

Applicant Information

| | |
|--------------------------------------|---------------------------------|
| Company Name | Star Telephone Membership Corp |
| Address | PO Box 348 Clinton, NC 28328 |
| Website | https://starcom.net |
| Federal Tax ID | |
| DUNS # | 072028400 |
| System Award Management (SAM.Gov) ID | C1A2PF72C3M3 |

| Authorized Representative | | Authorized Representative (Alternative) | |
|---------------------------|-----------------------|---|----------------------------|
| Full Name | Jeffrey A. Nethercutt | Full Name | Donna C. Bullard |
| Contact Title | Executive VP & CEO | Contact Title | VP of Corporate Operations |
| Phone Number | 910-564-7869 | Phone Number | 910-564-7862 |
| E-Mail | jnethercutt@stmc.net | E-Mail | dcbullard@stmc.net |

Grant Administrator & Company Name(if applicable):

Mid-South Consulting Engineers, Inc.

| | |
|----------------|---|
| Full Name | Joel O. Williams |
| Contact Title | President |
| Telephone | 704-357-0004 |
| E-Mail | joel.williams@mscon.com |
| Website | mscon.com |
| Federal Tax ID | |
| Address | 3901 Rose Lake Drive, Charlotte, NC 28217 |

Project Information

| | | | |
|--|--------------------------|--------|-----|
| Project Title | STAR NCGG 2022 Bladen | | |
| Project Cost | \$5,448,693 | | |
| County | Bladen | Tier # | 001 |
| Estimated # of Households with improved access | 1,568 | | |
| Estimated # of businesses with improved access | 11 | | |
| Base Speed - Minimum Download/Upload | Greater than 100:100 Mbp | | |

Project Description (provide a brief summary of the project)

This NCGG project consists of four serving areas with all buried distribution in Bladen County to serve both residential and business locations with internet speeds up to 1G at present. All new electronic equipment will be placed in existing STMC buildings and new feeder fibers will be placed to all serving areas.

Has the applicant entered into a partnership for this project as defined in S.L. 2019-230?

No

Checklist Details

1) Statement of Qualifications (Please provide a detailed description of qualifications and experience with the deployment of broadband):

Founded in December of 1959, Star Telephone Membership Corporation (STAR) is a non-profit North Carolina telephone cooperative with its headquarters located at 3900 N US 421 Hwy, Clinton, NC, 28328. STAR serves more than 33,000 connections with a staff of 85 team members for 14,000 customers. They presently have 10,500 broadband customers both on FTTP and DSL. Please see attached for details. The financials uploaded have been marked as "CONFIDENTIAL". They contain confidential and proprietary trade secret information and, accordingly, they are not public records and are exempt from public disclosure under N.C. Gen. Stat. § 132-1.2.

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

The proposed serving areas are within two different exchanges that have not been upgraded to FTTP to date. Due to the low density of these areas, it has been too costly to build fiber. STAR has used its own funds to build out over 20% of its areas but now intends to seek other funds to complete the FTTP to everyone in their service area. We are uploading maps of each of the areas that show the boundaries and proposed customers that presently do not have at least 25M downstream and 3M upstream.

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

STAR proposes to offer higher speed broadband and voice to all these customers to include email and domains as requested. It will offer packages from 25M to 1000M to any of these customers with unlimited usage over all fiber facilities for the required five years and beyond. A list of all speeds and prices are attached in uploaded documents Section 3A-5. This system will be upgradable in the future to even higher speeds by replacing the office optics and the ONT's when 10G and beyond become cost feasible.

4) Description of Adoption Plan:

NC DIT GREAT Program

Growing Rural Economies with Access to Technology Program

Checklist Details

Most of the customers in this project had broadband and voice service from STAR at present at less than 25/3M. With the new fiber, they will be able to receive Gig service if they so choose with unlimited usage. STAR will use all possible marketing and sales means to sign up any and all customers in these new fibered areas and will provide new service to any home or business within 10 days of a valid service request.

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

| | |
|--|-------------------------------------|
| 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 |
| 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 | |

NC DIT GREAT Program

Growing Rural Economies with Access to Technology Program

| | | |
|--|------------|---|
| 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.

| | | | |
|--|-------------|------------------------------|-----|
| Reviewer Score: | 3 | Matching Requirement (%): | 50% |
| Based on your scoring matrix, Your minimum match requirements: | | \$2,724,346.5 | |
| Total Project Cost: | \$5,448,693 | Grant Amount Requested (\$): | \$0 |

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"/> |

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

| | | | |
|---|--|---|----|
| 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

| | | | | | |
|-------|-----------------------|--------|-------------------|-------|------------|
| Name: | Jeffrey A. Nethercutt | Title: | Executive VP &CEO | Date: | 05/03/2022 |
|-------|-----------------------|--------|-------------------|-------|------------|