

Consulting Services Agreement Between <> and Magellan Advisors, LLC

This Consulting Services Agreement (the "Agreement") is made effective as of this 19th day of May, 2016, by and between Stark County District Library ("CLIENT") a public library whose address is 715 Market Ave N, Canton OH 44702, whose federal Tax ID Number is 34-6000510 and Magellan Advisors, LLC ("Consultant"), a Florida Limited Liability Company, whose address is 999 18th Street Suite 3000, Denver, CO 80202, whose federal Tax ID Number is 65-1218484.

WITNESSETH:

WHEREAS, the CLIENT desires to retain Consultant to provide professional consulting services as more particularly described herein to the CLIENT and Consultant desires to provide such professional consulting services to the CLIENT, all in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the legal sufficiency of which are hereby acknowledged, the parties agree as follows.

1.0 SCOPE OF WORK

1.1 Services. Consultant shall provide to the CLIENT professional consulting services as detailed in Exhibit A, "Scope of Work" of this Consulting Services Agreement.

1.2 Notice to Proceed and Performance Schedule - Consultant shall proceed to perform the consulting services only upon receipt of a written notice to proceed from the CLIENT and shall thereafter complete the consulting services pursuant to the performance schedule set forth in Exhibit B, "Rates and Pricing", attached hereto.

1.3 Confidentiality – Subject to the provisions of Article 5 below, in order for Consultant to perform the consulting services, it may be necessary for the CLIENT to provide Consultant with confidential information (as defined below) regarding the CLIENT's business and products. The CLIENT shall provide confidential information to aid Consultant in performance and fulfillment of consulting services. Consultant shall not use confidential information for any uses other than to fulfill stated consulting services.

1.4 Standard of Conduct - In rendering consulting services under this Agreement, Consultant shall conform to highest professional standards of work and business ethics. Consultant shall not use time, materials, or equipment of the CLIENT without the prior consent of the CLIENT. In no event shall Consultant take any action or accept any assistance or engage in any activity that would result in any university, governmental body, research institute or other person, entity or organization acquiring any rights of any nature resulting from the consulting services performed by or for the CLIENT.

1.5 Outside Services - Consultant shall not subcontract or otherwise employ or use the service of any other person, entity or organization in the performance of the consulting services without the prior written consent of the Client. Should the Client consent to the use by Consultant of the services of any other person, entity or organization, no information regarding the consulting services to be performed under this Agreement shall be disclosed to that person, entity or organization until such person, entity or organization has executed an agreement to protect the confidentiality of the CLIENT's Confidential Information (as defined below) and the CLIENT's absolute and complete ownership of all right, title and interest in the consulting services work performed under this Agreement.

1.7 Reports – Upon request by the CLIENT, Consultant shall periodically provide the CLIENT with written progress reports of its observations and conclusions regarding the consulting services. As part of the consulting services, Consultant shall prepare a final report describing the consulting services and containing the information, findings, determinations and recommendations of Consultant, all as more particularly described in Exhibit A hereto.

ARTICLE 2 - INDEPENDENT CONTRACTOR

2.1 Independent Contractor - Consultant is an independent contractor and is not an employee, partner, or co-venturer of, or in any other service relationship with the CLIENT. The manner in which Consultant's services are rendered shall be within Consultant's sole control and discretion. Consultant is not authorized to speak for, represent, or obligate the CLIENT in any manner without the prior express written authorization from the Client of the CLIENT.

2.2 Taxes - Consultant shall be responsible for all taxes arising from compensation and other amounts paid under this Agreement, and shall be responsible for all payroll taxes and fringe benefits of Consultant's employees. Neither federal, nor state, nor local income tax, nor payroll tax of any kind, shall be withheld or paid by the CLIENT on behalf of Consultant or its employees. Consultant understands that it is responsible to pay, according to law, Consultant's taxes and Consultant shall, when requested by the CLIENT, properly document to the CLIENT that any and all federal and state taxes have been paid.

2.3 Benefits - Consultant and Consultant's employees will not be eligible for, and shall not participate in, any employee pension, health, welfare, or other fringe benefit plan, of the CLIENT. No workers' compensation insurance shall be obtained by CLIENT covering Consultant or Consultant's employees.

ARTICLE 3 - COMPENSATION FOR CONSULTING SERVICES

3.1 Compensation - Consultant shall be paid the rates for performance of the consulting services as set forth in Exhibit B, attached hereto and made a part hereof. Invoices shall contain a detailed breakdown of the services performed for which payment is being requested. All invoices received by the CLIENT shall be reviewed and approved in writing by the Client. The CLIENT shall pay invoices within 30 days from the date the invoice is approved or advise Consultant in writing of reasons for not approving or processing the invoice for payment. Notwithstanding anything to the contrary herein, Consultant shall not dispatch an invoice to the CLIENT until the CLIENT has provided written confirmation to Consultant that all consulting services to be described in a subject invoice pursuant to this Agreement have been fulfilled. The Consultant shall clearly state "final invoice" on Consultant's last/final billing invoice, which shall also contain a certification that all consulting services have been fully performed by Consultant in accordance with this Agreement, that all charges and costs have been invoiced to the CLIENT, and that any further charges not included on the final invoice are waived. Acceptance of final payment shall constitute a waiver of all claims and liens against the CLIENT for additional payments of any nature.

ARTICLE 4 - TERM AND TERMINATION

4.1 Term - The term of this Agreement will commence upon the Effective Date and remain in effect for one year. The CLIENT and Consultant may negotiate to extend the term of this Agreement and the terms and conditions under which the relationship shall continue. The CLIENT and Consultant shall amend this Agreement in such case.

4.2 Termination - The CLIENT may terminate this Agreement in whole or in part and take possession of all materials, documents, plans and designs related to the consulting services in Consultant's possession and may finish the services by whatever reasonable method the CLIENT may deem expedient without prejudice to any right or remedy it has hereunder and after giving Consultant thirty (30) calendar days written notice during which period Consultant shall have the opportunity to cure or commence in good faith to cure the following violations:

(1) Consultant enters into any bankruptcy proceedings or is adjudged as bankrupt or a receiver is appointed on account of its insolvency; (2) failure to supply appropriate personnel or materials to timely complete the consulting services; (3) failure to commence and maintain the performance schedule for completing the consulting services; (4) disregard of laws, rules, regulations, ordinances of any public authority with competent jurisdiction; or (5) any violation of the provisions of this Agreement or any other just cause.

4.3 Responsibility upon Termination – Upon termination, Consultant shall forthwith deliver to the CLIENT all original papers, records, documents, drawings, models and other material set forth and described in this Agreement, together with any equipment provided by the CLIENT to the Consultant in connection with or furtherance of the performance of the consulting services by Consultant under this Agreement, including, but not limited to, computers, laptops, and personal management tools.

ARTICLE 5 - CONFIDENTIAL INFORMATION

5.1 Obligation of Confidentiality - In performing consulting services under this Agreement, Consultant may be exposed to and required to use certain "Confidential Information" (as hereinafter defined) of the CLIENT. Consultant agrees that Consultant shall not and Consultant's employees, agents or representatives shall not, use, directly or indirectly, such Confidential Information for the benefit of any person, entity or organization other than the CLIENT, or disclose such Confidential Information without the written authorization of CLIENT, either during or after the term of this Agreement, for as long as such information retains the characteristics of Confidential Information.

5.2 Definition - "Confidential Information" means information, not generally known, and proprietary to the CLIENT or to a third party for whom the CLIENT is performing work, including, without limitation, information concerning any patents or trade secrets, confidential or secret designs, processes, formulae, source codes, plans, devices or material, research and development, proprietary software, analysis, techniques, materials or designs (whether or not patented or patentable), directly or indirectly useful in any aspect of the business of the CLIENT, any vendor names, customer and supplier lists, databases, management systems and sales and marketing plans of the CLIENT, any confidential secret development or research work of the CLIENT, or any other confidential information or proprietary aspects of the business of the CLIENT. All information which Consultant acquires or becomes acquainted with during the period of this Agreement, whether developed by Consultant or by others, which Consultant has a reasonable basis to believe to be Confidential Information, or which is treated by the CLIENT as being Confidential Information, shall be presumed to be Confidential Information.

5.3 Property of the CLIENT - Consultant agrees that all plans, manuals and specific materials developed by the Consultant on behalf of the CLIENT in connection with consulting services rendered under this Agreement, are and shall remain the exclusive property of the CLIENT. Promptly upon the expiration or termination of this Agreement, or upon the request of the CLIENT, Consultant shall return to the CLIENT all documents and tangible items, including samples, provided to Consultant or created by Consultant for use in connection with services to be rendered hereunder, including without limitation all Confidential Information, together with all copies and abstracts thereof.

ARTICLE 6 - RIGHTS AND DATA

6.1 Data - All drawings, models, designs, formulas, methods, documents, reports and any other tangible items of any nature whatsoever, prepared for and submitted to the CLIENT, whether in hard copy, paper copy, by electronic means or any other format, by Consultant in connection with the consulting services rendered under this Agreement shall belong exclusively to the CLIENT and shall be deemed to be works made for hire (the "Deliverable Items"). To the extent that any of the Deliverable Items may not, by operation of law, be works made for hire, Consultant hereby assigns to the CLIENT the ownership of copyright or mask work in the Deliverable Items, and the CLIENT shall have the right to obtain and hold in its own name any trademark, copyright, or mask work registration, and any other registrations and similar protection which may be available in the Deliverable Items. Consultant agrees to give the CLIENT or its designees all assistance reasonably required to perfect such rights.

ARTICLE 7 - CONFLICT OF INTEREST AND NON-SOLICITATION

7.1 Conflict of Interest - Consultant covenants and agrees not to consult or provide any services in any manner or capacity to a direct competitor of the CLIENT during the duration of this Agreement unless express written authorization to do so is given by CLIENT.

7.2 Non-Solicitation - Consultant covenants and agrees that during the term of this Agreement, Consultant will not, directly or indirectly, through an existing corporation, unincorporated business, affiliated party, successor employer or otherwise, solicit, hire for employment or work with, on a part-time, consulting, advising or any other basis, other than on behalf of the CLIENT, any employee or independent contractor employed by the CLIENT while Consultant is performing the consulting services for the CLIENT.

ARTICLE 8 - MAINTENANCE OF RECORDS

8.1 Consultant shall keep adequate records and supporting documentation related to the consulting services provided hereunder for a minimum period of three (3) years from the date of termination of this Agreement. The CLIENT or its authorized agents shall have the right to audit, inspect, or copy all such records and documentation upon reasonable notice and timeframes. All records and documentation related to the consulting services provided under this Agreement shall be maintained in accordance with applicable grant award requirements and standards, as well as applicable state and local laws.

ARTICLE 9 – INSURANCE

9.1 During the term of this Agreement, Consultant shall pay for and maintain the types of insurance described below issued by companies with A.M. Best ratings of A- or better. Prior to undertaking any consulting services, Consultant shall provide to the CLIENT properly executed Certificates of Insurance showing the CLIENT as an additional insured and providing that thirty (30) days written notice shall be provided to the CLIENT of any cancellation, intent to not renew, or reduction in the coverages. Renewal certificates of insurance, as may be applicable, shall also be provided to the CLIENT. Upon request, Consultant shall also provide copies of the policies to the CLIENT.

9.2 Required Insurance

- a. Commercial General Liability Insurance—coverage on an occurrence basis with no less than the following limits of liability:
Single Limit Bodily Injury & Property Damage—for each occurrence \$1 Million and annual aggregate, \$1 Million; and
Personal Injury—Annual aggregate, \$1 Million.
- b. Comprehensive Automobile Liability—for all vehicles used in the performance of this Agreement:
Single Limit Bodily Injury & Property Damage—each occurrence \$1 Million.
Coverage shall include owned, rental and/or non-owned vehicles.
- c. Professional Liability with limits not less than \$1 Million. If coverage is made on a claims made basis, then coverage must be maintained for the duration of this Agreement and for not less than one (1) year thereafter, or in lieu of continuation, provide and “extended reporting clause” for one (1) year.
- d. The CLIENT reserves the right to require any other insurance coverage it deems necessary depending upon the exposures.

ARTICLE 10 INDEMNIFICATION: REMOVED

10.1 REMOVED

ARTICLE 11 REMEDIES and VENUE

11.1 This Agreement shall be governed by the laws of the State of Ohio without regard to the principles of conflict of laws thereunder. Proper venue for any action shall be Stark County, OH. No remedy herein conferred upon a party to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

11.2 REMOVED

ARTICLE 12 NOTICES

12.1 All Notices required to be given under this Agreement shall be sent via email with a copy sent by certified mail, return receipt requested or by overnight traceable delivery, as follows:

To the Consultant: Magellan Advisors, LLC
999 18th Street, Suite 3000, Denver, CO 80202

To the CLIENT:

ARTICLE 13 - GENERAL PROVISIONS

13.1 Construction of Terms - If any provision of this Agreement is held unenforceable by a court of competent jurisdiction, that provision shall be severed and shall not affect the validity or enforceability of the remaining provisions.

13.2 Complete Agreement - This Agreement and the Exhibits attached hereto constitute the complete agreement and set forth the entire understanding and agreement of the parties as to the subject matter of this Agreement and supersede all prior discussions and understandings in respect to the subject of this Agreement, whether written or oral.

13.3 Dispute Resolution - If there is any dispute or controversy between the parties arising out of or relating to this Agreement, the parties agree that such dispute or controversy will be initially mediated in accordance with the rules of the applicable court of competence jurisdiction located in Stark County, OH.

13.4 Modification - This Agreement may only be modified, amended, superseded or otherwise altered by written instrument executed by the parties hereto.

13.5 Waiver of Breach - The waiver by a party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other or subsequent breach by the party in breach.

13.6 Successors and Assigns - This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that the Agreement shall be assignable by the CLIENT without Consultant's consent in the event the CLIENT is acquired by or merged into another business entity. The benefits and obligations of this Agreement shall be binding upon and inure to the parties hereto, their successors and assigns.

13.7 No Conflict - Consultant warrants that Consultant has not previously assumed any obligations inconsistent with those undertaken by Consultant under this Agreement.

13.8 Time of Essence - Time is of the essence in this Agreement.

IN WITNESS WHEREOF, this Agreement is executed as of the date set forth above.

CONSULTANT
Magellan Advisors, LLC

Signature:



By: John Honker

CLIENT

Signature



By: Tena Wilson

Title: President & CEO
Date: May 19,2016
Address: 999 18th Street, Suite 3000
Denver, CO 80202

Title: Executive Director
Date: May 19, 2016
Address: 715 Market Ave N
Canton, OH 44702

EXHIBIT A
Scope of Work & Deliverables

Task 1: Overview of Telecommunications Industry and Technologies

Magellan will provide Stark County with an industry outlook in the US that examines the latest industry trends and direction. We believe that Stark County should make informed decisions on expanding broadband in the community and we want to make sure the County has a clear understanding of emerging technologies, the changing world of content and the direction that broadband providers are heading in the future. These will all be critical aspects in the strategic planning process for Stark County's broadband initiatives.

We will provide an assessment of the current technology options for the County to consider based on the needs of your community and the current and future options available in the market. We will help you assess last-mile fiber and wireless technologies as well as backbone technologies to provide high-capacity, redundant connectivity to residents and businesses.

Magellan will work with client staff to identify infrastructure that is required to meet the needs of Stark County determined in the needs assessment. Magellan will work with the client to evaluate a range of technologies to determine the "best fit" for Stark County. Our consultants will work with client staff and its affiliates to understand the pros/cons of each delivery method and the costs associated with each as the infrastructure that is chosen can have a major impact on long-term financial sustainability.

Task 2: Review the relationship of Telecommunications to Production, Transportation, other Utility Systems, and Consumption.

Magellan will report on the importance of telecommunications, broadband and Internet to the digital economy. We will demonstrate clear linkages between broadband availability, economic development, job growth, real estate values and community benefits. We will provide a list of examples from recent community broadband projects that show the value of these networks to local communities and the "soft benefits" derived from them. We will also focus on the way that broadband has lead to innovation in nearly every industry and how communities equipped with leading edge broadband services are poised to succeed in the digital economy.

Task 3: List and describe various telecommunication services and uses

Magellan will provide a "Broadband Primer and Technology Roadmap" to inform the County of how applications make use of broadband connections today, limitations and emergence of new technologies that will resolve current speed issues. We will provide documentation of the broadband services required to support a range of applications and tie this information back to the County's broadband needs assessment to formulate "broadband standards" for different types of community organizations. We will also provide a technology roadmap that projects the applications that will drive the need for more consistent, higher bandwidth services and trajectories for these technologies to be adopted. We believe that this information should be tied directly into County's broadband needs assessment to determine what broadband infrastructure will be needed to support the future demand from your constituents. This will allow us to determine where and when broadband improvements should be ordered, prioritized by the most critical needs in your community.

Task 4: Analyze Telecommunication Carriers, Services and Rates

Magellan's Market Assessment will determine the services that are available, providers, service level, pricing, and access. We will document all publicly owned and privately owned networks in Stark

County and build a comprehensive GIS-based broadband map to illustrate how the County is served by broadband and through which providers. We will provide you with a full analysis of wired and wireless telecommunications carriers serving Stark County, their service territories and the products and services available to your constituents.

We should expect that some private providers will not share their infrastructure maps for the project, but we find that in many cases, providers will cooperate in this initiative as this collaboration often times provides opportunities for them to better understand the local market. Our analysis will document fiber and copper networks, facilities, data centers, and related infrastructure in Stark to determine how well the community is served by broadband. We will also work with the local providers to understand and document their current needs, as they too are stakeholders in the community. These discussions should lead to potential opportunities for the County and private providers to define potential partnership opportunities in delivering new broadband services to the community.

We will build an inventory of all community anchor, business, residential, and wholesale costs across the communities to understand how they compare to other peers. It will also enable the County to understand what potential rate structures would be necessary in a community broadband network.

The following step will be to analyze the current market and its propensity for additional Stark broadband services. This market analysis will include businesses, schools, hospitals, clinics/doctors' offices, and other community organizations determined in the analysis. We will incorporate Stark's broadband network into the comprehensive broadband map, which will allow us to begin building layers of potential customer locations on top of the County's infrastructure. Layers will include businesses, schools, hospitals, clinics, government organizations, community support organizations, and others to be determined.

Task 5: Analyze end users

To gain a thorough understanding of end users in Stark County, comprehensive stakeholder outreach is suggested for the project. We propose to conduct a thorough community needs assessment and outreach within the Stark community to determine what businesses, education, healthcare, public safety, libraries and other organizations need in terms of their broadband services. This needs assessment will define the types of services that are important for stakeholders, how they utilize broadband and telecommunications services and emerging trends that are relevant for your communities.

Outreach is a key component to ensure that the strategies developed are representative of the community's needs. It is also crucial to engage stakeholders in the process and build support for the project across the community. We will work with you to define the best outreach strategy, a combination of the items below, and the best way to execute the strategy. We propose to conduct several types of outreach to develop the community needs assessment, which will be tailored specifically to Stark's goals that we collaboratively develop in the project. The outreach may include a number of tools, tailored specifically to Starks needs:

1. Online Broadband Surveys

Magellan's online surveys will provide important information to understand perceptions around broadband services, inventory current services, test speeds across the community, and identify issues. We generally receive strong response rates from respondents in these surveys, which provides valuable information for the planning process. We propose to survey the business community and community anchors in the Stark area and utilize local organizations to promote the surveys. We will incorporate GIS analysis and speed testing into our surveys to determine GIS-

accurate locations of respondents throughout the County in order to support the demand planning process. We propose to conduct surveys across Stark's residential, business and community anchor markets.

Once the target stakeholder group is identified, an overall population of the group will be determined and a target sample size will be recommended by Magellan in order to reach a statistically significant data set. To reach statistically reliable results, Magellan will recommend participant levels to insure at least a 90% level of confidence within a 5% margin of error based on the stakeholder group population. The survey will be administered entirely by Magellan, with Stark County and community partners focused on promotion of the survey campaign. Understanding that people without broadband access and non-adopters of broadband are central to the research and evaluation process, the survey campaign will be administered online and with printed versions of the survey distributed throughout the community by Stark County. Printed surveys will be available in convenient and accessible locations with completed surveys collected by Stark County and forwarded to Magellan for evaluation.

2. Community Anchor Interviews

We will hold interviews with each community anchor in the Stark area to gain an understanding of their current and future broadband and technology needs. The format for these may be one-on-one in some cases or groups in other cases; depending on the size of each community anchor and importance to the project. We will educate, document, and define the needs of the anchors (now and in the future) and help Stark determine what its key community organizations will need in terms of type, quantity, and cost of broadband services.

3. Enterprise Business Interviews

For large businesses in the Stark area, we propose to hold one-on-one interviews to understand their current and future broadband and technology needs. We find that individual interviews work best for large businesses because they are able to share more information with us one-on-one versus a group setting.

4. Small & Medium Business Interviews

For small and medium businesses in the Stark area, we propose to hold focus groups to understand their current and future business and technology needs. We find that these can often times be coordinated through local economic development personnel or the chamber of commerce.

We will collect important information from community anchors in Stark to develop an inventory of their broadband services, speeds, costs, issues and future needs. This inventory will help Stark develop a long-range forecast for community anchor broadband services that will be used to project the infrastructure that will be required to meet their needs.

Task 6: Benefits from Improved Telecommunications

Magellan will assess the potential benefits of improved broadband services to Stark County's businesses, residents and community organizations. We suggest using the broadband needs assessment as a baseline to determine how a proposed community broadband network could benefit stakeholders in the County, calling on specific examples of need and opportunities identified in your community. This benefits analysis needs to be tailored specifically to your stakeholders to project how improved broadband services will create benefits for local government, education, economic development, public safety, environmental programs and other community functions.

Task 7: Overview Current Telecommunications Industry Policy

We will conduct an in-depth regulatory analysis of State and federal policy that is shaping broadband development and how this applies to Stark County. Our analysis will examine the specific statutes that govern how local government's in Ohio are regulated concerning municipal broadband. We will also provide educational documentation on recent FCC policy developments concerning Net Neutrality, Universal Service, changes to the USAC E-Rate program and other specific legislation that is pertinent to Stark County's project. Some of these include:

- FCC preemption of Municipal Broadband Barriers in North Carolina and Tennessee
- FCC changes to the classification of broadband at 25 Megabits down, 3 Megabits up
- FCC changes to Universal Service Fund, E-Rate and Healthcare Connect funds
- FCC Net Neutrality policy and implications to Stark's community
- Federal regulatory schemes for data and telecommunications services
- Ohio's House Bill 233
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Task 8: Review of Broadband Improvement Efforts Regionally and throughout Ohio

Magellan has recently conducted a quantitative benchmarking study of over 30 municipal broadband providers that will be published in the next issue of Broadband Communities magazine and will be presented by our team at the Broadband Communities conference in April. We will provide this resource and the related case studies to the County to help you build a knowledge base around municipal broadband. Our analysis provides an analysis of the most utilized business models, strategies, implementation roadmaps, financial metrics and benefits these cities have received from their projects. It also demonstrates unsuccessful municipal broadband projects and analyzes the mistakes made to help other public organizations avoid these challenges.

Complementing this report, we will evaluate the various public, private and public + private to give the County an indication of the resulting costs and benefits, inside and outside of Ohio. We will provide factors that drive public and private models, in terms of cost of capital, investment, payback, economic development value, tax base increase and other benefits. We will evaluate the strategies that other Hudson organizations have used to plan and deploy broadband, including Hamilton, Hudson, Fairlawn, OneCommunity, Columbus, Cleveland and others and if/how they have worked with one another to expand benefits through regional approaches. Regional approaches can be very complex in terms of funding, equity participation and representation; we want to provide you clear guidance on the value of pursuing regional approaches versus moving forward individually. We will also help you compare municipal broadband models with private broadband models, such as Google Fiber, to lend guidance on the viability of different approaches.

Task 9: Recommendations on Governance Models

This project presents a significant opportunity to leverage public sector assets in conjunction with private sector organizations to serve the greater public good. As many stakeholders are involved in this process, governance and ownership structures must be evaluated to determine what is allowable, appropriate and optimal for the project. In this process, Magellan will assist the County consider these various structures, some of which may include public/private partnerships, joint ventures, special authorities, non-profit entities and others to be determined.

This analysis will identify the key business factors that will influence what governance and ownership

structures are utilized in the project. Magellan's deep experience with public, private and non-profit organizations will bring insightful evaluation of these structures to the project and experience with the many structures that we have worked through in our many community broadband projects throughout the Country. Key to this process is an understanding of how publicly-owned assets, such as conduit systems, fiber-optic networks and property may be used in conjunction with private sector telecommunications providers to expand broadband services in the County. Some of the key questions that we will address in this section include:

- How will joint investment in broadband infrastructure be accomplished between the County and private sector organizations?
- What regional strategies and frameworks may be utilized between public organizations to expand broadband and interface with private broadband providers?
- What entity and operational structures should be considered by the County and private sector organizations in use of the County's broadband infrastructure?
- How will the County balance private sector goals of revenue growth and profitability with public goals of providing affordable and available broadband services across the County?
- How will future system expansion be handled between the County and private sector providers and what contributions will the parties make to this infrastructure?
- How will the County maintain neutrality and open interconnection policies with private sector providers, promoting a competitive environment that benefits the County's broadband user base?
- How will an oversight and management board be structured, who will seat the board and what powers and responsibilities will the board have to the project?

Magellan will assist Stark County in evaluating various business models it should consider for the project, identifying the pros and cons of each for the County and its community. In this analysis, we propose reviewing various models for the County, some of which include:

- Infrastructure only (dark fiber, conduit, towers)
- Open-access (dark and lit fiber, wireless)
- Business retail provider
- FTTH retail provider
- Public-private partnership options
- Others to be determined

Some of the key questions that we will address in this section include:

- Should the County provide services directly or through partnership with broadband providers?
- Will a Stark County broadband utility be sustainable if the County provides services directly?
- What types of Internet services would the County provide and at what costs?
- Would open-access create a sustainable business model for the County?
- Should the County expand services to more public organizations and if so, to what extent?
- How will joint investment in broadband infrastructure be accomplished between the County and private sector organizations in proposed partnerships?

- What legal and operational structures should be considered by the County and private sector organizations in use of the County's broadband infrastructure?
- How will the County balance private sector goals of revenue growth and profitability with public goals of providing affordable and available broadband services accross Stark County?
- How will future system expansion be handled between the County and private sector providers and what contributions will the parties make to this infrastrucutre?
- How will Stark County maintain neutrality and open interconnection policies with private sector providers, promoting a competitive environment that benefits the County's broadband user base?

Task 10: Financing

Magellan proposes using our Broadband Financial Sustainability Model to evaluate the various broadband options. We will build a long-term financial plan that lays out the financial performance of the broadband network over the long-term, using a phased approach to potential investments. We will analyze each of the business models to determine which ones are valid for the current environment, based on the current market, competition, needs, organizational capabilities and financial sustainability.

Public organizations have used our financial models to determine financial feasibility of broadband projects in over 100 communities. Our models provide investment grade plans through which over \$1 billion in broadband investments have been made in the US. They are regularly used to support public investment through bonds, bank loans and grant funding programs, including \$250 Million in Broadband Stimulus investments under the NTIA BTOP grant program.

Using our financial tools, we suggest using the following procedure to conduct the business model analysis and make recommendations. We would propose using a minimum 10-year period to analyze the project:

1. Develop the cost model for the network, including one-time and ongoing capital expenditures;
2. Develop the cost model for operations, including O&M, network operations, field services, staffing, billing, and customer service;
3. From the market analysis and outreach, determine the customer segmentation and growth on the network across each type of customer (business, school, hospital, etc.);
4. Determine customer growth rates for the network based on benchmarking analysis from other utility and municipal providers;
5. Determine a proposed competitive rate schedule for potential services using pricing information from the market analysis and benchmarking information;
6. Develop financial statements, pro-formas, depreciation schedules, and cash flows;
7. Conduct comprehensive sensitivity analysis on the project to determine overall financial sustainability using key metrics such as free cash flow, debt service coverage, operating margin, and net income;
8. Use scenario analysis to evaluate different business models and determine which are feasible;
9. Create a playbook of options that can be considered for implementation; and
10. Recommend the most feasible options.

Task 11: Analysis of Potential Projects

Magellan will work with the County team to determine the viability and options of the currently planned projects. We will provide you with expert business insight to determine how these projects may be

deployed, financed and sustained, paying special attention to the business and financial issues surrounding community broadband projects. Our goal is to help you find innovative solutions that will allow these projects to be realized using public sector strengths in policy and infrastructure development and private sector strengths in business and operations.

Task 12: Marketing

Building community support for your broadband initiative will be imperative to receive the political support needed to implement the project. We have been fortunate to deploy over 50 community broadband networks in the US and understand how challenging support building can be for new projects. We will help you determine the right positioning to take in marketing the broadband initiative to local leaders, businesses and other community groups. We believe that community broadband projects are most successful by starting with small projects that solve key issues and demonstrating clear benefits to the community. This helps establish early success for these projects and establishes credibility in the community. We will help you develop a roadmap approach for success that focuses on developing “small wins” for your community broadband initiative and builds momentum to achieve larger projects.

Task 13: Next Steps

Magellan will work with client determine the most feasible option(s) for Stark County to pursue and develop an action plan that lays out the next steps toward implementation of the network. Magellan will work with client to determine what resources, policies and funding will be required to achieve these strategies and develop a phased approach to the clients' objectives. We will help the client develop short, mid and long-term milestones to achieve and create a long-term project plan to meet these milestones. This will help the client, stakeholders and partners identify what goals must be achieved and the resources needed to meet these goals.

Final Report and Deliverables

Magellan will incorporate all planning activities into the Community-Wide Broadband Plan final report that lays out a playbook of alternatives, the recommended option and the next steps subsequent to the project. The Study will describe the benefits of a community broadband network to economic development and job creation, education, healthcare, business, residents and other areas. The Study will provide a blueprint for the client to implement its broadband initiatives with clear timelines and milestones over short, mid and long-term horizons. Magellan will present the Final Report to the client team and stakeholders. The Final Report is expected to contain the following sections at a minimum; however, we will work with the client team to define the best format for the final deliverables:

- Executive Summary
- Introduction
- Broadband & Telecommunications Primer
- State of Broadband in Stark County
- Current Market, Providers & Pricing
- Community Broadband Needs Assessment
- Current Issues and Gap Analysis
- Broadband Opportunity Assessment
- Regional Opportunities & Collaborative Programs
- Viable Business Model Options
- Governance Models and Considerations

- Broadband Financial and Funding Analysis
- Regulatory Analysis
- Risk Analysis
- Playbook of Viable Strategies
- Prioritization and Phasing Plan
- Action Plan and Resources
- Next Steps
- Conclusions
- Appendices

EXHIBIT B

Rates and Pricing

The total cost to Stark County as outlined in the chart below is \$60,300 and includes all work to be completed by Magellan for the County as stated in this Proposal. Our hourly rate for the proposal is \$140 per hour. Overhead and travel and expenses will be billed as incurred. We estimate completion of this project will require 395 billable hours of work. Magellan is happy to extend our \$140 hour rate to Stark County for any additional

services or change orders that may be required within or in addition to this proposal. Stark County will notify Magellan in writing of any scope changes or additions required and Magellan will provide a quote for such changes to Stark County. Upon acceptance of the quote, the scope changes or additions will be incorporated into the project.

Task	Hours	Hourly Rate	Total
Task 1: Overview of Telecommunications Industry and Technologies	20	\$140	\$2,800
Task 2: Review the relationship of Telecommunications to Production, Transportation, other Utility Systems, and Consumption.	20	\$140	\$2,800
Task 3: List and describe various telecommunication services and uses	20	\$140	\$2,800
Task 4: Analyze Telecommunication Carriers, Services and Rates	30	\$140	\$4,200
Task 5: Analyze end users	50	\$140	\$7,000
Task 6: Benefits from Improved Telecommunications	20	\$140	\$2,800
Task 7: Overview Current Telecommunications Industry Policy	25	\$140	\$3,500
Task 8: Review of Broadband Improvement Efforts Regionally and throughout Ohio	20	\$140	\$2,800
Task 9: Recommendations on Governance Models	40	\$140	\$5,600
Task 10: Financing	40	\$140	\$5,600
Task 11: Analysis of Potential Projects	20	\$140	\$2,800
Task 12: Marketing	20	\$140	\$2,800
Task 13: Next Steps	30	\$140	\$4,200
Final Presentations	40	\$140	\$5,600
Travel (Not-to-Exceed)			\$5,000
Total Pricing (Not-to-Exceed)	395		\$60,300