

Tri-Gig RFP response from North State

July 15, 2016

North State Telephone Company d/b/a North State Communications ("North State") is pleased to submit this response (the "Response") to the Tri-Gig ("TG") Request For Proposals entitled "THE PROVISION OF AN OPEN ACCESS TRI-GIG HIGH SPEED BROADBAND INITIATIVE" (the "RFP"). **North State** endorses the wide-ranging policy objectives outlined in the RFP, and stands ready to work with the Requesting Entities ("REs") to develop an innovative program template that should enable the successful deployment of a turn-key, next-generation, fiber-based broadband network (the "**North State Network**") to every home and business in the TG region. The **North State Network** should achieve the ambitious economic development goals of the REs, using an innovative public private partnership ("PPP") framework that equitably distributes the risks and rewards between the parties. **North State** believes that a successful PPP with the REs will require a candid discussion regarding the substantial resources necessary to successfully achieve the stated policy goals in the TG RFP, and the alignment of incentives between the parties to ensure the sustainable deployment of a comprehensive solution to all the REs.

About North State

North State is an innovative, forward-thinking, fiber-based communications and information technology company dedicated to meeting the needs of consumers and businesses in High Point, Thomasville, Archdale, Randleman, Jamestown, Trinity, Greensboro, Kernersville and beyond. Our goal is to provide the best, most technologically advanced products and services available supported by local, knowledgeable, friendly technicians and sales representatives.

North State was initially established as High Point Telephone Exchange by local businessmen in 1895. In 1899, J.F. Hayden, an inventor and visionary who had earlier pioneered the first telephone system in neighboring Thomasville, purchased the High Point company and rapidly began expanding both systems.

In 1905, Hayden incorporated the High Point-based company and changed the name to **North State Telephone Company**. In 1919, Hayden purchased High Point's competing Southern Bell system, which had been operating since 1907. Our pioneering history is one of innovation and growth: (i) in 1920, **North State** earned broad recognition when it became the first telephone company in the State to install the automatic-dial system; (ii) in 1929, the company purchased the Randleman telephone system; and (iii) in 1935 the Thomasville company was merged into **North State**.

North State continues to operate from a High Point headquarters and is one of the nation's 15 largest integrated communications companies. **North State** has grown and diversified to provide a full range of personal, home and business products and services, including fiber-based broadband Internet and digital television services, voice services, data and IP-based business services. **North State** is already operating in a material portion of the

Service Area proposed in the RFP with the company's reach extending to a broad area of the Piedmont Triad Region of North Carolina (the "Triad"), including the communities of High Point, Thomasville, Archdale, Randleman, Jamestown, Trinity, Greensboro and Kernersville.

North State maintains a robust network comprising more than 68,000 miles of high-capacity fiber optic facilities used to carry everything from voice and broadband Internet services to networking and IP services as well as critical back-up and disaster recovery data for businesses.

As technology advances, **North State** will continue to grow and innovate, always operating in the forward-thinking spirit in which it was established under the guidance of J.F. Hayden's progressive business mind.

Policy Goals of the TG RFP

- 1. Create a gigabit, fiber network to foster innovation, drive job creation, stimulate economic growth, and serve new areas of development in the community;**
 - a. covers those areas prioritized in each community's Schedule with a negotiated plan for building out the remainder of each community;**
 - b. provides a comprehensive broadband infrastructure that can be expanded upon to serve other areas of the region; and**
 - c. provides service for a minimum of five (5) years from the date of first operation.**

North State Response:

North State proposes to jointly develop with the REs a program template that should result in the creation over time of a comprehensive fiber network to every home and business within each participating RE's Service Area to achieve the economic development objectives of the REs for generations to come. With our long track record in the community as the local incumbent provider of 21st century communications and Internet Services in the Triad Region, **North State** is uniquely positioned to provide service to the community for far longer than the requested five (5) years from the date of first operations.

- 2. Provide an open access architectural framework that maximizes wholesale and retail service delivery and competition;**
 - a. provides non-discriminatory interconnects.**

North State Response:

North State proposes formulating a framework for the eventual migration to a fully open access operational model that can result in truly competitive retail service delivery. **North State** believes that the future of service delivery on information networks will require competition at the retail level, and that the most effective way to maximize the economic potential of fiber infrastructure for both the public and private sectors is to transition to operational models creating that competition utilizing shared infrastructure. The end result would be a retail service environment (i) providing consumers multiple choices at competitive pricing for a variety of services, (ii) lowering the barriers to entry to new providers, and (iii) laying the groundwork for the development of next generation broadband services that will drive innovation and economic growth in the 21st century.

3. Provide a flexible menu of optional retail services

- a. offers supported retail broadband services with a guaranteed sustained minimum schedule of service ranging from a preferred 1 Gbps with other options such as high speed wireless for certain market areas as well as temporary solutions with a timeline for permanent installation of the preferred solution; supports high quality voice, data, and video services.**

North State Response:

As the local incumbent service provider in the High Point area, **North State *already offers a diverse menu of fiber-based voice, video and data services, as well as other IT services*** such as web hosting, colocation, and cloud services to both residential and business customers. **North State** will expand that menu of services as new broadband applications become commercially available, economically feasible, and demand warrants. Expansion of services to new neighborhoods will be accomplished by both fiber and other feasible technical solutions on schedules determined by enabling variables such as, but not limited to, pre-subscription, projected demand, the economics of the build out, and incentives and/or subsidies negotiated with the relevant REs. Schedules can be accelerated given the appropriate mix of enabling variables.

- 4. Use public-private assets to reduce the digital divide, enhance workforce knowledge and skills, promote economic development, enhance access for anchor institutions, and serve other targeted social purposes identified by the participating municipalities;**
- a. provides free or heavily discounted services to specified low-income neighborhoods (see each community's Schedule for a list of neighborhoods within each RE jurisdiction) and anchor institutions;**
- b. creates a working relationship between local governmental units, vendors, and non-profit organizations to fund hardware and educational services for low-income residents, the elderly, and other underserved populations; and**
- c. establishes free wireless networks in parks and public spaces in areas adjacent to the wired network.**

North State Response:

Achieving the stated policy goals of the REs for the social benefits of broadband networks is of mutual benefit to **North State** and the REs. All of the goals presume a comprehensive solution for the creation of community-wide broadband infrastructure, which is the piece of the social benefit puzzle that **North State** sees as its primary area of expertise and

responsibility. **North State** can participate in creating solutions to (i) specific challenges of skills development, (ii) increasing access to and utilization of enhanced broadband services by anchor institutions and targeted high priority neighborhoods, and (iii) other specific social benefit goals of the REs. This could include utilizing other partners in the community, including entrepreneurs and other potential collaborators identified through an established office within the REs whenever practical. Such solutions will require a cooperative approach to cost-sharing and an awareness of the economics of program development, allocating responsibilities, transparently and rationally to the parties best suited to undertaking those components of proposed solutions.

5. **Provide high speed internet service over a wired or wireless network at a substantial discount from current market prices.**
 - a. **enables low wholesale access prices that reflect underlying costs while allowing Vendor(s) to earn a return on investment commensurate with the risks involved.**

North State Response:

The pricing of services will be dictated by the constraints of market forces, the economics of network deployment, and the allocation of costs and benefits between the REs and **North State**. To the extent the REs can develop and commit to a creative array of incentives and subsidies that target specific high priority policy goals, **North State** can commit to a commensurate effort to achieve those goals.

Overview

- a. Coverage area – **North State** is the incumbent operator in High Point and a competitive operator in the surrounding area. **North State** is willing to significantly expand its service area with a comprehensive fiber build into all areas of each interested REs – within the context of a PPP framework that adequately addresses the economic realities of such an extensive infrastructure project. The pace and extent of the build-out will depend on the specifics of negotiated incentives, subsidies, and the allocation of risks and rewards between the parties.
- b. Expandable broadband infrastructure – **North State** is committed to building out to every home and business within each REs geographic boundary (subject to the conditions stated regarding PPP configuration).
- c. Service time commitment – **North State** can activate new services in selected areas almost immediately, with follow-on construction in adjacent select neighborhoods (see below) to follow. Duration of services will be more than the minimum 5 years.
- d. Non-discriminatory – **North State** is committed to gradually migrating to a complete open access business model, with unprecedented competition at the retail service delivery level using shared infrastructure. The pace of that migration will be pegged to specific revenue and customer acquisition milestones to ensure a sustainable and economically feasible transition.
- e. Pricing – will be determined by the combination of market forces, the economics of network deployment, negotiated incentives and subsidies, and the allocation of costs and benefits between the REs and **North State**.
- f. Service types and pricing – see Appendix A for a listing of current **North State** services to our existing customers. Depending on the specifics of negotiated incentives and subsidies, additional service tiers and pricing levels can be implemented for targeted neighborhoods and customer categories. After migration to a fully competitive open access operating environment, ultimately all pricing and service levels will be market driven, giving consumers the ultimate choice in what services to purchase, at what price.
- g. Discounts for targeted neighborhoods and anchor institutions – see (f) above.
- h. Assisting with programming for underserved populations – **North State** stands ready to assist with the creation and implementation of programming for underserved populations in conjunction with comparable commitments from REs.
- i. Free wireless in parks and public spaces – within the constraints of technical requirements for specific solutions, and the negotiated incentives and subsidies REs are willing to consider to implement aggressive programming for providing services in novel and innovative ways and places, **North State** is open to discussing specific proposals for such services.

RFP SECTION 2.2 SCOPE OF RESPONSE

Service Area

North State is committed to deploying services to all areas of the REs as quickly as economically and technically feasible. Each new service area will by necessity be contiguous with existing service areas or **North State** infrastructure, unless REs can provide additional infrastructure to allow access to other areas before **North State** can extend infrastructure there.

Build-out Schedule

Over the past several years, **North State** has spent over \$70M on our fiber footprint in the Triad. We currently pass over 60,000 households and just under 12,000 businesses. In coming years, **North State** has plans to continue building fiber in residential and business areas at a pace and scope commensurate with the business opportunities that arise including, but not limited to, the TG process.

MCNC/NCREN interconnect points – **North State** can interconnect with MCNC and NCREN at multiple locations and modalities. Specific interconnects can be designed and implemented on an as-needed basis.

MDU Construction Plan – **North State** typically avoids overbuilding existing MDU communities with fiber. As experienced providers, we've found that existing MDU developments initially built utilizing non-fiber technology can be expensive and challenging to convert and operate as fiber communities. However, if a new MDU community is planned for construction, **North State's** fiber design and the building's requirements can be coordinated (with the developer/builder) to establish an economical and desirable fiber network. The design can range from utilizing a local convergence cabinet with 1:32 splitters to one where no cabinet is used and splitters are situated in common rooms, etc. within buildings comprising the MDU community. In conjunction with the splitter options, open trenches and/or boring methods may be used along with a network of conduits, sub-ducts, sidewalk boxes/handholes, fiber cables, fiber loops, fusion splices, etc.

An example of a creative incentive for accelerating deployment of broadband infrastructure to existing B2B and B2C MDU communities could be an incentive offered by the REs to the property owners to encourage the necessary wiring upgrades to enable a fiber deployment to those properties, in conjunction with a commitment by **North State** to build fiber to those properties that undertake the upgrade.

Entire Business District – **North State** overbuilds business districts using a network of conduits, sub-ducts, sidewalk boxes/handholes, fiber cables, fiber loops, fusion splices, and multi-port terminals. Typically directional boring methods are used, greatly reducing the impact normally caused by open trench methods. Building entrances are coordinated

accordingly with the property/building owners. The business district can be designed to implement a local convergence cabinet and 1:32 splitters (GPON) or Active Ethernet (point to point fiber) or both. Fiber cables can initially be extended and terminated in a common closet, etc. within a building. Fiber loops can also be stored in strategically placed handholes as future access points to serve buildings where **North State** fiber is not terminated initially. Fiber builds generally are done in stages as demand for service requires fiber to be extended beyond the initial/previous stopping points. Design take rates up to 50% could be considered, depending on the number of fiber providers currently serving in the area and the evaluation of existing businesses at the time of the **North State** fiber build.

Business Park – North State approaches this type of build very much like the “Entire Business District” previously described. **North State** overbuilds Business Parks using a network of conduits, sub-ducts, sidewalk boxes/handholes, fiber cables, fiber loops, fusion splices, and multi-port terminals. Typically directional boring methods are used, greatly reducing the impact normally caused by open trench methods. A business park can be designed to implement a local convergence cabinet and 1:32 splitters (GPON) or Active Ethernet (point to point) or both. Building entrances are coordinated accordingly with the property/building owner(s). Low strand count fiber cable or fiber drop is installed/buried to a specific business (within the business park) after an order for **North State** fiber service has been placed. Fiber builds within business parks can initially cover the entire park area or can be built in stages based on demand and/or requests for **North State** fiber service. Design take rates up to 50% could be considered, depending on the number of fiber providers currently serving in the area and the evaluation of existing businesses at the time of the **North State** fiber build.

Residential Community – Residential communities are typically designed to utilize a local convergence cabinet and 1:32 splitters (GPON). A network of conduits, sub-ducts, sidewalk boxes/handholes, fiber cables, fiber loops, fusion splices, and multi-port terminals are typically designed and placed within the community. A fiber drop is not installed/buried to a residence until an order for **North State** fiber service is received (for the residence). Also an optical network terminal (ONT) is typically placed on the side of a residence beside/near the power meter, when the request for fiber service is received.

Deployment Strategy/Scope/Timing – The deployment of new construction will be incremental, extending the existing service area footprint. The pace of construction will depend on a variety of factors, including the willingness and ability of REs to expedite permitting, inspections, and other administrative functions, as well as providing incentives and subsidies to optimize the economics of a given phase, depending on construction costs and other amenities expected by each RE.

The scope and pace of construction into new services area will be determined by the combination of availability and cost of capital, the cost of the new construction, anticipated demand for services, amount of pre-subscription, take rate in previous areas of new construction, revenue milestones, negotiated incentives and subsidies, and the number of and type of additional amenities sought by the REs.

Service Offerings

Service offerings in each service area will be available immediately upon activation of the network serving those communities. The range of services available is listed in Appendix A.

North State is willing to develop special pricing and service levels for key community stakeholders and populations, such as government, university facilities, K-12 facilities, and economically distressed areas, assuming the REs are also willing to have a discussion about the necessary guarantees, incentives, and subsidies necessary to make such special arrangements economically feasible and sustainable.

Technology Design

North State has a proven track record of successful fiber deployment and service delivery in the Triad Region and has sufficient technical resources to meet the policy goals of the REs. References and testimonials to **North State** technical capabilities can be provided upon request.

Roles and Responsibilities

Depending on the agreed upon scope and pace of build-out with REs, **North State** is evaluating the utilization of outside resources for implementing fiber construction, and open to considering alternative ownership models to create structural separation between fiber ownership and network operations. Provided sufficient incentives, **North State** can expand relationships to secure sufficient resources to potentially cover all the requested geographies of the REs, and beyond. Structural separation can also facilitate the transition to a retail service level open access model. Depending on the scope and pace of build out, **North State** may augment its already extensive in-house network design and construction capability.

North State will handle all network operations and management at the wholesale level. Initially, **North State** will continue handling customer service at the retail level with the same demonstrated excellence enjoyed by current customers. As operationally and commercially viable solutions for retail open access become available or are developed internally, **North State** will assess the appropriate transition process and implementation time frame.

During implementation, **North State** will coordinate with REs to identify and prioritize areas for initial build, as well as milestones for extending the scope and pace of new construction, based on take rates, revenue milestones, construction costs, and incentives/subsidies from REs.

Financial Projections

North State has fully developed business models for a variety of market conditions and scenarios including capital and variable costs that can be shared at a conceptual level for various types of projects. Detailed budgets can be generated once engineering for a specific neighborhood is developed.

Material tasks/Components

Depending on the scope, nature, and quantity of incentives and agreed upon in discussions with the REs, **North State** may undertake substantial project expansion.

RFP SECTION 2.3 VENDOR QUALIFICATIONS

Experience in High speed Network Design and Operations

North State currently operates over 68,000 miles of fiber optic network serving business and residential customers throughout the Triad. **North State** has a complete network design, engineering, construction, and operations capability servicing these and future customers.

Financial Stability

North State has been financially sound for over a century, providing consistent high paying dividends to our shareholders. Highlights from the 2015 financial report for the company include (i) \$27.9 million in total cash generation, (ii) Q4 2015 consolidated revenues of \$30.3 million, up 7.8% compared to the year-earlier period, and (iii) \$74 million in revenues from strategic business and consumer products, up 22.6% from the previous year. Revenues from emerging colocation, cloud, managed services, cybersecurity and IT professional services were \$16 million for the year. Combined business and wholesale revenues, were \$63.7 million, up 24% from the previous year. Full year capital investment totaled \$22.2 million. And, our shareholders enjoyed \$12 million in cash dividends distributed during the year.

Detailed financial reports can be downloaded at <http://www.northstate.net/About/ShareholderNews>.

Staff Technical and Managerial Experience

North State possesses a deep and wide-ranging body of experience designing, building, operating, and successfully growing telecommunications and information services networks. The current management team has over 240 years of combined telecom experience.

Executive Team

Chairman – J. Patrick Harman, PhD is the Chairman of the Board of Directors of **North State Telecommunications Corporation**, our parent company. He is the grandson of the company's founder Jesse F. Hayden. He joined **North State** in 1965, serving in a variety of management roles. He left the company in 1974 to obtain his PhD from Clemson University. In 1978, he returned to **North State** as our Vice President, Operations and Planning. In 1984, he became our Secretary and Treasurer. He ended full-time employment with **North State** in 1985, working as a consultant to the President and other corporate officers, and served as an Executive Vice President until his appointment as our Chairman of the Board and CEO in 2012. In 2014, he stepped down from the CEO role, continuing to serve as our Chairman of the Board. He holds a B.S. degree in Engineering from Clemson University, a M.S. in Business Administration from UNC-Greensboro, and a PhD in Engineering Management from Clemson University.

President and CEO – Royster Tucker III has served as our President and Chief Executive Officer since 2014, where he is responsible for the growth and management of the company. He has served as a member of our Board of Directors since 1992 and he currently serves as Vice Chairman. From 2008 to 2014, he served as our President and Chief Operating Officer. From 1999 to 2008, he served as an Executive Vice President. From 1992 to 1999, he served as a Vice President. The son of Royster Tucker Jr., who served as our Chairman and President from 1982 to 2008, and the great grandson of our founder Jesse F. Hayden, he joined **North State** in 1981 and has served in a variety of operations, marketing, engineering and technology roles as well as management positions. He holds an A.B. in Business Administration from Lenoir-Rhyne College in Hickory, NC.

Vice President and Chief Financial Officer – Jonathan (Jon) Cage has served as our Vice President and Chief Financial Officer since 2004, overseeing the company's financial operations and information technology functions. He has been a member of our Board of Directors since 2008 and serves as our Secretary and Treasurer. He joined **North State** in 1983, and he has served in a variety of positions within our finance and accounting areas. He earned his CPA certificate in 1980 and is a member of the American Institute of Certified Public Accountants as well as the NC Association of CPAs. Prior to joining **North State**, he worked for the international accounting and consulting firm of Deloitte, Haskins, and Sells (now Deloitte and Touche) and was a commissioned officer in the US Army. He earned a Bachelor of Science degree from the United States Military Academy at West Point, N.Y. and an M.B.A. from the University of North Carolina at Chapel Hill.

Vice President and Chief Operating Officer – Mark Dula was named our Chief Operating Officer in 2014, overseeing our product platforms and customer operations. He served as Vice President, Technology and Operations from 2012 to 2014. He served as our Vice President, Business Markets from 2009 to 2012, and as our Vice President, Industry Affairs from 2005 to 2009. He joined **North State** in 1982 having served in a number of engineering, external affairs roles and management positions. He holds a B.S. degree in Business Administration and an M.B.A. from High Point University.

Vice President and Chief Marketing Officer – Scott Watts was named our Chief Marketing Officer in 2015, overseeing overall corporate marketing, revenue planning, market research, business development and strategic opportunities. He served as our Director, Product Management and Marketing from 2009 to 2015. Scott worked in various management roles at CT Communications in Concord, NC prior to joining **North State**. He earned his B.A. degree in Industrial and Organizational Psychology from UNC-Charlotte.

Vice President and Chief Administrative Officer – Lynn Welborn was named Chief Administrative Officer in late 2014, overseeing our people operations, external affairs, shareholder relations and corporate administration and support functions. She served as our Vice President, Administration from early 2014 until her new appointment. She served as our Director, External Affairs from 2009 to 2014. She joined **North State** in 1975, beginning as a Telephone Operator, having served in a variety of roles and management positions in our external affairs area. She holds a B.A. in Management and Ethics from John Wesley College (currently Laurel University) and an M.B.A. from High Point University.

Vice President and Chief Business Officer – Richard Worden was named our Chief Business Officer in 2014, overseeing sales and our user support and advocacy functions. He served as our Vice President, Sales and Marketing from 2012 to 2014. He served as our Vice President, Consumer Markets from 2009 to 2012 and served as our Vice President, Business Development from 2005 to 2009. He served as our Director, Business Development from 1995 to 2005. He joined **North State** in 1989, having served in a variety of roles and management positions in our product development and product management areas. He earned his B.A. degree in Economics and Geology from St. Lawrence University in Canton, N.Y.

Future project teams will be assembled as needed and as appropriate.

Insurance

For details about the business insurance carried by the company, see [Appendix B](#)

Legal Capacity

For details about **North State's** legal capacity, please see [Appendix C](#), which sets forth the Secretary's Certificate certifying to **North State's** (i) Articles of Incorporation and Amendments thereto, (ii) Certificate of Good Standing, and (iii) Regulatory Licenses from the North Carolina Utilities Commission and Federal Communications Commission. All of **North State's** business and regulatory registrations, filings and taxes are current as evidenced by the Certificate of Good Standing attached to the Secretary's Certificate. In addition, internal corporate documents, are kept in good order by the Secretary of the company.

Regulatory and Legal Compliance

At **North State**, the External Affairs Department is responsible for ensuring that **North State** is in compliance with State and Federal industry regulations that govern the operations of its telecommunications network. This department is responsible for preparing, reviewing, and filing of all required regulatory submissions to State and Federal governments and other industry bodies. The External Affairs Department maintains and interprets a current knowledge base of existing and emerging regulations that impact existing and proposed operations. The External Affairs Department monitors a wide range of industry resources that emanate from various regulatory and legislative bodies. This department employs various tools to assist with this monitoring including the Federal Register, FCC Public Notices, FCC Orders and Rulemaking notices, NECA postings, industry newsletters, legislative calendars, State Commission, Public Staff filings, etc. To meet compliance obligations, the External Affairs staff subscribes to the update services from four nationwide industry-consulting groups as well as supplementing its compliance work by outsourcing with one of the country's leading industry consulting firms.

Please note that certain statements contained in this Response may be forward looking in nature or constitute "forward-looking statements". The words "believe," "expect," "estimate," "could," "should," "intend," "may," "plan," "seek," "anticipate," "project" and similar expressions, among others, generally identify "forward-looking statements," which speak only as of the date the statements were made. The matters discussed in these forward-looking statements are subject to a number of risks, trends and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied in the forward-looking statements. Any forward-looking statements should be evaluated in light of these important risk factors.

Coalition

North State is open to the possibility of partnering with one or more additional entities to accelerate the pace and scope of build out, but at present this response is only on behalf of **North State**.

APPENDIX A

SERVICE OFFERINGS AND STANDARD PRICING

Residential services can be found at www.northstate.net (Services offered where available)

1 Gbps Fiber Internet \$70/month

250+ channel Fiber TV..... \$75/month

Fiber based home phone..... \$20/month (includes unlimited LD; requires Fiber Internet and/or Fiber TV)

Business services can be found at www.northstate.net/Business/Index (Services offered where available)

Due to the custom nature of each business installation, a site review is required with pricing based on that review.

APPENDIX B

INSURANCE

Certificate of Insurance – North State
(this is the file attachment name)

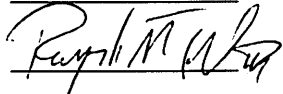
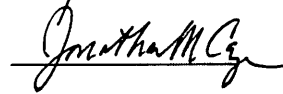
APPENDIX C

SECRETARY'S CERTIFICATE

July 8, 2016

The undersigned, Jonathan M. Cage, the Secretary of the entity listed on Schedule A hereto, hereby certifies, on behalf of the entity set forth on Schedule A hereto, in such capacity and not individually, as follows as of the date hereof:

1. Set forth below is the name, title and genuine signature of the officers of the entity listed on Schedule A hereto, who are as of the date hereof duly elected officers of the entity listed on Schedule A hereto, and as of the date hereof hold the office(s) set forth opposite their respective names, and the signatures written opposite each name and title is such individual's correct signature:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Royster M. Tucker, III	CEO and President	
Jonathan M. Cage	Vice President and Chief Financial Officer, Secretary, and Treasurer	

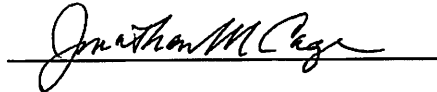
2. Attached hereto under the corresponding tab for the entity set forth on Schedule A hereto is a correct and complete copy of the certificate or articles of incorporation or other formative document, as applicable, of said entity and any and all amendments thereto as in effect on the date hereof. No action has been taken by said entity, its shareholders, directors, managers or officers for the purpose of effecting any further amendment to or modification thereof or for the merger, liquidation or dissolution of said entity.

3. Attached hereto under the corresponding tab for the entity set forth on Schedule A hereto is a correct and complete copy of the Certificate of Good Standing as in effect on the date stated thereon. All taxes are current for such said entity as of the date hereof.

4. Attached hereto under the corresponding tab for the entity set forth on Schedule A hereto is a correct and complete listing of certain Regulatory Licenses issued by the North Carolina Utilities Commission and the Federal Communications Commission; which resolutions have not been revoked or rescinded and remain in full force and effect on the date hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, I have hereunto set my hand as of the date first written above.

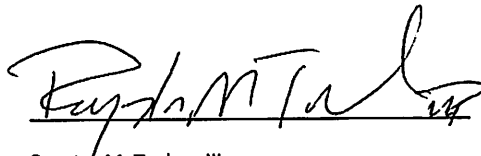
A handwritten signature in cursive script, reading "Jonathan M. Cage", written over a horizontal line.

Jonathan M. Cage

Secretary

I, Royster M. Tucker, III, the CEO and President of the entity set forth on Schedule A hereto, do hereby certify that Jonathan M. Cage has been duly elected or appointed, is duly qualified, and on this day is the Secretary of such entity and that the signature above is his genuine signature.

IN WITNESS WHEREOF, I have hereunto set my hand as of the date first written above.

A handwritten signature in cursive script, reading "Royster M. Tucker, III", written over a horizontal line.

Royster M. Tucker, III

President

SCHEDULE A

Company	Jurisdiction of Organization	Tab
North State Telephone Company	North Carolina	

APPENDIX C
CON'T

(ATTACHMENTS TO SECRETARY'S CERTIFICATE)

(i) Articles of Incorporation and Amendments

Restated Charter of NSTC

(this is the file attachment name)

Articles of Amendment and Amended and Integrated Charter – Articles of Incorporation

(this is the file attachment name)

Articles of Amendment of NSTC

(this is the file attachment name)

(ii) Certificate of Good Standing

North State Telephone Co. Certificate of Existence

(this is the file attachment name)

(iii) Regulatory Licenses from the North Carolina Utilities Commission and Federal Communications Commission

North State FCC and NCUC Licenses

(this is the file attachment name)

North State FCC and NCUC License List

(this is the file attachment name)