

Government and Other Key Partners

North Carolina Rural Broadband Initiative (NCRBI)

EasyGrants ID 4218

Many North Carolina leaders from government, business and education have expressed their written support for the NCRBI. Letters from municipalities and counties along the build highlight the many letters that are included in this section. Most of their stories include mention of high unemployment and viewing the NCRBI as one way to bring sorely needed opportunity to their region.

While the letters from the Governor, members of the North Carolina Delegation to the United States Congress, the North Carolina General Assembly and other leaders are highlights, it is the stories reflected in the local letters that make the best case for the NCRBI. The users of the new backbone tell the story of how it will be used.

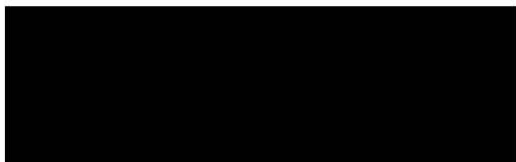
Table Key Code - Identifying critical roles in MCNC's application of certain supporting leaders and organizations	
*	Key Partner
**	MCNC issued a Letter of Support for their BTOP or BIP application and it is referenced as an application with which MCNC has synergies
***	identified in recovery act and other governmental collaboration section

Sub-Recipients and Entities Offering Matching Funds

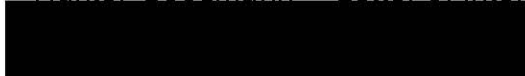
Name

Dan Gerlach*

Paul O'Neal* - Letter of Intent



Hunter Goosmann* - Letter of Intent



Wayne Herron* – Letter of Intent

Scott Ralls*

Ervin Griffin*

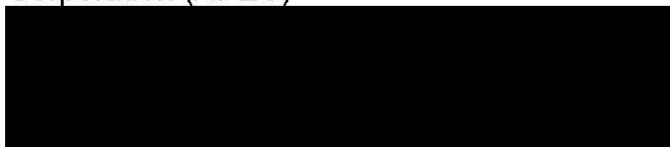
Ann Britt*

Walter Bartlett*

Affiliation

Golden LEAF Foundation

Albemarle Pamlico Economic Development Corporation (APEC)



ERC-Broadband



City of Monroe

NC Community College System Office

Halifax Community College

Martin Community College

Piedmont Community College

Ralph Soney*
 Robert Keys*
 Kathleen Matlock *
 John McKay *
 Deborah Friedman*
 Gordon Burns *
 Jay Dominick *
 Charles Jenkins*, **
 Kenneth Peacock *

Roanoke Chowan Community College
 Rockingham Community College
 Southeastern Community College
 South Piedmont Community College
 Surry Community College
 Wilkes Community College
 UNC Charlotte
 UNC Pembroke
 Appalachian State University

Third Party Providers

Name	Affiliation
Joe Marceno	AmeriTech Broadband LLC

Matthew Merritt	ClearTalk
-----------------	-----------

Michael Murphy	MCNC Board of Directors
----------------	-------------------------

Federal

Name	Affiliation
North Carolina Congressional Delegation	Congress of the United States
Congressman Heath Shuler	Congress of the United States

Tribal

Name	Affiliation
Chief Michell Hicks	Eastern Band of the Cherokee Indians

State Government

Name	Title, Affiliation
Representative Bill Faison	NC House of Representatives – Select Committee on Rural and Urban High Speed Access
Governor Beverly Purdue	North Carolina Government
Lieutenant Governor Walter Dalton	Lieutenant Governor, NC Government
Secretary Reuben Young***	NC Dept of Crime Control and Public Safety
Secretary Linda Carlisle	NC Department of Cultural Resources
Secretary Dee Freeman	NC Department of Environment and Natural Resources
Secretary Eugene Conti***	NC Department of Transportation
Jerry Fralick	Office of Information Technology Services
Holt Anderson***	State Health IT Coordinator

Mary Boone*, **, ***
Betsy Bennett

NC Dept of Cultural Resources - State
Library
NC Museum of Natural Sciences

Education

Name

Erskine Bowles*
Robert Nelson*
Hope Williams*
Saundra Williams
June Atkinson*
Ray Scaffa
Willie Gilchrist
Otis Brown

Nick Didow*
John D. Kasarda
William Roper
Michael Smith*
Linwood Williams

Affiliation

University of North Carolina
UNC – General Administration
NC Independent Colleges & Universities
NC Community College – Technology &
Workforce Development
Public Schools of North Carolina
College of the Albemarle
Elizabeth City State University
NC State Cooperative Institute for Climate
and Satellites
UNC Kenan Flagler School
UNC Kenan Flagler School
UNC School of Medicine
UNC School of Government
Elizabeth City-Pasquotank Public Schools

Healthcare System

Name

Sharon Tanner
William Pilkington
Samuel Cykert
Holt Anderson
Thomas Shea

Affiliation

Albemarle Health
Cabarrus County Health Alliance
Moses Cone Health System-Internal
Medicine Program
NC Healthcare Information &
Communications Alliance (NCHICA)
UNC Lineberger Comprehensive Cancer
Center

Other Partners

Glenn Ricart, Douglas Van Houweling**
Norris Tolson

National Lambda Rail and Internet
NC Biotechnology Center

North Carolina Local Government

Name

Brad Benson*

County

North Carolina Local Government
Information Systems Association

Paul Tine
Don Adams
Wendy Williams
R. Cyrus Hurley
Paul Spruill
Zee Lamb
Jim Bradshaw
Benjamin Teague
Wanda Greene
Greg Branch
Philip Faison
Ron Melchiorre
Kevin Howard
Diane Reid
Joseph Silva

Robert Quinn
Roland Vaughan
Peter Bishop
Paul O'Neal

David Palmer
Warren Judge
Ray Sturza
Coy Floyd
Angela Harris
Penny McGhee-Young
Jan Winters
Graham Twine
Graham Twine
Brian Alligood
Tony Brown
Mark Clasby

Andrew Tate
Steve Wyatt
Johnnie Farmer
Loria Williams
Tom Davis
Tom Davis
Kenneth Westmoreland
Bob Heuts
George Wood
Steve Garrison
Russell Overman

Outer Banks Chamber of Commerce
Alleghany County
Alleghany County
Ashe County
Beaufort County
Bertie County
Brunswick County
Buncombe County
Buncombe County
Caldwell County
Camden County
Camden County
Caswell County
Chatham County
Chowan County - Information Technology
Srv.
Chowan County – Edenton, Councilman at
Large
Chowan County - Edenton
Currituck County - Economic Development
Currituck County - Board of Commissioners
Currituck County - Economic Development
Advisory Board
Dare County
Dare County – Town of Kill Devil Hills
Franklin County – Information Technology
Franklin County
Franklin County
Gaston County
Gates County
Gates County- Board of Commissioners
Granville County
Halifax County
Haywood County
Henderson County - Partnership for
Economic Dev.
Henderson County
Hertford County Board of Commissioners
Hertford County
Hyde County Board of Commissioners
Hyde County
Jackson County
Lee County
Lincoln County
Madison County
Martin County

Robbie Davis
Robert Murphy**
Bruce Shell
Kimberly Turner
Julie Stamper
Marshall Stevenson
Wayne Harris
Roger McLean
Jennifer Palestrant
Charlotte Underwood
David Goss
Mack Nixon
Heidi York
Scott Elliott
Charles Cummings
Thomas Robinson**
John Condrey
Kevin McCammon
Kevin Patterson
J.D. Willis
Jimmy Walker
Dennis Thompson
Mack Carawan, Jr.
Al Greene
Jerry Ayscue
David Cooke
Barry Richardson
David Peoples
James Deal
Kim Dupree

Nash County Board of Commissioners
Nash County
New Hanover County
Northhampton County Board of
Commissioners
Pasquotank County
Pasquotank Board of Commissioners
Pasquotank County - Elizabeth City
Pasquotank County- Elizabeth City
Pasquotank County - Elizabeth City
Chamber
Pasquotank County - Elizabeth City
Perquimans County - Economic
Development
Perquimans County
Person County
Pitt County
Robeson County
Rockingham County
Rutherford County
Rutherford County
Scotland County
Scotland County Board of Commissioners
Stokes County
Surry County
Tyrrell County Board of Commissioners
Union County
Vance County Board of Commissioners
Wake County
Warren County Board of Commissioners
Washington County
Watauga County Board of Commissioners
Wilson County



(LONG-TERM ECONOMIC ADVANCEMENT FOUNDATION)

RECEIVED MAR 16 2010

EDGAR M. ROACH, JR.
CHAIRMAN OF THE BOARD

DAN GERLACH
PRESIDENT

March 15, 2010

Assistant Secretary Lawrence Strickling
Broadband Technology Opportunities Program
National Telecommunications & Information Administration
US Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

Dear Mr. Strickling:

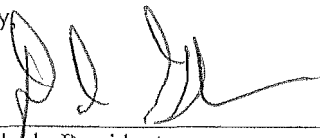
The Golden LEAF Foundation, a nonprofit corporation headquartered in Rocky Mount, NC, has the mission of promoting the social welfare of North Carolina's citizens by receiving and distributing funds for the benefit of economically distressed and tobacco-dependent regions in North Carolina. The Foundation's endowment totaled \$617.8 million on December 31, 2009, and the Foundation annually receives one-half of North Carolina's share of the Phase I payments made by cigarette manufacturers under the Master Settlement Agreement with participating states. The Foundation's share totaled approximately \$80 million in the fiscal year ended June 30, 2008.

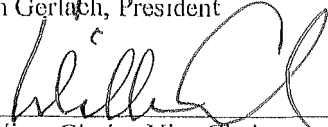
The Foundation has long been supportive of efforts to expand affordable broadband access to rural and impoverished areas of North Carolina, and has a history of making strategic grants to that end. We write today in support of MCNC's Round 2 Broadband Technology Opportunities Program (BTOP) grant application that would bring middle-mile service to unserved and underserved areas of North Carolina, areas that include communities, counties, and regions served by the Foundation. North Carolina has been disproportionately negatively affected by the recent economic downturn, and it is the belief of the Foundation that the award of federal funds under the American Recovery and Reinvestment Act of 2009 for this purpose would result in providing essential tools for economic recovery.

On March 1, 2010, the Foundation's Board of Directors met for its annual planning retreat. At that meeting, following a presentation by MCNC, members of the Board who were present (constituting a majority of all directors) expressed their unanimous support for the Foundation's provision of up to \$24 million, to be disbursed over three years, to be used as matching funds in connection with your agency's award of a Round 2 grant to MCNC. It is our expectation that the Board will take final action on MCNC's request at its next regular meeting on April 1, 2010.

We thank you for your leadership and ask your favorable consideration of the MCNC application for the benefit of North Carolina's rural communities.

Sincerely,


Dan Gerlach, President


William Clarke, Vice Chairman,
Golden LEAF Board of Directors

*- It was a pleasure
to meet you at MCNC.
Thanks for your
consideration.*

CONFIDENTIAL

Letter of Intent

This letter of intent (the "Letter of Intent") sets forth the basic terms and conditions upon which MCNC, a North Carolina non-profit corporation ("MCNC"), and Albemarle Pamlico Economic Development Corporation (APEC) and Patterson & Wilder Const. Co., Inc. ("PW") (collectively, "the Parties"), intend for MCNC to file an application under the American Recovery and Reinvestment Act of 2009. The application will request an award of broadband stimulus funds (the "Award") under the National Telecommunications and Information Administration's Broadband Technology Opportunities Program ("**BTOP**"). This Letter of Intent is intended to set forth the basis upon which the Parties will negotiate in good faith the actual terms of the within-described arrangement and prepare definitive documentation reflecting those terms (the "Definitive Agreement"). This Letter of Intent supersedes all prior understandings and discussions among the Parties relating to the matters described herein.

1. Submission of Grant Application. MCNC will submit to the BTOP on or before the deadline of March 26, 2010, an application to request funding for construction of the fiber routes in (region) North Carolina described in Section 2 below (the "Application"). MCNC shall be the requestor of the grant and the Grantee, and APEC and PW shall be considered customers and vendors under the Application. Unless the Parties agree otherwise in writing, neither Party shall file a separate application on its own or with a third party with respect to the Existing Conduit (as that term is defined below). It is the intent of all Parties to have the necessary due diligence and preparatory work completed in sufficient time for such the Application to be submitted on or before March 26, 2010.
2. Existing Conduit:
 - a. Middle Mile Network. MCNC will be the applicant for a middle mile fiber optic network that spans the Northeast, North Central, Northwest and South Central portions of North Carolina. This middle mile fiber optic network is called the North Carolina Rural Broadband Initiative (NCRBI). MCNC will be responsible for constructing the route through the installation of at least 48-count fiber cable inside one 1 ¼ conduit with a spare 1 ¼ conduit along the entire span.
 - b. Existing Fiber Network. Currently, APEC and PW have available conduit with all easements and rights of way on existing routes that are part of the proposed NCRBI.

The estimated reconstruction value of these routes, including the construction, conduit and acquisition of easements and rights of way net of estimated repairs is \$7M. The parties have agreed to this valuation based on a third party evaluation of the existing asset.

3. Contingent upon MCNC receiving a BTOP Award for the NCRBI, APEC shall grant to MCNC a perpetual right to place fiber planned for use by the NCRBI, into the conduit along the above referenced routes. In exchange for this right of placement and for the

CONFIDENTIAL

rights of way and easements associated with the conduit,, MCNC shall satisfy APEC's obligation to PW, by making payment of \$1.5M to PW in accordance with the following terms:

3a. A payment of \$1.2M will be due within *90 days* after MCNC's receipt of the first disbursement of funds from the Award.

3b. An amount of 20% of the \$1.5M or \$300,000 will be held in escrow by MCNC to cover anticipated repairs to the conduit. MCNC will return any unused portion of this funding to PW by June 30, 2013. In the event that the cost of repairs exceeds the retained amount previously stated, and MCNC and PW agree to continue to make repairs, then MCNC, if PW performs the repair work, agrees to reimburse PW the incremental additional repair costs plus an added fee of 10%. However, MCNC shall have the option to open bid any additional repair work at their discretion.

4. Also, contingent upon MCNC receiving a BTOP Award for the NCRBI, APEC agrees to transfer to MCNC the ownership of the conduit along the above referenced routes, and PW agrees use all best efforts to assist in the locating and mapping of the conduit during the completion of the NCRBI. The conduit's reconstruction value, net of repairs, has been determined to be \$7 M by an independent third party evaluator.
5. MCNC shall accept the physical condition and state of repair of the conduit in "as is" condition. MCNC shall be responsible for all repairs necessary to prepare the conduit for a carrier class.
6. Documents. Upon mutual acceptance of this proposal, MCNC will cause drafts of all documents necessary or desirable to effectuate the transactions contemplated hereby to be prepared and delivered to all Parties. All documents would contain customary representations, warranties, covenants and indemnification provisions concerning APEC and PW and MCNC, which provisions would survive the closing.
7. Expenses. Except as may otherwise be provided in the agreements referenced in Section 5 above, each party shall each bear its own costs and expenses incurred in connection with the transactions described in this Letter of Intent.
8. Contacts.

PW: Gray Lewis, Vice President

APEC: John Hughes, Executive Director

MCNC: Joe Freddoso, President and CEO
9. Confidentiality. In order to complete and submit the BTOP Application, the Parties will need to exchange certain confidential information with respect to their systems and

CONFIDENTIAL

business plans (the "Confidential Information"). APEC and PW and MCNC hereby acknowledge that the Confidential Information is a valuable asset of all Parties. APEC, PW and MCNC agree to hold all such Confidential Information in confidence and agree not to disclose such Confidential Information, except as expressly permitted by the terms of any future or existing non-disclosure agreement(s) or as required by the NTIA BTOP application process, to anyone other than APEC, PW and MCNC employees and contractors with a bona fide need to know, which employees and contractors shall be governed by a parallel confidentiality obligation of equal or greater force. Additionally, APEC, PW and MCNC each agree to use at least that degree of care which it uses to protect its own information of a similar proprietary nature, but in no event less than reasonable protection.

Furthermore, each Party agrees to maintain the confidentiality of all information received from the other Party in connection with this Letter of Intent or the proposed collaboration, whether received before, on or after the date of this Letter of Intent, and to use such information only for purposes of the proposed collaboration and preparation of the Application; provided, however, that the Parties may disclose the information they receive to their respective employees, advisors and representatives who have a need to know in connection with the proposed collaboration and preparation of the Application and who agree to be bound by the terms hereof. Upon the request of either party, the other Party shall return to the requesting Party all documents (and any copies thereof) and information provided to it in connection with this Letter of Intent or the proposed collaboration. The obligations in this section shall not apply to information which: (a) becomes available to the general public through no breach of this section; (b) is possessed by the receiving Party at the time of disclosure (and acquired with no breach of any confidentiality limitation); (c) is subsequently acquired from a third party who has a bona fide right to make such information available without restriction; (d) is independently developed by the receiving Party without use of confidential information of the other Party; or (e) is required to be disclosed by court order (except that the Party required to make such disclosure shall promptly notify the other Party of such court order and cooperate with the other Party to limit the scope of disclosure required).

10. Scope of Agreement Nothing in this Letter of Intent or the Definitive Agreement shall be construed to create a principal-agent relationship, partnership or joint venture between the Parties, or give rise to any fiduciary duty from one party to the other party, other than expressly agreed to within and after successful execution of the final agreement. Neither APEC, PW nor MCNC may not make any commitments or incur any liabilities on behalf of either Party without the other Party's written consent.
11. Entire Agreement. The binding provisions, specifically paragraphs 5, 6, 8, 9 and 10 ("Binding Provisions"), constitute the entire agreement between the Parties, and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the Parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the Parties.


CONFIDENTIAL

12. Governing Law. The Binding Provisions will be governed by and construed under the laws of the State of North Carolina without regard to its conflicts of laws principles.
13. Jurisdiction; Service Of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of this letter may be brought against any of the Parties in the state and federal courts of Wake County, North Carolina, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any Party anywhere in the world.
14. Counterparts. This letter may be executed in one or more counterparts, each of which will be deemed to be an original copy of this letter and all of which, when taken together, will be deemed to constitute one and the same agreement.

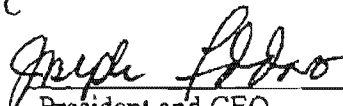
This letter does not purport to include all of the essential terms regarding the transactions contemplated hereby; instead all such terms shall be contained in the documents referenced in Section 5 above to be mutually agreed to after the execution and delivery of this letter.

Accepted and agreed to as of the later date of execution below.


Date: 3/17/2010

Patterson Wilder
By: 
Its: Vice President

Date: 3/17/10

MCNC
By: 
Its: President and CEO

Date: 3-19-10

APEC
By: 
Its: VICE CHAIRMAN

CONFIDENTIAL

Letter of Intent

This letter of intent (the "Letter of Intent") sets forth the basic terms and conditions upon which MCNC, a North Carolina non-profit corporation ("MCNC"), and [REDACTED] (collectively, "the Parties"), intend for MCNC to file an application under the American Recovery and Reinvestment Act of 2009. The application will request an award of broadband stimulus funds (the "Award") under the National Telecommunications and Information Administration's Broadband Technology Opportunities Program ("**BTOP**"). This Letter of Intent is intended to set forth the basis upon which the Parties will negotiate in good faith the actual terms of the within-described arrangement and prepare definitive documentation reflecting those terms (the "Definitive Agreement"). This Letter of Intent supersedes all prior understandings and discussions among the Parties relating to the matters described herein.

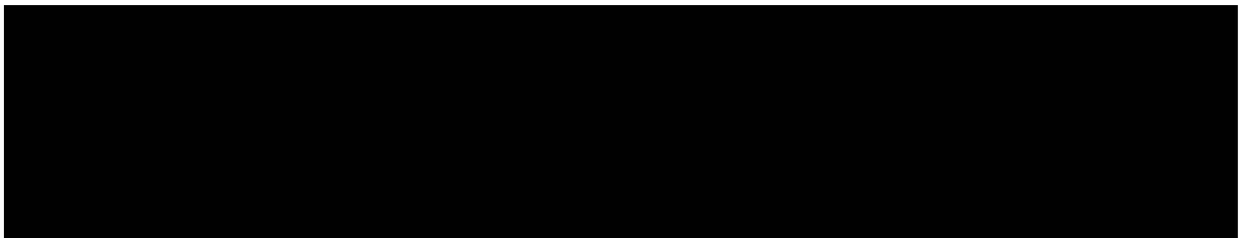
1. Submission of Grant Application. MCNC will submit to the BTOP on or before the deadline of March 26, 2010, an application to request funding for construction of the fiber routes in western North Carolina described in Section 2 below. MCNC shall be the requestor of the grant and the Grantee, and [REDACTED] shall be considered a customer and vendor under the Application as an IRU recipient from MCNC. Unless the Parties agree otherwise in writing, neither Party shall file a separate application on its own or with a third party with respect to the New Construction (as that term is defined below). It is the intent of both Parties to have the necessary due diligence and preparatory work completed in sufficient time for such the Application to be submitted by [REDACTED]

2. New Construction.

a. Robbinsville to Santeetlah Middle Mile Network. MCNC will be responsible for constructing the following fiber segments in western North Carolina (the "Western New Construction") through the installation of at least 48-count fiber cable inside one 1 1/4" conduit with a spare 1 1/4" conduit:

- New fiber construction **starting at the intersection of Knight St. and Hwy 129 in Robbinsville to Meadow Branch Road east on Meadow Branch Rd. to Santeetlah Power House.**
- The total amount of expected new construction is approximately 19 miles.

3. Existing Fiber Network. Currently, [REDACTED] has available fiber capacity in certain existing fiber routes in western North Carolina. Specifically, [REDACTED] has fiber strands in the following existing fiber segments in western North Carolina:



CONFIDENTIAL

The total existing fiber network is estimated to be [REDACTED] miles.

4. Grant of Right to Use New Construction. MCNC shall grant to [REDACTED] an indefeasible right to use [REDACTED] strands of single mode fiber in the Western New Construction along the [REDACTED] miles of new construction, amounting to [REDACTED] strand miles along the route. The initial term of each such indefeasible right to use shall be twenty-five (25) years, and such right shall be renewable, in perpetuity and on substantially the same terms, after the expiration of the initial term thereof. [REDACTED] shall pay MCNC an amount of [REDACTED] in exchange for this use.

5. Grant of Right to Use Existing Construction. [REDACTED] shall grant to MCNC an indefeasible right to use [REDACTED] strands of single mode fiber in the Western route [REDACTED]
[REDACTED]
term of each such indefeasible right to use shall be twenty-five (25) years, and such right shall be renewable, in perpetuity and on substantially the same terms, after the expiration of the initial term thereof. MCNC shall pay [REDACTED] in exchange for this use.

6. Maintenance and Repair of the New Construction

a. Scheduled Maintenance. Under a separate five (5) year term maintenance renewable agreement, [REDACTED] will manage the required outside plant network needs of the New Construction. MCNC and [REDACTED] systems will not be co-mingled or collocated and the separation of their traffic and electronic system operations will be maintained throughout the life of the systems. MCNC shall pay [REDACTED] a fee of \$250 per route mile per year, or [REDACTED] for scheduled maintenance on the New Construction for maintenance. MCNC shall pay [REDACTED] [REDACTED] mile per year for maintenance on the existing fiber route. [REDACTED] The annual scheduled maintenance cost may be adjusted in accordance with terms which the Parties will negotiate in good faith in the future or subject to a CPI adjustment.

b. Unscheduled Maintenance/Restoration on new construction. [REDACTED] shall reimburse MCNC for [REDACTED] proportionate share, calculated as the [REDACTED] number of fibers/total number of fibers on the route, of the costs to repair a portion of the New Construction as follows: All costs of fiber repairs, splicing, and testing, prorated based on the total fiber count in the affected cable, as so repaired, and all costs associated with the repair of the conduit housing the affected cable or the aerial installation of the replacement cable, prorated based on the total number of owners (including MCNC) and holders of indefeasible rights to use or equivalent interests in the affected cable.

CONFIDENTIAL

c. Relocation. [REDACTED] shall reimburse MCNC for [REDACTED] proportionate share, calculated as the [REDACTED] number of fibers/total number of fibers on the route, of the costs to relocate any portion of the New Construction as follows: All costs of fiber acquisitions, splicing, and testing, prorated based on the total fiber count in the affected cable, as so relocated, and all costs associated with the relocation of the conduit housing the affected cable or the aerial installation of the replacement cable, prorated based on the total number of owners (including MCNC) and holders of indefeasible rights to use or equivalent interests in the affected cable.

7. Maintenance and Repair of the Existing Construction

a. Scheduled Maintenance. MCNC shall pay [REDACTED] an amount of [REDACTED] mile per year for maintenance on the existing fiber route at [REDACTED]. The annual scheduled maintenance cost may be adjusted in accordance with terms which the Parties will negotiate in good faith in the future or subject to a CPI adjustment.

b. Unscheduled Maintenance/Restoration on existing construction. MCNC shall reimburse [REDACTED] for MCNC's proportionate share, calculated as the MCNC number of fibers/total number of fibers on the route, of the costs to repair a portion of the existing fiber network as follows: All costs of fiber acquisitions, splicing, and testing, prorated based on the total fiber count in the affected cable, as so repaired, and all costs associated with the repair of the conduit housing the affected cable or the aerial installation of the replacement cable, prorated based on the total number of owners (including MCNC) and holders of indefeasible rights to use or equivalent interests in the affected cable.

c. Relocation. MCNC shall reimburse [REDACTED] for MCNC's proportionate share, calculated as the MCNC number of fibers/total number of fibers on the route, of the costs to relocate any portion of the New Construction as follows: All costs of fiber acquisitions, splicing, and testing, prorated based on the total fiber count in the affected cable, as so relocated, and all costs associated with the relocation of the conduit housing the affected cable or the aerial installation of the replacement cable, prorated based on the total number of owners (including MCNC) and holders of indefeasible rights to use or equivalent interests in the affected cable.

8. Valuation of Project. Replacement Value will be standard for any future required valuation of the assets consisting of the New Construction.

9. Conditions Precedent. The consummation of the transactions described herein is conditional on (a) the grant of the Award and (b) [REDACTED] finalization of fiber strand agreements for Existing Fiber Network.

10. Documents. Upon mutual acceptance of this proposal, [REDACTED] will cause drafts of all documents necessary or desirable to effectuate the transactions contemplated hereby to be prepared and delivered to all Parties. All documents would contain

CONFIDENTIAL

customary representations, warranties, covenants and indemnification provisions concerning [REDACTED] and MCNC, which provisions would survive the closing.

11. Expenses. Except as may otherwise be provided in the agreements referenced in Section 11 above, each party shall each bear its own costs and expenses incurred in connection with the transactions described in this Letter of Intent.

12. Contacts.

[REDACTED]

MCNC: Tommy Jacobson
Director, Engineering and Chief Architect
jjacobson@mailbox.mcnc.org

13. Confidentiality. In order to complete and submit the Application, the Parties will need to exchange certain confidential information with respect to their systems and business plans (the "Confidential Information"). [REDACTED] and MCNC hereby acknowledge that the Confidential Information is a valuable asset of both Parties. [REDACTED] and MCNC agree to hold all such Confidential Information in confidence and agree not to disclose such Confidential Information, except as expressly permitted by the terms of any future or existing non-disclosure agreement(s), to anyone other than [REDACTED] and MCNC employees and contractors with a bona fide need to know, which employees and contractors shall be governed by a parallel confidentiality obligation of equal or greater force. Additionally, [REDACTED] and MCNC each agree to use at least that degree of care which it uses to protect its own information of a similar proprietary nature, but in no event less than reasonable protection.

Confidentiality. Each Party agrees to maintain the confidentiality of the information received from the other Party in connection with this Letter of Intent or the proposed collaboration, whether received before, on or after the date of this Letter of Intent, and to use such information only for purposes of the proposed collaboration and preparation of the Application; provided, however, that the Parties may disclose the information they receive to their respective employees, advisors and representatives who have a need to know in connection with the proposed collaboration and preparation of the Application and who agree to be bound by the terms hereof. Upon the request of either party, the other Party shall return to the requesting Party all documents (and any copies thereof) and information provided to it in connection with this Letter of Intent or the proposed collaboration. The obligations in this section shall not apply to information which: (a) becomes available to the general public through no breach of this section; (b) is possessed by the receiving Party at the time of disclosure (and acquired with no breach of any confidentiality limitation); (c) is subsequently acquired from a third party who has a bona fide right to make such information available without restriction; (d) is independently developed by the receiving Party without use of confidential information of the other Party; or (e) is required to be disclosed by court order (except that the Party required to make such disclosure shall promptly notify the other Party of such court order and cooperate with the other Party to limit the scope of disclosure required).

CONFIDENTIAL

14. Scope of Agreement Nothing in the this Letter of Intent or the Definitive Agreement shall be construed to create a principal-agent relationship, partnership or joint venture between the Parties, or give rise to any fiduciary duty from one party to the other party, other than expressly agreed to within and after successful execution of the final agreement. Neither [REDACTED] nor MCNC may not make any commitments or incur any liabilities on behalf of either Party without the other Party's written consent.

15. Entire Agreement. The binding provisions, specifically paragraphs 10, 11, 14, and 15 ("Binding Provisions"), constitute the entire agreement between the Parties, and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the Parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the Parties.

16. Governing Law. The Binding Provisions will be governed by and construed under the laws of the State of North Carolina without regard to its conflicts of laws principles.

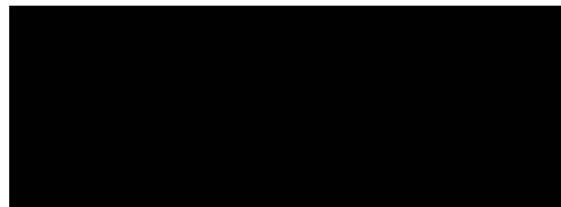
17. Jurisdiction; Service Of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of this letter may be brought against any of the Parties in the state and federal courts of Wake County, North Carolina, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any Party anywhere in the world.

18. Counterparts. This letter may be executed in one or more counterparts, each of which will be deemed to be an original copy of this letter and all of which, when taken together, will be deemed to constitute one and the same agreement.

This letter does not purport to include all of the essential terms regarding the transactions contemplated hereby; instead all such terms shall be contained in the documents referenced in Section 11 above to be mutually agreed to after the execution and delivery of this letter.

Accepted and agreed to as of the later date of execution below.

Date: 03/19/2010



MCNC

Date: 3/19/2010

By:
Its:

Joseph L. Davis
President and CEO

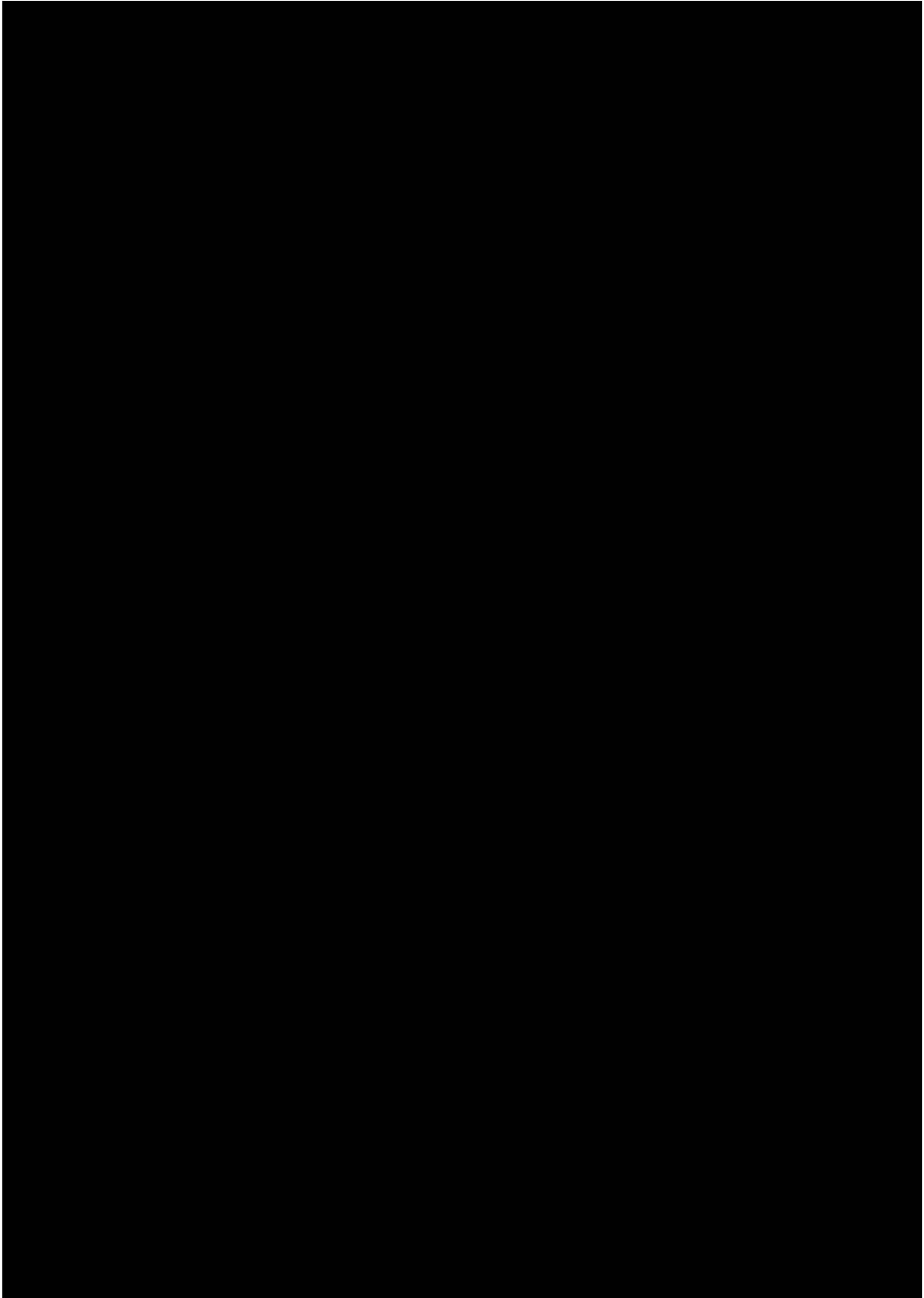
Letter of Intent

This letter of intent (the "Letter of Intent") sets forth the basic terms and conditions upon which MCNC, a North Carolina non-profit corporation ("MCNC"), and [REDACTED] which, together with MCNC, shall be referred to as "the Parties"), intend for MCNC to file an application under the American Recovery and Reinvestment Act of 2009. The application will request an award of broadband stimulus funds (the "Award") under the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program ("**BTOP**"). This Letter of Intent is intended to set forth the basis upon which the Parties will negotiate in good faith the actual terms of the within-described arrangement and, if possible, prepare definitive documentation reflecting those terms (the "Definitive Agreement"). This Letter of Intent supersedes all prior understandings and discussions among the Parties relating to the matters described herein.

1. Submission of Grant Application. MCNC will submit to the BTOP, on or before the deadline of March 26, 2010, an application to request funding to acquire indefeasible rights of use ("IRU") from [REDACTED] for certain fibers in the fiber optics network [REDACTED] has along [REDACTED]

2. IRUs. MCNC will request funds as part of its BTOP "Round 2" proposal, such funds to be used to acquire from [REDACTED] in fiber strands within [REDACTED] existing fiber optics network along four different routes. [REDACTED]

CONFIDENTIAL



3. Issues to be Resolved Before Any Definitive Agreement Can Be Finalized.

- a. [REDACTED] acknowledges that MCNC will not be able to enter into a Definitive Agreement unless its application for BTOP funds is granted in full by the NTIA. MCNC anticipates that the notice of award should occur on or before September 30, 2010.
- [REDACTED]

- d. This Letter of Intent does not purport to include all of the essential terms regarding the transactions contemplated hereby. Instead, all such terms shall be contained in any Definitive Agreement ultimately entered into by the Parties. Among other essential terms, [REDACTED] must be granted the right to assign some or all of its rights under any Definitive Agreement ultimately executed by the Parties to one or more of its wholly owned subsidiaries.

4. Additional terms of IRUs.

- a. MCNC will have the right to interconnect with the fiber strands that are the subject of each IRU at the end points of each route and at such other points as are identified by [REDACTED] upon reasonable consultation with MCNC.

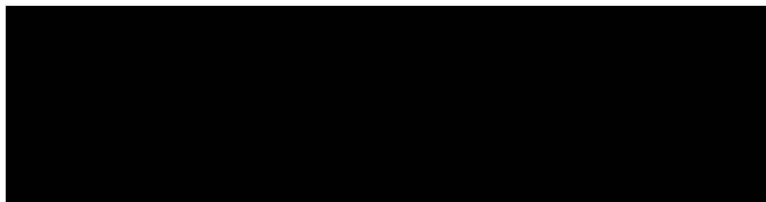
However, MCNC will not have any other right to access [REDACTED] fiber optics network, or to enter onto any property underlying the [REDACTED] fiber optics network.

- b. All routine and emergency maintenance to the fiber optic strands will be performed by [REDACTED]
- c. In the event MCNC's application for BTOP funds is granted, MCNC agrees to deposit the grant funds into an escrow account set aside for the purpose of purchasing the IRUs described herein. [REDACTED] shall be entitled to payment from the escrow account of the IRU fee for each route when:
 - (i) [REDACTED] determines, in the exercise of its sole judgment, that it has acquired all necessary third-party communications easements from the individuals who own real property underlying that route, such that [REDACTED] is in a position to grant MCNC an IRU the route; and
 - (ii) [REDACTED] executes a document granting an IRU over that route to MCNC, regardless of whether MCNC accepts that grant.
- d. In the event [REDACTED] abandons the pursuit of required easements, MCNC will receive reimbursement of funds placed into escrow.

5. Documents. In the event MCNC receives the NTIA BTOP award it is requesting, [REDACTED] will be responsible for drafting the necessary Definitive Agreement(s) and delivering them to all Parties.

6. Expenses. Except as may otherwise be provided herein, or as subsequently agreed in writing between the Parties, MCNC and [REDACTED] each shall each bear their own costs and expenses incurred in connection with the transactions described in this Letter of Intent.

7. Contacts.



MCNC:
Tommy Jacobson
3021 Cornwallis Road
P.O. Box 12889
Research Triangle Park, NC 27709

8. Confidentiality. If either party provides confidential and/or proprietary information to the other in writing and identified as such, the receiving party shall protect the confidential or proprietary information from disclosure to third parties with the same degree of care accorded his own confidential and proprietary information, which, in any event, shall not be less than reasonable care. All confidential and proprietary information, unless otherwise specified in writing, shall remain the property of the disclosing party and shall be used by the receiving party only for its intended purpose. The parties agree to use their best efforts to avoid unnecessarily disclosing to each other confidential information. Neither party shall be required to treat as confidential any information which: (i) becomes publicly available other than through the recipient; (ii) the recipient is required to disclose by law, rule or regulation, or by court order; (iii) is independently developed by the recipient; or (iv) becomes available to the recipient without restriction from a third party. If any confidential or proprietary information is required to be disclosed pursuant to subsection (ii) above, the party required to make such disclosure shall immediately inform the other party of the disclosure, and shall take all reasonable protective measures to preserve the confidentiality of such confidential or proprietary information as fully as possible in the context of such permitted disclosure. Notwithstanding the foregoing, either party may disclose confidential or proprietary information to its agents, to its legal, financial and accounting advisors, to its regulators and to its lenders with a need to know such confidential or proprietary information, provided that the disclosing party notifies any recipient of its confidential and proprietary nature. These confidentiality obligations shall survive the execution of this Letter of Intent for a period of two (2) years.

9. Scope. Nothing in this Letter of Intent shall be construed to create a principal-agent relationship, partnership or joint venture between the Parties, or give rise to any fiduciary duty from one party to the other party. Neither [REDACTED] nor MCNC may make any commitments or incur any liabilities on behalf of the other without the other party's written consent.

10. Entire Letter of Intent. This Letter of Intent contains the entire understanding between the Parties, and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the Parties on the subject matter hereof. Except as otherwise provided herein, this Letter of Intent may be amended or modified only by a writing executed by all of the Parties.

11. Governing Law. This Letter of Intent will be governed by and construed under the laws of the State of North Carolina without regard to its conflicts of laws principles.

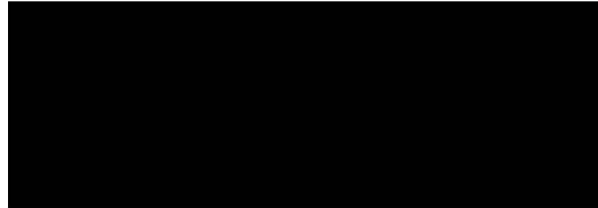
12. Jurisdiction; Service of Process. Any action or proceeding seeking to enforce any provision of or based on any right arising out of this Letter of Intent may only be brought in the state and federal courts of [REDACTED] County, North Carolina, and each of the parties consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein.

13. Counterparts. This Letter of Intent may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Letter of Intent and all of which, when taken together, will be deemed to constitute one and the same agreement.

CONFIDENTIAL

Accepted and agreed to as of the later date of execution below.

Date: 3-19-2010




Date: 3-19-2010

MCNC

By: Joseph - [Signature]


Its: CEO

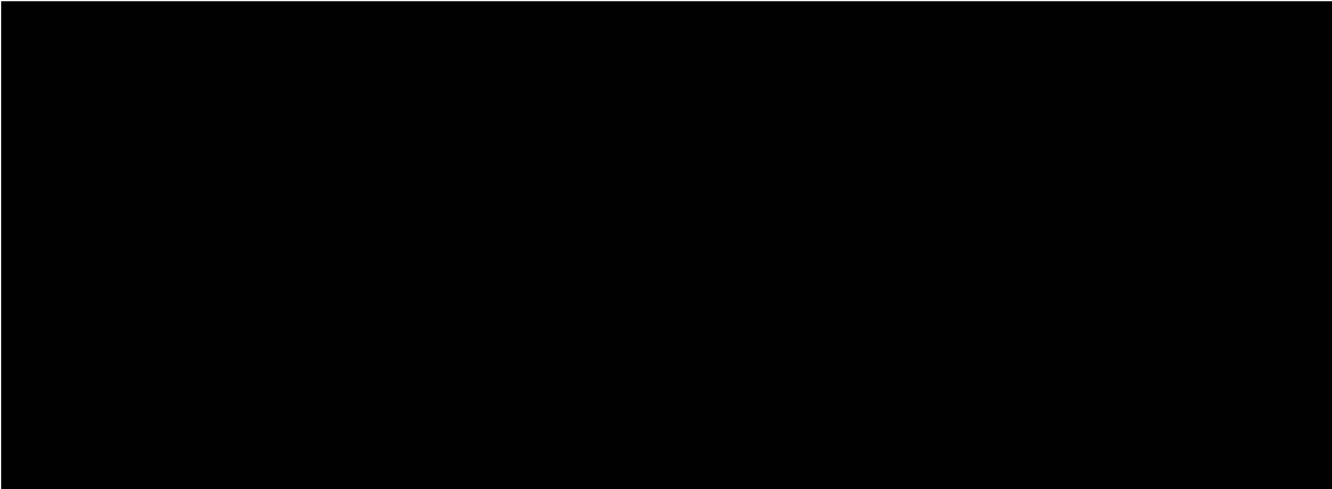


March 22, 2010

Joseph Freddoso
President and CEO
MCNC
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe:

I am pleased to forward  that we have reviewed together. I have appreciated the opportunity to work with you.



To confirm our mutual understanding, please initial and return this letter to me. JAF

3/22/10

Sincerely,



CONFIDENTIAL

Letter of Intent

This letter of intent (the "Letter of Intent") sets forth the basic terms and conditions upon which MCNC, a North Carolina non-profit corporation ("MCNC"), and [REDACTED] (collectively, "the Parties"), intend for MCNC to file an application under the American Recovery and Reinvestment Act of 2009. The application will request an award of broadband stimulus funds (the "Award") under the National Telecommunications and Information Administration's Broadband Technology Opportunities Program ("BTOP").

This Letter of Intent will serve as the basis for discussion between MCNC and [REDACTED]. The parties will negotiate in good faith, to review assumptions and pricing and to develop terms and conditions that are acceptable to both parties in a definitive written agreement between the parties (the "Definitive Agreement"). All offers contained in this Letter of Intent are made in good faith; however, they are subject to satisfactory due diligence, and review and approval at appropriate levels of each Party's management. This Letter of Intent does not create a binding agreement among the Parties, but summarizes their common understandings of the principles for jointly pursuing discussions of the Definitive Agreement. No contract or agreement providing for the Definitive Agreement shall be deemed to exist unless and until a definitive agreement has been executed by and delivered to both Parties and each Party has obtained all necessary internal approvals of the Definitive Agreement. Each Party waives, in advance, any claims (including, without limitation, breach of contract) in connection with the Definitive Agreement unless and until such execution and delivery of the Definitive Agreement and such approvals occur. Unless and until the Definitive Agreement is executed and delivered, neither Party will have any right or obligation except as set forth in the Binding Provisions, which shall survive termination of this Letter of Intent.

1. Submission of Grant Application. MCNC will submit to the BTOP on or before the deadline of March 26, 2010, an application to request funding for construction of the fiber routes in North Carolina described in Section 2 below. MCNC shall be the requestor of the grant and the Grantee, [REDACTED]

[REDACTED] Unless the Parties agree otherwise in writing, neither Party shall file a separate application on its own or with a third party with respect to the New Construction (as that term is defined below). It is the intent of both Parties to have the necessary due diligence and preparatory work completed in sufficient time for such the Application to be submitted by March 26, 2010.

2. New Construction.

a. MCNC will be responsible for constructing the following fiber segments in North Carolina (the "New Construction") through the installation of at least 48-count fiber cable inside one 1 1/4" conduit with a spare 1 1/4" conduit along the routes described in Table 1 below.

CONFIDENTIAL

TABLE 1

Description	Strand Count	Distance in Miles	Monthly Lease Cost Price	Optional Prepayment Amount for First 5 year term
Littleton C.O to Roanoke Rapids C.O via Hwy 158	14	14.7		
Littleton C.O to Vaughn # 1 DLC	8	5.8		
Jackson C.O to Hwy 158 E # 1 DLC	6	3.8		
Conway C.O to Murfreesboro C.O via Hwy 158	8	7.4		
Henderson C.O to Oxford C.O via Hwy 158	8	10.8		
Oxford C.O to Hwy 158 W # 1 DLC	6	6		
Hwy 158 W # 1 to Berea # 2 DLC	6	2		
Berea # 2 to Berea # 4 DLC	8	4.7		
Berea # 4 to J Oakley Rd cell tower	8	1.5		
J Oakley Rd to R Ladd Rd cell tower	8	0.4		
R Ladd Rd to TB12 DLC	8	1		
TB12 DLC to TB02 DLC	6	1.7		
Hwy 158 Splice to RQ51 DLC	8	0.8		
RQ51 DLC to RO13 DLC	6	3.3		
RO13 DLC to P Pritchard Rd cell tower	2	0.4		
RO01 DLC to O Hill Ch Rd cell tower	2	1.1		
Stoneville C.O to Sandy Ridge C.O via Hwy 770	8	11.6		
Sandy Ridge C.O to SR08 DLC	6	3		
Danbury C.O to DB06 DLC	6	2.5		
DB06 to DB18 DLC	6	2.2		
Danbury DB02 to Mt. Airy C.O via Hwy 89	8	25.5		
Hwy 74 Bus Splice to Memory Trail cell tower	4	0.8		
Memory Tr to D Pond Rd cell tower	2	6.4		
Bunn #2 Carrier to Pilot Fire Station	2	4.9		
Bunn #2 Carrier to Bunn FD @1515 Baptist Church Rd	10	5.1		
Bunn FD @1515 Baptist Church Rd to SR 1611 #1	8	1.8		
SR 1611 #1 to Justice Main Fire Department at 4080 NC HWY 581	2	2.9		
Bunn #2 Carrier to Bunn Library	24	0.2		
Bunn Library to Bunn Fire station at 505 S. Main Street	22	0.2		
Bunn Fire station at 505 S. Main Street to Bunn Rescue at 333 NC 98 HWY W	20	0.8		
Bunn Rescue at 333 NC 98 HWY W to Cell Tower	18	0.9		
Cell Tower on HWY 98 W to EMS 4 & Station 6 930 NC 98 HWY W	16	0.2		
EMS 4 & Station 6 930 NC 98 HWY W to Intersection Barnette Rd & NC HWY 98 W	14	2.3		
Intersection Barnette Rd & NC HWY 98 W to Bunn Fire Station #2 2882 NC HWY 98W	8	1.8		
Bunn Fire Station #2 2882 NC HWY 98W to County Airport on Airport Road	8	4.5		
County Airport on Airport Road to Triangle North Industrial Park 481 Airport Drive	4	0.2		
Triangle North Industrial Park 481 Airport Drive to Youngsville Fire Station #2 1088 Hart Road	2	4.2		
Centerville CO to White Level Fire Station 2465 White Level Road	28	1.9		
White Level Fire Station 2465 White Level Road to Intersection SR 1468 & White Level Road	26	0.4		
Intersection SR 1468 & White Level Road to Stallings #2 Carrier	10	2.8		
Stallings #2 Carrier to SR 1639 #1 Carrier	8	4.7		
SR 1639 #1 Carrier to Justice Fire Station #2 at 942 Sykes Road	2	2.3		
Intersection SR 1468 & White Level Road to SR 1425 #1	16	1.7		
SR 1425 #1 to Intersection of NC HWY 58 & NC HWY 581 Centerville Fire Station 5838 NC 581	14	3.8		

CONFIDENTIAL

TABLE 1

Description	Strand Count	Distance in Miles	Monthly Lease Cost Price	Optional Prepayment Amount for First 5 year term
Intersection of NC HWY 58 & NC HWY 561 Centerville Fire Station 3039 NC HWY 561 to Gupion #1	10	3.8		
Gupion #1 to Goldsboro Fire Station 2295 Person Road	8	2.5		
Centerville Co. to HWY 581 W #1 Carrier	8	3.7		
HWY 581 W. #1 Carrier to Intersection SR 1002 & NC HWY 581 W	2	0.9		
Intersection SR 1002 & NC HWY 581 W & Forestry Service 2177 Firetower Rd	2	0.9		
Franklinton CO to Wastewater Treatment Plant 1099 Lane Store Road	2	4.8		
Franklinton CO to MCNC Co Location	8	1.9		
Franklinton CO to Franklinton County Library	2	0.2		
Franklinton CO to Franklinton Firestation 9 Hillsborough Street	2	0.2		
Franklinton CO to Aging Department 602 East Mason Street	12	0.6		
Aging Department 602 East Mason Street to SR 1211 #1 Carrier	10	1.5		
SR 1211 #1 Carrier to Mitchiners Fire Station at 2954 W. River Road	4	2.4		
Mitchiners Fire Station at 2954 W. River Rd to G20 #1 Carrier	2	3.1		
Q11 #1 Carrier to Rockford #1 Carrier	10	3.6		
Rockford #1 Carrier to Epson #1	4	3.5		
Epson #1 to Epson Fire Station 8084 NC 38 HWY S.	2	0.2		
Youngsville #7 to Youngsville EMS 105 N West Railroad Street	20	0.2		
Youngsville EMS 105 N West Railroad Street to Youngsville Library US 1A HWY S	2	0.9		
Youngsville EMS 105 N West Railroad Street to Youngsville Fire Department Main Station 803 Wheaton Ave	16	1.2		
Youngsville Fire Department Main Station 803 Wheaton Ave to Economic Development 112 D Wheaton Drive	14	0.4		
Economic Development 112 D Wheaton Drive to Sheriff's Satellite office 888 Park Ave	12	1.3		
Sheriff's Satellite office 888 Park Ave to County Utilities Office 1630 US 1 HWY N	10	0.4		
County Utilities Office 1630 US 1 HWY N to Youngsville Fire Station #3 6755 NC 96 West	8	3.0		
Louisburg Co to Intersection of SR 1282 & Main Street	16	0.8		
Intersection of SR 1282 & Main Street to Louisburg Rescue 121 Davis Street	4	0.2		
Louisburg Rescue 121 Davis Street to Human Services Building 107 Industrial Drive	2	0.3		
Intersection of SR 1282 & Main Street to Main Library at 908 N. Main Street	12	0.3		
Main Library at 908 N. Main Street to EMS Station 1841 NC HWY 99 N.	10	1.3		
Louisburg Co to Court House Annex 113 S. Main Street	18	0.2		
Court House Annex 113 S. Main Street to Louisburg Police & Fire Station 104 Wade Ave	18	0.2		
Louisburg Police & Fire Station 104 Wade Ave to Aging Department 127 Shannon Village	14	0.2		
Aging Department 127 Shannon Village to Child Support & Enforcement	12	0.2		
Child Support & Enforcement to Cooperative Extension Office	10	0.2		
Cooperative Extension Office to Franklinton County Board of Education	8	0.2		
Franklinton County Board of Education to EC Auxiliary Annex	8	0.2		
EC Auxiliary Annex to Planning & Tax Office 215 E Nash Street	4	0.2		
Planning & Tax Office 215 E Nash Street to Probation Building 307 Nash Street	2	0.2		
Louisburg Co to Parks & Recreation Department 62 W. River Road	18	0.4		
Parks & Recreation Department 62 W. River Road to Animal Shelter 351 T-Kemp Road	14	1.3		
Animal Shelter 351 T-Kemp Road to Sheriff 911 Center 285 T-Kemp Road	12	0.2		
Animal Shelter 351 T-Kemp Road to EMS Office 8148 NC HWY 58	10	1.0		
EMS Office 8148 NC HWY 58 to Katesville #1 Carrier	8	2.0		
Katesville #1 Carrier to Landfill 10 Landfill Road	2	2.2		
Louisburg Co to Intersection SR 1002 & NC HWY 561 W	12	8.1		

CONFIDENTIAL

TABLE 1				
Description	Strand Count	Distance in Miles	Monthly Lease Cost Price	Optional Prepayment Amount for First 3 year term
TOTAL		224.44		

4. Building Space and Power Provided [REDACTED] MCNC shall provide to [REDACTED] use of up to four (4) racks spaces, and thirty (30) amps of power per rack, at each regeneration hut location along the New Construction route, [REDACTED]

5. Maintenance and Repair

a. Scheduled Maintenance. Under a separate maintenance agreement with a five (5) year term (renewable for four (4) additional five (5) year terms), [REDACTED] will act as the manager for the required scheduled maintenance and unscheduled maintenance/restoration outside fiber plant network maintenance needs of MCNC along [REDACTED]

[REDACTED] will be periodic route patrol, one-call marking responsibilities and project management of emergency maintenance restoration and relocations of outside fiber plant network maintenance needs. Actual material and contractor costs incurred for emergency maintenance restoration and relocations will be paid by MCNC.

MCNC [REDACTED] optonics systems will not be co-mingled and the separation of their traffic and electronic system operations will be maintained throughout the life of the systems.

b. Unscheduled Maintenance/Restoration of New Construction [REDACTED] shall reimburse MCNC [REDACTED] proportionate share of all route restoration costs incurred as a result of all third party caused damage to the New Construction route, calculated as the total cost of such restoration multiplied by (A) one divided by the total number of conduits in the route, multiplied by (B) the number of fiber to which [REDACTED]

of fiber acquisitions, splicing, and testing, as so repaired, and all costs associated with the

CONFIDENTIAL

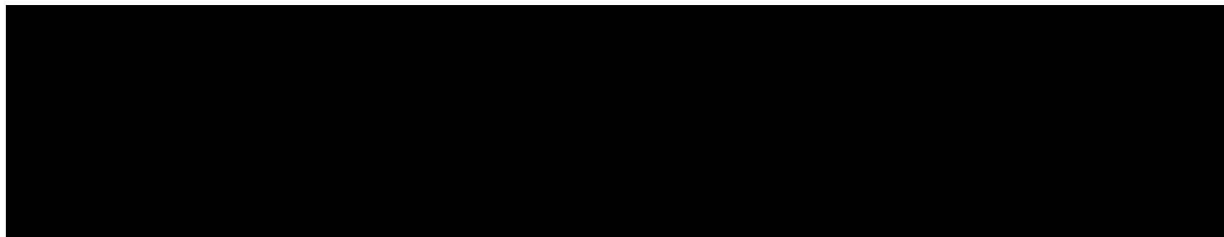
repair of the conduit housing the affected cable or the aerial installation of the replacement cable.

c. Relocation of New Construction. [REDACTED] shall reimburse MCNC for its Pro-rata Share of all route relocation costs incurred as a result of all required relocations of the New Construction. The relocation costs shall include all costs of fiber acquisitions, splicing, and testing, as so relocated, and all costs associated with the relocation of the conduit housing the affected cable or the aerial installation of the replacement cable.

6. Conditions Precedent. The consummation of the transactions described herein is conditional on (a) the grant of the Award and (b) execution of the Definitive Agreement.

7. Documents. Upon mutual acceptance of this proposal and the grant of the Award, [REDACTED] will cause drafts of all documents necessary or desirable to effectuate the transactions contemplated hereby to be prepared and delivered to all Parties. All documents would contain customary representations, warranties, covenants and indemnification provisions concerning [REDACTED] and MCNC, which provisions would survive the closing.

8. Expenses. Except as may otherwise be provided in the agreements referenced in Section 10 above, each party shall each bear its own costs and expenses incurred in connection with the transactions described in this Letter of Intent.



MCNC: MCNC
3021 E. Cornwallis Road
Box 12889
Durham, NC 27709
Attn: Joe Freddoso

10. Confidentiality. In order to complete and submit the Application, the Parties will need to exchange certain confidential information with respect to their systems and business plans (the "Confidential Information"). [REDACTED] and MCNC hereby acknowledge that the Confidential Information is a valuable asset of both Parties. [REDACTED] and MCNC agree to hold all such Confidential Information in confidence and agree not to disclose such Confidential Information, except as expressly permitted by the terms of any future or existing non-disclosure agreement(s), to anyone other than [REDACTED] and MCNC employees and contractors with a bona fide need to know, which employees and contractors shall be governed by a parallel confidentiality obligation of equal or greater force, provided, however, that the Parties may disclose the information they receive to their respective employees, advisors and representatives

CONFIDENTIAL

who have a need to know in connection with the proposed collaboration and preparation of the Application and who agree to be bound by the terms hereof. Upon the request of either party, the other Party shall return to the requesting Party all documents (and any copies thereof) and information provided to it in connection with this Letter of Intent or the proposed collaboration. The obligations in this section shall not apply to information which: (a) becomes available to the general public through no breach of this section; (b) is possessed by the receiving Party at the time of disclosure (and acquired with no breach of any confidentiality limitation); (c) is subsequently acquired from a third party who has a bona fide right to make such information available without restriction; (d) is independently developed by the receiving Party without use of confidential information of the other Party; or (e) is required to be disclosed by court order (except that the Party required to make such disclosure shall promptly notify the other Party of such court order and cooperate with the other Party to limit the scope of disclosure required). Additionally, [REDACTED] and MCNC each agree to use at least that degree of care which it uses to protect its own information of a similar proprietary nature, but in no event less than reasonable protection.

11. Scope of Agreement. Nothing in this Letter of Intent or the Definitive Agreement shall be construed to create a principal-agent relationship, partnership or joint venture between the Parties, or give rise to any fiduciary duty from one party to the other party, other than expressly agreed to within and after successful execution of the final agreement. Neither [REDACTED] or MCNC may make any commitments or incur any liabilities on behalf of either Party without the other Party's written consent.

12. Entire Agreement. The binding provisions, specifically paragraphs 8, 10, 11, 12, 13 and 14 ("Binding Provisions"), constitute the entire agreement between the Parties, and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the Parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the Parties.

13. Governing Law. The Binding Provisions will be governed by and construed under the laws of the State of North Carolina without regard to its conflicts of laws principles.

14. Jurisdiction; Service Of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of this letter may be brought against any of the Parties only in the state and federal courts of Wake County, North Carolina, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any Party anywhere in the world.

15. Counterparts. This letter may be executed in one or more counterparts, each of which will be deemed to be an original copy of this letter and all of which, when taken together, will be deemed to constitute one and the same agreement.

CONFIDENTIAL

This letter does not purport to include all of the essential terms regarding the transactions contemplated hereby; instead all such terms shall be contained in the documents referenced in Section 10 above to be mutually agreed to after the execution and delivery of this letter.

Accepted and agreed to as of the later date of execution below.



MCNC

Date: 3/22/10

By: Joseph L. Lobo
Its: President and CEO

CONFIDENTIAL

Nonbinding Letter of Intent

This nonbinding letter of intent (the "Letter of Intent") sets forth the basic terms and conditions upon which MCNC, a North Carolina non-profit corporation ("MCNC"), and

(collectively, "the Parties"), intend for MCNC to file an application under the American Recovery and Reinvestment Act of 2009. The application will request an award of broadband stimulus funds (the "Award") under the National Telecommunications and Information Administration's Broadband Technology Opportunities Program ("*BTOP*"). This Letter of Intent is intended to set forth the basis upon which the Parties will negotiate in good faith the actual terms of the within-described arrangement and prepare definitive documentation reflecting the agreed-upon terms (the "Definitive Agreement"). This Letter of Intent supersedes all prior understandings and discussions among the Parties relating to the matters described herein.

1. Submission of Grant Application. MCNC will submit to the BTOP on or before the deadline of March 26, _____, 2010, an application ("Application") to request funding for construction of the fiber routes in south central North Carolina described in Section 2 below. MCNC shall be the requestor of the grant and the "grantee" under the Application.

2. South Central New Construction.

a. South Central Middle Mile Network. MCNC will be responsible for constructing the following fiber segments in south central North Carolina (the "South Central New Construction") through the installation of at least 48-count fiber cable inside one 1 1/4 inch conduit with a spare 1 1/4 inch conduit:

- 125 N. Myers Street Charlotte, NC to 3255 Burnt Mill Road, Wilmington, NC

The total distance of the South Central New Construction is approximately 234 miles.

3. Grant of Right to Use South Central New Construction.

- Charlotte to Monroe (10 miles)
- Monroe to Laurinburg (31 miles)
- Laurinburg to Rockingham (46 miles)
- River Crossing to Wilmington (3 miles)

CONFIDENTIAL

Total estimated mileage for IRU is 90 miles.

The initial term of each such indefeasible right to use shall be twenty-five (25) years, and such right shall be renewable [REDACTED] on substantially the same terms, after the expiration of the initial term thereof, for four (4) additional five (5) year terms.

[REDACTED]

4. Maintenance and Repair of the South Central New Construction

a. Scheduled Maintenance. Under a separate five (5) year term maintenance agreement that will run concurrently with the applicable indefeasible right to use,

[REDACTED] MCNC and [REDACTED] systems will not be co-mingled or collocated and the separation of their traffic and electronic system operations will be maintained throughout the life of the systems by each respective party. [REDACTED]

[REDACTED] scheduled maintenance cost may be adjusted in accordance with terms which the Parties will negotiate in good faith in the future or subject to a CPI adjustment. [REDACTED]

b. Unscheduled Maintenance/Restoration. MCNC shall be responsible for unscheduled maintenance of the South Central New Construction. [REDACTED]

[REDACTED] Costs related to unscheduled maintenance will include, without limitation, all costs of fiber acquisitions, splicing, and testing, prorated based on the total fiber count in the affected cable, as so repaired, and all costs associated with the repair of the conduit housing the affected cable or the aerial installation of the replacement cable

c. Relocation. MCNC shall be responsible for costs associated with the relocation of all or any part of the South Central New Construction. [REDACTED]

[REDACTED] Costs related to relocation will include, without limitation, all costs of fiber acquisitions, splicing, and testing, prorated based on the total fiber count in the affected

CONFIDENTIAL

cable, as so relocated, and all costs associated with the relocation of the conduit housing the affected cable or the aerial installation of the replacement cable.

5. Valuation of Project. Replacement Value will be standard for any future required valuation of the assets consisting of the South Central New Construction.

6. Conditions Precedent. The consummation of the transactions described herein is conditional on (a) the grant of the Award and [REDACTED]
[REDACTED]

7. Documents. Upon mutual acceptance of this proposal, [REDACTED] will cause drafts of all documents necessary or desirable to effectuate the transactions contemplated hereby to be prepared and delivered to all Parties. All documents would contain customary representations, warranties, covenants and indemnification provisions concerning [REDACTED] and MCNC, which provisions would survive the closing.

8. Expenses. Except as may otherwise be provided in the agreements referenced in Section 11 above, each party shall each bear its own costs and expenses incurred in connection with the transactions described in this Letter of Intent.

9. Contacts.
[REDACTED]

MCNC: _____

10. Confidentiality.

Each Party agrees, except as otherwise required by Law, to maintain for a period of [REDACTED] the confidentiality of the information received from the other Party in connection with this Letter of Intent or the proposed collaboration, whether received before, on or after the date of this Letter of Intent, and whether received orally, electronically or in writing, and to use such information only for purposes of the proposed collaboration and preparation of the Application; provided, however, that the Parties or their Representatives (as defined below) may disclose the information they receive to their respective directors, officers, employees, advisors (including accountants and attorneys) and representatives ("Representatives") who have a need to know in connection with the proposed collaboration and preparation of the Application and who agree to be bound by the terms hereof. Upon the request of either Party, the other Party shall return to the requesting Party all documents (and any copies thereof) and information provided to it in connection with this Letter of Intent or the proposed collaboration. The obligations in this Section 14 shall not apply to information which: (a) becomes available to the general public through no breach of this section; (b) is possessed by the receiving Party at the time of disclosure (and acquired with no breach of any confidentiality limitation); (c) is subsequently acquired from a third party who, to the knowledge of the receiving Party after reasonable inquiry, has a bona fide right to make such information available without restriction; (d) is independently developed by the receiving Party without use of confidential information of

CONFIDENTIAL

the other Party; or (e) is required to be disclosed by court order (except that the Party required to make such disclosure shall promptly notify the other Party of such court order and cooperate with the other Party to limit the scope of disclosure required).

Each Party acknowledges that neither the disclosing Party nor any of its Representatives make any express or implied representation or warranty herein as to the accuracy or completeness of any confidential information. It is hereby further acknowledged by the receiving Party that the disclosing Party shall incur no liability relating to or arising from the use of any of its (the disclosing Party's) confidential information by the receiving Party or its Representatives or for any errors therein or omissions therefrom; provided, however, the receiving Party agrees that it will (a) not use the disclosing Party's confidential information for any purpose other than evaluation or execution of the transactions contemplated by this letter of intent without the prior written consent of the disclosing Party and (b) be liable for its breach of the terms of this Section 14.

Each receiving Party acknowledges that the confidential information is and at all times remains the sole and exclusive property of the disclosing Party and that the disclosing Party has the exclusive right, title, and interest to its confidential information. It is understood that nothing herein shall be deemed to constitute, by implication or otherwise, the grant to the receiving Party of any license or other rights under any patent, patent application, or other intellectual property right or interest belonging to the disclosing Party, or as permitting the receiving Party to unfairly obtain the right to use any confidential information which becomes publicly known through an improper act or omission on its part.

11. Scope of Agreement Nothing in the this Letter of Intent or the Definitive Agreement shall be construed to create a principal-agent relationship, partnership or joint venture between the Parties, or give rise to any fiduciary duty from one party to the other party, other than expressly agreed to within and after successful execution of the Definitive Agreement.

██████████ MCNC may not make any commitments or incur any liabilities on behalf of the other Party without the other Party's written consent.

12. Null and Void. Upon execution of the Definitive Agreement, the terms of this letter of intent shall be null and void and the parties shall look to the terms of the Agreement to control the terms and conditions of same.

13. Nonbinding. *This letter of intent is intended to set forth certain basic terms and serve as a basis for further discussions and negotiations between ██████████ and MCNC with respect to subject matter hereof. This letter of intent does not contain all matters upon which agreement must be reached in order for the transactions contemplated herein to be evaluated or consummated nor for the Definitive Agreement to be completed and except as set forth in section 14 above (the "Binding Provision"), neither ██████████ nor MCNC shall incur any*

CONFIDENTIAL

liability or obligation whatsoever with respect to any information referenced in or omitted from any communications or documentation related to the subject of this letter of intent. Except as provided in the Binding Provision, the matters set forth in this letter of intent are not intended to, and do not, constitute a binding agreement or obligation of [REDACTED] or establish any obligation of [REDACTED] with respect to the the subject matter of this letter of intent. Subject to the foregoing, any such binding agreement or obligation would arise only upon the negotiation, execution and delivery of mutually satisfactory definitive agreements (including, without limitation the contemplated Definitive Agreement) and the satisfaction of the conditions set forth therein, including the approval of such agreements and the project that is the subject of this letter of intent by the appropriate authorized persons within [REDACTED] MCNC, which approval shall be in the sole subjective discretion of such persons. For the avoidance of doubt, however, the Binding Provision is intended to be, and is, a legally binding agreement and obligation of MCNC and [REDACTED] in accordance with its terms, regardless of whether or not MCNC and [REDACTED] ultimately execute any definitive agreement with respect to the subject of this letter of intent.

14. Governing Law. This letter of intent will be governed by and construed under the laws of the State of North Carolina without regard to its conflicts of laws principles.

15. Counterparts. This letter may be executed in one or more counterparts, each of which will be deemed to be an original copy of this letter and all of which, when taken together, will be deemed to constitute one and the same agreement.

This letter does not purport to include all of the essential terms regarding the transactions contemplated hereby; instead all such terms shall be contained in the documents referenced in Section 11 above to be mutually agreed to after the execution and delivery of this letter.

Accepted and agreed to as of the later date of execution below.

MCNC

Date: 3/24/10

By: *Joseph L. Doro*
Its: PRESIDENT AND CEO

CONFIDENTIAL

Letter of Intent

This letter of intent (the "Letter of Intent") sets forth the basic terms and conditions upon which MCNC, a North Carolina non-profit corporation ("MCNC"), and the Education and Research Consortium of the Western Carolinas, Inc ("ERC") a North Carolina non-profit corporation (collectively, "the Parties"), intend for MCNC to file an application under the American Recovery and Reinvestment Act of 2009. The application will request an award of broadband stimulus funds (the "Award") under the National Telecommunications and Information Administration's Broadband Technology Opportunities Program ("**BTOP**"). This Letter of Intent is intended to set forth the basis upon which the Parties will negotiate in good faith the actual terms of the within-described arrangement and prepare definitive documentation reflecting those terms (the "Definitive Agreement"). This Letter of Intent supersedes all prior understandings and discussions among the Parties relating to the matters described herein.

1. Submission of Grant Application. MCNC will submit to the BTOP on or before the deadline of March 26, 2010, an application to request funding for construction of the fiber routes in western North Carolina described in Section 2 below. MCNC shall be the requestor of the grant and the Grantee, and ERC shall be considered a sub-recipient of the award received from the NTIA. Unless the Parties agree otherwise in writing, neither Party shall file a separate application on its own or with a third party with respect to the New Construction (as that term is defined below). It is the intent of both Parties to have the necessary due diligence and preparatory work completed in sufficient time for such the Application to be submitted by March 24, 2010.

2. New Construction.

a. Spruce Pine to Tynecastle, Spruce Pine to Marion, Madison County, and Buncombe County. ERC will be responsible for constructing the following fiber segments in western North Carolina (the "Western New Construction") through the installation of at least 48-count fiber cable as a sub-recipient in the following area:

- 44.35 miles of new fiber construction between approximately the crossroads of 19E and Greenwood Road in Spruce Pine to the crossroads of NC105 and NC184 in Tynecastle (aka "Avery County build")
- 25 miles of new fiber construction between approximately the crossroads of 19E and Greenwood Road in Spruce Pine to the crossroads of US70 and Harmony Grove Road in Marion
- 9 miles of new fiber construction between approximately the French Broad EMC Clarks Chapel Substation and the crossroads of 19E and NC1540 outside of Mars Hill
- 25.13 miles of new fiber construction in Buncombe County off the existing ERC network to the twelve Asheville City Fire Stations and the NC Arboretum

The total amount of expected new construction is approximately 103.48 miles.

CONFIDENTIAL

b. Tynecastle to Boone. MCNC will be responsible for IRU acquisition of fiber from Tynecastle to Boone through Blue Ridge Electric Membership Cooperative (BREMC).

The total amount of expected new fiber is approximately 19 miles.

3. Existing Fiber Network. Currently, ERC has available fiber capacity in certain existing fiber routes in western North Carolina. Specifically, ERC has fiber strands in the following existing fiber segments in western North Carolina:

- Approximately 70.43 miles between Asheville and Spruce Pine

4. Grant of Right to Use. MCNC shall grant to ERC use of 8 strands of singlemode fiber in the Banner Elk to Boone route for twenty years. ERC shall cover maintenance costs for these fibers, according to the terms outlined in 6 a, if the fibers are put into service. The initial term of such right to use shall be twenty (20) years, and such right shall be renewable, in perpetuity and on substantially the same terms, after the expiration of the initial term thereof. ERC shall grant to MCNC use of 8 strands of singlemode fiber between Tynecastle and Asheville. The term of such right to use shall be fifteen (15) years. It is anticipated that this right shall be renewable, in perpetuity and on substantially the same terms, after the expiration of the initial term but only if and after third party agreements are extended.

6. Maintenance

a. Maintenance. Under a separate five (5) year term maintenance renewable agreement, ERC will manage the required outside plant network needs of the New Construction between Tynecastle and Spruce Pine. MCNC and ERC systems will not be co-mingled and the separation of their traffic and electronic system operations will be maintained throughout the life of the systems. MCNC shall pay ERC a fee of \$175 per route mile per year, or \$7,761.25 for 44.35 miles for scheduled maintenance on the New Construction-Avery County build. MCNC shall pay ERC a fee of \$175 per route mile per year or \$2,413.25 for 13.79 miles for scheduled maintenance on the existing fiber network from Marshall to Asheville. ERC shall pay MCNC a fee of \$175 per route mile per year, or \$2887.50 for 16.5 miles of maintenance on the Tynecastle to Boone route.

7. Service to Community Anchor Institutions

MCNC commits to contracting with ERC to provide connectivity services over direct fiber connections to at least five Community Anchor Institutions in the territory of the new construction. MCNC and ERC will negotiate the rate for this service if the BTOP award is received.

CONFIDENTIAL

8. Valuation of Project. Replacement Value will be standard for any future required valuation of the assets consisting of the New Construction.

9. Conditions Precedent. The consummation of the transactions described herein is conditional on (a) the grant of the Award and (b) ERC's finalization of fiber strand agreements for Existing Fiber Network.

10. Documents. Upon mutual acceptance of this proposal, ERC will cause drafts of all documents necessary or desirable to effectuate the transactions contemplated hereby to be prepared and delivered to all Parties. All documents would contain customary representations, warranties, covenants and indemnification provisions concerning ERC and MCNC, which provisions would survive the closing.

11. Expenses. Except as may otherwise be provided in the agreements referenced in Section 11 above, each party shall each bear its own costs and expenses incurred in connection with the transactions described in this Letter of Intent.

12. Contacts.

ERC: Hunter Goosmann (hgoosmann@ercbroadband.org, 828-350-2415)

MCNC: Joe Freddoso (joe@mcnc.org, 919-248-8400)

13. Confidentiality. In order to complete and submit the Application, the Parties will need to exchange certain confidential information with respect to their systems and business plans (the "Confidential Information"). ERC and MCNC hereby acknowledge that the Confidential Information is a valuable asset of both Parties. ERC and MCNC agree to hold all such Confidential Information in confidence and agree not to disclose such Confidential Information, except as expressly permitted by the terms of any future or existing non-disclosure agreement(s), to anyone other than ERC and MCNC employees and contractors with a bona fide need to know, which employees and contractors shall be governed by a parallel confidentiality obligation of equal or greater force. Additionally, ERC and MCNC each agree to use at least that degree of care which it uses to protect its own information of a similar proprietary nature, but in no event less than reasonable protection.

Confidentiality. Each Party agrees to maintain the confidentiality of the information received from the other Party in connection with this Letter of Intent or the proposed collaboration, whether received before, on or after the date of this Letter of Intent, and to use such information only for purposes of the proposed collaboration and preparation of the Application; provided, however, that the Parties may disclose the information they receive to their respective employees, advisors and representatives who have a need to know in connection with the proposed collaboration and preparation of the Application and who agree to be bound by the terms hereof. Upon the request of either party, the other Party shall return to the requesting Party all documents (and any copies thereof) and information provided to it in connection with this Letter of Intent or the proposed collaboration. The obligations in this section shall not apply to information which: (a) becomes available to the general public through no breach of this section; (b) is possessed by the receiving Party at the time of disclosure (and acquired with no breach of any confidentiality limitation); (c) is subsequently acquired from a third party who has a bona fide right to make such information available without restriction; (d) is independently developed by the receiving

CONFIDENTIAL

Party without use of confidential information of the other Party; or (e) is required to be disclosed by court order (except that the Party required to make such disclosure shall promptly notify the other Party of such court order and cooperate with the other Party to limit the scope of disclosure required).

14. Scope of Agreement Nothing in the this Letter of Intent or the Definitive Agreement shall be construed to create a principal-agent relationship, partnership or joint venture between the Parties, or give rise to any fiduciary duty from one party to the other party, other than expressly agreed to within and after successful execution of the final agreement. Neither ERC nor MCNC may not make any commitments or incur any liabilities on behalf of either Party without the other Party's written consent.

15. Entire Agreement. The binding provisions, specifically paragraphs 10, 11, 14, and 15 ("Binding Provisions"), constitute the entire agreement between the Parties, and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the Parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the Parties.

16. Governing Law. The Binding Provisions will be governed by and construed under the laws of the State of North Carolina without regard to its conflicts of laws principles.

17. Jurisdiction; Service Of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of this letter may be brought against any of the Parties in the state and federal courts of North Carolina, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any Party anywhere in the world.

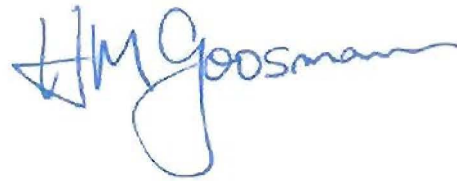
18. Counterparts. This letter may be executed in one or more counterparts, each of which will be deemed to be an original copy of this letter and all of which, when taken together, will be deemed to constitute one and the same agreement.

This letter does not purport to include all of the essential terms regarding the transactions contemplated hereby; instead all such terms shall be contained in the documents referenced in Section 11 above to be mutually agreed to after the execution and delivery of this letter.

Accepted and agreed to as of the later date of execution below.

CONFIDENTIAL

ERC

A handwritten signature in blue ink that reads "H. M. Goosman". The signature is fluid and cursive, with the first name "H. M." being more compact and the last name "Goosman" being more extended.

Date: March 24, 2010

By:
Its: General Manager

MCNC

Date: March 24, 2010

By: Joseph L. Lister
Its: President and CEO

Letter of Intent

This letter of intent (the "Letter of Intent") sets forth the basic terms and conditions upon which MCNC, a North Carolina non-profit corporation ("MCNC"), and [REDACTED] intend for MCNC to file an application under the American Recovery and Reinvestment Act of 2009 ([REDACTED]).

[REDACTED] The application will request an award of broadband stimulus funds (the "Award") under Round 2 of the National Telecommunications and Information Administration's Broadband Technology Opportunities Program ("BTOP"). This Letter of Intent is intended to set forth the basis upon which the Parties will negotiate in good faith the actual terms of the within-described arrangement and prepare definitive documentation reflecting those terms (the "Definitive Agreement"). This Letter of Intent supersedes all prior understandings and discussions among the Parties relating to the matters described herein.

1. Submission of Grant Application. MCNC will submit to the BTOP on or before the deadline of March 26, 2010, an application to request funding for construction of the fiber routes in North Carolina as further described in Section 2 below (the "Application"). MCNC shall be the requestor of the grant and if successful, [REDACTED]

[REDACTED] The Parties intend to have the necessary due diligence and preparatory work completed in sufficient time for such the Application to be submitted by March 24, 2010.

2. Project Scope of Work

a. New Construction - MCNC will be responsible for constructing the segments identified as new construction in Appendix A. As part of the new construction, MCNC shall install at least 48-count fiber cable inside one 1 1/4" conduit with a spare 1 1/4" conduit through all segments.

b. Network Options - In the event that MCNC receives the Award, [REDACTED] either Option 1 or Option 2 as further outlined in Appendix A.

Option 1: Option 1 is expected to be a network consisting of a total of approximately 1,025.7 route miles, which includes 944.0 route miles of new construction and 81.7 route miles of IRU fiber from MCNC from Lenoir to Charlotte. [REDACTED]

Option 2: Option 2 is expected to be a network consisting of a total of approximately 912.5 route miles comprised entirely of new construction.

[REDACTED]

e. Project Design - The Parties agree to work cooperatively in planning the details concerning the route segments set forth [REDACTED] the right to request minor changes to the route segments to facilitate access to LSOs, data centers, cellular towers and other commercially desirable sites. [REDACTED] understands that these requests may add cost to the route segments, which will be done at [REDACTED]'s expense. MCNC reserves the right to refuse these requests if they are detrimental to the overall Project Scope of Work.

3. Grant of IRU. [REDACTED]

[REDACTED]

[REDACTED] The initial term of each IRU shall be twenty-five (25) years, and such right shall be renewable, in perpetuity and on substantially the same terms, after the expiration of the initial term thereof.

[REDACTED]

4. Maintenance and Repair.

a. Scheduled Maintenance. The Parties shall also negotiate in good faith the terms of a separate maintenance and repair agreement (the "O&M Agreement") for the fiber subject to the IRU described herein. [REDACTED]

[REDACTED]

will not be co-mingled or collocated and the separation of their traffic and electronic system operations will be maintained throughout the life of the systems. The annual scheduled maintenance cost may be adjusted in accordance with terms which the Parties will negotiate in good faith in the future or subject to a CPI adjustment.

b. Unscheduled Maintenance/Restoration. The Parties will agree to terms in the O&M Agreement [REDACTED] proportionate share of the costs to repair any damaged portion of the fibers covered by an applicable IRU including the following items: New or replacement fiber, splicing, and testing and all costs associated with the repair of the conduit housing the affected cable or the aerial installation of the replacement cable. For purposes of this provision, "proportionate share" means the percentage which [REDACTED] number of fibers represent of the total number of fibers on the affected route segment of the applicable IRU.

c. Relocation. [REDACTED] as defined above, of the costs to relocate any portion of the fibers covered by an applicable IRU as follows: All costs of fiber acquisitions, splicing, and testing and all costs associated with the relocation of the conduit housing the affected cable or the aerial installation of the replacement cable.

5. Valuation of Project. Replacement Value will be standard for any future required valuation of the assets consisting of the fibers covered by an applicable IRU.

6. Conditions Precedent. As stated above, this Letter of Intent is contingent upon (a) MCNC's receipt of the Award; (b) the Parties execution of the Definitive Agreement(s); and (c) [REDACTED] execution of agreements for the 3P Segments.

7. Documents. Upon mutual execution of this Letter of Intent, [REDACTED] will cause drafts of all documents necessary or desirable to effectuate the transactions contemplated hereby to be prepared and delivered to all Parties. All documents would contain customary representations, warranties, covenants and indemnification provisions concerning [REDACTED] and MCNC, which provisions would survive the closing.

8. Expenses. Except as may otherwise be provided in the agreements referenced in Section 7 above, each party shall each bear its own costs and expenses incurred in connection with the transactions described in this Letter of Intent.

9. Contacts.

[REDACTED]

MCNC: Joe Freddoso, CEO; jfreddoso@mcnc.org

10. Confidentiality. In order to complete and submit the Application, the Parties will need to exchange certain confidential information with respect to their systems and business plans (the "Confidential Information"). [REDACTED] and MCNC hereby acknowledge that the Confidential Information is a valuable asset of both Parties. [REDACTED] and MCNC agree to hold all such Confidential Information in confidence and agree not to disclose such Confidential Information, except as expressly permitted by the terms of any future or existing non-disclosure agreement(s) or as required by the BTOP application process, to anyone other than [REDACTED] and MCNC employees and contractors with a bona fide need to know, which employees and contractors shall be governed by a parallel confidentiality obligation of equal or greater force. Additionally, [REDACTED] and MCNC each agree to use at least that degree of care which it uses to protect its own information of a similar proprietary nature, but in no event less than reasonable protection.

The obligations in this section shall not apply to information which: (a) becomes available to the general public through no breach of this section; (b) is possessed by the receiving Party at the time of disclosure (and acquired with no breach of any confidentiality limitation); (c) is subsequently acquired from a third party who has a bona fide right to make such information available without restriction; (d) is independently developed by the receiving Party without use of confidential information of the other Party; or (e) is required to be disclosed by court order (except that the Party required to make such disclosure shall promptly notify the other Party of such court order and cooperate with the other Party to limit the scope of disclosure required).

11. Scope of Agreement. Nothing in the this Letter of Intent or the Definitive Agreement(s) shall be construed to create a principal-agent relationship, partnership or joint venture between the Parties, or give rise to any fiduciary duty from one party to the other party, other than expressly agreed to within and after successful execution of the final agreement. Neither [REDACTED] MCNC may make any commitments or incur any liabilities on behalf of either Party without the other Party's written consent.

12. Entire Agreement. The binding provisions, specifically paragraphs 8, 9, 10, 12, and 13 ("Binding Provisions"), constitute the entire agreement between the Parties, and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the Parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the Parties.

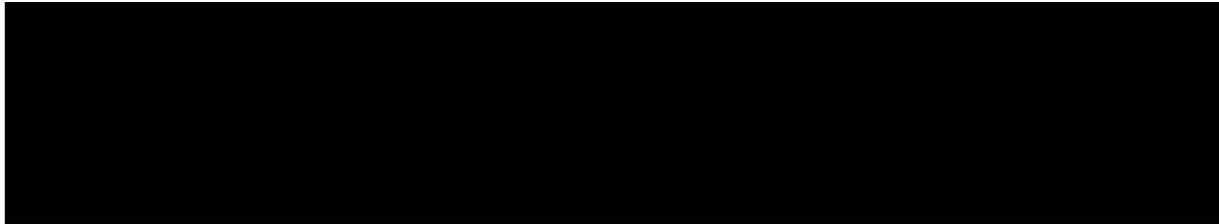
13. Governing Law. The Binding Provisions will be governed by and construed under the laws of the State of North Carolina without regard to its conflicts of laws principles.

14. Jurisdiction; Service Of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of this letter may be brought against any of the Parties in the federal courts of Virginia, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any Party anywhere in the world.

15. Counterparts. This letter may be executed in one or more counterparts, each of which will be deemed to be an original copy of this letter and all of which, when taken together, will be deemed to constitute one and the same agreement.

This letter does not purport to include all of the essential terms regarding the transactions contemplated hereby; instead all such terms shall be contained in the documents referenced in Section 9 above to be mutually agreed to after the execution and delivery of this letter.

Accepted and agreed to as of the later date of execution below.



Date: 2/24/10

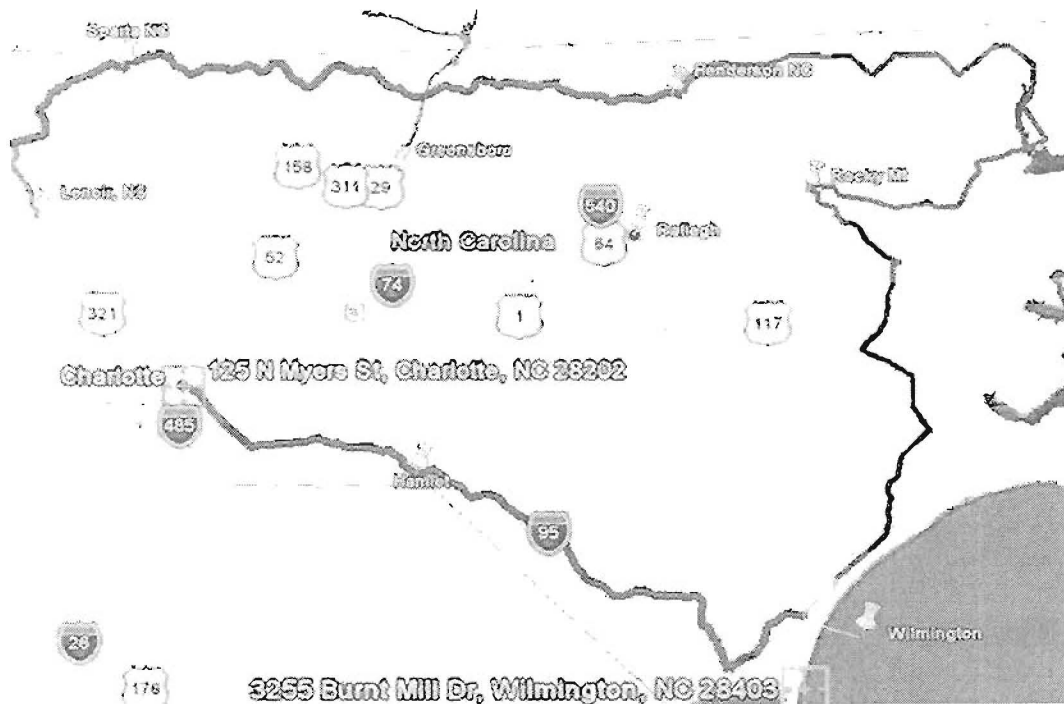
MCNC

By: Joseph L. Davis
Its: President & CEO

APPENDIX A

OPTION 1

ROUTE ID	ROUTE NAME	OWNER/DESCRIPTION	FIBER ROUTE MILES	FIBER STRANDS
1	Sparta to Henderson	MCNC - New Construction - Round 2 - NorthCentral	223.56	
2	Lenoir to Sparta	IRU by MCNC - Existing Network	81.70	
4	Charlotte to Wilmington	MCNC - New Construction - Round 2 - SouthCentral	235.50	
5	Henderson - Elizabeth City	MCNC - New Construction - Round 2 - NorthEast	149.66	
6	Elizabeth City - Rocky Mount	MCNC - New Construction - Round 2 - NorthEast	117.37	
7	Rocky Mount - Greenville	MCNC - New Construction - Round 1	59.00	
8	Greenville - Morehead City	MCNC - New Construction - Round 1	83.96	
9	Morehead City - Wilmington	MCNC - New Construction - Round 1	74.97	
MCNC New Construction - Total Route Miles			944.01	
IRU from MCNC - Total Route Miles			81.70	
Total Miles for			1025.71	

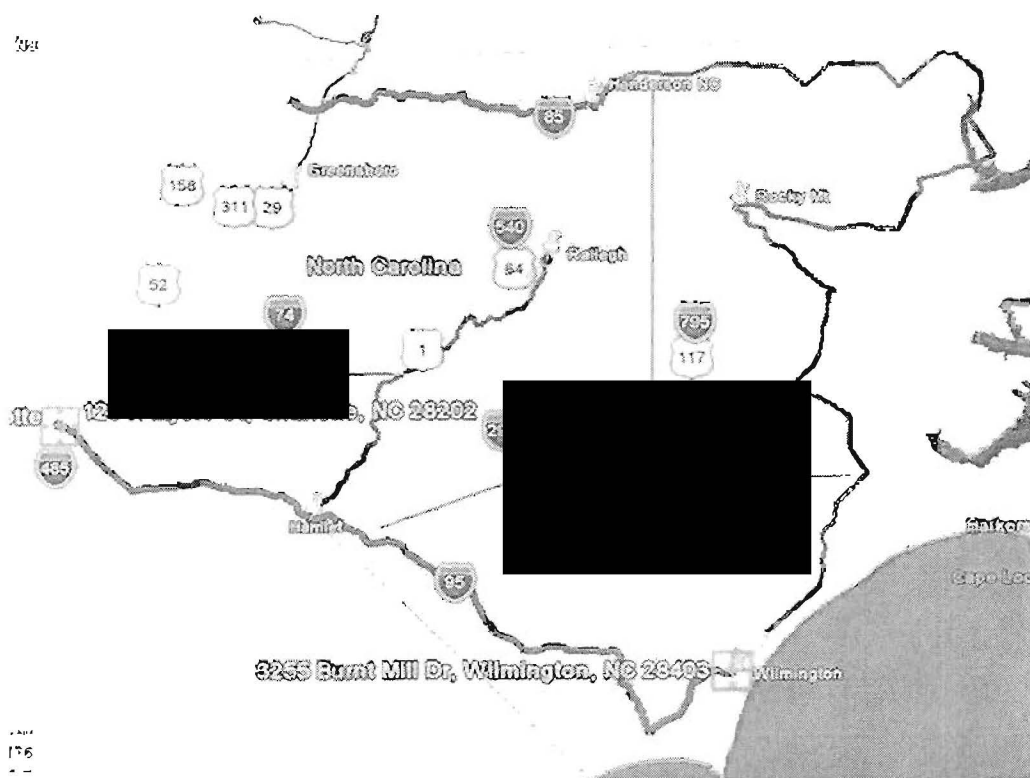


OPTION 2

1

IRU from MCNC - Total Route Miles	0.00
-----------------------------------	------

11



CONFIDENTIAL

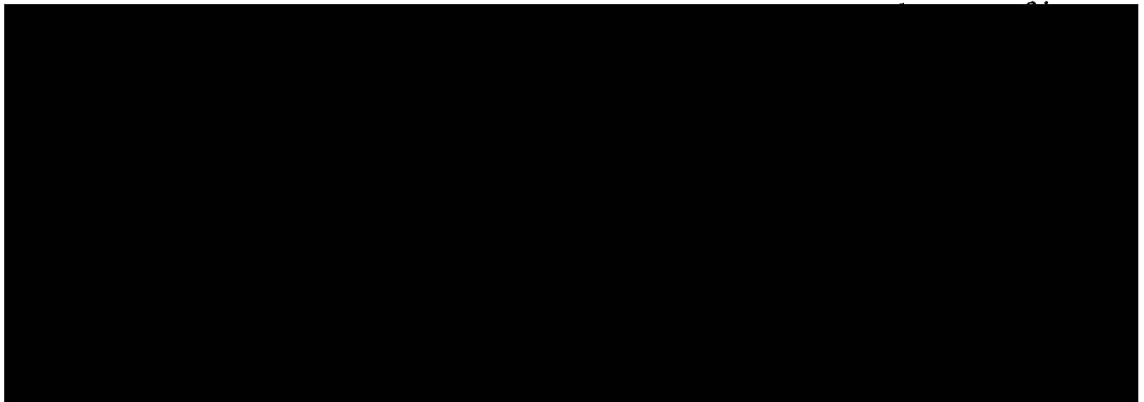
Non-Binding Letter of Intent

This non-binding letter of intent (the "Letter of Intent") sets forth the basic terms and conditions upon which MCNC, a North Carolina non-profit corporation ("MCNC"), [REDACTED] (collectively, "the Parties"), intend for MCNC to file an application (the "Application") under the American Recovery and Reinvestment Act of 2009 to request funding for MCNC's purchase from [REDACTED] of 12 dark fibers on [REDACTED] as set forth in the attached Exhibit A, attached hereto and made a part of this Letter of Intent (the "Transaction"). The Application will request an award of broadband stimulus funds (the "Award") under the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program ("BTOP"). This Letter of Intent supersedes all prior understandings and discussions among the Parties relating to the matters described herein. This Letter of Intent has been prepared and executed to serve as an aid to the negotiation of the terms and conditions of the Transaction. Except as specifically provided below, [REDACTED] MCNC agree that neither of them shall be legally bound with respect to the Transaction contemplated by this Letter of Intent unless and until [REDACTED] MCNC, or subsidiaries or affiliates thereof, execute and deliver the Definitive Agreement (as hereinafter defined) with respect to the subject matter hereof. [REDACTED] and MCNC are the sole parties to this Letter of Intent, and no other person or entity including, without limitation, [REDACTED] MCNC's respective shareholders, officers, directors, employees and lenders, shall be a beneficiary of or shall be entitled to rely upon this Letter of Intent or any discussions or negotiations engaged in by [REDACTED] and MCNC in connection herewith.

Except for the Binding Provisions (as defined below), this Letter of Intent is not intended to be binding on the Parties and does not constitute an agreement or an offer to enter into any agreement by [REDACTED] MCNC or any of their respective subsidiaries or affiliates.

1. Submission of Grant Application. MCNC will submit to the BTOP on or before the deadline of March 26, 2010, the Application. MCNC shall be the requestor of the Award and the grantee of the Award, [REDACTED]

2. Fiber Purchase.



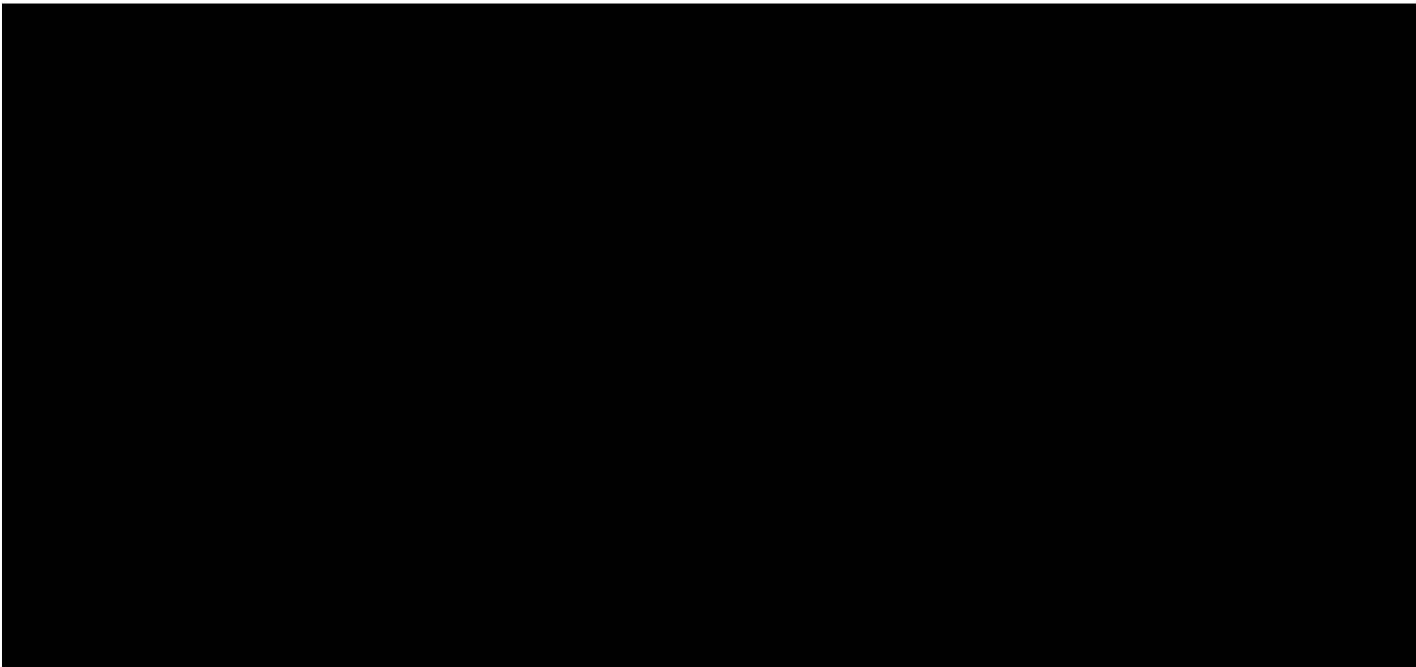
CONFIDENTIAL

3. Conditions Precedent. The consummation of the transactions described herein is conditional on the grant of the Award to MCNC by the NTIA, the negotiation of mutually acceptable definitive contractual agreements by [REDACTED] and MCNC, and the securing of any necessary consents, notices or other requirements to consummate the Transaction and the Definitive Agreement.

4. Documents. Upon receipt of an NTIA BTOP award, MCNC and [REDACTED] will work in good faith to negotiate and enter into a definitive contractual agreement to document the terms and conditions of the Transaction and the O&M Agreement (the "Definitive Agreement"). Once, and if, fully executed by the Parties, the Definitive Agreement will contain all elements of the transaction, including but not limited to customary representations, warranties, covenants and indemnification provisions and will supersede all prior verbal and written understandings, communications or agreements between the Parties, including this Letter of Intent.

5. Expenses. Except as otherwise agreed to in writing, each Party shall bear its own costs and expenses, including the fees of their respective attorneys, accountants, and financial advisors, in connection with the negotiation and execution of this Letter of Intent and any Definitive Agreement.

6. Contacts and Notices. All notices under this Letter of Intent shall be in writing and sent to the contacts set forth in this Letter of Intent, and shall be deemed to have been received: (a) if delivered personally by courier (including overnight courier), when delivered; (b) if sent by registered mail or certified mail, return receipt requested, postage or fees prepaid, when indicated on return receipt; and (c) if transmitted by facsimile, as indicated on the transmission report and by telephonic confirmation of the receiving party, provided that a copy is also delivered personally by courier or sent by registered mail or certified mail, return receipt requested, postage or fees prepaid.



CONFIDENTIAL



MCNC: Joseph Freddoso
 President and CEO
 MCNC
 3021 Cornwallis Road
 Box 12889
 Research Triangle Park, NC 27709
 Facsimile (919) 248-8419

7. Representations and Warranties.

By execution of this Letter of Intent, each Party represents and warrants to the other:

(a) That the representing Party has full right and authority to enter into and perform this Letter of Intent in accordance with the terms hereof and thereof, and that by entering into or performing under this Letter of Intent, the representing Party is not in violation of its charter or bylaws, or any law, regulation or agreement by which it is bound or to which it is subject;

(b) That the execution, delivery and performance of this Letter of Intent by such Party has been duly authorized by all requisite corporate action, that the signatories for such Party hereto are authorized to sign this Letter of Intent, and that the joinder or consent of any other Party, including a court or trustee or referee, is not necessary to make valid and effective the execution, delivery and performance of this Letter of intent by such Party.

(c) That this Letter of Intent has been fully negotiated between and jointly drafted by the Parties.

This Letter of Intent shall expire and be of no further force or effect on July 1, 2010 (the "Termination Date"), unless on or before that date:

- (i) Either Party elects to terminate this Letter of Intent by written notice to the other Party;
- (ii) The Parties agree in writing to extend such Termination Date; or
- (iii) The Parties execute a formal Definitive Agreement.

CONFIDENTIAL

8. Confidentiality. In order to complete and submit the Application, the Parties will need to exchange information that relates to the disclosing Party's, or one or more of the disclosing Party's affiliates', business, affairs, customers (past, present or prospective), employees, service providers, financial condition, marketing or development plans, strategies, inventions, discoveries, ideas, concepts, processes, techniques, methodologies, know-how, forecasts and forecast assumptions and volumes, performance, or operations that such Party treats as confidential or proprietary (the "Confidential Information"). [REDACTED] and MCNC hereby acknowledge that the Confidential Information is a valuable asset of the disclosing Party. [REDACTED] and MCNC agree to hold all such Confidential Information disclosed by the other Party in confidence and agree not to disclose or use such Confidential Information, except as expressly permitted in writing by the disclosing Party, to anyone other than [REDACTED] and MCNC employees, attorneys, accountants, affiliates, prospective purchasers, financial advisors, and contractors with a bona fide need to know, which such parties shall be governed by a parallel confidentiality obligation of equal or greater force. Additionally, [REDACTED] and MCNC each agree to use at least that degree of care which it uses to protect its own information of a similar proprietary nature, but in no event less than reasonable protection.

Each Party agrees to maintain the confidentiality of the Confidential Information received from the other Party in connection with this Letter of Intent or the proposed collaboration, whether received before (if reduced to writing by the disclosing Party within fifteen (15) days of the execution date of this Letter of Intent, on or after the execution date of this Letter of Intent, and to use such information only for purposes of the proposed collaboration and preparation of the Application. Upon the request of either Party, the other Party shall return to the requesting Party all documents (and any copies thereof) containing Confidential Information provided to it by the other Party. The obligations in this section shall not apply to Confidential Information which: (a) becomes available to the general public through no breach of this Letter of Intent; (b) is possessed by the receiving Party at the time of disclosure (and acquired with no breach of any confidentiality limitation); (c) is subsequently acquired from a third party who has a bona fide right to make such Confidential Information available without restriction; (d) is independently developed by the receiving Party without use of Confidential Information of the other Party; or (e) is required to be disclosed by court order (except that the Party required to make such disclosure shall promptly notify the other Party of such court order and cooperate with the other Party to limit the scope of disclosure required).

The Parties acknowledge that any disclosure or misappropriation of Confidential Information in violation of this Letter of Intent could cause irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Each Party therefore agrees that the other Party will have the right to apply to any court of competent jurisdiction for a temporary or provisional order restraining any breach or impending breach of Section 8, without the necessity of posting bond. This right will be in addition to any other remedy available under this Letter of Intent or applicable law.

9. Scope of Agreement. Nothing in this Letter of Intent or any Definitive Agreement to be negotiated by the Parties, shall be construed to create a principal-agent relationship, partnership or joint venture between the Parties, or give rise to any fiduciary duty from one Party to the other Party, other than expressly agreed to within and after successful

CONFIDENTIAL

execution of the Definitive Agreement. [REDACTED] MCNC may make any commitments or incur any liabilities on behalf of either Party without the other Party's written consent.

10. Entire Agreement. The binding provisions, specifically paragraphs 5, 6, 7, 8, 9, 10, 11, 12 and 13 ("Binding Provisions"), constitute the entire agreement between the Parties, and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the Parties on the subject matter hereof. Except as otherwise provided herein, the Letter of Intent may be amended or modified only by a writing executed by all of the Parties.

11. Governing Law. The Binding Provisions will be governed by and construed under the laws of the State of New York without regard to its conflicts of laws principles.

12. Counterparts. This Letter of Intent may be executed in one or more counterparts, each of which will be deemed to be an original copy of this letter and all of which, when taken together, will be deemed to constitute one and the same agreement.

13. Miscellaneous. The provisions of this Letter of Intent shall be binding upon, and inure to the benefit of, each of the Parties hereto and to their respective representatives, successors or assigns. Notwithstanding the foregoing, MCNC shall not assign this Letter of Intent or any part hereof or any benefit or interest herein without the prior written consent of [REDACTED]. It is understood and agreed by the parties hereto that if any part, term or provision of this Letter of Intent is by a court of competent jurisdiction held to be illegal, unenforceable, or in conflict with any law, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Letter of Intent did not contain the particular part, term or provision held to be invalid. Neither Party may make any press releases, public announcements or similar public disclosure relating to this Letter of Intent or its subject matter, including promotional or marketing material without the consent of the other Party, and any such press release, public announcement or similar public disclosure will be coordinated with and approved by the other Party prior to release.

This Letter of Intent does not purport to include all of the essential terms regarding the transactions contemplated hereby and the Parties have no legal obligations to enter into a Definitive Agreement and no such obligation is created hereby; instead all such terms shall be contained in a fully executed Definitive Agreement to be mutually agreed to after the execution and delivery of this Letter of Intent.

Accepted and agreed to as of the later date of execution below.

[REDACTED]

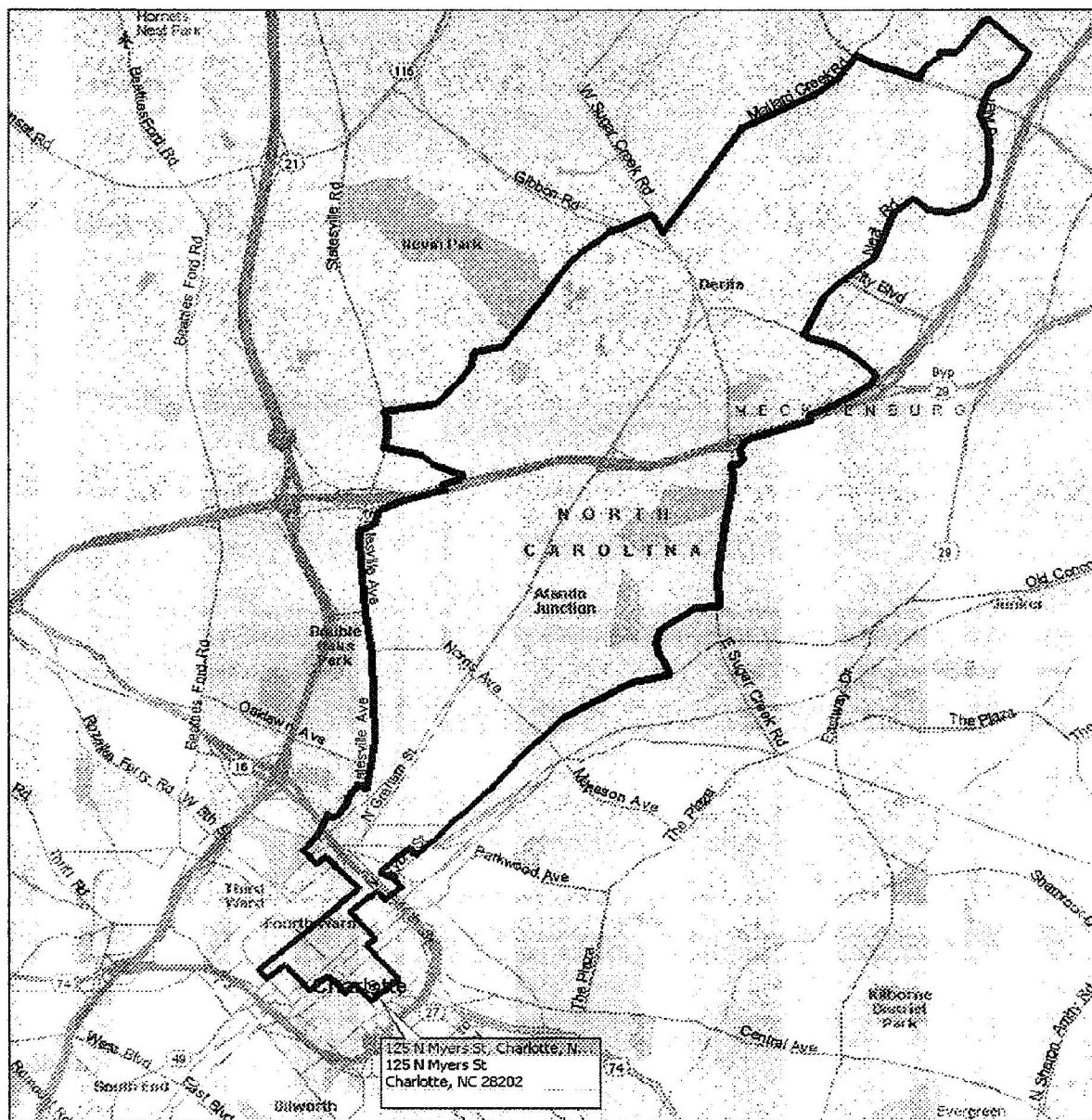
CONFIDENTIAL

MCNC

Date: 3/24/00

By: Joseph L. Dor
Its: PRESIDENT and CEO

Exhibit A



The first part of the paper discusses the importance of the research and the objectives of the study. It then presents a literature review of the existing research on the topic. The second part of the paper describes the methodology used in the study, including the data collection and analysis techniques. The third part of the paper presents the results of the study, and the fourth part discusses the conclusions and implications of the findings.

The study was conducted using a quantitative research design. Data was collected from a sample of 100 participants using a survey questionnaire. The questionnaire was designed to measure the variables of interest in the study. The data was then analyzed using statistical software to determine the relationships between the variables.

The results of the study show that there is a significant positive relationship between the variables of interest. This finding is consistent with the previous research in the field. The study also found that there are several factors that influence the relationship between the variables. These findings have important implications for practice and policy.

In conclusion, the study has shown that there is a significant positive relationship between the variables of interest. The findings have important implications for practice and policy. Further research is needed to explore the relationships between the variables in more detail.

CONFIDENTIAL

Letter of Intent

This letter of intent (the "Letter of Intent") sets forth the basic terms and conditions upon which MCNC, a North Carolina non-profit corporation ("MCNC"), and City of Monroe (collectively, "the Parties"), intend for MCNC to file an application under the American Recovery and Reinvestment Act of 2009. The application will request an award of broadband stimulus funds (the "Award") under the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program ("**BTOP**"). This Letter of Intent is intended to set forth the basis upon which the Parties will negotiate in good faith the actual terms of the within-described arrangement and prepare definitive documentation reflecting those terms (the "Definitive Agreement"). This Letter of Intent supersedes all prior understandings and discussions among the Parties relating to the matters described herein.

1. Submission of Grant Application. MCNC will submit to the BTOP on or before the deadline of March 26, 2010, an application to request funding for purchase of fibers via an IRU from City of Monroe along existing routes City of Monroe has between Monroe, NC to Mooresville, NC. MCNC shall be the requestor of the grant and the Grantee, and City of Monroe shall be considered a vendor under the Application.

2. IRU Purchase.

- a. Monroe, NC to Mooresville, NC MCNC will request funds as part of it's BTOP round 2 proposal for acquisition of 50 miles of fiber starting in Monroe at approximately the intersection of HWY 74 and Rocky River Road extending to the transcontinental pipeline facility in Mooresville, NC. The pre-negotiated rate for access to these fibers for a 20 year IRU will be \$1500/strand mile for 8 fibers along the 50 mile route, resulting in a one-time upfront payment of \$600,000. In addition MCNC will pay annual O&M charges along the route at \$250/route mile for the 50 miles, resulting in an annual payment of \$12,500.

3. Conditions Precedent. The consummation of the transactions described herein is conditional on the grant of the Award to MCNC by the NTIA. The final Dark Fiber Lease Agreement is subject to approval by Monroe City Council.

4. Documents. Upon receipt of an NTIA BTOP award, City of Monroe will cause drafts of all documents necessary or desirable to effectuate the transactions contemplated hereby to be prepared and delivered to all Parties. All documents would contain customary representations, warranties, covenants and indemnification provisions concerning City of Monroe and MCNC, which provisions would survive the closing.

CONFIDENTIAL

5. Expenses. Except as may otherwise be provided in the agreements referenced in Section 11 above, each party shall each bear its own costs and expenses incurred in connection with the transactions described in this Letter of Intent.

6. Contacts.

City of Monroe: _____

MCNC: _____

7. Confidentiality. In order to complete and submit the Application, the Parties will need to exchange certain confidential information with respect to their systems and business plans (the "Confidential Information"). City of Monroe and MCNC hereby acknowledge that the Confidential Information is a valuable asset of both Parties. City of Monroe and MCNC agree to hold all such Confidential Information in confidence and agree not to disclose such Confidential Information, except as expressly permitted by the terms of any future or existing non-disclosure agreement(s), to anyone other than City of Monroe and MCNC employees and contractors with a bona fide need to know, which employees and contractors shall be governed by a parallel confidentiality obligation of equal or greater force. Additionally, City of Monroe and MCNC each agree to use at least that degree of care which it uses to protect its own information of a similar proprietary nature, but in no event less than reasonable protection.

The Parties are aware and understand that information in the possession of the City of Monroe may be a public record as defined by the NC Public Records Law. While the City of Monroe will attempt to maintain confidentiality of information, maintenance of confidentiality by the City is subject to compliance with the Public Records Law.

Confidentiality. Each Party agrees to maintain the confidentiality of the information received from the other Party in connection with this Letter of Intent or the proposed collaboration, whether received before, on or after the date of this Letter of Intent, and to use such information only for purposes of the proposed collaboration and preparation of the Application; provided, however, that the Parties may disclose the information they receive to their respective employees, advisors and representatives who have a need to know in connection with the proposed collaboration and preparation of the Application and who agree to be bound by the terms hereof. Upon the request of either party, the other Party shall return to the requesting Party all documents (and any copies thereof) and information provided to it in connection with this Letter of Intent or the proposed collaboration. The obligations in this section shall not apply to information which: (a) becomes available to the general public through no breach of this section; (b) is possessed by the receiving Party at the time of disclosure (and acquired with no breach of any confidentiality limitation); (c) is subsequently acquired from a third party who has a bona fide right to make such information available without restriction; (d) is independently developed by the receiving Party without use of confidential information of the other Party; or (e) is required to be disclosed by court order (except that the Party required to make such disclosure shall promptly notify the other Party of such court order and cooperate with the other Party to limit the scope of disclosure required).

8. Scope of Agreement Nothing in the this Letter of Intent or the Definitive Agreement shall be construed to create a principal-agent relationship, partnership or joint venture between the Parties, or give rise to any fiduciary duty from one party to the other party, other

CONFIDENTIAL

than expressly agreed to within and after successful execution of the final agreement. Neither City of Monroe nor MCNC may not make any commitments or incur any liabilities on behalf of either Party without the other Party's written consent.

9. Entire Agreement. The binding provisions, specifically paragraphs 4, 5, and 7, 8, and 9 ("Binding Provisions"), constitute the entire agreement between the Parties, and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the Parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the Parties.

10. Governing Law. The Binding Provisions will be governed by and construed under the laws of the State of North Carolina without regard to its conflicts of laws principles.

11. Jurisdiction; Service Of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of this letter may be brought against any of the Parties in the state and federal courts of Union County, North Carolina, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any Party anywhere in the world.

12. Counterparts. This letter may be executed in one or more counterparts, each of which will be deemed to be an original copy of this letter and all of which, when taken together, will be deemed to constitute one and the same agreement.

This letter does not purport to include all of the essential terms regarding the transactions contemplated hereby; instead all such terms shall be contained in the documents referenced in Section 4 above to be mutually agreed to after the execution and delivery of this letter.

Accepted and agreed to as of the later date of execution below.

City of Monroe

Date: 3-24-10

By: Wayne Homan
Its: city manager

MCNC

Date: 3-24-10

By: Joseph L. Loefer
Its: President & CEO

March 17, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you and I have discussed at length, four areas of the state remain significantly underserved in their access to broadband technologies. I am writing to offer my encouragement and support for MCNC's leadership in submitting a round two BTOP application that covers the counties in Northeastern North Carolina, North Central North Carolina, South Central North Carolina and far Northwestern North Carolina. These geographic regions contain over one-half of the counties in the State. These counties are beset by high unemployment, low incomes and a high school drop out rate.

I am particularly interested in plans to provide Community Colleges in these regions to direct fiber connections as a part of this proposal. It will allow our virtual education strategy to flourish. As you know, we have seen enrollments rise 20-30% during the downturn. We have been able to scale to this demand by implementing virtual delivery strategies particularly in the rural Community Colleges in the regions of the round 2 MCNC proposal.

As a tangible display of the North Carolina Community College System's support, contingent upon MCNC receiving a round 2 BTOP award, we have coordinated with the Presidents at the following Community Colleges to offer MCNC a 10' x 20' plot of land to place a co-location hut on campus:

Here are the locations:

North Central

Wilkes County Community College, Allegheny Center Campus
Surry County Community College, Dobson Campus
Rockingham County Community College, Reidsville Campus
Piedmont Community College, Roxboro Campus

Northeast

Halifax County Community College, Weldon Campus

Roanoke-Chowan Community College, Ahoskie Campus

Martin Community College, Williamston Campus

South Central

South Piedmont Community College, Polkton Campus

Southeast Community College, Whiteville Campus

It is my understanding that MCNC will work with the administration at these schools to find a suitable place for the co-location facility and that MCNC will be responsible for all construction, maintenance and utility costs for the hut. The North Carolina Community College System is pleased to offer this support for MCNC's application.

MCNC has provided thoughtful guidance and great service as the operator of the North Carolina Research and Education Network since the network's inception in the mid-1980s. MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,

Scott Ralls, Ph. D

President

North Carolina Community College System



LEARNING COMES TO LIFE IN PURSUIT OF EXCELLENCE

March 15, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you know, four areas of the state remain significantly underserved in their access to broadband technologies. The northeast, northwest, north central and south central regions lack broadband infrastructure. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

As the President of Halifax Community College, I want to offer our institution's support of MCNC's round 2 BTOP application to build middle mile infrastructure in these underserved regions. I also want to offer access to space, at no charge, on Halifax Community College's campus for co-location and/or regeneration facilities. I understand that MCNC will work with our facilities team to identify proper space. We understand that the space will be similar to other utility rooms on campus with MCNC needing access for routine maintenance trouble-shooting and repair. We are proud to support the MCNC BTOP application in this manner. We are looking forward to potentially enjoying a direct fiber connection to the Internet provided by this application.

The build out of broadband access is necessary for equity of education, advances in healthcare and the spread of economic opportunity in these regions. It has been a personal mission of mine to address the lack of broadband infrastructure in underserved areas of the State.

As you proved in round 1 of BTOP, MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ervin Griffin', with a stylized flourish at the end.

Dr. Ervin V. Griffin, Sr.
President
Halifax Community College



MARTIN COMMUNITY COLLEGE

1161 Kehukee Park Road

Williamston, North Carolina 27892-8307

252-792-1521

(Martin County Campus)

252-794-4861

(Bertie County Campus)

March 15, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

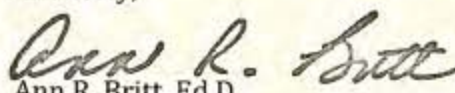
As you know, four areas of the state remain significantly underserved in their access to broadband technologies. The northeast, northwest, north central and south central region lack broadband infrastructure. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

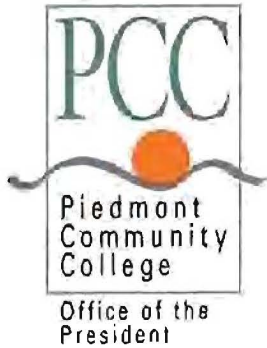
As the President/Chancellor of **Martin Community College**, I want to offer our institution's support of MCNC's round 2 BTOP application to build middle mile infrastructure in these underserved regions. I also want to offer access to space at no charge on campus for co-location and/or regeneration facilities. I understand that MCNC will work with our facilities team to identify proper space. We understand that the space will be similar to other utility rooms on campus with MCNC needing access for routine maintenance trouble-shooting and repair. We are proud to support the MCNC BTOP application in this manner. We are looking forward to potentially enjoying a direct fiber connection to the Internet provided by this application.

The build out of broadband access is necessary for equity of education, advances in healthcare and the spread of economic opportunity in these regions. It has been a personal mission of mine to address the lack of broadband infrastructure in underserved areas of the State.

As you proved in round 1 of BTOP, MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,


Ann R. Britt, Ed.D.
President



March 22, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Mr. Freddoso,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you know, four areas of the state remain significantly underserved in their access to broadband technologies. The northeast, northwest, north central and south central region lack broadband infrastructure. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

As the President of Piedmont Community College (the "College"), I want to offer our institution's support of MCNC's round 2 BTOP application to build middle mile infrastructure in these underserved regions. Upon approval of the Piedmont Community College Board of Trustees and the North Carolina Community College System, the College also wants to offer, at no charge, an easement on its Person County Campus for co-location and/or regeneration facilities, upon the following conditions and understandings:

1. The facility will consist of a prefabricated 10 ft. x 20 ft. building to be provided by MCNC and set on a concrete slab (the "Building"). This will include all required HVAC equipment and a 10 ft. x 15 ft. generator pad for a backup power generator. The Building will be similar in appearance to other utility rooms on the campus of the College.
2. Underground fiber cable access from the Building to the College's central computer location and from the Building to the applicable MCNC right of way is required, as are physical access to the Building and availability of electric power and water utilities.
3. The location of the Building, the cables and the physical access are all subject to the mutual agreement of the College and MCNC, based upon a site survey to be conducted by a MCNC contractor in consultation with the College.

Mr. Joseph A. Freddoso
Page 2
March 22, 2010

4. All of the above, including ongoing utility costs, is to be provided at the sole expense of MCNC, at no cost to the College.

We are proud to support the MCNC BTOP application in this manner. We are looking forward to potentially enjoying a direct fiber connection to the Internet provided by this application.

The build-out of broadband access is necessary for equity of education, advances in healthcare and the spread of economic opportunity in these regions. The College is committed to the goal of addressing the lack of broadband infrastructure in underserved areas of the State.

As you proved in round 1 of BTOP, MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter Bartlett", followed by a stylized flourish or star-like mark.

Dr. Walter Bartlett, President
Piedmont Community College

Office of the President

March 15, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

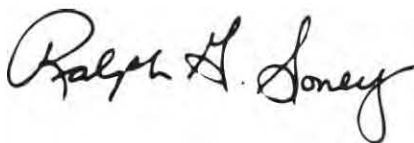
As you know, four areas of the state remain significantly underserved in their access to broadband technologies. The northeast, northwest, north central and south central region lack broadband infrastructure. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

As the President of Roanoke-Chowan Community College, I want to offer our institution's support of MCNC's round 2 BTOP application to build middle mile infrastructure in these underserved regions. I also want to offer access to space at no charge on campus for co-location and/or regeneration facilities. I understand that MCNC will work with our facilities team to identify proper space. We understand that the space will be similar to other utility rooms on campus with MCNC needing access for routine maintenance trouble-shooting and repair. We are proud to support the MCNC BTOP application in this manner. We are looking forward to potentially enjoying a direct fiber connection to the Internet provided by this application.

The build out of broadband access is necessary for equity of education, advances in healthcare and the spread of economic opportunity in these regions. It has been a personal mission of mine to address the lack of broadband infrastructure in underserved areas of the State.

As you proved in round 1 of BTOP, MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,



A handwritten signature in black ink, reading "Ralph G. Soney".

Ralph G. Soney, Ed. D.
President

cc: Carolyn LaDow, CAO
Randolph Harris, Director MIS
President's File



March 5, 2010

Mr. Joseph A. Freddoso
MCNC
President and CEO
3021 Cornwallis Road
Box 12889
RTP, NC 27709
Dear Joe,

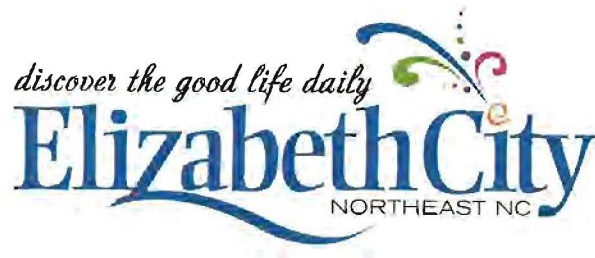
Enclosed are three letters of support for NCREN from the Mayor of Elizabeth City, the Director of the Elizabeth City Area Convention and Visitors Bureau and my organization, the Albemarle Economic Development Commission. Albemarle Health, Pasquotank County, Elizabeth City State University, the College of the Albemarle and Elizabeth City-Pasquotank Public Schools have sent their letters of support directly to you.

Thanks for your efforts on our behalf.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Harris", is written over a horizontal line.

Wayne Harris
Albemarle Economic Development Commission
Work: 252.338.0169
Cell: 252.619.3689
www.discoverec.com



March 2, 2010

Mr. Joseph A. Freddoso
MCNC
President and CEO
3021 Cornwallis Road
Box 12889
RTP, NC 27709

RE: Support for the Broadband Technology Opportunities Program (BTOP)
submitted by MCNC

Dear Joe,

I am pleased to endorse the middle-mile Comprehensive Community Infrastructure application to the Broadband Technology Opportunities Program (BTOP) being submitted by the North Carolina Non-Profit, MCNC, and supported by the University of North Carolina's Frank Hawkins Kenan Institute (Kenan Institute).

I am also pleased to make a commitment to consider being a direct connect customer of this Middle Mile network for Community Anchor Institution sites in our area where that might be advantageous to us.

The application, designated the North Carolina Rural Broadband Initiative, will build upon the existing North Carolina Research and Education Network (NCREN), a high-speed optical backbone that already connects key public education institutions in our region to a statewide K20 education Intranet and the Commercial Internet. As the operator of NCREN, MCNC has 25 years experience in providing advanced network communications to public education in North Carolina. Affordable access to such a network, at parity with urban and metropolitan areas, would offer tremendous advantages in our economic recruitment of New Economy businesses whose operations depend upon high reliability and high capacity electronic communications and information networks.

Broadband is a tool that our current and future employers require to remain competitive in the 21st Century global economy. Broadband also is vital to our efforts to serve existing businesses and allow them to modernize and expand. Availability of advanced broadband is a key success factor in our efforts to recruit new jobs to our area, as well as to expand our educational and workforce development efforts to ensure that workers have the skills necessary to compete in today's job market.

Albemarle Economic Development Commission

405 East Main Street • Suite 4 • PO Box 70 • Elizabeth City, NC 27907

252-338-0169 (ph) • 252-338-0160 (fx) • 1-888-338-1678 (tf) • info@DiscoverEC.com • www.DiscoverEC.com

Over the years many local businesses and non-profit organizations have experienced delays of weeks and even months in obtaining reliable broadband, and often these delays have occurred in areas with the most promising economic development prospects. In the Pasquotank Commerce Park, for example, it took Elizabeth City Glass, an innovative recycling company with intense broadband needs both for marketing and corporate communications, more than seven months to obtain DSL service. In micropolitan areas like the Elizabeth City area, with just a few broadband providers that control access to the Internet backbone, there is simply no motivation for these providers to provide prompt broadband service. Businesses like Elizabeth City Glass must make do with dial-up until these providers decide there is sufficient density in the area to create an acceptable rate of return on an investment in new switches or cabling.

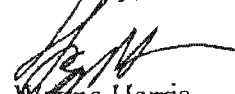
Companies that do have broadband complain of poor transmission quality. In the Elizabeth City-Pasquotank County Aviation Research and Development Park, DRS Technologies, the Park's major tenant, already has created 240 high-paying jobs here and has major plans for expansion that will require a geometric increase in bandwidth. Yet even at current transmission loads, DRS reports frequent problems with "packet loss" in attempting to transmit data to its clients and corporate partners.

As with DRS, the success and quality of customer service provided by our emergency management system, our regional hospital, Albemarle Health, Elizabeth City State University's soon-be-constructed School of Aviation Science and the College of the Albemarle's Air Frame and Power Plant ("A&P") training facility all depend on affordable and reliable broadband.

As in many rural areas of the country, small businesses play a large role in our area economy. Many small businesses are home-based and, as such, are particularly dependent upon access to advanced broadband services to reach customer markets, suppliers, and sources of information and expertise.

I hope that you will approve the NCREN application to help our efforts to support our businesses, retain and create new jobs and expand opportunities for our citizens.

Sincerely,



Wayne Harris
Director



March 22, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Mr. Freddoso,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

Rural areas remain significantly underserved in their access to broadband technologies, particularly the southeastern region. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to compete in the growing digital economy.

As the President of Southeastern Community College, I want to offer our institution's support of MCNC's round 2 BTOP application to build middle mile infrastructure in these underserved regions. I also want to offer access to space at no charge on campus for co-location and/or regeneration facilities. I understand that MCNC will work with our facilities team to identify proper space. We understand that the space will be similar to other utility rooms on campus with MCNC needing access for routine maintenance trouble-shooting and repair. We are proud to support the MCNC BTOP application in this manner. We are looking forward to potentially enjoying a direct fiber connection to the Internet provided by this application.

Broadband access in Southeastern North Carolina will improve educational services, advance access to healthcare and encourage economic opportunity in our region. Our rural neighbors deserve the same access that our urban colleagues currently enjoy.

As you proved in round 1 of BTOP, MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,

Kathleen Matlock, Ph. D.
President
Southeastern Community College

March 22, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

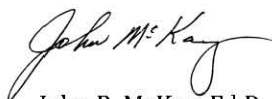
As you know, four areas of the state remain significantly underserved in their access to broadband technologies. The northeast, northwest, north central and south central region lack broadband infrastructure. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

As the President of South Piedmont Community College, I want to offer our institution's support of MCNC's round 2 BTOP application to build middle mile infrastructure in these underserved regions. I also want to offer access to space at no charge on campus for co-location and/or regeneration facilities. I understand that MCNC will work with our facilities team to identify proper space. We understand that the space will be similar to other utility rooms on campus with MCNC needing access for routine maintenance trouble-shooting and repair. We are proud to support the MCNC BTOP application in this manner. We are looking forward to potentially enjoying a direct fiber connection to the Internet provided by this application.

The build out of broadband access is necessary for equity of education, advances in healthcare and the spread of economic opportunity in these regions. It has been a personal mission of mine to address the lack of broadband infrastructure in underserved areas of the State.

As you proved in round 1 of BTOP, MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,



John R. McKay, Ed.D.
President

Return Address:

Old Charlotte Highway Campus
4209 Old Charlotte Highway
Monroe, NC 28110
704-290-5100 • FAX 704-290-5250

Other Locations:

L. L. Polk Campus
Post Office Box 126
Polkton, NC 28135-0126
704-272-5300 • FAX 704-272-5350

Lockhart-Taylor Center
514 North Washington Street
Wadesboro, NC 28170
704-272-5300 • FAX 704-272-5475



www.surry.edu

Office of the President

March 18, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Mr. Freddoso:

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you know, four areas of the state remain significantly underserved in their access to broadband technologies. The northeast, northwest, north central and south central regions lack broadband infrastructure. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

As the President of Surry Community College, I want to offer our institution's support of MCNC's round 2 BTOP application to build middle mile infrastructure in these underserved regions. I also want to offer access to space at no charge on campus for co-location and/or regeneration facilities. I understand that MCNC will work with our facilities team to identify proper space. We also understand that the space will be similar to other utility rooms on campus with MCNC needing access for routine maintenance trouble-shooting and repair. We are proud to support the MCNC BTOP application and look forward to potentially enjoying a direct fiber connection to the Internet provided by this application.

The build out of broadband access is necessary for equity of education, advances in healthcare and the spread of economic opportunity in these regions. It has been a personal mission of mine to address the lack of broadband infrastructure in underserved areas of the State. As you proved in round 1 of BTOP, MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,

Dr. Deborah Friedman
President

CAMPUS LOCATIONS

Main Campus
630 South Main Street
Dobson, NC 27017
(336) 386-8121
(336) 386-8951 fax

Workforce Development Center
1220 State Street
Mount Airy, NC 27030
(336) 356-5300
(336) 356-5316 fax

Yadkin Center
4649 Highway 601
Yadkinville, NC 27055
(336) 679-4600
(336) 679-3210 fax

WILKES COMMUNITY COLLEGE

P.O. Box 120 • 1328 S. Collegiate Drive • Wilkesboro, NC 28697-0120
www.wilkescc.edu • Phone: (336) 838-6100 • FAX: (336) 838-6277

March 22, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Rd., Box 12889
Research Triangle Park, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western parts of North Carolina.

As you know, four areas of the state remain significantly underserved in their access to broadband technologies. The northeast, northwest, north central and south central regions lack broadband infrastructure. Community anchor institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

As president of Wilkes Community College, I want to offer our support of MCNC's round two BTOP application to build middle mile infrastructure in the underserved regions. I also want to offer access to space, at no charge, at our Alleghany Center for co-location and/or regeneration facilities. I understand that MCNC will work with our facilities team to identify appropriate space. We understand that the space will be similar to other utility rooms on campus with MCNC needing access for routine maintenance troubleshooting and repair. We are proud to support the MCNC BTOP application in this manner and look forward to potentially enjoying a direct fiber connection to the Internet provided by this application.

As you proved in round one of BTOP, MCNC is well positioned to lead an effort to bring broadband technology to these underserved areas.

Sincerely,



Gordon Burns
President

asb



Information Technology Services

9201 University City Boulevard, Charlotte, NC 28223-0001
t/ 704.687.8495 f/ 704.687.3868

March 2, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you and I have discussed at length, four areas of the state remain significantly underserved in their access to broadband technologies. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy. You know my personal commitment to the goal of reaching the underserved with broadband service through my leadership of WinstonNet.

The build out of broadband access is necessary for equity of education, advances in healthcare and the spread of economic opportunity in these regions. It has been a personal mission of mine to address the lack of broadband infrastructure in underserved areas of the State.

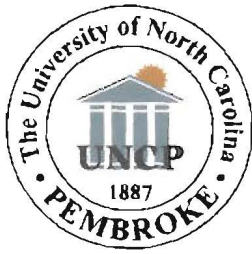
Specifically of benefit to the Charlotte region, the MCNC round 2 BTOP proposal includes greatly enhanced broadband services to several community anchor institutions including UNC Charlotte, Charlotte Mecklenburg County Schools, Central Piedmont Community College and Mecklenburg County Government. A renewed, enhanced fiber ring would not be financially feasible without BTOP support. UNC Charlotte is pleased to contribute a \$131,000 toward the matching funds for this enhanced fiber optic ring.

As you proved in round 1 of BTOP, MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,

Jay Dominick, Ph.D.

Vice Chancellor of Information Technology and Chief Information Officer
University of North Carolina at Charlotte.



Chancellor's Office
One University Drive
P.O. Box 1510
Pembroke, NC 28372-1510
Telephone: (910) 521-6201
Fax: (910) 521-6176
charles.jenkins@uncp.edu

March 15, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you know, four areas of the state remain significantly underserved in their access to broadband technologies. The northeast, northwest, north central and south central region lack broadband infrastructure. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

As the Chancellor of The University of North Carolina at Pembroke I want to offer our institution's support of MCNC's round 2 BTOP application to build middle mile infrastructure in these underserved regions. I also want to offer access to space at no charge on campus for co-location and/or regeneration facilities. I understand that MCNC will work with our facilities team to identify proper space. We understand that the space will be similar to other utility rooms on campus with MCNC needing access for routine maintenance trouble-shooting and repair. We are proud to support the MCNC BTOP application in this manner. We are looking forward to potentially enjoying a direct fiber connection to the Internet provided by this application.

The build out of broadband access is necessary for equity of education, advances in healthcare and the spread of economic opportunity in these regions. It has been a personal mission of mine to address the lack of broadband infrastructure in underserved areas of the State.

As you proved in round 1 of BTOP, MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,

Charles R. Jenkins
Chancellor
UNC Pembroke



Office of the Chancellor

ASU Box 32002
Boone, NC 28608-2002

(828) 262-2040
Fax: (828) 262-3024

March 19, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
Research Triangle Park, NC 27709

Dear Mr. Freddoso:

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you know, four areas of the state remain significantly underserved in their access to broadband technologies. The northeast, northwest, north central and south central region lack broadband infrastructure. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

As Chancellor of Appalachian State University, I want to offer our institution's support of MCNC's round 2 BTOP application to build middle mile infrastructure in these underserved regions. I will commit space, subject to appropriate government approvals, on campus for MCNC to establish a hut to house networking equipment, telecommunications devices, and other necessary supplies to expand network coverage to the State. I understand the MCNC will be responsible for the construction, and all operation and maintenance costs associated for such a facility; Appalachian State University will supply the physical space.

The build out of broadband access is necessary for equity of education and will enhance our effort to provide distance education to western North Carolina. Improved connectivity will also assist us with our health education outreach, another strategic priority for Appalachian State University. I am pleased that you are spearheading such an effort and look forward to working with you and your team.

Sincerely,



Kenneth E. Peacock
Chancellor

KEP/sm



February 13, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

I understand that four areas of the state remain significantly underserved in their access to broadband technologies. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

I am writing to offer my encouragement and unyielding support for MCNC's leadership in submitting a round two BTOP application that covers the counties in Northeastern North Carolina, North Central North Carolina, South Central North Carolina and far Northwestern North Carolina. These geographic regions contain almost one-half of the counties in the State. These counties are beset by high unemployment, low incomes and higher than average K-12 dropout rates.

As we have discussed, AmeriTech plans to offer last mile Wi-Max service to consumers, small businesses and public institutions in Halifax County. We plan to partner with the County to submit a Broadband Initiatives Program (BIP) grant application to the Rural Utilities Service. We plan on using wholesale bandwidth from the MCNC round two application to help initiate our Wi-Max service in Halifax County.

As you proved in round one of BTOP, MCNC is well positioned in combination with partners like AmeriTech to bring broadband to these underserved areas.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joseph Marceno', with a long horizontal line extending to the right.

Joseph Marceno
Managing Partner



640 Whiteville Road NW
PO Box 3198
Shallotte NC 28459

www.atmc.net

March 9, 2010

Mr. Joseph Freddoso
President and CEO
MCNC
3021 E. Cornwallis Road, P O Box 12889
RTP, NC 27709

Dear Joe,

It is with great pleasure that the Atlantic Telephone Membership Corporation (ATMC) offers support for the middle-mile Comprehensive Community Infrastructure (CCI) application to the Broadband Technology Opportunities Program (BTOP) being submitted by MCNC.

MCNC's CCI application builds on the existing North Carolina Research and Education Network (NCREN) which MCNC has operated for over a quarter of a century. MCNC's round 1 BTOP award will create a fiber backbone in much of rural North Carolina. MCNC's round 2 CCI application fills in the gaps for middle mile fiber in the rest of the State, including ATMC's service area.

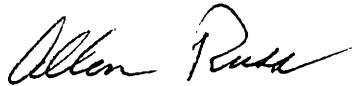
ATMC is a nonprofit telephone membership cooperative serving rural counties in southeastern North Carolina, including Columbus and Brunswick counties. ATMC is currently serving the Brunswick County area with a fiber to the premises network, and is submitting an application to the Broadband Initiatives Program (BIP) for a last-mile fiber to the premises network for underserved areas of Columbus County, North Carolina.

The ATMC BIP proposal and MCNC CCI proposal are highly synergistic. MCNC's proposed middle mile network will deploy an affordable, reliable, high-capacity middle mile infrastructure in Columbus and Brunswick counties for upstream transport. In turn, ATMC's proposed Columbus County fiber to the premise network will provide for affordable, reliable, high-capacity fiber transport to public sector Community Anchor Institutions being served by MCNC in its application, as well as residents and businesses. The synergistic effect is significant to both organizations.

The MCNC BTOP application and the ATMC BIP application are particularly important to Columbus County, North Carolina. This county is designated as a Tier 1 economically distressed county within North Carolina. Enhanced access to broadband has been proven in several studies to increase economic prosperity, educational attainment and enhance health care options across the globe. Taken together, the proposed networks of MCNC and ATMC can serve the residents, businesses, and CCIs of Columbus County on an affordable, reliable, high-capacity advanced fiber optic network connecting organizations and people of Columbus County to one another and to the world.

Thank you for your kind consideration

Sincerely,

A handwritten signature in black ink, appearing to read "Allen Russ". The signature is fluid and cursive, with the first name "Allen" and last name "Russ" clearly distinguishable.

Allen Russ
CEO / General Manager

cc: File



Wireless made simple.
1612 Marion St, Suite 221
Columbia, SC 29201

March 22, 2010

Mr. Joseph Freddoso
President and CEO
MCNC
3021 E. Cornwallis Road, Box 12889
RTP, NC 27709

Ref: Easygrants ID # 4218 North Carolina Rural Broadband Initiative

Dear Joe,

It is with great pleasure that ClearTalk offers support for the middle-mile Comprehensive Community Infrastructure (CCI) application to the Broadband Technology Opportunities Program (BTOP) being submitted by MCNC.

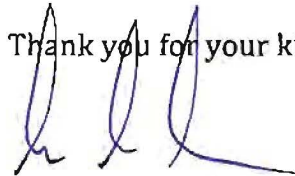
MCNC's CCI application builds on the existing North Carolina Research and Education Network (NCREN) which MCNC has operated for over a quarter of a century. MCNC's round 1 BTOP award (Easygrant ID# 69) will create a fiber backbone in much of rural North Carolina. MCNC's round 2 CCI application fills in the gaps for middle mile fiber in the rest of the State, including Inteliport's service area.

ClearTalk is a licensed and unlicensed wide-area wireless carrier that serves rural counties nationwide. ClearTalk is submitting an application to the Broadband Initiatives Program (BIP) for a Wireless Broadband deployment to 38 counties in North Carolina (Easygrant ID # 7346) and a separate application related to 36 counties in South Carolina (Easygrant ID # 7268).

The ClearTalk proposals and MCNC CCI proposal are highly synergistic. MCNC's proposed middle mile network will deploy an affordable, reliable, high-capacity middle mile infrastructure to these counties for upstream transport. In turn, ClearTalk's proposed licensed and unlicensed Wireless network will provide for affordable, reliable, high-capacity transport to public sector Community Anchor Institutions being served by MCNC in its application, as well as residents and businesses. Should ClearTalk's and MCNC's applications both be funded, it is our intent to IRU fibers on the commercial portion of MCNC's round 2 network, request sharing of MCNC controlled co-location space and potentially request lit backhaul service.

The MCNC BTOP application and ClearTalk's BIP application are particularly important to these rural North Carolina counties. These counties are designated as a Tier 1 economically distressed counties within North Carolina. Enhanced access to broadband has been proven in several studies to increase economic prosperity, educational attainment and enhance health care options across the globe. Taken together, the proposed networks of MCNC and NTCH Inc. ClearTalk can serve the residents, businesses, and CCIs of these counties on an affordable, reliable, high capacity advanced network connecting organizations and people of these 38 counties to one another and to the world.

Thank you for your kind consideration.

A handwritten signature in blue ink, appearing to read 'Matthew Merritt', with a stylized flourish at the end.

Matthew Merritt
Project Director
ClearTalk



Mr. Joseph A. Freddoso
MCNC
President and CEO
3021 Cornwallis Road
Box 12889
RTP, NC 27709

March 5, 2010

Dear Joe,

On behalf of InteliPort, Inc and our customers I am please to endorse the middle-mile Comprehensive Community Infrastructure application to the Broadband Technology Opportunities Program (BTOP) being submitted by the North Carolina Non-Profit, MCNC, and supported by the University of North Carolina's Frank Hawkins Kenan Institute (Kenan Institute).

[REDACTED]

The application, designated the North Carolina Rural Broadband Initiative, will build upon the existing North Carolina Research and Education Network (NCREN) a high-speed optical backbone that already connects key public education institutions in our region of North Carolina to a statewide K20 education Intranet and the Commercial Internet. As the operator of NCREN, MCNC has 25 years experience in providing advanced network communications to public education in North Carolina.

This initiative is particularly important to our North Carolina Rural Fiber Initiative, which is a last mile BIP application for a hybrid FTTH / Wireless Broadband deployment to 9 counties. As it will provide and assist in providing the most economic highest achievable broadband to the North East North Carolina population. The combined results of these two projects will promote and sustain the highest quality of life for the region through the deployment of the Middle Mile, FTTH and Wireless Broadband.

As an operator InteliPort has over 12 years experience in providing advanced network communications to the Private / Public sectors. We understand and appreciate the impact and opportunity of the North Carolina Rural Broadband Initiative for our region. This initiative will increase significantly the amount of bandwidth available for the area. [REDACTED]

This opportunity is not currently available as the prime providers to the region are not willing to provide low cost bandwidth, backhaul transport or cooperate with other private providers to ensure 100% broadband penetration. As a result of their actions Broadband stabilization in the region has been hindered and the over all quality of life that broadband creates has suffered significantly.



In addition, we support MCNC and the Kenan Institute relationship with local Counties that will increase significantly the amount of bandwidth available for Community Anchor Institutions in our region. The North Carolina Rural Broadband Initiative involves plans to connect several Community Colleges, Libraries, K12 schools, Public health and safety facilities in our region and our county to direct fiber. This will allow these institutions to greatly increase their bandwidth at stable costs.

Our region has been particularly hit hard by the recent economic down turn. The Bureau of Labor reported on January 22, 2010 that North Carolina unemployment rate hit a new series high of 11.2 percent in December 2009. All 91 of the smaller counties in North Carolina, those with employment below 75,000, had average weekly wages below the national level of \$918.


One of the nine (9) counties in our application Washington County, reported the lowest average weekly wage at \$493 which is the the lowest reported rate for any county in the State.

Unemployment rates for seven (7) of the nine (9) counties within our application are above 9.8 percent. The three persistent poverty counties listed in our application have a 11.3% -12.8% unemployment rate. Well above the state and national average.

The personal income for the nine counties is 44.34 % below the national average.

Enhanced access to broadband has been proven in several studies to increase economic prosperity, educational attainment and enhance health care options across the globe. I am pleased that the North Carolina Rural Broadband Initiative includes our region.

Without the Kenan Institute and MCNC, the proposed middle mile would not be built and the current backhaul providers would continue to stifle the regions Broadband and our ability to even submit a BIP application with FTTH as the main deployment would not have materialized.

 We wish you great success with this important application.

Sincerely,

Stephen M. Lane

Stephen M. Lane
President / Founder



MCNC

P.O. Box 12889
3021 Cornwallis Rd.
Research Triangle Park, NC 27709-2889
T (919) 248-1900 F (919) 248-1101
www.mcnc.org

February 22, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. The award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you and I have discussed at length, four areas of the state remain significantly underserved in their access to broadband technologies. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

I am writing to offer the encouragement and support of the MCNC Board of Directors for submitting a round two BTOP application that covers the counties in Northeastern North Carolina, North Central North Carolina, South Central North Carolina and far Northwestern North Carolina. These geographic regions contain almost one-half of the counties in the State. These counties are beset by high unemployment, low incomes and a high school drop out rate. The build out of infrastructure will allow citizens in these areas additional means to address the issues they face.

MCNC has provided thoughtful guidance and great service as the operator of the North Carolina Research and Education Network since the network's inception in the mid-1980s. MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,

Michael Murphy
Chairman of the Board
MCNC

Congress of the United States
Washington, DC 20510

March 23, 2010

The Honorable Gary Locke
Secretary
The United States Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

RE: MCNC's Round 2 BTOP Application

Dear Secretary Locke:

We are writing to express our support for MCNC's round 2 Broadband Technology Opportunities Program (BTOP) application, and we urge you to make this grant to expand broadband coverage to some of the most economically challenged areas of our state and the remaining areas that lack middle mile broadband infrastructure.

MCNC's grant application proposes to deploy broadband to 21 counties in northeastern North Carolina, six counties in northwestern North Carolina, 10 counties in north central North Carolina, and 9 counties in south central and southeastern North Carolina. These counties once had thriving, robust economies centered on furniture, textiles, and farming, but economic development in these towns and communities has been stifled, as our manufacturing base has moved offshore. We must give these citizens the tools they need to drive economic development.

We can assure you that this proposal is the best way to accomplish full coverage of the broadband gaps in North Carolina and MCNC, an independent, non-profit organization, is well equipped to bring broadband to rural parts of North Carolina. The organization has gone out of its way to partner with the other major players in the broadband community as well.


We strongly believe that we must commit to ubiquitous broadband throughout our country to enable the technology-based economic development that will create the sorts of jobs and business opportunities necessary for the state of North Carolina and the country to be competitive in the global economy. Broadband accessibility is as important of a component in a community's infrastructure as water or sewer capacity.

As President Obama has said, "To build a economy that can lead this future, we will begin to rebuild America...It means expanding broadband lines across America, so that a small business in a rural town can connect and compete with their counterparts anywhere in the world..."


Funding MCNC's application to deploy broadband capabilities to 46 underserved counties in North Carolina will be a step towards realizing that goal.

Respectfully Submitted,


Sen. Kay Hagan

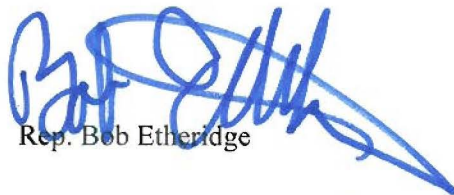

Rep. Howard Coble


Rep. David E. Price


Rep. Melvin E. Watt



Rep. Sue Wilkins Myrick


Rep. Walter B. Jones


Rep. Bob Etheridge


Rep. Mike McIntyre


Rep. G.K. Butterfield


Rep. Brad Miller


Rep. Larry Kissell

HEATH SHULER

11TH DISTRICT, NORTH CAROLINA

422 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
PHONE (202) 225-6401
FAX (202) 226-6422

205 COLLEGE STREET, SUITE 100
ASHEVILLE, NC 28801
PHONE (828) 252-1651
FAX (828) 252-8734



Congress of the United States

House of Representatives

Washington, DC 20515-3311

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

March 23, 2010

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

Four areas of the North Carolina, including the northwest in the 11th District which I represent, remain significantly underserved in their access to broadband technologies. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

I am writing to offer my encouragement and support for MCNC's leadership in submitting a round two BTOP application that covers the counties in northeastern, north central, south central and northwestern North Carolina. These geographic regions contain over one-half of the counties in the State. These counties are beset by high unemployment, low incomes and higher than average K12 drop-out rates. The build out of infrastructure will allow citizens in these areas additional means to address the issues they face.

I understand that both ERC Broadband and BalsamWest are part of the BTOP application. These two fine western North Carolina entities have provided broadband services to the citizens of the 11th district for many years. I have the utmost confidence in their ability to expand their services if funded through this proposal.

MCNC has provided thoughtful guidance and great service as the operator of North Carolina Research and Education Network since the network's inception in the mid-1980s. MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

I am pleased to offer my support for this important endeavor. Please do not hesitate to contact me if I can further assist this application in any way.

Sincerely,

The Honorable Heath Shuler
Member of the United State House of Representatives

DEPUTY AT-LARGE WHIP

COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

SUBCOMMITTEE ON
HIGHWAYS AND TRANSIT

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS,
AND EMERGENCY MANAGEMENT

COMMITTEE ON
SMALL BUSINESS

SUBCOMMITTEE ON
RURAL DEVELOPMENT, ENTREPRENEURSHIP
AND TRADE
CHAIRMAN



The Eastern Band of Cherokee Indians

The Honorable Michell Hicks, Principal Chief
The Honorable Larry Blythe, Vice-Chief

Jim Owle
Chairman

Birdtown Township

Alan B. Ensley
Vice-Chairman

Yellowhill Township

Tribal Council Members

Perry Shell
Big Cove Township

Teresa McCoy
Big Cove Township

Gene Crowe, Jr.
Birdtown Township

Tommye Saunooke
Painttown Township

Terri Henry
Painttown Township

Mike Parker
Wolftown Township

Bill Taylor
Wolftown Township

Diamond Brown
Snowbird &
Cherokee Co. Township

Adam Wachacha
Snowbird &
Cherokee Co. Township

David Wolfe
Yellowhill Township

March 1, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you and I have discussed at length, four areas of the state remain significantly underserved in their access to broadband technologies. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

I am writing to offer my encouragement and support for MCNC's leadership in submitting a round two BTOP application that covers the counties in Northeastern North Carolina, North Central North Carolina, South Central North Carolina and far Northwestern North Carolina. These geographic regions contain almost one-half of the counties in the State. These counties are beset by high unemployment, low incomes and higher than average K12 drop out rates. The build out of infrastructure will allow citizens in these areas new opportunities for education and employment.

As part owner of Balsam West, the Eastern Band of the Cherokee Nation stands ready to assist in the far Northwestern Counties, particularly in Graham County, which would be a very important addition to the middle mile infrastructure of Western North Carolina.

MCNC has provided thoughtful guidance and great service as the operator of the North Carolina Research and Education Network since the network's inception

in the mid-1980s. MCNC is well positioned to lead an effort to bring broadband to these underserved areas.

Sincerely,

A handwritten signature in blue ink, reading "Michell Hicks". The signature is fluid and cursive, with the first name "Michell" and last name "Hicks" clearly distinguishable.

The Honorable Michell Hicks
Principal Chief
The Eastern Band of Cherokee Indians



Bill Faison

North Carolina House of Representatives
Representative District 50 – Caswell & Orange Counties
300 N. Salisbury Street – Room 611
Legislative Office Building
Raleigh, NC 27603-5925
Office: (919) 715-3019 Fax: (919) 832-6362
Direct: (919) 606-6700 or (336) 694-1616
Bill.Faison@ncleg.net



February 22, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, NC 27709

Dear Joe,

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

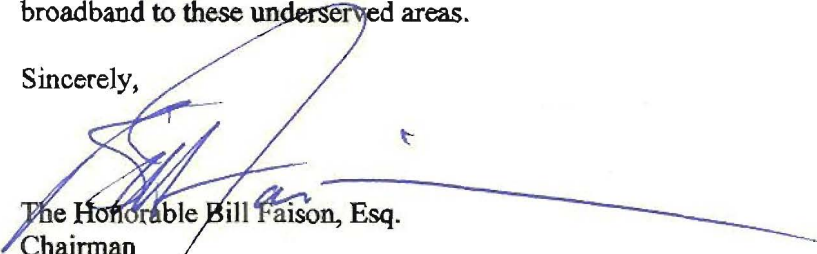
As you and I have discussed at length, four areas of the state remain significantly underserved in their access to broadband technologies. Community Anchor Institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

I am writing to offer the encouragement of the North Carolina House of Representatives Select Committee on Rural and Urban High Speed Access for MCNC's leadership in submitting a round two BTOP application that covers the counties in Northeastern North Carolina, North Central North Carolina, South Central North Carolina and far Northwestern North Carolina. These geographic regions contain almost one-half of the counties in the State. These counties are beset by high unemployment, low incomes and higher than average K12 drop out rates.

The build out of broadband access is necessary for equity of education, advances in healthcare and the spread of economic opportunity in these regions. It has been a personal mission of mine to address the lack of broadband infrastructure in underserved areas of the State.

As you proved in round 1 of BTOP, MCNC is well positioned, to lead an effort to bring broadband to these underserved areas.

Sincerely,


The Honorable Bill Faison, Esq.
Chairman
Select Committee on Rural and Urban High Speed Access
North Carolina House of Representatives



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

20301 MAIL SERVICE CENTER • RALEIGH, NC 27699-0301

BEVERLY EAVES PERDUE
GOVERNOR

March 16, 2010

Mr. Joseph A. Freddoso
President and CEO
MCNC, Inc.
3021 Cornwallis Road, Box 12889
RTP, North Carolina 27709

Dear Joe:

Congratulations on MCNC's success in securing round one Broadband Technology Opportunities Program (BTOP) Funds. Your award is a tremendous boost for education and economic development in the rural southeastern and western part of North Carolina.

As you and I have discussed at length, four areas of the state remain significantly underserved in their access to broadband technologies. Community anchor institutions across education, government, healthcare and research in these areas find themselves offering a lower level of digital services to their constituents. Consumers and small businesses find it difficult to participate in the growing digital economy.

I am writing to offer my encouragement and support for MCNC's leadership in submitting a round two BTOP application to cover the counties in northeastern North Carolina, north central North Carolina, south central North Carolina and far northwestern North Carolina. These geographic regions contain almost one-half of the counties in the state and are beset by high unemployment, low incomes and a disproportionate high school dropout rate. The build-out of infrastructure will allow citizens in these areas additional means to address the issues they face.

MCNC has provided thoughtful guidance and great service as the operator of the North Carolina Research and Education Network since the network's inception in the mid-1980s. MCNC is well positioned to lead an effort to bring broadband technology to these underserved areas.

Sincerely,

A handwritten signature in black ink that reads "Bev Perdue".

Bev Perdue

