the Lessee shall pay annually to Lessor rent, plus applicable sales taxes, if any, (the "Land Rent") in the amounts as set forth immediately below:

2018-2027:
2028-2037:
2038-2047:
2048-2057:
2058-2067:



The Land Rent shall be paid annually in one installment, plus applicable sales taxes. During the first year of this Lease, the Land Rent shall be paid on the date of execution of this Lease, and Lessee shall thereafter pay the full amount of the annual Land Rent then due, upon January 1 in each succeeding Lease year until the expiration or termination of this Lease pursuant to the terms hereof.

(b) Breach. The failure of Lessee to deliver rental payments to the Lessor by the dates and in the amounts stated in paragraphs (a) shall constitute a material breach of this Lease, and, upon the occurrence of which, the Lessor has the right to notify Lessee that this Lease is terminated.

3. ACKNOWLEDGMENT AND DISCLAIMER.

Lessee acknowledges that it has no legal or equitable interest in the surface estate of the Subject Lands or any portion thereof creating any right to title to these lands and that the issuance of the Lease does not create any interest other than the rights specifically granted by this Lease. The Lessee further acknowledges that no right or authority to enter upon and use lands other than those owned by Lessor and described herein shall be conferred by this Lease. Lessee takes this Lease subject to the reservations, terms, and conditions of title held by Lessor.

4. LEASE TERM.

The term of this Lease shall commence upon its execution and end at midnight Alaska Time on the 31st day of December, 2067, unless earlier terminated pursuant to the terms hereof.

5. ACCESS.

Lessor shall have at all reasonable times access to the Leased Lands for purposes of inspecting the Leased Lands pursuant to paragraph 20 of this Lease and verifying compliance with the terms and conditions of this Lease. Lessee agrees that its operation will not unreasonably block or hinder Lessor's access to the Leased Lands.

6. USE OF LEASED LANDS.

a) Definitions. When used in this Lease:

The phrase "Commercial Activities" means for the Lessee to transfer by aircraft or motorized vehicle Lessee's agents, associated contractors, employees, invitees, and materials to the Leased Lands for the purposes of constructing, operating, and maintaining a communications site known as the Crater Lake Tower Site, to include the above ground cable installation; and for said personnel to engage in for profit pursuits solely of a non-consumptive nature. "Commercial Activities" does not include any other activity or use not of the kind and character described in the foregoing sentence.

b) Lessee shall utilize the Leased Lands solely in its operations relating to Commercial Activities on the Leased Lands. This Lease does not grant any right to use or to occupy lands other than the Leased Lands, or to engage in any activity on or use of the Leased Lands other than Commercial Activities. Lessee shall conduct all activities on the Leased Lands pursuant to the further terms of this Lease and in accordance with the provisions of the Plan of Operations attached hereto and by this reference made a part hereof.

7. EXCLUSIVITY.

This Lease grants Lessee exclusive use of Leased Lands for the use described in paragraph 6, above. Lessee acknowledges that uses or activities other than those specifically authorized in paragraph 6 above are strictly prohibited. Such prohibited uses shall constitute a material breach of this Lease. Lessor reserves the right to Lease any other uses on the Leased Lands that will not unreasonably interfere with the uses granted herein.

8. ASSIGNMENT.

The rights and obligations of each party to this Lease may be assigned, in whole or in part, at any time, or from time to time, to a responsible third party capable of performing the obligations of the assigning party; provided, however, that any such assignee agrees in writing to be bound by all the terms of this Lease. Such assignment shall become effective only upon the consent of the non-assigning party, which consent shall not be unreasonably withheld. No assignment by one party shall be binding upon any other

party unless said party consents and until written notice thereof is delivered to such non-assigning party. Subject to receipt of such consent and written agreement by the assignee, the assignor shall be relieved from any future obligations arising or accruing under this Lease. However, the assignor shall remain liable for all obligations accruing or arising prior to such assignment.

This Lease and all its terms shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

9. IMPROVEMENTS

(a) Obligation to Remove. Lessee shall have the right to place only such improvements upon the Leased Lands as are reasonably related to the Lessee's Commercial Activities. Prior to the termination of this Lease, Lessee shall vacate the Leased Lands and Lessee shall be obligated during such term to remove from the Leased Lands all debris, equipment, materials, improvements, chemicals, goods, supplies, wastes, Hazardous Substances, buildings, structures, and any other items or improvements placed thereon by Lessee. Lessee shall also reclaim the Leased Lands prior to expiration of this Lease. Such reclamation shall include, without limitation, the stabilization, reshaping, recontouring and revegetation (where such revegetation is reasonably practicable) of all lands affective by Lessee's operations, the proper close-out of any septic or waste water system, the elimination of any unsafe conditions, re-establishment of any stream channels and natural drainage affected by Lessee's operations, and compliance with all applicable laws and permits (including without limitation reclamation and environmental or hazardous waste laws and regulations and requirements contained in any permit obtained by Lessee). Lessee's obligation to perform such reclamation shall accrue when the lands are improved, occupied, or disturbed, and shall survive the termination of this Lease. In the event or failure of Lessee to vacate and restore the Leased Lands in full compliance with this paragraph 9, Lessor may have any substances or improvements removed at Lessee's expense and the Land restored and/or remediated and collect damages for trespass from Lessee. Lessee's obligation to continue making its rental payments pursuant to paragraph 2, its obligation to indemnify Lessor pursuant to paragraph 18, to provide insurance pursuant to paragraph 19, and to pay taxes pursuant to paragraph 10, shall continue until such removal is effected and all the Leased Lands are reasonably reclaimed and restored.

(b) Notice of Excuse of Obligation to Remove. Notwithstanding the provisions of paragraph 9(a) above, if the Lessor so notifies the Lessee in writing within (90) ninety days of termination of this Lease, Lessee shall be relieved of its obligation to remove with reference to the specific items enumerated in said notice. Notwithstanding the receipt of such notice, Lessee shall have the right to so remove for a period of (6) six months after said termination. Any such equipment, materials, chemicals, goods, supplies, wastes, buildings, structures and other items or improvements (i) as to which Lessor gives express written notice under this paragraph 9 and (ii) which are not removed by Lessee within said six months period shall become and remain the property of Lessor. As to all other such materials, chemicals, goods, supplies, wastes, buildings, structures and other items or improvements as to which Lessor has not given express written notice under paragraph 9(b), Lessee shall remain obligated to remove them and Lessor may make or contract to be made full restoration of the Leased Lands and Lessee shall be liable for all costs incurred by Lessor by virtue of said restoration.

10. TAXES AND ASSESSMENTS.

Except as otherwise provided for in this Section, Lessee shall be responsible for and shall promptly pay all real property taxes and assessments levied by any governmental entity on the Leased Lands and which taxes are occasioned by or arise as a result of Lessee's operations or improvements thereon. Any such taxes and assessments shall be prorated in a fair and equitable manner as may be appropriate.

Lessee shall not be liable for any tax based upon the value of improvements, structures, or personal property hereafter made or placed on the Leased Lands unless made or placed, caused to be made or placed, or used thereon by Lessee.

Lessor shall deliver to Lessee any and all governmental notices relating to such taxes and assessments (including, without limitation, assessment notices) promptly after receipt thereof by Lessor. Lessee shall have the right, but not the obligation, to contest the amount of validity of any such taxes and assessments, and may make payment under protest of all or any portion thereof in good faith in appropriate administrative or judicial proceedings. In the event of any such contest, Lessor shall cooperate fully with Lessee, and shall execute any and all documents

reasonably necessary to permit Lessee to pursue such contest. Lessee shall not Lease or suffer the Leased Lands, or part thereof to be conveyed, or Lessor's title thereto to be lost, as the result of nonpayment of any such tax or assessment for which Lessee is responsible. Lessee shall furnish Lessor duplicate receipts for all such taxes and assessments when paid.

Lessee shall reimburse Lessor for any payments, whether denoted as a tax assessment, or other levy, which Lessee is obligated to pay pursuant to the terms of this Lease.

11. LAWS AND REGULATIONS.

Notwithstanding any other provisions contained herein to the contrary: Lessee shall conduct all operations authorized thereunder in compliance with all applicable state, federal, and local laws and regulations and permits, and shall hold Lessor harmless from any cost, claim, liability, or loss arising from any failure to do so; Lessee shall be responsible for obtaining and shall bear the cost of any government or other Leases or permits; Lessee shall provide Lessor with copies of all Leases, permits and/or licenses obtained in order to undertake the activities associated with this Lease and all notices issued to or by any agency. Consistent with the further terms hereof, Lessor shall reasonably cooperate as may be required in providing concurrence or authorization to obtain permits necessary for Lessee's operations within the Lease area, to the extent authorized in this Lease.

12. ENVIRONMENTAL PROTECTION AND SAFETY

(a) No Hazardous Substances or Materials.

(i) Definitions. When used in this Lease:

"Environmental Contamination" means pollution resulting from the "release" (as that term is defined in AS 46.03.826) of a "Hazardous Substance."

"Hazardous Substances" means any hazardous substances or materials (as defined in Alaska Statutes 46.03.826 and 46.08.900 and in 42 U.S.C.A. § 9601-9657 (CERCLA) and in 40 C.F.R. U.S.C. § 302, as such statutes and regulations may be amended from time to time) and any hazardous and toxic substance, material or waste that is or becomes regulated by any governmental authority. "Hazardous Substance" includes, without limitation, hydrocarbon fuel such as diesel oil and gasoline, and lubricating oil.

(ii) No Hazardous Substances. Lessee shall not cause or permit to be brought upon, stored or used on or about the Leased Lands by Lessee, its agents, employees, contractors or invitees any Hazardous Substances without the prior written consent of Lessor, which Lessor shall not unreasonably withhold as long as Lessee demonstrates to Lessor's reasonable satisfaction that such Hazardous Substances are reasonably necessary to Lessee's Operations and will be used, kept, and stored in a manner that complies with all Laws regulating any such Hazardous Substances so brought upon, used or kept in or about the Leased Lands. Lessee shall comply, at a minimum, with the applicable requirements of any law of regulation, however, compliance with the requirements of any law or regulation, nor Lessor's consent shall constitute waiver of any rights Lessor possesses, including (a) to seek damages from Lessee resulting from any release, (b) to require cleanup of any release by Lessee, and (c) to require Lessee to indemnify, defend and insure Lessor. Lessor shall not dispose of any Hazardous Substances on the Leased Lands.

(iii) Fuel Storage, Fueling, and Maintenance. Notwithstanding the provisions of Subparagraph (ii) above, Lessee may bring upon the Leased Lands, store and use fuel, hydraulic oil, and lubricating oil only during the term of this Lease to the extent it is transported, used, stored, and disposed of in a manner that strictly complies with all Laws regulating its use, storage, and disposal, and the further terms of this Lease. Lessor shall not dispose of any Hazardous Substances (including fuel, hydraulic oil, and lubricating oil) on the Leased Lands. Lessee shall maintain and use to the maximum feasible extent centralized fuel storage, refueling and maintenance facilities (including facilities for the collection of waste oil) inspected and approved by the Alaska Department of Environmental Conservation. All fuel storage, fuel transportation, fuel transfer and refueling, and vehicle maintenance (including waste oil collection) shall be conducted over an impermeable barrier or in the presence of sorbent materials.

(iv) Immediate Cleanup of Environmental Contamination. Lessee shall immediately notify Lessor and the Alaska Department of Environmental Conservation of any Environmental Contamination, and Lessee shall immediately take all actions at its sole expense, as are necessary to contain and cleanup Environmental Contamination in a manner consistent with the requirements of law. Without limiting the foregoing, if the presence of any Hazardous Substances on the Leased Lands caused or permitted by Lessee results in

any Environmental Contamination of the Leased Lands, Lessee shall promptly take all actions at its sole expense as are necessary to return such areas to the condition existing prior to the introduction of any such Hazardous Substances to the Leased Lands, provided that Lessor's approval of such action shall first be obtained. Such approval shall not be unreasonably withheld, so long as such actions would not potentially have any material adverse short- or long-term effect on the Leased Lands.

(v) Effect of Breach. Without limitation to any other provision of this Lease any breach of this Paragraph shall be considered to be a material breach of this Lease, for which Lessor may immediately terminate this Lease.

(b) Timber. Lessee may cut and remove only that live timber that is necessary for the clearing of space for improvements authorized under this Lease. Lessee may not cut and remove any live trees as part of a commercial logging operation, or for trade or barter. Lessee shall cut timber in a manner incorporating reasonable cutting and yarding specifications of Lessor, and at Lessor's request, Lessee shall make available cut timber cost-free to Lessor.

(c) Artifacts. Lessee shall not tamper with, interfere with, or remove any artifacts that might be discovered while Lessee's activities, which discovery shall be immediately reported to Lessor. Upon discovery, Lessee shall take reasonable measures to investigate and mitigate potential damage to the artifacts.

(d) Removal of Refuse. Lessee shall dispose of all refuse resulting from its use of the Leased Lands (including but not limited to camp waste, lumber, debris, junk, junk machinery, garbage, and debris of any kind) by carrying out all materials that are not consumed on the Leased Lands.

(e) No Discharge. No waste or by-products shall be discharged on or in the Leased Lands or waters contained therein if such waste contains any hazardous substance in concentrations that will result in harm to fish, wildlife, or to human water supplies. Storage facilities for materials capable of causing water pollution, if accidentally discharged, shall be located so as to prevent any spillage into waters, or channels leading into water that would result in harm to fish wildlife, or human water supplies. Lessee shall take all reasonable steps to avoid the contamination of surface or subsurface waters by contact with sediment, debris, machinery or Hazardous Substances, and Lessee shall ensure that its operations are following

all applicable federal and State of Alaska statutes and regulations governing surface and ground water contamination.

(f) Sewage and Water Facilities. Lessee shall assure that all on-site sewage and water systems shall conform to the statutes and regulations of the State of Alaska or of any other governmental agency having jurisdiction over same.

13. LIENS.

Lessee shall be solely responsible for paying for all labor performed upon or materials furnished to the Lands at the request of Lessee. Lessee shall keep the Lands free and clear of any and all mechanic's, mining, labor, or materialmen's liens arising from the performance of labor upon or the furnishing of materials to the Lands. Lessee may contest the validity of any such lien that may be filed after providing reasonable security to Lessor. Lessee shall notify Lessor prior to initiating any construction on the Premises. Failure to notify Lessor shall be considered a material breach of this Lease.

14. FIRE PREVENTION AND SUPPRESSION.

(a) Lessee shall take all reasonable precautions to prevent wildland fires. If a wildland fire is started, Lessee shall immediately report it to the appropriate officials of the United States Forest Service Cordova Ranger District and Lessor, and shall make every diligent effort to immediately suppress it.

(b) Lessee shall conduct its operations on the Leased Lands in compliance with all applicable laws and regulations. This includes suitable fire planning and maintaining adequate equipment to suppress promptly any fire that may occur on the Leased Lands.

(c) While this Lease is in effect, Lessee shall independently make every reasonable effort to prevent and suppress forest fires in the Leased Lands and in its vicinity, and shall require its employees, contractors, and employees of contractors to do likewise. Unless otherwise required hereby, or prevented by circumstances over which Lessee has no control, Lessee shall place its equipment, employees, contractors, and employees of contractors at the disposal of any authorized government employee for the purpose of fighting forest fires on or near said land. Lessor shall have no obligation to replace trees damaged or destroyed by fire. In the event Lessee or a subcontractor

causes a fire, the cost of fire suppression shall be borne by Lessee.

15. DAMAGES.

Lessee shall exercise due diligence in protecting the Leased Lands owned by Lessor from damages caused by activities under this Lease.

16. CONDITIONS OF LEASED LANDS NOT WARRANTED.

Lessor does not warrant or represent that the Leased Lands are safe, healthful, or suitable for the purposes for which they are permitted to be used under the terms of this Lease, including without limitation for the landing of aircraft, the conduct of tourist business and hiking, and other related activities.

17. REPRESENTATIONS AND WARRANTIES.

(a) Organization and Standing of Lessee. Lessee hereby represents and warrants that it is a domestic Alaska co-operative duly organized, validly existing, and in good standing under the laws of Alaska and has full co-operative power to carry on its business as now conducted by it; that it is fully qualified and licensed under the laws of the State of Alaska to engage in its business; and that this Lease is valid, binding and enforceable, in accordance with its terms, upon Lessee; and that the person executing this Lease on its behalf is duly authorized to do so.

(b) Lessor's Warranties. Lessor hereby represents and warrants that it is a domestic Alaskan corporation duly organized, validly existing, and in good standing under the laws of Alaska and has full corporative power to carry on its business as now conducted by it; that it is fully qualified and licensed under the laws of the State of Alaska to engage in its business; and that this Lease is valid, binding and enforceable, in accordance with its terms, upon Lessee; and that the person executing this Lease on its behalf is duly authorized to do so. Lessor further hereby warrants that it is vested with title to the surface estate of the Leased Lands, to the extent conveyed to it pursuant to ANCSA (as such title and rights may have been modified by the transaction between Lessor and the State of Alaska and the United States acting through the Exxon Valdez Oil Spill Trustees Council), and that there are no claims, liens, Leases, encumbrances, or charges affecting such lands arising by, through or under Lessor, but not otherwise.

18. INDEMNIFICATION

(a) General. Lessee will at all times fully protect, defend, indemnify and save Lessor, its assigns or successors-in-interest, harmless from and against all actions, claims, losses, expenses, including attorney's fees, suits, liabilities, property damage, or personal injury of any kind resulting from or arising out of or incident to or in connection with any act or omission by Lessee, its agents, employees, contractors or invitees (or the agents, employees, or invitees of Lessee's contractors) resulting from or arising out of or incident to or connection in any way with the Lessee's use or occupancy for the Leased Lands, or the exercise of any of the privileges herein granted.

(b) Environmental Indemnity. Without limiting the generality of the foregoing subparagraph (a), Lessee shall indemnify, defend, and hold Lessor harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise during or after the term of this Lease of Hazardous Substances on the Leased Lands in violation of the terms of this Lease, including, without limitation, Lessor's costs incurred in connection with any investigation of environmental or other site conditions or any cleanup, remedial removal, or restoration work due to Hazardous Substances.

19. INSURANCE.

(a) Upon the execution of this Lease, Lessee must submit a certificate of insurance acceptable to Lessor (including a deductible acceptable to Lessor) that it has provided, and shall maintain, insurance with an insurance company qualified to do business in Alaska for the duration of the Agreement as required by law, including a provision for a thirty (30) day advance notification to Lessor in the event of cancellation or any material change in the coverage of the insurance. Lessor shall be named as additional insured. Said policy will include a waiver of all rights of subrogation by the insurer against Lessor. The coverage shall in no case be less than the following limits:

Comprehensive General Liability Coverage Limits
($1,000,000 per occurrence, $2,000,000 aggregate)

a. Premises operations
b. Independent Contractors
c. Broad form property
d. Products/Completed Operations
e. Personal injury

(b) No helicopter access, all terrain vehicle access, or motorized access shall be allowed under this Lease until Lessor has approved the insurance coverages of Lessee for such activities and further until Lessor has been provided with certificates evidencing such coverage in the amounts and coverages set forth above.

(c) Lessee and its subcontractors shall abide by and comply with all provisions of the Alaska Workers' Compensation Act, and other industrial insurance laws of the State of Alaska, and shall make all payments, contributions and other remittances and all reports, returns and statements required of employers under said laws. Lessee agrees to indemnify and hold harmless Lessor, against any costs, loss, liability, obligation or lien which may arise as a consequence of or which may grow out of any failure of Lessee or any such subcontractor or person to fully comply with said laws. Lessee agrees to immediately qualify and insure its liability, and shall require its subcontractors to qualify and insure their liability according to the coverage set forth above, and to remain so qualified and so insured for the term of this Lease as employers under such law.

(d) Notwithstanding any provision of this paragraph to the contrary, any required coverage for insurance stated in paragraph 19 shall be adjusted every ten (10) years, by multiplying said coverage limit by the cumulative expense from 2017 in the U.S./ Department of Labor Consumer Price Index for Anchorage, Alaska (CPI-U) as determined by the most recently published CPI-U figure (2017 equals the base year).

20. INSPECTIONS.

Lessor, by and through its officers, agents, employees and/or representatives, reserves the right to inspect the activities of Lessee at any reasonable time while on the Leased Lands with or without advance notice. The presence or absence of Lessor's inspector shall not release Lessee of any liability as specified herein.

21. RELATIONSHIP OF PARTIES.

Lessee shall have no authority to act for Lessor in any manner or to create any liability or obligation binding upon Lessor.

22. TERMINATION.

Lessee shall have the right to terminate this Lease at any time upon sixty (60) days or more written notice to Lessor, specifying such termination date. In the event Lessee fails to provide Lessor sixty (60) days prior notice of termination pursuant to this paragraph, Lessee shall pay to Lessor a sum equal to one (1) year's rental due under this Lease in the year termination occurs, not as penalty, but as liquidated damages. All obligations of the parties arising or vesting prior to such termination shall survive, including, without limitation, all environmental, indemnity, and reclamation obligations.

23. BREACH

(a) The failure of Lessee to keep or perform any obligations on its part to be kept or performed according to the terms or provisions of this Lease (other than the payment of rent, which shall be subject to the provisions of Paragraph 2(b) above) shall, at the election of Lessor, constitute a breach of this Lease unless cured as hereinafter provided. The failure of Lessor to keep or perform any obligations on its part to be kept or performed according to the terms and provisions of this Lease shall, at the election of Lessee, constitute a breach of this Lease unless cured as hereinafter provided.

(b) In the event of any breach other than nonpayment or underpayment of rent, the non-defaulting party shall first deliver to defaulting party written notice thereof (indicating with reasonable particularity the nature of the breach). The defaulting party shall have a reasonable time under the circumstances (which in any event shall not be less than 30 days after delivery of such notice) in which to cure any such breach.

(c) In the event the non-defaulting party terminates this Lease, on account of a material breach, the parties hereto shall be relieved of all further rights, obligations, and liabilities hereunder except for obligations and liabilities already accrued as of the date of termination.

(d) This Paragraph 23 shall not be construed to limit in any way a party's right to recover damages caused by any breach, whether material or non-material.

24. EMPLOYMENT

Lessor is an Alaska Native Village Corporation, organized pursuant to the Alaska Native Claims Settlement Act, as amended. It is an important goal of the Lessor to maximize employment opportunities for the Lessor's Native Alaskan shareholders. Lessee shall use its reasonable efforts to inform Lessor of employment opportunities for Lessor's shareholders and hire for employment qualified and available shareholders of Lessor to carry on Lessee's operations on the Leased Lands where it is reasonably and consistent with good business practices feasible to do so.

25. NOTICE

(a) All notices, requests, demands, and other communications hereunder shall be in writing, and shall be deemed to have been duly given if delivered personally or upon receipt if mailed by certified or registered mail, return receipt requested with postage prepaid as follows:

If to Lessor:

The Eyak Corporation
P.O. Box 340
Cordova, Alaska 99574
Attn: General Manager, Cordova Operations

With a copy sent via facsimile to:
The Eyak Corporation
(907) 334-6973

If to Lessee:
The Cordova Telephone Cooperative
PO Box 459
Cordova, AK 99574
Attn: General Manager/CEO

(b) The address to which a party desires the notices and other documents to be delivered may be changed at any time by giving notice thereof to other parties in the manner contemplated above.

26. ATTORNEY'S FEES.

In the event any party shall bring any action or proceeding under this Lease or to enforce any provision of this Lease, or to terminate this Lease, the prevailing party

shall be entitled to recover all reasonable attorney's fees and costs incurred by it.

27. GENERAL PROVISIONS

(a) United States Currency. All references to dollars in this Lease refer to United States currency.

(b) Time. Time is of the essence of this Lease.

(c) Waiver. The failure of any party to insist upon the strict performance of any provision of this Lease or to exercise any right, power, or remedy consequent upon a breach thereof shall not constitute a waiver by said party of any such provision, breach, or subsequent breach of the same or any other provision.

(d) Remedies. Except as otherwise provided in this Lease, the parties shall be entitled to any and all remedies provided by law.

(e) Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute a single Lease. This Lease shall not become binding upon any party unless and until all parties have executed at least one counterpart of this Lease.

(f) Further Actions. The parties hereby agree to take any and all actions and execute, acknowledge, and deliver any and all documents reasonably necessary to effect the purposes of this Lease.

(g) Modification of Lease. This Lease may be modified only by a document in writing executed by all of the parties hereto.

(h) Entire Lease. This Lease embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter hereof.

(i) Law Governing; Venue and Exclusive Forum. This Lease shall be interpreted and construed in accordance with, and governed and enforced in all respects by, the laws of the State of Alaska. Any legal proceedings under this Lease shall be brought solely in the Superior Court for the State of Alaska, Third Judicial District, in Anchorage, Alaska.

(j) Severability. If any provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such provision shall not be affected thereby.

(k) Binding Effect. The rights, obligations, and liabilities set forth in or arising under this Lease shall extend to, be binding upon, and inure to the benefit of the parties and their respective successors and assigns.

(l) Paragraph Headings. The descriptive paragraph headings throughout this Lease are for convenience and reference only, and the words contained therein shall not be held to expand, modify, amplify or aid in the interpretation or construction of this Lease.

(m) Interpretation of the Lease. This Lease is the result of arm's-length negotiation and accordingly shall not be construed against the drafting party.

EXECUTED this 31st day of January 2018.

LESSEE:

The Cordova Telephone Cooperative

B (b) (6)
J
Gen Manager/CEO

LESSOR:

THE EYAK CORPORATION

By: (b) (6)
Ange
General Manager,
Cordova Operations

LIST OF EXHIBITS

EXHIBIT A MAP OR DIAGRAM OF LEASED LANDS

EXHIBIT A

MAP OR DIAGRAM OF LEASED LANDS

	LATITUDE	LONGITUDE	GRD. ELEV.
PROPOSED TOWER	(b) (4)		
CP-A (CAP ELEV.)			
CP-B (CAP ELEV.)			

ORCA INLET

TRACT A
(PLAT 98-53)
[EYAK CORPORATION]

(S39° 27' 02"W 499.59')
S39° 48' 30"W 496.79

SEE DETAIL B

REMAINING DIRECT PROPOSED ROUTE B

N52° 50' 47"W 502.48
(N53° 12' 15"W 505.31')

N52° 57' 43"W 145.44
(N53° 12' 19"W 145.62')

N45° 25' 14"W 1565.57'
(N45° 26' 34"W 1565.24')

USS 5103
[STATE OF ALASKA]

WD: 234.30'

S83° 17' 39"E 350.71'
(S83° 18' 46"E 350.65')

SURVEYED PROPOSED ROUTE A

(S55° 24' 43"W 1428.06')
S55° 25' 09"W 1428.23'

TRACT C
(PLAT 98-53)
[CITY OF CORDOVA]

SURVEYED PROPOSED ROUTE B

(960.85')
960.95
S68° 05' 35"W
(S68° 05' 12"W)

SEE DETAIL A

S80° 06' 30"W 403.99
(S80° 06' 37"W 403.98')

N89° 46' 05"W
WD: 204.51'

N2° 32' 44"W 3863.29'
(N02° 49' 13"W 3863.83')

TRACT B (PLAT 98-53) [UNITED STATES]

DETAIL A
SCALE: 1" = 40'
0 40

TRACT A
(PLAT 98-53)

PROPOSED ROUTE B

PROPOSED ROUTE A

TRACT C
(PLAT 98-53)

TIE CP-A TO CP-B
N84° 45' 11"E
50.00'

(b) (4)

DETAIL B
SCALE: 1" = 60'
60

APPROXIMATE PROPOSED 3D CABLE LENGTHS

	SURVEYED	REMAINING DIST.	TOTAL 3D
PROPOSED ROUTE A	3,350'	~3,200'	~6,550'
PROPOSED ROUTE B	1,750'	~3,800'	~5,550'

HORIZONTAL DISTANCE: 4,650'
VERTICAL DISTANCE: 2,260'
SLOPE DISTANCE: 5,175'

LEGEND

✠	FOUND BRASS CAP MONUMENT	XXX	MEASURED DATA
O	FOUND DRILL HOLE IN ROCK (REPLACED WITH MLA PLASTIC CAP ON REBAR	(XXX)	RECORD DATA PER PLAT (98-53)
⊕	FOUND RECORD ALUMINUM CAP (PLAT 98-53)	△	TELECOMMUNICATION PEDESTAL
	SURVEY TIE	[XXX]	OWNERSHIP 2017-06-8 BASED ON SEARCH OF PUBLIC RECORDS

NOTES

1. INFORMATION SHOWN HEREON BASED ON FIELD SURVEY CONDUCTED BY McCLINTOCK LAND ASSOCIATES, INC JUNE 12th THROUGH 15th, 2017.
2. THE DISTANCES SHOWN ON THIS AS-BUILT SURVEY ARE HORIZONTAL GROUND DISTANCES **EXCEPT** PROPOSED CABLE DISTANCES ARE APPROXIMATE 3D DISTANCES.
3. THIS LOT IS SUBJECT TO ANY EASEMENTS OF RECORD, EVEN IF NOT SHOWN HEREON.
4. THE BASIS OF BEARINGS, COORDINATES, AND ELEVATION FOR THIS SURVEY ARE NAD83(2011) AND NAVD88 DETERMINED BY A HIGH PRECISION GPS SURVEY AND THE NGS CONTINUOUSLY OPERATING REFERENCE STATION (CORS), I.D. EYAK USING GEOID12A.
5. ONLY PROPOSED TOWER AND SHELTER WERE LOCATED DURING THIS SURVEY. THERE MAY BE OTHER IMPROVEMENTS ON THE TRACT THAT ARE NOT SHOWN HEREON.
6. OWNERSHIP INFORMATION IS BASED ON A GENERAL SEARCH OF THE STATE RECORDERS WEBSITE, A TITLE REPORT SHOULD BE COMPLETED TO CONFIRM.

500 0 500 1000 1500
SCALE IN FEET

STATE OF ALASKA
49TH
MICHAEL E. MILLER
LS 7222
6/20/17
REGISTERED PROFESSIONAL LAND SURVEYOR

-N-
TRUE NORTH DETERMINED FROM HIGH PRECISION GPS SURVEY.

PROPOSED SITE SURVEY OF

CRATER LAKE TOWER

LOCATED IN A PORTION OF
TRACT A
CRATER LAKE WATERSHED TRACT'S
(PLAT 98-53)
SITUATED WITHIN

T. 15 S., R. 3 W. AND T. 14 S., R. 3 W.
COPPER RIVER MERIDIAN, ALASKA

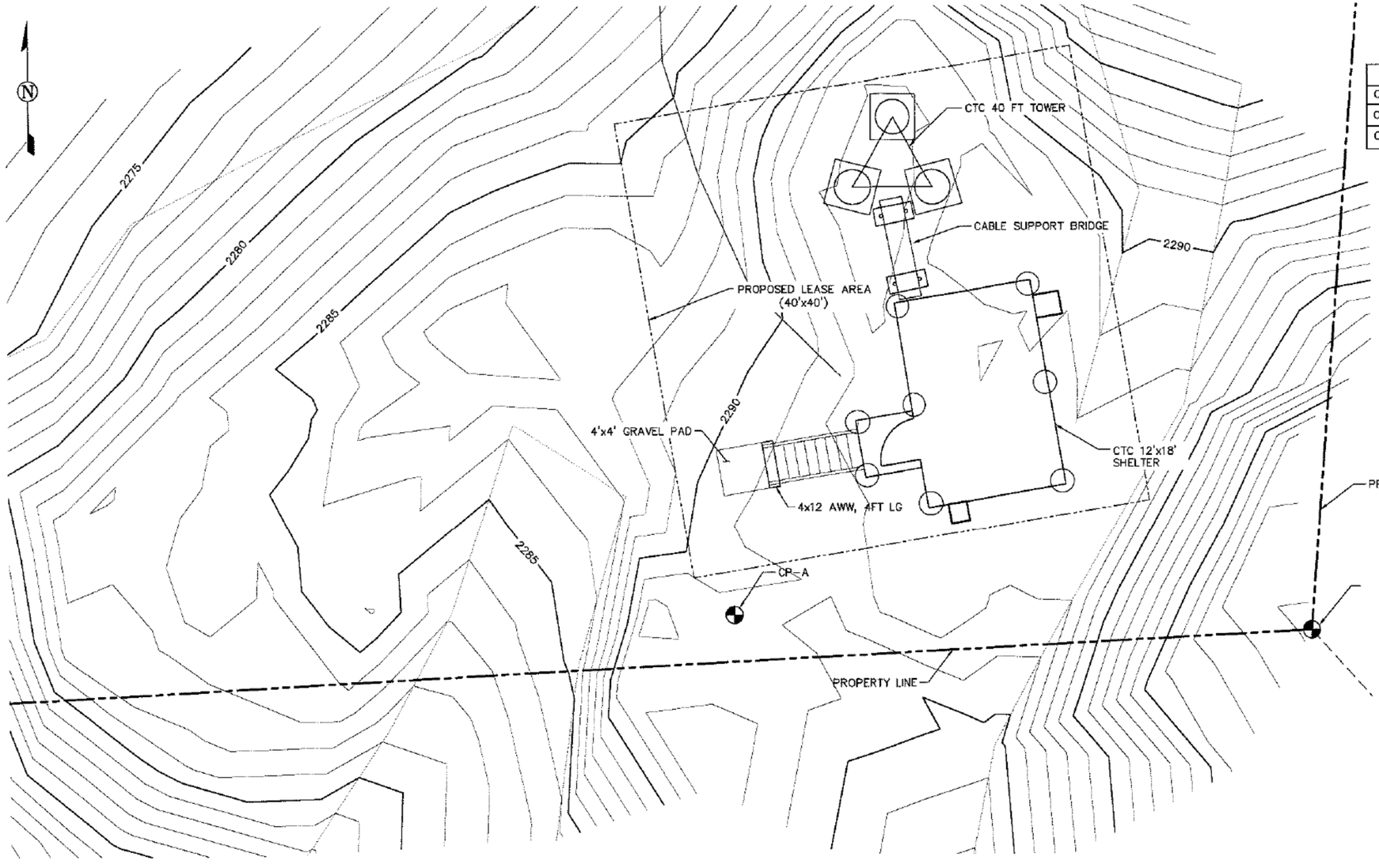
CORDOVA RECORDING DISTRICT

PREPARED BY:
McCLINTOCK LAND ASSOCIATES, INC.
16942 NORTH EAGLE RIVER LOOP ROAD
EAGLE RIVER, ALASKA 99577
(907) 694-4499

PREPARED FOR:
NEW HORIZONS TELECOM, INC.
901 COPE INDUSTRIAL WAY
PALMER, ALASKA 99645
(907) 761-6000

SCALE: 1"=500'	CHK: MM	JOB: 17-111	DWG: AB17-111	FB NO: .
GRID: CORDOVA	DWN: TB	DATE: 6-19-17	DISK: J-DRIVE	SHEET: 1 OF 1

000792



NOTES:

1. THIS DRAWING DEVELOPED FROM PROPOSED SITE SURVEY OF CRATER LAKE TOWER BY McCLINTOCK LAND ASSOCIATES, INC. DATED 6/20/2017.

	LATITUDE	LONGITUDE	GRD. ELEV.
CTC TOWER	60°34'45.49"N	145°41'22.66"W	2293'
CP-A (CAP ELEV.)	60°34'45.110"N	145°41'22.844"W	2291.3'
CP-B (CAP ELEV.)	60°34'45.155 "N	145°41'21.849"W	2304.3'

1 / C1.0 SITE PLAN
SCALE: 1"=10'-0"

NOT FOR CONSTRUCTION

PRELIMINARY

REV.	DESCRIPTION	DATE
A	ISSUED FOR REVIEW	170630

NEW HORIZONS TELECOM, INC.
901 COPE INDUSTRIAL WAY
PALMER, ALASKA 99645
PHONE: (907) 761-6000
LICENSE # AECC610

CORDOVA TELEPHONE CO-OP
CRATER LAKE

SITE PLAN

DWN: RSB	DSN: DRB	APP: DRB
JOB #: 17-0070-90	DATE: 170630	
SHEET: 01	C1.0 OF: 01	REV A

FILE: X:\17 JOBS\17-0070-90 CTC - CRATER LAKE CELLULAR FACILITY DESIGN & PERMITTING\05-ENGR\CADD\C1.0 SITE PLAN.DWG | PLOT DATE: 170630

000793

LAW OFFICES OF
KEMPPEL, HUFFMAN AND ELLIS
A PROFESSIONAL CORPORATION

ROGER R. KEMPPEL
RICHARD R. HUFFMAN (1943 – 2005)
DONALD C. ELLIS
JOHN ANDREW LEMAN
DEAN D. THOMPSON
JONATHON D. GREEN
PAUL J. JONES
S. LYNN ERWIN
ERIK R. GROVES
ASHLEY C. BROWN
EMILY M. WALKER

255 E. FIREWEED LANE, SUITE 200
ANCHORAGE, ALASKA 99503-2025
TELEPHONE: (907) 277-1604
FACSIMILE: (907) 276-2493
WEB SITE: WWW.KHE.COM
WRITER'S E-MAIL ADDRESS:
jal@khe.com

October 28, 2022

Administrator
Rural Utilities Service
U. S. Department of Agriculture
Washington, D. C. 20250-1500

Subject: RUS ReConnect Program Grant Application (Round 4)
Cordova Telephone Cooperative, Inc. – Legal Opinion

Dear Sir or Madam:

We are general counsel for Cordova Telephone Cooperative, Inc. (the "Applicant"). In such capacity, we acted as counsel to the Applicant in connection with its ability to apply for an award under the ReConnect Program and in the review of the Grant Agreement as referenced in the August 4, 2022 Funding Opportunity Announcement.

We are of the opinion that:

(a) The Applicant is a duly organized and existing cooperative corporation under Alaska Statutes §10.25, *et seq.*, and other laws of the State of Alaska;

(b) The Applicant operates in the State of Alaska and is duly licensed, qualified and in good standing;

(c) The Applicant has corporate power: (1) to execute and deliver the Grant Agreement; and (2) to perform all acts required to be done by it under the Grant Agreement;

(d) No legal proceedings have been instituted or are pending against the Applicant, the outcome of which would adversely affect the Applicant's ability to perform the duties under the Grant Agreement; and

(e) The Applicant has the power to own its property and to pledge the Collateral required by the Grant Agreement.

For the purposes of this legal opinion, we assume that the terms of the Grant Agreement referenced in the August 4, 2022 Funding Opportunity Announcement and herein are

(j) Severability. If any provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such provision shall not be affected thereby.

(k) Binding Effect. The rights, obligations, and liabilities set forth in or arising under this Lease shall extend to, be binding upon, and inure to the benefit of the parties and their respective successors and assigns.

(l) Paragraph Headings. The descriptive paragraph headings throughout this Lease are for convenience and reference only, and the words contained therein shall not be held to expand, modify, amplify or aid in the interpretation or construction of this Lease.

(m) Interpretation of the Lease. This Lease is the result of arm's-length negotiation and accordingly shall not be construed against the drafting party.

EXECUTED this 31st day of January 2018.

LESSEE:

The Cordova Telephone Cooperative

B (b) (6)
J
Gen Manager/CEO

LESSOR:

THE EYAK CORPORATION

By: (b) (6)
Ange
General Manager,
Cordova Operations

LIST OF EXHIBITS

EXHIBIT A MAP OR DIAGRAM OF LEASED LANDS

CTC Entity Structure 2022

CORDOVA TELECOM COOPERATIVE

Cordova Telephone Cooperative Inc.
d.b.a. Cordova Telecom Cooperative
Est. 1978, Not For Profit

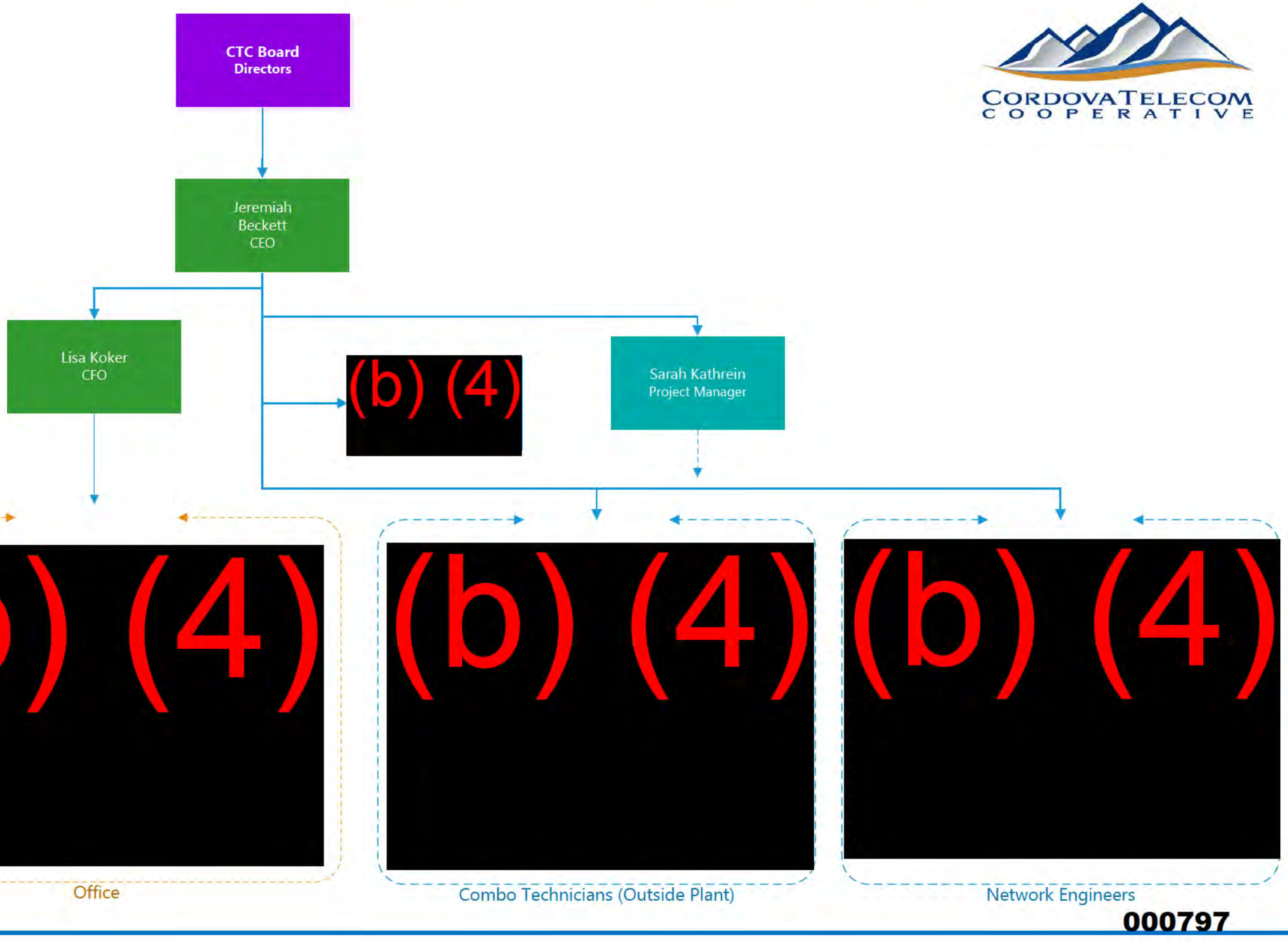
- Cordova Wireless Communications LLC
  Est. 1996, Single Member
- Cordova Long Distance Inc.
  Est. 1996, Single Member
- CTC Holdings LLC
  Est. 2020, Single Member
- Yakutat Telecom Company LLC
  Est 2022, Single Member

CORDOVA WIRELESS COMMUNICATIONS

YAKUTAT TELECOM COMPANY

000796

Cordova Telecom Cooperative (CTC) - 2022 Organizational Chart Reporting Structure



Cordova Wireless Communications (CWC) - 2022 Entity Organizational Chart

CORDOVA WIRELESS COMMUNICATIONS

CWC Board Directors

Jeremiah Beckett
CEO

Lisa Koker
CFO

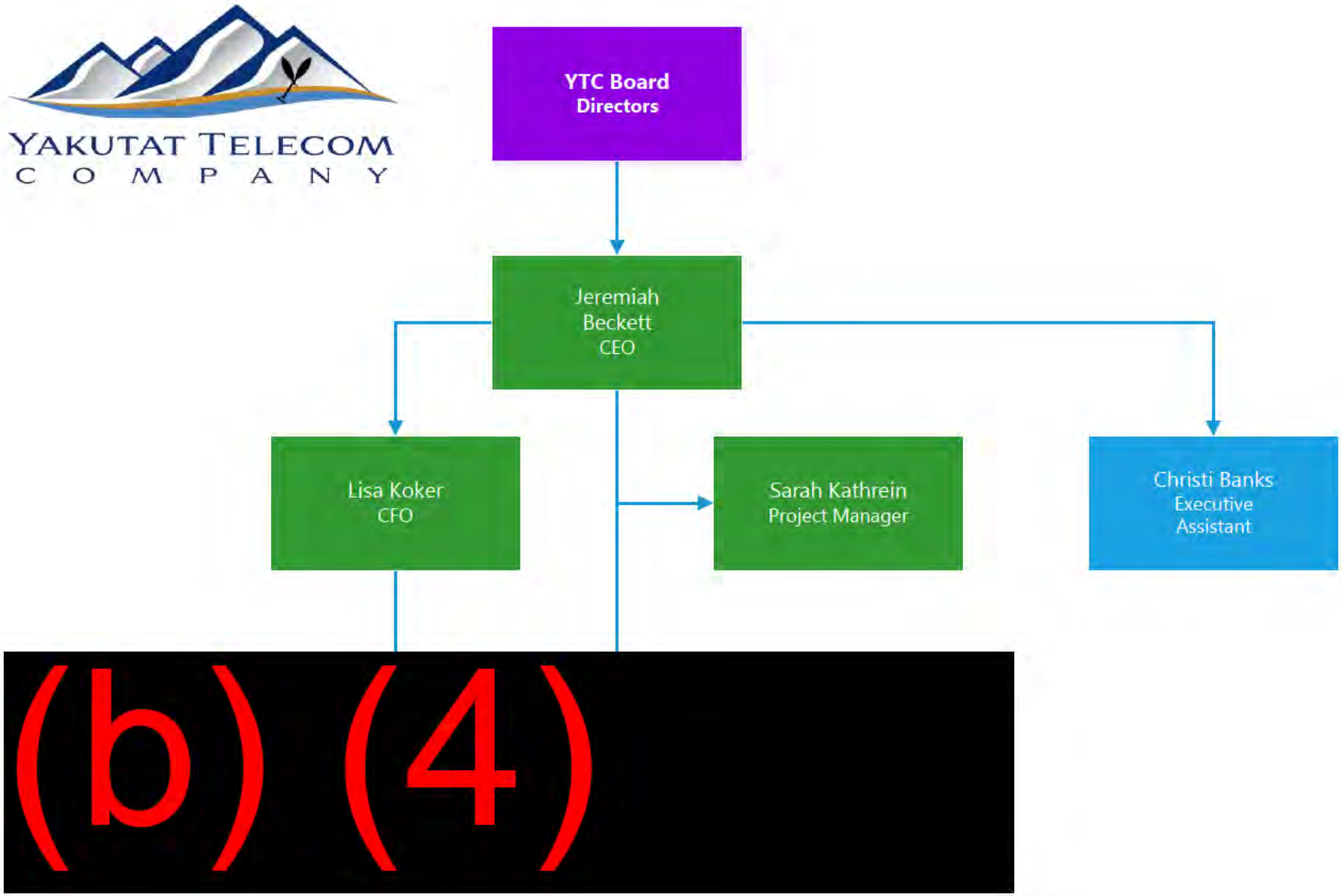
Sarah Kathrein
Project Manager

Christi Banks
Executive Assistant

(b) (4)

000798

Yakutat Telecom Company (YTC) - 2022 Entity Organizational Chart



State of Alaska

Department of Commerce and Economic Development

Certificate

The undersigned, as Commissioner of Commerce and Economic Development, of the State of Alaska, hereby certifies that duplicate originals of the Articles of Incorporation of CORDOVA TELEPHONE COOPERATIVE, INCORPORATED

duly signed and verified pursuant to the provisions of the Alaska Cooperative Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Commissioner of Commerce and Economic Development, and by virtue of the authority vested in him by law hereby issues this Certificate of Incorporation of

CORDOVA TELEPHONE COOPERATIVE, INCORPORATED

and attaches hereto a duplicate original of the Articles of Incorporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, at Juneau, the Capital, this

12th *day of* January *A.D. 19* 78

H. PHILLIP HUBBARD
COMMISSIONER OF COMMERCE
AND ECONOMIC DEVELOPMENT

000800

ARTICLES OF INCORPORATION

OF

CORDOVA TELEPHONE COOPERATIVE, INC.

FILED FOR RECORD

JAN 12 1978

STATE OF ALASKA
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, being natural persons of the age of nineteen years or more and citizens of the United States of America and residents of the State of Alaska, have this day united and associated ourselves together for the purpose of forming a non-profit cooperative association under the provisions of AS 10.25 and all laws amendatory thereof and supplemental thereto, and we do hereby make, sign and acknowledge the following Articles of Incorporation.

ARTICLE I

The name of the Corporation shall be:

CORDOVA TELEPHONE COOPERATIVE, INCORPORATED.

ARTICLE II

The address of the principal office shall be:

Box 20, Cordova, Alaska, 99574.

ARTICLE III

The purpose or purposes for which this Corporation is formed are:

a. To furnish, improve and expand telephone service to its members, and to other users not in excess of 10% of the number of its members.

b. To connect and interconnect the telephone lines, facilities or systems of the Corporation with other telephone lines, facilities or systems.

c. To make its facilities available to persons furnishing telephone service inside or outside the State of Alaska.

d. To construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell,

000801

dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machines, supplies, apparatus, equipment and telephone distribution lines or systems necessary, convenient, or useful for carrying out and accomplishing any or all of the foregoing purposes.

e. To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights-of-way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Corporation.

f. To buy, sell, lease, own, rent, operate, manage, control and dispose of real property, personal property, mortgages, stocks, bonds, securities and all other property.

g. To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for monies borrowed or in payment for property acquired, or for any of the other objects or purposes of the Corporation; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges, or permits of the Corporation, wheresoever situated, acquired or to be acquired.

h. In general, to do and perform any and all acts and things, and to have and exercise any and all powers as may be necessary or convenient to accomplish any or all of the foregoing purposes, or as may be permitted by the Act; and to do and perform any such acts or things in conjunction with or with aid or assistance from governmental entities or agencies at federal, state, regional or local levels.

i. To have and to exercise all of those other powers granted a telephone cooperative corporation under all of those laws of the United States and of the State of Alaska applicable to the Corporation, as such laws may heretofore or hereafter be amended.

j. To do and accomplish all of the foregoing without pecuniary profit to the Corporation, but solely for the benefit and advantage of the members of the Corporation.

000802

ARTICLE IV

Section 1. The Corporation is a non-profit corporation organized exclusively for the benefit of its members.

Section 2. Membership and membership fees shall be as prescribed in the Bylaws of the Corporation.

Section 3. The private property of the members of the Corporation shall be exempt from execution for the debts of the Corporation.

ARTICLE V

The period of duration of this Corporation is perpetual. The registered office shall be located at 310 "K" Street, Suite 404, Anchorage, Alaska 99501; the registered agent for service of process is Roger R. Kemppel, whose office is located at 310 "K" Street, Suite 404, Anchorage, Alaska 99501.

ARTICLE VI

The number of Directors of this Corporation shall be seven. The seven Directors shall be elected at the first organizational meeting of the Corporation. The names and post office addresses of the temporary Directors who shall manage the affairs and business of the Corporation until the election of the regular Directors at the first organizational meeting shall be the eleven incorporators as set forth in Article VII, below.

ARTICLE VII

The names and addresses of the incorporators of this Corporation are as follows:

Robert Banta, Box 12, Cordova, Alaska 99574
Jack Dinneen, Box 78, Cordova, Alaska 99574
Danny Glasen, Box 575, Cordova, Alaska 99574
Hollis Henrichs, Box 1000, Cordova, Alaska 99574
James Iliff, Box 694, Cordova, Alaska 99574
Axel Janson, Box 576, Cordova, Alaska 99574
John Joslin, Box 980, Cordova, Alaska 99574
Doug Longacre, Box 360, Cordova, Alaska 99574
Ken Roemhildt, Box 741, Cordova, Alaska 99574
Robert Turner, Sr., Box 260, Cordova, Alaska 99574
John R. Wilson, Box 813, Cordova, Alaska 99574

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IN WITNESS WHEREOF, we have hereunto set out hands and seals at Cordova, Alaska, this _____ day of _____, 197__.

ROBERT BANTA

JACK DINNEEN

DANNY GLASEN

HOLLIS HENRICHS

JAMES ILIFF

AXEL JANSON

JOHN JOSLIN

DOUG LONGACRE

KEN ROEMHILDT

ROBERT TURNER, SR.

JOHN R. WILSON

STATE OF ALASKA)
: ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that before me, a Notary Public in and for the State of Alaska, duly sworn and commissioned as such, personally appeared ROBERT BANTA, JACK DINNEEN, DANNY GLASEN, HOLLIS HENRICHS, JAMES ILIFF, AXEL JANSON, JOHN JOSLIN, DOUG LONGACRE, KEN ROEMHILDT, ROBERT TURNER, SR., and JOHN R. WILSON, known to me and to me known to be the individuals named in and whose names are subscribed to the foregoing Articles of Incorporation of Cordova Telephone Cooperative, Inc., and they acknowledged to me that they signed, sealed, executed and delivered the said Articles of Incorporation as their free and voluntary act

for the uses and purposes contained therein.

IN WITNESS WHEREOF, I have hereunto set my hand and notary seal this 8th day of Dec, 1974.

Roger R. Kendall
Notary Public in and for Alaska
My commission expires: 4/76

000805

Cordova Telephone Cooperative, Inc.

Board of Directors

Wendy Ranney - President - Elected to board in 2021

Wendy Ranney is the newest member of the CTC Board of Directors. Wendy has been a CTC member for a collective total of 17 years and most recently since 2009. She has two Bachelors of Science- one in Environmental Science and the other in Forestry. She and her husband are the owners of the Orca Adventure Lodge, the premier site in the Prince William Sound for summer fishing excursions and world-class heliskiing in the winter. Free time is rather non-existent as she is currently involved in 19 different boards, committees, and local organizations including being Chair of the City of Cordova's Parks and Recreation Commission, a member of the State Historical Society, and, of course, a CTC Board Member.

Ann Schultz - Secretary - Elected to board in 2009

Ann Schultz has been a member of CTC for 35 years. She was elected to the board in 2009 and has been re-elected to the board since that time. She has served as secretary of the board and served on various committees during her tenure. She has lived in Cordova, Alaska since 1976 and is a retired teacher from Cordova Public School. Schultz is also a member of the Moose Lodge, The Pioneers of Alaska, Cordova Hospital Auxiliary, Friends of the Library and has served as an officer at various times for these organizations. She has attended multiple telecom training events provided by ATA, NCTA, and WTA.

Sarah Trumblee – Vice President - Elected to board in 2020

Sarah Trumblee has been a member of CTC for 30 years. Prior to her role on the board as Vice-President she also served on the scholarship committee and nominating committee for the Cooperative. Sarah has owned her own daycare for 25 years and when she's not working, she's actively involved in the local community. Not only does she serve as a CTC Board Member, but she is on the City of Cordova's Planning and Zoning Commission, a member of the "Friends of the Library" committee, a Library Board Member since 2018, and a member of the Northwind Quilters Guild.

Barb Bailer – Director- Elected to board in 2021

Barbara Bailer has lived in Cordova since 1989. She has been an active member of Cordova Telephone Cooperative for 32 years and was voted onto the CTC Board in 2018. Prior to retirement in 2021, Barbara employed with Cordova Electric Cooperative (CEC) for the past 24

years as the Executive Assistant, which includes working with their Board of Directors on a close level. She has attended various Board training events and job specific training including Roberts Rules of Order. Barbara serves on the CTC Bylaw Committee and Scholarship Committee. She also served on the 4-H Music Camp Board for 14 years.

Vivian Kennedy - Director - Elected to board in 2015

Vivian Kennedy grew up commercial fishing in Prince William Sound. She obtained a B.A. in News Media from Western Washington University and moved back to Cordova in 2009 where she is the Food Assistance Program Manager at the Native Village of Eyak and the Digital Communications Specialist at the Copper River Prince William Sound Marketing Association. She also manages her graphic design company, XOAK. Vivian has served on the CTC BOD since 2015, attended the ATA Winter Conference twice and participated in financial training offered through the cooperative in Anchorage. She serves on the Cordova Trap & Gun Club board, the Cordova Housing Committee, is a certified Range Safety Officer and member of the PTA.

Ben Simpler - Director - Elected to board in 2018

Ben Simpler is employed by Cordova Electric Cooperative as a journey lineman. He has 12 years' experience in electrical and electronic systems in the marine industry and has attended training courses by the NFPA, ABYC and the IBEW. He has been a member of CTC for 11 years and began serving on the board of directors in September of 2018.

Ryan McManus - Director - Elected to board in 2019

Ryan McManus has been a member of CTC since 2007. He is a boat mechanic and has worked at Cordova Outboard, Inc for the last 14 years. He supports Cordova's large fishing fleet by maintaining operations of the vessels. His field involves use of engine diagnostic tools that are dependent upon the internet and he is well versed in the technology that has become a critical part of the fishing industry. He is active in his local church and aids in various community activities and services.

CORDOVA TELEPHONE COOPERATIVE,

INC. BOARD OF DIRECTORS

October 18, 2022, Regular Meeting

RESOLUTION 22-10-18

WHEREAS, Cordova Telephone Cooperative, Inc. ("Cooperative") has several opportunities to expand broadband deployment and has identified RUS grant funds available through the ReConnect Program that are designed to facilitate the Cooperative's broadband projects;

WHEREAS, The Cooperative's Board of Directors has considered the Cooperative's broadband projects, the potential availability of RUS Grant funds, and the RUS application requirements, and finds it is in the best interests of the Cooperative to apply for available RUS ReConnect Program grant funds.

IT IS THEREFORE:

1. **RESOLVED** that Sarah Kathrein, the Project Manager of the Cooperative, have the assigned Representative-Signature-Certify security role on behalf of the Cooperative, who shall be responsible for entering and/or updating an application, providing signatures, authorizing certifications, submitting the application for consideration, and assigning access to new users in the United States Department of Agriculture's (USDA) ReConnect Program Online Application System.

2. **RESOLVED** that Sarah Kathrein have the Authorized Account Representative security role on behalf of the Cooperative, who shall be responsible for entering and/or updating an application and assigning access to new users in the USDA's ReConnect Program Online Application System.

3. **RESOLVED** that the Representative-Signature-Certifier and Authorized Account Representative for the Cooperative shall comply fully with all security procedures and policies of the ReConnect Program Online Application System.

Approved by: Wendy Ranney
Wendy Ranney
Board President

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 18th day of October 2022.

Ann Schultz
Ann Schultz
Secretary

[Corp Seal]

SECRETARY'S CERTIFICATE

I, Ann Schultz, do hereby certify that: I am the Secretary of Cordova Telephone Cooperative, Inc. (hereinafter the "Cooperative"); that the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Cooperative at the regular meeting held October 18, 2022, and entered into the minute book of the Cooperative; that the meeting was duly and regularly called and held in accordance with the bylaws of the Cooperative; and that none of the following resolutions have been rescinded or modified:

RESOLUTION 22-10-19

1. **RESOLVED** that Sarah Kathrein, the Project Manager of the Cooperative, have the assigned Representative-Signature-Certify security role of behalf of the Cooperative, who shall be responsible for entering and/or updating an application, providing signatures, authorizing certifications, submitting the application for consideration, and assigning access to new users in the United States Department of Agriculture's (USDA) ReConnect Program Online Application System.

2. **RESOLVED** that Sarah Kathrein have the Authorized Account Representative security role on behalf of the Cooperative, who shall be responsible for entering and/or updating an application and assigning access to new users in the USDA's ReConnect Program Online Application System.

3. **RESOLVED** that the Representative-Signature-Certifier and Authorized Account Representative for the Cooperative shall comply fully with all security procedures and policies of the ReConnect Program Online Application System.

4. I **FURTHER CERTIFY THAT** each member of the Board of Directors of the Cooperative was furnished with notice of said meeting in compliance with the bylaws of the Cooperative.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 18th day of October 2022.



[Corp Seal]

Ann Schultz
Secretary

Cordova Telephone Cooperative, Inc. (CTC, dba Cordova Telecom Cooperative) is committed to the provision, improvement, expansion of quality, and competitively priced communication services in Cordova and the surrounding service area. In 1978, the voters of Cordova approved a resolution providing for the transfer of assets of Cordova Public Utilities-Telephone Utility to Cordova Telephone Cooperative, Inc (CTC). And thus, a member-owned telephone cooperative was established. In 1997, CTC again broadened its scope of services and established two subsidiaries, Cordova Wireless Communications (CWC) and Cordova Long Distance (CLD). Cordova Wireless has become a successful cellular provider in Cordova with 15 cellular sites, serving two communities and all of Prince William Sound. Long distance wholesale rates for Cordova Long Distance were available for several years, and CLD started offering service to Cordova in 2012.

CTC is a rural rate of return incumbent local exchange telecommunications carrier providing service in and around Cordova, Alaska. CTC is an active borrower of the RUS, regulated by the FCC for interstate purposes, regulated on limited basis under the Regulatory Commission of Alaska for intrastate calling and regulated by its board of directors for local exchange purposes. CTC is the carrier of last resort and has ETC status for our established service area for both wireline and wireless services.

In 2009, CTC was awarded RUS loan funds for a secured loan to deploy an undersea fiber cable from Cordova to Valdez. This project produced tremendous rewards and efficiencies, generating additional commerce for the city of Cordova. As internet service becomes increasingly important to our member owners and to Congress, there is mounting pressure on CTC to provide a much higher level of quality and greater capacity. In addition to the need for more advanced internet services in Prince William Sound, there is a need for a local company invested in the future of its inhabitants to provide these services.

CTC has successfully secured USDA funding through the ReConnect and Community Connect programs to deliver highspeed broadband to multiple communities, including: Chenega, Cordova, and Yakutat. These projects all include Fiber-To-The-Home (FTTH) infrastructure and very rural middle mile transport via microwave and submarine fiber lines. Our team has successfully worked with the USDA RUS teams for over ten years delivering broadband.

The CTC key personal who manage the company have extensive industry and market expertise in telecom. The management team has extensive financial, operational, and technical backgrounds consistent within the telecom industry. Our core network team of three have over sixty (60) years of networking experience, attend multiple training events per year, and support our ADTRAN, (b) (4) and Ciena environment. More details of CTC key staff are included in the account documentation.

The CTC team has a combined one hundred and forty-seven (147) years of telecom experience in Cordova with over two hundred (200) years of technical expertise in telecom. CTC has eight staff members with over ten (10) years' experience delivering broadband services and supporting our service areas. CTC's broadband experience is significant for a small carrier and has a highly successful track record designing, building, and supporting broadband networks.

Alaska Entity #17892D

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Compliance

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, and custodian of corporation records for said state, hereby issues a Certificate of Compliance for:

CORDOVA TELEPHONE COOPERATIVE, INC.

This entity was formed on January 12, 1978 and is in good standing. This entity has filed all biennial reports and fees due at this time.

No information is available in this office on the financial condition, business activity or practices of this corporation.

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **October 3, 2022**.

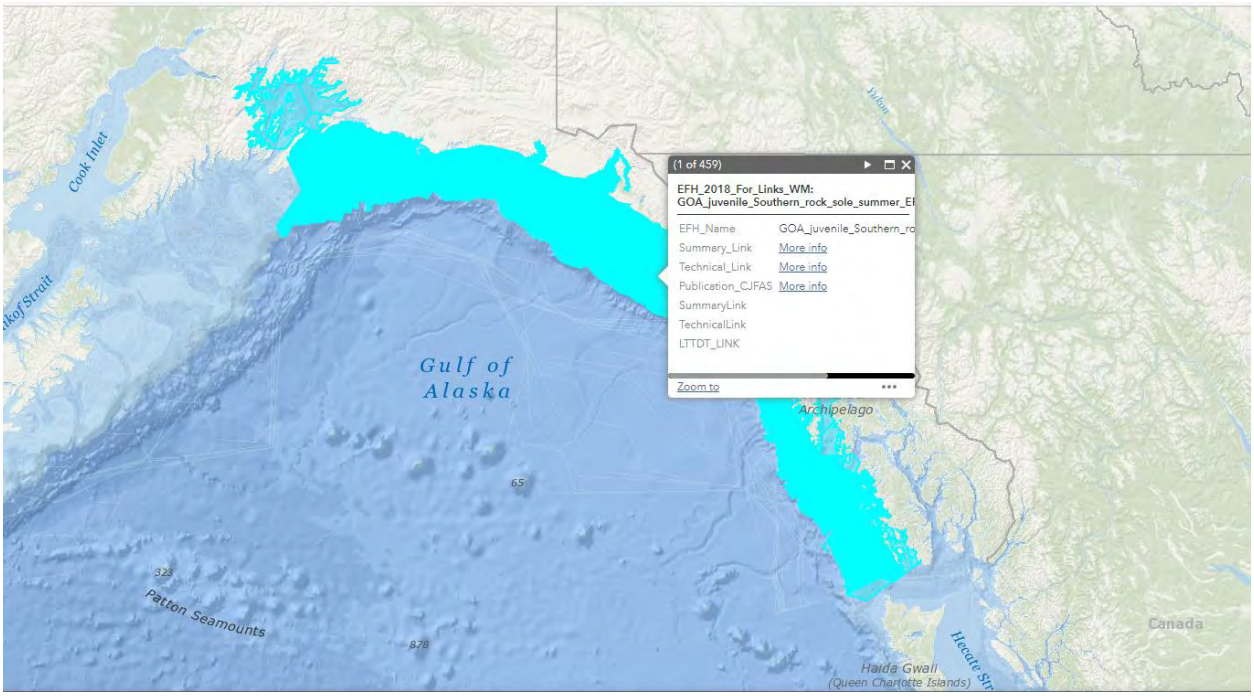
Julie Sande
Commissioner

000811

CTC Environmental- Essential Fish Habitat

As the 16th largest seafood port in the United States, Cordova's commitment to preserving and maintaining our local fish habitat is an engrained cultural value within our community. CTC has uploaded Essential Fish Habitat Map Reports from the EFR Mapper Tool: [EFH Mapper (noaa.gov)]. The uploading report contains data collected from outside of each of our submarine cable landing sites in Cordova, Yakutat, Pelican, Gustavus, Hoonah, and Juneau, Alaska. Additionally, to demonstrate the significance of the essential fish habitat within Southcentral and Southeast Alaska, CTC utilized the Essential Fish Habitat (ESH) map from the National Oceanic and Atmospheric Administration (NOAA): [EFH Application Alaska (noaa.gov)].

While there is not an export option located on the web application, below is a screenshot from the ARCGIS map showing 459 species of fish that have been identified in our project's region.



While the above image is only an approximation, Cordova Telephone Cooperative is committed to protecting local fish populations while installing our submarine fiber. CTC will collaborate with state and federal entities and complete all necessary environmental reviews, environmental permitting, and will work with monitors as needed.

Alaska Entity #10129919

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Compliance

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, and custodian of corporation records for said state, hereby issues a Certificate of Compliance for:

CTC Holdings, LLC

This entity was formed on April 17, 2020 and is in good standing. This entity has filed all biennial reports and fees due at this time.

No information is available in this office on the financial condition, business activity or practices of this corporation.

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **October 3, 2022**.

Julie Sande
Commissioner

CORDOVA TELEPHONE COOPERATIVE, INC.

BOARD OF DIRECTORS

October 18th, 2022, Regular Meeting

RESOLUTION 22-10-20

WHEREAS, Cordova Telephone Cooperative, Inc. ("Cooperative") is a member owned telecommunications cooperative located in Cordova, Alaska.

WHEREAS, The Cooperative's Board of Directors acknowledges and commits to supporting Net Neutrality requirements for Internet Service Providers as outlined in the USDA ReConnect Round 4 program.

IT IS THEREFORE:

1. **RESOLVED** the Cooperative's internet network shall not block lawful content, applications, services, and non-harmful devices.

2. **RESOLVED** the Cooperative's internet network shall not impair or degrade lawful internet traffic on basis of internet content, application, or service, or use of non-harmful devices

3. **RESOLVED** the Cooperative shall not engage in paid prioritization, meaning the management of a broadband providers network to directly or indirectly favor some traffic over other traffic, including through use of techniques such as traffic shaping, prioritization, resource reservation, or other forms of preferential traffic management, either (a) in exchange for consideration (monetary or otherwise) from a third-party, or (b) to benefit an affiliated entity.

Approved: Wendy Ranney
Wendy Ranney,
Board President

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 18h day of October 2022.

[Corp Seal]

Ann Schultz
Ann Schultz, Secretary

CTC Evidence – Alternate Household Data

CTC included alternative household data to reflect the actual housing units within the scope of our PFSA. This information was required for the following reasons:

1) Subscriber projections in portal consolidates all like data for household counts.
2) Census data in portal appears inaccurate for our community.
3) Pelican city data is more accurate for local households and building units.

1) Subscriber Projections

The ReConnect portal subscriber breakdown still consolidates all like service types to calculate the number of subscribers. CTC included all our services in our forecasting so a residential customer that has a land line with long distance and voicemail is getting counted multiple times by the portal.

2) Census Data

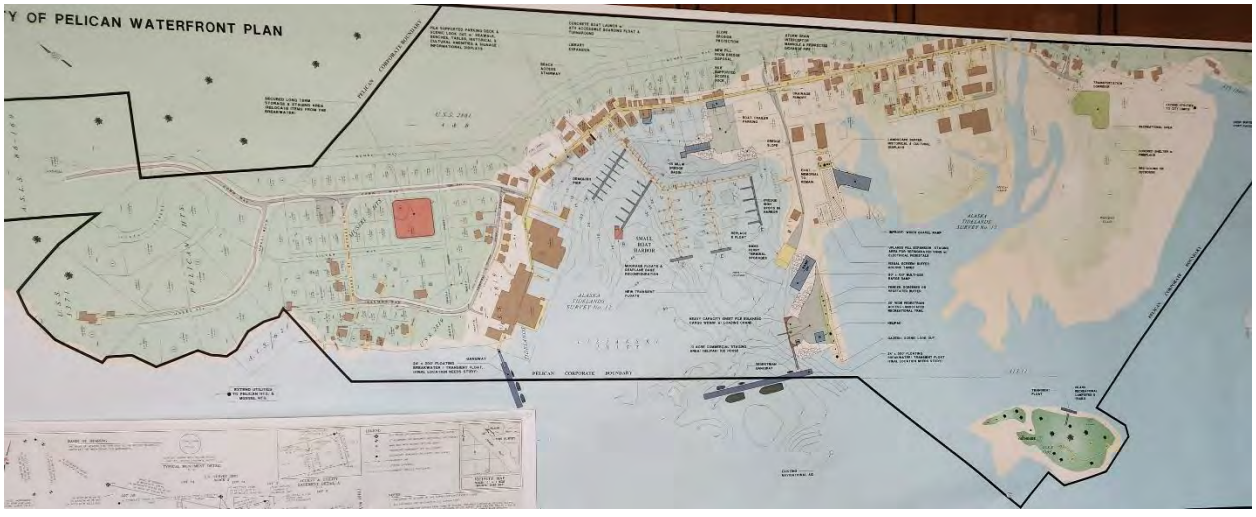
Census data used in portal is inaccurate for Pelican, Alaska.

Pelican by the Numbers was a report published in August 2022 by the community and contains the following demographics for the community:

Total Population = 92
Total Households = 33
Total Housing Units = 93
Commercial Fishing Vessels = 22

3) City Data is More Accurate

Pelican maintains maps of the entire community for public safety, service support, and future planning. The community's current infrastructure includes over 100 building units.



Executive Summary of the Project

Cordova Telephone Cooperative, Inc. (CTC, DBA as Cordova Telecom Cooperative) is requesting funding from the USDA's ReConnect program to deliver high-speed broadband service in the community of Pelican in Southeast Alaska while also improving performance, reliability, and broadband connectivity across the Alaska Southcentral and Southeast regions. The "FISH in SEAK" (Fiber Internet Serving Homes in Southeast Alaska) investment will fortify broadband connectivity for five small rural coastal communities, enable 100MB symmetrical service for over 4000 stakeholders and dozens of Alaska Native entities and businesses, provide geographic broadband redundancy for six coastal communities, and help protect over $2 billion in annual economic revenues for Southcentral and Southeast Alaska.

"FISH in SEAK" consists of the following key elements:

- New Fiber-To-The-Home for the unserved community of Pelican, Alaska
- Critical middle mile connectivity for Southcentral and Southeast Alaska connecting Cordova, Yakutat, Pelican, Gustavus, Hoonah, and Juneau.

This is a request for support to bring broadband services to several communities in Southeast Alaska in step with the rest of the world and fulfill the dreams of Congress as it promotes nationwide broadband deployment at speeds sufficient for public safety, healthcare, commerce, and education in rural and Tribal areas.

This project will be able to deliver 100/100MB broadband internet service to all year-round residents and businesses in the PFSA delivering modern broadband communications for online education, telemedicine, economic opportunities, and public safety resources.

In preparing for this grant application, CTC has partnered with all the communities and Native corporations within the serving areas. This grant has fully documented support from all these partners as well as support from the residents in the proposed funded service area.

The USDA should view the "FISH in SEAK" application as a strategic win that directly addresses all aspects of the ReConnect program. It is a futureproof project that coincides with all of Rural Development's key values, but more importantly, it provides invaluable services to an area with a significant need. This grant will fortify existing investments in the region, support multiple Alaska Native organizations and their descendants, improve socioeconomic stability for multiple coastal communities, help bridge the educational and health digital divide in rural Alaska, and deliver broadband infrastructure that will last for decades.

CTC has had a productive partnership with the USDA to bridge the digital divide in Southcentral Alaska, we ask the USDA to continue to support our cooperative and region by funding this strategic investment, "FISH in SEAK".

About Cordova Telephone Cooperative, Inc.

Cordova Telephone Cooperative, Inc. (CTC) is committed to the provision, improvement and expansion of quality, competitively priced communication services in Cordova and the surrounding service area. In 1978, the voters of Cordova approved a resolution providing for the transfer of assets of Cordova Public Utilities-Telephone Utility to Cordova Telephone Cooperative, Inc (CTC). And thus, a member-owned telephone cooperative was established. In 1997, CTC again broadened its scope of services and established two subsidiaries, Cordova Wireless Communications (CWC) and Cordova Long Distance (CLD). Cordova Wireless has become a successful cellular provider in Cordova with 18 cellular sites, serving three communities and all of Prince William Sound.

CTC is a rural rate of return incumbent local exchange telecommunications carrier providing service in and around Cordova, Alaska. CTC is an active borrower of the RUS, regulated by the FCC for interstate purposes, regulated on limited basis under the Regulatory Commission of Alaska for intrastate calling, and regulated by its board of directors for local exchange purposes. CTC is the carrier of last resort and has ETC status for our established service area for both wireline and wireless services.

Cordova's existing network has grown organically over 40 years to provide essential services to our community, including: telephone/VoIP, internet, tv, and wireless cellular. The majority of existing outside plant is copper running ADSL/VDSL broadband technologies and supported primarily with Adtran and (b) (4) infrastructure. Our network has reached its peak performance for copper based broadband speeds, leaving our community underserved until we deploy Fiber-To-The-Home.

USDA Partnership

In 2009, CTC was awarded RUS loan funds for a secured loan to deploy an undersea fiber cable from Cordova to Valdez. This project produced tremendous rewards and efficiencies, generating additional commerce for Cordova, and bringing our community into the digital era. As internet service becomes increasingly important there is mounting pressure on CTC to provide a much higher level of quality, speed, and greater capacity. Our cooperative is eager to meet this standard and provide enhanced broadband capabilities. Having Fiber-to-the-Home and submarine diversity has become a high priority in recent years.

In 2019, CTC successfully applied for the pilot program round of ReConnect Grant through the USDA and was awarded $18.8 million for NICEY (New Internet for Everyone in Yakutat). This project will deliver Fiber-to-the-Home (FTTH) in Yakutat with the initial middle mile connection via microwave towers which will connect Yakutat with Cordova's network. This is a transformative program which will drastically change how the community can utilize remote services such as distance learning and telehealth. As a result of this funding, CTC established another subsidiary, Yakutat Telecom Company (YTC), to represent and oversee business offerings within the community of Yakutat.

In 2021, CTC successfully secured Community Connect funding of $3M to build out services in Chenega, Alaska. This project, codenamed CHIP (Chenega Highspeed Internet Project), will deliver FTTH to all Chenega residents and building units and will be connected to Cordova via an existing microwave network.

In 2022, CTC was awarded its most recent ReConnect Grant under the Round 3, FISH in AK (Fiber Internet Serving Homes in Alaska) to complete its Fiber-to-the-Home network within Cordova, Alaska, and a necessary diverse submarine fiber route from Cordova to Seward. Additionally, the fiber will stop at two locations along the way: Johnstone Point, which provides vital FAA services, and the Village of Chenega, a small Native community. This submarine fiber cable will provide critical redundancy within the Prince William Sound and help protect the USDA's previous investments into the region.

In 2023, CTC is excited to apply for ReConnect Round 4 with application "FISH in SEAK" (Fiber Internet Serving Homes in Southeast Alaska) that will deliver FTTH to the community of Pelican, Alaska with a diversified middle mile submarine fiber that will run from Cordova to Juneau, stopping in Yakutat, Pelican, Gustavus, and Hoonah to support all the communities along the route.

Combined our recent USDA collaborations deliver the largest serving of "FISH-N-CHIP'S" ever that will bridge the digital divide across 6 rural roadless, coastal, Native communities in Alaska with an infrastructure that will serve residents and communities for decades.

Key Management

Chief Executive Officer, Jeremiah Beckett

Jeremiah Beckett has served as CEO since January of 2018 and has been actively leading in the development of CTC's partnership with the USDA through the ReConnect and Community Connect programs. Jeremiah grew up in Cordova and has more than 22 years of managerial and business experience. He started his technical career at a telecom construction company in the 90's supporting engineering and field project management teams after receiving his B.S. in business management from DeVry University in Phoenix, Arizona. He started two successful technology-related companies and has worked with several large telecommunications companies over the years. Jeremiah is the founder of the Cordova School District's robotics program and continues to volunteer his time overseeing and coaching the high school team.

Chief Financial Officer, Lisa Koker

Lisa Koker received her Bachelor of Science in business administration, Finance and Accounting from Western Washington University. She has 27 years of experience in business management and in the telecommunications industry and has passed all sections of the CPA Exam. She has worked for CTC for 13 years, originally serving as accountant/office manager and in more recent years as interim General Manager/CEO. She's served as a key contact for all RUS programs and the FCC and USAC regulatory. Lisa's current role as CFO allows her to manage the Cooperative's finances and oversee all accounting related processes. She serves as VP of the Cordova Chamber of Commerce Board and sits on the Chamber's Finance Committee.

Project Manager Sarah Kathrein

Sarah Kathrein serves as CTC's Project Manager. She has a Bachelor of Arts in Communications with a minor in Political Science from Western Oregon University. After moving to Alaska in early 2016, she spent over 5 years managing the Tribal Judicial Department for the Native Village of Eyak, where she gained knowledge in grant writing, project management, budgeting, and federal regulations and compliance. Sarah began working at CTC in September 2021 and the transition has allowed her to utilize her ability to take a concept and bring it to fruition and apply it to the telecommunications field. Along with managing grants, Sarah oversees all capital projects and ensures the Cooperative is up to date for OSHA safety requirements. She also acts as President of the AK Salmon Runs Board of Directors, serves on the Copper River Salmon Jam planning committee, and is a volunteer coach for the Cordova High School Track Team.

Datacenter Engineer Stephen Phillips

Stephen Phillips is the Senior Technology Engineer for CTC. Stephen graduated from the University of Nebraska Omaha with a Bachelor of Science in Information System Security, Computer Networking Systems, and DC Electrical Engineering. Stephen brings to the organization 15 years of telecom experience. Stephen started in the telecom industry as an internet tech support specialist and quickly moved into deploying massive communications systems to connect people around the world. Stephen specializes in information security, network routing, switching, VoIP technologies, and virtualization. Stephen joined the CTC team in 2018 to bring his skills to rural Alaska and to give back to his hometown. In his free time, he is the President of the Cordova Chamber of Commerce and has been a volunteer EMT for 6 years and a volunteer firefighter for 7.

CTC Workforce

The existing CTC management team successfully collaborates on numerous ongoing capital projects, while also managing business and network operations. The team has a very successful track record managing both remote microwave sites and fiber optic plants in rural, geographically isolated locations. The team has extensive experience as a rural Alaskan telecommunications cooperative, delivering and maintaining large complex middle mile networks, and supporting rural communities.

The CTC board consists of seven community representatives elected by cooperative members who serve three-year terms. The current board is comprised of 2 men and 5 females with a variety of backgrounds ranging from commercial fishing, education, engineering, and construction. Several of the board members have served multiple terms, all receive annual training, and all have opportunities to participate in telecommunications training events. The board meets monthly at regular meetings to review business operations, community activities, finances, and strategic investments.

CTC has a very strong seasoned technical leadership team that bring a wealth of industry expertise, technical skill sets, seasoned construction skills, and a high aptitude for telecommunications. This group consists of two foremen with over 20 years' experience and a Network Manager with 12. The team is as follows: Adrian Smith, Outside Plant Foreman, Shane Songer, Network Engineer and Inside Plant Foreman, and Stephen Phillips, Network Manager.

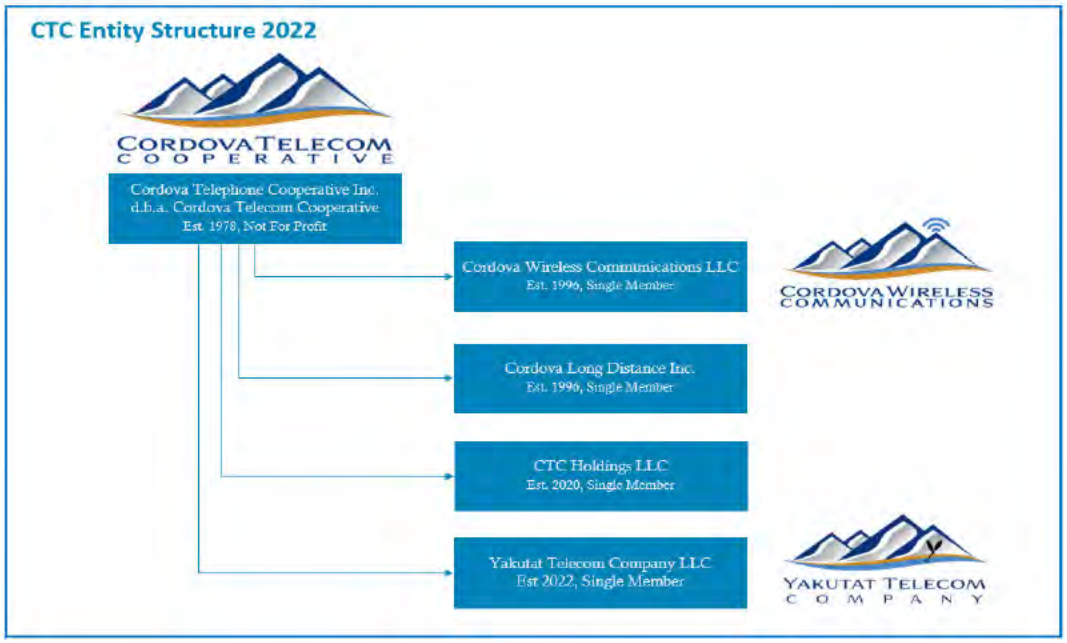
Our team has successfully worked with the USDA RUS teams for over ten years delivering broadband. CTC has been a RUS loan borrower, Community Connect awardee, and after this application's approval, we would be a three (3) time ReConnect awardee.

The CTC key personal who manage the company have extensive industry and market expertise in telecom. The management team has extensive financial, operational, and technical backgrounds consistent within the telecom industry. Our core network team of three have over sixty (60) years of networking experience, attend multiple training events per year, and support our Adtran, (b) (4) and Ciena environment. More details of CTC key staff are included in the account documentation.

The CTC team has a combined one hundred and forty-seven (147) years of telecom experience in Cordova with over two hundred (200) years of technical expertise in telecom. CTC has eight staff members with over ten (10) years' experience delivering broadband services and supporting our service areas. CTC's broadband experience is significant for a small carrier and has a highly successful track record designing, building, and supporting broadband networks.

Subsidiary Interactions

CTC has multiple subsidiaries that provide distinct services to the parent company and customers. Each organization has interoperating agreements, shared management teams, and separated financials.

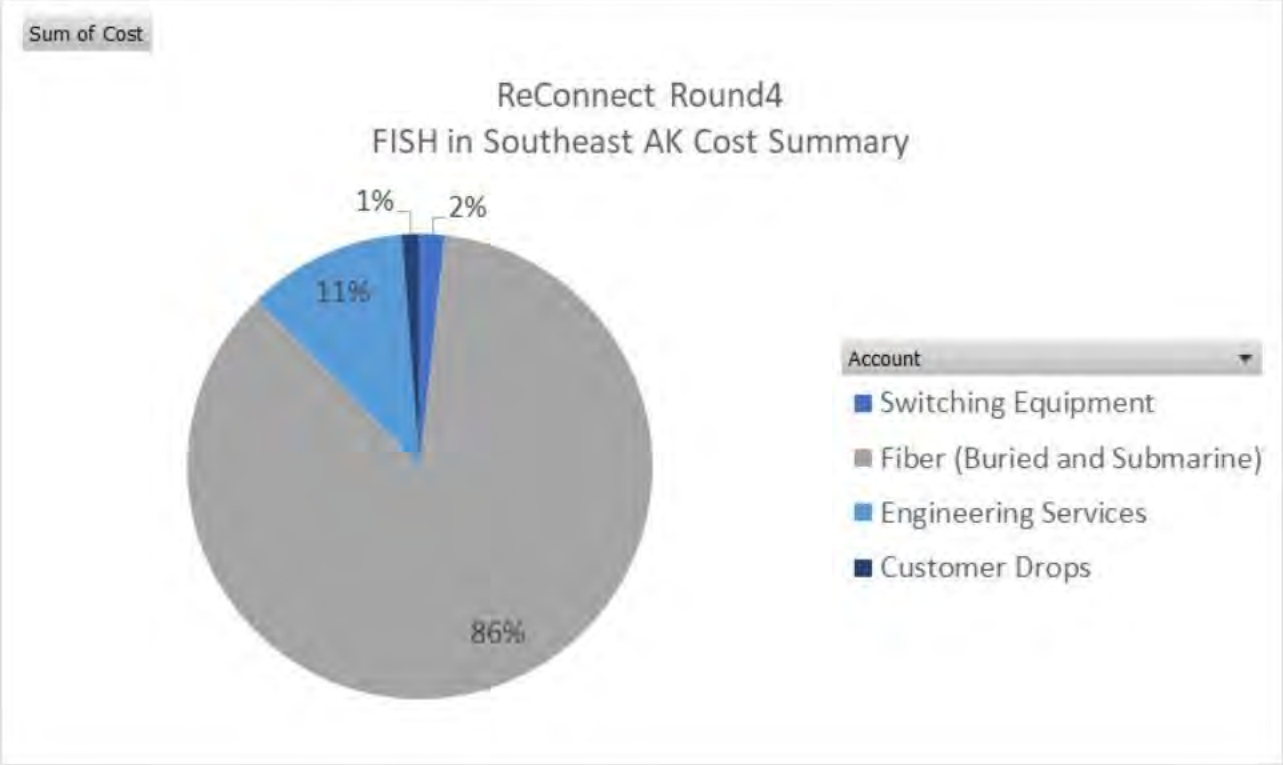


Entity	Summary	Interactions
Cordova Telecom Cooperative	Non-profit community member owned cooperative chartered with committed to the provision, improvement and expansion of quality, competitively priced telecommunication and broadband services in Cordova and the surrounding areas.	Parent company.
Cordova Wireless Communications	For-profit subsidiary delivering wireless cellular services in partnership with AT&T.	Operations integration for site and network management of cellular infrastructure.
Cordova Long Distance	Legal entity to manage legacy long-distance billing services.	Third party billing process entity.
CTC Holdings	Legal entity to manage acquired assets.	Managed lease and use contracts with acquired assets across subsidiaries.
Yakutat Telecom Company	For-profit subsidiary delivering broadband and telecom services in Yakutat, Alaska.	Operations integration for billing and network management.

Project Costs

Total project costs for "FISH in SEAK" are estimated at approximately (b) (4) to build the submarine fiber line and deliver Fiber-To-The-Home (FTTH) to all building units within the PFSA. CTC is able and prepared to match 25% of the total project costs.

CTC is partnering with CoBank to finance the majority our R4 grant match requirement. CTC has self-funded other USDA projects (R1 & R3) but given the size of this project, we found it was more practical to partner with lending institution and use cash reserves to manage any potential overages.



Category	Sum of Cost
Switching Equipment	(b) (4)
Fiber (Buried and Submarine)	
Engineering Services	
Customer Drops	
Grand Total	

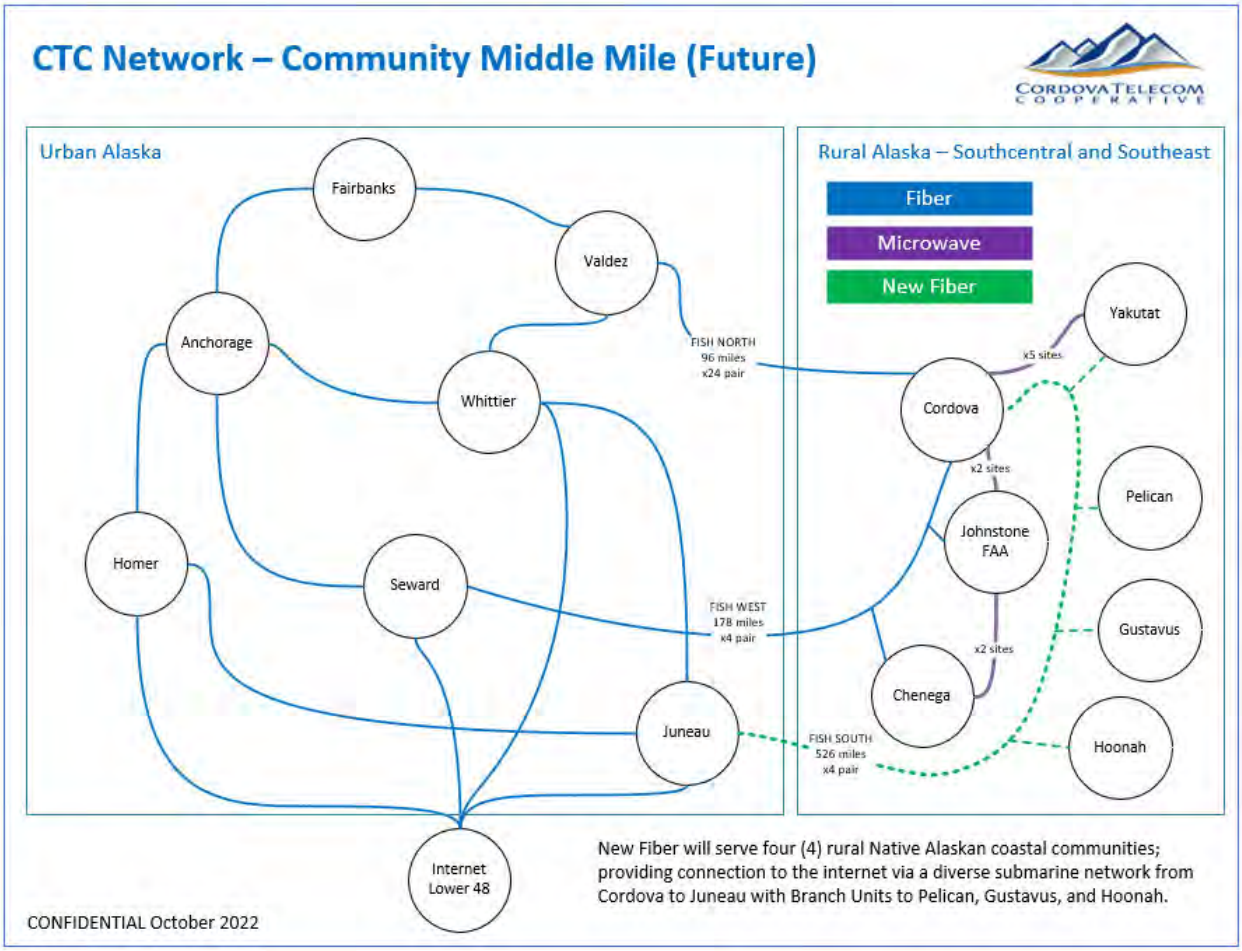
Metric	Count	Cost per
Middle Mile per Community	6	(b) (4)
PFSA Building Units Served	108	
PFSA Housing Units Served	93	
PFSA Households Served	33	
PFSA Population Served	92	
Total Population Supported	36769	

Metrics to illustrate 'Cost per' are based on scope of application, PFSA community census data, and Alaska population census data for communities supported.

Proposed Project

CTC proposes bringing highspeed broadband internet with Fiber-to-the-Home in the community of Pelican, Alaska and adding critical middle mile connectivity to multiple communities. This solution will provide capabilities of delivering broadband ethernet speeds up to 100/100MB symmetrical using technologies from Adtran, Ciena, and (b) (4) CTC will complete this project with two distinct tracts that will be delivered in parallel: including extending the CTC middle mile network from Cordova to Yakutat to Juneau using Ciena technologies and deploying new fiber optic plant in Pelican and Hoonah using Adtran and (b) (4) equipment.

CTC will construct a highly redundant middle mile fiber network out of Cordova that will be connected to the Cordova fiber optic network for Direct Internet Access (DIA) to consumers. CTC will construct over 500 miles of fiber optic middle mile and 2 miles of Fiber-to-the-Home plant delivering a Passive Optic Network (PON) built on industry leading network solutions already used in Cordova from Adtran and (b) (4) This will support the communities' local network, internet, and other communications needs to support delivering a local network transport infrastructure that will last for decades.



SAM.GOV®

CORDOVA TELEPHONE COOPERATIVE, INC.

Unique Entity ID	CAGE / NCAGE	Purpose of Registration
X6G6CDLTL5F6	**0B7S4**	**All Awards**
Registration Status	Expiration Date	
Active Registration	**Apr 16, 2023**	
Physical Address	Mailing Address	
611 2ND ST **Cordova, Alaska 99574** **United States**	**PO Box 459** **Cordova, Alaska 99574-0459** **United States**	

Business Information

Doing Business as	Division Name	Division Number
Cordova Telecom Cooperative	**(blank)**	**(blank)**
Congressional District	State / Country of Incorporation	URL
Alaska 00	**Alaska / United States**	**(blank)**
MPIN		
********rdov**		

Registration Dates

Activation Date	Submission Date	Initial Registration Date
Mar 21, 2022	**Mar 17, 2022**	**Jul 9, 1998**

Entity Dates

Entity Start Date	Fiscal Year End Close Date
Jan 1, 1978	**Dec 31**

Immediate Owner

CAGE	Legal Business Name
(blank)	**(blank)**

Highest Level Owner

CAGE	Legal Business Name
(blank)	**(blank)**

Executive Compensation

In your business or organization's preceding completed fiscal year, did your business or organization (the legal entity to which this specific SAM record, represented by a Unique Entity ID, belongs) receive both of the following: 1. 80 percent or more of your annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements and 2. $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

No

Does the public have access to information about the compensation of the senior executives in your business or organization (the legal entity to which this specific SAM record, represented by a Unique Entity ID, belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

Not Selected

Proceedings Questions

Is your business or organization, as represented by the Unique Entity ID on this entity registration, responding to a Federal procurement opportunity that contains the provision at FAR 52.209-7, subject to the clause in FAR 52.209-9 in a current Federal contract, or applying for a Federal grant opportunity which contains the award term and condition described in 2 C.F.R. 200 Appendix XII?

No

Does your business or organization, as represented by the Unique Entity ID on this specific SAM record, have current active Federal contracts and/or grants with total value (including any exercised/unexercised options) greater than $10,000,000?

Not Selected

Within the last five years, had the business or organization (represented by the Unique Entity ID on this specific SAM record) and/or any of its principals, in connection with the award to or performance by the business or organization of a Federal contract or grant, been the subject of a Federal or State (1) criminal proceeding resulting in a conviction or other acknowledgment of fault; (2) civil proceeding resulting in a finding of fault with a monetary fine, penalty, reimbursement, restitution, and/or damages greater than $5,000, or other acknowledgment of fault; and/or (3) administrative proceeding resulting in a finding of fault with either a monetary fine or penalty greater than $5,000 or reimbursement, restitution, or damages greater than $100,000, or other acknowledgment of fault?

000824

Not Selected

Exclusion Summary

Active Exclusions Records?

No

SAM Search Authorization

I authorize my entity's non-sensitive information to be displayed in SAM public search results:

Yes

Entity Types

Business Types

Entity Structure
Corporate Entity (Tax Exempt)

Entity Type
Business or Organization

Organization Factors
(blank)

Profit Structure
Other Not For Profit Organization

Socio-Economic Types

Check the registrant's Reps & Certs, if present, under FAR 52.212-3 or FAR 52.219-1 to determine if the entity is an SBA-certified HUBZone small business concern. Additional small business information may be found in the SBA's Dynamic Small Business Search if the entity completed the SBA supplemental pages during registration.

Financial Information

Accepts Credit Card Payments
Yes

Debt Subject To Offset
No

EFT Indicator
0000

CAGE Code
0B7S4

Electronic Funds Transfer

Account Type
Checking

Routing Number
*******0057**

Lock Box Number
(blank)

Financial Institution
WELLS FARGO BANK N.A.

Account Number
*******10556**

Automated Clearing House

Phone (U.S.)
9074243258

Email
(blank)

Phone (non-U.S.)
(blank)

Fax
(blank)

Remittance Address

CORDOVA TELEPHONE CO-OPERATIVE
PO Box 459
Cordova, Alaska 99574
United States

Taxpayer Information

EIN
*******9166**

Type of Tax
Applicable Federal Tax

Taxpayer Name
CORDOVA TELEPHONE COOPERATIVE INC

Tax Year (Most Recent Tax Year)
2020

Name/Title of Individual Executing Consent
Chief Financial Officer

TIN Consent Date
Mar 17, 2022

Address
611 Second ST
Cordova, Alaska 99574

Signature
LISA KOKER

Points of Contact

Accounts Receivable POC

000825

Lori Webber, MRS
lori@ctcak.coop
9074242345

Electronic Business

JEREMIAH BECKETT, General Manager
jeremiah@ctcak.coop
9074242345

PO Box 459
Cordova, Alaska 99574
United States

Lisa Koker
lisa@ctcak.coop
9074242345

PO Box 459
Cordova, Alaska 99574
United States

Government Business

JEREMIAH BECKETT, General Manager
jeremiah@ctcak.coop
9074242345

PO Box 459
Cordova, Alaska 99574
United States

LISA KOKER
lisa@ctcak.coop
9074242345

PO Box 459
Cordova, Alaska 99574
United States

Past Performance

Lisa Koker
lisa@ctcak.coop
9074242345

PO Box 459
Cordova, Alaska 99574
United States

Lori Webber, MRS
lori@ctcak.coop
9074242345

PO Box 459
Cordova, Alaska 99574
United States

Security Information

Company Security Level
(blank)

Highest Level Employee Security Level
(blank)

Service Classifications

NAICS Codes

Primary	NAICS Codes	NAICS Title
Yes	**517311**	**Wired Telecommunications Carriers**

Size Metrics

IGT Size Metrics

Annual Revenue (from all IGTs)
(blank)

Worldwide

Annual Receipts (in accordance with 13 CFR 121)
$10,000,000.00

Number of Employees (in accordance with 13 CFR 121)
15

Location

Annual Receipts (in accordance with 13 CFR 121)
(blank)

Number of Employees (in accordance with 13 CFR 121)
(blank)

Industry-Specific

Barrels Capacity
(blank)

Megawatt Hours
(blank)

Total Assets
(blank)

Electronic Data Interchange (EDI) Information

This entity did not enter the EDI information

Disaster Response

000826

This entity does not appear in the disaster response registry.

CORDOVA TELEPHONE COOPERATIVE, INC.

BOARD OF DIRECTORS

December 22, 2022 Special Meeting

RESOLUTION 22-12-38

WHEREAS, Cordova Telephone Cooperative, Inc. ("Cooperative") has several opportunities to expand broadband deployment and has identified Rural Utilities Service ("RUS") grant funds available through the ReConnect Program that will facilitate the Cooperative's broadband projects;

WHEREAS, The Cooperative's Board of Directors ("Board") has considered the Cooperative's broadband projects, the potential availability of RUS grant funds, and the RUS application requirements, and finds it is in the best interests of the Cooperative to apply for available RUS ReConnect Program grant funds; and

WHEREAS, The Board previously approved the Cooperative to apply for a specific Round 4 RUS Reconnect Program grant, and in Resolution 22-10-18 authorized certain Cooperative personnel to perform application functions, The Board now provides this affirmation and authorization to meet a condition of the RUS application for that grant;

IT IS THEREFORE:

RESOLVED that the Cooperative is authorized to apply for the RUS ReConnect Progam grant of thirty-five million dollars ($35,000,000.00) in the funding category of "100% Grant," and that authorization for all prior actions taken by authorized Cooperative personnel in pursuing and submitting the application for these grant funds are reaffirmed and such actions are ratified.

Approved by: Wendy A Ranney
Wendy Ranney
Board President

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 22th day of December, 2022.

Ann Schultz
Ann Schultz
Secretary

[Corp Seal]

Alaska Entity #59513D

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Compliance

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, and custodian of corporation records for said state, hereby issues a Certificate of Compliance for:

CORDOVA WIRELESS COMMUNICATIONS, LLC.

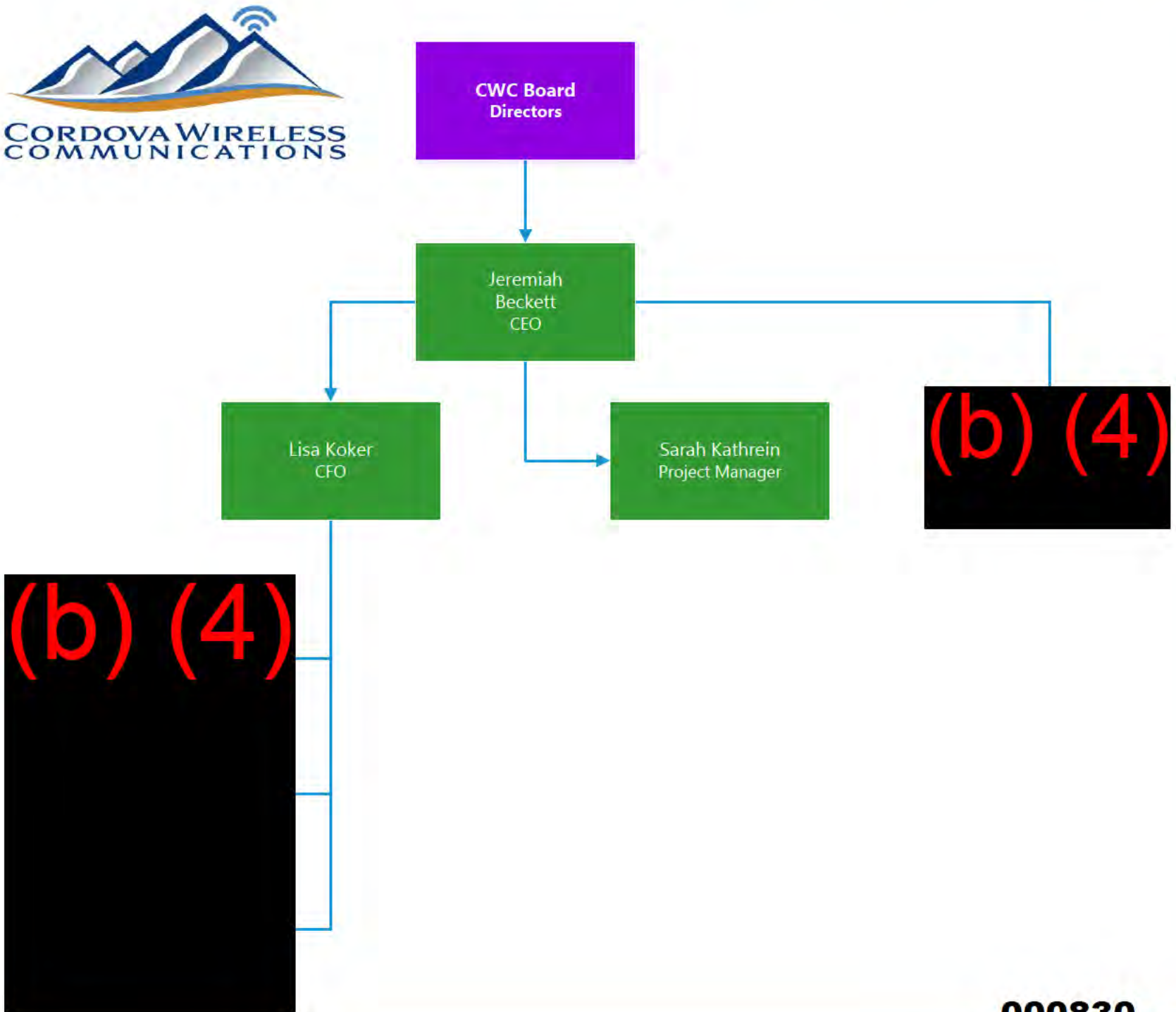
This entity was formed on November 18, 1996 and is in good standing. This entity has filed all biennial reports and fees due at this time.

No information is available in this office on the financial condition, business activity or practices of this corporation.

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **October 3, 2022**.

Julie Sande
Commissioner

Cordova Wireless Communications (CWC) - 2022 Entity Organizational Chart



EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 60º 32' 45" N, Longitude = 146º 11' 53" W
Decimal Degrees: Latitude = 60.546, Longitude = -145.802

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Walleye pollock (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data.
****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**

Gulf of Alaska Groundfish EFH,
Big Skate,
Longnose Skate,
Sharks,
Bering Sea / Aleutian Islands Groundfish EFH,
Forage Fish Complex,
Sharks (Bering Sea),
Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 59º 31' 2" N, Longitude = 140º 5' 15" W
Decimal Degrees: Latitude = 59.517, Longitude = -139.912

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Adult (Summer) Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Alaska skate (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Aleutian skate (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Atka mackerel (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Bering skate (Gulf of Alaska)	Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Bigmouth sculpin (Gulf of Alaska)	Adult (Spring) Adult (Summer) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Black rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Blackspotted rockfish (Gulf of Alaska)	Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dark rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Egg (Summer) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dusky rockfish (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Egg (Summer) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Great sculpin (Gulf of Alaska)	Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Greenstriped rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Harlequin rockfish (Gulf of Alaska)	Adult (Spring) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Longspine thornyhead rockfish (Gulf of Alaska)	Adult (Spring) Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rockfish (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Octopus (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Adult (Fall) Adult (Winter) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pygmy rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Quillback rockfish (Gulf of Alaska)	Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Redbanded rockfish (Gulf of Alaska)	Adult (Spring) Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rosethorn rockfish (Gulf of Alaska)	Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rougheye rockfish (Gulf of Alaska)	Adult (Fall) Adult (Summer) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Sablefish (Gulf of Alaska)	Adult (Fall) Adult (Winter) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Sharpchin rockfish (Gulf of Alaska)	Adult (Spring) Adult (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Shortraker rockfish (Gulf of Alaska)	Adult (Fall) Adult (Spring) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Shortspine thornyhead rockfish (Gulf of Alaska)	Adult (Fall) Adult (Winter)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Adult (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Walleye pollock (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Summer) Adult (Winter) Egg (Summer) Juvenile (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellow Irish lord (Gulf of Alaska)	Adult (Fall) Adult (Spring) Adult (Winter) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yelloweye rockfish (Gulf of Alaska)	Adult (Spring) Adult (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Adult (Summer) Egg (Summer) Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Redstriped rockfish (Gulf of Alaska)	Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Silvergrey rockfish (Gulf of Alaska)	Juvenile (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data. ****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**
Gulf of Alaska Groundfish EFH, Big Skate, Longnose Skate, Sharks, **Bering Sea / Aleutian Islands Groundfish EFH**, Forage Fish Complex, Sharks (Bering Sea), Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 57° 58' 29" N, Longitude = 137° 44' 4" W
Decimal Degrees: Latitude = 57.975, Longitude = -136.266

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Walleye pollock (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data.
****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**

Gulf of Alaska Groundfish EFH,
Big Skate,
Longnose Skate,
Sharks,
Bering Sea / Aleutian Islands Groundfish EFH,
Forage Fish Complex,
Sharks (Bering Sea),
Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 58º 23' 12" N, Longitude = 136º 15' 26" W
Decimal Degrees: Latitude = 58.387, Longitude = -135.743

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data. ****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**
Gulf of Alaska Groundfish EFH, Big Skate, Longnose Skate, Sharks, **Bering Sea / Aleutian Islands Groundfish EFH**, Forage Fish Complex, Sharks (Bering Sea), Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 58º 9' 44" N, Longitude = 136º 33' 9" W
Decimal Degrees: Latitude = 58.162, Longitude = -135.448

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Walleye pollock (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

No Pacific Salmon Essential Fish Habitat (EFH) were identified at the report location.

HAPCs

No Habitat Areas of Particular Concern (HAPC) were identified at the report location.

EFH Areas Protected from Fishing

No EFH Areas Protected from Fishing (EFHA) were identified at the report location.

Spatial data does not currently exist for all the managed species in this area. The following is a list of species or management units for which there is no spatial data.
****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**

Gulf of Alaska Groundfish EFH,
Big Skate,
Longnose Skate,
Sharks,
Bering Sea / Aleutian Islands Groundfish EFH,
Forage Fish Complex,
Sharks (Bering Sea),
Squid Complex

EFH Mapper Report

EFH Data Notice

Essential Fish Habitat (EFH) is defined by textual descriptions contained in the fishery management plans developed by the regional fishery management councils. In most cases mapping data can not fully represent the complexity of the habitats that make up EFH. This report should be used for general interest queries only and should not be interpreted as a definitive evaluation of EFH at this location. A location-specific evaluation of EFH for any official purposes must be performed by a regional expert. Please refer to the following links for the appropriate regional resources.

Alaska Regional Office
Alaska EFH Mapper

Query Results

Degrees, Minutes, Seconds: Latitude = 58º 22' 47" N, Longitude = 135º 13' 24" W
Decimal Degrees: Latitude = 58.380, Longitude = -134.777

The query location intersects with spatial data representing EFH and/or HAPCs for the following species/management units.

EFH

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Alaska plaice (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Dover sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Flathead sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Rex sole (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Walleye pollock (Gulf of Alaska)	Egg (Summer) Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Yellowfin sole (Gulf of Alaska)	Egg (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Arrowtooth Flounder (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Northern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific cod (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Pacific ocean perch (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP

Link	Data Caveats	Species/Management Unit	Lifestage(s) Found at Location	Management Council	FMP
		Sablefish (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Southern rock sole (Gulf of Alaska)	Larvae (Summer)	North Pacific	Amendment 105 to GOA Groundfish FMP
		Chinook Salmon	Marine Immature Adult Marine Mature Adult	North Pacific	Amendment 13 to Salmon FMP
		Chum Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Pink Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Sockeye Salmon	Marine Mature Adult Marine Immature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP
		Coho Salmon	Marine Mature Adult Marine Juvenile	North Pacific	Amendment 13 to Salmon FMP

Salmon EFH

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****For links to all EFH text descriptions see the complete data inventory: open data inventory -->**

Gulf of Alaska Groundfish EFH,
Big Skate,
Longnose Skate,
Sharks,
Bering Sea / Aleutian Islands Groundfish EFH,
Forage Fish Complex,
Sharks (Bering Sea),
Squid Complex

USDA
United States Department of Agriculture

Rural Development

RUS Telecommunications Program

1400 Independence Ave, SW
Room 4121 - Stop 1590
Washington, DC 20250

Voice 202.720.0800

MEMO

TO: Andrew Berke
Administrator, Rural Utilities Service

THROUGH: Laurel Leverrier, Assistant Administrator, Telecommunications Programs

FROM: Randall Millhiser, Deputy Assistant Administrator, Loan Origination and Approval Division

DATE: June 20, 2023

SUBJECT: Obligation of Certain ReConnect Awards

Background

Rural Development modified its environmental rule to permit an administrator to obligate funds on infrastructure projects before concluding the NEPA review, where the administrator determined that the assurance that funds would be available was necessary for health, public safety or economic development for the communities to be served by such projects. See 87 Fed. Reg. 47690 (Aug. 4, 2022). Pursuant to that modification at 7 CFR 1970.11(b), we recommend that the Administrator of RUS determine that such assurance is necessary for the following ReConnect infrastructure projects identified below, so that funds may be obligated for these projects. While 7 CFR 1970.11(b) allows RUS to obligate funds for these projects before the necessary environmental reviews are concluded, all environmental laws will be fully complied with before these awards are "closed" or any funds are advanced. To ensure compliance with federal law and regulations, the projects identified below have language crafted by OGC that has been inserted into the conditions letters to be sent to awardees, as well as integrated into their award legal documents.

Procedures

In order to comply with agency requirements to obligate funds, the following four requirements must be met: (1) completion of NEPA unless a finding under 7 CFR 1970.11(b) is made, but conclusion of the review *before any funds are disbursed*; (2) completion of the Section 106 historic and cultural preservation review *before any funds are disbursed*; (3) initiation of consultation under the Endangered Species Act (ESA), but conclusion of the review *before any funds are disbursed*; and (4) acceptance of the terms of the award by the Awardee.

With respect to the first requirement, the projects listed below have all initiated review, but not concluded. The language provided by OGC that has been inserted into the legal documents for these projects ensures that no funds will be expended until the Environmental Review is concluded. Upon your approval of this memorandum and pursuant to 7 CFR 1970.11(b), these projects will meet threshold to obligate with respect to NEPA.

With respect to the second requirement, the language provided by OGC that has been inserted into the legal documents for these projects ensures that no funds will be expended until Section

Rural Development

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106 is concluded, whether federal funds or not, other than those funds necessary for complying with the environmental reviews. That language, then, will meet the obligation threshold with respect to Section 106.

With respect to the third requirement, the agency has already verified that the projects identified below have initiated consultation with the Fish and Wildlife Service of the U.S. Department of the Interior. Likewise, the language provided by OGC in the legal documents ensures that no funds will be expended until the ESA review has been concluded. That language, then, will meet the obligation threshold with respect to the ESA.

With respect to the fourth and last requirement, before the agency can administratively obligate the funds, it must receive a fully executed version of the legal documents indicating that the Awardee has accepted all major terms of the award.

By approving and signing this memorandum, RUS may forward documents to the projects identified below in order the complete the obligation process on these ReConnect awards.

Specific Projects Covered by This Memorandum

For the following projects, IPAC official species lists were submitted to the ReConnect program, and evidence of request for informal consultation to USFWS was provided and reviewed by RUS.

- 101001335

Determination and Approval for Obligation

As Administrator of RUS, I hereby determine that the assurance of the availability of funds is necessary for the health, public safety or economic development for the communities to be served by the above-referenced projects, and approve the recommendations and procedures outlined herein so that the above-referenced projects may be obligated.

APPROVAL:

X

Andrew Berke
Administrator, Rural Utilities Service

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

ADL 233511
Public Utility Easement
Eyak Lake Fiber Optic Cable between Cordova Municipal Airport and Power Creek Dam

Entry Authorization

Cordova Telephone Cooperative Inc., herein known as the Grantee, is issued this Entry Authorization for the use of state land within:

Legal Description:

Sections 12, 13, 23, 24 & 26 Township 15 South, Range 3 West, Copper River Meridian and Section 7, Township 15 South, Range 2 West, Copper River Meridian.

This Entry Authorization is issued for the purpose of authorizing the following:

Constructing, surveying, operating and maintaining a submerged fiber optic and copper cable in Eyak Lake.

This authorization is effective beginning (b) (4) and ending (b) (4) unless sooner terminated.

This Entry Authorization is issued subject to the following:

- Payment of the interim authorization fee of $2,040.00 as described in the stipulation below.
- Maintenance of a performance guaranty in the amount of $15,200 as required described in the stipulations below.
- The one-time fee of 56 cents per linear foot, totaling approximately $13,087.20 per 11 AAC 05.070 (d)(2)(C), can be adjusted based on approved survey.
- Proof of insurance as described in stipulations below.

Stipulations:

1. **Authorized Officer:** The Authorized Officer (AO) for the State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), is the Regional Manager or designee.

2. **Change of Contact Information:** The Grantee shall maintain current contact information with the AO. Any change of contact information must be submitted in writing to the AO.

3. **Valid Existing Rights:** This authorization is subject to all valid existing rights and reservations in and to the authorized area. The State makes no representations or warranties, whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.

4. **Preference Right:** No preference right for subsequent authorizations is granted or implied by this authorization.

5. **Inspections:** The AO shall have reasonable access to the authorized area for inspection, which may be conducted without prior notice. If the Grantee is found to be in noncompliance, the authorized area may be subject to reinspection. The Grantee may be charged for actual expenses of any inspection.

6. **Public Access:** The construction, operation, use, and maintenance of the authorized area shall not interfere with public use of roads, trails, waters, landing areas, and public access easements. The ability to use or access state land or public waters may not be restricted in any manner. However, if a specific activity poses a safety concern, the AO may allow the restriction of public access for a specific period of time. The Grantee is required to contact the AO in advance for approval. No restriction is allowed unless specifically authorized in writing by the AO.

7. **Public Trust Doctrine:** The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This authorization is subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The AO reserves the right to grant other interests consistent with the Public Trust Doctrine.

8. **Alaska Historic Preservation Act:** The Alaska Historic Preservation Act, AS 41.35.200, prohibits the appropriation, excavation, removal, injury, or destruction of any state-owned historic, prehistoric, archaeological or paleontological site without written approval from the DNR Commissioner. Should any sites be discovered, the Grantee shall cease any activities that may cause damage and immediately contact the AO and the Office of History and Archaeology in the Division of Parks and Recreation.

9. **Compliance with Government Requirements:** The Grantee shall, at its expense, comply with all federal, state, and local laws, regulations, and ordinances directly or indirectly related to this authorization. The Grantee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.

10. **Incurred Expenses:** The Grantor shall in no way be held liable for expenses incurred by the Grantee connected with the activities directly or indirectly related to this authorization.

11. **Waiver of Forbearance:** Any failure on the part of the AO to enforce the terms of this authorization, or the waiver of any right under this authorization by the Grantee, unless in writing, shall not discharge or invalidate the authorization of such terms. No

forbearance or written waiver affects the right of the AO to enforce any terms in the event of any subsequent violations of terms of this authorization.

12. **Severability Clause:** If any clause or provision of this authorization is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the Grantor and the Grantee agree that the remainder of this authorization will not be affected, and in lieu of each clause or provision of this authorization that is illegal, invalid, or unenforceable, there will be added as a part of this authorization a clause or provision as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible, legal, valid, and enforceable.

13. **Assignment:** In the event the Grantee desires to transfer their interest in the authorization to another party, the Grantee shall submit to the AO a request for assignment and a copy of a draft agreement which identifies the provisions of the assignment between the parties. The AO reserves the right to amend the terms or conditions of this authorization prior to approving any assignment, or to withhold approval for the assignment. The AO reserves the right to require an assignment between the Grantee and another party in the event of a change in corporate ownership, LLC/LLP membership or name change involving the authorized site.

14. **Indemnification:** Unless specified herein, Grantee assumes all responsibility, risk and liability for all activities of Grantee, its employees, agents, invitees, contractors, subcontractors, or licensees directly or indirectly conducted in connection with this authorization, including environmental and hazardous substance risks and liabilities, whether accruing during or after the term of this authorization as stated herein. Grantee shall defend, indemnify and hold harmless the State of Alaska, its employees and agents, from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatever kind or nature, including all attorney's fees and litigation costs, arising out of, in connection with, or incident to any act or omission by Grantee, its employees, agents, invitees, contractors, subcontractors, or licensees, unless the sole proximate cause of the injury or damage is the negligence or willful misconduct of the State or anyone acting on the State's behalf. Within 15 days Grantee shall accept any such cause or action or proceeding upon tender by the State. This indemnification shall survive the termination of the authorization.

15. **Fuel and Hazardous Substances:** No fuel or hazardous substances may be stored in the authorized area without prior written approval from the AO.

16. **Insurance:** . Insurance is required during the term of this authorization and is subject to annual review and adjustment by the Department of Natural Resources. The Department may require a reasonable increase based on a change in the Grantee's development plan or with increased risk. The insurance policy or policies must be written by a company or companies on the Division of Insurance's "admitted list" or the "Surplus Lines Insurance list." The broker/agent must be licensed to do business in the State, and if Surplus Lines Insurance is provided, the broker must have a surplus broker license. Additional information regarding the admitted and Surplus Lines

Insurance lists may be obtained from the Division of Insurance (1-907-269-7900). Pursuant to the authorization, the Grantee shall:

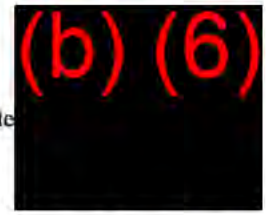
a. Consult, as appropriate, with an insurance professional licensed to transact the business of insurance under Alaska Statute, Title 21, to determine what types and levels of insurance are adequate to protect the Grantee and the Grantor (the State, its officers, agents, and employees) relative to the liability exposures of the Grantee's commercial operations.

b. Secure or purchase at Grantee's own expense, and maintain in full force at all times during the term of the authorization, adequate insurance policies and coverage levels recommended by an insurance professional, licensed to transact the business of insurance under Alaska Statute, Title 21, and acceptable to the State of Alaska. The State will expect to see, at a minimum, the following types of coverage: Commercial General Liability Insurance: The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Division of Risk Management, Alaska Department of Administration. Workers' Compensation Insurance: the Grantee shall provide and maintain, for all its employees, Workers' Compensation Insurance as required by AS 23.30.045. Where applicable, coverage must comply with any other statutory obligations, whether Federal (i.e. U.S.L. & H or Jones Act) or other state laws in which employees are engaged in work on the authorized premises. The insurance policy must contain a waiver of subrogation clause in favor of the State of Alaska.

c. Ensure that the State of Alaska, Department of Natural Resources is listed as an additional named insured on all liability policies held by the Grantee that provide coverage for liabilities connected to the operations of the Grantee on or in conjunction with the authorized premises.

d. Provide proof of insurance to the AO on a yearly basis. The certificate must provide for a 30-day prior notice to the State of Alaska in the event of cancellation, non-renewal, or material change of conditions. Failure to furnish satisfactory evidence of insurance, or lapse of the policy, are material breaches of the authorization and shall be grounds, at the option of the Grantor, for termination of the authorization. Generally, the State of Alaska will rely upon the best professional judgment of the licensed insurance agent and, at renewal, the agent's annual reassessment of the insured's right to require additional coverage if, in its discretion, it determines that it may be warranted. Any changes in the approved authorization development and operations plan, or the existence of significant claims against the liability coverage, would warrant examination of the insurance by the State to determine adequacy.

e. In the event the Grantee becomes aware of a claim against any of its liability coverage, the Grantee shall notify, and provide documentation and full disclosure of the claim to the AO within 20 days.



17. **Removal of Improvements and Site Restoration:** Upon termination of this authorization, whether by abandonment, revocation or any other means, the Grantee shall within 30 days remove all improvements from the area herein granted, except those owned by the State, and the site shall be restored to a condition acceptable to the AO. Should the Grantee fail or refuse to remove said structures or improvements within the time allotted, they shall revert to and become the property of the State; however, the Grantee shall not be relieved of the cost of the removal of the structures, improvements and/or the cost of restoring the area.

18. **Concurrent Use:** The DMLW reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land under this authorization. Authorized concurrent users of State land, their agents, employees, contractors, subcontractors, and licensees shall not interfere with the operation or maintenance activities of each user. The DMLW may require authorized concurrent users of State land to enter into an equitable agreement regarding concurrent use.

19. **Performance Guaranty:** The Grantee shall provide a surety bond or other form of security acceptable to the AO in the amount of $15,200 payable solely to the State of Alaska, DNR. Such performance guaranty shall remain in effect for the term of this authorization and any subsequent authorizations under ADL 233511 to secure performance of the Grantee's obligations hereunder. The amount of the performance guaranty may be adjusted by the AO upon approval of amendments to this authorization, changes in the development plan or changes in the activities conducted on the premises. The guaranty may be utilized by the DMLW, at the discretion of the AO, to cover costs incurred by the State of Alaska to pay for any necessary corrective actions in the event the Grantee does not comply with site utilization and restoration guidelines. The provisions of this authorization shall not prejudice the State's right to obtain remedy under any law or regulation. The performance guaranty may only be released in writing by the AO. The AO reserves the right to require a performance guaranty during the term of this authorization.

20. **Extensions:** The AO may approve a written request to extend this authorization if additional time is necessary to meet its requirements. The written request must certify that there have been no changes to the approved development plan and be received at least 30 days before the expiration date of this authorization. Additional fees may be required.

21. **Violations:** This authorization may be revoked upon violation of any of its terms, conditions, stipulations, nonpayment of fees, or upon failure to comply with any other applicable laws, statutes, and regulations. A revocation may not become effective until 60 days after the Grantee has been notified in writing of the violation during which time the Grantee has an opportunity to cure any such violation. No public access easement may be terminated without the prior written approval of DMLW.

22. **Notification of Discharge:** The Grantee shall immediately notify the Department of Environmental Conservation (DEC) and AO of any unauthorized discharge of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil

greater than 55 gallons on land. All fires and explosions must also be reported immediately.

If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the Grantee shall report the discharge within 48 hours. Any discharge of oil greater than one gallon up to 10 gallons, including a cumulative discharge, solely to land, must be reported in writing on a monthly basis.

Notification of discharge during normal business hours must be made to the nearest DEC Area Response Team: Anchorage (907) 269-7500, fax (907) 269-7687; Fairbanks (907) 451-2121, fax (907) 451-2362; Juneau (907) 465-5340, fax (907) 465-5245. For discharges in state off shore waters call (907) 269-0667. The DEC oil spill report number outside normal business hours is (800) 478-9300.

Notification of discharge must be made to the appropriate DNR Office, preferably by e-mail: Anchorage email dnr.scro.spill@alaska.gov, (907) 269-8503; Fairbanks email dnr.nro.spill@alaska.gov, (907) 451-2739; Juneau email scro@alaska.gov, (907) 465-3400. The Grantee shall supply the AO with all incident reports submitted to DEC.

23. **Returned Check Penalty:** A returned check penalty of $50.00 will be charged for any check on which the bank refuses payment. Late payment penalties shall continue to accrue.

24. **Late Payment Penalty Charges**: The Grantee shall pay a fee for any late payment. The amount is the greater of either $50.00 or interest accrued daily at the rate of 10.5% per annum and will be assessed on each past-due payment until paid in full.

25. **Fees:** The Grantee shall pay an annual interim land use fee of $120 per acre rounded up to the nearest acre, with a $240 minimum, totaling $2,040.00, per 11 AAC 05.070 (d)(2)(I) for the term of this EA. In addition, the applicant shall pay a one-time fee of 56 cents per linear foot, totaling approximately $13,087.20, per 11 AAC 05.070 (d)(2)(C), can be adjusted based on approved as-built survey. These fees are charged concurrently with any other land use fees that may be described herein. This and any other fee described herein shall be subject to adjustment following any changes to the department's fee regulations or fee schedule.

26. **Request for Information:** The AO, at any time, may require the Grantee to provide any information directly or indirectly related to this authorization in a manner prescribed by the AO.

27. **Annual Report:** An annual report shall be submitted by December 15 of each year outlining work completed that year, work to be completed next year, and anticipated construction completion timeframe.

28. **Waste Disposal:** On-site refuse disposal is prohibited unless specifically authorized. All waste generated during operation, maintenance, and termination activities under

this authorization shall be removed and disposed of at an off-site DEC approved disposal facility. Waste, in this paragraph, means all discarded matter, including but not limited to human waste, trash, garbage, refuse, oil drums, petroleum products, ashes, and discarded equipment.

29. **Destruction of Markers**: The Grantee shall protect all survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed corner posts against damage, destruction, or obliteration. The Grantee shall notify the AO of any damaged, destroyed, or obliterated markers and shall reestablish the markers at the Grantee's expense in accordance with accepted survey practices of the DMLW.

30. **Site Maintenance:** The authorized area shall be maintained in a neat, clean, and safe condition, free of any solid waste, debris, or litter, except as specifically authorized herein.

31. **Maintenance of Improvements:** The Grantor is not responsible for maintenance of authorized improvements or liable for injuries or damages related to those improvements. No action or inaction of the Grantor is to be construed as assumption of responsibility.

32. **Amendment or Modification:** The Grantee may request an amendment or modification of this authorization; the Grantee's request must be in writing. Any amendment or modification must be approved by the AO in advance and may require additional fees and changes to the terms of this authorization.

33. **Development Plan:** Development shall be limited to the authorized area and improvements specified in the approved development plan or subsequent modifications approved by the AO. The Grantee is responsible for accurately siting development and operations within the authorized area. Any proposed revisions to the development plan must be approved in writing by the AO before the change in use or development occurs.

34. **Proper Location:** This authorization is for activities on state lands or interests managed by DMLW. It does not authorize any activities on private, federal, native, and municipal lands, or lands which are owned or solely managed by other offices and agencies of the State. The Grantee is responsible for proper location within the authorized area.

35. **Choice of Venue**: This authorization shall be construed under the laws of the State of Alaska. The Grantee confers personal jurisdiction on the courts of the State of Alaska for any litigation under this authorization.

36. **Stop Work Orders:** Stop Work Orders may be issued if there is a deviation from design criteria, project specifications, stipulations, state statutes, or state regulations and that deviation is causing or is likely to cause significant damage to state resources. Under a Stop Work Order, work at the area subject to the Stop Work Order may not resume until the deviation is cured and corrective action is taken. Corrective action

may include halting or avoiding specific conduct, implementing alternative measures, repairing any damage to state resources that may have resulted from the conduct, or other action as determined by the AO. The AO has the right but not the obligation, to undertake corrective action at the expense of the Grantee by moving against the performance bond when such action is necessitated by neglect or inaction on the part of the Grantee to take corrective action.

37. **Existing Easements:** In the event that this easement shall in any manner conflict with or overlap a previously granted easement or right-of-way, the Grantee shall use this easement in a manner that will not interfere with the peaceful use and enjoyment of the previously issued easement or right-of-way. The Grantor reserves the right to set or modify stipulations governing the use of the conflicting or overlapping area.

38. **Survey:** The Grantee shall submit a record of survey format as-built acceptable to the standards of the Survey Section prior to the expiration of this Entry Authorization. The Grantee is required to submit a preliminary draft as-built survey one year prior to the expiration of this authorization to allow adequate time for the State's review and approval of a final as-built survey. The final easement will not be issued until the survey has been approved by the DMLW.

39. **Fire Prevention, Protection and Liability:** The Grantee shall take all reasonable precautions to prevent and suppress forest, structure, brush and grass fires, and shall assume full liability for any damage to state land and structures resulting from the negligent use of fire. The State is not liable for damage to the Grantee's personal property and is not responsible for forest fire protection of the Grantee's activity. To report a wildfire, call 911 or 1-800-237-3633.

Any correspondence on this authorization may be directed to the Department of Natural Resources, Division of Mining, Land and Water, Southcentral Regional Land Office, 550 West 7th Avenue, Suite 900C, Anchorage, AK 99501, 907-269-8503.

I have read and understand all of the foregoing and attached stipulations. By signing this authorization, I agree to conduct the authorized activity in accordance with the terms and conditions of this authorization.

(b) (6)

(b) (6)

CEO 7/14/2020

S... thorized Representative, Title, Date

611 Second St. Cordova AK 99574

Grantee's Address City State Zip

Lisa Koker 907-424-2345 x 138 907-429-2112

Contact Person Primary Phone, Alternate Phone

(b) (6)

Regional Manager 8/10/2020

Title, Date

Expiration Date
11/30/22

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0051. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information

United States Department of Agriculture
Rural Utilities Service

REQUEST FOR MAIL LIST DATA

	BORROWER DESIGNATION: 020522
	TAX IDENTIFICATION NUMBER: 92-0069166
LEGAL NAME: Cordova Telephone Cooperative	PRIMARY E-MAIL ADDRESS: jeremiah@ctcak.coop
CORRESPONDENCE ADDRESS STREET 1: PO Box 645 2: 3: CITY: Cordova STATE: AK ZIP: 99574	WEBSITE URL: www.ctcak.net
	REGULAR BOARD MEETING HELD ON: Third Tuesday
PHYSICAL ADDRESS STREET 1: 1611 2nd St 2: 3: CITY: Cordova STATE: AK ZIP: 99574	DATE SET FOR NEXT ANNUAL MEETING (mm-dd-yy): 03-31-2023
	PHONE NO.: 907-424-2345 / FAX NO.: 907-424-2344

CORPORATE OFFICIALS

NAME (Salutation, First, Middle, and Last)	MAILING ADDRESS (include P.O. Box, Street Address or Rural Route, City, State, and Zip Code)
MANAGER OR CEO Jeremiah Beckett TITLE: CEO	STREET 1: (b) (6) 2: 3: CITY: Cordova STATE: AK ZIP: 99574
PRESIDENT Wendy Ranney TITLE: Board President	STREET 1: (b) (6) 2: 3: CITY: Cordova STATE: AK ZIP: 99574
VICE PRESIDENT Sarah Trumblee TITLE: Board Vice President	STREET 1: (b) (6) 2: 3: CITY: Cordova STATE: AK ZIP: 99574
SECRETARY Ann Schultz TITLE: Board Secretary	STREET 1: (b) (6) 2: 3: CITY: Cordova STATE: AK ZIP: 99574
TREASURER Ryan McManus TITLE: Board Treasurer	STREET 1: (b) (6) 2: 3: CITY: Cordova STATE: AK ZIP: 99574
Barb Bailer TITLE: Board Member	STREET 1: (b) (6) 2: 3: CITY: Cordova STATE: AK ZIP: 99574
Ben Simpler TITLE: Board Member	STREET 1: (b) (6) 2: 3: CITY: Cordova STATE: AK ZIP: 99574
Vivian Kennedy TITLE: Board Member	STREET 1: (b) (6) 2: 3: CITY: Cordova STATE: AK ZIP: 99574
Lisa Koker TITLE: CFO	STREET 1: (b) (6) 2: 3: CITY: Cordova STATE: AK ZIP: 99574
TITLE:	STREET 1: 2: 3: CITY: STATE: ZIP:

RUS Form 87 *(Rev. 5-2005)*

000857

CORPORATE OFFICIALS (Continue)	
NAME (Salutation, First, Middle, and Last)	MAILING ADDRESS (include P.O. Box, Street Address or Rural Route, City, State, and Zip Code)
TITLE	STREET 1 2 3 CITY STATE ZIP
TITLE	STREET 1 2 3 CITY STATE ZIP
TITLE	STREET 1 2 3 CITY STATE ZIP
TITLE	STREET 1 2 3 CITY STATE ZIP

RELATED ORGANIZATIONS	
NAME OF ORGANIZATION	MAILING ADDRESS (include P.O. Box, Street Address or Rural Route, City, State, and Zip Code)
ATTORNEY Andy Leman Kemppel, Huffman & Ellis, P.C.	STREET 1 255 E. Fireweed Lane 2 Suite 200 3 CITY Anchorage STATE AK ZIP 99503 PHONE 907-277-1604
C.P.A. (b) (4)	STREET 1 2 3 CITY PHONE (b) (4)
CONSULTING ENGINEER New Horizons Telecom, Inc	STREET 1 901 Cope Industrial Way 2 3 CITY Palmer STATE AK ZIP 99645 PHONE 907-761-6000
DATE PREPARED (mm-dd-yy) 10-27-22	(b) (6) TITLE CEO

RUS Form 87 (Rev. 5-2005)

CITY OF GUSTAVUS, ALASKA

RESOLUTION CY22-21

A RESOLUTION IN SUPPORT OF THE CORDOVA TELEPHONE COOPERATIVE USDA RECONNECT GRANT APPLICATION

WHEREAS, the City of Gustavus supports initiatives that will improve the quality of life for citizens of the community, including access to affordable and reliable broadband internet; and

WHEREAS, Cordova Telephone Cooperative (CTC) is seeking federal funding via the USDA ReConnect Grant that will provide access to submarine fiberoptic cable for the community of Gustavus, Alaska; and

WHEREAS, CTC's grant application, "FISH in SEAK" (Fiber Internet Serving Homes in Southeast Alaska), is intended to provide wholesale opportunities to increase community connectivity and reduce broadband costs within Gustavus; and

WHEREAS, the Gustavus City Council believes that the project, if funded, is in the best interests of Gustavus, its citizens, its businesses, local providers, and the future of the community.

NOW THEREFORE BE IT RESOLVED that the Gustavus City Council supports the efforts of Cordova Telephone Cooperative as reasonably necessary to validate land ownership, easements, environmental reviews, and other documentation for the City of Gustavus, if CTC receives the USDA ReConnect Grant;

BE IT FURTHER RESOLVED that the Gustavus City Council encourages CTC's USDA ReConnect Grant application.

BE IT FURTHER RESOLVED that the City of Gustavus will issue civil work permits with conditions to CTC to perform construction on City property, and in City-maintained easements, in consultation with the City as necessary to connect Gustavus to regional fiberoptic infrastructure;

BE IT FURTHER RESOLVED that this resolution shall remain in effect, without limitation, until such time as it has been expressly rescinded by the City of Gustavus; and

BE IT FURTHER RESOLVED that the officers and employees of the City of Gustavus have the authority to take all action necessary to carry out the intent of this resolution.

PASSED and **APPROVED** by a duly constituted quorum of the Gustavus City Council, this 10th day of October 2022.

(b) (6) [redacted]

Mayor

(b) (6) [redacted]

Attest: Karen Platt, CMC
City Clerk

HOONAH INDIAN ASSOCIATION

P.O. Box 602
Hoonah, AK 99829-0602
Phone: 907.945.3545 Fax: 907.945.3703

RESOLUTION #23-03: HIA Tribal Council Support/Consent for Cordova Telephone Cooperative USDA ReConnect Grant Application.

WHEREAS, the Hoonah Indian Association, is an Indian Tribe as defined in Section 4 of the Indian Self-Determination and Education Assistance Act, Pub. L. 93-638, 25 U.S.C. 450b; and
WHEREAS, HIA holds title to the surface estate of certain lands within the Southeast region, including in the vicinity of Hoonah, Alaska; and
WHEREAS, the lands conveyed to HIA through ANCSA are defined as "Tribal lands" pursuant to applicable Federal statutes and regulations; and
WHEREAS, Cordova Telephone Cooperative (CTC) is seeking federal funding via the USDA Reconnect program to drastically improve broadband internet in Hoonah, Alaska, and provide a strong communications infrastructure that will service the community, Tribal Members and Descendants; and
WHEREAS, CTC's grant application, FISH in SEAK (Fiber Internet Serving Homes in Southeast Alaska), is intended to deliver fiber access for every resident and business in Hoonah, Alaska, which will directly benefit Tribal Members, Descendants, and the entire community; and
WHEREAS, HIA's Tribal Council supports projects that enhance utility accessibility and services on Tribal lands; and
WHEREAS, HIA's Tribal Council believes the project, if funded, is in the best interests of Tribe, its Members and Descendants, and the entire Hoonah community.
IT IS NOW RESOLVED, by the Tribal Council of Hoonah Indian Association, that HIA holds title to ANCSA lands that fall within the scope of CTC's proposed project;
BE IT FURTHER RESOLVED, that HIA will support CTC as necessary to validate land ownership, Environmental Reviews, and other documentation on Native land, if CTC receives the USDA ReConnect grant;
BE IT FURTHER RESOLVED, that HIA will grant permission to CTC to perform construction on the Tribe's ANCSA lands to the extent reasonably necessary in order to provide utility services to residential and business building units;
BE IT FURTHER RESOLVED, that this resolution shall remain in effect, without limitation, until such time as it has been expressly rescinded by HIA; and
BE IT FURTHER RESOLVED, that the councilmembers and employees of HIA have the authority to take all action necessary to carry out the intent of this resolution.
APPROVED and **ADOPTED** this 8th day of October 2022, during a duly called and validly held meeting.

CERTIFICATION

I hereby certify that the above resolution was duly adopted by a vote of the Hoonah Indian Association Tribal Council on this 8th day of October 2022 with a vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent, and 0 Vacancy.

(b) (6) _____ 10/08/2022
Frank Wright, Jr., President Date

ATTEST: (b) (6) _____ 10/08/2022
Duane Jack, Board Secretary/Treasurer Date

INTEROPERATING SUPPORT AGREEMENT

THIS **AGREEMENT** is made this 20th day of October, 2022, by and between CORDOVA TELEPHONE COOPERATIVE, INC. d/b/a CORDOVA TELECOM COOPERATIVE, a telephone cooperative corporation organized and existing under the laws of the state of Alaska, with its principal place of business in Cordova, Alaska (hereinafter referred to as "CTC"), and YAKUTAT TELECOM COMPANY, LLC, a limited liability company organized and existing under the laws of the state of Alaska, with its principal place of business in Yakutat, Alaska (hereinafter referred to as "YTC").

WHEREAS, CTC is a certificated public utility engaged in the business of providing telecommunication services to Cordova in accordance with the terms and conditions imposed by its tariff and, having paid all taxes and having filed its annual report when last due, is in all respects fully qualified to enter into this Agreement; and

WHEREAS, YTC is a wholly owned subsidiary of CTC and YTC will be providing services in CTC's service area; and

WHEREAS, YTC must make arrangements to secure interoperative support in order to allow it to do business; and

WHEREAS, CTC has the experience, expertise, and trained personnel sufficient to meet the needs of YTC in the context of providing support to YTC,

FOR AND IN CONSIDERATION of the mutual promises and covenants hereinafter set forth, the parties hereto agree as follows:

1. Provision of Services. CTC herein agrees to provide, and YTC agrees to receive and pay for, services sufficient to allow YTC to operate in a manner consistent with the wishes of YTC's officers and directors. Those services to be provided by CTC under this Agreement include, but shall not be limited to, technical, engineering, construction, maintenance, and operations, bookkeeping and accountancy functions, marketing, ordering, execution of contracts, customer relations, and other services as requested.

2. Term. The term of this Agreement shall be for a period of six (6) months beginning as of the date of execution hereof, unless sooner terminated pursuant to the terms of this Agreement. This Agreement shall be deemed to be automatically renewed at six-month intervals from the date of execution hereof unless sooner terminated by mutual consent of the parties or by the giving of thirty (30) days' written notice by either party.

3. Compensation. YTC agrees to pay CTC for all services provided hereunder at the hourly rate normally charged by CTC for the rendition of comparable administrative services on behalf of its customers. A listing of said rates and charges shall at all times relevant hereto be available at the principal place of business of CTC for inspection by YTC or its designee.

YTC agrees to reimburse CTC for all expenses reasonably and necessarily incurred by CTC in conjunction with the implementation and administration of this Agreement. CTC agrees to furnish YTC, on a periodic basis, with a detailed accounting listing all of the charges imposed under this Agreement, with said accounting to be compiled on the basis of time sheet accounting and to be made available to YTC by CTC every sixty (60) days from the date of execution hereof until this Agreement is terminated.

4. Contract Administrator. The General Manager/CEO of CTC shall function as contract administrators on behalf of each entity. All coordination necessary to the effective rendition of services hereunder including, but not limited to, the nature and extent of the goods and services provided, the costs thereof, the use of individual items of office equipment, and the like, shall be determined by the General Manager/CEO. Either party may appoint a different Contract Administrator at any time.

5. Insurance and Indemnification. Each of the parties hereto shall bear sole and exclusive responsibility for maintaining any forms of insurance, liability, casualty, or otherwise, in any amounts, if any, which it deems proper and appropriate, and neither shall be accountable to the other with respect to the type or quantum of coverage which it chooses to maintain, if any.

(a) YTC shall, during the life of this Agreement, operate as an independent contractor and not as agent of CTC and shall assume liability for and shall protect, indemnify, save, and keep harmless CTC from and against all losses, penalties, claims, suits, costs, and expenses, including legal expenses of whatever kind and nature imposed upon, incurred by, or asserted against CTC if said claim or demand arises out of the independent act, error, or omission of YTC, its employees, subscribers, agents, or designees.

(b) CTC shall, during the life of this Agreement, operate as an independent contractor and not as agent of YTC and shall assume liability for and shall protect, indemnify, save, and keep harmless YTC from and against all losses, penalties, claims, suits, costs, and expenses, including legal expenses of whatever kind and nature imposed upon, incurred by, or asserted against YTC if said claim or demand arises out of the independent act, error, or omission of CTC, its employees, subscribers, agents, or designees.

(c) The indemnities contained in this paragraph shall continue in full force and effect notwithstanding the termination of this Agreement.

6. Integration. All understandings and agreements are merged herein, and no provision hereof may be waived except in a writing signed by the party to be charged with such waiver. Nothing herein may be changed or terminated orally.

7. Binding Effect. The provisions hereof apply to and are binding upon the successors and assigns of the parties. The representations, warranties, and covenants herein shall survive the Closing.

8. Construction. This Agreement between the parties shall not be construed more strongly against one party than the other.

CORDOVA TELEPHONE COOPERATIVE, INC.
d/b/a CORDOVA TELECOM COOPERATIVE

Dated: 10/20/22

(b) (6)

Its: General Manager & CEO

YAKUTAT TELECOM COMPANY, LLC

Dated: 10/20/22

(b) (6)

Its: General Manager & CEO

Internal Revenue Service
District Director

Department of the Treasury

Date: NOV 8 1979

EP/EO:II:AF
Employer Identification Number:
92-0069166
Internal Revenue Code
Section 501(c)(12)

Accounting Period Ending:
December 31
Form 990 Required: [X] Yes [ ] No

Cordova Telephone Cooperative
Incorporated
P.O. Box 20
Cordova, AK 99574

Person to Contact:
John Sutton
Contact Telephone Number:
(206) 442-5106
SEA:EO:80-136

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under the provisions of the Internal Revenue Code section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay $100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay $50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of $1,500 or more in any calendar quarter. If you have any questions about excise, employment or other Federal taxes, please address them to this office.

If your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. Also, you should inform us of all changes in your name or address.

The block checked at the top of this letter shows whether you must file Form 990, Return of Organization Exempt from Income Tax. If the Yes box is checked, you are only required to file Form 990 if your gross receipts each year are normally more than $10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law provides for a penalty of $10 a day, up to a maximum of $5,000, when a return is filed late, unless there is reasonable cause for the delay. This penalty may also be charged if a return is not complete. So, please make sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Internal Revenue

(over)

Cordova Telephone Cooperative, LLC

Application #: 101001335

Date Completed:

Funding Category: 100% Grant

L2 Reviewer(s): Mark Levin

QC Reviewer:

Total Project Amount: (b) (4)

Grant Amount: $34,905,000

Matching (including cash substitution): (b) (4)

Loan Amount:

Other Funds:

Primary Borrower ID: 719502773

Applicant's Unique Entity Identifier (UEI): X6G6CDLTL5F6

SAV Status (Completed/Not Completed):

Entity Type: Cooperative

SUTA Consideration (Yes/No):

Comments: $K denotes thousand(s) $M denotes million(s)

DUE DILIGENCE

Summary Question #1 - Summarize the applicant, beginning with what type of entity it is. Describe its organizational structure including partners, parent, subsidiary, and affiliate companies (i.e., affiliated entities). Describe major business activities of the applicant, and of any affiliated entities that impact the applicant and / or project's financial feasibility. To provide context for the award, provide a snapshot of the applicant's latest financial condition, including primary sources of revenues and income, expenses, liabilities and assets, and cash balances. Describe how the project fits into the applicant's business model, and how the project will be funded, including the source of matching funds. Indicate if the applicant is applying for Substantially Underserved Trust Area (SUTA) or if an applicant provides supporting information that demonstrates that the PFSA(s) is comprised 100 percent of locations within areas classified by the USDA Economic Research Service as FAR Level 4. Indicate if the applicant has been awarded RDOF funds. Indicate if the applicant provided alternate households for their NFSA or PFSA (if applicable).

Cordova Telephone Cooperative, Inc. (CTC) is committed to the provision, improvement, and expansion of quality, competitively priced communication services in Cordova, Alaska, and the surrounding service area. In 1978, the voters of Cordova approved a resolution providing for the transfer of assets of Cordova Public Utilities-Telephone Utility to Cordova Telephone Cooperative, Inc (CTC). And thus, a member-owned telephone cooperative was established. In 1997, CTC again broadened its scope of services and established two subsidiaries: Cordova Wireless Communications (CWC) and Cordova Long Distance (CLD). Cordova Wireless has become a successful cellular provider in Cordova with 18 cellular sites, serving two communities and all the Prince William Sound. Long distance wholesale rates for Cordova Long Distance were available for several years, and CLD started offering service to Cordova in 2012. In 2019, CTC Holdings LLC was established for managed purchased assets from third parties, and in 2022, Yakutat Telecom Company LLC to provide broadband services in Yakutat, Alaska.

The proposed project has a cost (b) (4) . This 100% proposed ReConnect Grant for $34,905,000 with additional matching funds of (b) (4) needed to source the increase in the project costs. The matching funds will be generated from the following breakdown, (b) (4) from the Applicant and its subsidiaries. The matching funds will be disbursed in the first three years before any of the ReConnect funds are applied to the project.

CTC is a rural rate of return incumbent local exchange telecommunications carrier providing service in and around Cordova, Alaska. CTC is an active borrower of the RUS, regulated by the FCC for interstate purposes, regulated on limited basis under the Regulatory Commission of Alaska for intrastate calling and regulated by its board of directors for local exchange purposes. CTC is the carrier of last resort and has ETC status for our established service area for both wireline and wireless services. Cordova's existing network has grown organically over 40 years to provide essential services to our community, including: telephone/VoIP, internet, tv, and wireless cellular. Our network has reached its peak performance for broadband speeds, leaving our community underserved until we can deploy Fiber-To-The-Home.

As mentioned above, the applicant is one operating group under common management. Due to the size of the proposed project, CTC plans on using its own workforce and outside contractors to construct the project. A mitigant will be included to ensure any outside design and construction is separated.

DUE DILIGENCE

Summary Question #1a - Describe any discrepancies between the financial statements and the submitted application. Any significant discrepancy should be noted as part of Summary Question #2:

- The Balance Sheet, Statement of Cash Flows, and Income Statement bottom lines of the application is not materially different than the amounts reflected on the most recent audited financials. Ending cash on the Statement of Cash Flows matches the amount reflected on the audit.
    - Small deviations to the above statement include:
        - A New Base was created to reconcile small category changes in the Statement of Cash Flows. More regarding this is in Summary Question #2 below.

DUE DILIGENCE

Summary Question #1b - Review the notes in the audited financial statements and note any items that may impact financial feasibility and sustainability. (If notes are not included in the application, that should be mentioned as part of Summary Question #2). This should include any discussions regarding lawsuits, mergers, acquisitions, or information regarding subsidiaries. Additionally, review any information from the CPA, normally located at the end of the audited statements regarding any non-compliance issues or if the CPA has indicated the statements are "qualified" (which could be an eligibility issue).

- The consolidated audit for all utility lines didn't identify any major risks, or concentrations of concern. Any potential risks they indicated are mitigated by various lines of commercial insurance carried by the applicant.
  - The audit did mention that all material inter-company transactions and balance have been eliminated in the consolidation.
  - At December 31,2021, the Cooperative had $9,909,954 in uninsured cash ($6,687,094 as of December 31, 2020). The Cooperative has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash.

While these above risks and contingencies were noted by the auditor, they are not expected to materially impact the financial feasibility and sustainability of the applicant.

Summary Question #1c - Review the loan documentation for the existing debt and describe any discrepancies between those documents and the submitted application. Validate whether the applicant is in compliance with existing loan covenants if such information is available. Any significant discrepancies should be noted as part of Summary Question #2: Also indicate what the total long-term debt payments over the next five years are supposed to be.

- The Cooperative is subject to limited regulation by the Federal Communications Commission (FCC) and the Regulatory Commission of Alaska (RCA). The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts, as prescribed by the FCC. As a result, the Cooperative's application of accounting principles generally accepted in the United States of America (US GAAP) differs in certain respects from the application by non-regulated entities. Such differences primarily concern the time at which certain items enter into the determination of net margin.
  - As of 12/31/2021 their outstanding Revenue Bond balance was $861K and their General Obligation bond balance was $7,040M.
  - There is a mention of a CoBank $2.5m Line of Credit (LOC) in the audit.

There is no mention of any default of any debt obligations in the audit.

DUE DILIGENCE

Summary Question #1d - List the full name of all the applicant's existing lenders, including RUS, FFB, RDUP, and RTB: In addition to the table below, please indicate whether, substantially, all property and equipment of Company will be pledged as security, any additional debt items show up on the application that are not listed on the audited historical statements or any debt items for which documentation was not provided. This information should also be reflected in the narrative above. If the applicant has a parent company, please indicate whether the applicant is substantially secured by the parent's existing debt (Table 2).

Table 1: Applicant Related Debt

Name of Lender	Type of Loan	Current Balance	Interest Rate (%)	Payment	Secured Against Assets?
RUS	RUS	$37,590	5.00%	$12,756	YES
RUS	RUS	$282,009	4.516%	$17,300	YES
RTB	RTB	$194,462	5.49%	$143,244	YES
RUS	RUS	$7,040,803	2.34%	$799,740	YES
CoBank	LOC	$500,000	4.13%	NA	NA

Table 2: Parent Related Debt

Name of Lender	Type of Loan	Current Balance	Secured Against Applicant's Assets?
NA	NA	NA	NA

Long Term Debt Service Payment Schedule (*First year listed on the Schedule should be first year after the audited historical financial statements*)

2022	(b) (4)
2023	
2024	
2025	
2026	

DUE DILIGENCE

Summary Question #2 - If a new base was created by the Reviewer, an explanation should be discussed first (i.e., Grant Accounting, Depreciation Rates, incorrect allocation of NONI and/or CAPEX, etc.). Discuss the reasonableness of key assumptions related to the application and the financial feasibility of the applicant. Applicant assumptions driving the financial projections for new and existing service areas and services. Assumptions should cover telecom revenue (e.g., pricing, penetration rates, churn rates, average revenue per user), other operating revenue (such as electric revenue) and operating expenses. Specifically discuss the projections and underlying assumptions associated with the PFSA and make note if no PFSA subscribers are projected. If the application does or does not include forecasted NASR or NONI, discuss those projections. If the reviewer made certain significant assumptions in the review, those should be discussed. Incorporate the results of any sensitivity analyses performed to test these assumptions, as described in greater detail in Summary Question #3. Indicate assumptions made by the applicant regarding RDOF (if applicable). Discuss depreciation rate assumption (PUC vs. RUS rates). If Alternate Households were provided, indicate if they were accepted by the Reviewer or if the figures were used within the sensitivity tests. Please note, if the application is a 50% Loan/50% Grant, a sensitivity test will need to be performed using the current market interest rate.

(b) (5)

Click or tap here to enter text.

SENSITIVITY ANALYSIS

Summary Question #2a -The Financial Reviewer has the option to run as many Sensitivity Analyses as needed, however only one is required. When discussing the results of each Analysis, please discuss the impact the sensitivity test had on the FOA Ratio Requirements (Current Ratio, DSCR, TIER and ending cash).

Sensitivity #1

- **Describe changes to the reviewer's version:** (b) (5) [redacted]
- **Describe the results of the Analysis:** (b) (5) [redacted]
- **Describe how the application measured against the financial FOA requirements under this scenario:** (b) (5) [redacted]

Sensitivity #2

- **Describe changes to the reviewer's version:** Click or tap here to enter text.
- **Explain why the sensitivity was tested:** Click or tap here to enter text.
- **Describe the results of the Analysis:** Click or tap here to enter text.
- **Describe how the application measured against the financial FOA requirements under this scenario:** Click or tap here to enter text.

Sensitivity #3

- **Describe changes to the reviewer's version:** Click or tap here to enter text.
- **Explain why the sensitivity was tested:** Click or tap here to enter text.
- **Describe the results of the Analysis:** Click or tap here to enter text.
- **Describe how the application measured against the financial FOA requirements under this scenario:** Click or tap here to enter text.

SENSITIVITY ANALYSIS

Summary Question #3 - Describe sensitivity analyses performed, which assumptions they were intended to test, and the results of the analysis. If needed under exceptional circumstances, describe any changes to the reviewer version related to financial feasibility.

Sensitivity Test #1 Reason / Standard Economic Downturn:

(b) (5)

DUE DILIGENCE

Summary Question #4 - Is the financial information that was submitted internally consistent and sufficient to perform the financial review? If no, describe discrepancies, and how the applicant may be able to remedy the issue.

Yes, the data provided was sufficient to evaluate the current status and feasibility of the entity in the future as well.

Summary Question #5 - Describe whether pre-existing agreements or liabilities conflict with FOA requirements for collateral and security based on the funding type, listing all debt instruments for which the current lender may have security rights over applicant assets that require Intercreditor or Shared Mortgage Agreements to be included in the Loan/Grant packages. Additionally, for 100% Loans and 50/50s, if mortgages, intercreditor, or subordination agreements are provided in the application, list the full agreement name, all parties to the agreement, and the dates of all agreements provided, including those shared between RUS and the applicant's other existing lenders:

NA

SUMMARY

What is the L2 Reviewer's recommendation based on Financial Feasibility? Approve

Summary Question #6 Describe the L2 Reviewer's view of the application, and the recommendation for approval, rejection, or to request additional information. Provide supporting arguments for the recommendation, beginning with the most relevant strengths or weaknesses (Material weaknesses from Risk Rating Tool must be discussed) as appropriate. Describe offsetting factors as well, to provide a well-rounded view of the applicant. If relevant to the recommendation for the specific application, describe financial attributes, business attributes, management experience and organizational structure. Generally, start the response with a clear recommendation for approval or rejection, then support such recommendation with specific descriptions and examples.

Final Rating (Insert Risk Rating Tool Score): A

(b) (5)

SUMMARY

Summary Question #7 Describe recommended mitigants, and how each mitigates financial risk of the project described in the summary.

(b) (5)

Summary Question #8 List covenants and / or conditions to be included in legal agreements. These should map one-to-one to the question above. Please refer to the ReConnect Covenant and Conditions document for standard language to use. If the suggested covenant / condition is not standard, draft it in a way that conforms to the conventions of the standard language (e.g., refer to applicant as "Awardee"):

(b) (5)

RISK RATING

***Note: If a risk criterion does not apply for the associated applicant's entity type, please reflect "N/A" for that specific criterion.**

Business Profile

- **Competitive Environment:** (b) (5)
- **Market Share:** (b) (5)
- **Asset Quality:** (b) (5)
- **Business Model:** (b) (5)
- **Business Diversity:** (b) (5)
- **Non-Operating Income** (b) (5)
-

Profitability and Scale

- **Total Revenue:** (b) (5)
- **Revenue Trend:** (b) (5)
- **Operating Margin:** (b) (5)
- **Margin Volatility:** (b) (5)

Leverage and Coverage

- **DSCR:**
- **Tangible Equity/Assets:** (b) (5)
- **Cash flow from operations:** (b) (5)
- **Current Ratio:** (b) (5)

Management and Financial Policy

- **Management:** (b) (5)
- **Financial Policy:** (b) (5)

Other Considerations

- **Reviewer Notching to be Applied:** Click or tap here to enter text.

SUMMARY

Forecast Year 3

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Forecast Year 4

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Forecast Year 5

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Cordova Telephone Cooperative, LLC

Application #: 101001335

Date Completed:

Funding Category: 100% Grant

L2 Reviewer(s): Mark Levin

QC Reviewer:

Total Project Amount: (b) (4)

Grant Amount: $34,905,000

Matching (including cash substitution): (b) (4)

Loan Amount:

Other Funds:

Primary Borrower ID: 719502773

Applicant's Unique Entity Identifier (UEI): X6G6CDLTL5F6

SAV Status (Completed/Not Completed):

Entity Type: Cooperative

SUTA Consideration (Yes/No):

Comments: $K denotes thousand(s) $M denotes million(s)

DUE DILIGENCE

Summary Question #1 - Summarize the applicant, beginning with what type of entity it is. Describe its organizational structure including partners, parent, subsidiary, and affiliate companies (i.e., affiliated entities). Describe major business activities of the applicant, and of any affiliated entities that impact the applicant and / or project's financial feasibility. To provide context for the award, provide a snapshot of the applicant's latest financial condition, including primary sources of revenues and income, expenses, liabilities and assets, and cash balances. Describe how the project fits into the applicant's business model, and how the project will be funded, including the source of matching funds. Indicate if the applicant is applying for Substantially Underserved Trust Area (SUTA) or if an applicant provides supporting information that demonstrates that the PFSA(s) is comprised 100 percent of locations within areas classified by the USDA Economic Research Service as FAR Level 4. Indicate if the applicant has been awarded RDOF funds. Indicate if the applicant provided alternate households for their NFSA or PFSA (if applicable).

Cordova Telephone Cooperative, Inc. (CTC) is committed to the provision, improvement, and expansion of quality, competitively priced communication services in Cordova, Alaska, and the surrounding service area. In 1978, the voters of Cordova approved a resolution providing for the transfer of assets of Cordova Public Utilities-Telephone Utility to Cordova Telephone Cooperative, Inc (CTC). And thus, a member-owned telephone cooperative was established. In 1997, CTC again broadened its scope of services and established two subsidiaries: Cordova Wireless Communications (CWC) and Cordova Long Distance (CLD). Cordova Wireless has become a successful cellular provider in Cordova with 18 cellular sites, serving two communities and all the Prince William Sound. Long distance wholesale rates for Cordova Long Distance were available for several years, and CLD started offering service to Cordova in 2012. In 2019, CTC Holdings LLC was established for managed purchased assets from third parties, and in 2022, Yakutat Telecom Company LLC to provide broadband services in Yakutat, Alaska.

The proposed project has a cost(b) (4) . This 100% proposed ReConnect Grant for $34,905,000 with additional matching funds of(b) (4) needed to source the increase in the project costs. The matching funds will be generated from the following breakdown, a(b) (4) loan from CoBank. A(b) (4) Letter of Credit from CoBank and a(b) (4) infusion from the Applicant and its subsidiaries. The matching funds will be disbursed in the first three years before any of the ReConnect funds are applied to the project.

CTC is a rural rate of return incumbent local exchange telecommunications carrier providing service in and around Cordova, Alaska. CTC is an active borrower of the RUS, regulated by the FCC for interstate purposes, regulated on limited basis under the Regulatory Commission of Alaska for intrastate calling and regulated by its board of directors for local exchange purposes. CTC is the carrier of last resort and has ETC status for our established service area for both wireline and wireless services. Cordova's existing network has grown organically over 40 years to provide essential services to our community, including: telephone/VoIP, internet, tv, and wireless cellular. Our network has reached its peak performance for broadband speeds, leaving our community underserved until we can deploy Fiber-To-The-Home.

As mentioned above, the applicant is one operating group under common management. Due to the size of the proposed project, CTC plans on using its own workforce and outside contractors to construct the project. A mitigant will be included to ensure any outside design and construction is separated.

DUE DILIGENCE

Summary Question #1a - Describe any discrepancies between the financial statements and the submitted application. Any significant discrepancy should be noted as part of Summary Question #2:

- The Balance Sheet, Statement of Cash Flows, and Income Statement bottom lines of the application is not materially different than the amounts reflected on the most recent audited financials. Ending cash on the Statement of Cash Flows matches the amount reflected on the audit.
    - Small deviations to the above statement include:
        - A New Base was created to reconcile small category changes in the Statement of Cash Flows. More regarding this is in Summary Question #2 below.

DUE DILIGENCE

Summary Question #1b - Review the notes in the audited financial statements and note any items that may impact financial feasibility and sustainability. (If notes are not included in the application, that should be mentioned as part of Summary Question #2). This should include any discussions regarding lawsuits, mergers, acquisitions, or information regarding subsidiaries. Additionally, review any information from the CPA, normally located at the end of the audited statements regarding any non-compliance issues or if the CPA has indicated the statements are "qualified" (which could be an eligibility issue).

- The consolidated audit for all utility lines didn't identify any major risks, or concentrations of concern. Any potential risks they indicated are mitigated by various lines of commercial insurance carried by the applicant.
  - The audit did mention that all material inter-company transactions and balance have been eliminated in the consolidation.
  - At December 31,2021, the Cooperative had (b) (4) in uninsured cash (b) (4) as of December 31, 2020). The Cooperative has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash.

While these above risks and contingencies were noted by the auditor, they are not expected to materially impact the financial feasibility and sustainability of the applicant.

Summary Question #1c - Review the loan documentation for the existing debt and describe any discrepancies between those documents and the submitted application. Validate whether the applicant is in compliance with existing loan covenants if such information is available. Any significant discrepancies should be noted as part of Summary Question #2: Also indicate what the total long-term debt payments over the next five years are supposed to be.

- The Cooperative is subject to limited regulation by the Federal Communications Commission (FCC) and the Regulatory Commission of Alaska (RCA). The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts, as prescribed by the FCC. As a result, the Cooperative's application of accounting principles generally accepted in the United States of America (US GAAP) differs in certain respects from the application by non-regulated entities. Such differences primarily concern the time at which certain items enter into the determination of net margin.
  - As of 12/31/2021 their outstanding Revenue Bond balance was (b) (4) and their General Obligation bond balance was (b) (4)
  - There is a mention of a CoBank (b) (4) Line of Credit (LOC) in the audit.

There is no mention of any default of any debt obligations in the audit.

DUE DILIGENCE

Summary Question #1d - List the full name of all the applicant's existing lenders, including RUS, FFB, RDUP, and RTB: In addition to the table below, please indicate whether, substantially, all property and equipment of Company will be pledged as security, any additional debt items show up on the application that are not listed on the audited historical statements or any debt items for which documentation was not provided. This information should also be reflected in the narrative above. If the applicant has a parent company, please indicate whether the applicant is substantially secured by the parent's existing debt (Table 2).

Table 1: Applicant Related Debt

Name of Lender	Type of Loan	Current Balance	Interest Rate (%)	Payment	Secured Against Assets?
RUS	RUS	$37,590	5.00%	$12,756	YES
RUS	RUS	$282,009	4.516%	$17,300	YES
RTB	RTB	$194,462	5.49%	$143,244	YES
RUS	RUS	$7,040,803	2.34%	$799,740	YES
CoBank	LOC	$500,000	4.13%	NA	NA

Table 2: Parent Related Debt

Name of Lender	Type of Loan	Current Balance	Secured Against Applicant's Assets?
NA	NA	NA	NA

Long Term Debt Service Payment Schedule (*First year listed on the Schedule should be first year after the audited historical financial statements*)

2022
2023
2024
2025
2026

(b) (4)

DUE DILIGENCE

Summary Question #2 - If a new base was created by the Reviewer, an explanation should be discussed first (i.e., Grant Accounting, Depreciation Rates, incorrect allocation of NONI and/or CAPEX, etc.). Discuss the reasonableness of key assumptions related to the application and the financial feasibility of the applicant. Applicant assumptions driving the financial projections for new and existing service areas and services. Assumptions should cover telecom revenue (e.g., pricing, penetration rates, churn rates, average revenue per user), other operating revenue (such as electric revenue) and operating expenses. Specifically discuss the projections and underlying assumptions associated with the PFSA and make note if no PFSA subscribers are projected. If the application does or does not include forecasted NASR or NONI, discuss those projections. If the reviewer made certain significant assumptions in the review, those should be discussed. Incorporate the results of any sensitivity analyses performed to test these assumptions, as described in greater detail in Summary Question #3. Indicate assumptions made by the applicant regarding RDOF (if applicable). Discuss depreciation rate assumption (PUC vs. RUS rates). If Alternate Households were provided, indicate if they were accepted by the Reviewer or if the figures were used within the sensitivity tests. Please note, if the application is a 50% Loan/50% Grant, a sensitivity test will need to be performed using the current market interest rate.

(b) (5)

Click or tap here to enter text.

SENSITIVITY ANALYSIS

Summary Question #2a -The Financial Reviewer has the option to run as many Sensitivity Analyses as needed, however only one is required. When discussing the results of each Analysis, please discuss the impact the sensitivity test had on the FOA Ratio Requirements (Current Ratio, DSCR, TIER and ending cash).

Sensitivity #1

- **Describe changes to the reviewer's version:** (b) (5) [redacted]
- **Explain why the sensitivity was tested:** (b) (5) [redacted] (b) (5) [redacted]
- **Describe the results of the Analysis:** (b) (5) [redacted] (b) (5) [redacted]
- **Describe how the application measured against the financial FOA requirements under this scenario:** (b) (5) [redacted].

Sensitivity #2

- **Describe changes to the reviewer's version:** Click or tap here to enter text.
- **Explain why the sensitivity was tested:** Click or tap here to enter text.
- **Describe the results of the Analysis:** Click or tap here to enter text.
- **Describe how the application measured against the financial FOA requirements under this scenario:** Click or tap here to enter text.

Sensitivity #3

- **Describe changes to the reviewer's version:** Click or tap here to enter text.
- **Explain why the sensitivity was tested:** Click or tap here to enter text.
- **Describe the results of the Analysis:** Click or tap here to enter text.
- **Describe how the application measured against the financial FOA requirements under this scenario:** Click or tap here to enter text.

SENSITIVITY ANALYSIS

Summary Question #3 - Describe sensitivity analyses performed, which assumptions they were intended to test, and the results of the analysis. If needed under exceptional circumstances, describe any changes to the reviewer version related to financial feasibility.

Sensitivity Test #1 Reason / Standard Economic Downturn:

(b) (5)

DUE DILIGENCE

Summary Question #4 - Is the financial information that was submitted internally consistent and sufficient to perform the financial review? If no, describe discrepancies, and how the applicant may be able to remedy the issue.

Yes, the data provided was sufficient to evaluate the current status and feasibility of the entity in the future as well.

Summary Question #5 - Describe whether pre-existing agreements or liabilities conflict with FOA requirements for collateral and security based on the funding type, listing all debt instruments for which the current lender may have security rights over applicant assets that require Intercreditor or Shared Mortgage Agreements to be included in the Loan/Grant packages. Additionally, for 100% Loans and 50/50s, if mortgages, intercreditor, or subordination agreements are provided in the application, list the full agreement name, all parties to the agreement, and the dates of all agreements provided, including those shared between RUS and the applicant's other existing lenders:

NA

SUMMARY

What is the L2 Reviewer's recommendation based on Financial Feasibility? Approve

Summary Question #6 Describe the L2 Reviewer's view of the application, and the recommendation for approval, rejection, or to request additional information. Provide supporting arguments for the recommendation, beginning with the most relevant strengths or weaknesses (Material weaknesses from Risk Rating Tool must be discussed) as appropriate. Describe offsetting factors as well, to provide a well-rounded view of the applicant. If relevant to the recommendation for the specific application, describe financial attributes, business attributes, management experience and organizational structure. Generally, start the response with a clear recommendation for approval or rejection, then support such recommendation with specific descriptions and examples.

Final Rating (Insert Risk Rating Tool Score): A

(b) (5)

SUMMARY

Summary Question #7 **Describe recommended mitigants, and how each mitigates financial risk of the project described in the summary**.

(b) (5)

Summary Question #8 **List covenants and / or conditions to be included in legal agreements. These should map one-to-one to the question above. Please refer to the ReConnect Covenant and Conditions document for standard language to use. If the suggested covenant / condition is not standard, draft it in a way that conforms to the conventions of the standard language (e.g., refer to applicant as "Awardee"):**

(b) (5)

RISK RATING

***Note: If a risk criterion does not apply for the associated applicant's entity type, please reflect "N/A" for that specific criterion.**

Business Profile

- **Competitive Environment:** (b) (5)
- **Market Share:** (b) (5)
- **Asset Quality:** (b) (5)
- **Business Model:** (b) (5)
- **Business Diversity:** (b) (5)
- **Non-Operating Income:** (b) (5)
-

Profitability and Scale

- **Total Revenue:** (b) (5)
- **Revenue Trend:** (b) (5)
- **Operating Margin:** (b) (5)
- **Margin Volatility:** (b) (5)

Leverage and Coverage

- **DSCR:** (b) (5)
- **Tangible Equity/Assets:** (b) (5)
- **Cash flow from operations:** (b) (5)
- **Current Ratio:** (b) (5)

Management and Financial Policy

- **Management:** (b) (5)
- **Financial Policy:** (b) (5)

Other Considerations

- **Reviewer Notching to be Applied:** Click or tap here to enter text.

SUMMARY

Forecast Year 3

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Forecast Year 4

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

Forecast Year 5

- **DSCR:** (b) (4)
- **Current Ratio:** (b) (4)
- **TIER:** (b) (4)
- **Tangible Equity/Assets:** (b) (4)
- **Cash Balance:** (b) (4)

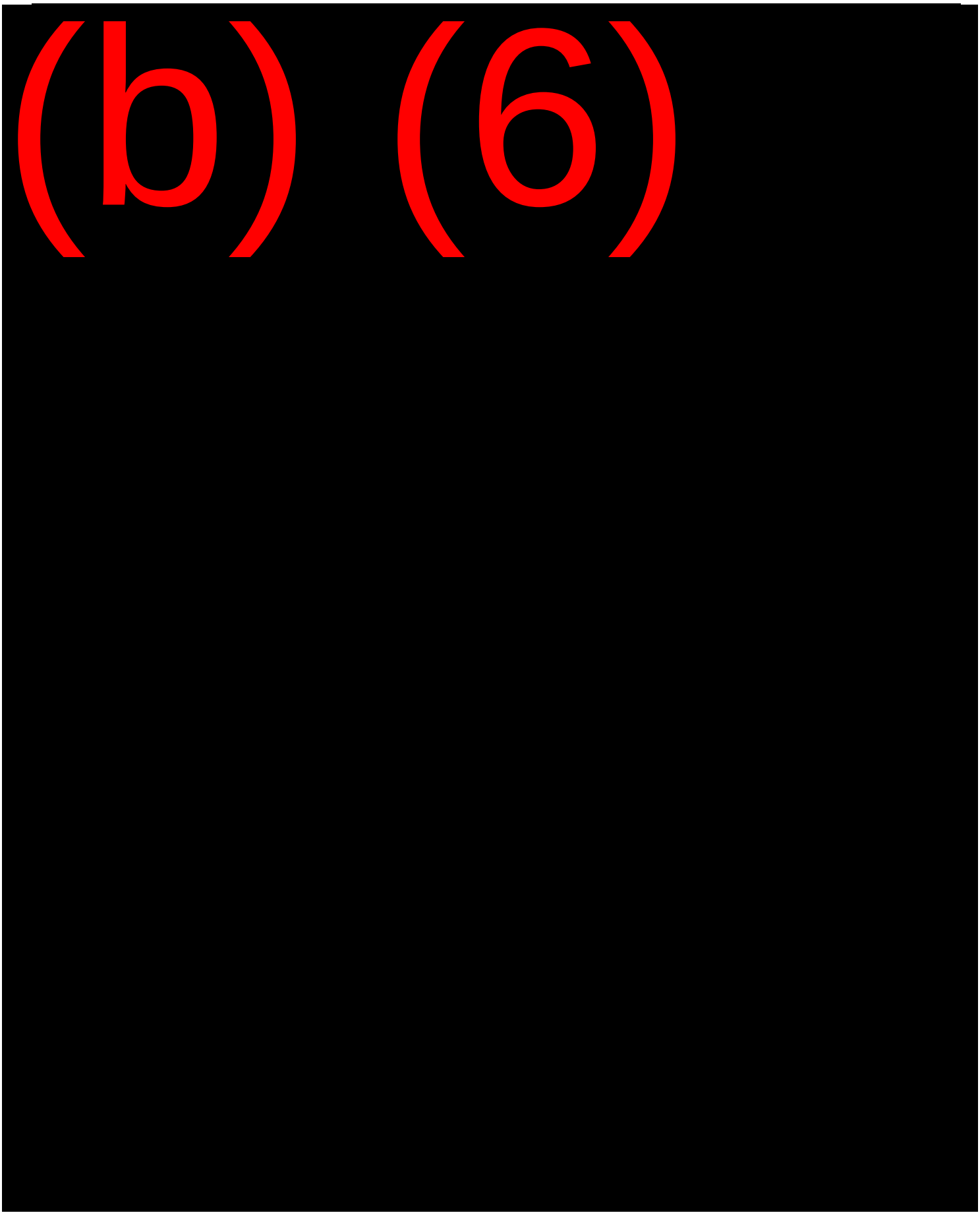
Matching Funds Spend Schedule and Source

	2022	2023	2024	2025	2026	2027	Total
Matching Funds		(b) (4)					
Grant Funds		750,000.00	2,542,500.00	16,987,500.00	14,625,000.00		**34,905,000.00**
Total PFSA		(b) (4)					
Source of Matching Funds							
Operating Account							
CoBank Loan							
CoBank Line of Credit							
Total							

(b) (4)

Matching funds = 25% required on a rolling basis

Shane J. Songer





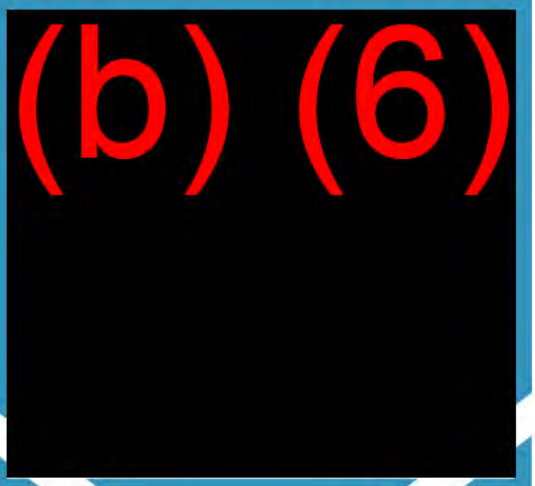
Experience

JOURNEYMAN TECHNICIAN
CORDOVA TELEPHONE COOPERATIVE / CORDOVA WIRELESS COMMUNICATIONS | 2007 TO 2010

- Project Management, support and implementation of key projects. Took the lead role in the DMS-10 to Metaswitch swap. Engineered and implemented DSL transport replacement more than once with the newest emerging technology as well as more mobile wireless site and backhaul buildouts with newer equipment. Provided logistic and hands-on support on the undersea fiber equipment install. Trained my peers in ADTRAN (TDM transport), Metaswitch, ZyXEL (dsl modem), Harris Constellation microwave and Harris Intraplex configuration, operations, management and troubleshooting. Developed procedures for various operations and shared them with peers to ensure a systematic and standard measure to prepare for more autonomous future operations. Please also see Projects and Project Management for appropriate years.

NETWORK ENGINEERING AND CENTRAL OFFICE (ISP) WORKING FOREMAN
CORDOVA TELEPHONE COOPERATIVE / CORDOVA WIRELESS COMMUNICATIONS | 2010 TO PRESENT

- Project Management, support and implementation of key projects. Engineered latest ADTRAN ADSL, SHDSL VDSL and Metro-Ethernet transport prior and subsequent to getting a fiber feed into Cordova. Trained my peers in these newer technologies and supported them in building out transport to the local schools, hospital, City Center and other various high bandwidth users and developed procedures. Took the lead role in logistics for the Ericsson wireless build and Tecore GSM replacement. Built out the backhaul from the core out to wireless sites and replaced TDM transport with gigabit-ethernet transport where available and built TDM/Ethernet hybrid backhaul where fiber and ethernet microwave was not available. Lead contact for all vendors and contractors in these key projects for CTC and CWC involving backhaul for internet, LD and wireless. Lead tech and logistics coordinator in installing and configuring network equipment for CTC including aggregating efforts between contractors, vendors and peers to finalize projects. Performed RFQ, PO, purchase, receive and inventory for all CTC network equipment. Please also see Projects and Project Management for appropriate years.



STEPHEN PHILLIPS

NETWORK MANAGER/SR. IT ENGINEER

EMPLOYMENT EXPERIENCE

SR. IT ENGINEER/NETWORK MANAGER

(01/2019 – Present) Cordova, AK

Responsible for overseeing network technicians on daily network control and stability tasks. Accountable for lifecycle management, enhancement of mission-critical network platforms, service delivery, and tier 3 troubleshooting.

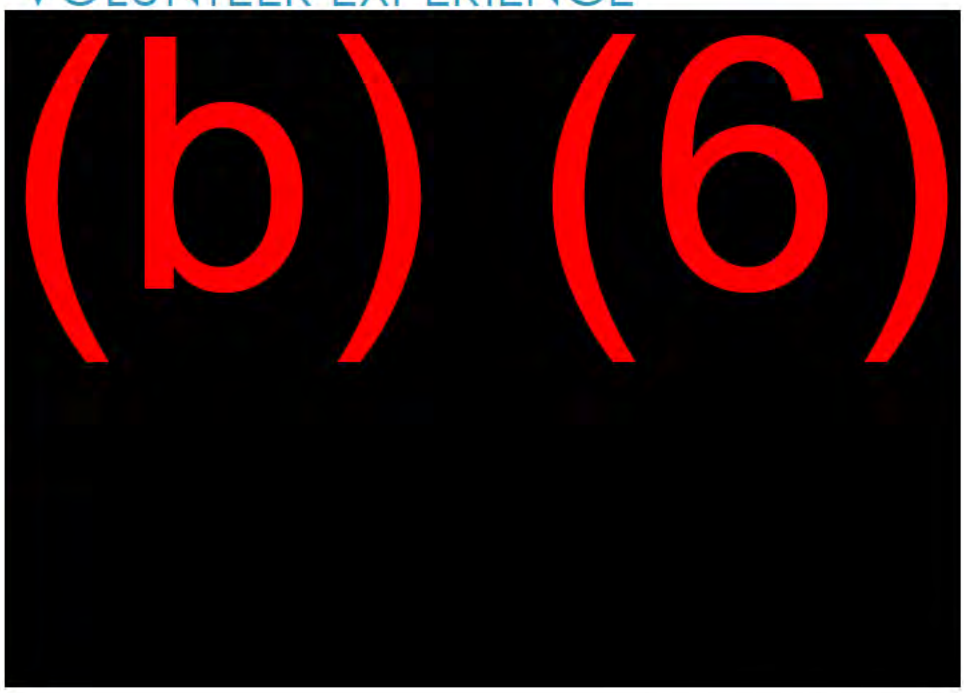
SR. NETWORK SECURITY ADMINISTRATOR

(12/2010 - 01/2019) Anchorage/Cordova, AK

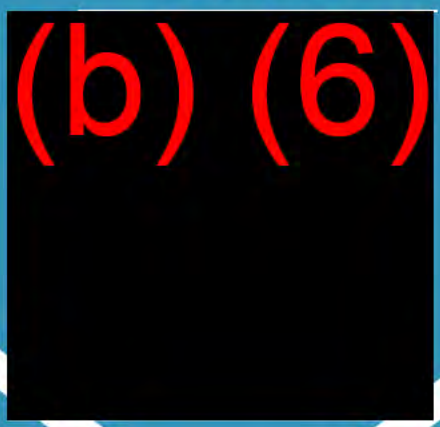
Responsible for corporate network platforms, critical financial assets, and tier 2-3 support for field and service delivery personnel.



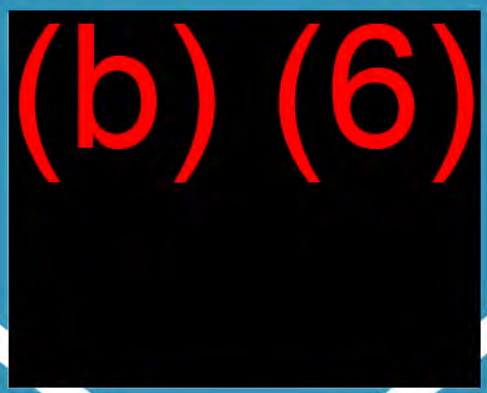
VOLUNTEER EXPERIENCE



CONTACT



EDUCATION



000896

Department of Commerce, Community, and Economic Development
CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

LICENSE DETAILS

This serves as primary source verification* of the license.

License #: AELE9870

Program: Architects, Engineers and Land Surveyors

Type: Registered Professional Electrical Engineer

Status: Active

Issue Date: 02/01/1999

Effective Date: 12/10/2021

Expiration Date: 12/31/2023

Mailing Address: ANCHORAGE, AK, UNITED STATES

*Primary Source verification: License information provided by the Alaska Division of Corporations, Business and Professional Licensing, per AS 08 and 12 AAC.

Owners

Owner Name	Entity Number
PATRICK THOMAS GOODYEAR	

Relationships

No Relationships Found

Designations

No Designations Found

Agreements & Actions



City of Pelican

BOX 737 - PELICAN, ALASKA 99832 - PHONE: 735-2202/2203 - FAX: 735-2258 - EMAIL: cityhall@pelicancity.org - WEBSITE: www.pelican.net

EQUAL OPPORTUNITY EMPLOYER

CITY OF PELICAN, ALASKA

RESOLUTION 2022-20

SUPPORT FOR CORDOVA TELEPHONE COOPERATIVE USDA RECONNECT GRANT APPLICATION

WHEREAS, the City of Pelican supports initiatives which will improve the quality of life for citizens of the community, including access to affordable and reliable broadband internet; and

WHEREAS, Cordova Telephone Cooperative (CTC) is seeking federal funding via the USDA ReConnect Grant which will provide access to submarine fiberoptic cable for the community of Pelican, Alaska; and

WHEREAS, CTC's grant application, "FISH in SEAK" (Fiber Internet Serving Homes in Southeast Alaska), is intended to increase community connectivity and reduce broadband costs within Pelican; and

WHEREAS, the Pelican City Council believes that the project, if funded, is in the best interests of Pelican, its citizens, and the future of the community.

NOW THEREFORE BE IT RESOLVED that the Pelican City Council, by this resolution, supports the efforts of Cordova Telephone Cooperative as reasonably necessary to validate land ownership, Environmental Reviews, and other supporting documentation related to the City, if CTC receives the USDA ReConnect Grant;

BE IT FURTHER RESOLVED that the Pelican City Council will grant permission to CTC to perform construction on City property, in consultation with the City and only to the extent reasonably necessary, in order to provide utility services to residential and business building units;

BE IT FURTHER RESOLVED that this resolution shall remain in effect, without limitation, until such time as it has been expressly rescinded by the City of Pelican; and

BE IT FURTHER RESOLVED that the officers and employees of the City of Pelican have the authority to take all action necessary to carry out the intent of this resolution.

PASSED and **APPROVED** by a duly constituted quorum of the Pelican City Council, this 12 day of October, 2022.

Patricia Phillips

Patricia Phillips
Mayor

Lattieca Stewart

Attest: Lattieca Stewart
City Clerk

Adrian Smith

(b) (6)

Cordova Telephone Cooperative Line Foreman **July 2012-Present**

In my current position I oversee the daily operation of 5 journeyman tasked with designing, installing and maintaining the copper and fiber LEC which include the undersea/terrestrial fiber transport in our community. Current emphasis is on FTTx as we take fiber to the residence, the business, and cellular towers utilizing both “brownfield and greenfield” techniques, Pon/Active Star topography and Epon/Gpon to successfully deliver triple play voice, video and data.

(b) (6)

SARAH KATHREIN

RELEVANT EXPERIENCE

Project Manager

Cordova Telecom Cooperative, Inc | September 2021 - present

- Oversee all capital projects for the Cooperative.
- Manage all stages of the Federal grant process from applying to the completion of the awarded proposal.
- Coordinate with contractors to ensure projects are completed in a timely and to expectations.
- Manage all RFPs, contracts, and federal compliance forms as needed.
- Ensure Cooperative meets all OSHA regulated safety measures.
- Regularly review and edit Cooperative policies and present to Board of Directors.

(b) (6)

EXECUTIVE SUMMARY

(b) (6)

CONTACT INFORMATION

(b) (6)

RUS Project Designation:

AK 1701-C73

ReCONNECT PROGRAM

GRANT AND SECURITY AGREEMENT

dated as of [date]

between

CORDOVA TELEPHONE COOPERATIVE, INCORPORATED

and

THE UNITED STATES OF AMERICA

DRAFT

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

ReCONNECT PROGRAM
GRANT AND SECURITY AGREEMENT

THIS GRANT AND SECURITY AGREEMENT (this "Agreement"), dated as of [date] is between **CORDOVA TELEPHONE COOPERATIVE, INCORPORATED** ("Awardee"), a cooperative existing under the laws of Alaska, and the **UNITED STATES OF AMERICA**, acting through the Administrator of the Rural Utilities Service ("RUS").

The Awardee has applied for financial assistance ("Application") from RUS to finance the construction of a broadband infrastructure project to serve rural areas where at least 50% of the households are without sufficient access to broadband.

RUS is willing to extend financial assistance, in the form of a grant to the Awardee, pursuant to the Consolidated Appropriations Act, 2018, Pub. L. 115-141, § 779 (the "FY2018 Appropriations"), the Infrastructure Investment and Jobs Act, Pub. L. 117-58 (the "IIJA"), the Funding Opportunity Announcement published at 87 Fed. Reg. 47690 (Aug. 4, 2022), and Title VI of the Rural Electrification Act of 1936 (7 U.S.C. §§ 901 *et seq*.), and all applicable federal regulations, on the terms and conditions stated herein.

The Awardee is willing to secure the grant and its other obligations to RUS on the terms stated herein.

THEREFORE, in consideration of the promises and mutual covenants herein contained, the parties agree and bind themselves as follows:

ARTICLE I – DEFINITIONS

The terms defined herein include both the plural and the singular. Unless otherwise specifically provided herein or in the FOA, all accounting terms not otherwise defined herein shall have the meanings assigned to them, and all determinations and computations herein provided for shall be made in accordance with Accounting Requirements.

"Accounting Requirements" shall mean compliance with U.S. Generally Accepted Accounting Principles (GAAP) acceptable to RUS, as well as compliance with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. 200 and the system of accounting prescribed by RUS Bulletin 1770B-1.

"Advance" or "Advances" shall mean the disbursement of grant funds in accordance with this Agreement.

"Affiliate" or "Affiliated Company" of any specified person or entity means any other person or entity directly or indirectly controlling of, controlled by, under direct or indirect common control with, or related to, such specified person or entity, or which exists for the sole purpose of providing any service to one company or exclusively to companies which otherwise meet the definition of affiliate. This definition includes Variable Interest Entities as described in Financial Accounting Standards Board Interpretation (FIN) No. 46(R), *Consolidation of Variable Interest Entities*. For the purpose of this definition, "control" means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement with, one or more other companies, and whether such power is established through a majority or minority ownership voting of securities, common directors, officers, or stockholders, voting trust, holding trusts (other than money exchanged) for property or services.

"Application" shall have the meaning as defined in the second paragraph hereof.

DRAFT

"Approved Project Service Area" shall mean all or a portion of the Proposed Funded Service Area, as such term is defined in the FOA and detailed in the map submitted to the Agency by the Awardee, that is approved by the Agency for funding.

"Award" shall mean the grant described in Article III.

"Awardee" shall mean the grant recipient named in the first paragraph hereof.

"Buildout Timeline" shall mean the detailed schedule describing the Project build out, submitted with the RUS approved Application, as may be amended from time to time with prior written RUS consent.

"Business Day" shall mean any day that RUS and the Department of Treasury are both open for business.

"Collateral" shall mean any of the property financed with the grant, and pledged as security for the grant, described in Article IX, and more particularly described in Schedule 2.

"Composite Economic Life" means the weighted (by dollar amount of each class of facility in the Award) average economic life of all classes of facilities in the Award, as determined by RUS.

"Distribution" shall have the meaning as defined in Section 7.4.

"Eligible Purposes" shall mean purposes and expenses which are specified in the FOA as being eligible for funding.

"Event of Default" shall have the meaning as defined in Article X.

"Expiration Date" shall have the meaning as defined in Section 3.1(b).

"FOA" shall mean the Funding Opportunity Announcement, published in the Federal Register at 87 Fed. Reg. 47690 (Aug. 4, 2022).

"Form 481" shall have the meaning as defined in Section 4.3(e).

"GAAP" shall mean generally accepted accounting principles in the United States.

"Grant" shall mean the grant described in Section 3.1.

"Grant Agreement" shall mean, collectively, this Agreement and the Security Documents.

"Laws" shall have the meaning as defined in paragraph (e) of Article II.

"Material Adverse Effect" shall mean a material adverse effect on, or change in, the condition, financial or otherwise, operations, properties, business or prospects of the Awardee or on the ability of the Awardee to perform its obligations under the Grant Agreement as determined by RUS.

"Network Design" shall mean the network as described in the RUS approved Application.

"Permitted Encumbrances" shall mean:

(1) liens for taxes, assessments and other governmental charges which are not delinquent;

(2) liens for taxes, assessments and other governmental charges already delinquent which are currently being contested in good faith by appropriate proceedings; PROVIDED the Awardee shall have set aside on its books adequate reserves with respect thereto;

DRAFT

(3) mechanics', workmen's, repairmen's, materialmen's, warehousemen's and carriers' liens and other similar liens arising in the ordinary course of business and which are not delinquent, or which are being contested in good faith and have not proceeded to judgment; PROVIDED the Awardee shall have set aside on its books adequate reserves with respect thereto;

(4) liens in respect of judgments or awards with respect to which the Awardee shall in good faith currently be prosecuting an appeal or proceedings for review and with respect to which the Awardee shall have secured a stay of execution pending such appeal or proceedings for review; PROVIDED the Awardee shall have set aside on its books adequate reserves with respect thereto;

(5) liens or privileges of any employees of the Awardee for salary or wages earned but not yet payable;

(6) any obligations or duties, affecting the property of the Awardee, to any municipality or governmental or other public authority with respect to any franchise, grant, license or permit;

(7) any right which any municipal or governmental authority may have by virtue of any franchise, license, contract or statute to purchase, or designate a purchaser of or order the sale of, any property of the Awardee upon payment of cash or reasonable compensation therefor or to terminate any franchise, license or other rights or to regulate the property and business of the Awardee; PROVIDED, HOWEVER, that nothing in this clause 7 is intended to waive any claim or rights that RUS may otherwise have under Federal laws;

(8) any lien required by law or governmental regulations as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Awardee to maintain self-insurance or to participate in any fund established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements; PROVIDED, HOWEVER, that nothing in this clause 8 is intended to waive any claim or rights that RUS may otherwise have under Federal laws; and

(9) any additional encumbrances set forth in Schedule 1.

"Pledged Deposit Account" shall have the meaning as defined in Section 5.4.

"Project" means all of the work, as approved by the Agency, to be performed to bring broadband service to all premises in the Approved Project Service Area under the Application, including construction, the purchase and installation of equipment, and professional services including engineering and accountant/consultant fees, whether funded by federal assistance, matching, or other funds.

"Project Completion" shall mean that all Award funds for construction of the broadband system, excluding those funds for subscriber drop connections and customer premises equipment, have been advanced to the Awardee by RUS.

"RE Act" shall mean the Rural Electrification Act of 1936 (7 U.S.C. 901 *et seq.*).

"ReConnect Program Construction Procedures" shall mean the procedures for construction and Advances, attached hereto as Attachment 1.

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"Release of Funds Date" shall mean the date funds are first made available as evidenced by the notice sent by the Agency to the Awardee.

"Security Documents" shall mean, collectively, any security agreement, financing statement, deposit account control agreement or other document providing collateral for the grant and other obligations hereunder.

"Service Obligation" shall mean the period in which grant assets must be placed into service to carry out the purposes of the ReConnect Program, and the time period in which grant assets must be secured as an exclusive, first lien on behalf of the government.

"Subsidiaries" shall mean the subsidiaries listed in Schedule 1.

ARTICLE II - REPRESENTATIONS AND WARRANTIES

Recognizing that RUS is relying hereon, the Awardee represents and warrants, as of the date of this Agreement, as follows:

(a) *Organization; Power, Etc.* The Awardee: (i) is the type of organization specified in the first paragraph hereof, duly organized, validly existing, and in good standing under the laws of the State identified in the first paragraph hereof; (ii) is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business make such qualification necessary; (iii) has legal power to own and operate its assets and to carry on its business and to enter into and perform its obligations under the Grant Agreement; (iv) has duly and lawfully obtained and maintained all material licenses, certificates, permits, authorizations and approvals necessary to conduct its business or required by applicable Laws; and (v) is eligible to obtain the financial assistance from RUS contemplated by this Agreement.

(b) *Authority.* The execution, delivery and performance by the Awardee of the Grant Agreement and the performance of the transactions contemplated hereby and thereby have been duly authorized by all necessary actions and do not violate any provision of law or any charter, articles of incorporation, organization documents or bylaws of the Awardee or result in a breach of, or constitute a default under, any agreement, security agreement, note or other instrument to which the Awardee is a party or by which it may be bound. The Awardee has not received any notice from any other party to any of the foregoing that a default has occurred or that any event or condition exists that with the giving of notice or lapse of time or both would constitute such a default.

(c) *Consents.* No consent, approval, authorization, order, filing, qualification, license, or permit of any governmental authority is necessary in connection with the execution, delivery, performance or enforcement of the Grant Agreement, except such as have been obtained and are in full force and effect.

(d) *Binding Agreement.* Each part of the Grant Agreement is, or when executed and delivered will be, the legal, valid, and binding obligation of the Awardee, enforceable in accordance with its terms, subject only to limitations on enforceability imposed in equity or by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally.

(e) *Compliance with Laws.* The Awardee is in compliance in all material respects with all federal, state and local laws, rules, regulations, ordinances, codes and orders (collectively, "Laws.").

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(f) *Litigation.* There are no pending or threatened legal, arbitration or governmental actions or proceedings to which the Awardee is a party or to which any of its property is subject which, if adversely determined, could have a Material Adverse Effect.

(g) *Information Submitted with Application.* All information, reports, and other documents and data submitted to RUS in connection with the Application were, at the time the same were furnished, complete, and correct in all material respects. Any financial statements or data submitted to RUS in connection with the Application present fairly, in all material respects, the financial position of the Awardee and the results of its operations in conformity with Accounting Requirements. Since the date thereof, there has been no material adverse change in the financial condition or operations of the Awardee.

(h) *Principal Place of Business.* The principal place of business and chief executive office of the Awardee is at the address of the Awardee specified in Schedule 1 hereto.

(i) *Organization Number.* The Awardee's organization number is correctly identified in Schedule 1 hereto.

(j) *Subsidiaries and Parent.* Any subsidiaries or parent of the Awardee are disclosed on the attached Schedule 1.

(k) *Defaults Under Other Agreements.* No default by the Awardee has occurred under any agreement or instrument to which the Awardee is a party or to which any of its property is subject that could have a Material Adverse Effect.

(l) *Additional Representations and Warranties.* The Awardee further represents and warrants as set forth in Schedule 1.

ARTICLE III – THE GRANT

Section 3.1 Grant Amount and Expiration Date.

(a) *Grant Amount.* RUS agrees to make and the Awardee agrees to accept, on the terms and conditions stated in this Agreement and subject to 31 U.S.C. 1551 and 1552, a grant, in the amount specified in Schedule 1 hereto (the "Grant").

(b) *Expiration Date.* The obligation of RUS to advance the Award, or any portion thereof, shall expire on a date ("Expiration Date") five (5) years from the Release of Funds date.

Section 3.2 Security Documents

The Awardee shall execute the Security Documents, covering the Collateral, in form and substance satisfactory to RUS, and such other security instruments as required by RUS.

Section 3.3 Project

(a) *Grant Purpose.* The grant has been made solely to finance the broadband infrastructure project specifically defined herein ("Project").

(b) *Changes to Project.* The Awardee shall obtain the prior written approval of RUS for any material change to the network design, construction, buildout timeline, delivery of services, and/or objective(s) of the Project.

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Section 3.4 ACH Payments

The Awardee consents to the use of the Automated Clearing House (ACH) Payment System and to the deposit of award funds directly into the Pledged Deposit Account.

ARTICLE IV – CONDITIONS OF FINANCIAL ASSISTANCE

Section 4.1 Conditions Precedent to Closing

In connection with the execution and delivery of this Agreement, each of the following conditions shall be satisfied (all documents, certificates and other evidence of such conditions are to be satisfactory to RUS in its discretion):

(a) *Legal Matters.* All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for RUS;

(b) *Grant Agreement.* RUS shall receive duly executed originals of the Grant Agreement;

(c) *Filed and Recorded Security Documents.* RUS shall have received executed, filed and indexed financing statements covering the Collateral;

(d) *Articles of Incorporation, Charter, Bylaws and Organizational Documents.* With respect to corporate and cooperative Awardees, RUS shall have received certified copies of the Awardee's most recent articles of incorporation or charter and bylaws. With respect to limited liability companies or similar organizations, RUS shall have received certified copies of the Awardee's most recent organization documents;

(e) *Authorizations.* RUS shall have received satisfactory evidence that all parts of the Grant Agreement and proceedings of the Awardee necessary for duly authorizing the execution, delivery and performance of the Grant Agreement have been obtained and are in full force and effect;

(f) *Approvals.* RUS shall have received satisfactory evidence that the Awardee has duly registered when and where required by law with all state, Federal and other public authorities and regulatory bodies and obtained all authorizations, certificates, and approvals necessary for, or required as a condition of, the validity and enforceability of each part of the Grant Agreement;

(g) *Property Rights.* RUS shall have received satisfactory evidence that the Awardee holds, or will hold, such franchises, permits, leases, easements, rights, privileges, licenses, or right-of-way instruments, reasonably adequate in form and substance, as may be required by law for the continued maintenance and operation of the Project;

(h) *Management, Service, and Operating Agreements.* Except as otherwise provided in Sections 4.2 and/or 4.3 herein, RUS shall have received all management, service, and operating agreements, in form and substance acceptable to RUS, which shall be in accordance with fees or rates presented in the *pro forma* financial statements submitted to RUS in the RUS approved Application;

(i) *Cybersecurity Risk Management.* RUS shall have received satisfactory evidence that the Awardee has considered and addressed cybersecurity risks consistent with the cybersecurity performance goals for critical infrastructure and control systems directed by the National Security Presidential Memorandum on Improving Cybersecurity for Critical Infrastructure Control Systems, or the current draft of these goals, found at https://www.cisa.gov/cross-sector-cybersecurity-performance-goals

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(j) *Affordable Connectivity Program*. RUS shall have received evidence that the Awardee has applied to participate in the Affordable Connectivity Program established by the IIJA;

(k) *Opinion of Counsel.* RUS shall have received an opinion of counsel for the Awardee (who shall be acceptable to RUS) in form and substance acceptable to RUS for each state in which the Awardee operates; and

(l) *Additional Conditions.* The Awardee has met all additional conditions specified in Schedule 1 hereto.

Section 4.2 General Conditions Precedent to RUS' Obligations to Release Funds for Advance

The obligations of RUS hereunder are subject to the satisfaction of each of the following conditions precedent (all documents, certificates and other evidence of such conditions are to be satisfactory to RUS in its discretion):

(a) *Current Financial Information and Certificate of Authority.* RUS has received from the Awardee: (i) its updated balance sheet, statement of cash flow, and income statement and (ii) a duly authorized and executed certification, Form 675, "Certification of Authority," designating an officer, employee, or agent of the Awardee as the person or persons authorized to execute and submit, on behalf of the Awardee, RUS Form 481, "Financial Requirement Statement;"

(b) *Additional Conditions.* The Awardee has met all additional conditions specified in Schedule 1 hereto.

Section 4.3 Conditions to Individual Advances

The obligations of RUS to approve any Advance are subject to the satisfaction of each of the following conditions precedent on or before the date of such Advance (all documents, certificates and other evidence of such conditions precedent are to be satisfactory to RUS in its discretion):

(a) *Continuing Representations and Warranties.* That the representations and warranties of the Awardee contained in this Agreement be true and correct on and as of the date of such Advance as though made on and as of such date;

(b) *Expenditure of Funds*. Notwithstanding Section 4.4, that the Awardee has deposited into the Pledged Deposit Account sufficient funds to fulfill the matching requirement and to complete the Project as specified on Schedule 1. Awardee, however, must show that its pro rata share of matching funds was deposited and properly expended when making requests for individual advances, as stipulated in the FOA.

(c) *Material Adverse Effect.* That no event has occurred which has had or could have a Material Adverse Effect;

(d) *Event of Default.* That no Event of Default and no event which with the passage of time or giving of notice, or both, would constitute an Event of Default shall have occurred and be continuing, or shall have occurred after giving effect to any Advances on the books of the Awardee;

(e) *Requisitions and Supporting Documentation.* That RUS shall have received not more frequently than once a month, unless otherwise agreed to by RUS, a completed RUS Form 481, "Financial Requirement Statement" (hereinafter "Form 481"), bearing the original signature of the officer, employee, or agent of the Awardee authorized to receive, disburse, or receive and disburse the Award, with supporting documentation

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from the Awardee in accordance with the ReConnect Program Construction Procedures. Advances shall be limited to the minimum amounts required for the Awardee's immediate disbursement needs and shall be requested by the Awardee only for actual immediate cash requirements of the Awardee. Such grant advances shall be provided on a reimbursement basis, or based on unpaid third-party invoices for Eligible Purposes, or contracts approved by RUS, in accordance with the ReConnect Program Construction Procedures;

(f) *Flood Insurance.* That for any Advance used in whole or in part to finance the construction or acquisition of any building in any area identified by the Secretary of Housing and Urban Development pursuant to the Flood Disaster Protection Act of 1973 (the "Flood Insurance Act") or any rules, regulations or orders issued to implement the Flood Insurance Act as any area having special flood hazards, or to finance any facilities or materials to be located in any such building, or in any building owned or occupied by the Awardee and located in such a flood hazard area, the Awardee shall have submitted evidence, in form and substance satisfactory to RUS or RUS has otherwise determined, that (i) the community in which such area is located is then participating in the national flood insurance program, as required by the Flood Insurance Act and any related regulations, and (ii) the Awardee has obtained flood insurance coverage with respect to such building and contents as may then be required pursuant to the Flood Insurance Act and any related regulations;

(g) *Current Financial Information.* That RUS has received from the Awardee: its current, updated balance sheets, income statements and statements of cash flow;

(h) *Compliance with Buildout Timeline and Reporting Requirements.* That RUS has received from the Awardee evidence, satisfactory to RUS, that the Project is being constructed in accordance with the Buildout Timeline and Reporting requirements in Section 6.4;

(i) *Compliance with Grant Agreement.* That the Awardee is in material compliance with the Grant Agreement;

(j) *Permits, Licenses and Franchises.* That RUS shall have received satisfactory evidence that the Awardee has obtained the permits, licenses, franchises and other approvals identified on Schedule 1;

(k) *Additional Documents.* That the Awardee agrees to provide RUS with such additional documents as RUS may request; and

(l) *Additional Conditions.* That the Awardee has met all additional conditions specified in Schedule 1 hereto.

Section 4.4 First Advance to Pay Off Pre-Application Expenses

Funds to pay off certain pre-application expenses, as defined in the FOA, if any, must be included in the first Advance.

ARTICLE V – AFFIRMATIVE COVENANTS

Section 5.1 General

Unless otherwise agreed to in writing by RUS, while this Agreement is in effect, the Awardee shall duly observe each of the affirmative covenants contained in this Article V.

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Section 5.2 Use of Matching Funds and Advances

(a) The Awardee shall expend matching funds only for Eligible Purposes in accordance with the RUS approved line-item Project budget and Form(s) 481 submitted to RUS.

(b) The Awardee shall expend Award funds only for Eligible Purposes in accordance with the RUS approved line-item Project budget and Form(s) 481 submitted to RUS prior to the advance of funds.

Section 5.3 Unused and Disallowed Advances

(a) The Awardee shall return to RUS forthwith all or any advanced portion of the grant not disbursed by the Awardee for the Project or not needed to complete the Project with any interest earned thereon when deposited in the Pledged Deposit Account.

(b) The Awardee shall reimburse RUS for any advanced funds whose original expenditure has been disallowed by an RUS grant audit. Disallowances shall be satisfied, as directed by RUS, by either administrative offset against other approved purposes on Form(s) 481 or repaying the disallowed amount directly to the United States Treasury. Such disallowed amounts shall accrue interest payable to RUS from the date RUS delivers to the Awardee a written demand for payment. Interest shall accrue on disallowed grant Advances at the then current United States Treasury rate as prescribed by the Secretary of the Treasury. Closeout of the grant will not affect the right of RUS to disallow expenditures and recover, in full, any amount on the basis of a subsequent audit or other review or the Awardee's obligation to return any disallowed expenditures.

Section 5.4 Deposit of Advances into Pledged Deposit Account

(a) The Awardee shall open and maintain a deposit account pledged to RUS ("Pledged Deposit Account") in a bank or depository whose deposits are insured by the Federal Deposit Insurance Corporation or other federal agency acceptable to RUS and shall be identified by the RUS' designation of the Awardee followed by the words "Pledged Deposit Account." The Awardee shall promptly deposit proceeds from all Advances, including previously advanced funds whose original expenditure has been disallowed by an RUS audit into the Pledged Deposit Account. Moneys in the Pledged Deposit Account shall be used solely for the purposes for which Advances were made, or for such other purposes as may be approved in writing by RUS. Deposits and disbursements from the Pledged Deposit Account shall be made and recorded in accordance with the ReConnect Program Construction Procedures.

(b) *First Lien on Pledged Deposit Account.* The Awardee shall perfect and maintain a first and prior lien in the Pledged Deposit Account (pursuant to a deposit account agreement or similar agreement or mechanism for perfecting as provided by applicable law) in form acceptable to RUS.

Section 5.5 Additional Project Funding

The Awardee shall ensure that adequate funding is in place to complete the Project and will, after obtaining the prior written approval of RUS, obtain additional loans or funds or receive binding commitments for supplemental funding in an amount needed to ensure completion of the Project.

Section 5.6 Miscellaneous Notices

The Awardee shall furnish to RUS:

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(a) *Notice of Default*. Promptly after becoming aware thereof, notice of the occurrence of any default under the Grant Agreement or the receipt of any notice given pursuant to the Grant Agreement with respect to the occurrence of any event which with the giving of notice or the passage of time, or both, could become an Event of Default hereunder or under any other part of the Grant Agreement.

(b) *Notice of Litigation*. Promptly after the commencement thereof, notice of the commencement of all actions, suits or proceedings before any court, arbitrator, or governmental department, commission, board, bureau, agency, or instrumentality affecting the Awardee or any Affiliate which, if adversely determined, could have a Material Adverse Effect.

(c) *Regulatory and Other Notices*. Promptly after receipt thereof, copies of any notices or other communications received from any governmental authority with respect to any matter or proceeding which could have a Material Adverse Effect.

(d) *Material Adverse Effect*. Promptly after becoming aware thereof, notice of any matter which has resulted or may result in a Material Adverse Effect.

(e) *Corporate Document Changes*. Thirty (30) days prior to their effectiveness, any amendments, supplements or modifications to the Awardee's Articles of Incorporation, Charter, Bylaws, Operating Agreement, Members Agreements or other Organizational Documents.

(f) *Other Information*. Such other information regarding the condition, financial or otherwise, or operations of the Awardee as RUS may, from time to time, reasonably request.

Section 5.7 Service Obligation

The Awardee shall provide the level of broadband service described in the RUS approved Application commencing from the date of Project Completion until the end of the Composite Economic Life of the facilities financed by the Award as specified on Schedule 1. Awardee acknowledges that given the significant amount of government contribution to the Project in the form of a grant, the Service Obligation is a significant portion of the public benefit of the Award, and that a material breach of the Service Obligation shall be an Event of Default. Awardee also acknowledges that grant assets must be secured as an exclusive, first lien on behalf of the government, as required by the ReConnect Program.

Section 5.8 Obligations with Respect to the Construction, Operation and Maintenance of the Project

(a) *Project Management and Operation.* The Awardee shall be responsible for the management of the Project and will operate the Project in an efficient and economic manner as well as maintaining the Project in good repair.

(b) *Construction in Accordance with Network Design and Buildout Timeline.* The Awardee shall cause the Project to be constructed and/or built out, and completed in accordance with the Network Design submitted with the RUS approved Application, as such design may be amended with prior RUS consent, and the Buildout Timeline. The Awardee shall also ensure that facilities constructed with award funds are capable of delivering 100 Mbps symmetrical service to every premise in the Approved Project Service Area at the same time.

(c) *General Insurance Requirements.* The Awardee shall take out and maintain insurance on the Project and any other property acquired with the grant in accordance with 7 CFR Section 1788.

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(d) *Contracting*. The Awardee may, in accordance with the ReConnect Program Construction Procedures, contract for goods and services to be funded by the Award, using RUS form contracts or private contracts; provided that private contracts must comply with equal employment opportunity and civil rights requirements.

(e) *Commencement and Completion of the Project.*

(1) Awardees are required to commence the Project within 180 days from the date that RUS notifies in writing that the environmental review process has been concluded; and

(2) Project Completion shall occur within five years from the Release of Funds Date.

(f) *National Programmatic Agreement.* If indicated on Schedule 1, Awardee shall be bound by the requirements of the National Programmatic Agreement (NPA), whose terms and conditions shall be incorporated into this Agreement. Failure to abide by the NPA, if entered into, shall be an Event of Default hereunder.

Section 5.9 Preservation of Existence and Rights

The Awardee shall take or cause to be taken all such actions as from time to time may be necessary to preserve its existence and to preserve and renew all franchises, contracts, rights of way, easements, permits, and licenses now or hereafter to be granted or conferred upon it, with respect to the Project, the loss of which would have a Material Adverse Effect.

Section 5.10 Compliance with Laws

Awardees shall comply with all applicable federal and state laws, including but not limited to: (i) The nondiscrimination and equal employment opportunity requirements of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000e *et seq*., 7 CFR pt. 15); (ii) Section 504 of the Rehabilitation Act (29 U.S.C. § 794 *et seq*.; 7 CFR pt. 15b); (iii) The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 *et seq*.; 45 CFR pt. 90); (iv) Executive Order 11375, amending Executive Order 11246, Relating to Equal Employment Opportunity (3 CFR pt. 102); (v) The Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151 *et seq*.); (vi) The Uniform Federal Accessibility Standards (UFAS), as published by the United States Access Board; (vii) The Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA and certain related federal environmental laws, statutes, regulations, and Executive Orders found in 7 CFR 1970; (viii) The Native American Graves Protection and Repatriation Act (25 USC 3001 *et seq*., 43 CFR § 10.4); (ix) The Communications Act of 1934, as amended, (47 U.S.C. § 151 *et seq*.); (x) The Telecommunications Act of 1996, as amended (Pub. L. 104-104, 110 Stat. 56 (1996); and (xi) The Communications Assistance for Law Enforcement Act (47 U.S.C. § 1001 *et seq*.) (CALEA).

Section 5.11 Equal Opportunity Requirements

(a) *Equal Opportunity Provisions in Construction Contracts*. The Awardee shall incorporate or cause to be incorporated into any construction contract, as defined in Executive Order 11246 of September 24, 1965 and implementing regulations, which is paid for in whole or in part with funds obtained from RUS or borrowed on the credit of the United States pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any RUS program involving such grant, contract, loan, insurance or guarantee, the equal opportunity provisions set forth in Attachment 2 hereto, entitled Equal Opportunity Contract Provisions.

(b) *Equal Opportunity Contract Provisions Also Bind the Awardee*. The Awardee further agrees that it shall be bound by such equal opportunity clause in any federally assisted

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construction work which it performs itself other than through the permanent work force directly employed by an agency of government.

(c) *Sanctions and Penalties*. The Awardee agrees that it shall cooperate actively with RUS and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it shall furnish RUS and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it shall otherwise assist the administering agency in the discharge of RUS' primary responsibility for securing compliance. The Awardee further agrees that it shall refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part II, Subpart D of Executive Order 11246 and shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by RUS or the Secretary of Labor pursuant to Part II, Subpart D of Executive Order 11246. In addition, the Awardee agrees that if it fails or refuses to comply with these undertakings RUS may cancel, terminate or suspend in whole or in part this Agreement, may refrain from extending any further assistance under any of its programs subject to Executive Order 11246 until satisfactory assurance of future compliance has been received from the Awardee, or may refer the case to the Department of Justice for appropriate legal proceedings.

Section 5.12 Purchases with Award Funds

Except as specifically authorized in writing in advance by RUS, all facilities, materials, equipment, supplies, replacements and all other items purchased with Award funds shall be purchased outright, and not subject to any conditional sales agreement, chattel mortgage, bailment lease or other agreement reserving to the seller any right, title or lien.

Section 5.13 Awardee to Defend Title and Remove Liens

Except for Permitted Encumbrances, the Awardee will maintain and preserve the lien of this Agreement superior to all other liens affecting the Collateral, and will forever warrant and defend the title to the Collateral against any and all claims and demands whatsoever. The Awardee shall make, execute, acknowledge, deliver, file and record all such mortgages, financing statements, continuation statements, security agreements, instruments and conveyances as is necessary to preserve the lien of this Agreement against the Collateral superior to all other liens. The Awardee shall maintain the Collateral free of all liens except for Permitted Encumbrances, and will promptly pay or discharge any and all obligations for or on account of which any such lien or charge might exist or could be created and any and all lawful taxes, rates, levies, assessments, liens, claims or other charges imposed upon or accruing upon any of the Collateral, as and when the same shall become due and payable; and whenever called upon so to do by RUS will furnish to RUS adequate proof of such payment or discharge; provided, however that this provision shall not be deemed to require the payment or discharge of any tax, rate, levy, assessment or other governmental charge while the Awardee is contesting the validity thereof by appropriate proceedings in good faith and so long as it shall have set aside on its books adequate reserves with respect thereto.

Section 5.14 Further Assurances

(a) The Awardee shall from time to time upon written demand of RUS make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered all such further and supplemental financing statements, continuation statements, and security agreements with respect to the Grant Collateral as may be requested by RUS.

(b) The Awardee shall cause this Agreement, financing statement, continuation statement and every additional instrument which shall be executed pursuant to subsection (a)

immediately above, to forthwith upon execution to be filed and recorded and refiled and rerecorded as conveyances and security interests in personal property in such manner and in such places as may be required by law or requested by RUS in order to fully preserve the security for the grant, and to perfect and maintain the superior lien of this Agreement and all supplemental security instruments.

Section 5.15 Buy American

(a) *Funding to Non-Federal Entities.* Awardees that are Non-Federal Entities, defined pursuant to 2 CFR 200.1 as any State, local government, Indian tribe, Institution of Higher Education, or nonprofit organization, shall be governed by the requirements of Section 70914 of the Build America, Buy America Act (BABAA) within the IIJA. Any requests for waiver of these requirements must be submitted pursuant to USDA's guidance available online at https://www.usda.gov/ocfo/federal-financial-assistance-policy/USDABuyAmericaWaiver.

(b) *Funding to All Other Entities.* Awardees that are not Non-Federal Entities shall be governed by the Agency's Buy American requirement at 7 CFR part 1787. Any requests for waiver of these requirements must be submitted pursuant to those regulations.

Section 5.16 Financial Requirements

The Awardee shall maintain a positive ending cash balance as reflected on the cash flow statement for each year in which grant funds are expended.

Section 5.17 Corrective Action

Within thirty (30) days of: (i) sending the financial reports required by Section 6.4(a) hereof that show the Financial Requirements of Section 5.16 were not met for the reported fiscal period; or (ii) being notified by RUS that such requirements were not met for the period, whichever is earlier, the Awardee, in consultation with RUS, shall provide a written plan satisfactory to RUS setting forth the actions that shall be taken to achieve the specified Financial Requirements on a timely basis and shall promptly implement said plan.

Section 5.18 RDOF Funding

If the Awardee is a recipient of Rural Digital Opportunity Fund (RDOF) funding, Awardee acknowledges and certifies that neither funds under this Award nor under the RDOF award will be used to reimburse the same expenditures. Such Awardees must also maintain separate accounts to track sources and uses of each funding source.

Section 5.19 Scoring Criteria Commitments

If identified on Schedule 1 hereto, the Awardee agrees to be bound by the following commitments:

(a) Awardee will offer in their service offerings at least one low-cost option offered at speeds that are sufficient for a household with multiple users to simultaneously telework and engage in remote learning.

(b) Awardee will utilize the labor standards outlined in its Application at least until Project Completion.

(c) Awardee agrees to use net neutrality with respect to its network and will not (1) block lawful content, applications, services, or non-harmful devices, subject to reasonable

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network management; (2) impair or degrade lawful Internet traffic on the basis of Internet content, application, or service, or use of a non-harmful device, subject to reasonable network management; and (3) engage in paid prioritization, meaning the management of a broadband provider's network to directly or indirectly favor some traffic over other traffic, including through use of techniques such as traffic shaping, prioritization, resource reservation, or other forms of preferential traffic management, either (A) in exchange for consideration (monetary or otherwise) from a third party, or (B) to benefit an affiliated entity.

(d) Awardee shall offer wholesale broadband services at rates and terms that are reasonable and nondiscriminatory, and at a minimum Awardee agrees to publicly advertise in the service area that broadband service is available at wholesale to any service provider; and (2) that the same wholesale contract will be used for all service providers requesting wholesale service and offered at the same per unit price.

The Awardee acknowledges that for those commitments identified on Schedule 1, Awardee agreed to these commitments so as to receive special consideration in the scoring its Application, and that without these commitments, Awardee may not have received this Award. Awardee acknowledges that failure to perform on any identified commitment is a material violation of this Agreement.

Section 5.20 Additional Affirmative Covenants

The Awardee shall comply with the additional affirmative covenants set forth in Schedule 1 hereto.

ARTICLE VI – ACCOUNTING AND REPORTING

Section 6.1 Financial Records

(a) Awardees must establish an accounting system satisfactory to RUS in compliance with Accounting Requirements. Such a system of accounts must account for all funds advanced under this Agreement separately from all other funds for the Project.

(b) The Awardee shall maintain, at its premises, such books, documents, papers, or other records and supporting documents, including, but not limited to, invoices, receipts, payroll records and bills of sale, adequate to identify the purposes for which, and the manner in which grant and other funds were expended on the Project. The Awardee shall at all times keep, and safely preserve, proper books, records and accounts in which full and true entries shall be made of all dealings, business, and affairs of the Awardee and its Subsidiaries, in accordance with its system of accounts complying with Paragraph (a) immediately above. The Awardee shall maintain copies of all documents submitted to RUS in connection with the Award until the longer of (i) all audits have been completed, (ii) the term of this Agreement or (iii) three years subsequent to close-out of the Award.

Section 6.2 Rights of Inspection

The Awardee shall afford RUS, the Office of the Inspector General of USDA, and the Government Accountability Office, through their representatives, reasonable opportunity, at all times during business hours and upon prior notice, to have access to and right to inspect the Project, any other property encumbered by the Security Documents, and any and all books, records, accounts, including electronic books, records, accounts and electronic mail messages, regardless of the physical form or characteristics, invoices, contracts, leases, payroll records, canceled checks, statements, and other documents, and papers of every

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kind belonging to or in any way pertaining to its property or business, including its Subsidiaries, if any, and to make copies or extracts therefrom.

Section 6.3 Annual Audit

(a) Non-Federal Entities, which include Awardees that are States, local governments, Indian tribes, institutions of higher education, or nonprofit organizations, shall provide RUS with an audit pursuant to 2 C.F.R. part 200, Subpart F (Audit Requirements). The Awardee must follow subsection 200.502 in determining federal awards expended. All RUS loans impose an ongoing compliance requirement for the purpose of determining federal awards expended during a fiscal year. In addition, the Awardee must include the value of new federal loans made along with any grant expenditures from all federal sources during the Awardee's fiscal year. Therefore, the audit submission requirement for this program begins in the Awardee's fiscal year that the loan is made and thereafter, based on the balance of federal loan(s) at the beginning of the audit period. All required audits must be submitted within the earlier of: (i) 30 calendar days after receipt of the auditor's report; or (ii) nine months after the end of the Awardee's audit period.

(b) For all other entities, Awardees shall provide RUS with an audit within 120 days after the as of audit date in accordance with 7 C.F.R. part 1773, Policy on Audits of RUS Borrowers. Note that with respect to Advances that contain loan funds, the audit is required after an Advance has been made, and, thereafter, from the close of each subsequent fiscal year until the loan is repaid in full. With respect to Advances that only contain grant funds, the audit is required until all grant funds have been expended or rescinded. While an audit is required, Awardees must also submit a report on compliance and internal controls over financial reporting, as well as a report on compliance with aspects of contractual agreements and regulatory requirements.

Section 6.4 Reporting

(a) *Quarterly Report*. No later than thirty (30) calendar days after the end of each calendar year quarter during the period in which grant funds are available for expenditure, the Awardee must submit to RUS utilizing RUS' online reporting system, the following information: balance sheets, income statements, statements of cash flow, and the number of customers taking broadband service. In addition, the Awardee must provide RUS with such other reports concerning the financial condition or operation of the Awardee, including its Subsidiaries, as RUS may request.

(b) *Annual Performance Report*. For three years starting the first January 31st after Project Completion, the Awardee must submit the following information utilizing RUS' online reporting system:

(i) existing network service improvements and facility upgrades, as well as new equipment and capacity enhancements that support high-speed broadband access for educational institutions, health care providers, and public safety service providers;

(ii) the estimated number of end users who are currently using or forecasted to use the new or upgraded infrastructure;

(iii) the progress towards fulfilling the objectives for which the assistance was granted;

(iv) the speed and average price of the most subscribed tier of the Awardee's broadband service offerings in the Project's service area; and

(v) the average price of broadband service in the Project's service area.

(c) *Annual Map Reporting*: No later than thirty (30) calendar days after the end of the Calendar Year, the Awardee shall be required to submit annually updated Approved Project Service Area(s) maps through RUS' online mapping tool showing the areas where construction has been completed and geospatial location of residences and businesses that are receiving new broadband service until the entire Approved Project Service Area can receive the broadband service.

(d) *Close Out Report.* The Awardee shall deliver a close out report to RUS no later than one hundred twenty (120) days after the expiration or termination of the Award or expenditure of all Award funds, whichever event occurs last. The close out report shall address: (i) a comparison of actual accomplishments to the objectives set forth in the Application; (ii) a description of problems, delays, or adverse conditions that occurred, or which affected the attainment of overall Project objectives, prevented the meeting of time schedules or objectives, or precluded the attainment of particular Project work elements during established time periods; (iii) a comparison of how funds were spent against the original general budget submitted with the RUS approved Application, and (iv) a final buildout map on the RUS mapping tool indicating that all construction has been completed as proposed in the application. If parts of the Approved Project Service Area have not been constructed, RUS may require a portion of the award to be rescinded or paid back.

ARTICLE VII – NEGATIVE COVENANTS

Section 7.1 General

Unless otherwise agreed to in writing by RUS, while this Agreement is in effect, the Awardee shall duly observe each of the negative covenants set forth in this Article VII.

Section 7.2 Negative Pledge

The Awardee shall not create, incur or suffer any lien, mortgage, pledge, assignment, or other encumbrance on, or security interest in the Collateral, other than Permitted Encumbrances.

Section 7.3 Contracts

The Awardee shall not, without the prior written consent of RUS, enter into any contract or contracts for the operation or management of all or any substantial part of the Project, and shall not enter into any contract for the use by others of all or any substantial part of the Project.

Section 7.4 Distributions or Withdrawals

Before Project Completion, the Awardee shall not, without the prior written approval of RUS, make any dividend, stock, or capital distribution, or any membership withdrawals, unit redemptions, or other type of profit allocation to its members, or other distribution in the nature of an investment, guarantee, extension of credit, advance, or loan, nor make a capital credit distribution (all such distributions being hereinafter collectively called "Distributions;") *provided, however*, Distributions may be made in each fiscal year as follows:

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(a) Aggregate, annual Distributions not to exceed twenty-five percent (25%) of the prior fiscal year's Net Income or Margins may be made if, after such aggregate annual Distributions, the Awardee's net worth is at least one percent (1%) of its Total Assets;

(b) Aggregate annual Distributions not to exceed fifty percent (50%) of the prior fiscal year's Net Income or Margins may be made if, after such aggregate annual Distributions, the Awardee's Net Worth is at least twenty percent (20%) of its Total Assets;

(c) Aggregate annual Distributions not to exceed seventy-five percent (75%) of the prior fiscal year's Net Income or Margins may be made if, after such aggregate annual Distributions, the Awardee's Net Worth is at least thirty percent (30%) of its Total Assets; or

(d) There is no limit on aggregate, annual Distributions if, after making such aggregate, annual Distributions, the Awardee's Net Worth is at least forty percent (40%) of its Total Assets.

Section 7.5 Changing Principal Place of Business, Place of Conducting Business, or Type of Organization

The Awardee shall not change its principal place of business, place of conducting business, or type of organization without the prior written consent of RUS.

Section 7.6 Changing Name or Place of Incorporation or Organization

The Awardee shall not change its legal name or place of incorporation or organization without giving RUS sixty (60) days prior written notice.

Section 7.7 Historic Preservation

The Awardee shall not, without the prior written consent of RUS, use any Advance to construct any facility which shall involve any district, site, building, structure or object which is included in, or eligible for inclusion in, the National Register of Historic Places maintained by the Secretary of the Interior pursuant to the Historic Sites Act of 1935 and the National Historic Preservation Act of 1966.

Section 7.8 Restrictions on Transfers of Property

(a) Except as provided in Paragraph (b), and excluding any property which the Awardee must sell to customers in the ordinary course of business, the Awardee shall not sell, lease or transfer any Collateral to any other person or entity (including any subsidiary or affiliate of the Awardee) without the prior written consent of the RUS.

(b) So long as the Awardee is not in default hereunder, the Awardee may, without obtaining the consent of RUS, sell or otherwise dispose of, free from the lien hereof, any of the Collateral which is neither necessary to, nor useful for, the operation of the Awardee's business, or which has become obsolete, worn out, damaged, or otherwise unsuitable for the purposes of the Awardee; provided, however, that the Awardee shall follow 2 C.F.R. 200 with respect to any proceeds.

Section 7.9 Restrictions on Changes to Line-Item Budget

The Awardee agrees that the budget for the Project is a line-item budget and agrees not to make any revisions to the RUS approved line-item Project budget, including, without limitation, the part of the budget for construction, without the prior written approval of RUS.

Section 7.10 Affiliated Transactions

With respect to the Project, the Awardee shall not enter into any transaction, contract, or dealing with an Affiliate or with the Awardee's or Affiliate's directors, trustees, officers, managers, members (if the Grantee is a limited liability company), or other corporate officials, without the prior written consent of RUS. RUS' consent to advance grant funds or approve the expenditure of matching or other funds for affiliated transactions on the Project will be limited to an amount which is the lower of cost or market rate and which is subject to verification by RUS and its representatives having access to the books and records of the Affiliate.

Section 7.11 Additional Negative Covenants

The Awardee shall comply with the additional negative covenants set forth in Schedule 1 hereto.

ARTICLE VIII – GRANTOR'S RIGHTS

Section 8.1 Termination of Award Offer

RUS, in its sole discretion, may terminate the offer to make the grant if it does not receive the Grant Agreement, duly executed on behalf of the Awardee and all conditions in Section 4.1 hereof are not satisfied within sixty (60) days from the date that RUS notifies in writing that the environmental review process has been concluded.

Section 8.2 Audits and Compliance Reviews

After giving prior notification to the Awardee, RUS has the right to conduct compliance reviews and audits of the Awardee to assure compliance with the Grant Agreement, FOA, and the Accounting Requirements.

Section 8.3 Disallowed Expenditures

Upon a determination by RUS that the Awardee did not expend Award funds on Eligible Purposes in accordance with the RUS approved line-item Project budget and the Form(s) 481 approved by RUS prior to the advance of funds, RUS may, in its sole discretion:

(a) Disallow all or a part of the expenditures and disbursements of the Award and require the Awardee to deposit such funds in the Pledged Deposit Account to be applied toward other approved Project purposes on Form(s) 481 or to reimburse the Government, as provided in Section 5.3 hereof;

(b) Suspend future Advances; and/or

(c) Take any other action RUS determines to be necessary including, without limitation, exercising any right or remedy available under the Grant Agreement or law.

Section 8.4 Suspension of Advances

RUS may, in its absolute discretion, suspend approving Advances on the Award upon its making a determination that an event has occurred that is likely to have a Material Adverse Effect. RUS may also suspend approving advances of the Award upon the occurrence of an Event of Default.

Section 8.5 Right to Expend Money

RUS shall have the right (without prejudice to any of its rights with respect to any Event of Default) to advance or expend moneys for the purpose of procuring insurance, or for the payment of insurance

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premiums as required hereunder, or to advance or expend moneys for the payment of taxes, assessments or other charges, or to save the Collateral from sale or forfeiture for any unpaid tax or assessment, or otherwise, or to redeem the same from any tax or other sale, or to purchase any tax title thereon, or to remove or purchase any mechanics' liens or other encumbrance thereon, or to make repairs thereon or to comply with any covenant herein contained or to prosecute and defend any suit in relation to the Collateral or in any manner to protect the Collateral and the title thereto, and all sums so advanced for any of the aforesaid purposes with interest thereon at the highest legal rate, but not in excess of twelve per centum (12%) per annum shall be deemed a charge upon the Collateral and shall be forthwith paid to RUS upon demand. It shall not be obligatory for RUS in making any such advances or expenditures to inquire into the validity of any such tax title, or of any such taxes or assessments or sales therefor, or of any such mechanics' liens or other encumbrance.

Section 8.6 Right to File Financing Statements

RUS shall have the right to file such financing statements and continuation statements on its behalf, as secured party, and on behalf of the Awardee, as RUS deems necessary to perfect a first lien on the Collateral and to maintain and preserve such perfected first lien for the Composite Economic Life. The Awardee shall reimburse RUS for any expenses incurred in the exercise of this right.

ARTICLE IX - GRANT OF SECURITY INTEREST

Section 9.1 Collateral

To secure the payment and performance of the Service Obligation, the Awardee hereby pledges, assigns, and transfers to RUS, and grants to RUS a continuing security interest in the Collateral, as more particularly described in Schedule 2.

Section 9.2 Continuing Rights with Respect to Grant Assets

(a) Given the significant grant to the Project, the government must be provided an exclusive first lien on all grant assets during the Service Obligation of the Award, as defined in Section 5.7, which shall not be shared *pari passu* with any other entity. Thereafter, any sale or disposition of grant assets must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified in 2 C.F.R. part 200. Awardee acknowledges that this part will apply to all grant funds of Awardee received under the Grant, regardless of Awardee's entity status or type of organization.

(b) Awardee agrees and acknowledges that pursuant to the FOA, Awardee must repay all funds advanced under the grant to the government if the Project or Awardee is sold or merged without RUS approval during the Service Obligation of the grant.

ARTICLE X - EVENTS OF DEFAULT

Section 10.1 Events of Default

The following shall be events of default (each an "Event of Default") under this Agreement:

(a) Representations and Warranties. Any representation or warranty made by the Awardee in the Grant Agreement, Form(s) 481 or any certificate furnished to RUS under the Grant Agreement, or in the Application shall prove to have been incorrect in any material respect at the time made;

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(b) Improper Expenditures. The Awardee expends Award funds on costs which are not Eligible Purposes in accordance with the RUS approved line-item Project budget and the Form(s) 481 approved by RUS prior to the advance of funds;

(c) Failure to Keep Adequate Records. The Awardee fails to keep adequate records, including the failure to document Award fund expenditures for Eligible Purposes as required herein;

(d) Failure to Build in Accordance with Buildout Timeline. The Awardee fails to commence build out of the Project within 180 days from the date that RUS notifies in writing that the environmental review process has been concluded or otherwise fails to meet or exceed milestones established in the Buildout Timeline, as it may be amended with prior written RUS consent;

(e) Failure to Comply with Accounting and Reporting Requirements. The Awardee fails to comply with the accounting and reporting requirements in Article VI;

(f) Other Covenants. Default by the Awardee in the observance or performance of any other covenant or agreement contained in any part of the Grant Agreement, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to the Awardee by RUS;

(g) Adverse Effects. The Awardee shall forfeit or otherwise be deprived of its charter, articles of organization, franchises, permits, easements, consents or licenses required to carry on any material portion of its business or the Awardee files for or an event occurs which can reasonably be expected to result in its dissolution or termination;

(h) Other Obligations. Default by the Awardee in the payment of any obligation, whether direct or contingent, for borrowed money in excess of ten thousand dollars ($10,000.00) or in the performance or observance of the terms of any instrument pursuant to which such obligation was created or securing such obligation which default shall have resulted in such obligation becoming or being declared due and payable prior to the date on which it would otherwise be due and payable;

(i) Bankruptcy. A court having jurisdiction in the premises shall enter a decree or order for relief with respect to the Awardee in an involuntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect: (1) appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official, or (2) ordering the winding up or liquidation of its affairs; or the Awardee shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian or trustee, of a substantial part of its property, or make any general assignment for the benefit of creditors;

(j) Dissolution or Liquidation. Other than as provided in the immediately preceding subsection, the dissolution or liquidation of the Awardee, or the filing of such by the Awardee;

(k) Impaired Business. The failure by the Awardee to promptly forestall or remove any execution, garnishment or attachment of such consequence as shall impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within thirty (30) days; and/or

(l) Service Obligation. The Awardee fails to provide the Service Obligation on the Project with respect to the grant; and/or

(m) Payment of Final Judgment. A final judgment in an amount of ten thousand dollars ($10,000.00) or more shall be entered against the Awardee and shall remain unsatisfied or without a stay in respect thereof for a period of thirty (30) days.

ARTICLE XI - REMEDIES

Section 11.1 General

Upon the occurrence of an Event of Default, RUS may pursue all rights and remedies available to RUS that are contemplated by the Grant Agreement in the manner, upon the conditions, and with the effect provided in the Grant Agreement, and may pursue such other remedies that are generally available at law or in equity including, without limitation, a suit for specific performance, injunctive relief or damages. Nothing herein shall limit the right of RUS to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default listed in Article X hereof. Each right, power and remedy of RUS shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

Section 11.2 Remedies

In addition to the remedies referred to in Section 11.1 hereof, upon the occurrence of an Event of Default, RUS may:

(a) Refuse to make any advance or further advance on account of the Award, but any advance thereafter made by RUS shall not constitute a waiver of such default;

(b) Terminate the obligation to further advance on account of the Award;

(c) RUS shall have the right to enter and/or remain upon the premises of the Awardee without any obligation to pay rent to the Awardee or others, or any other place or places where any of the Collateral is located and kept and: (i) remove the Collateral therefrom in order to maintain, collect, sell, and/or liquidate the Collateral or, (ii) use such premises, together with materials, supplies, books, and records of the Awardee, to maintain possession and/or the condition of the Collateral, and to prepare the Collateral for sale, liquidation, or collection. RUS may require the Awardee to assemble the Collateral and make it available to RUS at a place to be designated by RUS;

(d) RUS shall have, in addition to any other rights and remedies contained in this Agreement, all of the rights and remedies of a secured party under the Uniform Commercial Code in force in the state identified in the first paragraph hereof, as well as the state where the Collateral is located, as of the date hereof, all of which rights and remedies shall be cumulative, and nonexclusive.

ARTICLE XII - MISCELLANEOUS

Section 12.1 Notices

All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by email) delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by email delivered or, in the case of a mailed

notice, upon receipt, in each case given or addressed as provided for herein. The Addresses for Notices of the respective parties are as follows:

RUS	Awardee
Rural Utilities Service United States Department of Agriculture 1400 Independence Avenue, S.W. Washington, D.C. 20250-1510 Attention: Administrator Email: reconnect@usda.gov	See Schedule 1
With a copy to: Rural Utilities Service United States Department of Agriculture 1400 Independence Avenue, S.W. Stop 1590, Room No. 4121-S Washington, D.C. 20250-1590 Attention: Peter Aimable Email: TelecomPMRA@usda.gov	With a copy to: See Schedule 1

Section 12.2 Notices of Actions Against Collateral

Any notice required to be given by RUS of a sale or other disposition or other intended action by RUS with respect to any of the Collateral, or otherwise, made in accordance with this Agreement at least five (5) days prior to such proposed action, shall constitute fair and reasonable notice to the Awardee of any such action.

Section 12.3 Expenses

To the extent allowed by law, the Awardee shall pay all costs and expenses of RUS, including reasonable fees of counsel, incurred in connection with the enforcement of the Grant Agreement or with the preparation for such enforcement if RUS has reasonable grounds to believe that such enforcement may be necessary.

Section 12.4 Filing Fees

To the extent permitted by law, the Awardee agrees to pay all expenses of RUS (including the fees and expenses of its counsel) in connection with the filing or recordation of all financing statements and instruments as may be required by RUS in connection with this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to recordation of any document or instrument in connection herewith. The provisions of this section shall survive the execution and delivery of this Agreement.

Section 12.5 No Waiver

No failure on the part of RUS to exercise, and no delay in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise by RUS of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

Section 12.6 Governing Law

This Agreement shall be governed by and construed in accordance with applicable federal law and, in the absence of controlling federal law, by the laws of the State identified in the first paragraph herein, except those that would render such choice of law ineffective.

Section 12.7 Consent to Jurisdiction

The Awardee hereby irrevocably submits to the jurisdiction of the U.S. District Court for the District of Columbia and the US Court of Appeals for the Federal Circuit (both the "DC Federal Courts") for any action or proceeding arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such federal courts. The Awardee irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Awardee's address set forth in Schedule 1. The Awardee hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the DC Federal Courts and hereby further irrevocably waives and agrees not to plead or claim in such court that any such action or proceeding brought in any such court has been brought in a forum *non conveniens*. Nothing herein shall affect the right of the Government to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Awardee in its own jurisdiction.

Section 12.8 Waiver of Jury Trial

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, SECURED PARTY, OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 12.9 Rescission

The Awardee may elect to rescind the Award, in which event RUS shall release the Awardee from its obligations hereunder, provided the Awardee complies with such terms and conditions as RUS may impose for such release.

Section 12.10 Successors and Assigns

(a) This Agreement shall be binding upon and inure to the benefit of the Awardee and RUS and their respective successors and assigns, except that the Awardee may not assign or transfer its rights or obligations hereunder without the prior written consent of RUS.

(b) Pursuant to federal claims collection laws, RUS' claims hereunder may be transferred to other agencies of the United States of America; in the event of such a transfer, all rights and remedies hereby granted or conferred on RUS shall pass to and inure to the benefit of any such successor agency.

Section 12.11 Complete Agreement; Waivers and Amendments

Subject to RUS Regulations, this Agreement and all parts of the Grant Agreement are intended by the parties to be a complete and final expression of their agreement. However, RUS reserves the right to waive its rights to compliance with any provision of this Agreement and any other part of the Grant Agreement. No amendment, modification, or waiver of any provision hereof or thereof, and no consent to any departure of the Awardee herefrom or therefrom, shall be effective unless approved in writing by RUS in the form of either a RUS Regulation or other writing signed by or on behalf of RUS, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 12.12 Headings

The headings and sub-headings contained in the titling of this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

Section 12.13 Severability

If any term, provision, condition, or any part thereof, of this Agreement or the Security Documents shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision, or condition nor any other term, provision, or condition, and this Agreement and the Security Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

Section 12.14 Schedules and Attachments

Each Schedule and Attachment attached hereto and referred to herein is each an integral part of this Agreement.

Section 12.15 Authority of Representatives of RUS

In the case of any consent, approval or waiver from RUS that is required under this Agreement or any other part of the Grant Agreement, such consent, approval or waiver must be in writing and signed by an authorized RUS representative to be effective. As used in this section, "authorized RUS representative" means the Administrator of RUS, and also means a person to whom the Administrator has officially delegated specific or general authority to take the action in question.

Section 12.16 Term

This Agreement shall remain in effect until one of the following two events has occurred:

(a) The Awardee and RUS replace this Agreement with another written agreement; or

(b) All of the Awardee's obligations under this Agreement, including the Service Obligation, have been discharged and paid.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

CORDOVA TELEPHONE COOPERATIVE, INCORPORATED

by _____

Name:

Title:

(Seal)

Attested to by: _____
Secretary

UNITED STATES OF AMERICA

by _____
Administrator
of the Rural Utilities Service

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SCHEDULE 1

Article I **Definitions**

1. The additional "Permitted Encumbrances" permitted on the Collateral shall include: the lien described in and under the terms of that certain Mortgage and Security Agreement, dated as of [date to be determined by mortgage specialist during closing process] between Awardee and CoBank ("Mortgagee"), a bank, which lien has been subordinated to a first priority lien in favor of RUS on the Pledged Deposit Account and the Grant, pursuant to and under the terms of that certain Agreement and Subordination of Mortgage Lien, dated as of [date] by and between RUS and Mortgagee.

Article II **Representations and Warranties**

1. Paragraph (h) Awardee's Principal Place of Business: **611 2nd Street, Cordova, Alaska 99574**

2. Paragraph (i) Awardee's Organization Number: **17892D**

3. Paragraph (j) Awardee's Subsidiaries:

   a) Cordova Wireless Communications, LLC
   b) Cordova Long Distance Inc
   c) CTC Holdings, LLC
   d) Yakutat Telecom Company

4. Paragraph (j) Awardee's Parent: **N/A**

5. Paragraph (l) Additional Representations and Warranties:

   The Awardee represents and warrants that it is primarily engaged in the business of transmitting communications electrically, electromagnetically, or by light.

Article III **The Grant**

1. Section 3.1(a) Grant amount: **$34,905,000**

Article IV **Conditions Precedent to Closing**

1. The additional conditions referred to in Section 4.1(k) are as follows:

   a) Pursuant to 7 CFR 1970.11(b), the Agency has determined that assurance of funding for this Project is necessary for economic rural development. As a result, this Agreement is subject to the completion of all necessary environmental procedures required by Federal law, and funds may not be disbursed until successful completion of such procedures. The Awardee acknowledges that it may not engage in any work on the Project until Awardee has received written notice from the Agency, except for work required to finalize the environmental reviews. Such environmental work, however, shall be done at the Awardee's own risk and may not be reimbursed if the environmental reviews cannot be completed as required by 7 CFR 1970.11(b). Awardee understands and acknowledges that unauthorized work will result in the termination of this Agreement. Awardee also acknowledges that any findings in the environmental reviews requiring significant changes to the Project will constitute an immediate deobligation of funding and termination of this Agreement,

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and will not result in an amended agreement until revised terms are agreed upon and funding is determined to be still available.

b) Awardee must provide evidence, in form and substance satisfactory to RUS that CoBank has consented to the Awardee entering into this Agreement and has released or subordinated their liens on all grant assets funded under the Award, as well as on the matching funds required under Section 4.2(b).

c) Awardee must provide documentation to support the extension to their existing Line-of-Credit to fund the 25% matching fund requirement.

Conditions Precedent to Release of Funds

2. The additional conditions referred to in Section 4.2(b) are as follows: **N/A**

Conditions Precedent to Individual Advances

3. Section 4.3(b) total funds that must be deposited into the Pledged Deposit Account:

(i) Matching funds: (b) (4) [redacted]
(ii) Other funds required: **N/A**

4. Section 4.3(j) Required permits, licenses, franchise, and other approvals: **N/A**

5. The additional conditions to advance referred to in Section 4.3(l) are as follows: **N/A**

Article V Affirmative Covenants

1. Section 5.7 Composite Economic Life of RUS financed facilities: **20 Years**

2. Section 5.8(f) Awardee is subject to the following National Programmatic Agreement (NPA): **N/A**

3. Section 5.18 Scoring Criteria Commitments: Awardee has agreed to the following commitments for this Award:

(X) Affordable Pricing Packages
(X) Labor Standards
(X) Net Neutrality
(X) Wholesale Broadband Service

4. The additional affirmative covenants referred to in Section 5.19 are as follows: **N/A**

Article VII Negative Covenants

1. The additional negative covenants referred to in Section 7.11 are as follows: **N/A**

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Article XII **Miscellaneous**

1. Section 12.1 Awardee's address for purposes of notification:

Sarah Kathrein
Project Manager
Cordova Telephone Cooperative, Incorporated
P.O. Box 459
Cordova, Alaska 99574

2. Section 12.1 Address for Awardee's notification copy:

John Andrew Leman
Kemppel, Huffman & Ellis, P.C.
255 E. Fireweed Lane, Suite 200
Anchorage, Alaska 99503

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SCHEDULE 2
COLLATERAL

Collateral shall include the following:

All personal property, assets, rights, and fixtures of the Awardee acquired with Award funds, of every kind and description, tangible and intangible, of the kind or nature specifically mentioned herein, or any other kind or nature now owned or hereafter acquired, or built by the Awardee, wherever located, including without limitation all or in part the following (hereinafter the "Collateral"):

I

All right, title, and interest of the Awardee in and to fixtures and personal properties acquired with Award funds, whether tangible or intangible, of every kind or description, now or hereafter owned, leased, constructed, or acquired by the Awardee, wherever located, and in and to all extensions, improvements, and additions thereto, including but not limited to all structures, towers, antennas, fixtures, apparatus, materials, supplies, machinery, tools, implements, poles, posts, crossarms, conduits, ducts, lines, wires, cables, whether underground, overhead, or otherwise, exchanges, switches, including, without limitation, host and remote switches, desks, testboards, frames, racks, motors, generators, batteries, and other items of central office equipment, pay stations, protectors, instruments, connections and appliances, office furniture; equipment, and any and all other fixtures and personal property of every kind, nature, and description;

II

All right, title, and interest of the Awardee in, to, and under all personal property and fixtures of every kind and nature acquired with Award funds, including without limitation all goods (such as inventory, equipment and any accessions thereto), documents, accounts (such as deposit accounts or trust accounts pursuant hereto) software, general intangibles (such as payment intangibles), supporting obligations, co tract rights or rights to the payment of money, insurance claims, and proceeds (as such terms are presently and hereafter defined in the UCC);

III

All right, title, and interest of the Awardee in, to, and under any and all agreements, leases or contracts heretofore or hereafter executed by and between the Awardee and any person, firm, corporation, or other corporate entity relating to the Collateral (including contracts for the lease, occupancy, or sale of the Collateral, or any portion thereto);

IV

All right, title, and interest of the Awardee in, to, and under any and all books, records and correspondence relating to the Collateral, including, but not limited to, all records, ledgers, leases, computer and automatic machinery, software, programs, databases disc or tape files, print-outs, batches, runs, and other electronically-prepared information indicating, summarizing, evidencing, or otherwise necessary or helpful in the collection or realization on the Collateral; and

V

Also, all right, title, and interest of the Awardee in, to, and under all other fixtures and personal property acquired with Awards funds, tangible or intangible, of every kind, nature, and description, and wherever situated, now or hereafter owned or leased by the Awardee, it being the intention hereof that all such property paid for with Award funds now owned or leased but not specifically described herein, or acquired or held by the Awardee after the date hereof, shall be as fully embraced within and subjected to the lien hereof as if the same were now owned by the Awardee and were specifically described herein to the extent only, however, that the subjection of such property to the lien hereof shall not be contrary to law.

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ATTACHMENT 1

RECONNECT PROGRAM CONSTRUCTION PROCEDURES

DRAFT

ReConnect Program
Construction Procedures
Version 2.0 – February 2020

Rural Utilities Service
Telecommunications Program

000932

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General

This guide implements and explains the provisions of the loan and grant documents containing the requirements and procedures to be followed by an Awardee performing work to be financed with ReConnect Program funds. The Awardee shall maintain accounting and plant records sufficient to document the cost and location of all construction and to support ReConnect Program advances and disbursements. The standard Award Documents also contain provisions regarding advances and disbursement of ReConnect Program funds. This guide also implements certain provisions by setting forth requirements and procedures to be followed by the Awardees in obtaining advances and making disbursements of funds.

Abbreviations

For the purposes of this guide:

C.F.R. stands for Code of Federal Regulations.

FRS stands for RUS Form 481, *Financial Requirement Statement.*

GFR stands for RUS General Field Representative.

Pub. L. stands for Public Law

RUS. stands for Rural Utilities Service

U.S.C. stands for United States Code.

Definitions

For the purposes of this guide:

Advance means transferring funds from RUS to the Awardee's Pledged Deposit Account**.**

Architect means a person registered as an architect in the state where construction is performed.

Award means a ReConnect award made by the Rural Utilities Service under the latest FOA.

Award Documents mean the documents covering an award made by RUS, including the award contract, note and mortgage or other security documents between the Awardee and RUS.

Awardee means any organization with an Award made by RUS under the ReConnect Program.

Bid Guarantee means a bid bond or certified check required of contractors bidding on construction work to ensure that the bidder, if successful, will furnish a performance bond.

Buy American Requirement means RUS' requirements for compliance with the "Buy American" provision of the Rural Electrification Act of 1936, as amended, 7 U.S.C. 901 *et seq*.

Broadband Service means a minimum transmission rate as defined in the current FOA applicable to the ReConnect Program.

Closeout Documents mean the documents required to certify the satisfactory completion of all obligations under a contract.

Contract means the agreement between the Awardee and an independent contractor covering the purchase and/or installation of equipment or the construction of broadband facilities to deliver broadband services for an Awardee's system.

Contract Work means any work performed pursuant to a standard RUS contract, or a Non-RUS contract.

Contract Forms mean RUS requirements to use standard forms of contracts for construction, procurement, engineering services, and architectural services, if the construction, procurement or services are financed by RUS.

Disbursement means payment by the Awardee out of the Pledged Deposit Account forapproved award purposes.

Domestic Product means a product that is manufactured in the United States or in any eligible country, substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States or in any eligible country. An "eligible country" is any country that applies with respect to the United States an agreement ensuring reciprocal access for United States products and services and United States suppliers to the market of that country, as determined by the United States Trade Representative.

Engineer means a person registered as an engineer in the state where construction and/or installation of facilities is performed, or a person on the Awardee's staff authorized by RUS to perform engineering services.

In-house Engineering means any post-award engineering services for the Award performed by the Awardee's staff.

Network and Access Equipment means any switching, routing, video, or transport equipment used primarily for the delivery of broadband service.

Network Design means the network as described in the approved award application.

Non-domestic Product means any product other than a domestic product.

Non-RUS Contract means a private contract for specific work that is submitted by the Awardee, which must be approved by RUS before execution, if it is to be funded.

Outside Plant means the part of the broadband network that is physically located outside of buildings. This includes cable, conduits, poles and other supporting structures and certain other associated equipment items.

Performance Bond means a surety bond on RUS Form 168b guaranteeing the contractor's faithful performance of a contract. (See 7 CFR Part 1788.)

Plans and Specifications means a copy of the appropriate contract, the specifications, and such additional information and documents needed to provide a clear, accurate, and complete understanding of the work to be performed.

Pledged Deposit Account means an account required by the award contract into which all RUS award funds, matching, and any funds required for project completion as stated in the award contract are deposited.

Responsive Bid means a bid that complies with the plans and specifications.

Subcontract means a secondary contract undertaking some of the obligations of a primary contract. Under a RUS contract, the primary contractor bears the full responsibility for the performance of the subcontractor.

Work Order Work means any work performed by the Awardee employees, pursuant to its work order procedure, with the Awardee furnishing all materials, equipment, tools, and transportation.

Construction Procedures

General

All work must conform to the approved Network Design and shall be covered by an Environmental Report prepared in accordance with 7 CFR Part 1970 and approved by RUS. No construction and/or installation activities shall commence until all necessary local, state and federal requirements have been satisfied.

Materials and/or equipment purchased or construction performed prior to an award offer accepted by the applicant will not be eligible for financing. Only new materials and equipment may be financed with award funds, unless otherwise approved in writing by RUS.

Buy American

All materials and equipment financed with award funds must comply with the "Buy American" provisions in 7 C.F.R. 1787.

Insurance

A performance bond is required for construction exceeding $250,000, as indicated in 7 CFR Part 1788, Subpart C. or certain significant installation, as outlined in the Agency's Memorandum. The Awardee is responsible for ensuring that its contractor and engineer comply with all the insurance and bond requirements of 7 CFR Part 1788, Subpart C.

Software License

As part of the equipment purchase, the original equipment manufacturer may require that the Awardee enter into a software license agreement for the use of the equipment.

Non-RUS Contracts

The Awardee may choose to use a Non-RUS (private) contract to perform work provided that the Non-RUS Contract must comply with equal employment opportunity and civil rights requirements. The Non-RUS Contract must include a provision that it will not be binding on the parties, until administrative approval by RUS has been granted. RUS will not approve use of the Non-RUS Contract if, in RUS' judgment:

1) The contract is for work not covered in the approved Application, or is not for an Eligible Purpose;

2) The contract terms and conditions are vague, inadequate, or unreasonable; or

3) The contract presents unacceptable loan security risk to RUS.

Subcontracts

RUS construction contract Forms 257, 395, and 515 contain provisions for subcontracting. The contractor should refer to the individual contracts for the amounts and conditions on subcontracting.

RUS Form 282, *Subcontract*, shall be used for subcontracts. Minor modifications or additions may be made to the subcontract form, as long as they do not change the terms and conditions of the primary contract. Any alterations to the subcontract shall be initialed and dated by the parties executing the subcontract. These alterations shall be noticeable by using italic print or any other means that accomplished this purpose.

Subcontracts shall be prepared in triplicate. All copies shall be executed by the contractor and subcontractor and consented to by the Awardee and surety, if applicable. Subcontracts are not subject to RUS approval provided that they are in accordance with the provisions of the appropriate RUS contract. Upon execution, one copy each will be sent to the Awardee, contractor, and subcontractor.

As stated in RUS Forms 257, 395, and 515, the contractor shall bear full responsibility for the acts and omissions of the subcontractor and is not relieved of any of the contractual obligations to the Awardee and to the Government.

Contract Amendments

Awardees shall use RUS Form 238, *Construction or Equipment Contract Amendment*, when an amendment to RUS Form 395, *Equipment Contract*, or RUS Form 257, *Contract to Construct Buildings*, is required. For amendments to RUS Form 515, *Telecommunications System Construction Contract (Labor and Materials)*, Awardees shall use RUS Form 526, *Construction Contract Amendment*. For Non-RUS contracts, Awardees must follow the same procedure as stated below. The Awardee shall obtain RUS approval before execution of any amendment for an approved contract if:

1) The amendment alters the terms and conditions of the contract or changes the scope of the project covered by the contract regardless of the amount of the contract before amendment;

2) The amendment by itself (or together with preceding amendments) increases the original contract price by 20% or more. In this case, a performance bond extension will be required to bring the penal sum of the bond to the total amended contract price; or

3) The amendment causes an unbonded contract to require a contractor's performance bond. This would occur when an amendment increases the contract price to an amount requiring a performance bond per 7 CFR Part 1788, Subpart C.

Prior RUS approval to execute other contract amendments is not required. These amendments can be submitted to RUS at any time prior to contract closeout.

Once RUS approval to amend the contract has been granted, or for any other contract amendments not requiring approval, the Awardee must submit three copies of the executed amendment to RUS for approval. For each amendment, the Awardee shall make certain that:

1) The performance bond covers the additional work to be performed; and

2) The contractor is licensed to do business in the county and state where the work will be performed.

Affiliated Transactions

With regard to the Project, the Awardee shall not enter into any transaction, contract, or dealing with an Affiliate of the Awardee or with the Awardee's or Affiliate's directors, trustees, officers, managers, members (if the Awardee is a limited liability company), or other corporate officials, without the prior written consent of RUS. RUS' consent to advance award funds for affiliated transactions will be limited to an amount which is the lower of cost or market rate and which is subject to verification by RUS and its representatives having access to the books and records of the Affiliate.

As defined in the appropriate award document, "Affiliate" or "Affiliated Company" of any specified person or entity means any other person or entity directly or indirectly controlling of, controlled by, under direct or indirect common control with, or related to, such specified person or entity, or which exists for the sole purpose of providing any service to one company or exclusively to companies which otherwise meet the definition of affiliate. This definition includes Variable Interest Entities as described in Financial Accounting Standards Board Interpretation (FIN) No. 46(R), *Consolidation of Variable Interest Entities*. For the purpose of this definition, "control" means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement with, one or more other companies, and whether such power is established through a majority or minority ownership voting of securities, common directors, officers, or stockholders, voting trust, holding trusts (other than money exchanged) for property or services.

Records

Records supporting all assets financed by RUS shall be retained until audited and approved by RUS. Records must be sufficient to document the cost and location of all expenditures and to support advances and disbursement of award funds. The support records must include, but not limited to, contracts, third party invoices, timesheets, payroll records, material records, and overhead allocation records and summary schedules.

Records related to plant-in-service must be retained until the facilities are permanently removed from utility service, all removal and restoration activities are completed, and all costs are retired from the accounting records unless accounting adjustments resulting from reclassification and original costs studies have been approved by RUS or other regulatory body having jurisdiction.

Professional Services

General

Awardees shall only obtain professional services only from persons or firms who are not affiliated with, and have not represented a contractor, vendor or manufacturer who may provide labor, materials, or

equipment to the Awardee under any current award.

Engineering Services

All engineering services required by an Awardee, including inspection and certification, shall be rendered by an engineer selected by the Awardee and licensed in the state(s) where the facilities will be located or by qualified employees on the Awardee's staff authorized by RUS to perform such services.

1) O*utside Consultant*. Engineering services performed by a consulting engineering firm shall be covered under RUS Form 217, *Postloan Engineering Services Contract - Telecommunications*, RUS Form 245, *Engineering Service Contract Special Services-Telephone,* or a Non-RUS Contract.

2) *In-House Engineering*. When the proposed work is such that the engineering involved is within the capabilities of the employees on the Awardee's staff, Awardees may request RUS approval to provide such services. The request shall include:

   a. A description of services to be performed;

   b. The names and qualifications of each employee that will be performing the specific services. In addition, the Awardee shall identify an employee who will be in charge of the services. Such employee must meet the State experience requirements for a registered engineer in the State where facilities will be located. In the absence of specific State experience requirements, this employee should have at least eight years of experience in the design and construction of broadband network, with at least two years of the work experience at a supervisory level. RUS does not require professional registration of this employee, but this does not relieve the Awardee from complying with applicable state registration requirements, which may require a licensed individual to perform such services;

   c. The names, qualifications, and responsibilities of other principal employee(s) who will be associated with providing the engineering services; and

   d. A letter signed by an authorized representative of the Awardee requesting in-house engineering approval and certifying the supporting information.

RUS shall notify the Awardee by letter of approval or disapproval to perform in-house engineering. The letter shall set forth any conditions associated with an approval or the reasons for disapproval. RUS approval of in-house engineering services shall be only for the specific services covered by the approval.

Architectural Services

All architectural services required by an Awardee, shall be rendered by an architect selected by the Awardee and licensed in the state(s) where the facilities will be located. The Awardee shall use either RUS Form 220, *Architectural Services Contract*, RUS Form 217, *Postloan Engineering Services Contract*, or a Non-RUS contract when contracting for architectural services.

Other Professional Services

For all other professional services, the Awardee shall use RUS Form 245, *Engineering Service Contract – Special Services,* or a Non-RUS Contract.

Contract Documents

The Awardee shall submit three executed copies of the appropriate RUS Contract or the Non-RUS Contract, covering the professional services to be provided, for administrative approval. RUS will not approve the contract, if in RUS' judgment:

1) Unacceptable modifications have been made to the contract;

2) The contract will not accomplish award purposes;

3) The fees included in the contract are unreasonable; or

4) The contract presents unacceptable award risk to RUS.

Upon approval of the contract by RUS, one copy will be sent to the Awardee and one copy to the architect, engineer, or contractor.

Closeout Documents

Once all services and obligations required under the professional services contract have been completed, the Awardee shall submit two copies of RUS Form 284, *Final Statement of Cost for Architectural Service* or RUS Form 506, *Statement of Engineering Fees- Telecommunications* to close out the specific RUS contract. Awardees using RUS Form 245 or a Non-RUS Contract should provide a similar certification. RUS shall notify the Awardee and the engineer, architect, or contractor, in writing upon approval of the final statement of fees. Thereafter, the Awardee will make the final payment in accordance with the terms and condition of the contract.

Purchase and Installation of Equipment

General

When purchasing Network & Access Equipment or Customer Premises Equipment that is estimated to cost more than $100,000, including installation, the Awardee shall use RUS Form 395, *Equipment Contract,* or a Non-RUS Contract. Equipment purchased under RUS Form 395, that does not include installation, may be installed by the Awardee using the its own employees as described under the Small-Scale Construction.

Equipment purchases for $100,000 or less, including installation, can be purchased under a purchase order and reimbursed on an FRS through the Reimbursement method as described under Small-Scale Construction.

Under the terms of RUS Form 395, the prices do not include any amounts that are or may be payable by the supplier or the Awardee on account of taxes imposed upon the sale, purchase or use of equipment, material and software covered by the contracts. If any such tax is paid by the supplier, the contract requires that the amount is to be stated separately on all invoices and paid by the Awardee.

When purchasing and installing equipment using RUS Form 395 or a Non-RUS Contract, the Awardee shall follow the procedures below.

Plans & Specifications

The engineer shall prepare the plans & specifications (P&S) consisting of performance specifications and installation requirements, if applicable, along with RUS Form 395, *Equipment Contract* or Non-RUS Contract, prior to releasing them to prospective suppliers. The Awardee may negotiate with a single supplier, although RUS recommends that the Awardee obtain quotes from at least three different suppliers.

Contract Documents

The Awardee shall submit three executed copies of the RUS Form 395, *Equipment Contract,* or the Non-RUS Contract to RUS for administrative approval. RUS will not approve the contract, if in RUS' judgment:

1) Unacceptable modifications have been made to the contract;

2) The contract will not accomplish award purposes;

3) The fees included in the contract are unreasonable; or

4) The contract presents unacceptable award risk to RUS.

Upon approval of the contract by RUS, one copy will be sent to the Awardee and one copy to the contractor.

Closeout Documents

Upon completion of the equipment installation, the Awardee and its engineer shall arrange with the contractor for acceptance testing of the equipment. After completion of the acceptance tests by the Awardee and the contractor, the Awardee and its engineer should review the test results to ensure that the equipment is in conformance with the P&S. All deficiencies shall be documented and corrected before the contract can be closed out.

Once the equipment has been accepted, the Awardee, with the assistance from its engineer, shall complete the documents listed in the following table to closeout the RUS Form 395.

Documents Required to Closeout RUS Form 395						
RUS Form	Description	Copies Prepared by		Distribution		
		Supplier	Engineer	Awardee	Supplier	RUS
238	Construction or Equipment Contract Amendment (If not previously submitted, send to RUS for approval.)	---	3	---	---	3
395a	Certificate of Completion for Equipment Contract (Including Installation)	---	2	1	1	---
395b	Certificate of Completion for Equipment Contract (Not Including Installation)	---	2	1	1	---
395c	Certificate of Contractor and Indemnity Agreement (Use only for Installation Contracts)	1	---	1	---	---
213	Certificate (Buy American)	1	---	1	---	---
---	Report in writing, including all measurements and other information required under Part II of the applicable specifications	---	1	1	---	---
---	Set of maintenance recommendations for all equipment furnished under the contract	1	---	1	---	---

The Awardee shall obtain from the engineer, RUS Form 756*, Contract Closeout Certification* or a similar certification for a Non-RUS Contract, and submits it to RUS within 30 days. If the changes are made to the contract as a result of equipment or price changes during the course of the project, then RUS Form 238, *Construction and Equipment Amendment* reflecting those changes must be submitted to RUS for approval.

RUS shall notify the Awardee and the contractor, in writing, upon approval of the RUS Form 756. Thereafter, the Awardee shall make the final payment to the contractor in accordance with the terms and conditions of the contract.

Outside Plant Construction

General

The Awardee shall use RUS Form 515, *Telecommunications System Construction Contract*, or a Non-RUS Contract to finance outside plant construction projects estimated to cost over $1 million, including all labor and materials. The Awardee shall follow either the sealed competitive bidding method or the negotiated procedures described below.

For projects estimated to cost $1 million or less, including all labor and materials, the Awardee may use the same RUS Form 515, a Non-RUS Contract, or the two methods described under Small-Scale Construction. When using RUS Form 515, the Awardee can either follow the Sealed Competitive Bid or Negotiated Procurement methods.

When performing outside plant construction using RUS Form 515 or a Non-RUS Contract, the Awardee shall follow the procedures below.

Plans & Specifications

The engineer prepares P&S consisting of the RUS Form 515 and the applicable construction specifications listed below:

1) RUS Form 515a (Bulletin 1753F-150) - *Specifications and Drawings for Construction of Direct Buried Plant*.

2) RUS Form 515b (Bulletin 1753F-151) -*Specifications and Drawings for Construction of Underground Plant*.

3) RUS Form 515c (Bulletin 1753F-152) - *Specifications and Drawings for Construction of Aerial Plant*.

4) RUS Form 515d (Bulletin 1753F-153) - *Specifications and Drawings for Service Installation at Customer Access Locations*.

In addition, the P&S must also include the following items:

1) Description of special assembly units and guide drawings, if any;

2) Key, detail, and cable layout maps; and

3) If applicable, a list of any owner-furnished materials and the associated unit cost, using RUS Form 787.

When the Awardee furnishes materials under RUS Form 787, *Supplement A to Construction Contract (RUS Form 515)*, these steps should be followed:

1) Materials on hand to be furnished by the Awardee shall be released to the contractor at the start of construction. Materials on order, but not yet received, shall be provided to the contractor as they become available. The Awardee shall obtain from the contractor a written receipt for all such materials delivered.

2) Materials on hand, until released to the contractor, shall be covered by fire and either wind-storm or extended coverage insurance, exclusive of materials in the open and not within 100 feet of any building. Poles, wherever stored, shall be covered by fire insurance. All insured values must be at least 80 percent of the cash value of the property insured.

3) Subject to adjustment at the time of final settlement, the Awardee shall obtain from the contractor monthly invoices that show credit to the Awardee, at the prices quoted in RUS Form 787 for all materials furnished by the Awardee and installed by the contractor the preceding month.

4) Any materials furnished by the Awardee remaining as surplus at the completion of construction shall be returned to the Awardee. For such materials, the awardee shall furnish a written receipt to the contractor and credit the contractor at the prices quoted in RUS Form 787.

If the construction project is estimated to cost $1 million or less, including all labor and materials, then RUS approval of the P&S is not required. The Awardee shall proceed with negotiations with one or more contractors under the Negotiated Procurement method or the Sealed Competitive Bidding method.

If the construction cost of the project is estimated to exceed $1 million, including all labor and materials, the Awardee shall submit the P&S to RUS for approval. RUS shall approve the P&S in writing or notify the awardee of any reason for withholding approval. Upon approval of the P&S, the Awardee shall follow the Sealed Competitive Bidding method.

Procurement Methods

A. Negotiated Procurement

100% LOAN AWARD

If the Awardee will be using loan funds, and/or its own funds, for construction, then the Awardee can elect to negotiate with a single or multiple contractor(s) for construction. RUS approval to negotiate is not required but the Awardee must notify RUS of the amount of construction, the contractor selected and indicate if this is a new contract or an amendment to an existing contract.

50/50 LOAN GRANT COMBINATIONS

If the Awardee will be using only loan funds, or funds which have been substituted for the loan component of the award, for construction, then the Awardee can elect to negotiate with a single or multiple contractor(s) for construction. RUS approval to negotiate is not required but the awardee must notify RUS of the amount of the construction, the contractor selected and indicate if this is a new contract or an amendment to an existing contract. If a future contract amendment is required, then the Awardee must use loan funds or other funds for the amendment. Grant funds may not be used to fund or supplement contracts that have not been competitively bid.

Grant funds or a combination of loan/grant funds may not be used for contracts that have not been competitively bid unless the Awardee has requested RUS approval to negotiate with a single or multiple contractor(s) for construction. The Awardee must detail in writing the amount of the construction, the contractor selected, the rational and/or necessity for negotiating the contract, and if a new contract or an amendment to an existing contract will be used. The Awardee may not enter into any non-competitively bid contract which is to be reimbursed with grant funds unless and until it has received written approval from RUS.

100% GRANT AWARD

If the Awardee will only be using matching funds, then the Awardee can elect to negotiate with a single or multiple contractor(s) for construction. RUS approval to negotiate is not required but the Awardee must notify RUS of the amount of construction, the contractor selected and indicate if this is a new contract or an amendment to an existing contract. If a future contract amendment is required and all matching funds have been expended, then the Awardee must use other funds for the amendment. Grant funds may not be used to fund or supplement contracts that have not been competitively bid.

Grant funds may not be used for contracts that have not been competitively bid unless the Awardee has requested RUS approval to negotiate with a single or multiple contractor for construction. The Awardee must detail in writing the amount of the construction, the contractor selected, the rational and/or necessity for negotiating the contract, and if a new

contract or an amendment to an existing contract will be used. The Awardee may not enter into any non-competitively bid contract which is to be reimbursed with grant funds unless and until it has received written approval from RUS.

General

Upon preparation of the P&S, the Awardee shall schedule a conference to be attended by representatives of the engineer and the contractor(s) selected for negotiations. The purpose of the negotiation conference is to acquaint the contractor(s) with the scope and special considerations of the construction project and to answer any questions.

The Awardee shall ensure that the contractor selected meets all federal, state, and local licensing requirements, as well as bonding requirements, and that the contractor maintains the insurance coverage required by the contract for the duration of the work. (See 7 C.F.R. Part 1788.) If the contract amount exceeds $250,000, a contractor's bond for the contract amount must be provided by the contractor.

After a satisfactory negotiated proposal has been obtained, the Awardee shall enter into a contract with the selected contractor.

B. Sealed Competitive Bidding

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The Awardee shall solicit bids from at least six prospective bidders. The P&S shall clearly set forth all requirements including all other factors to be used in evaluating bids or proposals that the bidder shall fulfill in order for the bid to be evaluated by the Awardee. The Awardee shall consider the same alternates in all bids in determining the low bid. Any and all bids may be rejected when it is in the Awardee's interest to do so.

Upon RUS approval of the P&S, the Awardee shall schedule the bid opening date. The Awardee shall allow sufficient time for the bidders to examine the project site and prepare their bids when scheduling the bid opening date.

The Awardee shall obtain from its engineer a list of prospective bidders and a recommendation indicating which bidders are considered qualified. If the notice and instructions to bidders require that bidders show evidence of meeting certain requirements, the Awardee shall qualify bidders before issuing P&S to them. When fewer than three bidders have been qualified to submit bids, RUS approval must be obtained to proceed with requesting bids.

The Awardee shall review all bids to determine that:

1) The bid guarantees are adequate;

2) The bids are responsive to the P&S;

3) All minor errors or irregularities made through inadvertence ae corrected or waived. Failing this, the bid shall be rejected as non-responsive; and

4) In the event of non-minor errors or irregularities, the bid is rejected and the bid price not disclosed.

The Awardee shall reject:

1) All bids if quoted prices are not acceptable or if the specifications were ambiguous and resulted in bidders having different interpretations of the requirements; or

2) Any bid that is not responsive, or is incomplete, or submitted by an unqualified bidder, or unbalanced between labor and materials or other respects.

If fewer than three valid bids are received, the Awardee shall contact RUS to determine whether the bids are to be opened or returned unopened. RUS may require that the project be rebid if fewer than three bids are received and RUS determines that one or more other bidders with an express interest in bidding is available and could meet the bid requirements, but was not invited to bid. RUS shall also require rebidding if it is found that qualified bidders were discouraged from bidding by unreasonable bid requirements (such as late notification to bidders) or if the Awardee failed to follow the bid procedure.

The engineer shall review all the bids to make sure that the bid is in compliance with the P&S. The Awardee shall obtain from the engineer the determination of the selected bid, a tabulation of all bids and the engineer's recommendation for award of the contract. The Awardee may award the contract immediately if the following conditions are met:

1) The project is included in an approved award and adequate funds were budgeted in the award and are available;

2) All applicable RUS procedures were followed, including those in the *Notice and Instructions to Bid* in the standard forms of contract; and

3) The award is to the lowest responsive bidder.

If the above conditions are not satisfied, the bids along with the engineer's recommendation must be submitted to RUS for approval. The Awardee shall not enter into a contract until RUS has approved the bid.

Contract Documents

The Awardee shall submit three executed copies of the RUS Form 515, *Telecommunications System Construction Contract*, or the Non-RUS Contract to RUS for administrative approval. RUS will not approve the contract, if in RUS' judgment:

1) Unacceptable modifications have been made to the contract;

2) The contract will not accomplish award purposes;

3) The fees included in the contract are unreasonable; or

4) The contract presents unacceptable award risk to RUS.

Upon approval of the contract by RUS, one copy will be sent to the Awardee and one copy to the contractor.

Closeout Documents

After construction has been completed per the P&S, and acceptance tests have been made, the Awardee shall arrange the time for a final inspection to be conducted by the Awardee's engineer, the contractor, the GFR and a representative of the Awardee. The steps for closeout of the contract are included in the following table.

Step-by-Step Procedure for Closeout of RUS Form 515			
Sequence		By	Procedure
Step	When		
1	Upon Completion of Construction	Awardee's Engineer	Prepares the following: a set of Detail Maps and a set (when applicable) of Key Maps which show in red the work done under the RUS Form 515 contract; a Tabulation of Staking Sheet; and a tentative Final Inventory, RUS Forms 724 and 724a.
2	After acceptance tests are made	Awardee's Engineer	Forwards letter to the Awardee with copies to the GFR stating that the project is ready for final inspection. Schedules inspection date.
3	Upon receipt of letter from Awardee's Engineer	GFR	Advises Awardee whether attending the final inspection will be possible.
4	By inspection date	Awardee's Engineer	Obtains and makes available the following documents: a set of ``as constructed'' detail maps and (when applicable) ``as built'' key maps; a list of construction change orders; the final staking sheets; the tabulation staking sheets; the treated forest products inspection reports or certificates of compliance; the tentative final inventory, RUS Forms 724 and 724a; the tentative tabulation, and, a report of results of acceptance tests.
5	During inspection	Awardee's Engineer	Issues instructions to contractor covering corrections to be made in construction as a result of inspection.
6	During inspection	Contractor	Corrects construction on basis of instructions from the Awardee's engineer. The corrections should proceed closely behind the inspection in order that the Awardee's engineer can check the corrections before leaving the system.
7	During inspection	Awardee's Engineer	Inspects and approves corrected construction. Marks inspected areas on the key map, if available, otherwise on the detail maps.

Once all the acceptance tests and inspections have been completed and all deficiencies have been corrected, the Awardee, with assistance from its engineer, shall complete the documents listed in the following table to closeout the RUS Form 515.

Documents Required to Closeout RUS Form 515						
RUS Form	Description	Copies prepared by		Distribution		
		Contractor	Engineer	Awardee	Contractor	RUS
724	Final Inventory--Certificate of Completion	---	**2**	**1**	**1**	---
724a	Final Inventory--Assembly Units	---	**2**	**1**	**1**	---
None	Contractor's Bond Extension (send to RUS when required)	**3**	---	---	---	**3**
281	Tabulation of Materials Furnished by Borrower	**2**		**1**	**1**	
213	Certificate (Buy American)	**1**	---	**1**	---	---
---	Listing of Construction Change Orders		**1**	**1**	---	---
224	Waiver and Release of Lien (from each supplier)	**1**	---	**1**	---	---
231	Certificate of Contractor	**1**	---	**1**	---	--
527	Final Statement of Construction	---	**2**	**1**	**1**	---
---	Reports on Results of Acceptance Tests	---	**1**	**1**	**1**	---
---	Set of Final Staking Sheets	---	**1**	**1**	---	---
---	Tabulation of Staking Sheets	---	**1**	**1**	---	---
---	Correction Summary (legible copy)	---	**1**	**1**	---	---
---	Treated Forest Products Inspection Reports or Certificates of Compliance (prepared by inspection company or supplier).	---	---	**1**	---	---
---	Final Key Map (when applicable)	---	**1**	**1**	---	---
---	Final Central Office Area and Town Maps	---	**1**	**1**	---	---

The Awardee shall obtain from the engineer, RUS Form 756*, Contract Closeout Certification* or a similar certification for a Non-RUS Contract, and submits it to RUS within 30 days. If the contract included owner furnished materials, RUS Forms 281, 724, and 724a shall also be submitted with RUS Form 756. RUS shall notify the Awardee and the contractor, in writing upon approval of the RUS Form 756. Thereafter, the Awardee shall make the final payment to the contractor in accordance with the terms and conditions of the contract.

Building Construction

General

The Awardee shall use RUS Form 257, *Contract to Construct Buildings*, or a Non-RUS contract to finance the construction of all buildings estimated to cost more than 100,000. For unattended buildings that are estimated to cost $100,000, or less and for all building improvements, the Awardee shall follow the RUS Form 773 method described under Small-Scale Construction. For unattended buildings estimated to cost over $100,000, the Awardee shall use a Non-RUS Contract.

All construction pertaining to the building structure shall be performed under one contract. Separate contracts may be used for planting shrubbery, surfacing of roads and parking areas, and other identifiable parts of the project not pertaining to the building structure. These separate contracts shall also be subject to RUS approval.

When performing building construction using RUS Form 257 or a Non-RUS Contract, the Awardee shall follow the procedures below.

The site location, design, and construction of the facilities shall comply with all applicable laws and regulations, including:

1) Pub. L. 90-480 (42 U.S.C. 4151) (Access to Physically Handicapped), which requires certain buildings financed with Federal funds be designed and constructed to be accessible to the physically handicapped;

2) Pub. L. 91-596 (29 U.S.C. 651) the Occupational Safety and Health Act of 1970. OSHA issues rules and regulations covering occupational safety and health standards for buildings. These regulations are codified in 29 CFR Chapter XVII;

3) 7 CFR Part 1970, which provides for compliance with the National Environmental Policy Act (NEPA) and Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500-1508) implementing the procedural provisions of NEPA, as well as RUS conformance with other laws, regulations, and Executive Orders regarding environmental protection; and

4) 7 CFR Part 1792, Subpart C, which requires that the building design comply with applicable seismic design criteria. Prior to the design of buildings, Awardees shall submit to RUS a written acknowledgement from the architect or engineer that the design will comply.

Plans & Specifications

The engineer or architect shall prepare Plans & Specifications (P&S) for construction of all buildings. The P&S shall include the following:

1) RUS Contract Form 257, *Contract to Construct Buildings* or Non-RUS Contract;

2) Complete and detailed specifications covering materials and workmanship;

3) A detailed building plan. If the building is to house electronic apparatus, the detailed plan or specifications shall include the equipment environmental requirements and network equipment required; and

4) A site plan for each building showing the building location and giving the legal description of the site. Sufficient information shall be provided for the site to allow RUS to identify this site as the same property for which the Awardee submitted a title opinion to RUS. The legal description shall be typed on the site plan. The Awardee shall also furnish topographical information and a description of any proposed site development work and show proposed connections for public utilities.

The P&S shall show the identification and date of the model code used for seismic safety design considerations, and the seismic factor used. See 7 CFR Part 1792, Subpart C.

The Awardee shall submit the P&S to RUS for approval. RUS shall approve the P&S in writing or notify the Awardee of any reason for withholding approval. Upon RUS approval of the P&S, the Awardee shall solicit bids from at least three prospective bidders.

Bidding

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. Awards shall be made to the bidder whose bid is responsive to the P&S and is most advantageous to the recipient, price, quality and other factors considered. The P&S shall clearly set forth all requirements including all other factors to be used in evaluating bids or proposals that the bidder shall fulfill in order for the bid to be evaluated by the Awardee. The Awardee shall consider the same alternates in all bids in determining the low bid Any and all bids may be rejected when it is in the Awardee's interest to do so.

Upon RUS approval of the P&S, the Awardee shall schedule the bid opening. The Awardee should also allow sufficient time for the bidders to examine the project site and prepare their bids.

The Awardee shall obtain from its engineer a list of prospective bidders and a recommendation indicating which bidders are considered qualified. If the notice and instructions to bidders require that bidders to show evidence of meeting certain requirements, the Awardee shall qualify bidders before issuing the P&S to them.

The Awardee shall review all the bids to determine that:

1) The bid guarantees are adequate;

2) The bids are responsive to the P&S;

3) All minor errors or irregularities made through inadvertence are corrected or waived. Failing this, the bid shall be rejected as nonresponsive; and

4) In the event of non-minor errors or irregularities, the bid is rejected and the bid price not disclosed.

The Awardee shall reject:

1) All bids if quoted prices are not acceptable or if the specifications were ambiguous and resulted in bidders having different interpretations of the requirements; or

2) Any bid that is not responsive, or is incomplete, or submitted by an unqualified bidder, or unbalanced between labor and materials or other respects.

The architect or engineer will review all bids for compliance to the P&S. The Awardee shall obtain from the architect or engineer the determination of the selected bid, a tabulation of all bids and the architect’s or engineer’s recommendation for award of the contract. The Awardee may award the contract immediately if the following conditions are met:

1) The construction is included in an approved award and adequate funds were budgeted in the award and are available;

2) All applicable RUS procedures were followed, including those in the *Notice and Instructions to Bid* in the standard forms of contract; and

3) The award is to the lowest responsive bidder.

If the above conditions are not satisfied, the bids along with the architect's or engineer's recommendation and bid tabulations must be submitted to RUS for approval. Contracts cannot be executed until RUS has notified the Awardee of its approval of the bid.

Contract Documents

The Awardee shall submit three executed copies of the RUS Form 257, *Contract to Construct Buildings* or the Non-RUS Contract to RUS for administrative approval. RUS will not approve the contract, if in RUS' judgment:

1) Unacceptable modifications have been made to the contract;

2) The contract will not accomplish award purposes;

3) The fees included in the contract are unreasonable; or

4) The contract presents unacceptable award risk to RUS.

Upon approval of the contract by RUS, one copy will be sent to the Awardee and one copy to the contractor.

Closeout Documents

Upon completion of construction, the Awardee shall complete, with the assistance of its architect or engineer, the documents listed in the following table to closeout the RUS Form 257.

Documents Required to Closeout RUS Form 257						
		Copies prepared by		Distribution		
RUS Form	Description	Contractor	Architect/ Engineer	Awardee	Contractor	RUS
238	Construction or Equipment Contract Amendment (if not previously submitted, send to RUS for approval)	---	**3**	---	---	**3**
187	Certificate of Completion (contract construction)	---	**2**	**1**	**1**	---
231	Certificate of Contractor	**1**	---	**1**	---	---
224	Waiver and Release of Lien from each Supplier	**1**	---	**1**	---	---
213	Certificate (Buy American)	**1**	---	**1**	---	---
---	"As Built" Plans and Specifications[2]	---	**1**	**1**	---	---
---	Guarantees, Warranties, Bonds, Operating or Maintenance Instructions, etc.	**1**	---	**1**	---	---

The Awardee shall obtain from the architect or engineer, RUS Form 756, *Contract Closeout Certification* or a similar certification for a Non-RUS Contract, and submits it to RUS within 30 days. RUS shall notify the Awardee and the contractor, in writing upon approval of the RUS Form 756. Thereafter, the Awardee shall make the final payment to the contractor in accordance with the terms and conditions of the contract.

Tower Construction

General

The Awardee shall use RUS Form 773, *Miscellaneous Construction Work and Maintenance Services Contract,* or a Non-RUS contract to finance the construction of all new towers and any improvements on existing towers.

Plans & Specifications

The engineer will prepare the P&S which will consist of the RUS Form 773, diagrams, sketches, and detailed specifications covering materials and workmanship. RUS approval is not required for the P&S.

The Awardee will solicit proposals from at least three contractors. The engineer will review all the proposals for compliance to the P&S. The Awardee shall obtain from the engineer the determination of the selected contractor, bid, a tabulation of all quotes and the engineer's recommendation for award of the contract. The award shall be made to the contractor whose quote is responsive to the P&S and is most advantageous to the recipient, price, quality and other factors considered.

Neither the selection of the contractor nor the quote requires RUS approval; however, the Awardee shall ensure that the contractor selected meets all federal, state, and local licensing requirements, as well as bonding requirements, and that the contractor maintains the insurance coverage required by the contract for the duration of the work. (See 7 C.F.R. Part 1788.) If the contract amount exceeds $250,000, a contractor's bond for the contract amount must be provided by the contractor. After a satisfactory proposal has been obtained, the Awardee shall enter into a contract with the selected contractor.

Contract Documents

The Awardee shall submit three executed copies of the RUS Form 773, *Miscellaneous Construction Work and Maintenance Services Contract,* or the Non-RUS Contract to RUS for administrative approval. RUS will not approve the contract, if in RUS' judgment:

1) Unacceptable modifications have been made to the contract;

2) The contract will not accomplish award purposes;

3) The fees included in the contract are unreasonable; or

4) The contract presents unacceptable award risk to RUS.

Upon approval of the contract by RUS, one copy will be sent to the Awardee and one copy to the contractor.

Closeout Documents

After construction has been completed per the P&S, and final inspection has been conducted by the Awardee's engineer, the Awardee shall obtain from the Contractor a final invoice and an executed copy of RUS Form 743, *Certificate of Contractor and Indemnity Agreement*.

The Awardee shall obtain from the engineer, RUS Form 756, *Contract Closeout Certification* or a similar certification for a Non-RUS Contract, and submits it to RUS within 30 days. RUS shall notify the Awardee and the contractor, in writing upon approval of the RUS Form 756. Thereafter, the Awardee shall make the final payment to the contractor in accordance with the terms and conditions of the contract.

Small-Scale Construction

General

Small-Scale Construction may be performed by either method below or in combination with other RUS Contracts or Non-RUS Contracts.

RUS Form 773

The Awardee shall prepare the RUS Form 773, *Miscellaneous Construction Work and Maintenance Services Contract*, without modifications, and attach any diagrams, sketches, and tabulations necessary to specify clearly the work to be performed and who shall provide which materials. Compensation may be based upon unit prices, hourly rates, or another basis agreed to in advance by the Awardee and the contractor.

Neither the selection of the contractor nor the contract requires RUS approval; however, Awardees are urged to obtain quotations from several contractors before entering into a contract to be assured of obtaining the lowest cost. The Awardee shall ensure that the contractor selected meets all federal and state licensing requirements, as well as bonding requirements, and that the contractor maintains the insurance coverage required by the contract for the duration of the work. (See 7 CFR Part 1788.) If the contract amount exceeds $250,000, a contractor's bond for the contract amount must be provided by the contractor.

Upon completion and final inspection of the work, the Awardee shall obtain from the Contractor a final invoice and an executed copy of RUS Form 743, Certificate of Contractor and Indemnity Agreement.

The Awardee shall submit the RUS Form 771a, along with a description of the completed work to the RUS General Field Representative for review prior to submitting it for reimbursement. The RUS Form 771a shall be certified by an authorized representative of the Awardee and the engineer.

Work Orders

Work Order Work shall be performed to all local, state, and Federal requirements. As Work Order Work is performed, the Awardee shall keep daily timesheets and material reports, referenced by the work project number, to record labor and materials used. Cost accounting system must be in place to meet

the requirements of 7 CFR 200, as applicable, to show the source and summary records to support requested and expended funds.

Upon completion and final inspection of the work, the Awardee shall submit RUS Form 771a, along with a description of the completed work, to the RUS General Field Representative for review. The RUS Form 771a shall be certified by an authorized representative of the Awardee and the engineer.

Reimbursement Method

Unless otherwise approved by RUS, the Awardee shall finance all Small-Scale Construction with non-award funds and obtain reimbursement with ReConnect award funds when the work is completed. Funds for Small-Scale construction must be requested on RUS Form 481, *Financial Requirement Statement* (FRS). To request funds, the Awardee shall submit RUS Form 771a, initialed by the GFR, along with a description of each project.

Advance and Disbursement of ReConnect Program Award Funds

General

The standard award documents contain provisions regarding advances and disbursement of award funds by Awardees. This section implements certain provisions by setting forth requirements and procedures to be followed by the Awardees in obtaining advances and making disbursements of award funds.

All matching and/or funds required for project completion as stated in the Award Documents must be deposited into the Pledged Deposit Account at award closing. For purposes of advances, all matching funds will be treated as award funds and recorded appropriately on the Financial Requirement Statement.

RUS is under no obligation to approve advances of award funds unless the Awardee complies with all terms and conditions of the award documents. The Awardee shall use funds in its Pledged Deposit Account funds only to make disbursements approved by RUS.

ReConnect Program Award Budget

When the award is approved, RUS will provide the Awardee with the award budget. This budget divides the award into budget categories that are associated with the proposed projects, such as equipment, outside plant, buildings, professional services, etc. Funds from one budget category may not be used for a different budget category without prior written approval from RUS.

Budget Adjustments

If more funds are required than are available in a budget category, the Awardee may request RUS' approval of a budget adjustment to use funds from another budget category. The request shall include an explanation as to why the adjustment is needed and the affected budget categories. RUS will not approve a budget adjustment unless the Awardee can demonstrate that all purposes can still be completed with the requested adjustment. RUS, at its discretion, may make a budget adjustment without a formal request to encumber funds for a contract, when funds within the budget category are insufficient, and when it determines that the budget adjustment is insignificant.

Pledged Deposit Account

The Awardee shall establish and maintain a Pledged Deposit Account to hold all Advances deposited by the Agency. The Pledged Deposit Account shall only be established in a bank or depository whose deposits are insured by the FDIC or other federal agency acceptable to RUS. Funds in the Pledged Deposit Account shall be used solely for the purpose approved in the Application and shall be withdrawn/disbursed for the approved purposes for which they were requested on the Financial Requirement Statement. All Advances will be electronically deposited into the Pledged Deposit Account.

RUS may require that other funds be deposited into the Pledged Deposit Account. These may include match, equity or general fund contributions for project completion, proceeds from the sale of property, interest received on award funds and similar types of receipts. Deposit slips for any deposits to the Pledged Deposit Account shall show the source and amount of funds deposited and be executed by an authorized representative of the bank. The disbursement of non-award funds deposited into the Pledged Deposit Account requires the same RUS approval as Advances on the award.

For accounting purposes, all withdrawals/disbursements from the Pledged Deposit Account must be evidenced by canceled checks or support for other forms of payment. Disbursements to reimburse the Awardee's general fund account shall be documented by a reimbursement schedule to be retained in the Awardee's records that lists the Pledged Deposit Account check number, date, and an explanation of amounts reimbursed for the Project.

Funds shall be disbursed only up to the amount approved for advance as indicated on the financial requirement statement.

Financial Requirement Statement (FRS)

To request advances the Awardee must submit to RUS Form 481, *Financial Requirement Statement*, a description of the advances desired, and other related information to the transactions as required by RUS.

The Awardee shall request funds in the first advance of award funds to pay any eligible pre-application expenses. This amount cannot exceed the amount approved in the ReConnect Program award budget.

The FRS is used by RUS and the Awardee to record and control transactions in the Pledged Deposit Account. Approved contracts and other items are shown on the FRS under "Approved Purposes." Funds are approved for advance as follows:

A. Construction

(1) *Construction and Equipment Contracts*: Ninety percent (Ninety-five percent for Outside Plant Contract) of the contract amount approved by RUS with the final ten percent (five percent for Outside Plant Contract) approved upon approval of RUS Form 756, *Contract Closeout Certification*.

(2) *Small-Scale Construction:* The total amount shown on RUS Form 771a as determined by RUS for approved award purposes.

(3) *Rights-of-way, Make-ready, Permits*: Amount requested must be supported by

appropriate documentation, such as invoices, contracts, etc. Funds requested for compensation for acquiring rights-of-way are not eligible for financing.

B. Engineering

(1) *Engineering Services Contracts*: Ninety percent of the contract amount approved by RUS. The final ten percent shall be approved upon RUS approval of RUS Form 506, *Statement of Engineering Fees – Telecommunications.*

(2) *In-house engineering*: Ninety percent of the approved amount based on the In-house Engineering Proposal. The amount requested on the FRS must be supported by timesheets.

(3) *Architectural Services Contracts:* Ninety percent of the contract amount approved by RUS. The final ten percent shall be approved upon RUS approval of RUS Form 284, *Final Statement of Cost for Architectural Services*.

(4) *All other professional services contracts:* Ninety percent of the contract amount approved by RUS with the remaining amount approved upon RUS approval of the closeout documents.

C. Operating Equipment

Support Assets: Amount requested must be supported by copies of invoices.

D. General

Pre-application expenses: The final itemized invoice(s) from the person or firm for eligible pre-application expenses. The invoice(s) must clearly state the date and description of the services that were rendered.

E. Acquisitions

Amount requested must be supported by final itemized costs and cannot exceed the approved amount in the ReConnect Program award budget.

Funds other than award funds that are deposited in the Pledged Deposit Account are reported as a credit under total disbursements. Disbursements of these funds are subject to the same RUS approvals as award funds.

The Awardee shall request advances as needed to meet its obligations promptly. Generally, RUS does not approve an advance requested more than 60 days before the obligation is payable.

Funds should be disbursed for the item for which they were advanced. If the Awardee needs to pay an invoice for which funds have not been advanced, and disbursement of advanced funds for another item has been delayed, the latter funds may be disbursed to pay the invoice for up to the amount approved for advance for that item on the FRS. The Awardee shall make entries on the next FRS showing the changes under “Total Advances to Date” and shall explain the changes in writing before RUS will process the next FRS.

The FRS shall be certified by an authorized official of the Awardee who name and signature appears on RUS Form 675, *Certificate of Authority*. RUS will not process the FRS if it is signed by an individual whose name is not included on this form.

The documentation required for the FRS transactions are the deposit slip, the cancelled deposit account checks and the supporting invoices or reimbursement schedules. These shall be kept for in the Awardee's files for periodic audits by RUS.

Temporary Excess Award Funds

When unanticipated events delay the Awardee's disbursement of award funds from the Pledged Deposit Account, the funds may be used for other approved purposes or must remain in the account. If funds are disbursed for other approved purposes, then these amounts have to be clearly reflected on the FRS. If the account is an interest bearing account, all interest earned must remain in the deposit account and cannot be disbursed without RUS approval.

Method of Advancing Funds

The first or subsequent advances may be conditioned on the satisfaction of certain requirements stated in the Awardee's award contract.

All advances shall be made electronically using the Automatic Clearing House (ACH).

Addendum to ReConnect Program Construction Procedures

Depreciation Rates

Code	Group	Letter	Type	Rate (%)
1000	1. Network & Access Equipment	a.	Switching Equipment	9.37
1001	1. Network & Access Equipment	b.	Routing Equipment	9.37
1002	1. Network & Access Equipment	c.	Transport Equipment	9.37
1003	1. Network & Access Equipment	d.	Access Equipment	9.37
1004	1. Network & Access Equipment	e.	Video Equipment	10.00
1005	1. Network & Access Equipment	f.	Power Equipment	10.00
1006	1. Network & Access Equipment	g.	Satellite Equipment	10.00
1007	1. Network & Access Equipment	h.	Other (specify)	
2000	2. Outside Plant	a.	Copper Cable - Aerial	6.00
2001	2. Outside Plant	b.	Copper Cable - Buried	5.15
2002	2. Outside Plant	c.	Copper Cable - Underground	5.00
2003	2. Outside Plant	d.	Coaxial Cable - Aerial	6.00
2004	2. Outside Plant	e.	Coaxial Cable - Buried	5.15
2005	2. Outside Plant	f.	Coaxial Cable - Underground	5.00
2006	2. Outside Plant	g.	Fiber Cable - Aerial	5.10
2007	2. Outside Plant	h.	Fiber - Buried	5.00
2008	2. Outside Plant	i.	Fiber - Underground Cable	5.00
2009	2. Outside Plant	j.	Fiber - Submarine Cable	5.00
2010	2. Outside Plant	k.	Conduit Systems	4.00
2011	2. Outside Plant	l.	Ducts (Vacant)	5.00
2012	2. Outside Plant	m.	Drops	5.00
2013	2. Outside Plant	n.	Cabinets/underground vaults	5.00
2014	2. Outside Plant	o.	Poles	5.00
2015	2. Outside Plant	p.	Make-ready	5.00
2016	2. Outside Plant	q.	Other (specify)	
3000	3. Buildings	a.	New Construction	3.30
3001	3. Buildings	b.	Pre-Fab Huts	5.00
3002	3. Buildings	c.	Improvements	6.67
3003	3. Buildings	d.	Other (specify)	

Code	Group	Letter	Type	Rate (%)
4001	4. Towers	a.	Guyed Towers	5.00
4002	4. Towers	b.	Lattice Towers	5.00
4003	4. Towers	c.	Monopole/Self-Supporting Tower	5.00
4004	4. Towers	d.	Wood poles	5.00
4005	4. Towers	e.	Improvements	5.00
4006	4. Towers	f.	Other (specify)	
5000	5. Customer Premises Equipment	a.	Video Set Top Boxes	20.00
5001	5. Customer Premises Equipment	b.	Modems and Routers	20.00
5002	5. Customer Premises Equipment	c.	Inside Wiring	10.00
5003	5. Customer Premises Equipment	d.	Multi-Terminal Adapter (VoIP)	20.00
5004	5. Customer Premises Equipment	e.	Smart Meters	20.00
5005	5. Customer Premises Equipment	f.	Other (specify)	
6000	6. Support Assets	a.	Construction Vehicles	12.00
6001	6. Support Assets	b.	Construction Equipment	12.00
6002	6. Support Assets	c.	Motor Vehicles	16.50
6003	6. Support Assets	d.	Special Purpose Vehicles	12.00
6004	6. Support Assets	e.	Office Equipment	10.00
6005	6. Support Assets	f.	Office Furniture	10.00
6006	6. Support Assets	g.	Billing System	10.00
6007	6. Support Assets	h.	Test Equipment	10.00
6008	6. Support Assets	i.	Portable Generators	10.00
6009	6. Support Assets	j.	Tools	10.00
6010	6. Support Assets	k.	Other (specify)	

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ATTACHMENT 2

EQUAL OPPORTUNITY CONTRACT PROVISIONS

During the performance of this contract, the contractor agrees as follows:

(a) The contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this non-discrimination clause.

(b) The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The contractor shall send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or worker's representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous place available to employees and applicants for employment.

(d) The contractor shall comply with all provisions of Executive Order 11246 of September 24, 1965and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The contractor shall furnish all information and reports required by Executive Order 11246 of September 24, 1965 and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulation, and orders.

(f) In the event of the contractor's non-compliance with the non-discrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or part by the Government, and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with the procedure authorized in Executive Order 11246 of September 14, 1965, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The contractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246, dated September 24, 1965, so that such provisions shall be binding upon each subcontractor or vendor. The contractor shall take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Project Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Project Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application, as well as the overall project. This information will be used in conjunction with each site and route EQ to determine the overall environmental compliance of the proposed project.

RUS will use this information to consider the environmental review process complete, or to determine the appropriate level of additional impact analyses needed in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary.

An applicant may submit a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local or other federal agencies. Such material – to the extent determined to be relevant – can be used to fulfill RUS environmental review requirements.

This EQ consists of two sections: "**Preliminary Environmental Questions**" and "**Detailed Environmental Responses**." Responses under "Preliminary Environmental Questions" identify which portions of the "Detailed Environmental Responses" must be completed.

Please use as much space as needed to respond fully to each question in the Detailed Environmental Responses section. Additional information in support of any response can be added to the Support Schedule section located at the end of this EQ.

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Preliminary Environmental Questions

- **Floodplains (Subpart F):** Do any of the applicant's site or route EQs identify a requirement for floodplain analysis to be conducted at the project level? If the response to Questions 2, 3, or 4 on any site or route EQ is YES, select YES.

  ○ NO The Floodplains review for this project is complete.

  ○ YES Floodplains (Subpart F) under the Detailed Environmental Responses section must be completed by the applicant.

- **Wetlands (Subpart G):** Do any of the applicant's site or route EQs identify a requirement for wetlands analysis to be conducted at the project level? If the response to Questions 3 or 4 on any site or route EQ is YES and the required permit type is not a USACE Individual Permit (already obtained and included as part of the application), select YES.

  ○ NO The Wetlands review for this project is complete.

  ○ YES Wetlands (Subpart G) under the Detailed Environmental Responses section must be completed by the applicant.

- **Compliance with Applicable Laws and Regulations (Subpart I):** Does the proposed project threaten to violate any applicable federal, state, local statutory, regulatory, or permit requirements for environment, safety, and health?

  ○ NO The Compliance review for this project is complete.

  ○ YES Compliance with Applicable Laws and Regulations (Subpart I) under the Detailed Environmental Responses section must be completed by the applicant.

- **Hazardous Materials (Subpart J):** Will the proposed project result in production or handling of hazardous substances, pollutants, contaminants, or petroleum and natural gas products?

  ○ NO The Hazardous Materials review for this project is complete.

  ○ YES Hazardous Materials (Subpart J) under the Detailed Environmental Responses section must be completed by the applicant.

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- **Resource Conservation and Recovery Act (Subpart J):** Does the proposed project involve the siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities, including incinerators permitted by the Resource Conservation and Recovery Act (RCRA)?

  ○ NO The RCRA review for this project is complete.

  ○ YES Resource Conservation and Recovery Act (Subpart J) under the Detailed Environmental Responses section must be completed by the applicant.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Do any of the applicant's site or route EQs identify a site with total points calculated on a Farmland Conversion Impact Rating Form (AD-1006 or NRCS CPA-106) (available at this link: https://go.usa.gov/xeDQZ) equal to or greater than 160?

  ○ NO The FPPA review for this project is complete.

  ○ YES Farmland Protection Policy Act (FPPA) (Subpart L) under the Detailed Environmental Responses section must be completed by the applicant.

- **Formally Classified Lands (Subpart L):** Use the **Formally Classified Lands** layer available in the construction map in conjunction with local resources or maps that indicate state and local municipally-managed lands to determine overlap with formally classified lands. A detailed list of areas considered Formally Classified Lands can be found in RD Instruction 1970 – Subpart L – Land Use and Formally Classified Lands (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

  Will the proposed action occur within or adjacent to any Formally Classified Lands?

  ○ NO The Formally Classified Lands review for this project is complete.

  ○ YES Formally Classified Lands (Subpart L) under the Detailed Environmental Responses section must be completed by the applicant.

- **Coral Reefs (Subpart N):** Use the **Coral Reef Ecosystem** group layer available in the construction map to determine overlap with a coral reef ecosystem. This consideration only applies to American Samoa, Florida, Guam, Hawaii, Northern Marianna Islands, PuertoRico, and the U.S. Virgin Islands.

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Is any part of the proposed project located in an area designated as Habitat Boundary as identified by the **Coral Reef Ecosystem** group layer on the construction map?

- ○ NO The Coral Reefs review for this project is complete.
- ○ YES Coral Reefs (Subpart N) under the Detailed Environmental Responses section must be completed by the applicant.

- **Invasive Species (Subpart N):** Under Executive Order (EO) 13112 (available at this link: https://www.invasivespeciesinfo.gov/executive-order-13112), Rural Development cannot authorize, fund, or carry out actions that are likely to cause or promote the introduction or spread of invasive species in the United States or elsewhere unless all reasonable measures to minimize risk of harm have been analyzed and considered. Complying with EO 13112 means federal assistance cannot be used for construction, re-vegetation, or landscaping of project areas that purposely include the use of known invasive plant species.

  Will the proposed project include construction, re-vegetation, or landscaping of project areas that include the use of known invasive plant species?

  - ○ NO
  - ○ YES

- **Bald and Golden Eagle Protection Act and Migratory Bird Treaty Act (Subpart N):** The Bald and Golden Eagle Protection Act (BGEPA) (available at this link: https://www.fws.gov/le/USStatutes/BEPA.pdf) and the Migratory Bird Treaty Act (MBTA) (available at this link: https://www.fws.gov/laws/lawsdigest/migtrea.html) apply to actions taken by the applicant. It is the applicant's responsibility to understand and comply with MBTA and BGEPA. The unauthorized taking of migratory birds or bald and golden eagles is a strict liability criminal offense which does not require knowledge or specific intent on the part of the offender. As such, even when engaged in an otherwise legal activity where the intent is not to kill or injure migratory birds or eagles, violations can occur if bird injury or death results.

  Proposals involving the construction of overhead utility lines, wind turbines, or telecommunications towers may require pre-construction and post-construction monitoring, development of an avian protection plan that identifies measures to avoid or minimize impacts, and other best practices or mitigation measures to eliminate or minimize potential takings of birds protected under MBTA or BGEPA.

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Is the applicant aware of its responsibilities under MBTA and BGEPA?

◯ NO The applicant is unaware of its responsibilities under MBTA and BGEPA.

◯ YES The applicant acknowledges its responsibilities under MBTA and BGEPA.

- **Threatened and Endangered Species (Subpart N):** Combine each site and route Endangered Species Table into a project-level table. Detailed guidance related to evaluating impacts to Threatened and Endangered Species can be found in RD Instruction 1970 – Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

  Are any proposed findings on the project-level Endangered Species spreadsheet "MayAffect-Not Likely to Adversely Affect," or "May Affect-Likely to Adversely Affect?"

  ◯ NO The Threatened and Endangered Species review for this project is complete.

  ◯ YES Threatened and Endangered Species (Subpart N) under the Detailed Environmental Responses section must be completed by the applicant.

- **Air Quality (Subpart O):** Use the **Air Quality** group layer available in the construction map to determine overlap with any non-attainment or maintenance areas. Detailed guidance related to evaluating impacts to Air Quality and General Conformity can be found in RD Instruction 1970 – Subpart O – Miscellaneous Resources (available at this link: https://www.rd.usda.gov/files/1970o.pdf).

  Is any part of the proposed project located in a non-attainment or maintenance area as identified by the **Air Quality** group layer on the construction map?

  ◯ NO The Air Quality review for this project is complete.

  ◯ YES Air Quality (Subpart O) under the Detailed Environmental Responses section must be completed by the applicant.

- **Coastal Barriers (Subpart O):** Use the **Coastal Barriers (CBRS)** layer available in the construction map to determine overlap with an Otherwise Protected Area or System Unit. Detailed guidance related to evaluating impacts to Coastal Barriers can be found in RD Instruction 1970 – Subpart O – Miscellaneous Resources, (available at this link:

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https://www.rd.usda.gov/files/1970o.pdf).

Is any part of the proposed project located in an area designated as an Otherwise Protected Area or System Unit as identified by the **Coastal Barriers (CBRS)** layer on the construction map?

- ○ NO The Coastal Barriers review for this project is complete.
- ○ YES Coastal Barriers (Subpart O) under the Detailed Environmental Responses section must be completed by the applicant.

- **Coastal Zones (Subpart O):** Use the **Coastal Zone** layer available in the construction map to determine overlap with Coastal Zones. Detailed guidance related to evaluating impacts to coastal areas can be found in RD Instruction 1970 – Subpart O – Miscellaneous Resources (available at this link: https://www.rd.usda.gov/files/1970o.pdf).

  Is any part of the proposed project located in an area designated as a Coastal Zone as identified by the **Coastal Zone** layer on the construction map?

  - ○ NO The Coastal Zones review for this project is complete.
  - ○ YES Coastal Zones (Subpart O) under the Detailed Environmental Responsessection must be completed by the applicant.

- **Sole Source Aquifers (Subpart O):** Use the **Sole Source Aquifer** layer available in the construction map to determine overlap with Sole Source Aquifers. Detailed guidance related to evaluating impacts to Sole Source Aquifers can be found in RD Instruction 1970 – Subpart O – Miscellaneous Resources (available at this link: https://www.rd.usda.gov/files/1970o.pdf).

  Is any part of the proposed project located in an area designated as a Sole Source Aquifer as identified by the **Sole Source Aquifer** layer on the construction map?

  - ○ NO The Sole Source Aquifers review for this project is complete.
  - ○ YES Sole Source Aquifers (Subpart O) under the Detailed Environmental Response section must be completed by the applicant.

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Detailed Environmental Responses

With the exception of the MBTA and BGEPA (Subpart N) question, if "NO" was selected for all Preliminary Environmental Questions, the EQ is complete, and no further evaluation is needed. If "YES" was selected for any of the Preliminary Environmental Questions, complete the identified section under the Detailed Environmental Responses section. Use as much space as necessary to respond fully to each question in this section. Additional information in support of any response can be added to the Support Schedule section located at the end of this EQ.

Publication Guidelines:

Public notices must be placed in a newspaper of general circulation (both in print and online) within the affected areas. The notice must be published in the non-classified section of the newspaper. If the affected area is largely non-English speaking or bilingual, the notice must be published in both English and non-English language newspapers serving the affected area, if both are available. In general, the timeframe between Preliminary and Final notices is 14 days, unless there is reason to extend the comment period.

- **Floodplains (Subpart F):** Complete the Public Notification and Private Party Notification Template Preliminary Public Notice Language for Potential Impacts to Floodplains (RD 1970 Subpart F Exhibit B Attachment B-1, available at this link: https://go.usa.gov/xerdY). The notice must include all sites that will be located in, or will have the potential to affect – or be affected by – a floodplain, as identified in the site or route EQ.

1) **Preliminary Notice.** Has the Preliminary Notice been published?

- ◯ NO The Preliminary Notice must be published before the application can besubmitted.
- ◯ YES Upload the Preliminary Notice and an Affidavit of Publication to the Environmental Documents section of this application.

2) **Public Notice Period.** Has the minimum preliminary public notice period of 14 days elapsed since the publication of the Preliminary Notice?

- ◯ NO Go to Question 3 of the Detailed Floodplains Review.
- ◯ YES Upload any comments received to the Environmental Documents page of the ReConnect application system. Go to Question 3 of the Detailed Floodplains Review.

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3) **Practicable Alternatives.** For each site that may impact a floodplain, identify and evaluate practicable alternatives to locating the proposed action in the floodplain. Include off-site and on-site alternatives, other configurations or other avoidance actions, and the "no action" alternative, as appropriate. By definition, a "practicable" alternative is one which can be implemented considering cost, logistics, and technology. If no practicable alternatives exist, this must be explained. For example, for a proposed structure inside the floodplain, example alternatives include constructing the structure outside the floodplain, elevating the structure out of the floodplain, and the "no action"alternative. The "no action" alternative must be considered for each site. **Reminder: Please use as much space as you need to respond to the questions in this section.**

4) **Identify Floodplain's Beneficial Functions**. Identify the floodplain's beneficial functions and values such as water quality improvement, water filtration, floodwater storage, fish and wildlife habitat, aesthetics, and biological productivity. Please use as much space as you need to respond below.

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5) **Identify Adverse Impacts.** Analyze the potential direct, indirect, and cumulative impacts associated with the applicant's proposal to the following factors:

a) **Natural environment (topography, water sources, habitat areas, and so on):**

- Direct impacts that occur at the same time and place as the activity:

- Indirect impacts that occur away from construction or after the activity:

- Cumulative impacts that illustrate the total impact to a floodplain, including impacts prior to the activity, project activity itself, and the activities of others:

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b) **Social concerns (aesthetics, historic and cultural values, land use patterns, and so on):**

- Direct Impacts that occur at the same time and place as the activity:

- Indirect impacts that occur away from construction or after the activity:

- Cumulative impacts that illustrate the total impact to a floodplain, including impacts prior to the activity, project activity itself, and the activities of others:

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c) **Economic and engineering aspects (costs of construction, transportation, access, ingress, egress, and so on):**

- Direct impacts that occur at the same time and place as the activity:

- Indirect impacts that occur away from construction, or after the activity:

- Cumulative impacts that illustrate the total impact to a floodplain, including impacts prior to the activity, project activity itself, and the activities of others:

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d) **Legal considerations (permits, leases, deed restrictions, setbacks, and so on):**

6) **Mitigate Adverse Impacts.** Mitigation[1] can take the form of avoidance, minimization of floodplain impacts, or compensation for impacts, and can include all efforts to minimize the adverse impacts to floodplains identified previously.

- **Avoidance:** What actions can be taken to avoid impacts to floodplains?

- **Minimization:** What actions can be taken to reduce and control impacts to floodplains?

[1] For the purposes of EO 11988, flood insurance is not considered a mitigation strategy, but may be required by the agency for actions that occur in a 100-year flood plain.

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- **Compensation:** What actions are needed to compensate for any impacts that remain?

7) **Re-evaluate Alternatives:** For each site that has the potential to impact a floodplain, re-evaluate the proposed action to determine if it is still practicable. The analysis of each alternative should discuss:

- any remaining exposure to flood hazards
- the extent to which the action will aggravate hazards
- the potential to disrupt floodplain values

Alternatives rejected earlier should be re-evaluated as to whether they are practicable in light of the identified impacts and proposed mitigation. Once again, the "no action" alternative must be considered for each site or route.

8) **Final Notice.** Has the analysis identified practicable alternatives to avoid, minimize, or compensate for all impacts of the proposed action on floodplains?

◯ NO Complete the Public Notice and Private Party Notice Template, Final Public Notice Language for Potential Impacts to Floodplains (RD 1970 Subpart F Exhibit B Attachment B-3, available at this link: https://go.usa.gov/xerdT). The notice must include all sites

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that will be located in, or will have the potential to affect, or be affected by a floodplain, as identified in the site and route EQs. Publish notice in accordance with the aforementioned Publication Guidelines.

○ YES Implement the practicable alternative that will avoid, minimize, or compensate for all impacts of the proposed action on floodplains. The Floodplains review for this project is complete.

9) **Final Notice.** Has the Final Notice been published?

○ NO Once the final notice has been published, upload the Final Notice, an Affidavit of Publication, and any comments received to the Environmental Documents section of this application.

○ YES Upload the Final Notice, an Affidavit of Publication, and any comments received to the Environmental Documents section of this application.

- **Wetlands (Subpart G):**

1) Which of the following are required, as identified by the site and route EQs?

○ USACE Individual Permit
- **The individual permit has been issued**. Upload the permit under the Environmental Documents section of this application. Once uploaded, the Wetlands review for this project is complete.

○ USACE Individual Permit
- **The individual permit has not yet been obtained**. Complete Questions 2 through 10 of the Detailed Wetlands Review.

○ USACE Nationwide or General Permit
- Complete Questions 4 through 8 of the Detailed Wetlands Review.

○ Local permit – **or** – unknown permit – **or** – permit undetermined
- Complete Questions 2 through 10 of the Detailed Wetlands Review.

2) **Preliminary Notice.** Complete the Public Notice Template, Preliminary Public Notice for Potential Impacts to Wetlands (RD Instruction 1970 Subpart G, Exhibit B, available at this link: https://go.usa.gov/xerdb). Include in the notice all sites and routes whose site or route EQ indicated project level analysis was required. Publish notice in accordance with the aforementioned Publication

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Guidelines.

Has the Preliminary Notice been published?

- ◯ NO — Applicants must publish the Preliminary Notice and upload it along with an Affidavit of Publication to the Environmental Documents section of this application before the application can be submitted.
- ◯ YES — Upload the Preliminary Notice and an Affidavit of Publication to the Environmental Documents section of this application.

3) **Public Comments.** Has the minimum preliminary public notice period of 14 dayselapsed since the publication of the Preliminary Notice?

- ◯ NO — Go to Question 4 of the Detailed Wetlands Review.
- ◯ YES — Upload any comments received to the Environmental Documents section of this application. Go to Question 4 of the Detailed Wetlands Review.

4) **Practicable Alternatives.** For each site that may impact a wetland, identify and evaluate practicable alternatives to locating the proposed action in the wetland. A "practicable" alternative is one which can be implemented considering cost, logistics, and technology. If no practicable alternatives exist, this must be explained. Include off-site and on-site alternatives, alternative configurations, other avoidance actions, and the “no action” alternative, as appropriate. The “no action” alternative must be considered for each site.

A submarine fiber requires landing at a physical location on both ends. We have completed a study and all identified locations required a path from land to sea. The sites and routes selected for the PFSAs and beach manhole sites have the least amount of risk for the path and all of the associated wetland locations are already disturbed and developed.

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5) **Identify Wetland's Beneficial Functions.** Identify the wetland's beneficial functions and values, such as water quality improvement, water filtration, floodwater storage, fish and wildlife habitat, aesthetics, and biological productivity.

The State of Alaska and the landowners of the identified wetland locations in Cordova, Yakutat, Pelican, Hoonah, and Gustavus, Alaska have previously altered and disturbed the sites for residential or economic development.

6) **Identify Adverse Impacts.** Analyze the potential direct, indirect, and cumulative impacts associated with the applicant's proposal to the following factors:

a) **Natural environment (topography, water sources, habitat areas, and so on):**

- Direct impacts are those that occur at the same time and place as the activity:

There are no direct adverse impacts on the natural environment.

- Indirect impacts that occur away from construction or after the activity:

There are no indirect adverse impacts on the natural environment.

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- Cumulative impacts that illustrate the total impact to a wetland, including impacts prior to the activity, project activity itself, and the activities of others:

There are no cumulative impacts on these sites as the landowning entities have already disturbed these identified wetlands.

b) **Social concerns (aesthetics, historic and cultural values, land use patterns, and so on):**

- Direct impacts are those that occur at the same time and place as the activity:

These sites will include either a beach manhole with a standard vault cover or buried fiber-optic cable inside HDPE conduit. Neither of these will result in direct affects to the wetland's aesthetics, land use, or other concerns.

- Indirect impacts that occur away from construction or after the activity:

These sites will include either a beach manhole with a standard vault cover or buried fiber-optic cable inside HDPE conduit. Neither of these will result in indirect affects to the wetland's aesthetics, land use, or other concerns.

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- Cumulative impacts that illustrate the total impact to a wetland, including impacts prior to the activity, project activity itself, and the activities of others:

The only cumulative impact will be the slight aesthetic change of a beach manhole cover or the temporary equipment to install the HDPE conduit and fiber-optic cables. The beach manhole cover is a minor adjustment and the placement of equipment will be temporary and kept to previously disturbed land so there will be no environmental impact.

c) **Economic and engineering aspects (costs of construction, transportation, access,ingress, egress, and so on):**

- Direct impacts are those that occur at the same time and place as the activity:

This project will have no direct impacts to economic and engineering aspects.

- Indirect impacts that occur away from construction or after the activity:

There are no indirect impacts to economic and engineering aspects.

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- Cumulative impacts that illustrate the total impact to a wetland, including impacts prior to the activity, project activity itself, and the activities of others:

This project will have no cumulative impacts to the economic and engineering aspects of the associated wetland locations.

d) **Legal considerations (permits, leases, deed restrictions, setbacks, and so on):**

Cordova Telephone Cooperative (CTC) will be responsible for coordinating with all necessary parties to obtain permits, leases, and other documentation as needed.

7) **Mitigate Adverse Impacts.** Mitigation can take the form of avoidance, minimization of - or compensation for – wetland impacts, and can include all efforts to minimize adverse impacts to wetlands identified previously.

Cordova Telephone Cooperative is committed to following all best mitigation practices in order to limit any adverse impacts on the identified wetland areas.

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- **Avoidance**: What actions can be taken to avoid impacts to the wetlands?

CTC will adhear to all state and federal standards and base our construction on certified surveys and engineering specifications to avoid impacts on wetlands.

- **Minimization**: What actions can be taken to reduce and control impacts to the wetlands?

Cordova Telephone Cooperative has worked with a consulting agency to determine that this submarine path is the most optimal with minimal impact to the wetlands at the beach manhole sites. Additionally, CTC will work with an engineering firm for our PFSA locations to follow best practices and minimize any impact on local wetlands.

- **Compensation:** What actions are needed to compensate for any impacts that remain?

Cordova Telephone Cooperative will take all financial responsibility for permitting and other project-related costs.

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8) **Re-evaluate Alternatives:** For each site that may impact wetlands, re-evaluate the proposed action to determine if it is still practicable. The analysis of each alternative should include discussion of:

- any remaining impacts to wetlands
- the potential to disrupt wetland values.

Alternatives rejected earlier should be re-evaluated as to whether they are practicable in light of the identified impacts and proposed mitigation. Once again, the "no action" alternative must be considered for each site and route.

Cordova, Alaska is a desginated rainforest with numerous wetlands. All areas in scope of this project are on developed land and there will be no additional disturbances. CTC has 40 years of experience implementing successful projects with minimal environmental impact.

9) **Final Notice.** Has the analysis identified practicable alternatives to avoid, minimize, or compensate for all impacts of the proposed action on wetlands?

◯ NO Complete the Public Notice and Private Party Notification Template, Final Public Notice Language for Potential Impacts to Wetlands (RD 1970 Subpart G Exhibit B Attachment B-1, available at this link: https://go.usa.gov/xerdj). Include in the notice all sites that will be located in, or will have the potential to affect – or be affected by – a wetland, as identified in the site and route EQs. Publish notice in accordance with the aforementioned Publication Guidelines.

◯ YES Implement the practicable alternative that will avoid, minimize, or compensate for all impacts of the proposed action on wetlands. The Wetlands review for this project is complete.

10) **Final Notice.** Has the Final Notice been published?

◯ NO Once the final notice has been published, upload the Final Notice, an Affidavit of Publication, and any comments received to the Environmental Documents section of this application.

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○ YES Upload the Final Notice, an Affidavit of Publication, and any comments received to the Environmental Documents section of this application.

- **Compliance with Applicable Laws and Regulations (Subpart I):** Describe any violation and upload relevant documents under the Environmental Documents section of this application.

- **Hazardous Materials (Subpart J):** Describe any potential releases of hazardous substances, pollutants, contaminants, or petroleum and natural gas products. Describe any permits associated with hazardous substances, pollutants, contaminants, or petroleum and natural gas products, and upload copies of permits under the Environmental Documents section of this application.

- **Resource Conservation and Recovery Act (Subpart J):** Describe the siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities – including incinerators permitted by the Resource Conservation and Recovery Act – and attach relevant documents under the Environmental Documents Section of this document.

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- **Farmland Protection Policy Act (Subpart L):**
  Complete the Public Notice Template for Farmland Conversion (RD 1970 Subpart L Exhibit A, available at this link: https://go.usa.gov/xerdZ). Include in the notice all sites that have a Farmland Conversion Impact Rating greater than or equal to 160. Post the completed public notice of the proposed action at the closest post office on community bulletin board for 7 days. Include postmarks on the notice to document the date it was posted and the date it was removed.

  1) Has the public posting period elapsed?

  ○ NO Upload postmarked Farmland Conversion Notice to the Environmental Documents section of this application.

  ○ YES Upload postmarked Farmland Conversion Notice and any comments received to the Environmental Documents section of this application.

- **Formally Classified Lands (Subpart L):**
  Contact that land's managing agency to obtain permission to proceed.

  1) Does the applicant have a special use permit to construct on the Formally Classified Lands for the applicable managing agency or agencies?

  ○ NO Please contact RUS using the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) and describe the project. Additional information may be requested by RUS at the time the application is reviewed.

  ○ YES Applicants must contact the formally classified lands' managing agency(s) to ensure that the permit they have in place is applicable for the proposed project.

  2) Have the appropriate managing agency or agencies been contacted?

  ○ NO Applicants must contact the formally classified lands' managing agency and upload evidence of that correspondence to the Environmental Documents section of this application.

  ○ YES Upload copies of all correspondence to and from the managing agency or agencies – along with any required mitigating measures – to the Environmental Documents section of this application.

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- **Coral Reefs (Subpart N):**
  Explain whether the proposal has the potential to impact coral reefs.

- **Threatened and Endangered Species (Subpart N):**

1) Are any proposed findings on the project-level Endangered Species spreadsheet "May Affect-Likely to Adversely Affect?"

○ NO Populate the Informal Consultation and Concurrence Request Template (RD 1970 Subpart N Exhibit B Attachment B-2, available at this link: https://go.usa.gov/xerdk) and upload to the Environmental Documents section of this application. RUS will determine if informal consultation is required.

○ YES RUS must initiate formal consultation. The applicant will be contacted by RUS if additional information is required.

2) Has correspondence with the appropriate service or services been initiated?

○ NO Applicants must initiate correspondence with the appropriate agency and upload evidence of correspondence to the Environmental Documents section of this application.

○ YES Upload all Threatened and Endangered Species information, analysis, and appropriate correspondence with the service or services to the Environmental Documents section of this application.

- **Air Quality (Subpart O):**
  Is the proposal exempt from conformity determination (per 40 CFR 93.153(c)(2) – available at this link: https://go.usa.gov/xerdU)?

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◯ NO Develop an emissions inventory to verify if the emissions from the project exceed the Environmental Protection Agency's (EPA's) de minimis levels for criteria pollutants (per 40CFR93.153(c)(1), available at this link: https://go.usa.gov/xerdU). Please upload the emissions inventory to the Environmental Documents section of this application.

◯ YES Identify the exemption and explain.

- **Coastal Barriers (Subpart O):**

1) Is the project excepted (available at this link: https://go.usa.gov/xerpv) under Section 6 of the Coastal Barrier Resources Act (CBRA) 16USC 3505.a.6, available at this link: https://go.usa.gov/xerde)?

◯ NO The project is ineligible for funding.

◯ YES Explain below.

2) If the project is excepted under Section 6 of the CBRA, consultation with U.S. Fish and Wildlife Service (USFWS) is required. Use the **Subpart O Template for Inter-Agency CBRA Consultations** (available at this link: https://go.usa.gov/xerdw) to initiate consultation on behalf of RUS. Has contact been initiated with USFWS?

◯ NO Consultation with USFWS must be initiated.

◯ YES Upload all Coastal Barrier documentation and consultation to the Environmental Documents section of this application.

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- **Coastal Zones (Subpart O):**

1) Explain below whether the proposal is subject to Federal Consistency review by the appropriate state agency. Detailed guidance and activity lists can be found at the Office for Coastal Management, National Oceanic and Atmospheric Administration, State Federal Consistency Lists (available at this link: https://coast.noaa.gov/czm/consistency/states/).

2) If the project is subject to Federal Consistency Review, submit the required package to the appropriate Coastal Zone Management Program (available at this link: https://coast.noaa.gov/czm/mystate/).

Has the required package been uploaded to the appropriate Coastal Zone Management Program?

○ NO The application cannot be submitted until the Federal Consistency Review has been initiated.

○ YES Upload the Consistency Review documents and all correspondence to the Environmental Documents section of this application.

- **Sole Source Aquifers (Subpart O):**

1) Explain whether the proposal has the potential to contaminate designated Sole Source Aquifers (SSA) or adversely affect an SSA recharge area. Go to Question 2 of the Detailed Sole Source Aquifers Review.

2) If the project lies within – or will affect – an SSA or its recharge area, the appropriate EPA regional office must be contacted to determine review requirements. Has contact been initiated with the appropriate EPA regional office?

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○ NO Applicants must initiate contact with the appropriate EPA regional office and upload any correspondence to the Environmental Documents section of this application.

○ YES Upload the results of the EPA's review and all correspondence to the Environmental Documents section of this application.

- **Support Schedule**

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- **Support Schedule … continued**

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- **Support Schedule … continued**

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- **Support Schedule … continued**

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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | National Historic Preservation Act Section 106 Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The NHPA Section 106 EQ is intended to capture the appropriate information for each proposed site and route included in the application, as well as the overall proposed project. This information will be used in conjunction with each Site and Route EQ and Project EQ to determine the overall compliance of the proposed project with NHPA Section 106 requirements. RUS will use this information and either complete the NHPA Section 106 portion of the environmental review process, or determine the appropriate level of additional impact analysis needed in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in each of the EQs.

An applicant may submit a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local or other federal agencies. Such material, to the extent determined to be relevant, may be used to fulfill RUS environmental review requirements. Be advised: once an applicant initiates the NHPA Section 106 process with the State Historic Preservation Officer (SHPO), Tribal Historic Preservation Officer (THPO), or other interested parties, the applicant must complete the process even if RUS determines the type of construction activity has "No potential to cause effects."

The NHPA Section 106 EQ requirement is determined by the applicant's responses to each of the Site and Route Description questions. For example, if the applicant answers "Yes" to the question, "Is this site on Tribal Land(s)?" the NHPA Section 106 EQ may need to be uploaded as part of the application. A final determination will be made by RUS after the applicant consults with the Agency.

NHPA Section 106 Questions

1) **SHPO Initiation.** Has the applicant sent a notification letter (SHPO Notification LetterTemplate) (available at this link: https://go.usa.gov/xeYsy) or a finding letter (SHPO Finding Letter Template) (available at this link: https://go.usa.gov/xeYsp) to the applicable SHPO(s)?

◯ NO Do not complete the NPHA Section 106 EQ or initiate the Section 106 process at this time. Please reach out to RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) to determine next steps.

◯ YES Upload the letter that was sent to the SHPO and any subsequent correspondence to the Environmental Documents section of this application. Go to Question 2.

2) **Tribal Notification**: Has the applicant sent notification letters (THPO Notification LetterTemplate) (available at this link: https://go.usa.gov/xeYsf) or finding letters (THPO Finding Letter Template) (available at this link: https://go.usa.gov/xeYsG) to interested Tribe(s)?

◯ NO Do not complete the NPHA Section 106 EQ or initiate the Section 106 process at this time. Please reach out to RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) to determine next steps.

◯ YES Upload the letter(s) that were sent to the Tribe(s) and any subsequent correspondence to the Environmental Documents section of this application. Go to Question 3.

3) **Identify Historic Properties:** Review existing information on historic properties within the Area of Potential Effects (APE)[1]. As part of this review, consider information or requests resulting from the notification letters sent to the SHPO and Tribe(s). Include properties that are at least 50 years old but have not been evaluated for eligibility. Sources for this information include databases maintained by the SHPO, literature searches, and cultural resource surveys.

The applicant is encouraged to consult a Cultural Resources contractor to conduct identification efforts – including cultural resources surveys – and provide professional and technical advice and recommendations on the identification of –

[1] APE is defined as the area in which eligible properties may be directly or indirectly affected by the proposed project.

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and effects to – historic properties. If the applicant chooses to consult a Cultural Resources contractor, the contractor must meet the Secretary of the Interior's Professional Qualification Standards (available at this link: https://www.nps.gov/history/local-law/arch_stnds_9.htm) used by the National Park Service.

Have historic properties been identified within the APE?

◯ NO Do not complete the NPHA Section 106 EQ or initiate the Section 106 process at this time. Please reach out to RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) to determine next steps.

◯ YES Go to Question 4.

4) **Adverse Effect**: An adverse effect occurs when a project may directly or indirectly diminish the integrity of a historic property by altering any of the characteristics that qualify the property for National Register inclusion. Specifically, if the project diminishes the integrity of a property's location, design, setting, materials, workmanship, feeling, and association, then there is an adverse effect. Examples of adverse effects include:

- Physical destruction or damage
- Alteration inconsistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties (available at this link: https://www.nps.gov/tps/standards.htm).
- Relocation of the property
- Change in the character of the property's use or setting
- Introduction of incompatible visual, atmospheric, or audible elements
- Neglect and deterioration
- Transfer, lease, or sale out of federal control without adequate preservation restrictions

Are adverse effects to historic properties expected?

◯ NO Do not complete the NPHA Section 106 EQ or initiate the Section 106 process at this time. Please reach out to RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us) to determine next steps.

◯ YES Agency intervention required. Additional information may be requested by RUS at the time the application is reviewed. Responses to the NHPA Section106 EQ are complete.

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5) **SHPO and THPO Response Period**: If the applicant sent notification or finding letters to the applicable SHPO(s) and THPO(s), has a response been received from any of these entities?

- ◯ NO Go to Question 6.
- ◯ YES Upload the SHPO(s) and THPO(s) response(s) to the Environmental Documents section of this application.

6) **SHPO and THPO Response**: If no response has been received, has the 30-day response period elapsed?

- ◯ NO Identify when the 30-day response period will elapse: _____.
- ◯ YES Responses to the NHPA Section 106 EQ are complete.

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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

ReConnect Program | Site and Route Environmental Questionnaire

Applicant Name: Cordova Telephone Cooperative

Application Number: 101001335

Site or Route Name: BMH Cordova

Construction Asset Type: Site - Large Enclosure Cabinet

Unless the National Historic Preservation Act (NHPA) Section 106 process has already been initiated with Tribes, the State Historic Preservation Office, or other interested parties, do not initiate the NHPA Section 106 process without first consulting with the Rural Utilities Service (RUS). Please contact RUS by submitting a question through the Contact Us page (available at this link: https://www.usda.gov/reconnect/contact-us). Go to the drop-down menu under "subject" and then click "Environmental."

The Site and Route Environmental Questionnaire (EQ) is intended to capture the appropriate environmental information for each proposed site and route included in the application. This information will be used in conjunction with the Project EQ to determine the overall environmental compliance of the proposed project. RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with 7 CFR 1970: Environmental Policies and Procedures (available at this link: https://go.usa.gov/xeaXV). RUS will notify applicants if additional information is necessary beyond what was submitted in the EQs.

An applicant must submit to RUS a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local, or other federal agencies. Such material, to the extent determined to be relevant, can be used to fulfill RUS' environmental review requirements.

Environmental Questions

- **Floodplains (Subpart F):** Use the **Flood Hazard Zones (FEMA)**[1] layer available in the construction map to determine potential impact to a floodplain. If the site or route falls within a community not participating in the National Flood Insurance Program (NFIP) or an area of undetermined flood hazard (Zone D), use the **Flood Frequency (NRCS)**[2] layer available in the construction map to determine the flooding frequency of the area.

[1]The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500-year or 100-year floodplain, it should be considered within a floodplain for environmental analysis.

[2] The frequency of "Rare," "Occasional," or "Frequent" should be considered within a floodplain for environmental analysis.

Detailed guidance related to evaluating impacts to and from floodplains can be found in RD Instruction 1970 - Subpart F – Floodplain Management (available at this link: https://www.rd.usda.gov/files/1970f.pdf)

1) Is the applicant's proposed action located in a floodplain?

- ○ NO Go to Floodplains Question 3.
- ○ YES Go to Floodplains Question 2.

2) Does the applicant's proposed action in the floodplain consist of more than buried or aerial utilities lines?

- ○ NO Go to Floodplains Question 3.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

3) Does the applicant's proposed action have the potential to affect a floodplain?

- ○ NO Go to Floodplains Question 4.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

4) Does the applicant's proposed action have the potential to be affected by a floodplain?

- ○ NO The Floodplains review for this site or route is complete.
- ○ YES Floodplain analysis is required at the project level. Complete the floodplain section of the Project EQ.

- **Wetlands (Subpart G):** Use the **National Wetland Inventory (NWI)** layer available in the construction map to determine potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use **Soil Hydric Class (NRCS) (Wetlands Subpart G)** to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of 'Partially Hydric' (1 – 95 percent) or 'All Hydric' (96 – 100 percent), the AOI will be considered to be located in a wetland.

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Detailed guidance related to evaluating impacts to wetlands can be found in RD Instruction 1970 - Subpart G - Wetland Protection (available at this link: https://www.rd.usda.gov/files/1970g.pdf).

1) Is the applicant's proposed action located in a wetland?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES Go to Wetlands Question 2.

2) Does the project's interaction with wetlands consist entirely of avoiding wetlands by means of directional boring?

- ◯ NO Go to Wetlands Question 3.
- ◯ YES The Wetlands review for this site or route is complete.

3) Does the applicant's proposed action have the potential to be affect a wetland?

- ◯ NO Go to Wetlands Question 4.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

4) Does the applicant's proposed action have the potential be affected by a wetland?

- ◯ NO The Wetlands review for this site or route is complete.
- ◯ YES A wetlands permit is required for this project. Go to Wetlands Question 5.

5) What kind of permit is required to address wetland impacts?

- U.S. Army Corps of Engineers (USACE) Individual Permit
  - ◯ • **If the Individual Permit has already been obtained**, attach it under the Environmental Documents section of this application. The wetlands review for this site or route is complete.
  - ◯ • **If an individual permit has not been obtained**, complete the wetlands section of the Project EQ.

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- USACE Nationwide or General Permit[3]

◯ • Complete the wetlands section of the Project EQ, omitting the public notice requirements as being fulfilled by the USACE Nationwide Permits (NWP) Program. Identify the NWP or General Permit Number below.

NWP or General Permit Number: _____

- Local permit **OR** unknown permit **OR** permit undetermined

◯ • Complete the Wetlands section of the Project EQ.

- **Farmland Protection Policy Act (FPPA) (Subpart L):** Use the **Farmland Class (NRCS) (FFPA)[4]** layer available under the **Land Use (Subpart L)** category in the construction map to determine potential impact to a Farmland. Detailed guidance related to evaluating impacts to farmlands can be found in RD Instruction 1970 - Subpart L – Land Use and Formally Classified Land (available at this link: https://www.rd.usda.gov/files/1970l.pdf).

1) Will the site or route overlap an area identified as protected farmland in the construction map?

◯ NO The FPPA review for this site or route is complete.

◯ YES The site or route will cross or take place on an area identified as protected.

2) Does the applicant's proposed project consist solely of routes utilizing construction techniques along existing ROW?

◯ NO Go to FPPA Question 3.

◯ YES The FPPA review for this site or route is complete.

[3] Additional information on the USACE Nationwide Permit Program is available at this link: https://go.usa.gov/xeaR2

[4] For the purpose of FPPA, farmland includes, "All areas are prime farmland," "Farmland of unique importance," "Farmland of statewide importance," or "Farmland of local importance." Be advised: farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

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3) Are the sites or routes where a new ROW or easement will need to be established located on land that has previously been converted for use and can no longer be utilized as farmland?

- ○ NO Go to FPPA Question 4.
- ○ YES Explain in the text entry box. The FPPA review for this site or route is complete.

4) Does the action result in the conversion of farmland to nonagricultural uses?

- ○ NO Explain in the text entry box. The FPPA review for this site or route is complete.

- ○ YES Go to FPPA Question 5.

5) Is the entire site or route located in an "urbanized area" as identified in a Census Bureau Map (information available at this link: https://go.usa.gov/xeaRJ) with a "tint overprint" on a USGS Topographical Map (information available at this link: https://go.usa.gov/xeanr)?

- ○ NO Please complete the appropriate Farmland Conversion Impact Rating Form on behalf of the federal agency and submit to the appropriate NRCS State FPPA contact (available at this link: https://go.usa.gov/xeaUw). Include the completed farmland consultation under the Environmental Documents section of this application, and complete the FPPA section of the Project EQ.

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- **Subpart L AD-1006** for sites (available at this link: https://go.usa.gov/xeaUM)
- **Subpart L NRCS CPA-106** for routes (available at this link: https://go.usa.gov/xeaPc)

○ YES Please attach the Census Bureau or USGS Topographical Map under the Environmental Documents section of this application. The FPPA review for this site or route is complete.

- **Threatened and Endangered Species (Subpart N):** Use the Endangered Species link for each site or route in the Environmental Questionnaire (EQ) section of your application to request an "Official Species List" from the U.S. Fish and Wildlife Service (USFWS), Information for Planning and Consultation (IPaC) project planning tool[5]. Applicants must include this species list and appropriate species accounts (for example: requisite habitat) for each site or route included in the application. An official species list is a letter from the local USFWS office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the IPaC regulatory review process.

  Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate Fisheries office (available at this link: https://go.usa.gov/xeaE8).

  The list(s) obtained from the USFWS and NOAA should be used to complete the Subpart N Special Status Plant and Wildlife Species Table (available at this link: https://go.usa.gov/xerfT). Please attach the completed table under the Environmental Documents section of this application.

  Special Status Plant and Wildlife Species Table Guidance:
  Research each species identified on the Official Species List(s) to complete the Description of the Suitable Habitat column.

[5] You must create a free account (available at this link: https://go.usa.gov/xeamV) and login to IPaC using this link: https://ecos.fws.gov/ipac/ before you can receive an official letter and species list from the local USFWS. The Endangered Species link for each site or route in the EQ will transfer the geospatial data to USFWS. Click "Define Project" and enter a project name and description. On the Project Home page, click "Request Species List" or click "Start Review" and follow the prompts.

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Cross-reference the species information gained through your research, with your knowledge of the project site or route, to identify the "Potential for Occurrence":

- If Critical Habitat is present or a survey indicates species are present, select "Documented," and explain.

- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain.

- If suitable habitat is present but based on your knowledge of the site or route, is unlikely for species to occur, select "Unlikely" and explain your reasoning.

- If suitable habitat is present, but data (for instance, surveys) indicate species and critical habitatare absent from the action area, select "None" and cite the survey.

- If suitable habitat is not present in the action area, select "None" and explain your reasoning.

Next, "Propose a Finding of Effect":

- If species are not present, conclude "No Effect" and explain your finding.
    - If species are identified, "lack of critical habitat" or "familiarity with the proposed area" are not sufficient reasonings for a finding of "No Effect."

- If species may be present in the action area but will not be exposed directly or indirectly to the proposed action or any resulting environmental changes, conclude "No Effect" and explain your finding.

- If species may be present in the action area, will be exposed to the action but will not respond in any manner, conclude "No Effect" and explain your finding.

- If species may be present in the action area and will respond upon exposure to the action, but effects will be wholly beneficial[6],

[6] "Beneficial effects" are positive responses without any negative response. This analysis is done at the individual level. If an action will have beneficial effects for the species overall, but adversely impacts one or more individuals in the process, "likely to adversely affect" is the appropriate conclusion.

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insignificant[7], or discountable[8], conclude "may affect, not likely to adversely affect"

- If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude "May Affect - Likely to Adversely Affect."

Detailed guidance related to evaluating impacts to biological resources can be found in RD Instruction 1970 - Subpart N – Biological Resources (available at this link: https://www.rd.usda.gov/files/1970n.pdf).

- **Transportation (Subpart O):** Responses to Transportation (Subpart O) questions are only required if the construction asset type is a "Site."

Air

If required by the Federal Aviation Administration (FAA), or if the applicant proposes any of the following types of construction or alteration, the applicant must file a notice with the FAA. Use the FAA Notice Criteria Tool (available at this link: https://go.usa.gov/xeayP) to help determine whether your project construction requires filing with the FAA for proposed structures.

1) Is the applicant required to file a notice with the FAA?

○ NO

○ YES Identify the reason(s) why a notice must be filed and file a notice at this link: https://go.usa.gov/xeayE.

☐ • Required by the FAA

☐ • Proposed construction or alteration that is more than 200 feet above ground level at its site.

☐ • Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:

[7] "Insignificant effects" are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure or detect such responses, then it is appropriate to conclude insignificant effects.

[8] "Discountable" means extremely unlikely to occur.

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(a) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport[9] with its longest runway more than 3,200 feet in actual length, excluding heliports.

(b) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.

(c) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.

On-Road

1) Has a Traffic Impact Study (TIS) been completed?

- ○ NO Go to On-Road Question 2.
- ○ YES Please upload the TIS to the Environmental documents section of the Application and go to On-Road Question 5.

2) Will this project cause an increase in traffic in the surrounding area during construction or operation?

- ○ NO Go to On-Road Question 5.
- ○ YES Describe the magnitude of the increase in the text entry box.

[9] Airports and heliports include: (1) A public use airport listed in the Airport - Facility Directory, Alaska Supplement, or Pacific Chart Supplement of U.S. Government Flight Information Publications (2) A military airport under construction, or an airport under construction that will be available for public use (3) An airport operated by a federal agency or the Department of Defense (4) An airport or heliport with at least one FAA-approved instrument approach procedure.

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3) Will hazardous materials be involved?

- ◯ NO Go to On-Road Question 5.
- ◯ YES Go to On-Road Question 4.

4) Will vehicles be carrying hazardous wastes through or past the project site?

- ◯ NO
- ◯ YES

5) Will the applicant be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

- ◯ NO
- ◯ YES

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SUBORDINATION OF LIEN

THIS SUBORDINATION OF LIEN ("Agreement"), dated and effective as of [date], is made by and among **THE UNITED STATES OF AMERICA**, acting through the Administrator of the Rural Utilities Service ("RUS"), an agency of the United States of America, and **COBANK,** a bank ("Lender").

RECITALS

WHEREAS, Cordova Telephone Cooperative, Incorporated ("Debtor") has duly authorized, executed and delivered to Lender certain secured promissory notes evidencing indebtedness created by loans made by Lender (collectively referred to herein as the "Lender Notes").

WHEREAS, the Lender Notes are secured by that certain Security Agreement by and between Lender and Debtor, as the same has been or may be amended, restated or supplemented from time to time (the "Security Agreement").

WHEREAS, the Security Agreement constitutes a first and paramount lien on existing and after-acquired personal property, as such term is defined in the Security Agreement (hereinafter the "Collateral").

WHEREAS, Debtor and RUS have entered into a grant and security agreement, dated as of [date] (the "Grant Agreement") under which RUS has awarded a grant to Debtor in the amount of $34,905,000 (the "Grant"), on the terms and conditions stated in the Grant Agreement.

WHEREAS, Debtor has agreed to use the Grant exclusively to finance a broadband project, including the construction, purchase and installation of equipment, professional services, and other expenses as permitted under the Grant Agreement (the "Project").

WHEREAS, among other conditions, RUS has required that, during the Service Obligation period (as defined the Grant Agreement) and satisfaction of all of Debtor's obligations to RUS under the Grant Agreement, Lender shall subordinate the lien of the Security Agreement to an exclusive first lien in favor of RUS on the Pledged Deposit Account (as such term is defined in the Grant Agreement) and on all assets financed with funds expended from the Pledged Deposit Account (all such assets are hereinafter referred to as the "Grant Assets").

WHEREAS, Lender desires that Debtor have the benefit of the Grant and is therefore willing to enter into this Agreement.

NOW, THEREFORE, in consideration of their mutual understandings, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. *Recitals.* The foregoing recitals are incorporated by reference herein and made an integral part of this Agreement.

SECTION 2. *Subordination.* RUS and Lender hereby expressly consent and agree to the following:

(a) The lien of Security Agreement shall be, and the same is hereby made, subject and subordinate to an RUS first priority lien on and security interest in all of the Grant Assets, notwithstanding any filing made by Lender pursuant to the Uniform Commercial Code, recordation of the Security Agreement, or any other lien or security interest filing made by Lender to evidence, perfect, file or record the lien of the Security Agreement.

(b) RUS may evidence, perfect, file and record its first priority lien against the Grant Assets at any time, in any manner and in any jurisdiction as it may determine, and Lender shall execute any documents requested by RUS and otherwise cooperate with RUS to facilitate the same.

(c) Excluding the Grant Assets, this instrument shall in no way affect or impair the first and paramount lien and security of the Security Agreement upon the Collateral.

(d) Upon expiration of the Service Obligation period (as defined the Grant Agreement) and satisfaction of all of Debtor's obligations to RUS under the Grant Agreement, this Agreement shall terminate automatically without further action by any party and the Security Agreement shall thereupon automatically become a first and paramount lien on the Grant Assets, to the extent that the Grant Assets are included or includable as Collateral.

SECTION 3. *Effective Date.* The provisions of the subordination of lien described in Section 2 shall automatically be effective upon the date of the first distribution of funds from the Pledged Deposit Account.

SECTION 4. *No Warranty.* This subordination of lien is made by Lender and accepted by RUS without covenant or warranty, express or implied, at law or in equity, and without recourse to Lender in any event or contingency.

SECTION 5. *Complete Agreement.* This Agreement is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement. In the event of any conflict in the terms and provisions of this Agreement, the Security Agreement or any document executed in connection with the Grant, the terms and provisions of this Agreement shall control.

SECTION 6. *Governing Law.* This Agreement shall be governed by and construed in accordance with applicable federal law and, in the absence of controlling federal law, by the laws of the State identified in the first paragraph herein, except those that would render such choice of law ineffective.

SECTION 7. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to form one physical document.

IN WITNESS WHEREOF, RUS and Lender have caused this Agreement to be duly executed as of the day and year first written above.

UNITED STATES OF AMERICA

By: _____

Andrew Berke
Administrator of the Rural Utilities Service

COBANK

By: _____

Name:

Title:

DRAFT