

NC DIT GREAT Program
Growing Rural Economies with Access to Technology Program

| Applicant Information | |
|--------------------------------------|---|
| Company Name | Blue Ridge Mountain EMC |
| Address | Alex King 875 Main St. E Young Harris, GA 30582 |
| Website | www.brmemc.com |
| Federal Tax ID | |
| DUNS # | 0079777470000 |
| System Award Management (SAM.Gov) ID | DNF4E243SXX7 |

| Authorized Representative | | Authorized Representative (Alternative) | |
|---------------------------|-----------------------|---|----------------------------|
| Full Name | Alex King | Full Name | Daniel Frizzell |
| Contact Title | Director of Broadband | Contact Title | Director of Engineering |
| Phone Number | 7063793121 | Phone Number | 7063793121 |
| E-Mail | alex.king@brmemc.com | E-Mail | daniel.frizzell@brmemc.com |

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| Grant Administrator & Company Name(if applicable): |
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| | |
|----------------|--|
| Full Name | |
| Contact Title | |
| Telephone | |
| E-Mail | |
| Website | |
| Federal Tax ID | |
| Address | |

| Project Information | | | |
|--|--------------------------------------|--------|---------------------------|
| Project Title | BRMEMC-Cherokee County Application A | | |
| Project Cost | \$2,410,666.5 | | |
| County | Cherokee | Tier # | 001 |
| Estimated # of Households with improved access | | | 559 |
| Estimated # of businesses with improved access | | | 10 |
| Base Speed - Minimum Download/Upload | | | Greater than 100:100 Mbps |

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| Project Description (provide a brief summary of the project) |
| This project proposes to provide high-speed internet of more than 100 Mbps download and 100 Mbps upload to a remote and underserved community in Cherokee County. Blue Ridge Mountain Electric Membership Corporation would use its existing infrastructure to provide fiber access to approximately 559 households and at least 10 businesses, with a total of 569 addresses to be served. |

Has the applicant entered into a partnership for this project as defined in S.L. 2019-230? No

| Checklist Details |
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| 1) Statement of Qualifications (Please provide a detailed description of qualifications and experience with the deployment of broadband): |
| <p>The applicant for this project is Blue Ridge Mountain Electric Membership Corporation (BRMEMC), a Georgia non-profit, member-owned cooperative corporation headquartered in Young Harris, Georgia. BRMEMC now provides service to over 54,000 meters, services over 6,000 miles of electric distribution and 32 miles of transmission line, employs over 200 full-time positions, and continues to grow each year. In addition to electric distribution, BRMEMC began investing in the next generation of infrastructure in which rural areas of our country find lacking: broadband networks. BRMEMC's service territory lies within a very mountainous, isolated and rural set of communities and counties. Just as electric service lagged behind in arriving in these communities, so has high-speed, low-cost broadband lagged behind in deployment in this region. By the early 2000's, BRMEMC recognized that the need for broadband networks was beginning to climb, yet the availability of high-speed service was extremely limited while costs for high-speed service were exponentially higher than service in other more populous areas.</p> <p>In 2002, BRMEMC entered the broadband Internet service business as it began offering unlicensed wireless service to residents in its service area. Challenges with the mountainous terrain and dense foliage forced BRMEMC to experiment with other technologies like Broadband over Power Line (BPL), Digital Subscriber line (DSL) service, and ultimately fiber-optics to the premises (FTTX). BRMEMC made a business-case decision to move solely toward fiber technology sometime around the end of 2005 and the beginning of 2006, recognizing that the EMC should be better utilizing its decades-long experience and capabilities building and maintaining infrastructure in its rural and mountainous communities, while also recognizing the scalability, longevity and capacity fiber provides. In the past 20 years, BRMEMC has successfully constructed approximately 1,300 miles of fiber-optic lines passing over 25,000 homes and businesses and directly serves around 12,000 broadband service subscribers.</p> <p>BRMEMC has not realized this tremendous fiber network alone. Since 2002 BRMEMC has successfully administered and completed (with favorable audit</p> |

NC DIT GREAT Program

Growing Rural Economies with Access to Technology Program

Checklist Details

and OIG scrutiny) a number of Federal and State broadband grants that have enabled the buildout of the EMC's broadband network, leading to improved educational, economic development, healthcare and public safety benefits.

In total, BRMEMC has been successful in acquiring over \$38.85 million in Federal and State funding for broadband projects, and continues to be a leader in providing innovative technologies, strong community planning and support, economic development assistance and leadership for the rural WNC and North GA areas, just as it has done for nearly 80 years.

2) Assessment of the current level of broadband access in the proposed deployment area – supporting data may be uploaded if applicable:

Blue Ridge Mountain Electric Membership Corporation is proposing to deploy broadband to the western most part of Cherokee County. This area includes 64 West and Boiling Springs which are more than 20 minutes drive time to Murphy, NC. The COVID-19 Pandemic combined with the lack of cell phone service, exacerbated the issues faced by students, businesses and residents in this area to complete homework assignments, work remotely or communicate with essential services such as unemployment or business relief programs. Several students and residents have been forced to drive to emergency "hot spots" to complete assignments or other transactions. Providing connectivity to this area would not only level the playing field for students, but also enhance the economic opportunities for this travel corridor between Murphy, NC and Chattanooga, Tenn.

According to the most recent FCC maps, all of the proposed census blocks are receiving less than 10 Mbps download speed and 1 Mbps upload speeds. Many people in these areas only have access to satellite internet, which is cost prohibitive, and there are also several people in the proposed area who do not have access to phone service. According to the Broadband Indices released by the North Carolina Department of Information Technology, Cherokee County ranked 92nd out of 100 North Carolina counties for broadband availability and quality. According to the same report, 19.4% of residents have access only to DSL and 9.4% have no service at all. According to the 2018 FCC Data, 4,343 households in Cherokee County have download speeds of less than 25 Mbps and upload speeds of less than 3 Mbps. This project would offer service to close to 569 of those households.

As dire as these numbers are, local assessments of availability paint an even bleaker picture. Cherokee County was part of a regional broadband assessment in 2017 with over 7% of households in the county responding to a survey about their service. Of 1,217 respondents, 78% said they had either inadequate or no access to broadband service. Of those, 76% said they would take classes, 55% would work from home or start a business, and 69% would use telemedicine if they had adequate internet service. Blue Ridge Mountain Electric Membership Corporation can provide speeds of over 100 Mbps download and 100 Mbps upload to all of our clients, which is a major upgrade to the current DSL and Cable infrastructure in the area.

3) Description of Proposed Services, Advertised Speeds, and Pricing Structure for proposed broadband recipients in the eligible project area:

Blue Ridge Mountain Electric Membership Corporation offers a wide variety of services to meet the needs of its customers. Basic packages include 30 Mbps/30 Mbps (\$42.95), 40 Mbps/40 Mbps (\$49.95), 50 Mbps/50 Mbps (\$59.95), 75 Mbps/75 Mbps (\$75.00), 100 Mbps/100 Mbps (\$99.95), and 1Gbps/1Gbps (\$124.95). BRMEMC is proud to offer all of its customers synchronous service with equal download and upload speeds.

4) Description of Adoption Plan:

In order to market the high-speed fiber internet service to the area, BRMEMC will use marketing collateral such as yard signs, postcards, rack cards, and door hangers along with advertisements across social media. BRMEMC will also conduct personal calls to introduce the service to the projected residences and businesses. Clay County has agreed to work and help host a community meeting to bring awareness to the area about the expansion of needed high-speed internet service.

By checking the appropriate box, you will upload the following documents:

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| 5) Description of Project Area, Identification of locations to be served, relevant maps and mapping files: | <input checked="" type="checkbox"/> |
| 6) If submitting other data sources, including field data, to identify unserved locations (households and businesses) outside of the fully unserved census blocks provided on the NC One Map, please provide a narrative describing your methodology for determining the proposed funding area is unserved and eligible for funding in this round. | <input checked="" type="checkbox"/> |
| 7) Excel Spreadsheet (NO PDF) that itemizes the eligible activities and cost estimates. Please provide an explanation of how you estimated the costs: | <input checked="" type="checkbox"/> |
| 8) Please provide your methodology or explanation of how you calculated cost per location (Households/Businesses): | <input checked="" type="checkbox"/> |
| 9) Proof of Financial Solvency | <input checked="" type="checkbox"/> |
| 10) Technical Report | <input checked="" type="checkbox"/> |
| 11) Evidence of Support for the Project (i.e. Letter of Support) | <input checked="" type="checkbox"/> |
| 12) Evidence or proof a partnership based on the definition in the guidance document and the authorizing legislation | <input checked="" type="checkbox"/> |

SCORING

The GREAT Program is a competitive grant program. Applications shall be scored based upon a system that awards a single point for criteria considered to be the minimum level for the provision of broadband service, with additional points awarded to criteria that exceed minimum levels. Applications receiving the highest score shall receive priority status for the awarding of grants.

The tool below is being provided to Applicants so that they may estimate their score to determine estimated match requirements. All final and official scores will be determined by the BIO during the review process.

| | Reviewer | Score |
|---|------------|-------|
| a1) Partnership - One point shall be given for a proposed partnership that will make available existing infrastructure that has been installed for the partner's enterprise, non-consumer broadband purposes, or any other property, buildings, or structures owned by the partner, for a proposed project. | Choose One | 0 |

NC DIT GREAT Program

Growing Rural Economies with Access to Technology Program

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| a2) Partnership - A county or nonprofit entity that proposes to provide a financial match shall be given one point. Notwithstanding Article 8 of Chapter 143 of the General Statutes, or any provision of law to the contrary, a county may use unrestricted general funds or federal American Rescue Plan Act (P.L. 117 1) funds allocated to it for the purpose of improving broadband infrastructure for a financial match. | Choose One | 0 |
| a3) Partnership - An applicant shall receive two additional points for a proposed partnership where the county's financial match is comprised entirely from federal American Rescue Plan Act (P.L. 117 2) funds intended for broadband infrastructure. | Choose One | 0 |
| b) Unserved Households(HH) – Using most recent FCC Data or other information or supporting data, estimated number of unserved households within the eligible county (TIER ONE) | 500 or Less | 1 |
| c) Unserved Households (HH) to be Served – Using most recent FCC Data or other information supporting data, the percentage of the total unserved households with the eligible project area | Less than 15% | 1 |
| d) Unserved Business – Using most recent FCC Data or other information by NC BIO, provide broadband service to unserved business within eligible county (TIER ONE) and project area (Documentation) | 1 and 4 | 1 |
| e1) Piedmont or Coastal Plain Region | Choose One | |
| e2) Mountain Region | Choose One | |
| f) Base Speed - Min Download : Upload | 100:20 Mbps to 100:100 Mbps | 1.00 |
| Total Score | | 3 |
| g) Community Broadband Plan defined by NCBIO | No | 0 |
| h1) For counties that received an aggregate of eight million dollars (\$8,000,000) or more directly from the federal government, the following points shall be added to the application score: | Choose One | |
| h2) For counties that (i) received less than an aggregate of eight million dollars (\$8,000,000) directly from the federal government from the American Rescue Plan Act (P.L. 117 2) and (ii) are providing a portion of a project's matching funds using the entirety of the federal funds the county received, together with any other unrestricted general fund monies, if needed, the following points shall be added to the application score: | Choose One | |
| i1) Are the matching funds partially comprised of ARPA funds a county received directly from US Treasury? | Choose One | |
| i2) Are the matching funds entirely comprised of ARPA funds a county received directly from US Treasury? | Choose One | |
| Final Score | | 3 |

List all expenses related to the project, the amount of each expense, and the corresponding funding source(s) in the table below. The table should include all of the eligible costs such as: installation, acquiring or updating easements, equipment, fiber, construction, backhaul infrastructure for the end user, and testing costs. Ineligible costs should not be included in the project budget. The table should clearly show all planned expenditures and all funding sources for the project.

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|--|---------------|------------------------------|-----|
| Reviewer Score: | 3 | Matching Requirement (%): | 50% |
| Based on your scoring matrix, Your minimum match requirements: | | \$1,205,333.25 | |
| Total Project Cost: | \$2,410,666.5 | Grant Amount Requested (\$): | \$0 |

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| Please indicate which documents were submitted with your application, by checking the appropriate box. ~ Reference guidelines booklet for document details ~ | |
| 1) Excel Spreadsheet (NO PDF) that itemizes the eligible activities and cost estimates. Please provide an explanation of how you estimated the costs | <input type="checkbox"/> |
| 2) What is the total cost per location for the project? Please provide your methodology or explanation of how you calculated cost per location (Households/Businesses) | <input type="checkbox"/> |
| 3) Proof of Financial Solvency | <input type="checkbox"/> |

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| Project Expense | GREAT Funds | Matching Funds | Total |
|-----------------|-------------|----------------|-------|

NC DIT GREAT Program

Growing Rural Economies with Access to Technology Program

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| Easements (one-time fees) | | | 0 |
| Materials (fiber, equipment, etc.) | | | 0 |
| Construction/Installation | | | 0 |
| Testing | | | 0 |
| Engineering | | | 0 |
| Lease/Collocation Fees (one-time fees) | | | 0 |
| Other 1 | | | 0 |
| Other 2 | | | 0 |
| Other 3 | | | 0 |
| Total Eligible Project Cost | | | 0 |

Company Certifications

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| 1 | Overdue Tax Debts | Does the Company or the Related Member(s) currently have any overdue tax debts with any City, Town or County in, or with the State of North Carolina? | No |
| 2 | Occupational Safety and Health Act Violations | Does the Company, or the Related Member(s) have any citation under the Occupational Safety and Health Act that have become a final order within the past three years for willful serious violations or for failing to abate serious violations? | No |
| 3 | Loan Defaults | Is the Company, or the Related Member(s) currently in default on any loan or grant previously made by the State of North Carolina? | No |
| 4 | Incentive History | Has the Company, or Related Member(s) ever defaulted on an economic development grant or incentive or been sued by a grantor with respect to an economic development grant or incentive from the State of North Carolina? | No |
| 5 | Creditor Losses, Litigation, Government Investigations | Has any member of management or any principal of the Company, or the Related Member(s) been involved in a financial reorganization, a bankruptcy, or other situation that led to losses by creditors or bond buyers, investor lawsuits, or government investigation alleging fraud or impropriety? | No |
| 6 | Pending or Threatened Litigation | Is the Company, or Related Member(s) subject to any claim, suit, action, proceeding, or government investigation that is pending or threatened that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the proposed grantee's finances or operations or the ability to conduct the proposed project, or that would reasonably be expected to impact the NC DIT's decision to award a grant? | No |

Internet Service Provider (ISP) Certification and Attestation

The attached statements and exhibits are hereby made part of this application, and the undersigned representative of the applicant certifies that the information in this application and the attached statements and exhibits are true, correct, and complete to the best of the signatory's knowledge and belief. The signatory further certifies:

1. as Authorized Representative, the signatory has been authorized to file this application by formal action of the governing body;
2. agrees that if a grant is awarded, the applicant will provide proper and timely submittal of all documentation requested by the Grantor Agency;
3. that the applicant has substantially complied with or will comply with all federal, state, and local laws, rules, regulations, and ordinances as applicable to this project;
4. that the applicant certifies the financial and organizational strength regarding the ability to successfully meet the terms of the grant requirements and the ability to meet the potential for repayment of grant funds; and
5. attests that the proposed project area is eligible.

Authorized Representative

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|-------|-----------|--------|-----------------------|-------|------------|
| Name: | Alex King | Title: | Director of Broadband | Date: | 04/25/2022 |
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