

BTOP Comprehensive Community Infrastructure Service Offerings and Competitor Data Template

Please complete the complete the following worksheets--either of the Last Mile or Middle Mile Service Offerings worksheets may be omitted if the applicant is not proposing to provide service of that type.

For both the Last Mile and Middle Mile Service Offerings worksheets, the service offerings should include all relevant tiers and markets (*e.g.* residential, business, wholesale). Applicants should be sure to include details on any services that would be offered at discounted rates to particular classes of customers (*e.g.* community anchor institutions or third party service providers).

In the Last Mile Service Offerings worksheet, applicants are required to provide estimated average end user speeds. Average speeds should be the average sustained actual, non-burst speed that the end user would receive during a peak hour. For purposes of calculating these speeds, applicants should utilize their subscriber projections for year eight of the project, and develop subscriber utilization projections that are consistent with any additional services the applicant plans to offer. For wireless broadband services, this speed should be an average of the speeds available across the entire cell. Beyond these general guidelines, due to the multiplicity of technical solutions that may be proposed, the applicants may use discretion to determine the most reasonable manner to estimate actual speeds on their network. Applicants should explain the underlying assumptions used to calculate the average speeds in the space provided.

In the Competitor Data worksheet, applicants are required to provide data on both last mile and middle mile service providers, regardless of whether the applicant proposes to offer both last mile and middle mile services. In the column titled Service Areas Where Service Offered, applicants should list all of the Last Mile and Middle Mile Service Areas within their Proposed Funded area in which the listed services are available. Please ensure that the Service Area names are consistent with those provided within the application and the Service Areas attachment. If the actual availability of the listed services is limited (*e.g.* the service is only available within part of a Last Mile or Middle Mile Service Area), note this in the Other Comments column.

In contrast to several other attachment templates in this application, the data provided via this template will NOT be subject to automated processing. These templates worksheets are provided to demonstrate the level of data required and to provide a suggested format. Applicants are allowed to modify the template layouts in order to provide the most effective presentation of the data for their specific project. Applicants should, however, ensure that they provide at least as much data as these templates require. To the extent that you modify these templates please ensure that the print layouts are adjusted so that rows do not break across pages in a manner that will be difficult to understand. It is recommended that you provide these documents in PDF format when submitting a copy of your application on an appropriate electronic medium, such as a DVD, ROM, or flash drive.

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Proposed Last Mile Service Offerings

Name of Service Tier	Advertised Speeds		Estimated Average Speeds		Average Latency	Pricing Plan (\$ per month)	Other Comments/Description/features or Limitations
	Downstream Mbps	Upstream Mbps	Downstream Mbps	Upstream Mbps	@ End User CPE milliseconds		
Residential	Up to 14 Mbps	Up to 5 Mbps	14 Mbps	4 Mbps	40 milliseconds	\$33.95	Wireless Broadband over licensed and unlicensed spectra via 100% fiber fed towers.
Business	Up to 14 Mbps	Up to 5 Mbps	14 Mbps	4 Mbps	40 milliseconds	\$66.95	Wireless Broadband over licensed and unlicensed spectra via 100% fiber fed towers.

Explanation of Average Speed Calculations:

Assumptions

- 180 Mbps aggregate throughput per tower
- 10MHz channels
- 20 to 1 oversubscription factor

Calculations

- Average rate of 14 Mbps downstream and 4Mbps upstream (140Mbps/200 CPE's x20) and (40Mbps/200 CPE's x20)

Proposed Middle Mile Service Offerings

Name of Service Offering	Distance Band or Point to Point	Minimum Peak Load Network Bandwidth Capacity (Mbps)	Monthly/Yearly Pricing (\$)	Other Comments/Description/Features or Limitations
100Mbps	Point to Point	100	\$2400 /mo	1 year term
100Mbps	Point to Point	100	\$3000 /mo	Route Protected (1 Year Term)
GigE	Point to Point	1024	\$6500 / mo	1 year term
GigE	Point to Point	1024	\$8000 / mo	Route Protected (1 Year Term)
10 GigE	Point to Point	10240	\$14000 / mo	1 year term
10 GigE	Point to Point	10240	\$16000 / mo	Route Protected (1 Year Term)
100Mbps	Point to Point	100	\$1900 /mo	5 year term
100Mbps	Point to Point	100	\$2200 /mo	Route Protected (5 Year Term)
GigE	Point to Point	1024	\$3500 / mo	5 year term
GigE	Point to Point	1024	\$5000 / mo	Route Protected (5 Year Term)
10 GigE	Point to Point	10240	\$6000 / mo	5 year term
10 GigE	Point to Point	10240	\$8000 / mo	Route Protected (5 Year Term)
Dark Fiber Lease	Point to Point		\$.41 per foot / year	

BTOP CCI Service Area Template

Title: **The Central Valley Next Generation Broadband Infrastructure Project**
Easy Grants ID: **6451**

Service Area Name	Tract or Block Group #
South Valley LM	6019007202200
South Valley LM	6019005904200
South Valley LM	6019007700400
South Valley LM	6019006802400
South Valley LM	6019001600200
South Valley LM	6019007100300
South Valley LM	6019007800200
South Valley LM	6019006100500

CENIC
STATEMENT OF FINANCIAL POSITION

June 30, 2009

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 15,417,033.96
Accounts Receivable:	
CCC - CTF	362,906.92
K-12 - Erate/CTF	4,327,497.85
Chapman University	38,134.76
Chicago School of Psychology	62,344.70
CCC (ISP)	8,555.20
CCC (CalREN)	990,864.14
CCC (CVS)	821,000.00
CSU (ISP)	26,128.00
CSU (Pass Through)	2,403,468.73
Cisco Systems	38,790.00
ICOE	508,250.28
Fiber Channels, Inc.	96,932.50
FIU	22,474.16
IRNC Project	291,666.67
Naval Postgraduate School	2,272.20
Nevada System of Higher Education	1,324.80
NLR, Inc.	223,192.19
NLR, LLC	45,855.00
Pepperdine	10,545.61
San Diego State University	1,618.83
Stanford (ISP)	1,353.60
Stanford (CalREN)	20,519.48
TransTelco	6,666.66
UC (ISP)	50,379.20
UC (Pass Through)	366,136.20
UCSD (Teragrid)	2,500.66
USC (ISP)	9,878.40
USC (CalREN/Pass Through)	71,608.59
University of San Francisco	15,207.23
Various Exchange Income	11,473.95
Others	1,505.54
Total Accounts Receivable	10,841,052.05
Interest Receivable - Bonds & Money Market Fund	40,330.60
Prepaid Expenses:	
Abilene Participation Fee	17,333.33
AboveNet	12,543.70
Apple	8,327.92
BT Conferencing Video Inc.	19,888.50
Cloud Creek Systems	15,422.22
Department of Water and Power	35,100.00
Educause	5,500.00
Electronic Environment	9,221.09
Foundry Network Inc.	18,875.50
Insurance	31,503.10
Overland Storage	2,501.86
Qwest	6,266.76
Rent	11,849.11
Sunesys	1,712.71
Switch and Data	32,800.80
The Quilt Inc.	8,000.00

CENIC
STATEMENT OF FINANCIAL POSITION
June 30, 2009

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Telx	17,219.20	
NLR, Inc. Membership	350,000.00	
L-3/ Wiltel	125,428.08	
University of Southern California	6,201.00	
Others	1,836.00	
Total Prepaid Expenses	<u>737,530.88</u>	
Short Term Investments:		
Investments in Bonds - Wells Fargo	17,720,141.00	
Total Short Term Investments	<u>17,720,141.00</u>	
TOTAL CURRENT ASSETS		44,756,088.49
NONCURRENT ASSET		
Investment in National LambdaRail, LLC	<u>3,283,596.12</u>	
TOTAL NONCURRENT ASSET		3,283,596.12
FIXED ASSETS		
Equipment, net of Accumulated Depreciation of \$21,988,335.06	27,909,753.20	
Office Furniture, net of Accumulated Depreciation of \$16,624.83	182,873.11	
Tenant Improvements, net of Accumulated Depreciation of \$89,029.18	1,086,155.96	
TOTAL FIXED ASSETS		29,178,782.27
OTHER ASSETS		
Deposit - Others	3,000.00	
Security Deposits	46,090.33	
TOTAL OTHER ASSETS		<u>49,090.33</u>
TOTAL ASSETS		<u>\$ 77,267,557.21</u>
LIABILITIES & NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable:		
16700 Valley View, L.P.	2,665.12	
American Express	8,567.11	
Anixter, Inc.	1,020.68	
Benny Min	16,720.00	
Brocade Communications Systems, Inc.	2,699.02	
Butte-Glenn Community College	23,424.25	
Cal-Ore	11,757.86	
Cisco Systems	185,182.80	
Davis Wright Tremaine LLP	19,260.00	
Expense Reports	25,523.05	
Frontier	9,080.97	
Hilton Oakland Airport	2,163.40	
John Ittelson	4,706.15	
Office Lease Payable	21,609.75	
NLR, Inc.	16,002.05	
PC Mall Gov	1,034.85	
Qwest	30,594.00	
SBC/AT&T	4,974.15	
Server Technology, Inc.	32,238.57	
SMUD	2,330.49	
Stanislowski & Harrison	52,085.00	
Stephen Gould Corporation	5,028.63	
Sunesys	2,676,840.82	
Techmasters, Inc.	11,833.33	
Travelers	4,250.97	

CENIC
STATEMENT OF FINANCIAL POSITION
June 30, 2009

UC Davis - Couch	1,560.00	
USC - Exchange	7,450.00	
Verizon	1,599.13	
L-3/ WilTel	452,138.54	
Others	5,400.14	
Total Accounts Payable	3,639,740.83	
Accrued Wages/ Salaries	8,480.70	
Accrued Vacation	301,619.78	
Accrued Retirement Contribution	328.53	
Security Deposit	4,564.57	
Deferred Revenue:		
Academy of Motion Pictures	1,215.00	
Arizona	237,791.62	
Carnegie Mellon	86,142.00	
CCC	1,158,363.31	
CSU	1,029,406.41	
Exchange	110,440.00	
JPL	48,800.00	
National University	127,044.65	
Naval Postgraduate School	184,997.00	
NLR, Inc.	26,895.20	
Rent	390,182.82	
UC	4,397,561.00	
University of Southern California	357.82	
University of Chicago	3,313.32	
University of San Francisco	64,598.43	
Total Deferred Revenue	7,867,108.58	
TOTAL CURRENT LIABILITIES		11,821,842.99
TOTAL LIABILITIES		11,821,842.99
NET ASSETS - UNRESTRICTED		
Unrestricted Fund	65,445,714.22	
TOTAL NET ASSETS - UNRESTRICTED		65,445,714.22
TOTAL LIABILITIES & NET ASSETS		\$ 77,267,557.21

CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2009

<u>UNRESTRICTED</u>	Current Amount	YTD Amount
REVENUES:		
Abilene Participation		
ASU	\$ 6,500.00	\$ 24,666.67
U of AZ	6,000.00	24,000.00
Claremount Colleges	6,000.00	24,000.00
Nevada Systems of Higher Education	18,000.00	72,000.00
Total Abilene Participation	36,500.00	144,666.67
CalREN Charter Network Service Fees		
Caltech	33,800.00	135,200.00
CCC	1,075,000.00	4,300,000.00
CSU	1,075,000.00	4,300,000.00
JPL	42,550.00	170,200.00
Stanford	85,250.00	341,000.00
UC	1,075,000.00	4,300,000.00
USC	80,500.00	322,000.00
K12HSN	447,651.72	2,614,259.56
Total CalREN Charter Network Service Fees	3,914,751.72	16,482,659.56
Charter Associate Fee		
Caltech	8,750.00	35,000.00
CCC	26,250.00	105,000.00
CSU	26,250.00	105,000.00
UC	26,250.00	105,000.00
USC	8,750.00	35,000.00
Stanford	8,750.00	35,000.00
K12HSN	-	52,500.00
Total Charter Associate Fees	105,000.00	472,500.00
Constituency Network Fees		
CCC	26,500.00	106,000.00
CSU	11,500.00	46,000.00
UC	4,500.00	18,000.00
Total Constituency Network Fees	42,500.00	170,000.00
CalREN Network Associate Fees		
Arizona State University	85,000.00	338,333.33
Chapman University	14,000.00	14,000.00
Chicago School of Psychology	43,333.33	43,333.33
MBARI	20,500.00	80,250.00
University of Arizona	85,000.00	335,833.38
Nevada System of Higher Education	85,000.00	340,000.00
Pepperdine University	16,250.00	65,000.00
University of Pennsylvania	12,500.00	50,000.00
University of San Francisco	12,400.00	56,750.00
University of San Diego	16,249.80	63,833.00
National University	56,650.00	132,183.33
Naval Postgraduate School	85,000.00	337,500.00
NASA - Ames	25,000.00	100,000.00
Total CalREN Network Associate Fees	556,883.13	1,957,016.37
CalREN Pass Through Revenue:		
Abilene Participation		
Caltech	6,000.00	24,000.00
CSU	18,000.00	72,000.00
JPL	6,000.00	24,000.00
Stanford	6,000.00	24,000.00
UC	60,000.00	240,000.00
USC	6,000.00	24,000.00
Total Abilene Participation	102,000.00	408,000.00
SEGP		
CSU	11,333.36	45,333.50
CCC	11,333.36	45,333.50
K12HSN	11,333.25	45,333.00
Total SEGP	33,999.97	136,000.00

CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2009

	Current Amount	YTD Amount
CCC Campus Connect	1,314,716.34	4,897,908.42
CSU Campus Connect	783,315.98	4,131,126.55
K12HSN	18,823.64	1,556,704.49
UC Campus Connect	(1,914,646.47)	(170,566.19)
Stanford Campus Connect	41,718.75	67,596.57
USC Campus Connect	48,784.75	152,202.59
Total CalREN Pass Through Revenue	428,712.96	11,178,972.43
CalREN Special Services:		
Az Campus Connect	24,125.00	96,625.00
Carnegie Mellon Campus Connect	5,812.07	13,929.00
Chapman University Campus Connect	24,096.96	24,096.96
Chicago School of Psychology	18,986.17	18,986.17
CCC Campus Connect - Equipment Replacement	46,500.00	186,000.00
NPS Campus Connect	359.79	11,302.50
TransitRail - NOC Support	50,000.00	200,000.00
Pepperdine Campus Connect	10,793.51	46,443.51
USD Campus Connect	17,174.10	48,544.50
USF Campus Connect	18,048.59	78,735.72
UPENN Campus Connect	18,094.75	72,379.03
Others		
Colocation	35,404.50	122,070.00
Maintenance	(1,410.01)	10,293.82
Total Others	33,994.49	132,363.82
Planning Services	-	95,287.50
Layer One Support - NLR, Inc.	143,750.00	502,500.00
Nevada System of Higher Education	1,950.00	7,800.00
National University Campus Connect	33,850.86	87,808.02
Total CalREN Special Services	447,536.29	1,622,801.73
CVS Network Service Fees		
CCC	178,750.00	715,000.00
CSU	46,000.00	184,000.00
UC	17,000.00	68,000.00
Total CVS Network Service Fees	241,750.00	967,000.00
CENIC Affiliate Fees	3,125.00	12,500.00
FIU	17,154.83	18,962.50
Teleconnect/Erate Income	1,959,804.43	5,960,869.86
ISP Income:		
CCC	70,737.73	280,662.94
CSU	93,515.29	364,249.96
Chapman University	37.80	37.80
Chicago School of Psychology	25.20	25.20
K12HSN	41,774.92	307,921.08
MBARI	218.40	1,234.80
National University	8.40	8.40
Naval Postgraduate School	2,272.20	8,324.40
Nevada System of Higher Education	9,991.90	36,633.29
Pepperdine	7,749.00	36,577.80
Stanford	10,764.99	42,320.77
TransitRail NLR, LLC	45,855.00	218,670.00
UC	169,880.74	649,822.22
University of Pennsylvania (Wharton)	630.00	2,520.00
University of San Diego	3,406.20	12,881.40
University of San Francisco	3,729.60	14,112.00
USC/Los Nettos	29,601.60	119,601.60
Total ISP Income	490,198.97	2,095,603.66
Exchange Fees		
AARnet	1,500.00	6,000.00
Abilene (Internet2)	5,250.00	21,000.00
Akamai	5,250.00	21,000.00
American Internet Services	1,500.00	6,000.00
CLARA	-	1,643.40
CUDI	1,500.00	6,000.00
ESNET	5,250.00	21,000.00
ICANN	1,500.00	6,000.00
Google, Inc.	1,500.00	6,000.00
Init Seven Ag	1,500.00	4,250.00
Innovation in Learning	1,500.00	3,833.33
Interworld	(1,000.00)	(1,000.00)
JGN2PLUS	5,250.00	21,000.00
Layer 42 Network	1,500.00	6,000.00
Los Nettos	5,250.00	21,000.00

CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2009

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	Current Amount	YTD Amount
Los Nettos - CIIX	1,500.00	6,000.00
Japan Telecom America Inc.	3,000.00	12,000.00
JARING Communication	1,500.00	6,000.00
National University of Singapore	1,500.00	6,000.00
NLR, Inc.	5,250.00	20,983.74
NLR, Inc./NASA-Ames	5,250.00	21,000.00
Oversee.net	1,500.00	6,000.00
Phyber Communications LLC	500.00	5,000.00
Qatar	1,500.00	6,000.00
Slide, Inc.	1,500.00	6,000.00
Softbank Telecom Corp	5,250.00	21,000.00
National Center High (formerly TANET2)	5,250.00	21,000.00
TIML Radio Limited (formerly Virgin Radio Limited)	1,500.00	6,000.00
TransPAC (IU)	5,250.00	21,000.00
UNINET (Hutchison Global Com)	1,500.00	6,000.00
University of New Mexico - ITS	1,000.00	1,000.00
Verizon Business Network Service	364.45	364.45
WV Fiber	5,250.00	22,000.00
Total Exchange Fees	85,614.45	343,074.92
Conference Registration	-	18,500.00
Conference Sponsor	-	50,000.00
Other Income		
Realized Gain on Disposal of Asset	-	177,000.92
NLR, Inc.	39,498.72	200,508.51
Personnel Support	12,436.65	49,746.60
Subtenant Lease	24,330.69	89,693.90
Miscellaneous	102,378.87	449,158.50
Total Other Income	178,644.93	966,108.43
TOTAL REVENUES	8,508,176.71	42,461,236.13
EXPENSES:		
CalREN Pass Through Expense:		
Abilene Participation Fee		
Caltech	6,000.00	24,000.00
CSU	18,000.00	72,000.00
JPL	6,000.00	24,000.00
Stanford	6,000.00	24,000.00
UC	60,000.00	240,000.00
USC	6,000.00	24,000.00
Total Abilene Participation Fee	102,000.00	408,000.00
SEGP Fee		
CSU	11,333.36	45,333.50
K12HSN	11,333.25	45,333.00
CCC	11,333.36	45,333.50
Total SEGP Fee	33,999.97	136,000.00
CSU Campus Connect		
Fiber Purchases	-	966,664.02
Fiber Maintenance	34,840.22	97,985.16
EGM Services	-	119,762.73
Equipment Purchases	13,542.72	22,191.69
Equipment Maintenance	31,349.75	110,399.00
Cross Connect	4,392.44	21,909.05
Colocation	6,240.00	24,960.00
CSU Circuits	689,107.85	2,753,887.91
Project Support	3,843.00	13,366.99
Total CSU Campus Connect	783,315.98	4,131,126.55
USC Campus Connect		
Colocation	3,450.00	9,750.00
EGM Services	43,725.80	136,016.79
Equipment Maintenance	1,608.95	6,435.80
Total USC Campus Connect	48,784.75	152,202.59
Stanford Campus Connect		
Circuits Leased	20,519.48	20,519.48
Equipment Purchases	18,933.56	38,014.19
Equipment Maintenance	2,265.71	9,062.90
Total Stanford Campus Connect	41,718.75	67,596.57

CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2009

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	Current Amount	YTD Amount
CCC Campus Connect		
Circuit Leased	1,581,378.48	5,763,907.47
Consulting & Project Management	12,970.15	54,361.51
Colocation	1,764.00	9,200.00
EGM Services	-	37,281.03
Equipment Purchases	111,488.05	221,539.50
Equipment Maintenance	78,292.01	317,072.93
Total CCC Campus Connect	1,785,892.69	6,403,362.44
K12HSN		
Colocation	4,783.74	19,217.28
Circuit Leased	1,490,619.49	6,406,808.78
Equipment Maintenance	-	19,202.46
Equipment Purchases	323.64	10,412.45
E-Rate Management	35,500.03	144,362.50
Total K12HSN	1,531,226.90	6,600,003.47
UC Campus Connect:		
Circuits Leased	207,207.26	804,571.24
Colocation	6,524.66	16,638.68
Cross Connect	4,649.98	18,349.92
EGM Services	-	(11,414.44)
Equipment Purchases	102,462.84	730,246.15
Equipment Maintenance	53,855.21	169,883.90
Fiber Optics Install	940,840.82	940,840.82
Fiber Maintenance	56,403.52	214,470.56
Fiber Purchases	49,597.50	261,582.30
Project Management	41,245.00	45,745.00
UC Davis Med Center - SWAN	2,658.82	10,635.29
UC Davis - SWAN	2,658.82	10,635.29
Total UC Campus Connect	1,468,104.43	3,212,184.71
Total CalREN Pass Through Expense	5,795,043.47	21,110,476.33
Az Campus Connect (U of AZ & ASU)		
Colocation	2,500.00	10,000.00
Duct Lease	250.00	1,000.00
Facility Rental & Maintenance	15,500.00	62,000.00
Fiber Maintenance	(5,257.69)	-
GigE Connection Services	5,875.00	23,500.00
Total Az Campus Connect (U of AZ & ASU)	18,867.31	96,500.00
Carnegie Mellon Campus Connect		
Equipment Purchases	5,812.07	13,929.00
Total Carnegie Mellon Campus Connect	5,812.07	13,929.00
Chapman University Campus Connect		
Circuit Leased	4,625.31	4,625.31
Colocation	1,025.00	1,025.00
Equipment Purchases	-	11,461.46
Total Chapman University Campus Connect	5,650.31	17,111.77
Chicago School of Psychology		
Equipment	16,822.00	16,822.00
Equipment Maintenance	1,664.17	1,664.17
Remote Hands	500.00	500.00
Total Chicago School of Psychology	18,986.17	18,986.17
Accounting Services	185,220.00	707,305.00
Annual Conference & Workshops	-	73,222.29
Audit Expense	2,400.00	64,629.83
CENIC Personnel Costs		
Recruitment	22,312.30	101,341.20
CENIC Personnel - Other	1,028,893.05	3,824,267.27
Total CENIC Personnel Costs	1,051,205.35	3,925,608.47
Colocation:		
Operating Expenses	15,166.34	53,737.56
Facilities Rental	807,157.32	3,132,342.37
Cross Connect	67,075.18	198,434.00
Total Colocation	889,398.84	3,384,513.93
Consulting & Project Management	44,593.00	342,016.15
Special Projects		
Last Mile	-	18,360.00
Total Special Projects	-	18,360.00
Contracted Personnel/CENIC Affiliates	60,438.60	235,069.57
Equipment:		
DC Refresh	27,650.00	21,989.90
DC Refresh Installation	-	370,168.00
HPR	141,795.50	945,253.82
HPR Installation	109,813.00	109,813.00
Maintenance	529,773.34	2,090,185.37
Purchases	659,979.99	2,959,212.50
Total Equipment	1,469,011.83	6,496,622.59

CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2009

	Current Amount	YTD Amount
Fringe		
Workers' Compensation	8,080.72	31,185.18
Employee Benefits		
Vacation Accrual	21,769.98	44,612.10
Employee Benefits - Other	56,854.59	273,987.43
Total Employee Benefits	78,624.57	318,599.53
Payroll Taxes	78,947.46	281,311.35
Retirement	50,567.13	189,587.37
Total Fringe	216,219.88	820,683.43
Insurance		
Directors & Officers	2,720.36	12,031.61
Property & General Liability	15,802.35	63,279.96
Total Insurance	18,522.71	75,311.57
Interest Expense - Wells Fargo	17,960.80	47,750.33
Internet2/Abilene		
Connection Fee	120,000.00	480,000.00
Participation Fee		
Arizona State University	6,500.00	24,666.67
University of Arizona	6,000.00	24,000.00
Nevada System of Higher Education	18,000.00	72,000.00
Claremont Colleges	6,000.00	24,000.00
Total Participation Fee	36,500.00	144,666.67
Total Internet2/Abilene	156,500.00	624,666.67
ISP Expenses		
Cogent	45,000.00	135,000.00
Level (3)	102,990.00	285,883.61
Qwest	106,973.69	385,436.62
Total ISP Expenses	254,963.69	806,320.23
Legal Services	39,723.50	69,086.69
Meeting & Conference Expenses	16,498.63	120,736.11
Membership & Dues	6,393.50	25,435.50
Pepperdine University		
Circuits Leased	9,529.71	39,143.79
Colocation	525.00	2,100.00
Equipment Maintenance	482.30	1,929.20
Total Pepperdine University	10,537.01	43,172.99
Naval Postgraduate School		
Fiber & Connection Costs	1,518.97	10,942.71
Total Naval Postgraduate School	1,518.97	10,942.71
Nevada Systems of Higher Education		
Cross Connect & Others	1,950.00	7,800.00
Total Nevada Systems of Higher Education	1,950.00	7,800.00
NLR, Inc.		
Membership	179,110.00	704,110.00
Total NLR, Inc.	179,110.00	704,110.00
National LambdaRail LLC - K-1 Loss	10,209.38	159,840.63
National University		
Equipment Maintenance	1,289.66	1,289.66
Equipment Purchase	7,133.41	27,905.67
Colocation	1,016.67	2,016.67
Circuits Installed & Leased	20,856.78	54,041.68
Total National University	30,296.52	85,253.68
Network Backbone Infrastructure:		
Circuits Leased	226,035.60	522,359.25
Fiber Purchases	2,545,613.99	2,990,339.99
Fiber Maintenance	162,351.75	444,247.01
Total Network Backbone Infrastructure	2,934,001.34	3,956,946.25
Peering:		
PAIX	67,777.82	272,867.55
TransitRail	120,000.00	480,000.00
Total Peering	187,777.82	752,867.55
Property Taxes	-	147.60
PR Publications & Printing	-	14,065.38
PR Travel	-	3,389.89
Relocation	10,245.05	990,723.74
Remote Hands Service	142,366.30	322,858.80
Robustness Project	28,000.00	28,900.00
Rent & Utilities	64,801.09	270,604.70

CENIC
 COMBINED
 STATEMENTS OF ACTIVITIES
 FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2009

	Current Amount	YTD Amount
Software		
Maintenance	10,423.84	26,348.14
Purchases	1,152.45	129,626.25
Total Software	11,576.29	155,974.39
Supplies & Services:		
Investment Management Fees	14,904.87	59,234.51
Supplies & Subscriptions	11,250.69	93,440.66
Telephone & Services	12,277.43	41,929.36
Shipping	14,052.90	42,300.58
Others	6,185.61	43,481.07
Total Supplies & Services	58,671.50	280,386.18
Training	1,063.25	151,047.22
Travel	61,553.43	200,543.39
University of San Francisco		
Circuit Leased	14,198.63	71,008.81
Colocation	450.00	1,800.00
Equipment Maintenance	482.30	1,929.20
Total University of San Francisco	15,130.93	74,738.01
University of San Diego Campus Connect		
Circuit Leased	8,260.27	36,039.23
Equipment Maintenance	482.30	1,929.20
Total University of San Diego Campus Connect	8,742.57	37,968.43
Wharton West Campus Connect		
Circuits Leased	16,316.79	65,346.28
Colocation	600.00	2,400.00
Equipment Maintenance	964.60	3,858.40
Total Wharton West Campus Connect	17,881.39	71,604.68
TOTAL EXPENSES	14,048,842.50	47,418,227.85
NET LOSS FROM OPERATIONS	(5,540,665.79)	(4,956,991.72)
INVESTMENT INCOME:		
Dividends	4.19	269.15
Interest Income	83,098.73	721,385.89
Net Unrealized Income	9,150.00	5,705.95
TOTAL INVESTMENT INCOME	92,252.92	727,360.99
DECREASE IN NET ASSETS BEFORE CAPITALIZATION	(5,448,412.87)	(4,229,630.73)
Capitalization of Current Year's Equipment Expense - Net		
Capitalized Expense - included in total expenses above	(4,494,933.60)	(10,129,758.44)
Depreciation Expense	1,178,607.93	4,495,341.10
Total Capitalized Expenses - Net	(3,316,325.67)	(5,634,417.34)
CHANGE IN NET ASSETS - UNRESTRICTED	\$ (2,132,087.20)	\$ 1,404,786.61
NET ASSETS - UNRESTRICTED JULY 1, 2008		64,040,927.61
NET ASSETS - UNRESTRICTED JUNE 30, 2009		\$ 65,445,714.22

CENIC
STATEMENTS OF CASH FLOWS
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2009

	Current Amount	YTD Amount
OPERATING ACTIVITIES:		
Change in net assets	\$ (2,132,087.20)	\$ 1,404,786.61
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net change in unrealized gain in investments in bonds	(9,150.00)	(5,705.95)
Depreciation expense	1,178,607.93	4,495,341.10
Loss from investment in National LambdaRail, LLC	10,209.38	159,840.63
Tenant improvement credit amortization	(18,960.80)	(31,601.34)
Gain on disposal of equipment	(148,039.60)	(148,039.60)
Net changes in operating assets and liabilities:		
Accounts receivable	4,907,543.90	1,722,093.53
Interest receivable	15,468.19	81,042.45
Prepaid expenses	806,411.19	572,783.26
Other assets	-	(17,315.23)
Accounts payable and accrued expenses	(1,064,404.55)	(970,820.05)
Deferred revenues	(134,720.83)	5,960,975.86
Net cash provided by operating activities	3,410,877.61	13,223,381.27
INVESTING ACTIVITIES:		
Investment in National LambdaRail, LLC	(300,000.00)	(600,000.00)
Purchases of investments in bonds	(3,571,556.00)	(19,506,104.93)
Proceeds from sales and maturities of investments in bonds	3,607,960.80	21,807,750.33
Purchases of property and equipment	(4,279,127.47)	(9,892,109.47)
Net cash used in investing activities	(4,542,722.67)	(8,190,464.07)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,131,845.06)	5,032,917.20
CASH AND CASH EQUIVALENTS, BEGINNING	16,548,879.02	10,384,116.76
CASH AND CASH EQUIVALENTS, ENDING	\$ 15,417,033.96	\$ 15,417,033.96

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITY:

For the year ended June 30, 2009, CENIC entered into a noncancelable lease agreement in which CENIC received \$417,138 of credits for leasehold improvements from the landlord and broker.

CENIC
STATEMENT OF FINANCIAL POSITION
June 30, 2008

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 10,384,116.76
Accounts Receivable:	
Erate/CTF	6,529,576.81
CCC (ISP)	8,736.00
CCC (CalREN)	1,685,273.09
CSU (ISP)	27,602.00
CSU (CalREN)	18,500.78
CSU (Pass Through)	824,931.77
ICOE	1,607,913.62
Conference	2,500.00
Fiber Channels, Inc.	99,496.25
FIU	35,634.25
Internet2	6,504.99
IRNC Project	266,666.67
Naval Postgraduate School	3,245.20
Nevada System of Higher Ed	838.00
NLR, Inc.	138,612.68
NLR, LLC	246,483.00
Pepperdine	6,609.87
SBC/AT&T	1,690.77
Stanford (ISP)	4,120.00
UC (CalREN)	164,709.84
UC (ISP)	58,486.00
UC (Pass Through)	336,936.75
U of Penn (CalREN)	127,403.32
USC (CalREN)	105,509.34
University of Maine	8,925.00
University of San Diego	4,575.20
University of San Francisco	37,110.80
Washington State University	19,950.00
Various Exchange Income	55,339.50
Verizon	127,001.81
Others	2,262.27
Total Accounts Receivable	12,563,145.58
Interest Receivable - Bonds & Money Market Fund	121,373.05
Prepaid Expenses:	
Abilene Part. Fee	16,000.00
AboveNet	19,491.14
Apple	8,307.94
Cisco	22,878.72
Department of Water and Power	35,100.00
Educause	6,710.00
Electronic Environment	9,136.31
Insurance	86,863.24
QWEST	14,868.00
Rent	22,615.48
SBC	916,649.58
The Quilt	8,000.00
NLR, Inc. Membership	4,110.00
L-3/ Wiltel	91,457.61
University of Southern California	2,306.22
Wire One	18,593.50
Workers Compensation	22,072.54
Others	5,153.86
Total Prepaid Expenses	1,310,314.14

CENIC
STATEMENT OF FINANCIAL POSITION
June 30, 2008

Short Term Investments:		
Investments in Bonds - Wells Fargo	20,016,080.45	
Total Short Term Investments	<u>20,016,080.45</u>	
TOTAL CURRENT ASSETS		44,395,029.98
NONCURRENT ASSETS		
Investment in National LambdaRail, LLC	2,843,436.75	
TOTAL NONCURRENT ASSETS		2,843,436.75
FIXED ASSETS		
Tenant Improvements, net of Accumulated Depreciation of \$153,011.83	13,910.17	
Equipment, net of Accumulated Depreciation of \$24,681,786.19	<u>23,251,101.55</u>	
TOTAL FIXED ASSETS		23,265,011.72
OTHER ASSETS		
Deposit - Others	3,000.00	
Security Deposits	<u>28,775.10</u>	
TOTAL OTHER ASSETS		<u>31,775.10</u>
TOTAL ASSETS		<u>\$ 70,535,253.55</u>

LIABILITIES & NET ASSETS

CURRENT LIABILITIES		
Accounts Payable:		
American Express	9,383.26	
Benny Min	6,175.00	
Butte-Glenn Community College	23,321.48	
Cal-Ore	10,770.76	
Charles Taylor	4,944.00	
Cisco Systems	494,117.69	
Cogent Communications, Inc.	10,000.00	
County of San Francisco	4,387.00	
CSU Trustees	12,453.00	
Dante	30,000.00	
Davis Wright Tremaine	8,593.50	
Expense Reports	23,490.18	
FedEx	4,795.69	
Frontier	20,828.85	
Gordon Schanck	5,000.00	
Grainger	2,509.29	
Jacobs Engineering Group	35,458.99	
John Elliott	8,437.50	
John Ittelson	37,818.01	
Pacific Northwest Gigapop	3,000.00	
Pollack Architecture	14,164.53	
Qwest	29,995.56	
Richard Hintz	14,300.00	
SBC/AT&T	392,693.60	
Stanislawski & Harrison	47,150.00	
Sunesys	1,736,000.00	
SureWest Communications	3,250.00	
Switch and Data	30,692.34	
Techmaster Inc.	11,833.33	
UC Davis - Couch	102,363.33	
Verizon	77,280.82	
L-3/ WiITel	1,457,343.85	
Others	<u>20,813.48</u>	
Total Accounts Payable		4,693,365.04

CENIC
STATEMENT OF FINANCIAL POSITION
June 30, 2008

Accrued Wages/ Salaries	21,689.06	
Accrued Vacation	253,594.83	
Retirement Contribution	515.88	
Security Deposit	4,564.57	
Deferred Revenue:		
Arizona	232,750.00	
CCC	76,842.78	
CSU	506,549.00	
Exchange	88,027.14	
FIU	32,122.59	
JPL	48,800.00	
MBARI	19,750.00	
Nevada System of Higher Ed	112,718.17	
NLR, Inc. - NASA AMES	67,159.99	
Transtelco	33,333.34	
Stanford	19,231.19	
UC	243,003.54	
USC	6,115.86	
University of San Diego	30,842.31	
Others	3,350.65	
Total Deferred Revenue	1,520,596.56	
TOTAL CURRENT LIABILITIES		6,494,325.94
TOTAL LIABILITIES		6,494,325.94
NET ASSETS - UNRESTRICTED		
Unrestricted Fund	64,040,927.61	
TOTAL NET ASSETS - UNRESTRICTED		64,040,927.61
TOTAL LIABILITIES & NET ASSETS		\$ 70,535,253.55

CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2008

<u>UNRESTRICTED</u>	Current Amount	YTD Amount
REVENUES:		
CalREN Charter Network Service Fees		
Caltech	\$ 33,800.00	\$ 135,200.00
CCC	945,401.25	3,781,605.00
CSU	901,156.25	3,604,625.00
JPL	28,824.50	115,298.00
Stanford	70,996.25	283,985.00
UC	885,491.50	3,541,966.00
USC	66,774.50	267,098.00
Total CalREN Charter Network Service Fees	2,932,444.25	11,729,777.00
Charter Associate Fee		
Caltech	8,750.00	35,000.00
CCC	26,250.00	105,000.00
CSU	26,250.00	105,000.00
UC	26,250.00	105,000.00
USC	8,750.00	35,000.00
Stanford	8,750.00	35,000.00
Total Charter Associate Fees	105,000.00	420,000.00
CVS Constituency Fees		
CCC	26,500.00	106,000.00
CSU	11,500.00	46,000.00
UC	4,500.00	18,000.00
Total CVS Constituency Fees	42,500.00	170,000.00
Abilene Participation		
Arizona State University	6,000.00	22,666.67
Caltech	5,500.00	22,000.00
CSU	16,500.00	66,000.00
Claremont Colleges	5,500.00	22,000.00
JPL	5,500.00	22,000.00
Stanford	5,500.00	22,000.00
University of Arizona	5,500.00	22,000.00
UC	55,000.00	220,000.00
USC	5,500.00	22,000.00
Nevada System of Higher Education	16,500.00	66,000.00
Total Abilene Participation	127,000.00	506,666.67
SEGP		
CSU	11,333.36	45,333.50
CCC	11,333.37	45,333.50
Total SEGP	22,666.73	90,667.00
CalREN Network Associate Fees		
Arizona State University	82,500.00	330,000.00
MBARI	19,750.00	79,000.00
University of Arizona	82,500.00	330,000.00
Nevada System of Higher Education	82,500.00	330,000.00
Pepperdine University	13,749.67	51,249.67
University of Pennsylvania	12,500.00	50,000.00
University of San Francisco	13,500.00	54,000.00
University of San Diego	15,750.00	63,000.00
Naval Postgraduate School	82,500.00	330,000.00
NASA - AMES	25,000.00	100,000.00
Total CalREN Network Associate Fees	430,249.67	1,717,249.67

CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2008

	Current Amount	YTD Amount
CalREN Special Services:		
Az Campus Connect	24,250.00	97,000.00
CCC Campus Connect	1,294,782.64	4,977,248.96
CCC Campus Connect - Equipment Replacement	186,000.00	186,000.00
CSU Campus Connect	1,114,157.19	4,298,289.71
K12HSN	3,509,257.99	6,772,680.64
NPS Campus Connect	(3,812.17)	18,697.88
Transit Rail - NOC Support	50,000.00	290,000.00
Pepperdine Campus Connect	27,040.48	56,045.78
San Bernardino CC District	46,818.57	120,642.97
UC Campus Connect	952,814.86	3,445,074.11
Stanford Campus Connect	-	59,499.04
USC Campus Connect	43,729.12	167,381.79
USD Campus Connect	9,146.92	36,047.63
USF Campus Connect	22,975.76	90,531.24
UPENN Campus Connect	18,210.83	72,843.32
Others		
Collocation	36,703.15	146,812.57
Maintenance	6,486.19	25,944.83
	Total Others	172,757.40
Planning Services	64,441.16	274,270.09
Layer One Support - NLR, Inc.	104,300.00	417,200.00
	Total CalREN Special Services	21,552,210.56
CVS Network Service Fees		
CCC	178,644.51	714,578.04
CSU	251,781.00	389,781.00
UC	17,303.57	68,000.00
	Total CVS Network Service Fees	1,172,359.04
CENIC Affiliate Fees	3,541.66	12,166.66
FIU	6,434.25	94,766.32
Teleconnect/Erate Income	1,384,966.83	6,025,716.84
ISP Income:		
CCC	80,247.75	316,592.80
CSU	114,417.75	447,178.80
MBARI	2,014.00	3,404.80
Naval Postgraduate School	3,245.20	12,477.79
Nevada System of Higher Edu.	12,956.75	51,874.80
Pepperdine	5,396.00	22,002.00
Stanford	16,422.00	61,241.40
TransitRail NLR, LLC	22,389.00	243,283.00
UC	200,161.25	760,583.00
University of Pennsylvania	1,140.00	4,560.00
University of San Diego	4,613.20	17,708.00
University of San Francisco	6,217.40	25,270.00
	Total ISP Income	1,966,176.39
Conference Registration	-	31,450.00
Conference Sponsor	-	41,000.00
Exchange Fees		
AARnet	1,500.00	4,600.00
Abilene (Internet2)	5,250.00	21,000.00
Akamai	5,250.00	18,000.00
American Internet Services	1,500.00	6,000.00

**CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2008**

	Current Amount	YTD Amount
CLARA	1,500.00	6,000.00
CUDI	1,500.00	6,000.00
ESNET	5,250.00	21,000.00
ICANN	1,500.00	6,000.00
Google	1,000.00	8,000.00
Interworld	250.00	2,500.00
JGN2PLUS c/o KDDI America, Inc.	6,250.00	6,250.00
Japan Telecom America Inc.	3,000.00	15,250.00
Layer 42 Network	1,500.00	6,000.00
Linkline	-	1,750.00
Los Nettos	5,250.00	21,000.00
Los Nettos - CIIX	1,500.00	6,000.00
Mimos Berhad	1,500.00	6,000.00
National University of Singapore	1,500.00	6,000.00
NLR, Inc.	5,250.00	21,000.00
NLR, Inc./NASA-AMES	5,250.00	21,000.00
Oversee.net	1,500.00	6,000.00
Pacific Interface - CINEGrid	-	3,689.66
Phyber Communications LLC	1,000.00	1,000.00
Qatar	1,500.00	6,000.00
SINET (Japan Telecom)	-	12,750.00
Singaren (AsiaNet.com)	755.00	5,255.00
Slide	1,500.00	4,250.00
Softbank Telecom Corp (SINET)	6,250.00	6,250.00
TANET2	5,250.00	21,000.00
TransPAC	5,250.00	21,000.00
UltraDNS	250.00	2,500.00
UNINET (Hutchison Global Com)	1,500.00	5,250.00
Virgin Radio Limited	1,500.00	6,000.00
WV Fiber	3,000.00	9,000.00
	<u>Total Exchange Fees</u>	<u>84,755.00</u>
		<u>319,294.66</u>
Other Income		
NLR, Inc.	41,130.00	165,630.00
Subtenant Lease	13,693.71	54,774.84
Gain on Disposal of Assets	51,378.14	51,378.14
Miscellaneous	284,182.22	840,943.46
	<u>Total Other Income</u>	<u>390,384.07</u>
		<u>1,112,726.44</u>
TOTAL REVENUES	<u>13,954,194.53</u>	<u>46,962,227.25</u>
EXPENSES:		
Audit Expense	-	31,240.59
Az Campus Connect (UofA & ASU)		
Fiber Maintenance	457.51	9,653.85
Cross Connect	1,650.00	8,350.00
Facility Rental	16,876.56	69,127.58
Equipment Maintenance	1,764.00	7,056.00
	<u>Total Az Campus Connect (UofA & ASU)</u>	<u>20,748.07</u>
		<u>94,187.43</u>
CCC Campus Connect		
Circuit Expense	1,113,747.61	4,366,996.46
Consulting & Project Management	43,175.22	65,175.22
Cross Connect	2,166.00	9,997.33
EGM Services	73,514.50	196,851.90
Equipment Purchases	385,213.33	458,842.62
Equipment Maintenance	67,604.59	270,024.04
	<u>Total CCC Campus Connect</u>	<u>1,685,421.25</u>
		<u>5,367,887.57</u>
Accounting Services	171,135.00	816,627.00
Annual Conference & Workshops	2,862.23	79,153.25
CENIC Personnel		
Recruitment	51,725.00	134,925.00
CENIC Personnel - Other	837,349.42	3,268,384.83
	<u>Total CENIC Personnel</u>	<u>889,074.42</u>
		<u>3,403,309.83</u>

CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2008

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	Current Amount	YTD Amount
Colocation:		
Capital Expenditures	-	33,632.00
Operating Expenses	16,359.23	249,331.79
Facilities Rental	720,361.26	2,573,855.48
Cross Connect	54,929.97	221,871.32
Total Colocation	791,650.46	3,078,690.59
Consulting & Project Management	111,065.00	431,570.84
Special Projects		
Last Mile	21,000.00	60,000.00
Total Special Projects	21,000.00	60,000.00
Contracted Personnel/CENIC Affiliates	13,691.49	189,594.55
CSU Campus Connect		
Fiber Purchases	-	366,553.00
Fiber Maintenance	137,743.39	167,057.75
Fiber - One Time Installation	-	16,500.00
EGM Services	481,491.28	1,913,087.36
Equipment Purchases	37,064.71	60,525.75
Equipment Maintenance	47,493.51	171,974.10
Cross Connect	9,000.00	18,000.00
Colocation	6,240.00	25,760.00
CMS - Circuits Leased	45,855.69	183,091.21
CSU Circuits	344,968.61	1,365,083.79
Project Support	4,300.00	10,656.75
Total CSU Campus Connect	1,114,157.19	4,298,289.71
Equipment:		
DC Refresh Installation	(50,828.16)	760,592.98
Installation	39,766.60	747,714.58
Maintenance	537,056.30	2,176,919.71
Purchases	480,804.04	1,525,269.29
Total Equipment	1,006,798.78	5,210,496.56
Fringe		
Workers' Compensation	6,449.85	23,759.23
Employee Benefits		
Vacation Accrual	3,116.83	57,519.60
Employee Benefits - Other	46,647.42	185,088.03
Total Employee Benefits	49,764.25	242,607.63
Payroll Taxes	65,537.28	245,094.63
Retirement	42,327.26	164,666.62
Total Fringe	164,078.64	676,128.11
Insurance		
Directors & Officers	3,542.55	16,221.07
Property & General Liability	20,543.35	71,125.84
Total Insurance	24,085.90	87,346.91
Interest Expense - BOA	-	3,616.66
Interest Expense - Wells Fargo	4,175.84	4,175.84
Internet2/Abilene		
Connection Fee	120,000.00	480,000.00
Participation Fee		
Arizona State University	6,000.00	22,666.67
Caltech	5,500.00	22,000.00
CSU	16,500.00	66,000.00
JPL	5,500.00	22,000.00
Stanford	5,500.00	22,000.00
University of Arizona	5,500.00	22,000.00
UC	55,000.00	220,000.00
USC	5,500.00	22,000.00
Nevada System of Higher Education	16,500.00	66,000.00
Claremont Colleges	5,500.00	22,000.00
Total Participation Fee	127,000.00	506,666.67

**CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2008**

	Current Amount	YTD Amount
SEGP Fee		
CSU	11,333.36	45,333.50
K12HSN	11,333.25	45,333.00
CCC	11,333.36	45,333.50
Total SEGP Fee	33,999.97	136,000.00
Total Internet2/Abilene	280,999.97	1,122,666.67
ISP Expenses		
Cogent	30,000.00	120,000.00
Level (3)	62,646.80	493,608.90
Qwest	101,810.22	314,112.23
Total ISP Expenses	194,457.02	927,721.13
K12HSN		
Cross Connect	3,738.91	11,682.13
Fiber Purchase	(9,500.00)	19,056.00
Leased Circuits	1,859,127.35	7,509,452.99
Equipment Maintenance	112,155.23	426,242.08
Equipment Purchases	62,291.33	700,095.11
E-Rate Management	35,499.99	141,999.96
Total K12HSN	2,063,312.81	8,808,528.27
Legal Services	9,547.50	44,225.00
Meeting Expenses	6,859.89	33,854.24
Membership & Dues	6,184.75	19,346.41
Naval Postgraduate School		
EGM Services	-	18,109.88
Equipment Maintenance	-	588.00
Total Naval Postgraduate School	-	18,697.88
Pepperdine University		
Circuits Leased	8,907.67	36,534.83
Cross Connect	2,600.00	2,600.00
Equipment Maintenance	1,745.86	3,124.00
Equipment Purchase	13,786.95	13,786.95
Total Pepperdine University	27,040.48	56,045.78
NLR, Inc.		
Membership	250,000.00	1,000,000.00
Total NLR, Inc.	250,000.00	1,000,000.00
National LambdaRail, LLC - K-1 Loss	145,261.23	348,451.83
Network Backbone Infrastructure:		
Leased Circuits	68,139.19	264,718.55
Fiber Purchases	978,407.06	1,304,807.06
Fiber Maintenance	139,218.19	506,539.69
1MB Line	6,850.67	22,383.12
Total Network Backbone Infrastructure	1,192,615.11	2,098,448.42
Peering:		
PAIX	86,600.97	297,303.88
TransitRail	120,000.00	480,000.00
Total Peering	206,600.97	777,303.88
Property Taxes	-	(2,531.62)
Public Relations	-	20,155.70
PR Travel	704.00	2,712.85
Relocation	25,579.48	25,579.48
Remote Hands Service	267,305.80	455,757.35
Rent & Utilities	59,331.63	233,665.13
San Bernardino CC District		
Circuit Leased	24,992.46	98,816.86
Equipment Purchases	21,826.11	21,826.11
Total San Bernardino CC District	46,818.57	120,642.97
Software		
Maintenance	17,150.62	77,146.06
Purchases	-	82.70
Total Software	17,150.62	77,228.76

**CENIC
COMBINED
STATEMENTS OF ACTIVITIES
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2008**

	Current Amount	YTD Amount
Supplies & Services:		
Supplies & Subscriptions	58,227.26	156,067.52
Telephone & Services	12,029.40	39,968.44
Shipping	13,564.35	42,413.71
Others	33,792.77	108,517.64
	<u>117,613.78</u>	<u>346,967.31</u>
Training	1,290.00	144,768.66
Travel	46,172.48	173,273.09
UC Campus Connect:		
Circuit leases	16,179.93	63,301.69
Colocation	5,057.01	16,856.70
Cross Connect	3,649.98	14,599.92
EGM Services	233,515.08	949,278.04
Equipment Purchases	5,663.62	134,500.73
Equipment Maintenance	35,159.76	144,639.10
Fiber Optics Installation	573,500.00	1,736,000.00
Fiber Purchase	9,880.00	96,253.20
Fiber Maintenance	66,409.48	285,844.73
Project Management	3,800.00	3,800.00
	<u>952,814.86</u>	<u>3,445,074.11</u>
USC Campus Connect		
Cross Connect	4,700.00	8,650.00
EGM Services	36,960.81	150,458.49
Equipment Maintenance	2,068.31	8,273.30
	<u>43,729.12</u>	<u>167,381.79</u>
Stanford Campus Connect	-	59,499.04
University of San Francisco		
Circuit leases	22,066.40	86,893.74
Cross Connect	450.00	1,800.00
Equipment Maintenance	459.36	1,837.50
	<u>22,975.76</u>	<u>90,531.24</u>
USD Campus Connect		
Circuit leases	8,687.56	34,210.13
Equipment Maintenance	459.36	1,837.50
	<u>9,146.92</u>	<u>36,047.63</u>
Wharton West Campus Connect		
Equipment Purchases	-	261.69
Equipment Maintenance	1,151.66	4,606.70
Fiber Purchase and Installation	-	(472.44)
Leased Circuits	13,722.33	65,274.79
	<u>14,873.99</u>	<u>69,670.74</u>
TOTAL EXPENSES	<u>12,028,331.01</u>	<u>44,554,029.18</u>
NET REVENUE (LOSS) FROM OPERATIONS	<u>1,925,863.52</u>	<u>2,408,198.07</u>
INVESTMENT INCOME:		
Dividends	126.76	843.05
Interest Income	192,564.88	1,202,775.52
Net Unrealized Loss	(4,367.56)	(7,075.95)
TOTAL INVESTMENT INCOME	<u>188,324.08</u>	<u>1,196,542.62</u>
INCREASE IN NET ASSETS BEFORE CAPITALIZATION	2,114,187.60	3,604,740.69
Capitalization of Equipment Expense - Net		
Capitalized Expense - included in total expenses above	(3,364,850.25)	(6,591,207.22)
Depreciation Expense	1,039,577.47	3,409,992.85
Total Capitalized Equipment Expenses - Net	<u>(2,325,272.78)</u>	<u>(3,181,214.37)</u>
INCREASE IN NET ASSETS - UNRESTRICTED	<u>\$ 4,439,460.38</u>	<u>\$ 6,785,955.06</u>
NET ASSETS - UNRESTRICTED JULY 1, 2007		<u>57,254,972.55</u>
NET ASSETS - UNRESTRICTED JUNE 30, 2008		<u>\$ 64,040,927.61</u>

CENIC
STATEMENTS OF CASH FLOWS
FOR THE ONE QUARTER AND YEAR ENDED JUNE 30, 2008

	Current Amount	YTD Amount
OPERATING ACTIVITIES:		
Change in net assets	\$ 4,439,460.38	\$ 6,785,955.06
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net change in unrealized loss in investments	4,367.56	7,075.95
Amortization of premium on investments in bonds	-	3,215.00
Depreciation expense	1,039,577.47	3,409,992.85
Loan fee amortization	-	531.75
Loss from investment in National LambdaRail, LLC	145,261.23	348,451.83
Net changes in operating assets and liabilities:		
Accounts receivable	1,077,448.23	(731,718.33)
Interest receivable	(7,618.58)	42,013.33
Prepaid expenses	1,497,527.40	368,283.96
Other assets	-	(1,500.00)
Accounts payable and accrued expenses	1,143,555.67	(1,417,795.62)
Deferred revenues	(4,645,879.09)	(1,248,798.37)
Net cash provided by operating activities	4,693,700.27	7,565,707.41
INVESTING ACTIVITIES :		
Redemption of certificate of deposit	-	637,887.79
Investment in National LambdaRail, LLC	-	(575,000.00)
Purchase of investments in bonds	(1,766,481.00)	(12,737,377.24)
Proceeds from sales and maturities of investments	1,699,175.84	13,817,595.84
Purchases of equipment	(3,267,110.19)	(6,493,467.16)
Net cash used in investing activities	(3,334,415.35)	(5,350,360.77)
FINANCING ACTIVITIES:		
Principal repayment on note payable	-	(600,000.00)
Net cash used in financing activities	-	(600,000.00)
INCREASE IN CASH AND CASH EQUIVALENTS	1,359,284.92	1,615,346.64
CASH AND CASH EQUIVALENTS, BEGINNING	9,024,831.84	8,768,770.12
CASH AND CASH EQUIVALENTS, ENDING	\$ 10,384,116.76	\$ 10,384,116.76
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest expense	\$ -	\$ 5,366.66

CVIN, LLC
Balance Sheet
As of December 31, 2009

	Dec 31, 09
ASSETS	
Current Assets	
Checking/Savings	
1130 · Cash - B.A.C.	343,399.08
1140 · UBS Finanacial Services Acct	606,838.95
Total Checking/Savings	950,238.03
Accounts Receivable	
1200 · Accounts Receivable	104,821.43
Total Accounts Receivable	104,821.43
Other Current Assets	
1310 · Prepayments	56,154.65
Total Other Current Assets	56,154.65
Total Current Assets	1,111,214.11
Fixed Assets	
2001 · Organization Expenses	36,240.09
2116 · Other Work Equipment	200,634.38
2150 · SS7 Equipment	440,205.10
3101 · Accumulated Amortization - Org.	-36,240.09
3116 · A/D - Other Work Equipment	-75,742.82
3150 · A/D - SS7 Equipment	-296,502.25
Total Fixed Assets	268,594.41
TOTAL ASSETS	1,379,808.52
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
4010 · Accounts Payable	82,915.44
Total Accounts Payable	82,915.44
Other Current Liabilities	
4040 · Prepaid Rental Income	6,000.00
Total Other Current Liabilities	6,000.00
Total Current Liabilities	88,915.44
Total Liabilities	88,915.44
Equity	
3900 · Retained Earnings	597,225.67
3901 · Retained Earnings Distribution	-200,000.00
4501 · Capital - Calaveras	100,000.00
4502 · Capital - Kerman	100,000.00
4503 · Capital - Stageline	100,000.00
4504 · Capital - Sierra	100,000.00
4505 · Capital - Volcano	100,000.00
4506 · Capital - VarNet	100,000.00
4507 · Capital - Cal-Ore	100,000.00
4508 · Capital - Siskiyou	100,000.00
Net Income	93,667.41
Total Equity	1,290,893.08
TOTAL LIABILITIES & EQUITY	1,379,808.52

CVIN, LLC
Profit & Loss
January through December 2009

	Jan - Dec 09
Ordinary Income/Expense	
Income	
5111 · Base charges - A Links	548,640.00
5114 · LNP Query Charges	1,426.55
5115 · LIDB Transport Charges (QRS)	32.83
5116 · 800 Transport Charges (CSS)	81,913.34
5117 · CLASS Monthly Recurring Charges	90,000.00
5119 · CNAM Query Charges	18,075.32
5120 · Rental Income	22,378.74
Total Income	762,466.78
Cost of Goods Sold	
6111 · Base Charges - A Link Circuits	186,460.22
6112 · Base Charges - ISUP Path MRC	78,765.20
6113 · Base Charge - D Link Circuits	23,299.16
6114 · LNP Queries	1,124.86
6115 · QRS Usage (LIDB Transport)	171.60
6116 · CSS Hubbing (800 Transport)	35,630.32
6117 · TCAP - CLASS MRC	29,002.17
6119 · CNAM Queries	15,444.00
6150 · Pass Through Charges	-25.09
Total COGS	369,872.44
Gross Profit	392,594.34
Expense	
6601 · Contracted Labor	117,815.25
6605 · Travel Expenses	4,053.32
6606 · Business Promotion/Development	678.45
6611 · Postage/Delivery Services	91.11
6612 · Bank Charges	2,583.51
6616 · Equipment/Operations Expense	77,619.69
6617 · Power	5,838.24
6621 · Dues & Subscriptions	400.00
6623 · Accounting	1,820.00
6624 · Insurance	4,547.04
6625 · Depreciation/Amortization	110,216.64
6627 · Telephone	4,804.29
6629 · Rent - Equipment Space	9,260.00
6645 · Meals	938.05
6649 · Property Taxes	885.97
6650 · Franchise Fee/Gross Receipt Tax	5,800.00
6651 · Office Equipment/Supplies	707.35
6666 · Miscellaneous	68.49
Total Expense	348,127.40
Net Ordinary Income	44,466.94
Other Income/Expense	
Other Income	
5900 · Interest Income - B.A.C.	2,162.30
5910 · Dividend Income	16,683.53
5930 · Change in Value of Investments	30,354.64
Total Other Income	49,200.47
Net Other Income	49,200.47
Net Income	93,667.41

CVIN, LLC
Statement of Cash Flows
January through December 2009

	<u>Jan - Dec 09</u>
OPERATING ACTIVITIES	
Net Income	93,667.41
Adjustments to reconcile Net Income to net cash provided by operations:	
1200 · Accounts Receivable	-768.89
1310 · Prepayments	0.03
4010 · Accounts Payable	75,559.94
Net cash provided by Operating Activities	<u>168,458.49</u>
INVESTING ACTIVITIES	
2116 · Other Work Equipment	1,184.20
3116 · A/D - Other Work Equipment	18,795.64
3150 · A/D - SS7 Equipment	88,041.00
Net cash provided by Investing Activities	<u>108,020.84</u>
FINANCING ACTIVITIES	
3901 · Retained Earnings Distribution	-100,000.00
Net cash provided by Financing Activities	<u>-100,000.00</u>
Net cash increase for period	176,479.33
Cash at beginning of period	<u>773,758.70</u>
Cash at end of period	<u><u>950,238.03</u></u>

CVIN, LLC
Balance Sheet
 As of December 31, 2008

	Dec 31, 08
ASSETS	
Current Assets	
Checking/Savings	
1130 · Cash - B.A.C.	211,974.41
1140 · UBS Finanacial Services Acct	561,784.29
Total Checking/Savings	773,758.70
Accounts Receivable	
1200 · Accounts Receivable	104,052.54
Total Accounts Receivable	104,052.54
Other Current Assets	
1310 · Prepayments	56,154.68
Total Other Current Assets	56,154.68
Total Current Assets	933,965.92
Fixed Assets	
2001 · Organization Expenses	36,240.09
2116 · Other Work Equipment	201,818.58
2150 · SS7 Equipment	440,205.10
3101 · Accumulated Amortization - Org.	-36,240.09
3116 · A/D - Other Work Equipment	-56,947.18
3150 · A/D - SS7 Equipment	-208,461.25
Total Fixed Assets	376,615.25
TOTAL ASSETS	1,310,581.17
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
4010 · Accounts Payable	7,355.50
Total Accounts Payable	7,355.50
Other Current Liabilities	
4040 · Prepaid Rental Income	6,000.00
Total Other Current Liabilities	6,000.00
Total Current Liabilities	13,355.50
Total Liabilities	13,355.50
Equity	
3900 · Retained Earnings	569,918.03
3901 · Retained Earnings Distribution	-100,000.00
4501 · Capital - Calaveras	100,000.00
4502 · Capital - Kerman	100,000.00
4503 · Capital - Stageline	100,000.00
4504 · Capital - Sierra	100,000.00
4505 · Capital - Volcano	100,000.00
4506 · Capital - VarNet	100,000.00
4507 · Capital - Cal-Ore	100,000.00
4508 · Capital - Siskiyou	100,000.00
Net Income	27,307.64
Total Equity	1,297,225.67
TOTAL LIABILITIES & EQUITY	1,310,581.17

CVIN, LLC
Profit & Loss
January through December 2008












	Jan - Dec 08
Ordinary Income/Expense	
Income	
5111 · Base charges - A Links	548,640.00
5114 · LNP Query Charges	1,487.26
5115 · LIDB Transport Charges (QRS)	37.14
5116 · 800 Transport Charges (CSS)	90,317.48
5117 · CLASS Monthly Recurring Charges	90,000.00
5119 · CNAM Query Charges	18,800.89
5120 · Rental Income	22,163.94
Total Income	771,446.71
Cost of Goods Sold	
6111 · Base Charges - A Link Circuits	185,095.17
6112 · Base Charges - ISUP Path MRC	81,075.33
6113 · Base Charge - D Link Circuits	23,097.36
6114 · LNP Queries	1,123.02
6115 · QRS Usage (LIDB Transport)	99.35
6116 · CSS Hubbing (800 Transport)	36,209.52
6117 · TCAP - CLASS MRC	30,854.33
6119 · CNAM Queries	16,570.17
6150 · Pass Through Charges	-25.74
Total COGS	374,098.51
Gross Profit	397,348.20
Expense	
6601 · Contracted Labor	4,855.50
6601.1 · Contracted Labor pd by Cal Tel	82,526.53
6602 · Taxes/Overheads- Contract Labor	32,702.18
6605 · Travel Expenses	5,084.90
6606 · Business Promotion/Development	1,144.93
6611 · Postage/Delivery Services	132.25
6612 · Bank Charges	600.00
6616 · Equipment/Operations Expense	77,699.94
6617 · Power	5,551.86
6621 · Dues & Subscriptions	600.00
6623 · Accounting	1,300.00
6624 · Insurance	4,531.00
6625 · Depreciation/Amortization	109,866.72
6627 · Telephone	5,080.05
6629 · Rent - Equipment Space	9,220.00
6640 · Meeting Expenses	265.00
6641 · Training	1,945.00
6645 · Meals	1,254.05
6649 · Property Taxes	909.25
6650 · Franchise Fee/Gross Receipt Tax	3,300.00
6651 · Office Equipment/Supplies	656.68
6666 · Miscellaneous	1,139.78
Total Expense	350,365.62
Net Ordinary Income	46,982.58
Other Income/Expense	
Other Income	
5900 · Interest Income - B.A.C.	2,267.97
5905 · Investment Interest Income	515.70
5910 · Dividend Income	17,516.88
5930 · Change in Value of Investments	-39,975.49
Total Other Income	-19,674.94
Net Other Income	-19,674.94
Net Income	27,307.64

CVIN, LLC
Statement of Cash Flows
January through December 2008

	<u>Jan - Dec 08</u>
OPERATING ACTIVITIES	
Net Income	27,307.64
Adjustments to reconcile Net Income to net cash provided by operations:	
1200 · Accounts Receivable	-43,456.68
1310 · Prepayments	-53,064.04
4010 · Accounts Payable	9,847.99
Net cash provided by Operating Activities	<u>-59,365.09</u>
INVESTING ACTIVITIES	
3101 · Accumulated Amortization - Org.	0.02
3116 · A/D - Other Work Equipment	21,825.70
3150 · A/D - SS7 Equipment	88,041.00
Net cash provided by Investing Activities	<u>109,866.72</u>
FINANCING ACTIVITIES	
3900 · Retained Earnings	-2,500.00
3901 · Retained Earnings Distribution	-100,000.00
Net cash provided by Financing Activities	<u>-102,500.00</u>
Net cash increase for period	-51,998.37
Cash at beginning of period	825,757.07
Cash at end of period	<u><u>773,758.70</u></u>

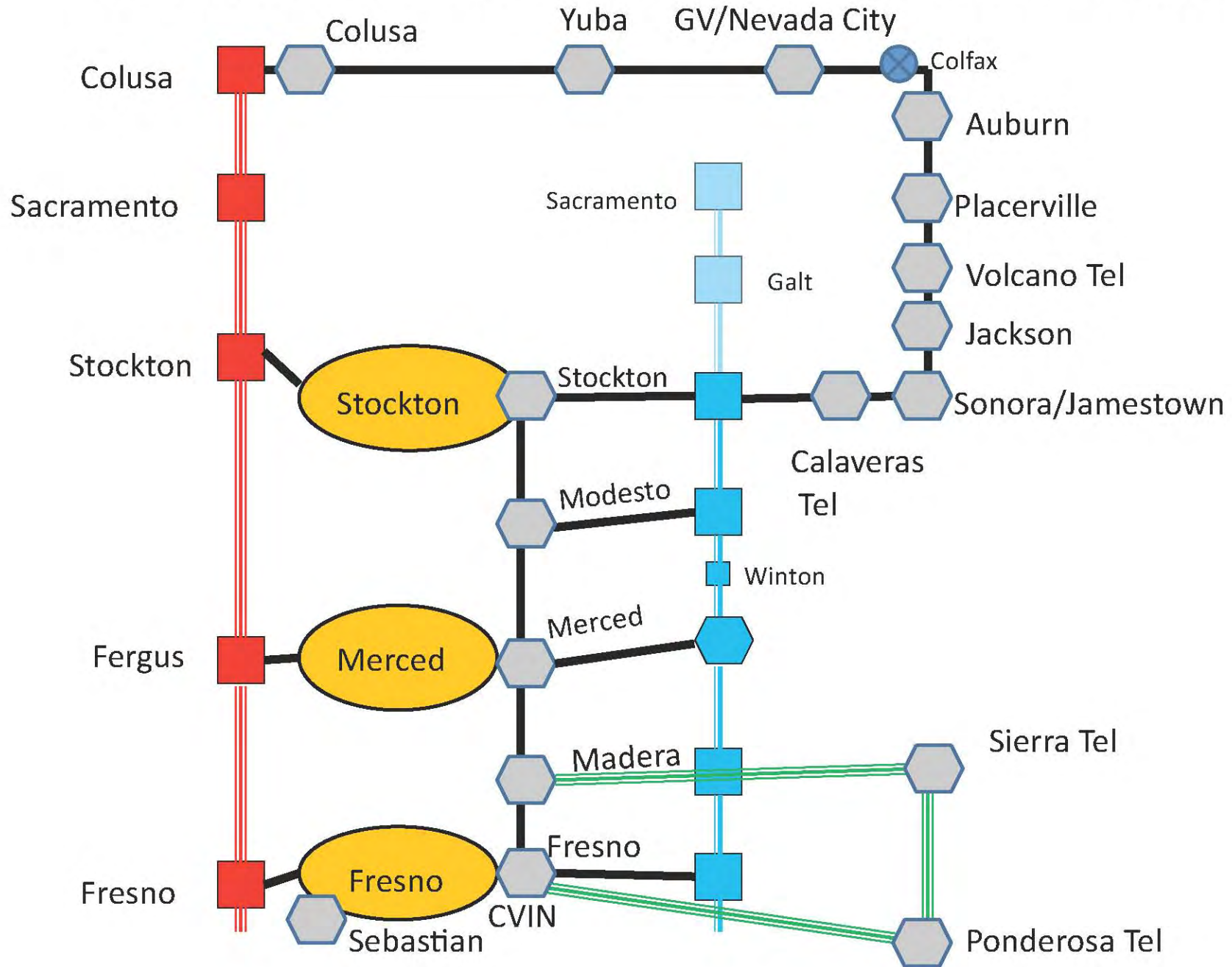
CVIN – CENIC BTOP ROUND 2 NETWORK TOPOLOGY

Legend:

-  Current CENIC Backbone Hubs & fiber on Level 3 facilities
-  Existing CENIC fiber route [2 dark strands] on legacy WiTel route
-  New CVIN inter—city fiber cable and equipment enclosures
-  New CVIN metropolitan fiber ring
-  Manhole fiber access with spliced interconnection
-  Sierra Telephone Fiber
-  County Office Of Education K12HSN hub site
-  California Community College
-  California State University Campus
-  Main (County) public Library
-  County OES connection point

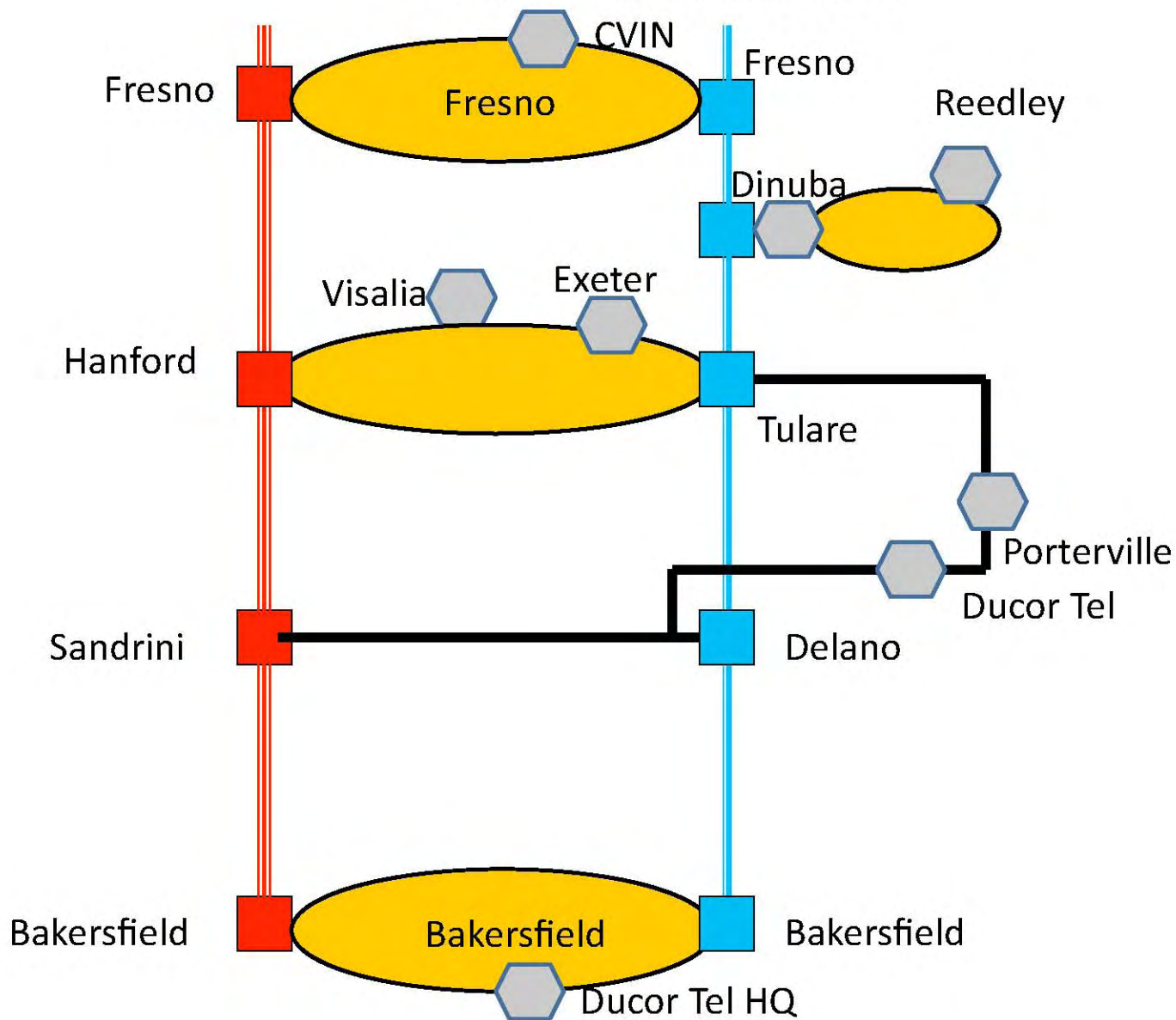
“2 X (3) GE” indicates that the number of (sites) will each have two GE waves to diverse CalREN hub sites going in opposite directions around the path shown in blue dashed lines

Round 2 Backbone Interconnections Colusa - Fresno



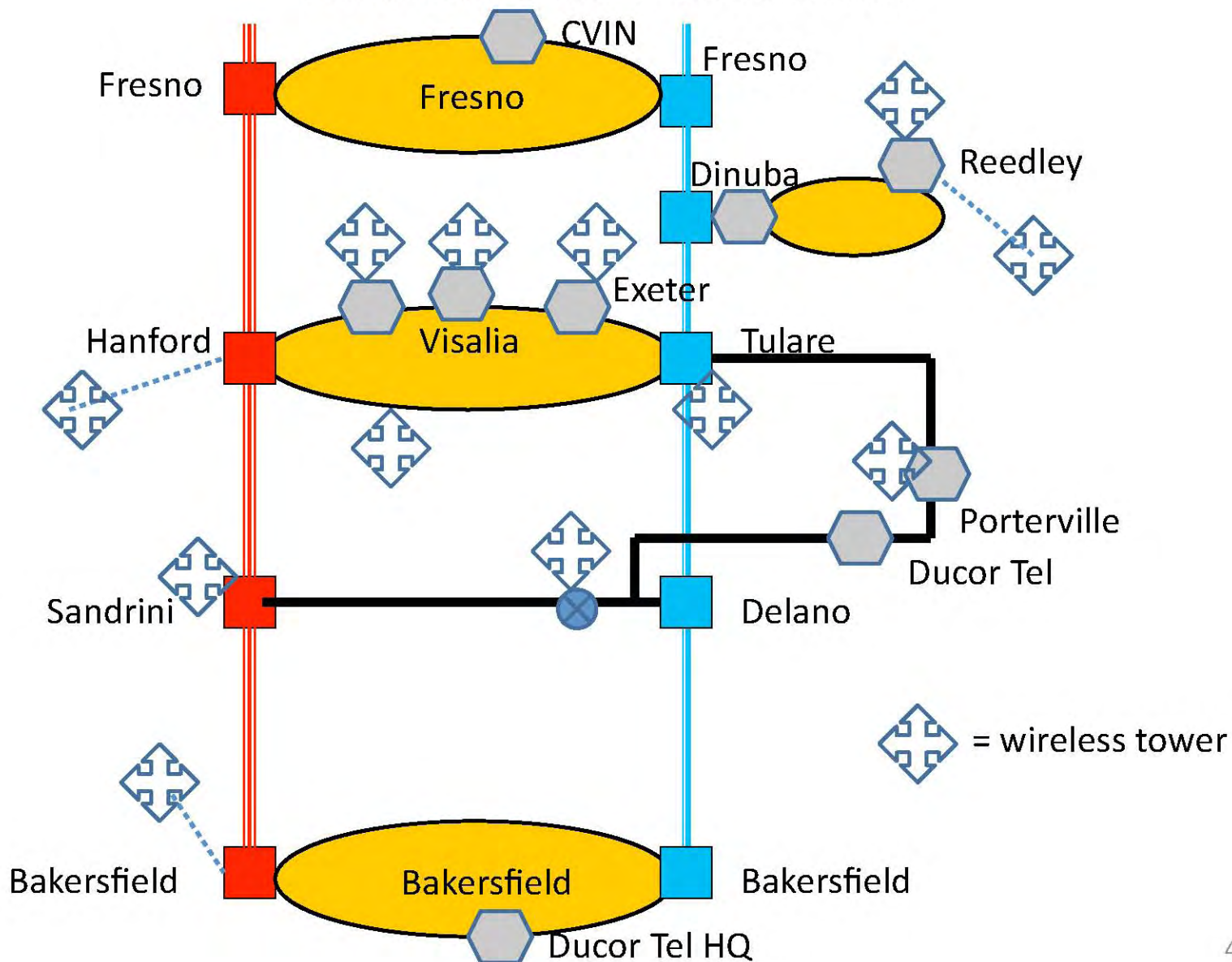
Round 2 Backbone Interconnections

Fresno - Bakersfield

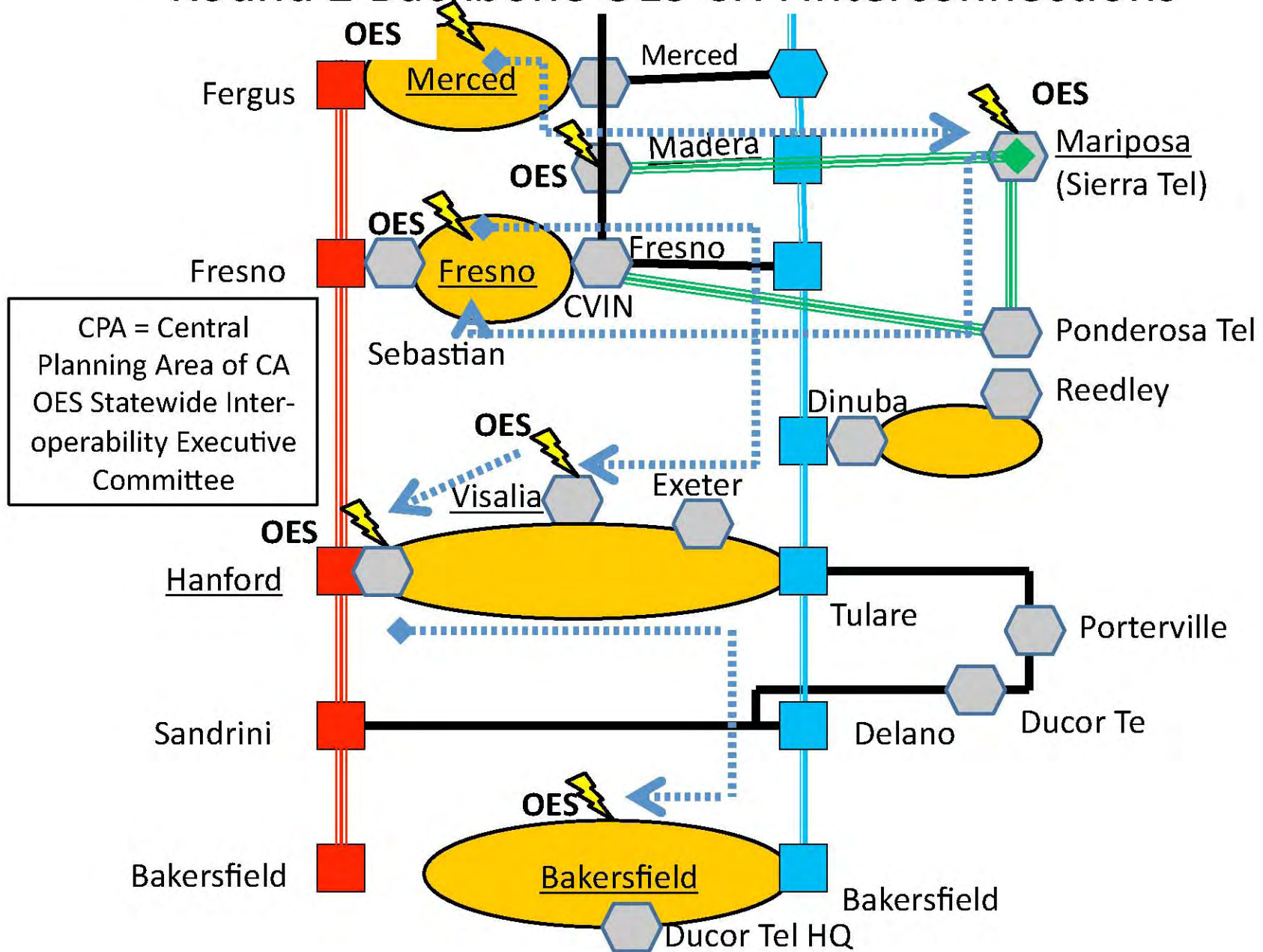


Round 2 Backbone Interconnections

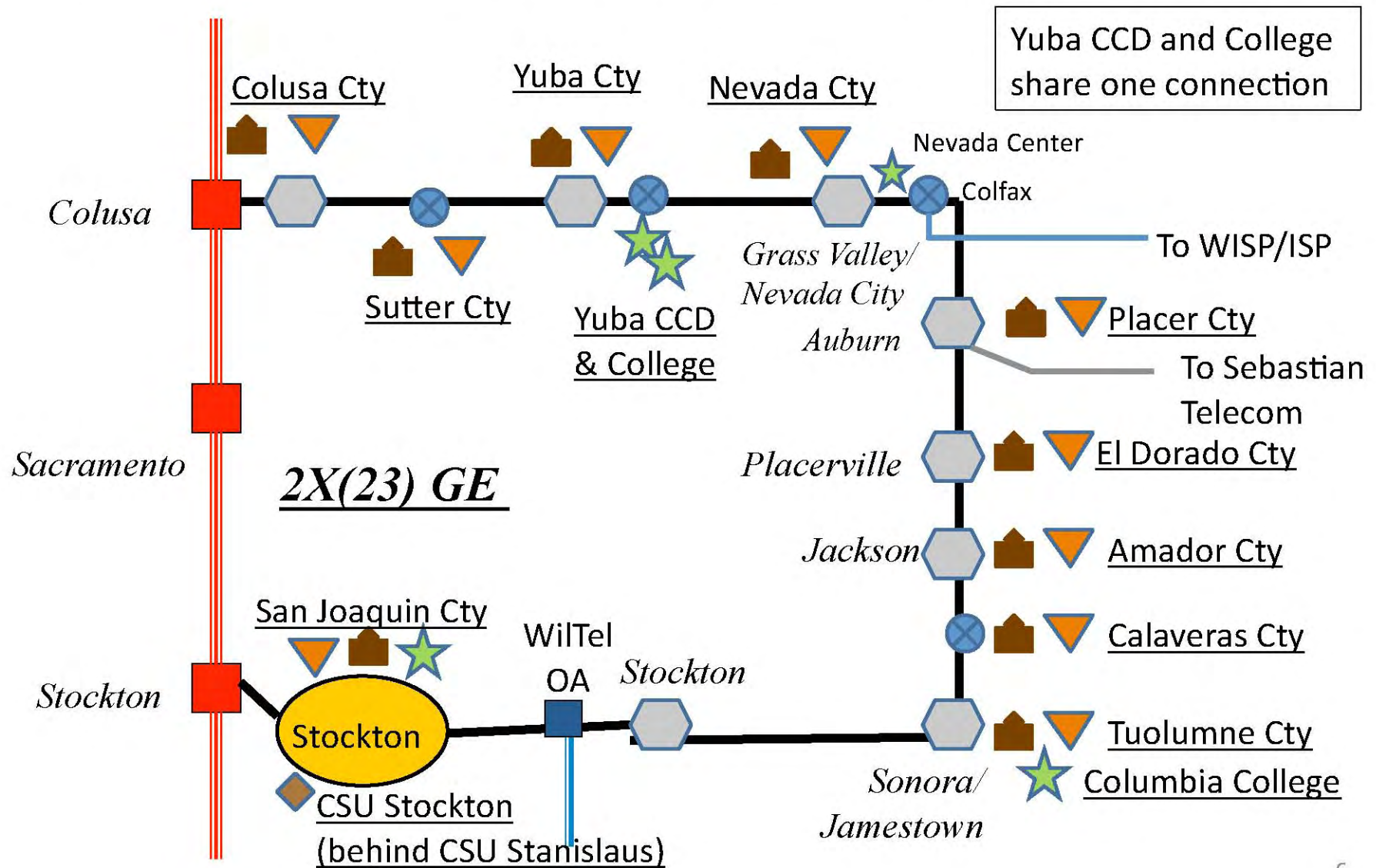
Last Mile Wireless Nodes



Round 2 Backbone OES CPA Interconnections

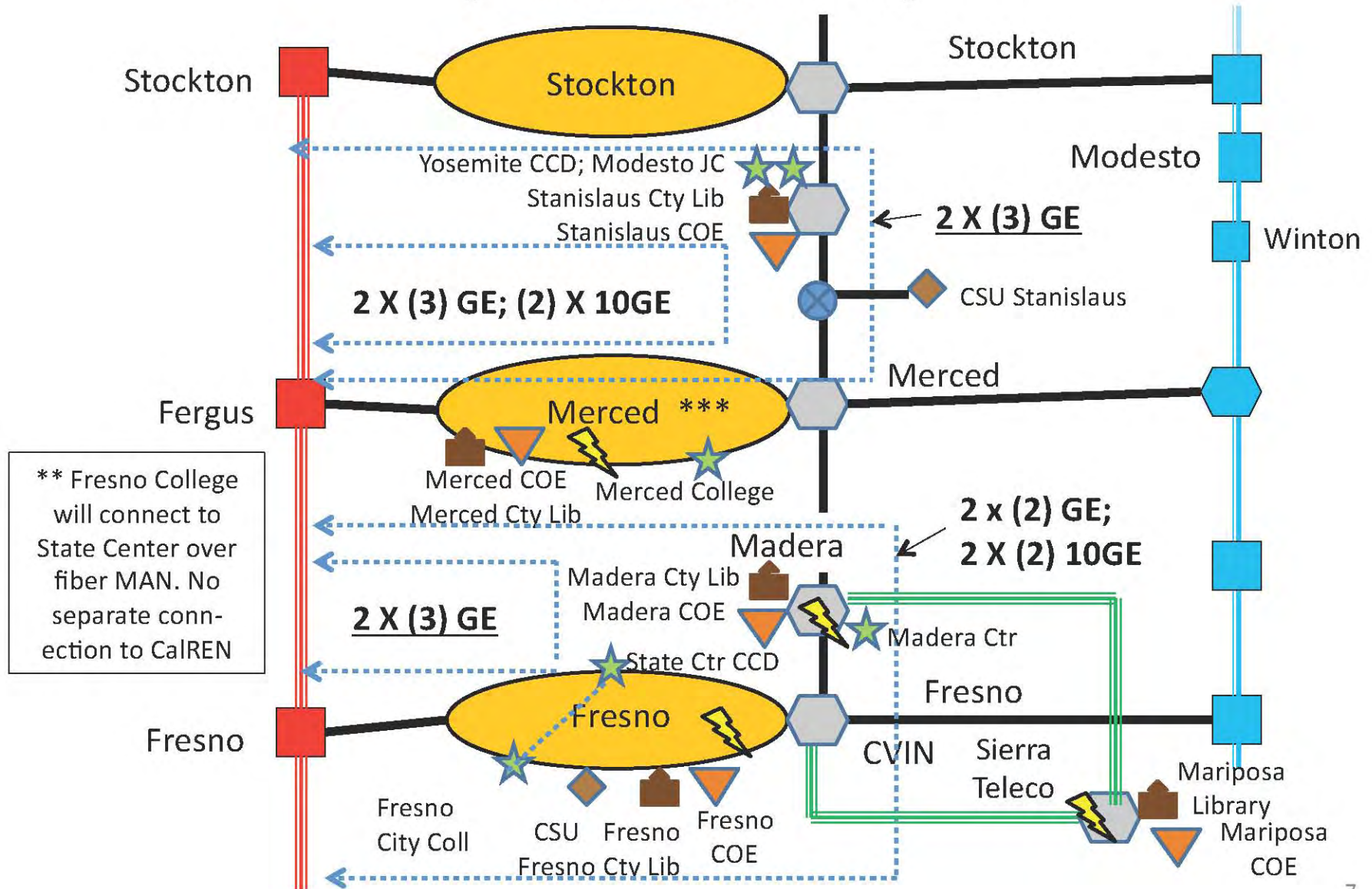


Round 2 Colusa-Stockton Ring [Nevada Center not lit]



Round 2 Stockton --Merced – Fresno Rings

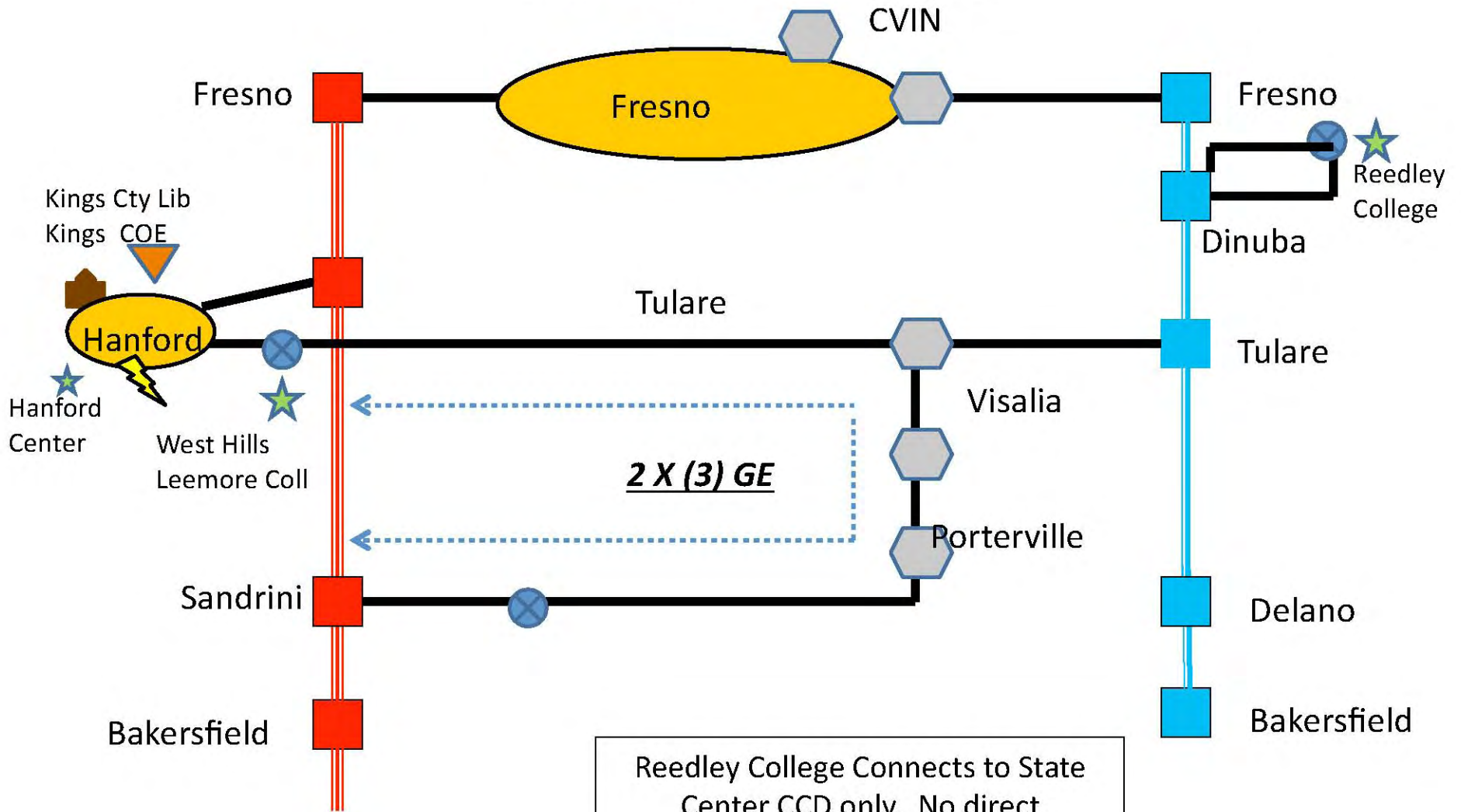
[Madera Center not lit]



** Fresno College will connect to State Center over fiber MAN. No separate connection to CalREN

Round 2 Hanford – Sandrini part 1

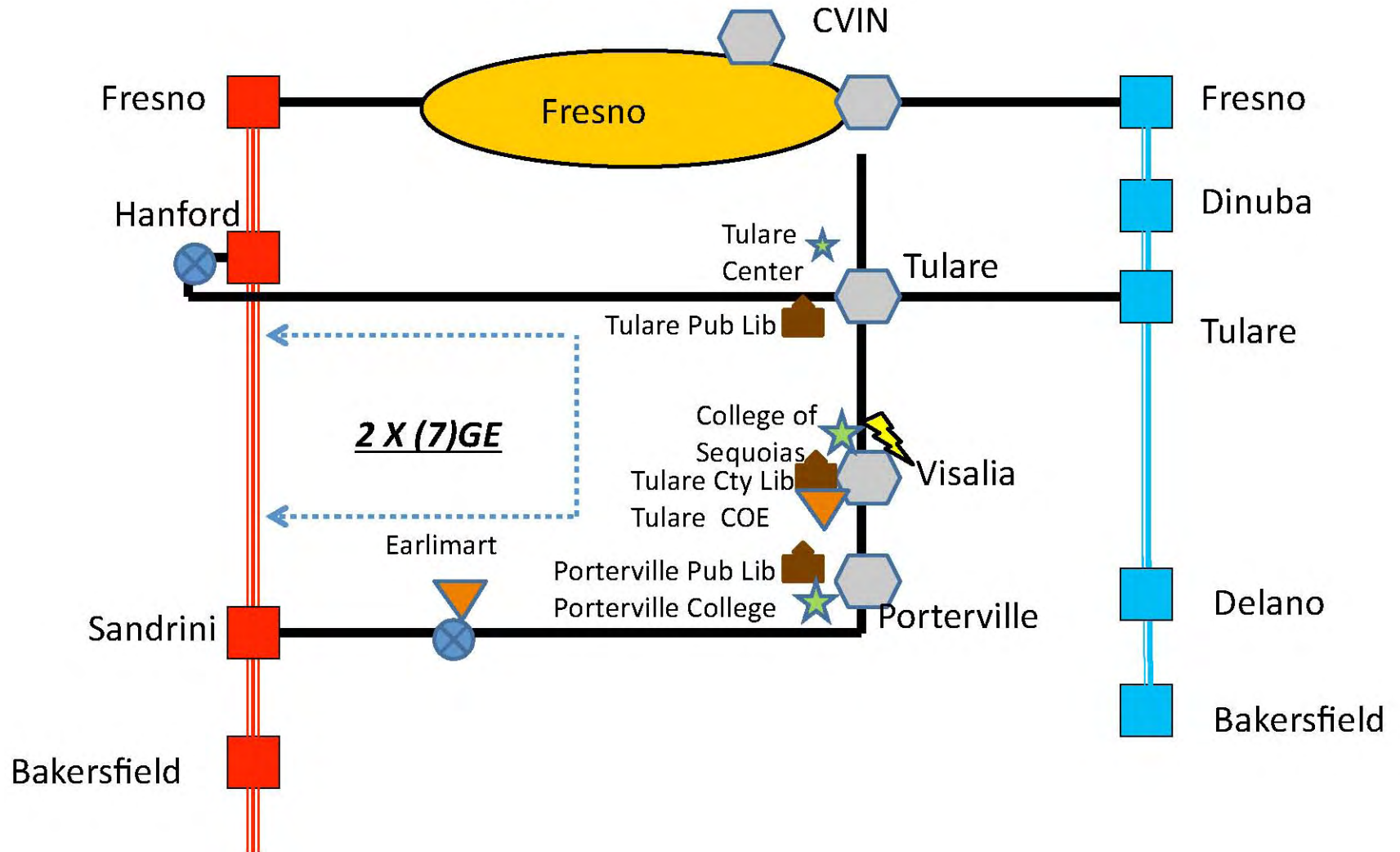
[Hanford Center not lit]



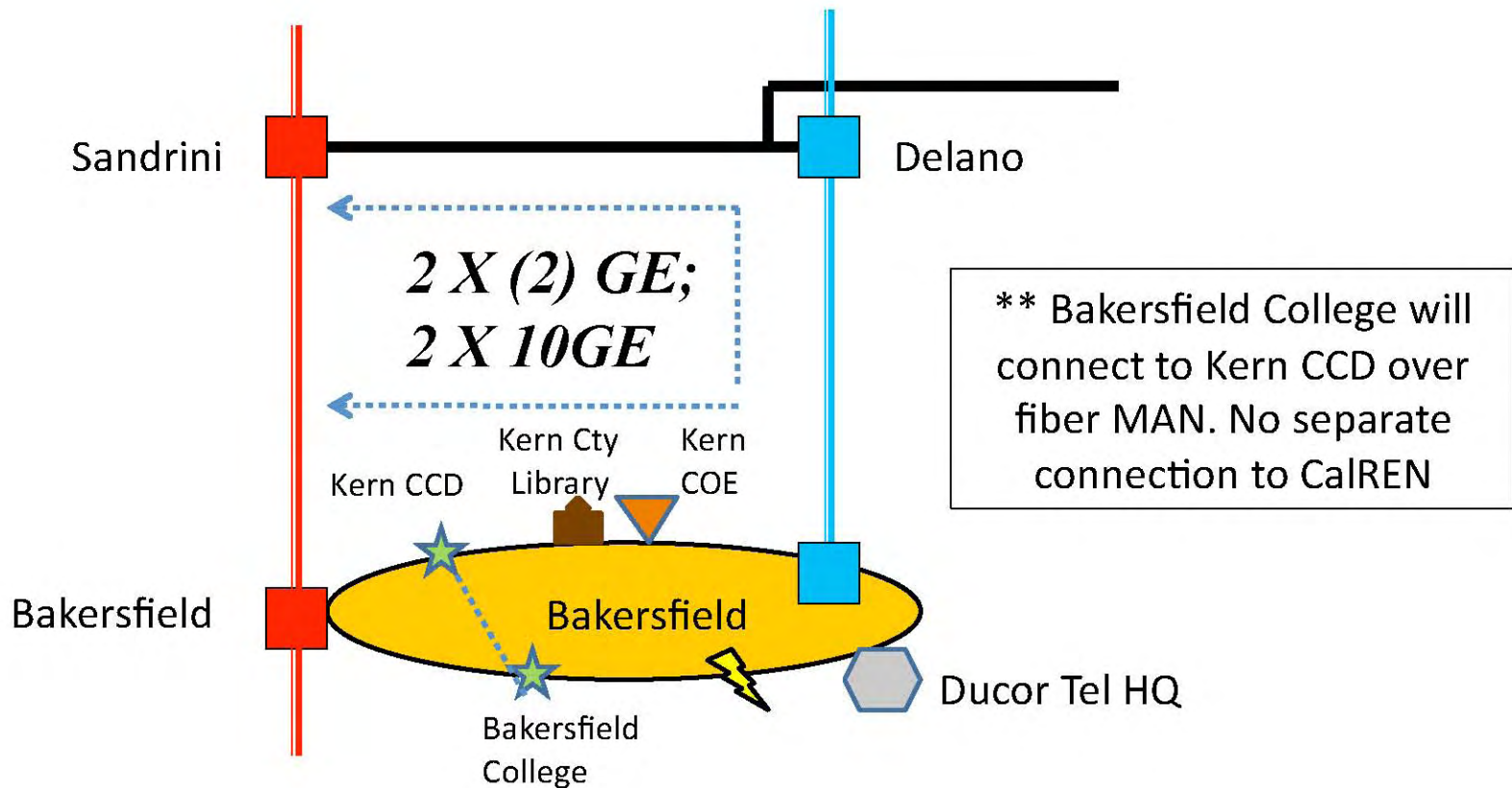
Reedley College Connects to State Center CCD only. No direct connection to CalREN.

Round 2 Hanford – Sandrini part 2

[Tulare Center not lit]



Round 2: Bakersfield – Sandrini Ring



BTOP Comprehensive Community Infrastructure Subscriber Estimates Template

Please complete the complete the Subscriber Estimates worksheet.

All applicants should indicate their 8-year subscriber forecasts with a breakdown by type of subscriber (residential/individual, businesses, community anchor institutions, third party service providers) and service offerings. The names of the service offerings should match those provided in the Service Offering and Competitor Data attachment, enabling reviewers to easily cross-reference between the two documents. The Year 0 column should be used to denote any existing customers within the Proposed Funded Service Area. In addition, applicants that project that they will have third party service provider customers should include a line for parties "Served by Third Party Service Providers," showing an estimate of how many residential/individual, community anchor institution, and business customers will be served by those providers, as demonstrated in the example below. At the bottom of the table, applicants should provide customer totals across all service offerings, with and without customers indirectly served through a third party service provider (if applicable). Applicants should also include a brief discussion of their methodology for deriving these estimates.

In contrast to several other attachment templates in this application, the data provided via this template will NOT be subject to automated processing. Applicants are permitted to modify the template layout to provide the most effective presentation of the data for their specific project, but such modifications are generally discouraged. Applicants should, in any case, ensure that they provide at least as much data as the provided templates requires. To the extent that you modify these templates, please ensure that the table layouts are adjusted so that rows do not break across pages in a manner that will be difficult to understand. It is recommended that you provide these documents in PDF format when submitting a copy of your application on an appropriate electronic medium, such as a DVD, CD-ROM, or flash drive.

EXAMPLE

Name of Service Offering	Customer Type	Year 0	Cumulative/ Net Add	
				Qtr 1
Mega-Metro E - 100 Mbps	Community Anchor Inst.	0	Cumulative	0
			Net Add	0
	Business	0	Cumulative	0
			Net Add	0
	Third Party Service Provider	0	Cumulative	0
			Net Add	0
Served by Third Party Service Providers	Indirect - Res./Ind.	0	Cumulative	0
			Net Add	0
	Indirect - Business	0	Cumulative	0
			Net Add	0
	Indirect - Com. Anchor Inst.	0	Cumulative	0
			Net Add	0

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Year 1			Year 2			
Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
0	0	0	5	10	17	26
0	0	0	5	5	7	9
0	0	0	12	27	52	82
0	0	0	12	15	25	30
0	0	0	1	2	4	6
0	0	0	1	1	2	2
0	0	0	1000	3000	5000	10000
0	0	0	1000	2000	2000	5000
0	0	0	2	8	18	30
0	0	0	2	6	10	12
0	0	0	0	2	3	5
0	0	0	0	2	1	2

Broadband Subscriber Estimate

Name of Service Offering	Customer Type	Year 0	Cumulative/ Net Add	Year	
				Qtr 1	Qtr 2
Wireless 5 Mbps	Residential/Individual		Cumulative	179	359
			Net Add	185	185
Wireless 5 Mbps	Business		Cumulative	25	50
			Net Add	25	25
1-10 GigE	Community Anchor Inst.	31	Cumulative		12
			Net Add	6.00	6.00
50Mbps - 1GigE (fiber connect)	Business		Cumulative	7	16
			Net Add	9	9
1-10GigE	Third Party Service Provider		Cumulative	10	20
			Net Add	10	10
	Indirect - Res./Ind.		Cumulative	27004	27272
			Net Add	267	270
	Indirect - Business		Cumulative	3069	3099
			Net Add	30	31
	Indirect - Com. Anchor Inst.		Cumulative	614	620
			Net Add	6	6
			Cumulative		
			Net Add		
			Total	179	359
			Total	32	66
	Business		Total	0	12
			Total		
Cumulative Totals (excluding Indirect)	Third Party Service Provider		Total	9.75	19.5
	Residential/Individual		Total	27,184	27,630
	Business		Total	3,101	3,165
	Community Anchor Inst.		Total	614	632
Cumulative Totals (including Indirect)	Residential/Individual		Total		
	Business		Total		
	Community Anchor Inst.		Total		

Table of Customer Types

Residential/Individual
Business
Community Anchor Inst.
Third Party Service Provider
Indirect - Res./Ind.
Indirect - Business

Explanation of Methodology

Name of Service Offering	Customer Type	Year 0	Cumulative/ Net Add	Year	
				Qtr 1	Qtr 2
	Indirect - Com. Anchor Inst.				

Name of Service Offering	Customer Type	Year 1		Year 2		
		Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
Wireless 5 Mbps	Residential/Individual	533	702	865	1,024	1,178
		185	185	185	185	185
Wireless 5 Mbps	Business	73	96	119	140	161
		25	25	25	25	25
1-10 GigE	Community Anchor Inst.	18	24	31.5	39	46.5
		6.00	6.00	7.50	7.50	7.50
50Mbps - 1GigE (fiber connect)	Business	25	34	43	52	61
		9	9	9	9	9
1-10GigE	Third Party Service Provider	29	39	44	50	55
	Indirect - Res./Ind.	10	10	5	5	5
		27542	30895	34250	37639	41061
	Indirect - Business	3353	3355	3389	3422	3456
		3302	3506	3713	3921	4132
	Indirect - Com. Anchor Inst.	202	204	206	209	211
		626	632	638	645	651
		6	6	6	6	6
		533	702	865	1,024	1,178
	Business	99	131	162	193	222
		18	24	31.5	39	46.5
Cumulative Totals (excluding Indirect)	Third Party Service Provider	29.25	39	44.25	49.5	54.75
	Residential/Individual	28,075	31,596	35,115	38,663	42,240
	Business	3,400	3,637	3,875	4,114	4,354
	Community Anchor Inst.	644	656	670	684	698
Cumulative Totals (including Indirect)	Residential/Individual					
	Business					
	Community Anchor Inst.					

Table of Customer Types

- Residential/Individual
 Business
 Community Anchor Inst.
 Third Party Service Provider
 Indirect - Res./Ind.
 Indirect - Business

Name of Service Offering	Customer Type	Year 1		Year 2		
		Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
	Indirect - Com. Anchor Inst.					

Name of Service Offering	Customer Type	Year 3				
		Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Wireless 5 Mbps	Residential/Individual	1,328	1,473	1,613	1,750	1,882
		185	185	185	185	185
Wireless 5 Mbps	Business	182	201	221	239	257
		25	25	25	25	25
1-10 GigE	Community Anchor Inst.	54	54	54	54	54
		7.50				
50Mbps - 1GigE (fiber connect)	Business	70	76	82	88	94
		9	6	6	6	6
1-10GigE	Third Party Service Provider	60	64	68	71	75
	Indirect - Res./Ind.	5	4	4	4	4
		44518	48008	51534	55094	58689
	Indirect - Business	3491	3525	3560	3595	3631
		4345	4560	4777	4996	5217
	Indirect - Com. Anchor Inst.	213	215	217	219	221
		658	664	671	677	684
		6	7	7	7	7
		1,328	1,473	1,613	1,750	1,882
	Business	252	278	303	327	351
		54	54	54	54	54
Cumulative Totals (excluding Indirect)	Third Party Service Provider	60	63.75	67.5	71.25	75
	Residential/Individual	45,845	49,481	53,147	56,843	60,571
	Business	4,597	4,837	5,079	5,323	5,569
	Community Anchor Inst.	712	718	725	731	738
Cumulative Totals (including Indirect)	Residential/Individual					
	Business					
	Community Anchor Inst.					

Table of Customer Types

- Residential/Individual
- Business
- Community Anchor Inst.
- Third Party Service Provider
- Indirect - Res./Ind.
- Indirect - Business

Name of Service Offering	Customer Type	Year 3				
		Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
	Indirect - Com. Anchor Inst.					

Name of Service Offering	Customer Type	Year 4				
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
Wireless 5 Mbps	Residential/Individual	1,997	2,109	2,217	2,322	2,424
		172	172	172	172	172
Wireless 5 Mbps	Business	273	288	303	317	331
		23	23	23	23	23
1-10 GigE	Community Anchor Inst.	54	54	54	54	54
50Mbps - 1GigE (fiber connect)	Business	100	106	112	118	124
		6	6	6	6	6
1-10GigE	Third Party Service Provider	79	83	86	90	93
	Indirect - Res./Ind.	4	4	4	4	3
		62320	65987	69690	73430	77207
	Indirect - Business	3667	3703	3740	3777	3814
		5441	5667	5895	6125	6358
	Indirect - Com. Anchor Inst.	224	226	228	230	233
		691	698	705	712	719
		7	7	7	7	7
		1,997	2,109	2,217	2,322	2,424
	Business	373	394	415	435	455
		54	54	54	54	54
Cumulative Totals (excluding Indirect)	Third Party Service Provider	78.75	82.5	86.25	90	93
	Residential/Individual	64,317	68,096	71,907	75,752	79,631
	Business	5,814	6,061	6,310	6,560	6,813
	Community Anchor Inst.	745	752	759	766	773
Cumulative Totals (including Indirect)	Residential/Individual					
	Business					
	Community Anchor Inst.					

Table of Customer Types

- Residential/Individual
- Business
- Community Anchor Inst.
- Third Party Service Provider
- Indirect - Res./Ind.
- Indirect - Business

Name of Service Offering	Customer Type	Year 4				
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
	Indirect - Com. Anchor Inst.					

Name of Service Offering	Customer Type	Year 5			Year 6	
		Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
Wireless 5 Mbps	Residential/Individual	2,523	2,619	2,712	2,802	2,890
		172	172	172	172	172
Wireless 5 Mbps	Business	344	358	370	383	394
		23	23	23	23	23
1-10 GigE	Community Anchor Inst.	54	54	54	54	54
50Mbps - 1GigE (fiber connect)	Business	130	136	142	148	154
		6	6	6	6	6
1-10GigE	Third Party Service Provider	96	99	102	104	105
	Indirect - Res./Ind.	3	3	3	2	2
		81021	84873	88763	92692	96660
	Indirect - Business	3852	3890	3929	3968	4007
		6593	6830	7070	7312	7557
	Indirect - Com. Anchor Inst.	235	237	240	242	245
		726	733	740	747	755
		7	7	7	7	7
		2,523	2,619	2,712	2,802	2,890
	Business	475	494	512	531	549
		54	54	54	54	54
Cumulative Totals (excluding Indirect)	Third Party Service Provider	96	99	102	103.5	105
	Residential/Individual	83,544	87,492	91,475	95,494	99,549
	Business	7,067	7,324	7,582	7,843	8,105
	Community Anchor Inst.	780	787	794	801	809
Cumulative Totals (including Indirect)	Residential/Individual					
	Business					
	Community Anchor Inst.					

Table of Customer Types

Residential/Individual
Business
Community Anchor Inst.
Third Party Service Provider
Indirect - Res./Ind.
Indirect - Business

Name of Service Offering	Customer Type	Year 5			Year 6	
		Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
	Indirect - Com. Anchor Inst.					

Name of Service Offering	Customer Type	Year 6		Year 7		
		Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
Wireless 5 Mbps	Residential/Individual	2,975	3,057	3,097	3,136	3,174
		172	172	132	132	132
Wireless 5 Mbps	Business	406	417	423	428	433
		23	23	18	18	18
1-10 GigE	Community Anchor Inst.	54	54	54	54	54
50Mbps - 1GigE (fiber connect)	Business	160	166	172	178	184
		6	6	6	6	6
1-10GigE	Third Party Service Provider	107	108	109	110	110
	Indirect - Res./Ind.	2	2	1	1	1
		100667	104713	108800	112927	117095
	Indirect - Business	4047	4087	4127	4168	4209
		7804	8053	8305	8559	8816
	Indirect - Com. Anchor Inst.	247	249	252	254	257
		762	770	778	785	793
		7	8	8	8	8
		2,975	3,057	3,097	3,136	3,174
	Business	566	583	595	606	617
		54	54	54	54	54
Cumulative Totals (excluding Indirect)	Third Party Service Provider	106.5	108	108.75	109.5	110.25
	Residential/Individual	103,641	107,770	111,897	116,063	120,269
	Business	8,370	8,636	8,900	9,166	9,434
	Community Anchor Inst.	816	824	832	839	847
Cumulative Totals (including Indirect)	Residential/Individual					
	Business					
	Community Anchor Inst.					

Table of Customer Types

Residential/Individual
Business
Community Anchor Inst.
Third Party Service Provider
Indirect - Res./Ind.
Indirect - Business

Name of Service Offering	Customer Type	Year 6		Year 7		
		Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
	Indirect - Com. Anchor Inst.					

Name of Service Offering	Customer Type	Year 8				
		Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Wireless 5 Mbps	Residential/Individual	3,211	3,247	3,281	3,315	3,347
		132	132	132	132	132
Wireless 5 Mbps	Business	438	443	448	452	457
		18	18	18	18	18
1-10 GigE	Community Anchor Inst.	54	54	54	54	54
50Mbps - 1GigE (fiber connect)	Business	190	193	196	199	202
		6	3	3	3	3
1-10GigE	Third Party Service Provider	111	112	113	113	114
	Indirect - Res./Ind.	1	1	1	1	1
		121304	125555	129848	134184	138562
	Indirect - Business	4251	4293	4336	4378	4422
		9076	9338	9603	9870	10141
	Indirect - Com. Anchor Inst.	260	262	265	267	270
		801	809	817	825	833
		8	8	8	8	8
		3,211	3,247	3,281	3,315	3,347
	Business	628	636	644	652	659
		54	54	54	54	54
Cumulative Totals (excluding Indirect)	Third Party Service Provider	111	111.75	112.5	113.25	114
	Residential/Individual	124,515	128,802	133,130	137,499	141,910
	Business	9,704	9,974	10,247	10,522	10,800
	Community Anchor Inst.	855	863	871	879	887
Cumulative Totals (including Indirect)	Residential/Individual					
	Business					
	Community Anchor Inst.					

Table of Customer Types

Residential/Individual
Business
Community Anchor Inst.
Third Party Service Provider
Indirect - Res./Ind.
Indirect - Business

Name of Service Offering	Customer Type	Year 8				
		Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
	Indirect - Com. Anchor Inst.					

Name of Service Offering	Customer Type	Year 0
Wireless 14 Mbps	Residential/Individual	
Wireless 14 Mbps	Business	
1-10 GigE	Community Anchor Inst.	31
100Mbps - 1GigE (fiber connect)	Business	
1-10GigE	Third Party Service Provider	
	Indirect - Res./Ind.	26737
	Indirect - Business	3038
	Indirect - Com. Anchor Inst.	608
Cumulative Totals (excluding Indirect)	Residential/Individual	
	Business	
	Community Anchor Inst.	
	Third Party Service Provider	
Cumulative Totals (including Indirect)	Residential/Individual	
	Business	
	Community Anchor Inst.	

Table of Customer Types

Residential/Individual
Business
Community Anchor Inst.
Third Party Service Provider
Indirect - Res./Ind.
Indirect - Business
Indirect - Com. Anchor Inst.

Indirect Subscriber Projections		
		88%
		Res
Sebastian	4,400	3872
Ducor	183	161
CalTel	1,900	1672
Volcano	6,500	5,720
Sierra	9,600	8,448
Ponderosa	4,000	3,520
Cal Ore	1,800	1,584
Siskiyou	2,000	1,760
WISP	25,000	22,000
WeCare Grant #6078	4,000	3520
Nevada County Grant #6145	25,000	22,000
Totals	84,383	74,257

Cumulative/Net Add	Year 1				Year 2			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Cumulative	179	359	533	702	865	1,024	1,178	1,328
Net Add	185	185	185	185	185	185	185	185
Cumulative	25	50	73	96	119	140	161	182
Net Add	25	25	25	25	25	25	25	25
Cumulative		12	18	24	31.5	39	46.5	54
Net Add	6.00	6.00	6.00	6.00	7.50	7.50	7.50	7.50
Cumulative	7	16	25	34	43	52	61	70
Net Add	9	9	9	9	9	9	9	9
Cumulative	10	20	29	39	44	50	55	60
Net Add	10	10	10	10	5	5	5	5
Cumulative	27004	27272	27542	31209	34879	38585	42328	46108
Net Add	267	270	3667	3670	3706	3743	3780	3818
Cumulative	3069	3099	3516	3937	4362	4791	5225	5663
Net Add	30	31	417	421	425	429	434	438
Cumulative	614	620	626	632	638	645	651	658
Net Add	6	6	6	6	6	6	6	6
Cumulative								
Net Add								
Total	179	359	533	702	865	1,024	1,178	1,328
Total	32	66	99	131	162	193	222	252
Total	0	12	18	24	31.5	39	46.5	54
Total	9.75	19.5	29.25	39	44.25	49.5	54.75	60
Total	27,184	27,630	28,075	31,910	35,744	39,609	43,506	47,436
Total	3,101	3,165	3,615	4,068	4,524	4,984	5,447	5,915
Total	614	632	644	656	670	684	698	712

Explanation of Methodology:

-Residential wireless assumes subscriber growth of 62 per month in years 1,2,3 then 5: years 7 and 8. 12% annual churn or 1% per month is factored into the cumulative subs of the 13,335 un-served and underserved households in the Fresno, Kings, Kern, and T

-Business (Wireless Customers) assumes 25 per quarter through year 3, 23 per quarter annual churn or 1% per month is factored into the cumulative subscribers. This repres within the un-served and underserved area.

-CENIC currently provides services to 31 of the proposed anchor institutions. These sei copper. These circuits offer limited speeds. 29 additional Anchor institutions will be a month in vear two. Once these connection have been established in vear 2. there is no

model.

- We have projected 202 businesses along the fiber route will be connected and purchase 40,000 businesses within 1/2 mile of the proposed fiber route.

-The third party provider category includes two customer types. First, Traditional Last Providers (WISP), ISP customers (including the eight member companies of CVIN account customers, 3038 business, and 608 anchor institutions), and several of the complimentary application. The CVIN customer base grows at a rate of 1% per quarter or 4% per year services will also be provided. We have projected adding 83 sites over the eight year subscriber projection for cellular backhaul services as it is difficult to estimate.

	10%	2%	100%
Business	Anchor		
	440	88	4400
	18	4	183
	190	38	1900
	650	130	6,500
	960	192	9,600
	400	80	4,000
	180	36	1,800
	200	40	2,000
	2,500	500	25,000
	400	80	4000
	2,500	500	25,000
	8,438	1,688	84,383

Year 3				Year 4				Year 5	
Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
1,473	1,613	1,750	1,882	1,997	2,109	2,217	2,322	2,424	2,523
185	185	185	185	172	172	172	172	172	172
201	221	239	257	273	288	303	317	331	344
25	25	25	25	23	23	23	23	23	23
54	54	54	54	54	54	54	54	54	54
76	82	88	94	100	106	112	118	124	130
6	6	6	6	6	6	6	6	6	6
64	68	71	75	79	83	86	90	93	96
4	4	4	4	4	4	4	4	3	3
49926	53781	57675	61607	65578	69588	73638	77728	78465	79242
3855	3894	3932	3971	4010	4050	4090	736	777	785
6105	6552	7003	7459	7919	8384	8854	9328	9421	9516
442	447	451	456	460	465	470	474	93	94
664	671	677	684	691	698	705	712	719	726
7	7	7	7	7	7	7	7	7	7
1,473	1,613	1,750	1,882	1,997	2,109	2,217	2,322	2,424	2,523
278	303	327	351	373	394	415	435	455	475
54	54	54	54	54	54	54	54	54	54
63.75	67.5	71.25	75	78.75	82.5	86.25	90	93	96
51,398	55,394	59,424	63,489	67,575	71,697	75,855	80,051	80,889	81,765
6,383	6,855	7,331	7,810	8,292	8,779	9,269	9,763	9,877	9,990
718	725	731	738	745	752	759	766	773	780

7 per month in years 4,5,6 and 44 per month in subscribers. This represents a penetration rate of 25% of the 1,150 business footprint.

in year 4,5,6, and 18 per quarter in 7 & 8. 12% represents a 38% penetration of the 1,150 businesses

services are provided through leased circuits over added at a rate of 6 per month in year 1 and 9 per month in year 2. No additional subscriber growth projected in the

ase services ranging from 50Mbps to 1GigE. There

mile providers such as Wireless Internet Service
nting for the 26,736 existing residential
try grant applications as referenced in our
r throughout the plan. Second, cellular backhaul
business plan. We did not calculate an indirect

Year 5		Year 6				Year 7			
Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
2,619	2,712	2,802	2,890	2,975	3,057	3,097	3,136	3,174	3,211
172	172	172	172	172	172	132	132	132	132
358	370	383	394	406	417	423	428	433	438
23	23	23	23	23	23	18	18	18	18
54	54	54	54	54	54	54	54	54	54
136	142	148	154	160	166	172	178	184	190
6	6	6	6	6	6	6	6	6	6
99	102	104	105	107	108	109	110	110	111
3	3	2	2	2	2	1	1	1	1
80027	80819	81619	82427	83244	84068	84900	85741	86590	87447
792	800	808	816	824	832	841	849	857	866
9611	9707	9804	9902	10001	10101	10202	10304	10407	10511
95	96	97	98	99	100	101	102	103	104
733	740	747	755	762	770	778	785	793	801
7	7	7	7	7	8	8	8	8	8
2,619	2,712	2,802	2,890	2,975	3,057	3,097	3,136	3,174	3,211
494	512	531	549	566	583	595	606	617	628
54	54	54	54	54	54	54	54	54	54
99	102	103.5	105	106.5	108	108.75	109.5	110.25	111
82,646	83,531	84,422	85,317	86,218	87,125	87,998	88,877	89,764	90,659
10,104	10,219	10,335	10,451	10,567	10,684	10,797	10,910	11,024	11,140
787	794	801	809	816	824	832	839	847	855

Year 8			
Qtr 1	Qtr 2	Qtr 3	Qtr 4
3,247	3,281	3,315	3,347
132	132	132	132
443	448	452	457
18	18	18	18
54	54	54	54
193	196	199	202
3	3	3	3
112	113	113	114
1	1	1	1
88313	89188	90071	90963
874	883	892	901
10616	10722	10830	10938
105	106	107	108
809	817	825	833
8	8	8	8
3,247	3,281	3,315	3,347
636	644	652	659
54	54	54	54
111.75	112.5	113.25	114
91,560	92,469	93,386	94,310
11,252	11,366	11,481	11,597
863	871	879	887

Mitchell L. Drake

mdrake@sebastiancorp.com

Areas of Expertise

- *Executive Leadership* ® *Customer Service* ® *Network Management*
- *Engineering & Operations* ® *Technology* ® *Regulatory & Government compliance*
- *Business Plan Development* ® *P & L Management*

Professional Experience

SEBASTIAN —Kerman, Ca 2005 - Current Vice President of Operations, Foresthill & Kerman Telephone, General Manager Kerman

Responsible for day-to-day operations for over 10,000 access lines, two digital switches, and over 100 network nodes connected by copper and fiber optic distribution facilities. Responsibilities include managing capital and operating expense budgets, IS/IT, billing and customer records systems, and distribution networks. Currently manage 55 employees, and one Network Operations Center (NOC). Project work includes: IPTV network integration/content management, Fiber to the Home (FTTH), long-haul fiber distribution, and connecting company relations (AT&T, Sprint, Verizon). Have full-time GM responsibilities at Kerman Telephone that include community involvement and service clubs. Currently serve on the Board of Directors of the Kerman Chamber of Commerce and Rotary Club. Other duties include managing culture, participate with strategic direction, and provide leadership development to future leaders.

Other Positions Held

Assistant Regional Vice President, West Region – Citizens Communications 2003-2005

This leadership role was responsible for developing strategic direction, and driving growth in customer acquisition and revenue in an ever-increasing rural competitive market in eight western states. Ultimate P&L responsibility for 430,000 customers in eight states which represented \$480 million in annual revenue, with EBITDA in excess of 60%. Had responsibility for 870 employees that included the following direct reports: three State Vice Presidents, Vice President of Sales, Dir. Regulatory and Govt. affairs, Dir. Customer Care, Dir. of Plant Service Center, Dir. of Business Operations., Dir. of Engineering, Dir. of H/R, and one Marketing Manager. Accomplishments include year-over-year growth in revenue and customer base. Managed \$150M Capital Budget. Other duties included the role of Managing General Partner for Mohave Wireless, located in Northwestern Arizona. This small cellular business had 16,000 customers that accounted for \$12 million in annual revenue.

Citizens Communications, Redding, Ca. - State VP, NW Territory (N.Cal/Ore.) 2000-2003

Full P&L responsibility for California/Oregon markets (Palo Cedro, Burney, Susanville, Myrtle Creek). Had direct responsibility for 190 employees, \$180 million in annual revenue, and 150,000 customers. This leadership role was responsible for managing the day-to-day business which included driving customer and revenue growth, customer satisfaction, and regulatory compliance. This role ensured strategic direction was accomplished. Accomplishments include increasing year-over-year EBITDA from 36% to 68% in a five-year period, accomplished a \$9M expense reduction by combining network assets from acquisitions, and negotiated and constructed a north state fiber optic network. While at this position my team successfully negotiated two IBEW 1245 Collective Bargaining agreements.

Education and Affiliations

BS/IS Degree, 2008

Currently Serve on Board of Governors for Central Valley Intelligent Network

Actively serving on Kerman Chamber of Commerce and Rotary Board of Directors

Actively serving on the California Telephone Association Board of Directors

Served on the Board of Directors for the Elk Grove, California Chamber of Commerce

KIRBY SMITH

Calaveras Telephone Co.
209-785-2211 kirby@caltel.com

DIRECTOR OF FINANCE & MARKETING

Management experience: overseeing financial operations of small ILEC [incumbent local exchange carrier]. Identify financial and growth opportunities to grow business. Strong general and P&L management skills.

Strengths:

- **Leadership** – Successfully guided company through stressful USAC audits and CPUC rate case.
 - **Team Building** – Assisted network manager in deploying IPTV. Hired outside consultant to obtain programming for new start-up launch. Coordinated regional consortium broadband grant effort involving three other companies.
 - **Administrator** – Assisted with development of a new Human Resources Dept., and prepared and deployed an effective employee evaluation system.
 - **Marketing** – Led effort to put in place bundled service offerings as first step in creating a more market driven enterprise. Established Marketing Dept. with two staffers and coordinated use of outside consultant.
-
-

PROFESSIONAL EXPERIENCE

TELECOM CONSULTING SERVICE: 1995-1996 and 2000-2005

President

Operated national telecom consulting firm, with clients from Florida to Guam. Provided RUS engineering services to telecom clients, and prepared and won distance learning or telemedicine grants for dozens of school districts and medical providers.

Performed specialized consulting services for Cooper, White & Cooper, a San Francisco based national telecom law firm.

ASSOCIATED COMMUNICATIONS & RESEARCH SERVICES, INC.: 1997-1999,
Oklahoma City

Vice President, Western Region

Launched Western Regional office of Mid-West firm, recruited West Coast clients, secured tower options in Washington state, assisted deployment of Michigan office, and performed management functions.

RURAL UTILITIES SERVICE, USDA: 1971-1995

General Field Representative

Served as financial and engineering field agent for Federal agency, with successful approval and oversight of over \$300 million of telecom construction projects. Chaired statewide USDA committee, conducted management audits, inspected telecom construction, and performed customer on-site loop tests for quality assurance.

EDUCATION

Masters Public Administration, California State University of Sacramento, 1979

Bachelors Degree in Liberal Arts, University of Minnesota, 1968

James T. Lowers

[REDACTED]
[REDACTED] jtlowers@sisqtel.net

PROFESSIONAL EXPERIENCE

2000 to present

President and Chief Financial Officer – Siskiyou Telephone Company

1990-2000

Vice President and Chief Financial Officer – Siskiyou Telephone Company

1985-1990

Controller – Siskiyou Telephone Company

1980-1985

Controller – Scio Mutual Telephone Association

EDUCATION

Oregon State University

MBA & BS degree in Accounting.

AFFILIATIONS

Chairman, CalCom Small Telephone Company Committee

Member, CalCom Regulatory Committee

Member, CalCom Legislative Committee

Member, CalCom Tariff Committee

Member, CITC Lobbying Group

Board of Governors, CVIN LLC

Experience

July 2009 - Present Operations Manager

- Responsible for 162 Sierra Telephone employees across eight departments
- Responsible for all functions and operations

June 2001 - July 2009 Central Office Network Manager

- Chart a strategy to deploy fiber deeper into our network
- Responsible for broadband deployment
- Short and long term planning for Sierra Telephone's PSTN
- Direct Central Office Engineering

January 1998 - June 2001 Fiber Optics/Transmission Supervisor

- Directing a course for upgrading our Telephone Network
- Responsible for seven employees
- Authorize work orders and timesheets
- Train employees from safety to testing special access circuits

March 1995 - January 1998 Central Office - Engineer

- Forecast future telephone network needs.
- Advise on Special Service Design.
- Oversee and purchase for OC-48 BLSR fiber optic network.
- Oversee and purchase Tellabs Titan 5500s 3/1 digital cross connect.

June 1989 - March 1995 Central Office - Transmissions

- Migrate all of our D3 channel banks (including back to back) to a 1/0 digital cross connect and D4 type channel banks.
- Responsible for analog and digital special services, from service requests, engineering, planning, design, to installation and troubleshooting.
- Review and design diverse routing for DS1's to minimize service outages which includes extensive work with T1's, M13 multiplexers (radio and fiber based) and SONET based equipment.
- Purchase materials needed via work orders.
- Central Office engineering, upon request.
- Assist dispatch and Customer Service with customer questions.
- Prepare for future services i.e. ISDN, Switch 56.
- Oversee department upon supervisors request.
- Work with Customer Service, Outside Plant Engineering, Assignment and Operator Services.

May 1988 - June 1989 Outside Plant Engineer

- Create work orders for the placement of new facilities, remotes and cable reinforcements.
- Co-engineered Mariposa Backbone Project.
- Assist Assignment in drawing up cuts.
- Worked on as builds, schematics and staking sheets.
- Created work orders for wreck outs and retirements.

July 1979 - May 1988 Installation and Repair

- Installed and repaired Special Services.
- Installed and repaired S6, S6A, S6B, Add-a-line carrier systems.
- Installed and repaired pots lines.
- Installed and repaired 1A key systems.
- Completed cuts and cable throws.
- Dispatched and assigned service orders.
- Worked with Centralized Toll Investigation on toll fraud.

August 1977 - July 1979 Construction

- Buried cable using several pieces of equipment including D-5 bulldozer, R65, R-40, Davis 700 trenchers and road bores.
- Aerial work including hanging open wire, figure-8 and cable.

PROFESSIONAL EXPERIENCE

2006-Present - Executive Vice President – Ducor Telephone Company, VarComm, Inc., Varnet, Inc, and Gateway Collision Center, Inc.

Current duties for Ducor Telephone Company include accounts administration, human resources, network and switching systems design and construction, corporate administration, and regulatory and legal oversight.

Current duties for VarComm, Inc., which is the parent corporation for Ducor Telephone Company and all of its affiliates, includes all aspects of financial administration, corporate strategies and planning, investment management, and all general administration.

Current duties for Varnet, Inc., include financial administration and planning, investment management, commercial property lease management and construction of lease properties, planning and deploying I.S.P. Networks including DSL broadband.

Current duties for Gateway Collision Center, Inc. include regulatory and permitting compliance for all aspects of auto-body repair and painting, upper level management and administration, and financial oversight.

1997-2006 – Senior Vice President - Ducor Telephone Company, VarComm, Inc., and Varnet, Inc.

1993-1997 – Executive Vice President – Ducor Telephone Company, VarComm, Inc., and Varnet, Inc.

1988-1993 – Vice President – Ducor Telephone Company and VarComm, Inc., its parent Corporation.

1984-1988 – Outside Plant Technician, and Switching Services Repair and Maintenance Technician – Ducor Telephone Company.

1980-1984 – Switching maintenance and repair – General Telephone Company.

1978-1980 – Hydraulic Systems Assemblyman, and Sales.

1976-1978 – Machinist/Welder – P.T.O. Sales.

1974-1976 – Machinist/Welder – H.S. Watson Company.

1973 – Gearbox Assemblyman – H.S. Watson Company.

EDUCATION

Fullerton Junior College

Studies focused on electronics, electronic theory, and mathematics

California State University, Bakersfield

Studies in business, accounting, telecommunication switching and fiber optic administration

Eric G. Wolfe 3/9/10 8:13 PM

Deleted: Other

AFFILIATIONS

Board Member – VarComm, Inc., Varnet, Inc., Gateway Collision Center

Board Member – CVIN, LLC

Board Member – CalCom, a California telephone company trade association

Member – CalCom Legislative, Regulatory, and Small Company Committees

Member - California Independent Telephone Company Committee, which is a legislative watch-dog group for the small California telephone companies.

Education

Brigham Young University

Bachelor of Arts - Economics

Colorado State University

Master of Business Administration

U.S. Navy

Nuclear Power Program with training in Nuclear Physics, Advanced Mathematics, Chemistry, Materials Science, and Reactor Technology

Telecommunications Experience

- Telecommunication Software Services Consultant; 1983-1985
- Cal-Ore Telephone Co Controller; 1985-1993
- Cal-Ore Telephone Co General Manager; 1993-2005
- Cal-Ore Telephone Co President/General Manager; 2005-Present

Affiliations

- Board Member California Communications Association
- Board Member Central Valley Independent Networks
- Prior Board and Exec Committee Member Washington-Oregon Wireless
- Board Member Pacific Crest Federal Credit Union

Skills

- Thirty-Five years financial, organization and business management
- Twenty-Seven years telecommunications experience
- Responsible for the leadership, development and overall financial and business operation of Cal-Ore

Earl D. Bishop

earlb@volcanotel.com

PROFESSIONAL EXPERIENCE

January 2000 to present

Chief Financial Officer - Volcano Communications Group

As Chief financial Officer of the Volcano Communications Group oversees the financial, regulatory and financing for all subsidiaries which include an operating rural independent telephone company, a cable television company, an internet company, an investment company and a long distance reseller. Also serve as Chairman of the Board and Chief Financial Officer of CVIN LLC.

1991-2000 & 1975-1985

Vice President and Consulting Manager - GVNW

Served almost 20 years in a variety of positions with GVNW including Vice President in charge of the Colorado Springs office and special projects for all consulting offices and Consulting Manager in charge of west coast operations.

1985-1991

Partner - KREG

KREG was an investment management firm investing in a variety of business activities.

1969-1975

Accounting/Regulatory - Continental Telephone Service Corporation (now Verizon)

Focused on Accounting and Regulatory matters. Testified as an expert witness before multiple state public utilities commissions on subjects of costs and separations of costs, operations and cost of capital.

EDUCATION

California State Polytechnic University, Pomona

Bachelor of Science degree in Business Administration with a major in Accounting. Co-Captain of the varsity baseball team.

California State University, Bakersfield

Graduate student completing graduate courses in Finance, Business and statistics.

AFFILIATIONS

Chairman of the Board and CFO – CVIN LLC

Board Member - Kerman Telephone Company

Board Member - Foresthill Telephone Company

Board Member – CalCom, a California telephone company trade association

Coordinator, Construction Budget.

Responsibilities included:

- *Construction budget.*
- *Operating budget monitoring and projections for the Network Design Department.*
- *Inside Plant Job order closing with the Unit of Property Record.*

3/80 to 11/85

Continental Telephone Company of California

P.O. Box 992
Manteca, California
95336

Supervising Engineer, Outside Plant.

- *Responsible for telecommunications facilities design with an annual construction budget of approximately \$1 million.*

3/79 to 3/80

Burnup and Sims, Inc.

37 W. Yokuts, B4
Stockton, California
95207

Engineering Supervisor, Planning

- *Responsible for developing long range planning programs for outside plant communication facilities.*

2/78 to 3/79

TESINC

2755 Cottage Way
Sacramento California 92825

Engineer, Planning

- *Responsible for the development of Long Range Outside Plant studies in the Fairfield, Stockton and Sacramento Pacific Bell districts.*

1/77 to 1/78

McCain Associates

492 Rio Lindo
Chico, California 95926

Records Draftsman

- *Drafter / Drafting Supervisor - Pacific Bell wire center posting and redraw.*

9/73 to 7/75

California State University, Chico

Geography Department
Chico, California 95926

Graduate Teaching Assistant

- *Teaching Cartography and Physical Geography, various labs, faculty research projects.*

Professional Associations and Publications:

Past Member - The American Society for Photogrammetry and Remote Sensing (ASPRS)
Past Member - Urban and Regional Information Systems Association (URISA)
Past Member - AM / FM International
Past Member - Southern California Computer Aided Mapping Association (SCCAMA)
Past member - Association of American Geographers (AAG)
Publications: *"Records Management: A Telco Perspective", TE&M, May 1, 1990.*
"RDS - The Goals and Payback", AM/FM International, April 27, 1992.

JIM DOLGONAS

PROFILE:

President and Chief Executive Officer of the Corporation for Education Network Initiatives in California (CENIC) since 2002. CENIC is a non-profit corporation that represents the common interests of California's education and research communities in achieving robust, high capacity, next generation Internet communications services. As CEO, Mr. Dolgonas has overseen deployment of the largest fiber-based research and education network in the country. The network serves over 10,000,000 Californians, as well as education and research professionals in Nevada and Arizona. He has also overseen CENIC's establishment of network peering arrangements with other research and educational networks, including international networks that facilitate research collaboration across borders.

Mr. Dolgonas has experience overseeing major technology projects and initiatives in California, both prior to his joining CENIC where he had a long career at the University of California, and at CENIC. He was responsible for design and construction of a new 20,000 square foot data center, which was completed on time and on budget and for many large technology projects, including the first large scale web based undergraduate admission application system, which project had to be completed on time prior to the highly competitive undergraduate admissions cycle. And, he was responsible for overseeing the on time, on budget completion of the University of California's headquarters building. During his tenure at CENIC, he has overseen the simultaneous integration of the California State University System's 4Cnet network into a newly implemented CalREN optical backbone network.

BOARD AFFILIATIONS:

Mr. Dolgonas is currently a member of the Board of Directors of National LambdaRail (NLR), Inc., a national research and education network and is Managing Director of a sister company, NLR, LLC., that provides high capacity network services in the West. He also is a member of the Internet2 External Relations Advisory Council and is a member of the Statenets Steering Committee. He is an active participant in two NSF-funded international connections grants, providing United States researchers access to researchers and research data and instruments throughout the world. He serves on the Board of Expert Advisors of the California Enhanced Technology Fund (CETF).

EMPLOYMENT EXPERIENCE:

Prior to joining CENIC, Mr. Dolgonas served for 25 years in various technology leadership positions within the University of California system, including as System CIO. There he introduced the innovative uses of new technologies and tools for a variety of purpose. He was responsible for establishing the first UC system wide video teleconference network in support of the University's distance learning initiative. Earlier in his career he implemented the first intercampus networking for the University system. He has been active in Educause, the higher education technology professional association, including service on the Administrative Systems Advisory committee and has served on various industry advisory committees, including those of IBM and SUN.

EDUCATION:

Jim holds a Bachelors Degree from the University of California, Davis & an MBA from UCLA.

DAVID M. REESE

CHIEF TECHNOLOGY OFFICER, CENIC

As CTO for CENIC, a not-for-profit corporation serving Research and Education in California, I am responsible for setting the technology direction for CENIC's CalREN networks. I lead a team that operates the largest private fiber network serving research and education in the US.

Under my leadership CENIC has developed a commodity service program for R&E, which has saved California institutions millions of dollars. This is accomplished through leveraging our size and buying power and extensive peering relationships, including the development of the national peering project – TransitRail. CENIC has been a key participant in the development of Pacific Wave, a layer 2 exchange fabric spanning the west coast from Seattle to Los Angeles.

I serve as the representative of CENIC in many external activities, including the planning, design, and launching of the National LambdaRail, participation in GLIF and other collaborative projects.

I have been an active participant in The Quilt, a collaboration of research and education networks similar to CENIC. I was a key participant in the creation of The Quilt's highly successful CIS (Commodity Internet Service) project and a presenter at several of the optical workshops.

As CTO I work closely with major providers of communications services and equipment, continuously learning about future product developments. I work closely with these vendors to build pilot networks, providing product feedback, and most importantly, looking at the applicability of their products and services for the benefit of California's Research and Education community.

Relevant Expertise/Track Record

I was the Chief Network Architect for the Digital California Project providing leadership in planning and implementing the connection of K-12 nodes throughout California to the backbone. I formed a Network Planning Team, composed of K-12 representatives from each region in California, to facilitate the selection of the location of the nodes in each of the 58 counties.

As the Director of Network Administration and Planning for CSU I was responsible for system wide leadership in the selection and deployment of networking technology and the \$15.4 million budget of 4CNet. I led the project planning, budget preparation, bid preparation and review and the tracking of technology trends. 4CNet was the wide area network serving the campuses of The California State University and the California Community Colleges linking them to both Internet and Internet2 resources. The network spanned the State of California inter-connecting over 150 sites before the CSU turned over statewide networking to CENIC.

BTOP Comprehensive Community Infrastructure Pro Forma Financial Projections

Please complete the Income Statement, Balance Sheet, Cash Flows, and NPV-IRR Table worksheets. Key assumptions used to formulate these financial projections should be listed in the Key Assumptions worksheet. Please note that these are **project-specific** projections, in contrast to the historical financial information which is provided at the organizational level.

Please refer to the Comprehensive Community Infrastructure Grant Guidance for detailed instructions on the completing this attachment.

Applicants are required to provide this attachment as an Excel file, and not to convert it to a PDF when submitting a copy of their application on an appropriate electronic medium, such as a DVD, CD-ROM, or flash drive. Applicants may make adjustments to the format of the templates as necessary to provide the most effective presentation of the data for their specific project, but should not remove major headings (*e.g.* Revenues and Expenses on the Income Statement) or provide less detailed information than would be required to complete the provided templates.

Income Statement

	Forecast Period							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Revenues								
Broadband Offerings								
Wholesale Data	\$ 1,523,700	\$ 3,077,100	\$ 3,962,100	\$ 4,214,100	\$ 4,438,800	\$ 4,585,600	\$ 4,659,900	\$ 4,709,700
Retail Data	\$ 1,162,318	\$ 3,355,849	\$ 4,696,038	\$ 5,193,892	\$ 5,637,956	\$ 6,068,244	\$ 6,351,112	\$ 6,547,497
Dark Fiber	\$ 216,480	\$ 324,720	\$ 432,960	\$ 432,960	\$ 432,960	\$ 432,960	\$ 541,200	\$ 541,200
Collocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (list specific services)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Network Driven Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Video Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Voice Services (local/toll/long distance)	\$ 86,400	\$ 108,000	\$ 128,600	\$ 128,600	\$ 128,600	\$ 128,600	\$ 128,600	\$ 128,600
Other (list specific services)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Universal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installation Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 3,008,898	\$ 6,865,669	\$ 9,220,698	\$ 9,960,552	\$ 10,639,316	\$ 11,216,604	\$ 11,681,212	\$ 11,927,997
Expenses								
Backhaul	\$ 660,600	\$ 1,102,050	\$ 1,318,800	\$ 1,363,200	\$ 1,429,200	\$ 1,456,920	\$ 1,515,132	\$ 1,548,677
Network Maintenance/Monitoring	\$ 63,000	\$ 543,000	\$ 543,000	\$ 570,000	\$ 588,350	\$ 628,118	\$ 659,373	\$ 692,192
Installation Expense	\$ 169,000	\$ 204,000	\$ 204,000	\$ 214,200	\$ 224,910	\$ 236,166	\$ 247,983	\$ 260,361
Utilities	\$ 30,000	\$ 100,500	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326	\$ 191,442
Leasing	\$ 844,824	\$ 1,874,874	\$ 2,394,624	\$ 2,394,624	\$ 2,394,624	\$ 2,412,624	\$ 2,412,624	\$ 2,412,624
Sales/Marketing	\$ 237,000	\$ 285,000	\$ 285,000	\$ 298,800	\$ 313,290	\$ 328,505	\$ 344,480	\$ 361,254
Customer Care	\$ 86,427	\$ 145,736	\$ 173,488	\$ 201,571	\$ 226,179	\$ 248,815	\$ 265,797	\$ 278,550
Billing	\$ 50,851	\$ 55,710	\$ 59,940	\$ 65,810	\$ 71,269	\$ 76,537	\$ 81,053	\$ 85,030
Corporate G&A	\$ 325,800	\$ 559,900	\$ 559,800	\$ 567,790	\$ 617,180	\$ 648,038	\$ 680,440	\$ 714,462
Other Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense	\$ 2,447,502	\$ 4,870,669	\$ 5,688,652	\$ 5,853,495	\$ 6,040,376	\$ 6,209,356	\$ 6,389,189	\$ 6,544,593
EBITDA	\$ 561,396	\$ 1,995,000	\$ 3,532,046	\$ 4,107,057	\$ 4,598,939	\$ 5,007,248	\$ 5,292,023	\$ 5,383,404
Depreciation	\$ 594,437	\$ 1,258,874	\$ 1,328,874	\$ 1,328,874	\$ 1,308,874	\$ 1,708,874	\$ 2,508,874	\$ 2,508,874
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings Before Interest and Taxes	\$ (33,041)	\$ 736,125	\$ 2,203,172	\$ 2,778,183	\$ 3,290,065	\$ 3,298,374	\$ 2,783,149	\$ 2,874,530
Interest Expense	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Before Taxes	\$ (48,041)	\$ 736,125	\$ 2,203,172	\$ 2,778,183	\$ 3,290,065	\$ 3,298,374	\$ 2,783,149	\$ 2,874,530
Property Tax	\$ 105,661	\$ 204,012	\$ 191,705	\$ 179,232	\$ 166,980	\$ 172,327	\$ 190,379	\$ 164,432
Income Taxes	\$ (61,481)	\$ 212,845	\$ 804,587	\$ 1,039,580	\$ 1,249,234	\$ 1,250,419	\$ 1,037,108	\$ 1,084,039
Net Income	\$ (92,221)	\$ 319,268	\$ 1,206,880	\$ 1,559,370	\$ 1,873,851	\$ 1,875,628	\$ 1,555,662	\$ 1,626,059

NPV & IRR With BTOP FUNDING								
Yearly Free Cash Flow								
Net Income	\$ (92,221)	\$ 319,268	\$ 1,206,880	\$ 1,559,370	\$ 1,873,851	\$ 1,875,628	\$ 1,555,662	\$ 1,626,059
Depreciation	\$ 594,437	\$ 1,258,874	\$ 1,328,874	\$ 1,328,874	\$ 1,308,874	\$ 1,708,874	\$ 2,508,874	\$ 2,508,874
Increase or decrease in Working Capital								
Capital Expenditures (CPE)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (195,000)	\$ (195,000)	\$ (2,195,000)	\$ (4,150,000)	\$ (150,000)
Capital Matching funds	\$ (9,989,950)	\$ (9,989,950)	\$ (9,989,950)	\$ (9,989,950)	\$ (9,989,950)	\$ (9,989,950)	\$ (9,989,950)	\$ (9,989,950)
Total	\$ (9,697,734)	\$ (8,621,808)	\$ 2,326,756	\$ 2,693,245	\$ 2,987,726	\$ 1,389,503	\$ (85,464)	\$ 3,984,933
								\$ 31,879,465

Discount Rate	15%
NPV	\$ 465,904 With BTOP
IRR	16% With BTOP

WITHOUT BTOP FUNDING								
Yearly Free Cash Flow								
Net Income	\$ (854,433)	\$ (1,247,157)	\$ (359,544)	\$ (7,054)	\$ 307,427	\$ 309,204	\$ (10,763)	\$ 59,635
Depreciation	\$ 1,854,791	\$ 3,869,561	\$ 3,939,561	\$ 3,939,561	\$ 3,919,561	\$ 4,319,561	\$ 5,119,561	\$ 5,119,561
Increase or decrease in Working Capital								
Capital Expenditures (CPE)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (195,000)	\$ (195,000)	\$ (2,195,000)	\$ (4,195,000)	\$ (195,000)
Capital Matching funds	\$ (33,299,834)	\$ (33,299,834)	\$ (33,299,834)	\$ (33,299,834)	\$ (33,299,834)	\$ (33,299,834)	\$ (33,299,834)	\$ (33,299,834)
Total	\$ (32,499,476)	\$ (30,887,409)	\$ 3,370,038	\$ 3,737,527	\$ 4,032,008	\$ 2,433,785	\$ 913,819	\$ 4,984,216
								\$ 39,873,728

Discount Rate	15%
NPV	\$ (26,868,376) With BTOP
IRR	-1.03% With BTOP

Balance Sheet

Assets	Forecast Period							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Current Assets								
Cash	\$ 622,051	\$ 1,439,170	\$ 4,119,497	\$ 6,370,478	\$ 9,740,717	\$ 10,698,100	\$ 11,013,672	\$ 14,591,369
Marketable Securities	-	-	-	-	-	-	-	-
Accounts Receivable	\$ 187,614	\$ 670,595	\$ 481,993	\$ 763,076	\$ 566,838	\$ 835,237	\$ 624,914	\$ 866,086
Notes Receivable	-	-	-	-	-	-	-	-
Inventory	\$ 30,089	\$ 68,657	\$ 92,207	\$ 99,606	\$ 106,393	\$ 112,166	\$ 116,812	\$ 119,280
Prepayments	\$ 3,150	\$ 27,150	\$ 27,150	\$ 28,500	\$ 29,918	\$ 31,406	\$ 32,969	\$ 34,610
Other Current Assets	-	-	-	-	-	-	-	-
Total Current Assets	\$ 842,904	\$ 2,205,571	\$ 4,720,847	\$ 7,261,660	\$ 10,443,866	\$ 11,676,909	\$ 11,788,367	\$ 15,611,344
Non-Current Assets								
Long-Term Investments	-	-	-	-	-	-	-	-
Amortizable Asset (Net of Amortization)	-	-	-	-	-	-	-	-
Plant in Service	\$ 10,199,950	\$ 20,399,900	\$ 20,609,900	\$ 20,804,900	\$ 20,999,900	\$ 23,194,900	\$ 27,344,900	\$ 27,494,900
Less: Accumulated Depreciation	\$ (594,437)	\$ (1,853,312)	\$ (3,182,186)	\$ (4,511,060)	\$ (5,819,935)	\$ (7,528,809)	\$ (10,037,684)	\$ (12,546,558)
Net Plant	\$ 9,605,513	\$ 18,546,589	\$ 17,427,714	\$ 16,293,840	\$ 15,179,965	\$ 15,666,091	\$ 17,307,217	\$ 14,948,342
Other	-	-	-	-	-	-	-	-
Total Non-Current Assets	\$ 9,605,513	\$ 18,546,589	\$ 17,427,714	\$ 16,293,840	\$ 15,179,965	\$ 15,666,091	\$ 17,307,217	\$ 14,948,342
Total Assets	\$ 10,448,417	\$ 20,752,160	\$ 22,148,561	\$ 23,555,500	\$ 25,623,831	\$ 27,343,000	\$ 29,095,583	\$ 30,559,686
Liabilities and Owners' Equity								
Liabilities								
Current Liabilities								
Accounts Payable	\$ 244,750	\$ 242,317	\$ 326,548	\$ 258,801	\$ 345,237	\$ 275,699	\$ 363,220	\$ 291,239
Notes Payable	-	-	-	-	-	-	-	-
Other Current Liabilities	\$ 305,938	\$ 302,896	\$ 408,186	\$ 323,501	\$ 431,546	\$ 344,624	\$ 454,025	\$ 364,049
Total Current Liabilities	\$ 550,688	\$ 545,213	\$ 734,734	\$ 582,302	\$ 776,782	\$ 620,323	\$ 817,245	\$ 655,289
Long-Term Liabilities								
Long Term Notes Payable	-	-	-	-	-	-	-	-
Other Long Term Liabilities	-	-	-	-	-	-	-	-
Total Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Owner's Equity								
Capital Stock	\$ 9,989,950	\$ 19,979,900	\$ 19,979,900	\$ 19,979,900	\$ 19,979,900	\$ 19,979,900	\$ 19,979,900	\$ 19,979,900
Additional Paid-In Capital	-	-	-	-	-	-	-	-
Retained Earnings	\$ (92,221)	\$ 227,047	\$ 1,433,927	\$ 2,993,297	\$ 4,867,149	\$ 6,742,777	\$ 8,296,438	\$ 9,924,497
Total Equity	\$ 9,897,729	\$ 20,206,947	\$ 21,413,828	\$ 22,973,198	\$ 24,847,049	\$ 26,722,677	\$ 28,278,339	\$ 29,904,397
Total Liabilities and Owner's Equity	\$ 10,448,417	\$ 20,752,160	\$ 22,148,561	\$ 23,555,500	\$ 25,623,831	\$ 27,343,000	\$ 29,095,583	\$ 30,559,686

Statement of Cash Flows

	Forecast Period							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Beginning Cash	\$ -	\$ 622,051	\$ 1,439,170	\$ 4,119,497	\$ 6,370,478	\$ 9,740,717	\$ 10,698,100	\$ 11,013,672
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net Income	(92,221)	319,268	1,206,880	1,559,370	1,873,851	1,875,628	1,555,662	1,626,059
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>								
Add: Depreciation	594,437	1,258,874	1,328,874	1,328,874	1,308,874	1,708,874	2,508,874	2,508,874
Add: Amortization	-	-	-	-	-	-	-	-
<i>Changes in Current Assets and Liabilities</i>								
Marketable Securities	-	-	-	-	-	-	-	-
Accounts Receivable	(187,614)	(482,981)	188,602	(281,084)	196,238	(268,399)	210,323	(241,171)
Inventory	(30,089)	(38,568)	(23,550)	(7,399)	(6,788)	(5,773)	(4,646)	(2,468)
Prepayments	(3,150)	(24,000)	-	(1,350)	(1,418)	(1,488)	(1,563)	(1,641)
Other Current Assets	-	-	-	-	-	-	-	-
Accounts Payable	244,750	(2,433)	84,232	(67,747)	86,436	(69,538)	87,521	(71,980)
Other Current Liabilities	305,938	(3,042)	105,290	(84,684)	108,044	(86,922)	109,401	(89,976)
Net Cash Provided (Used) by Operations	\$ 832,051	\$ 1,027,119	\$ 2,890,328	\$ 2,445,981	\$ 3,565,239	\$ 3,152,383	\$ 4,465,572	\$ 3,727,697
CASH FLOWS FROM INVESTING ACTIVITIES:								
Capital Expenditures	(33,509,834)	(33,509,834)	(210,000)	(195,000)	(195,000)	(2,195,000)	(4,150,000)	(150,000)
Amortizable Asset (Net of Amortization)	-	-	-	-	-	-	-	-
Long-Term Investments	-	-	-	-	-	-	-	-
Net Cash Used by Investing Activities	\$ (33,509,834)	\$ (33,509,834)	\$ (210,000)	\$ (195,000)	\$ (195,000)	\$ (2,195,000)	\$ (4,150,000)	\$ (150,000)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Notes Receivable	-	-	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-	-
Additional Paid-in Capital	9,989,950	9,989,950	-	-	-	-	-	-
ARRA (BTOP) Funds	23,309,884	23,309,884	-	-	-	-	-	-
Additions to Patronage Capital Credits	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-
Net Cash Used by Financing Activities	\$ 33,299,834	\$ 33,299,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Cash	\$ 622,051	\$ 817,119	\$ 2,680,328	\$ 2,250,981	\$ 3,370,239	\$ 957,383	\$ 315,572	\$ 3,577,697
Ending Cash	\$ 622,051	\$ 1,439,170	\$ 4,119,497	\$ 6,370,478	\$ 9,740,717	\$ 10,698,100	\$ 11,013,672	\$ 14,591,369

NPV/IRR Table

	Net Present Value	Internal Rate of Return
Without BTOP Funding	-\$26,868,375.99	-1.03%
With BTOP Funding	\$465,903.93	15.69%

Revenue Assumptions	
Factor	Specific Metric Used in Analysis
Customers Passed	
Anchor Institutions - Segment A	
Anchor Institutions - Segment B	
Businesses	161,570
Households	1,549,008
Last Mile Providers	404
Other	
Take Rate (should likely vary across 8-Year Forecast)	
Anchor Institutions - Segment A	
Anchor Institutions - Segment B	
Businesses	11,597 (7%) business subscribers by year 8 including both direct and indirectly connected through third party providers.
Households	94,310 (6%) by year 8 both direct and indirectly connected through third party providers.
Last Mile Providers	114 (28%) by year 8
Direct Customer Connections	
Customer Segment A	Over the 8 year plan we will connect nearly 4,200 customer (customers who currently have no or limited access to broadband) will have high speed broadband access and underserved rural areas will be given access to broadband (customers who currently have no or limited access to broadband) will have access to affordable Internet broadband service (customers who currently have no or limited access to broadband) will have access to affordable Internet broadband service in depressed regions of California.
Customer Segment B	
Other	
Average Revenue per User (may vary across 8-year forecast)	
Anchor Institutions - Segment A	Average revenue per user is \$4,500 /mo across the 8 year

Anchor Institutions - Segment B	
Businesses	\$900.00 average per month (Fiber connection) \$69.95 per month in wireless last mile market.
Households	\$33.95 Average Revenue per month
Last Mile Providers	ARPU's range over the eight year period based on the customer base. Year 1 ARPU is approx. \$9,400
Other	

Expense Assumptions	
Factor	Specific Metric Used in Analysis
Network Expenses	
Backhaul	Assumes Internet Bandwidth cost beginning at \$10.50 per Mbps per month . Year one assumes 5 gig connection and years 2 - 3 assumes 10 gig connection 4 - 5 is 11 Gig and 6-8 is 12 Gig.
Maintenance	Maintenance expense includes the cost of a NOC technician at \$28/hr which fully loaded equals \$81,000 year. The remaining is equipment support fees and funds for the repair and /or replacement of equipment. Year one assumes the NOC technician is hired for a partial year and no equipment fees as it is included in the 1 year warranty period. This category increases at a rate of 5% in years 4-8.
Utilities	Assumes 50 environmental enclosures at \$250 / mo in utility consumption (\$150,000 combined annually) increasing at a rate of 5% in years 4-8.
Leasing	This expense category includes both leased fiber assets and facility lease. Leased Fiber is calculated at \$.41 per foot per year assuming 2 stands from Redding to Bakersfield from CENIC to connect the proposed fiber rings and provide additional route protection. CENIC lease is 450 miles X2 strands X 5,280 feet per mile X .41 per foot in annual lease expense. An Additional 130 miles worth of fiber will be leased from CVIN member companies to reduce the costs of construction and avoid duplication of resources. The remaining \$60,000 + per year is for facility lease.
Depreciation	Depreciation assumes fiber infrastructure at 25 years and network electronics at 5 plus \$250 per wireless broadband subscriber for CPE and installation with a 36 month term. An additional \$6,000,000 investment is made in year 6(\$2,000,000) and year 7 (\$4,000,000) to replace network electronics.

Other	
Sales & Marketing	
Advertising	Advertising expense is \$100,000 per year increasing at a rate of 5% in years 4-8.
Commissions	\$39,000 per year in sales commissions have been factored in to this plan increasing at a rate of 5% in years 4-8.
Salaries	Salaries and Benefit burden account for \$60,000 per year (\$43,000 base salary plus 40% burden), increasing at a rate of 5% in years 4-8. We have estimated that two sales people will be required in addition to a Sales Manager position that is accounted for in G&A which will be responsible for major accounts such as Cellular companies, last mile providers, and dark fiber leases.
Other	
Customer Care & Billing	
Systems	
Personnel	Includes 1 full time Customer Service Representative at \$48,000 loaded costs (\$16.5 /hr plus 40% burden rate) plus 1 full time accounting technician at the same rate. Additional \$4 per subscriber of Wireless Broadband included for outsourced tech support, email, and Spam and virus filtering.
Other	
General & Administrative	
Professional Services	Year one has reduced expenses as additional employees will be hired as the network is completed. Year 2 includes \$376,000 in Professional Services which includes an executive position at \$160,000 plus 40% burden and a Sales manager at \$110,000 plus 40 % burden. These categories increase at a rate of 5% in years 4-8.
Insurance	Includes \$24,000 annually for Gen. Liability, Workers Comp, and Auto.
Non-Network Utilities	\$14,000 per year is budgeted for Non Network Utilities
Travel	\$36,000 per year for travel, fuel, and vehicle expense.
Supplies	\$9,500 per year is budgeted for general supplies
Miscellaneous	\$14,000 per year is budgeted for Misc. Expense.
Interest Expenses	
Debt Instrument A	\$500,000 line of credit

Debt Instrument B	
Taxes	
Federal Tax Rate	29%
Other Tax Rates	11%

Rationale (Cite Basis)
Businesses in the 18 counties that could potentially benefit from the middle mile project directly or through third party providers. These numbers were provided by the CSU Chico GIS team based upon census data.
Households in the 18 counties that could potentially benefit from the middle mile project through third party providers. These numbers were provided by the CSU Chico GIS team based upon census data.
This includes 350 cell towers in the region as well as an estimated of (3) Third party providers per County (54 total). Cell tower data was compiled by Cronin Communications (a national telecom consulting organization).
For detailed information on the indirect customer calculations see added table in the Subscriber estimate tab. Assumes a 1% per quarter growth rate (4% annual) of existing customer base for CVIN member companies . While this growth rate appears low, many of these companies have currently subscriber penetration greater than the national average. As a result market saturation has begun to slow growth. Other third party provider subscriber have the existing customer base spread evenly by quarter over the first four years 5-8 have a 1% per quarter growth factor. The take rates are based upon reasonable growth and third party providers that we are likely to get.
See Above
CVIN has an existing relationship with Golden State Cellular that has 89 towers within the proposed service area. They have committed to utilizing CVIN for back haul services where possible. The remaining subscribers will come from Wireless Internet Service Providers (WISPs) and other facilities based ISPs including the eight member companies of CVIN.
ers directly on this proposed network. Over 54 Anchor institutions are committed to using this network as it nd the ability to cost effectively increase bandwidth as necessary. 659 businesses (457 currently have no dband that will enable them to utilize technology to help grow their businesses. 3,347 households in s equivalent to that which is available in major metropolitan areas. 114 last mile providers (including andwidth that they will utilize to offer affordable broadband services in some of the most economically
This assumes \$4,000 per month for a 1 Gig Ethernet (GigE) circuit and \$6,000 for 10 GigE circuit. The assumption is 75% (GigE)/ 25% (10 GigE) split between the two circuit types. These rates are based on a five year term. Revenues are based on adding 2 Anchor institutions per month in year 1, 2.5 per month in year 2, and there is no additional subscriber growth in the model. The current economic condition of California makes it unlikely that additional educational institutions will be added in the foreseeable future.

Competitive rate designed to encourage broadband adoption in a economically depressed region of California.
\$1,400 per month for Cellular backhaul customers for 100 Mbps Ethernet circuit added at a rate of 2.25 per month in year 1, 1.25 per month in year 2 - 4, 1 per month in year 5, and .5 per month in years 6-8. ARPU for CVIN member companies is 16,000 per month in year 1 assuming 3 companies are connected (for the entire year) with a 10 GigE protected route circuit. Year 2 average revenue is \$14,000 per month with 5 companies subscribing, and years 3-8 is \$14,000 per month with 7 companies. Last mile providers have an ARPU of \$9,000 per month. It assumes that 1 per month is added in year 1 and .5 added per month in year 2. The total last mile subscribers remain at 18 (1 per county) in years 3-8. The \$9,000 ARPU is a blended rate assuming the following breakdown 40% GigE, 30% GigE protected route, 20% 10 GigE, 5% 10 GigE protected route.

Rationale (Cite Basis)
Based upon currently quoted rates and CENIC's experience with purchasing wholesale bandwidth of this quantity.
Based on rates of employees currently employed at the CVIN member companies.
Based on rates currently paid for utilities on these enclosures currently deployed by the CVIN member companies.
Current lease rate for AT&T fiber facilities that are in use by CVIN member companies.
The rapid pace at which technology is evolving will require the network electronics to be replaced or upgraded every 5-7 years in order to meet the increasing demand for bandwidth. This is based upon industry experience.

The primary customers are third party providers and some businesses. These areas will be marketed by the direct sales team. The advertising is for direct mail advertising for last mile service area targeting 15,000 +- unserved and underserved households and businesses within the coverage area. This would allow us to deliver messaging to this customer pool 6 times per year.

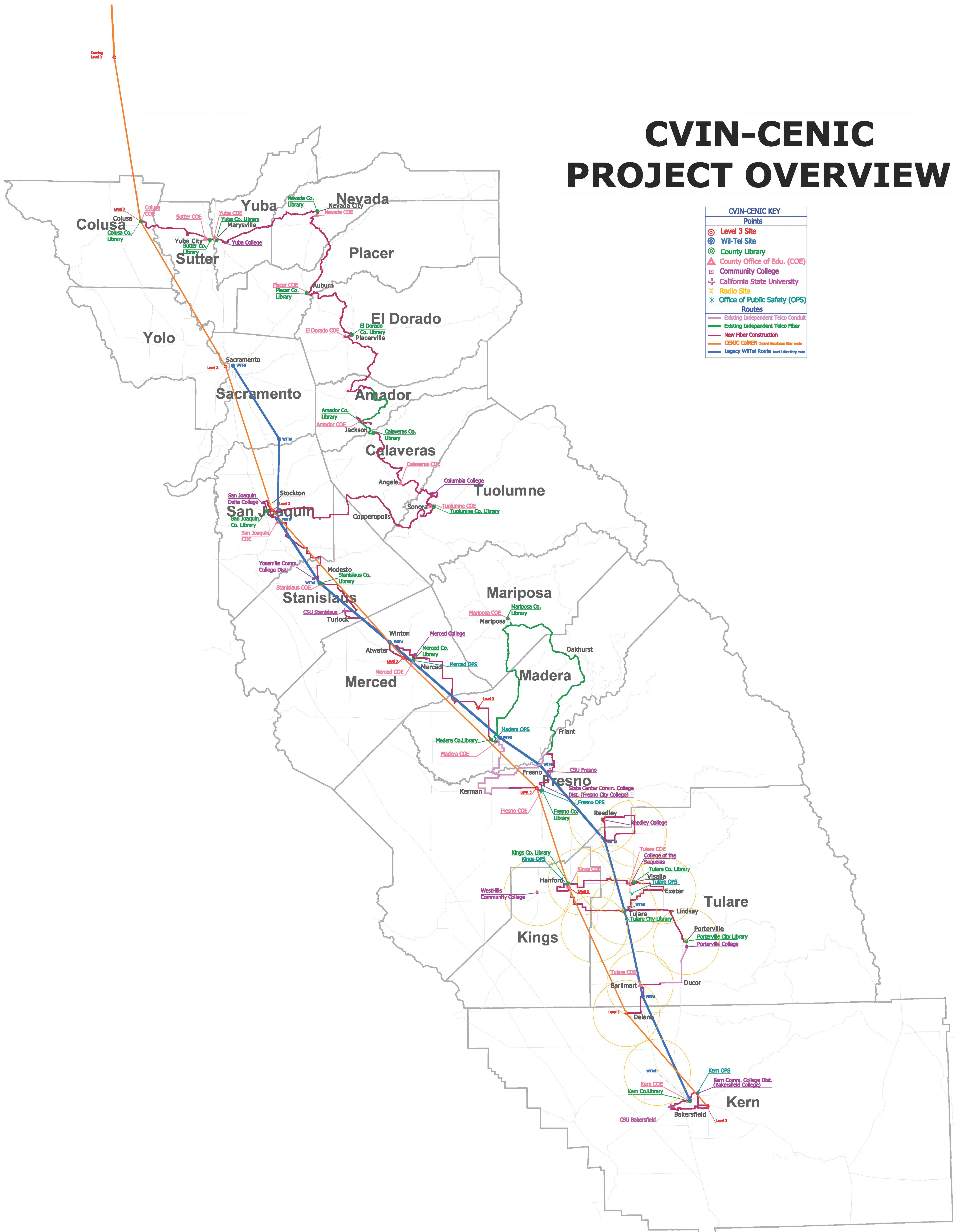
Commissions are based in industry averages.

Salaries are based in industry averages.

Based on the current rates paid by our member companies for Customer Service positions and outsourced Tech Support, email, spam and virus filtering.

Line of credit is for operating cash flow in year one and should require minimum draw if any and will be paid back within the fiscal year. After year one there is ample cash flow for daily operation. Included \$15,000 in interest expense in year 1.

CVIN-CENIC PROJECT OVERVIEW

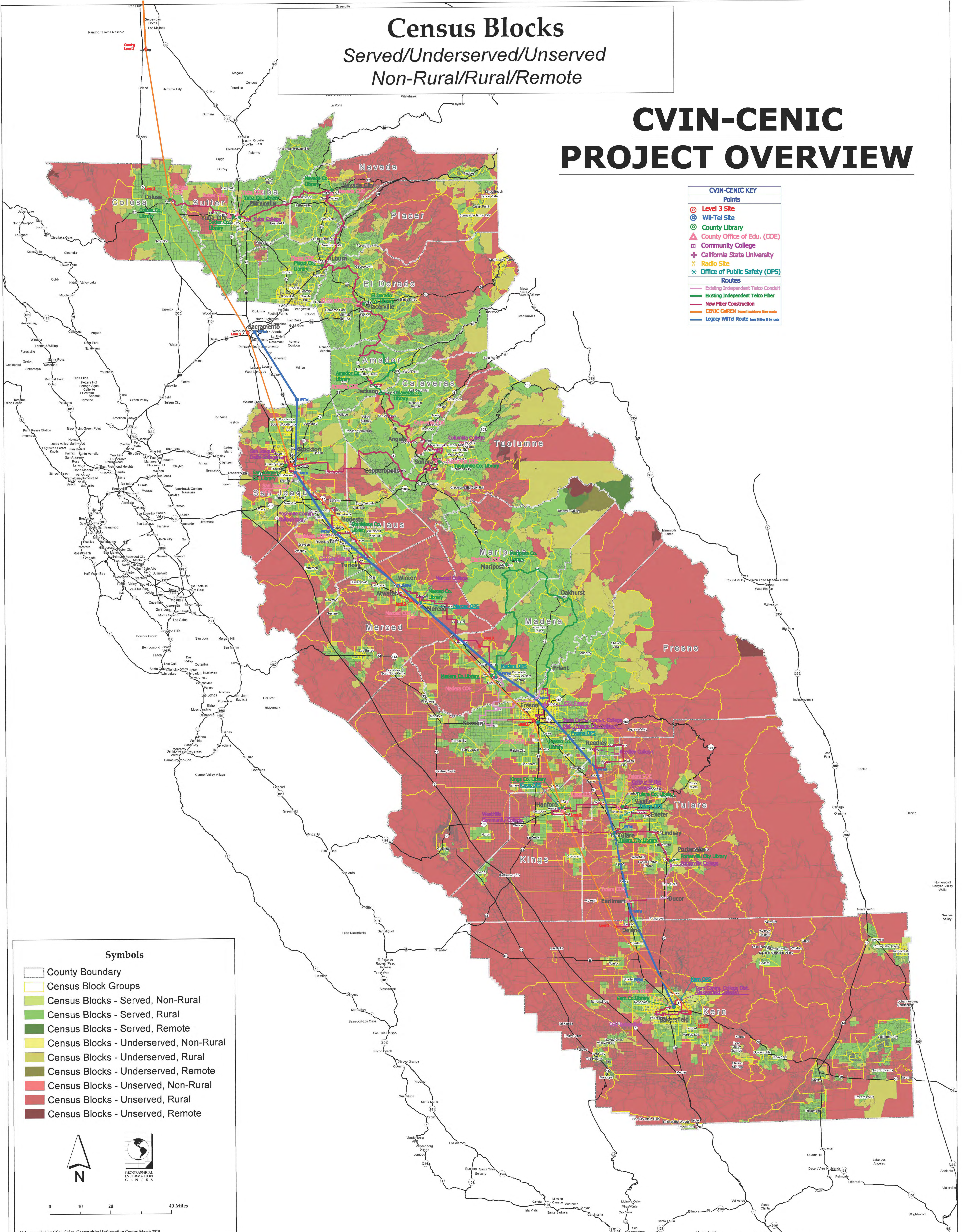


CVIN-CENIC KEY	
Points	
⊙	Level 3 Site
⊙	WITel Site
⊙	County Library
▲	County Office of Edu. (COE)
□	Community College
⊠	California State University
★	Radio Site
✳	Office of Public Safety (OPS)
Routes	
—	Existing Independent Telco Conduit
—	Existing Independent Telco Fiber
—	New Fiber Construction
—	CENIC CalREN Interconnect fiber routes
—	Legacy WITel Routes Level 3 fiber to route

Census Blocks Served/Underserved/Unserved Non-Rural/Rural/Remote

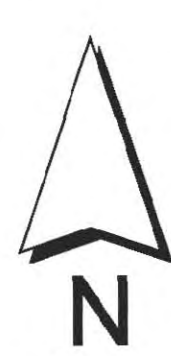
CVIN-CENIC PROJECT OVERVIEW

CVIN-CENIC KEY	
Points	
⊙	Level 3 Site
⊙	Wi-Fi Site
⊙	County Library
△	County Office of Edu. (COE)
□	Community College
+	California State University
✳	Radio Site
✳	Office of Public Safety (OPS)
Routes	
—	Existing Independent Telco Conduit
—	Existing Independent Telco Fiber
—	New Fiber Construction
—	CENIC CalREN Inland backbone fiber route
—	Legacy Wi-Fi Route Level 3 fiber by route



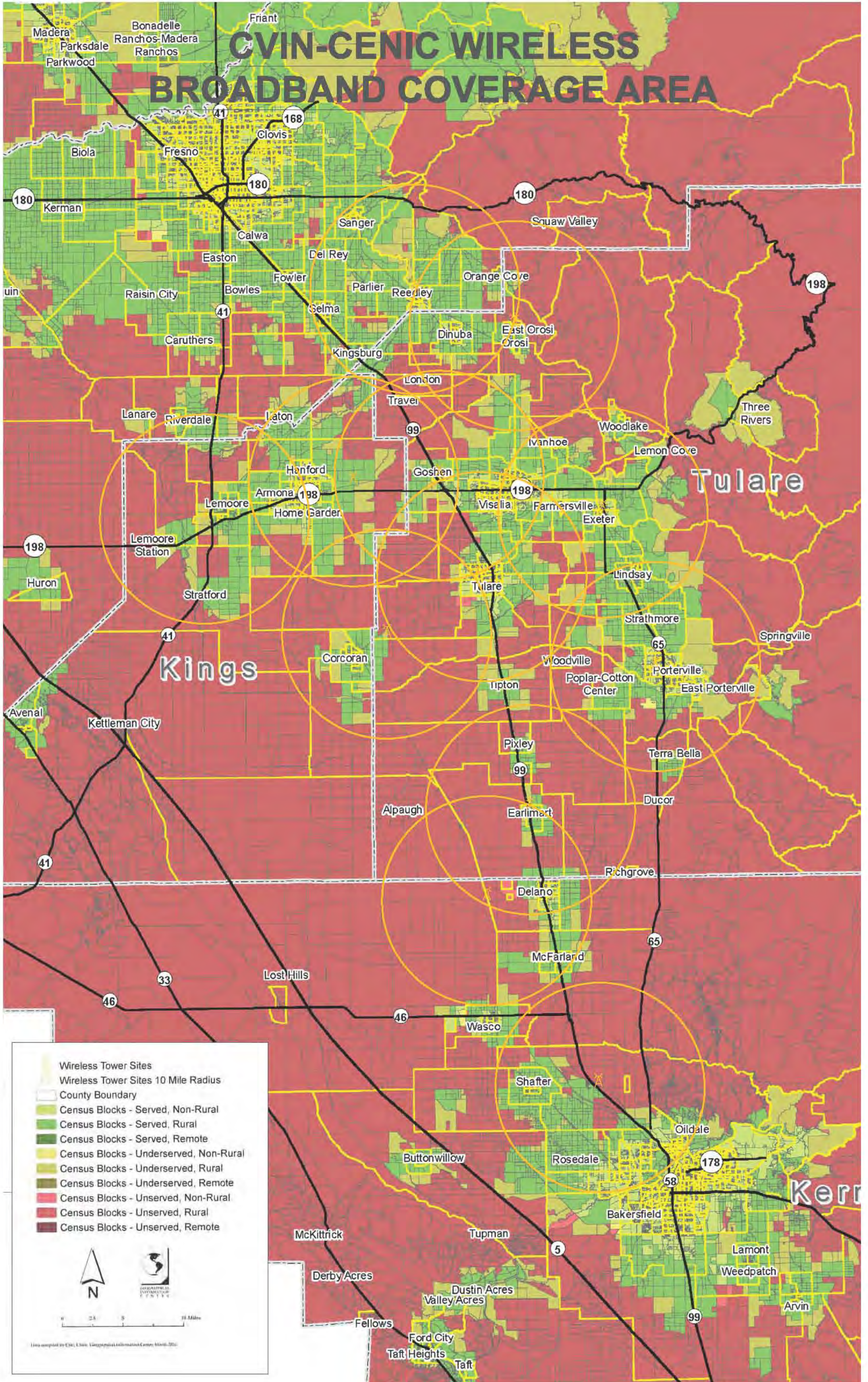
Symbols

- County Boundary
- Census Block Groups
- Census Blocks - Served, Non-Rural
- Census Blocks - Served, Rural
- Census Blocks - Served, Remote
- Census Blocks - Underserved, Non-Rural
- Census Blocks - Underserved, Rural
- Census Blocks - Underserved, Remote
- Census Blocks - Unserved, Non-Rural
- Census Blocks - Unserved, Rural
- Census Blocks - Unserved, Remote



0 10 20 40 Miles

CVIN-CENIC WIRELESS BROADBAND COVERAGE AREA



Wireless Tower Sites

- Wireless Tower Sites 10 Mile Radius
- County Boundary
- Census Blocks - Served, Non-Rural
- Census Blocks - Served, Rural
- Census Blocks - Served, Remote
- Census Blocks - Underserved, Non-Rural
- Census Blocks - Underserved, Rural
- Census Blocks - Underserved, Remote
- Census Blocks - Unserved, Non-Rural
- Census Blocks - Unserved, Rural
- Census Blocks - Unserved, Remote

N
 0 2.5 5 10 Miles
Data compiled by CENIC, Inc. Geographical Information Center, March 2010.