BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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In the Matter of the Joint Application of Sierra Telephone Company, Inc. (U 1016 C), Sierra Telephone Long Distance (U 5657 C), Varcomm-SierraTel, Inc., Varcomm Holdings, Inc. and V Squared Holdings, Inc. For Approval of Transfer of Control of Sierra Telephone Company, Inc. (U 1016 C), Sierra Telephone Long Distance (U 5657 C) Pursuant to California Public Utilities Code Section 854(a)	A.26-02-_____

JOINT APPLICATION

FOR APPROVAL OF TRANSFER OF CONTROL OF SIERRA TELEPHONE COMPANY, INC. AND SIERRA TELEPHONE LONG DISTANCE PURSUANT TO PUBLIC UTILITIES CODE SECTION 854(a)

PUBLIC VERSION

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I. INTRODUCTION.

Pursuant to Section 854(a) of the California Public Utilities Code and Rules 2.1, 2.2, 2.3, 2.4, and 3.6 of the California Public Utilities Commission ("Commission") Rules of Practice and Procedure ("Rules"), Sierra Telephone Company, Inc. (U 1016 C) ("Sierra Telephone") Sierra Telephone Long Distance (U 5657 C) ("STLD"), Varcomm-SierraTel, Inc. ("Varcomm-SierraTel"), and Varcomm Holdings, Inc. ("VHI"), V Squared Holdings Inc. ("VSHI") seek approval for Varcomm-SierraTel, VHI, and VSHI (collectively, "Varcomm") to acquire Sierra Telephone and STLD (collectively, "Sierra"),[1] thereby making VSHI the ultimate corporate parent of Sierra through VSHI's 100% ownership of VHI and Varcomm-SierraTel, which will both serve as an intermediate holding companies for Sierra.[2] Sierra's existing parent company, Sierra Tel Communications Group, Inc. ("STCG") will remain a separate going concern following this transaction, but it will no longer hold any interests in either of the Sierra public utilities. VSHI will also remain the ultimate parent of Ducor Telephone Company ("Ducor"), another public utility serving different areas of California that are neither contiguous to Sierra's service area nor related to Sierra's local exchange and interexchange operations.

This transfer of control satisfies all applicable statutory and regulatory standards, and it will advance the public interest. Varcomm's management has extensive experience serving rural communities, and under Varcomm's current leadership, Ducor has implemented many operational efficiencies, cut costs, accelerated fiber deployment, pursued innovative solutions for low-income customers, obtained new funding sources from grant programs, and modernized Ducor's operations. Varcomm's executive team will bring similar benefits to Sierra's operations, while preserving Sierra's community-focused values and continuing its long, rich history of serving rural portions of Madera and Mariposa Counties and providing safe, reliable, high-quality telecommunications service with a local touch.

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[1] When referenced jointly, Sierra Telephone, STLD, Varcomm-SierraTel, and VSHI will be identified herein as "Applicants."

[2] VSHI owns 100% of the shares of stock in VHI which owns 90% of the shares of stock in Varcomm-SierraTel. Mr. Eric Votaw, Varcomm's Chief Executive Officer ("CEO"), owns the remaining 10% of Varcomm-SierraTel. In this corporate structure, VHI and Varcomm-SierraTel will therefore both act as intermediate holding companies of Sierra following consummation of this transaction.

This Application seeks authority for the transfer of control contemplated by this transaction, which will be effectuated through Varcomm's purchase of 100% of the issued and outstanding shares of stock of both Sierra entities. This Application does not encompass any requests for ratemaking adjustments for Sierra. Any adjustments to rates, high-cost support, or other ratemaking impacts would be addressed in the upcoming rate case for Sierra Telephone, which is expected to be filed in October 2026, in accordance with the Commission's rate case plan and the statutory standards governing "small independent telephone corporations."[3] Likewise, this Application does not seek any ratemaking adjustments or other relief for Ducor, even though Sierra and Ducor will be owned by the same ultimate corporate parent when this transaction closes.

II. APPLICANTS.

Applicants are two regulated public utilities (Sierra Telephone and STLD), the companies that will serve as the immediate holding company of these entities after the transaction is completed (Varcomm-SierraTel and VHI), and VSHI, a holding company that will be the ultimate parent company owner of Sierra Telephone and STLD, among other companies, upon the consummation of this transaction. A description of each applicant follows:

Sierra Telephone: Sierra Telephone is an incumbent local exchange carrier ("ILEC") providing regulated voice service and other local exchange services in three rural exchange areas in Mariposa and eastern Madera Counties, the same areas that Sierra has served for more than 100 years. The three exchanges are identified as Coarsegold, Mariposa, and Raymond, and Sierra Telephone services approximately 9800 access lines across these exchanges, including approximately 7500 residential lines and 2300 business lines. Sierra Telephone's system consists of switching equipment, fiber-optic and copper distribution lines, land, buildings, vehicles, and other materials, fixtures, and facilities used in the delivery of voice service, switched and special access service, and other local exchange services set forth in Sierra Telephone's tariff on file with the Commission. Sierra Telephone's Internet Service Provider ("ISP") affiliate, Sierra Tel Internet

[3] *See* D.20-08-011, Appendix C (confirming rate case filing date for "Group A" companies, including Sierra Telephone); *see also* Pub. Util. Code § 275.6 (establishing ratemaking standards for participants in the California High Cost Fund A ("CHCF-A") program, including Sierra Telephone).

("STI"), provides non-regulated Internet access services over Sierra Telephone's network.[4]

STLD: STLD is a certificated Non-Dominant Interexchange Carrier ("NDIEC") and Competitive Local Exchange Carrier ("CLEC").[5] STLD's interexchange service include long distance offerings to customers within Sierra Telephone's footprint. STLD has not yet rolled out its CLEC services, but it intends to offer local exchange services and Voice over Internet Protocol ("VoIP") service in areas adjacent to or nearby in the same geographic area as Sierra Telephone's service territory.

Varcomm-SierraTel: Varcomm-SierraTel is a new California corporation created to facilitate this transaction. It has no operations, and its sole function is to act as a holding company to acquire ownership of Sierra Telephone and STLD. Its ultimate corporate parent is VSHI.

VHI: VHI is the longstanding holding company of Ducor and Varcomm Broadband, Inc. ("VBI") and other non-regulated businesses, and it also holds a controlling interest in Varcomm-SierraTel,[6] so it will serve as an intermediate holding company immediately above Varcomm-SierraTel and below the ultimate owner in this corporate structure, VSHI.

VSHI: VSHI is a holding company with ownership of 100% of the shares of Varcomm Holdings, Inc. which owns a controlling share of Varcomm-SierraTel, and, following consummation of this transaction, VSHI will be the ultimate parent company owner of Sierra Telephone and STLD. VSHI is the ultimate parent of various operating companies, including Ducor and VBI, Varcomm's existing ILEC and CLEC affiliates, respectively—both of which operate under the business name "Varcomm." In 2024, the Commission approved VSHI's request to assume control of both of these existing public utilities as part of Varcomm's current holding

[4] STI will also become a wholly-owned subsidiary of Varcomm through this transaction, but it is not included as an applicant because it is not a public utility and therefore not implicated by the pre-approval standards in Public Utilities Code Section 854.

[5] *See* D.96-09-003, 1996 Cal. PUC LEXIS 870 at *7-8. (designating STLD as an NDIEC); D.24-07-010 at 20 (OP 1) (designating STLD as a CLEC).

[6] Varcomm-SierraTel is owned 90% by VHI and 10% by Mr. Votaw, Varcomm's CEO.

company structure.[7]

III. STANDARD OF REVIEW.

This Application seeks the Commission's approval of the transfer of control of Sierra pursuant to Public Utilities Code Section 854(a). Both individually and in the aggregate, and as confirmed in the financials submitted with this Application, Sierra Telephone and STLD have far less than $500 million in gross annual California revenues.[8] Therefore, the heightened requirements of Public Utilities Code Sections 854(b) and 854(c) do not apply.[9]

In applying Section 854, the Commission has found that a transaction should be approved under Section 854(a) as long as it will not be "adverse to the public interest."[10] The Commission has explained that transfer-of-control transactions should be approved absent a compelling reason to the contrary on the basis that "California 'reaps enormous benefits' from public utility services, [and] it is 'in the public interest to foster a business climate in California that is hospitable to utilities.'"[11] Accordingly, the Commission has found that Section 854(a) transactions "should be approved absent a compelling reason to the contrary."[12]

IV. THE TRANSACTION EFFECTUATING THE TRANSFER OF CONTROL.

The transaction will be effectuated through Varcomm's purchase of 100% of the issued and outstanding shares of stock of both Sierra Telephone and STLD, thus transferring control of both entities from STCG to Varcomm. The details of the transaction and the terms governing its consummation are set forth in the Stock Purchase Agreement ("SPA") attached herewith as **Exhibit 1**.[13] The purchase price is $66 million, subject to reductions to account for Sierra's debt upon closing

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[7] *See* D.24-05-045 at 17-18 (OP 1).

[8] Using any of the financials for Sierra and its affiliates, in whole or in part, the annual revenues are only a fraction of the $500,000,000 level that would trigger subsections (b) and (c) of Public Utilities Code Section 854.

[9] *See* Pub. Util. Code §§ 854(b), 854(c)

[10] *See* D.12-06-004, at 13; *see also* D.10-10-017, at 60 (Conclusion of Law 3(a)); D.23-02-010, at 9.

[11] D.09-10-056 at 15.

[12] *Id*.; D.12-06-004 at 13.

[13] As set forth in the accompanying motion to seal, certain schedules within the SPA have been marked as confidential and removed from the public version of this Application to protect trade secrets, the locations of critical infrastructure, sensitive banking and financial information, and employee compensation information. In addition, Schedule 4.15.1 of the SPA includes some limited customer account information that implicates customer privacy protections, including Customer Proprietary Network Information ("CPNI") requirements, so that information is redacted from both the public and confidential versions of the Application in compliance with federal and state law.

and other residual obligations that Sierra had as of December 31, 2025 and adjustments to reflect working capital.[14] The transaction will be completed following anticipated approval from this Commission and completion of a parallel request for approval to the Federal Communications Commission ("FCC").[15]

Following the close of the transaction, STCG will no longer own either of the Sierra public utilities. STCG will remain in existence, and it will continue to hold an interest in Sierra Tel Broadband, an entity which holds a partial interest in CVIN LLC, a middle mile joint venture focused on providing solutions in rural areas of California. All other entities under the STCG corporate umbrella will transfer to Varcomm, including Sierra Telephone, STLD, STI, Sierra Tel Business Systems ("SBS"), and Sierra Tel Administration ("STA"). As noted above, STI is a non-regulated ISP. SBS provides non-regulated services and networking to local residences and businesses. STA is an internal administrative entity designed to perform back-office functions, including payroll and support services to Sierra's other non-regulated affiliates: SBS and STI. While STI, SBS, and STA are all part of the transaction reflected in the SPA and presented through this Application, they are not included in the requested approval herein and not identified as parties to this Application because they are not public utilities and not subject to Public Utilities Code Section 854 or the Commission's regulatory jurisdiction.

The transaction will involve a straightforward ownership change of Sierra Telephone and STLD, without any merger of these entities and without any impact on any of Varcomm's existing public utility affiliates, Ducor and VBI. A current and anticipated pro-forma organizational chart for STCG is provided as **Exhibit 2** hereto. A corresponding current and anticipated pro-forma organizational chart for VSHI, including each of the anticipated subsidiaries discussed herein, is supplied as **Exhibit 3**.

V. PROCEDURAL REQUIREMENTS.

Applicants hereby address the procedural requirements attendant to Applications before the

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[14] *See SPA* at A-2 (outlining purchase price).

[15] Applicants will also be navigating a transfer of control approval procedure through the United States Department of Agriculture's Rural Utilities Service ("RUS") in connection with Sierra Telephone's outstanding RUS loan obligations. This process is not anticipated to be extensive, and an expeditious approval is expected.

Commission under Rules 2.1 through 2.3 and the specific requirements for requests to transfer control in Rule 3.6.

A. Authority and Description of Authorization Sought (Rule 2.1).

This Application is submitted pursuant to California Public Utilities Code Section 854 and Rule 3.6. Applicants seek authority for Varcomm-SierraTel, VHI, and VSHI to "acquire control" of two California public utilities, Sierra Telephone and STLD. The proposed change in ownership will be effectuated according to the SPA, pursuant to which Varcomm will acquire 100% of the issued and outstanding shares of stock of Sierra Telephone and STLD, which will thereby become wholly-owned subsidiaries of Varcomm-SierraTel, which itself is ultimately owned by VSHI.

B. Name and Address (Rule 2.1(a)).

1. **Sierra Telephone's** full legal name is Sierra Telephone Company, Inc. Sierra Telephone is headquartered at 49150 Road 426, Oakhurst, CA 93644.

2. **STLD's** full legal name is Sierra Telephone Long Distance, and it is also headquartered at 49150 Road 426, Oakhurst, CA 93644.

3. **Varcomm-SierraTel's** full legal name is Varcomm-SierraTel, Inc., and it is headquartered at 23473 Avenue 56, Ducor, CA 93218.

4. **VHI**'s full legal name is Varcomm Holdings, Inc., with its headquarters at 23473 Avenue 56, Ducor, CA 93218.

5. **VSHI's** full legal name is V Squared Holdings, Inc., and it is also headquartered at 23473 Avenue 56, Ducor, CA 93218.

C. Notices And Communications (Rule 2.1(b)).

Notices and communications regarding this Application and the proceeding that it initiates should be addressed to:

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D. Issues To Be Considered, Categorization and Proposed Schedule (Rule 2.1(c)).

Applicants' request entails the straightforward application of Public Utilities Code Section 854(a) to the proposed transfer of control. The sole issue in the proceeding is a confirmation that the transaction will not be adverse to the public interest.

The appropriate categorization for the proceeding is "ratesetting," which is the default classification that the Commission reserves for proceedings that do not "clearly fit into any of the categories" in the Commission's Rules.[16] The Commission has consistently classified transfer of control proceedings similar to this as "ratesetting" proceedings, even though no rates will be

[16] *See* Rules 1.3(e), 7.1(e)(2).

impacted by this Application or the relief requested herein.[17]

The Commission should establish a schedule that resolves this proceeding efficiently so that the benefits of the transaction can be realized as soon as possible, without unnecessary distractions, delays, or protracted uncertainty. Varcomm's ownership and ongoing management will provide significant benefits to Sierra's operations, and the sooner this proceeding is resolved, the greater those benefits will be. Swift processing of this case is also important to Sierra's employees, who should not be kept in limbo between the current and future ownership for an extended period of time. It is especially important to grant the requested relief expeditiously given that Sierra Telephone has a rate case to be submitted in October 2026. It could be taxing to Sierra Telephone's resources to manage this proceeding and the anticipated rate case, and it will streamline the rate case submission once there is certainty that this transaction is approved and Sierra's new executive leadership is installed.

No hearing should be necessary to resolve this proceeding. Applicants propose the following procedural schedule:

Application Filing Date	February 13, 2026
Appearance in Daily Calendar	February 18, 2026
Protest Deadline	March 20, 2026
Reply to Protests	March 30, 2026
Pre-Hearing Conference	April 6, 2026
Scoping Memo	April 21, 2026
Proposed Decision	August 18, 2026
Final Decision	September 17, 2026

This schedule should provide sufficient time to evaluate the issues in the case and provide some flexibility in processing the final decision, which Applicants request be issued no later than the Commission's September 17, 2026, agenda meeting.

[17] *See, e.g.,* D.05-11-028 at 108 (COL 1) (decision resolving SBC acquisition confirming that "[t]his proceeding is a rate setting proceeding."); D.12-06-004 at 5 (decision approving CCHI's acquisition of the California Operating Companies).

E. Corporate Formation and Qualification to do Business (Rules 2.1(a) & 2.2).

Organizational documents for each of the Applicants are provided herewith in **Exhibit 4**. All of the Applicants are California corporations, so they do not need separate qualifications to do business in the state.

F. Character of the Businesses Involved in the Transaction (Rule 3.6(a)).

As explained above, Sierra Telephone provides local exchange telephone service in a defined geographic area in Mariposa and eastern Madera Counties, including in the communities of Ahwahnee, Bass Lake, Catheys Valley, Coarsegold, Fish Camp, Mariposa, Midpines, Oakhurst, and Raymond. STLD provides interexchange long distance and toll service in that same footprint, and it is anticipated to offer local exchange service in the future in neighboring areas in Madera, Mariposa, and Fresno Counties. As discussed above, Varcomm-SierraTel is a holding company that was formed to effectuate the transaction described in this Application. It currently has no operations and will be strictly an intermediate holding company upon consummation of this transaction. The same is true of VHI, which is strictly an intermediate holding company in the pro-forma ownership structure. VSHI is the ultimate owner in the Varcomm structure, with 100% ownership of stock in VHI, which in turn holds 100% ownership of stock in Varcomm-SierraTel. None of these Varcomm applicants have any operations.

G. California Environmental Quality Act Compliance (Rule 2.4).

The California Environmental Quality Act ("CEQA") applies only to "projects," which are defined as any "activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment."[18] CEQA does not apply where the "activity will not result in a direct or reasonably foreseeable indirect physical change in the environment."[19] The regulations implementing CEQA provide for an exemption "[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment."[20]

The Commission has concluded on numerous occasions that a proposed transaction that

[18] *See* Cal. Pub. Res. Code § 21065.
[19] 14 CCR § 15060(c)(2).
[20] 14 CCR § 15061(b)(3).

simply involves the transfer of equity interests does not require CEQA review because there is no possibility that granting the application would have an adverse effect on the environment where, as here, no authority for new construction is requested by the Application.[21] Likewise, in the present Application, the proposed transfer of control is not a request to construct or transfer any physical facilities, but rather involves only a change of control of Sierra. There is no reason to believe that the transaction will impact the environment, so it should be deemed exempt from CEQA without any further review.

H. Financial Statements (Rules 2.3, 3.6(e), 3.6(g)).

Rule 3.6(e) requires the submission of a financial statement in connection with "merger proceedings" and "other transfer proceedings."[22] The transfer of control here will be effectuated through an acquisition of Sierra Telephone and STLD by Varcomm, so neither of the Sierra public utilities will be merged and they will instead continue in their current corporate forms after the transaction. Therefore, this transaction is best characterized as an "other transfer proceeding" under Rule 3.6(e), which requires the submission of "a balance sheet as of the latest available date, together with an income statement covering [the] period from close of [the] last year for which an annual report has been filed with the Commission."[23]

For Sierra, the most recent annual reports were submitted to the Commission in March 2025 using 2024 financials. Neither Sierra Telephone nor STLD have completed their 2025 calendar year financials. However, Sierra Telephone's financials are provided through November 2025 as **Exhibit 5,** with the understanding that they are still subject to final review**.** STLD does not have individualized financials; its financials are prepared as part of the consolidated financials for STCG. Therefore, it is providing STCG's consolidated financials through November 2025 as **Exhibit 6**

[21] *See, e.g.,* D.93-11-002, 1993 Cal. PUC LEXIS 859 at *4 (Commission concluded that the proposed transaction did not require CEQA review, finding that "the proposed transfer will have no adverse effect or impact on the environment because the transaction involves only the transfer of outstanding shares of stock"); *see also* D.06-09-017, at 6 (COL 3) (proposed transaction did not require CEQA review based on Commission's conclusion that "[s]ince Applicants will be constructing no facilities, it can be seen with certainty that there will be no significant effect on the environment"); D.09-10-056, at 18 (Frontier's acquisition of a portion of Verizon's public utility operations in California did not require CEQA review); D.21-04-008 at 54 ("this Application seeks Commission approval of a corporate reorganization, not authority to undertake a particular project"); *see also* D.12-06-004 at 21.

[22] Rule 3.6(e).

[23] Rule 3.6(e).

hereto, again with the understanding that they are subject to final review. As an additional reference, Sierra is supplying Sierra Telephone's audited financials and STCG's reviewed financials for 2024 as **Exhibit 7** and **Exhibit 8**, respectively.[24] Varcomm-SierraTel was created in August 2025 and has no operations or financials. VHI's financials are prepared as part of the consolidated financials for VSHI. The 2024 unaudited financials for VSHI, are provided herewith as **Exhibit 9.**

Applicants note that the materials in Exhibits 5, 6, 8, and 9 are confidential and provided subject to a request to maintain them under seal, as set forth in the contemporaneously-submitted motion to seal provided alongside this Application. As discussed therein, the STCG and VSHI financials contain competitively-sensitive materials, including financial results for non-regulated businesses that operate in highly-competitive markets. Likewise, the 2025 preliminary financials for Sierra Telephone are confidential and proprietary. Even though the 2025 Sierra Telephone financials will ultimately be submitted to the Commission through Sierra's annual reports, the unaudited financials have not been finalized, so they remain confidential as presented herein.

VI. THE PROPOSED TRANSACTION IS IN THE PUBLIC INTEREST.

As noted above, the Commission's standard for approving transfers of control under Public Utilities Code Section 854 does not require an affirmative showing of public interest benefits, only a demonstration that the transaction will not be "adverse to the public interest."[25] There are no public harms that will come from this transaction, and, on that basis alone, the Application should be approved. However, the proposed acquisition of Sierra by an established, community-focused company—who is committed to the interests of rural ratepayers and the dynamics of operating in a rural environment—is manifestly in the public interest and will provide tangible benefits to Sierra's service territory, operations, and customers.

A. The Transaction Presents No Harm to the Public Interest.

The "ratepayer indifference" standard is easily satisfied here. The transfer of control will be transparent to Sierra's customers. The transaction is structured as a stock purchase, ensuring

[24] STCG's financials are not subject to an audit, but the financials are formally reviewed by a Certified Public Accountant ("CPA") for accuracy before they are finalized.

[25] *See* D.21-11-006 at 5 (approving transfer of control of Ducor to VHI, noting that "the sole questions . . . concern whether the transfer will be "adverse to the public interest.").

that Sierra Telephone and STLD remain distinct corporate entities and maintain their current service offerings, customer contracts, and tariffs. Varcomm's ownership will not result in any immediate changes to Sierra's work force, which will remain substantially the same before and after the transaction. The transaction likewise presents no threat to the financial integrity of either Sierra entity. Similarly, the transaction does not impair the Commission's jurisdiction. Sierra Telephone will continue to operate as a rate-of-return regulated "small independent telephone corporation" and a Carrier of Last Resort ("COLR"), subject to the ratemaking and regulatory authority of this Commission, including review of operations, revenue requirement, and rate design in periodic rate cases. The Commission will also retain its authority to monitor and enforce its service quality regulations, including the service quality reporting framework under General Order ("G.O.") 133-E.

B. The Transaction Will Produce Tangible Public Benefits.

The transaction not only reflects a lack of harm, it will affirmatively benefit Sierra, its operations, its customers, and the rural areas in which it serves. Led by CEO Eric Votaw and President/Chief Financial Officer ("CFO") Jenifer Vellucci, Varcomm has a strong track record of serving rural communities and improving rural telephone company operations. Mr. Votaw and Ms. Vellucci have served in executive positions for Ducor, another rural ILEC in California, since 2017, so they are deeply familiar with what it takes to run a successful rural-focused small telephone company. In 2021, Votaw and Vellucci consummated a transaction to buy Ducor and its affiliates, following the Commission's approval in D.21-11-006. During their time as officers and owners of Ducor, Votaw and Vellucci have improved operational efficiencies, reduced corporate expenses, advanced fiber deployment, and pursued initiatives to bring more investment capital to Ducor's service area and help promote affordable rates. Varcomm is poised to effectuate these same improvements in Sierra's service territory.

Varcomm will be well suited to promote affordability for ratepayers in Sierra's service territory, while continuing Sierra's long history of high service quality and community-focused service. Ducor has been a strong proponent of the California LifeLine program, enthusiastically participating in the Commission's 2023 LifeLine broadband "pilot program" and the more recent

2025 broadband "pilot program" providing important affordability benefits to low-income consumers.[26] Both Ducor and Sierra Telephone have strong records of compliance with G.O. 133-E standards, demonstrating a commitment to service quality and reliability that Varcomm will be well positioned to continue.

This transaction will also provide management benefits for Sierra, which will leverage its existing talent, while integrating the additional expertise that Mr. Votaw and Ms. Vellucci bring to management of rural ILECs. Currently, Sierra has an experienced executive and management team, led by President Cynthia Huber, and supported by Vice President/General Manager Robert Griffin, Operations Manager Michael Montgomery, Finance Director Al Baumgarner, and Special Projects Manager Deborah Peters. Each of these leaders will be retained during the transition, including Ms. Huber, although Ms. Huber intends to retire when this transaction is consummated and Mr. Votaw assumes the role as President. The resumes for the members of the current Sierra management team who will remain upon closing are included in **Exhibit 10** hereto.

To ease the transition and provide continuity for Sierra's employees and ratepayers, Mr. Votaw has already assumed a consulting role for Sierra through an independent contractor agreement, and he is actively familiarizing himself with Sierra's operations and assisting in preparations for Sierra's upcoming rate case and other regulatory and operational priorities. Ms. Vellucci will also fill an important role in Sierra's management following the close of the transaction. Sierra's current team has a breadth and depth of experience, but there is no current CFO, and Ms. Vellucci has decades of experience in that role that she will bring to Sierra post-closing. Resumes for Mr. Votaw and Ms. Vellucci are included herewith in **Exhibit 11**.

Another public benefit of the transaction is that it will promote diversity. Mr. Votaw is of Mexican-American descent, and he grew up in a low-income farmworker community in California's San Joaquin Valley. He has close ties to diverse communities and has been a champion of diversity, hiring local workers from Ducor's service territory wherever feasible. Mr. Votaw will bring his background and first-hand understanding of the challenges of low-income

[26] *See* D.23-06-003; D.25-08-050.

consumers to managing Sierra's operations. These benefits are discussed in further detail below in connection with the discussion of the Commission's environmental and social justice objectives.

As noted above, the public interest "factors" in Public Utilities Code Section 854(c) do not apply to this transaction because the utilities involved have far less than $500 million in annual revenue. Nevertheless, these "factors" are instructive in cataloguing the public interest benefits of this transaction. Each is addressed as follows:

(1) Maintain or improve the financial condition of the resulting public utility doing business in the state: Sierra's financial condition will be unchanged as a result of this transaction. Neither Sierra entity will be merged with any other company; this transaction only impacts ultimate ownership. The revenue sources and overall expense structure will remain similar before and after consummation of the transaction, so Sierra's cash flow and overall financial health will not be materially different. In the long run, as Varcomm's ownership looks for synergies in corporate functions and expands the profile of STLD's CLEC operations, improvements in the financial condition of the overall operation are likely to occur.

(2) Maintain or improve the quality of service to public utility ratepayers in the state: Sierra has a long history of responsive, reliable service and compliance with G.O. 133, and this will not change as a consequence of this transaction. In the mid-term and long run, there will be opportunities to conserve corporate expenses based on Varcomm's performance of similar functions for Ducor and Sierra, which will create opportunities for reductions in revenue requirement and corresponding benefits to ratepayers and/or contributors to the CHCF-A.

(3) Maintain or improve the quality of management of the resulting public utility doing business in the state: As noted above, this transaction will preserve the talent in key positions amongst Sierra's management during the transition toward Varcomm's ownership, and, upon completion of the transaction, Sierra will have the benefit of an experienced CFO, which it does not currently have. The transaction will also submit a smooth transition from Sierra's longstanding President, Ms. Huber, to Mr. Votaw, while capitalizing on Ms. Huber's extensive institutional knowledge regarding Sierra's operations, customer base, and service territories while the transaction is pending regulatory approval.

(4) Be fair and reasonable to affected public utility employees, including both union and nonunion employees: This transaction will not have any immediate impact on Sierra's employees; no reductions in staffing are anticipated in the short-term other than the typical retirements and employee migration that occurs in the natural course of business. In the mid-term and the long-run, Varcomm will look for opportunities to consolidate duties and create new efficiencies in the work force, consistent with Sierra's responsibilities to keep costs low for the benefit of ratepayers, and building on Mr. Votaw's and Mr. Vellucci's successful cost-savings efforts in managing Ducor.

(5) Be fair and reasonable to the majority of all affected public utility shareholders: This is an arm's length transaction that was negotiated between sophisticated parties, and the shareholders of both Sierra and Varcomm have deemed the transaction fair and reasonable upon full consideration. There is no reason to question this mutual judgment, and the Commission has not second-guessed such shareholder determinations in reviewing prior transactions.

(6) Be beneficial on an overall basis to state and local economies and to the communities in the area served by the resulting public utility: Varcomm's acquisition of Sierra will strongly benefit the local communities that Sierra serves by preserving the community-focused culture that Sierra has cultivated for more than 100 years. Varcomm is not a large telecommunications provider that may seek to integrate Sierra within a broader regional or national structure, nor is Varcomm a hedge fund or investment group that may be unfamiliar with conditions on the ground in rural California. Varcomm's management is intimately familiar with market dynamics, operational conditions, and demographics in rural telephone company service areas. Given Mr. Votaw's background and experience with low-income populations and diverse communities, his guidance will likely deepen Sierra's abilities to pursue affordability, diversity, and community outreach initiatives.

(7) Preserve the jurisdiction of the commission and the capacity of the commission to effectively regulate and audit public utility operations in the state: This transaction will have no impact on the Commission's jurisdiction. Sierra Telephone will remain an ILEC, a

COLR, and Eligible Telecommunications Carrier ("ETC"), and a "small independent telephone corporation" after this transaction is consummated. STLD will remain an NDIEC and a CLEC. The Commission's jurisdiction is unaffected by the proposed acquisition, and any ratemaking issues presented by this transaction will be addressed in Sierra's next rate case.

(8) Provide mitigation measures to prevent significant adverse consequences that may result: There are no adverse consequences that will flow from this transaction, so no "mitigation measures" are needed.

Each of these individual factors either actively promotes public interest benefits or maintains the benefits of Sierra's existing operations. Collectively, they strongly militate in favor of approving the transaction even though they are not applicable to smaller transactions of this size.

VII. COMPLIANCE WITH ENVIRONMENTAL AND SOCIAL JUSTICE PLAN.

In February 2019, the Commission adopted its Environmental and Social Justice ("ESJ") Action Plan to ensure that its regulatory activities advance equity and mitigate disproportionate impacts on disadvantaged communities. In April 2022, the Commission adopted ESJ Action Plan Version 2.0 ("ESJ Action Plan 2.0"), expanding these goals to include specific mandates for closing the digital divide and enhancing climate resiliency.[27] Applicants have thoroughly reviewed the ESJ Action Plan 2.0 and affirm that the proposed transfer of control will actively advance the Commission's equity objectives within the Sierra service territory.

Sierra serves a rugged, rural territory in Mariposa and eastern Madera Counties that encompasses populations fitting the Commission's definition of ESJ communities, specifically, low-income households, residents of High Fire-Threat Districts ("HFTD"), and Tribal populations. vThe transfer of control to Varcomm would add management team resources with a verified track record of serving similarly situated populations in California, ensuring these communities receive not only continuous service but accelerated infrastructure investment.

Applicants specifically address the transaction's alignment with the relevant goals of the ESJ

[27] The ESJ Action Plan 2.0 is available on the Commission's website at the following link: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf

Action Plan below:

Goal 3: Strive to Improve Access to High-Quality Water, Communications, and Transportation Services for ESJ Communities.

Varcomm's executive leadership, led by CEO Eric Votaw, has demonstrated a unique level of success bridging the digital divide in rural ESJ communities. Through its ISP affiliate, VBI, Varcomm successfully secured a $10 million Federal Funding Account ("FFA") grant to deploy Fiber-to-the-Home ("FTTH") in Terra Bella, a low-income agricultural community in Tulare County. VBI has also been provisionally awarded three different grants to serve underserved areas through the Broadband Equity, Access, and Deployment ("BEAD") program. Additionally, Varcomm's subsidiary, Ducor, has managed fiber deployment in Rancho Tehama, a rural community facing significant socio-economic challenges. Varcomm intends to apply this successful proactive approach in Sierra's territory. By continuing the aggressive pursuit of state and federal funding (including through the California Advanced Services Fund ("CASF"), FFA, and BEAD programs), Varcomm will look for opportunities to build on Sierra's fiber deployment by leveraging additional grants and partnering with the state of California to execute on these network upgrades.

Goal 4: Increase Climate Resiliency in ESJ Communities

Sierra's service territory is situated almost entirely within Tier 2 (Elevated) and Tier 3 (Extreme) High Fire-Threat Districts as defined by the CPUC's Fire-Threat Map.[28] The region has been impacted by significant wildfires, including the 2020 Creek Fire and the 2022 Oak Fire. Residents in these areas—particularly the elderly, those with Access and Functional Needs ("AFN"), and low-income households—are disproportionately vulnerable to communications outages during emergencies.

Varcomm operates Ducor's exchange in Kennedy Meadows, a remote community located high in the Sierra Nevada mountains that faces significant wildfire risks. Varcomm's management is thus experienced in maintaining critical communication lifelines in extreme terrain, managing vegetation, and deploying backup power solutions. The transaction will facilitate continued and

[28] The Commission's fire threat map is available at the following link: https://files.cpuc.ca.gov/safety/fire-threat_map/2021/CPUC%20Fire%20Threat%20Map_v.3_08.19.2021.Letter%20Size.pdf

enhanced investment in network hardening. Varcomm recognizes that for many residents in Sierra's territory, the landline network is the only reliable means of receiving emergency notifications when cellular networks fail due to congestion or Public Safety Power Shutoffs ("PSPS"). Preserving and upgrading this infrastructure is a fundamental climate resiliency measure for these HFTD communities.

Goal 7: Promote High Road Career Paths and Economic Opportunity for Residents of ESJ Communities.

The proposed transaction will result in Sierra becoming part of a Minority Business Enterprise ("MBE") structure. Varcomm's CEO, Eric Votaw, is the first Mexican-American owner of an ILEC in California history. Including Ms. Velluci's ownership interest, Varcomm is 100% minority/woman-owned. Approval of this Application increases diversity in the ownership of California's critical utility infrastructure, aligning with the state's broader goals of economic inclusion and supplier diversity.

Varcomm is committed to maintaining a local workforce. In rural economies like Mariposa and Madera Counties, the local telephone company is a vital provider of stable, high-quality technical jobs. By stabilizing Sierra's long-term financial outlook and driving new infrastructure projects, the transaction protects these "high road" career path opportunities for local residents, contributing to the economic vitality of the region**.**

Furthermore, Sierra's service territory encompasses or is adjacent to lands associated with federally recognized tribes, including the North Fork Rancheria of Mono Indians and the Picayune Rancheria of Chukchansi Indians. These Tribal nations face distinct challenges regarding infrastructure access and economic development. Consistent with the Commission's Tribal Consultation Policy and the ESJ Action Plan 2.0, Varcomm affirms a commitment to engaging with Tribal governments on a government-to-government basis. Varcomm respects Tribal sovereignty and intends to seek collaborative opportunities to expand broadband access on Tribal lands. The transfer of control will not disturb any existing rights-of-way, service agreements, or consultative relationships with these Tribal entities.

Varcomm's ownership will also promote access to telecommunications services within low-

income communities. A significant demographic within Sierra's service area also qualifies as "low-income." Census data for areas such as Oakhurst and Mariposa indicates poverty rates exceeding national averages. Varcomm has a robust history of promoting the California LifeLine program and has actively participated in federal and state initiatives like the Affordable Connectivity Program ("ACP") and the Commission's broadband pilot programs.[29] Varcomm commits to continuing Sierra's outreach efforts to ensure that all eligible low-income households are aware of and enrolled in available discount programs.

* * *

The proposed transfer of control is fully aligned with the goals of the Commission's ESJ Action Plan 2.0. It brings a minority-owned, rural-focused operator with a proven history of serving disadvantaged communities to a territory that is in critical need of broadband investment and wildfire hardening. The transaction will not displace residents, increase costs, or create environmental hazards. Instead, it positions Sierra to better serve its diverse customer base through enhanced access to capital, grant funding expertise, and specialized management. Accordingly, the transaction serves the public interest and benefits the ESJ communities within the service territory.

VIII. VERIFICATIONS AND CERTIFICATIONS.

In connection with certain types of applications, the Commission requires affirmative disclosures of previous bankruptcies, criminal or civil sanctions, and regulatory or law enforcement investigations involving the applicant or its affiliates, officers, directors, partners, agents, and/or owners.[30] While this Application concerns a transfer of control and not a request for operating authority or a "transfer" of a CPCN, Applicants are aware of recent Commission proceedings in which these disclosures have been required even for requested transfers of control. In light of these authorities and in the interests of transparency and completeness, Applicants hereby offer the

[29] *See* D.23-06-003 (approving "pilot programs to to leverage federal Affordable Connectivity Program ("ACP") funds); D.25-08-050 (initiating "Home Broadband Pilot"). Ducor participated in both of these pilot programs.

[30] *See* D.13-05-035 at 59 (O.P. 14) (adopting disclosure requirements for "[t]elephone corporations seeking or transferring a Certificate of Public Convenience and Necessity").

following disclosures, consistent with D.13-05-035.

A. Sierra and Its Affiliates

In a longstanding proceeding well known to the Commission relating to the dissolution of the Rural Telephone Bank ("RTB"), Sierra Telephone was penalized $216,649.00 in connection with an application relating to a stock redemption from the RTB.[31] Sierra Telephone contested this penalty, and its position was vindicated in a published Opinion annulling the penalty and exonerating Sierra Telephone: *Kerman Telephone Co. et al v. Pub. Util. Comm'n*, 94 Cal. App. 5th 920 (2023). Because Sierra Telephone was absolved of any wrongdoing, Sierra does not believe that this disclosure is required, but it nevertheless provides this information given the recency of the Court of Appeal's Opinion and in the interests of full transparency.

Sierra Telephone and STLD also note that Optigate Networks, Inc. ("Optigate"), a former affiliate of Sierra, filed for Chapter 7 bankruptcy in 2004 and thereafter ceased operations. Optigate was a startup networking company whose business plan did not come to fruition, and its dissolution had no impact on Sierra's regulated local exchange business. The only connection between the two companies was common ownership by the same holding company, STCG. The bankruptcy court filing of the trustee's final report reflecting the liquidation of OptiGate is attached hereto as **Exhibit 12**. This prior bankruptcy was disclosed in connection with STLD's CLEC application in A.23-11-016, and the Commission did not find that this was an impediment to that expansion in STLD's operating authority.[32]

Finally, in connection with proceedings incident to the death of the former owner of Sierra, the Commission, in D.16-06-039, imposed a $500 fine on Sierra Telephone, STLD, and John H. Baker, an officer of the company, for what was found to be a premature transfer of control of the trusts holding Sierra Telephone stock from Harry Baker to successor trustee John H. Baker, an officer of the companies. The transfer was retroactively approved upon a full record, but the limited

[31] *See* D.19-12-041 at 93.

[32] *See* D.24-07-010 at 13 ("this decision finds that Sierra LD is in compliance with the requirements of D.13-05-035."), 20 (OP 1) (approving application).

fine was imposed to encourage future compliance.

B. Varcomm and Its Affiliates

In the same RTB matter noted above, Ducor was also penalized $121,600 in connection with an application that the Commission found was misleading and thus in violation of Rule 1.1 of the Commission's Rules.[33] Ducor contested the penalty through the Commission's process and continues to disagree with the Commission's findings, but it nevertheless discloses the existence of this penalty based on the ultimate conclusion of the Commission's proceeding as to it. Although Ducor did not participate in the successful court appeal of D.19-12-041, a group of other similarly-situated companies (including Sierra Telephone) did appeal that decision, and the California Court of Appeal vacated the penalties as to those companies in a decision issued on August 7, 2023 in *Kerman Telephone Co. et al v. Public Utilities Commission,* Case No F083940 (Order Granting Request for Publication, issued on August 24, 2023).

In addition, Ms. Vellucci, an officer of Varcomm, was formerly the CFO of Accipter Communications d/b/a Zona Communications ("Zona"), and Zona filed for Chapter 11 bankruptcy in 2014. In 2016, Zona emerged from bankruptcy, as reflected in the order attached hereto as **Exhibit 13**. The Commission was apprised of Ms. Vellucci's connection to an entity that had previously declared bankruptcy in A.21-01-013, and the Commission granted the application, approving Ms. Vellucci's participation in the management and ownership of Ducor.[34]

Aside from the limited items identified above herein, to the best of Applicants' knowledge following a reasonable inquiry, neither Applicants, nor any of their current affiliates, officers, directors, partners, agents, or owners (directly or indirectly) of more than 10% of Applicants, or anyone acting in a management capacity for Applicants has: (1) held one of these positions with a company that filed for bankruptcy; (2) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (3) been convicted of a felony; (4) been the subject of a criminal referral by a judge or public agency; (5) had a telecommunications license or operating

[33] See D.19-12-041 at 93 (confirming amount of penalty).
[34] *See* D.21-11-006 at 7, n. 15.

authority denied, suspended, revoked, or limited in any jurisdiction; (6) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of Sections 17000, *et seq.*, 17200, *et seq.*, or 17500, *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (7) been found to have violated any statute, law, or rule pertaining to public utilities or regulated industries; or (8) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general. Similarly, to the best of Applicants' knowledge following a reasonable inquiry, neither Applicants nor any affiliate, officer, director, partner, nor owner of more than 10% of Applicants, or any person acting in such capacity, whether or not formally appointed, is being or has been investigated by the FCC or any law enforcement or regulatory agency for failure to comply with any law, rule, or order.

These disclosures are corroborated through two verified declarations provided with this Application: one from Mr. Eric Votaw, Chief Executive Officer of VSHI, VHI, and Varcomm-SierraTel, and the other from Ms. Cynthia Huber, President of Sierra Telephone and STLD. None of the items disclosed herein present recent or material concerns that should complicate or delay the approval of this transaction.

IX. LIST OF EXHIBITS.

Exhibit 1 [CONFIDENTIAL]	Stock Purchase Agreement
Exhibit 2	STCG Organizational Chart
Exhibit 3	VSHI Organizational Chart
Exhibit 4	Articles of Incorporation for Applicants
Exhibit 5 [CONFIDENTIAL]	Sierra Telephone Financials – Nov. 2025 (Unaudited)
Exhibit 6 [CONFIDENTIAL]	STCG Financials – Nov. 2025 (Unaudited)
Exhibit 7	Sierra Telephone Financials – 2024 (Audited)

Exhibit 8 [CONFIDENTIAL]	STCG Financials – 2024 (Reviewed)
Exhibit 9 [CONFIDENTIAL]	VSHI Financials – 2025 (Unaudited/Review Not Final)
Exhibit 10	Sierra Management Resumes
Exhibit 11	Varcomm Management Resumes
Exhibit 12	Optigate Bankruptcy – Trustee's Final Report
Exhibit 13	Zona Bankruptcy Order

X. CONCLUSION.

Based on the foregoing, the proposed transfer of control satisfies all statutory standards and is consistent with the public interest. The Application should be approved expeditiously to ensure that the benefits of the transaction can be realized as soon as reasonably possible.

Dated this 13th day of February 2026 at Oakland, California.

Respectfully submitted,

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By: */s/ Patrick M. Rosvall*
Patrick M. Rosvall

Attorneys for Sierra Telephone Company, Inc., Sierra Telephone Long Distance, Varcomm-SierraTel, Inc., Varcomm Holdings, Inc. and V Squared Holdings, Inc.

VERIFICATION

I, Cynthia A. Huber, am the President of Sierra Telephone Company, Inc. ("Sierra Telephone"). I am authorized to make this Verification on behalf of Sierra Telephone Company, Inc. and Sierra Telephone Long Distance ("STLD"). I verify, based on my personal knowledge and/or on information and belief, the following on their behalf:

I have read the attached Application for approval of the transfer of control of Sierra Telephone Company, Inc. and Sierra Telephone Long Distance (collectively, "Sierra"), and hereby certify that, to the best of my knowledge, the statements contained therein as they pertain to Sierra are true and correct.

I specifically verify additional factual matters related to the topics identified in Commission Decision ("D.") 13-05-035. Subject to the exceptions and details set forth in Section VIII of the Application, I hereby affirm that, to the best of my knowledge based upon a reasonable, diligent inquiry, neither Sierra Telephone nor STLD, nor any of the affiliates, officers, directors, partners, agents, or owners (directly or indirectly) of more than 10% of either entity nor anyone acting in a "management capacity" as an officer or member of the board of directors for either entity has:

(a) held one of these positions with a company that filed for bankruptcy;
(b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others;
(c) been convicted of a felony;
(d) been (to his/her knowledge) the subject of a criminal referral by judge or public agency;
(e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction;
(f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of sections 17000 et seq., 17200 et seq., or 17500 et seq. of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others;
(g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; or
(h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.

Furthermore, subject to the exceptions and details set forth in Section VII to the Application, to the best of my knowledge, neither Sierra Telephone nor STLD, nor any affiliate, officer, director, partner, nor owner of more than 10% of either entity, or any person acting in such capacity whether or not formally appointed, is being or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

To prepare this Verification as it pertains to the matters identified in D.13-05-035, I engaged in a reasonable inquiry to gather information regarding the Sierra companies that may

implicate the verification requirements set forth in D.13-05-035. This Verification as it pertains to the D.13-05-035 verification requirements is based principally on the results of this reasonable inquiry, and I have no personal knowledge of any additional facts that would be within the disclosures in D.13-05-035 other than the items identified in Section VIII to the Application.

I affirm and declare under penalty of perjury under the laws of the State of California, including Rule 1.1 of the California Public Utilities Commission Rules of Practice and Procedure, that, to the best of my knowledge, all of the statements and representations made in this Application as they pertain to Sierra are true and correct.

Cynthia A. Huber

Cynthia A. Huber
President
Sierra Telephone Company, Inc.
Sierra Telephone Long Distance

VERIFICATION

I, Eric N. Votaw, am the Chief Executive Officer of Varcomm-SierraTel, Inc. Varcomm Holdings, Inc., and V Squared Holdings, Inc. ("Varcomm"). I am authorized to make this Verification on behalf of Varcomm. I verify, based on my personal knowledge and/or on information and belief, the following on their behalf:

I have read the attached Application for approval of the transfer of control of Sierra Telephone Company, Inc. and Sierra Telephone Long Distance (collectively, "Sierra"), and hereby certify that, to the best of my knowledge, the statements contained therein as they pertain to Varcomm are true and correct.

I specifically verify additional factual matters related to the topics identified in Commission Decision ("D.") 13-05-035. Subject to the exceptions and details set forth in Section VIII of the Application, I hereby affirm that, to the best of my knowledge based upon a reasonable, diligent inquiry, neither Varcomm, nor any of the affiliates, officers, directors, partners, agents, or owners (directly or indirectly) of more than 10% of either entity nor anyone acting in a "management capacity" as an officer or member of the board of directors for either entity has:

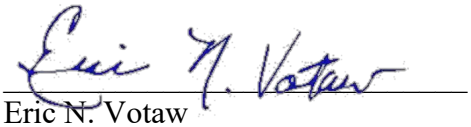
(a) held one of these positions with a company that filed for bankruptcy;
(b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others;
(c) been convicted of a felony;
(d) been (to his/her knowledge) the subject of a criminal referral by judge or public agency;
(e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction;
(f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of sections 17000 et seq., 17200 et seq., or 17500 et seq. of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others;
(g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; or
(h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.

Furthermore, subject to the exceptions and details set forth in Section VIII to the Application, to the best of my knowledge, neither Varcomm, nor any affiliate, officer, director, partner, nor owner of more than 10% of either entity, or any person acting in such capacity whether or not formally appointed, is being or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

To prepare this Verification as it pertains to the matters identified in D.13-05-035, I engaged in a reasonable inquiry to gather information regarding the Varcomm companies that may implicate the verification requirements set forth in D.13-05-035. This Verification as it pertains to

the D.13-05-035 verification requirements is based principally on the results of this reasonable inquiry, and I have no personal knowledge of any additional facts that would be within the disclosures in D.13-05-035 other than the items identified in Section VIII to the Application.

I affirm and declare under penalty of perjury under the laws of the State of California, including Rule 1.1 of the California Public Utilities Commission Rules of Practice and Procedure, that, to the best of my knowledge, all of the statements and representations made in this Application as they pertain to Varcomm are true and correct.



Eric N. Votaw
Chief Executive Officer
Varcomm-SierraTel, Inc.
Varcomm Holdings, Inc.
V Squared Holdings, Inc.

Exhibit 1

Stock Purchase Agreement Public

Confidential Portions Redacted; Confidential Customer Information Redacted

Execution Copy

STOCK PURCHASE AGREEMENT

between

SIERRA TEL COMMUNICATIONS GROUP

and

VARCOMM-SIERRATEL, INC.

dated as of

January 14, 2026

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STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "**Agreement**"), dated as of January 14, 2026 (the "**Effective Date**"), is entered into by and between **SIERRA TEL COMMUNICATIONS GROUP, a California corporation** (the "**Seller**" or "**STCG**") and **VARCOMM-SIERRATEL, INC., a California corporation** (the "**Buyer**").

RECITALS

A. Seller owns all of the issued and outstanding shares of capital stock (collectively, the "**Shares**"), of the following wholly owned subsidiaries of Seller: **SIERRA TELEPHONE COMPANY, INC., a California corporation ("STC"); SIERRA TEL BUSINESS SYSTEMS, a California corporation; SIERRA TELEPHONE LONG DISTANCE, a California corporation; SIERRA TEL INTERNET, a California corporation; and SIERRA TEL ADMINISTRATION, a California corporation** (each a "**Company**" and together, the "**Companies**").

B. Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Shares, subject to the terms and conditions set forth herein.

C. Seller also owns all of the issued and outstanding stock of **SIERRA TEL BROADBAND**, a California corporation ("**STB**"), which has a 16.89% ownership interest in CVIN LLC, a California limited partnership ("**CVIN**"), but Seller is retaining all of its interest in STB, and Buyer is not acquiring any of Seller's direct or indirect interest in STB or CVIN pursuant to this Agreement or otherwise.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. 1. Definitions. The definitions for this Agreement are set forth on **Exhibit A**, attached hereto.

2. Purchase and Sale.

2.1 **Purchase and Sale**. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Shares, free and clear of all Encumbrances, for the consideration specified in Section 2.2.

2.2 **Purchase Price**.

2.2.1 The aggregate purchase price for the Shares (the "**Purchase Price**") shall be Sixty-Six Million Dollars ($66,000,000) less:

2.2.2 the Company Indebtedness; and

2.2.3 the actuarial value of the Companies' aggregate obligations to the Sierra Tel Retiree Health Plan as of December 31, 2025 (the "**Company Retiree Health Obligations**") as set forth on **Schedule 2.2.3**; provided, however, that either Buyer or Seller with written notice to the other party, may engage, at the cost and expense of the requesting party, the existing valuation firm of AON Valuation Services to perform a fair market valuation of the Company Retiree Health Obligations in which case such determination of the Company Retiree Health Obligations, which must be completed at least thirty (30) days prior to the Closing Date, shall be binding upon the parties.

The Purchase Price shall either (1) increase by the amount, if any, by which the Estimated Closing Working Capital (as determined in accordance with Section 3.3.2(ii)) is greater than the Target Working Capital, or (2) decrease by the amount, if any, by which the Estimated Closing Working Capital is less than the Target Working Capital.

2.3 **Payment of Purchase Price**. Buyer shall pay the Purchase Price as follows:

2.3.1 Upon execution of this Agreement, Buyer shall deposit Seven Hundred Fifty Thousand Dollars ($750,000) (the "**Earnest Money Deposit**") within two (2) Business Days following the Effective Date by wire transfer of immediately available funds to the account of Escrow Agent (the "**Escrow Account**"). The Earnest Money Deposit shall be disbursed in accordance with the terms and conditions of the Escrow Agreement attached as **Exhibit B** (the "**Escrow Agreement**").

2.3.2 The Purchase Price shall be paid to Seller at the Closing as follows:

(i) Four Million Two Hundred Fifty Thousand Dollars ($4,250,000), subject to upward adjustment as described in Section 2.4.2 (the "**Closing Date Payment**") by wire transfer of immediately available funds to an account designated in writing by Seller to Buyer no later than two (2) Business Days prior to the Closing Date;

(ii) The Earnest Money Deposit shall be applied toward the Purchase Price and distributed to Seller; and

(iii) The delivery by Buyer of a Promissory Note (the "**Note**"), attached hereto as **Exhibit C**, in the principal amount of the Purchase Price less the sum of the Closing Date Payment and the Earnest Money Deposit. The Note shall be payable in full on the second anniversary of the Closing Date (subject to Buyer's option to extend, as set forth more fully in the Note) and shall bear interest at the Secured Overnight Finance Rate (SOFR) plus two (2%) percent. The Note shall have no prepayment penalty.

2.4 **Security for Buyer's Obligations; Sale of CVIN Interest**.

2.4.1 The Note shall be secured as set forth in this Section 2.4. Buyer is the sole record and beneficial shareholder of Varcomm2, Inc., a California corporation ("**Buyer's CVIN Subsidiary**"), owning of record 1,000 shares therein (the "**Pledged CVIN Shares**"). Buyer's

CVIN Subsidiary was formed solely and specifically to hold a six percent (6%) membership interest in CVIN (the "**Pledged CVIN Membership Interest**"). The Note shall be secured by a pledge of the Pledged CVIN Shares and Pledged CVIN Membership Interest pursuant to a Pledge Agreement (the "**CVIN Pledge Agreement**") attached as **Exhibit D**.

2.4.2 In the event Buyer sells all or a portion of its membership or ownership interest in CVIN or Buyer's CVIN Subsidiary (i) during the term of the Note, which sale may only be consummated to an unaffiliated third party at fair market value, Buyer shall, or shall cause Buyer's CVIN Subsidiary to, (A) pay fifty percent (50%) of the then-current principal balance of the Note concurrently with such sale up to the after-tax proceeds from such sale of all or a portion of such membership interest, and (B) maintain, or cause Buyer's CVIN Subsidiary to maintain, cash collateral during the term of the Note equal to the lesser of the remaining principal balance of the Note or the after-tax proceeds from the sale of such membership interest in CVIN less the payment set forth in (i) above, or (ii) prior to the Closing Date, which sale may only be consummated to an unaffiliated third party at fair market value, then (A) the Closing Date Payment shall be increased by an amount equal to fifty percent (50%) of the amount calculated to be the principal balance of the Note absent such payment up to the after-tax proceeds from such sale of all or a portion of such membership interest, and (B) Buyer shall or shall cause Buyer's CVIN Subsidiary, to maintain, cash collateral during the term of the Note equal to the lesser of the principal balance of the Note or the after-tax proceeds from the sale of such membership interest in CVIN less the payment set forth in Section 2.4.2(ii)(A).

3. The Closing.

3.1 **Closing**. Subject to the terms and conditions of this Agreement, the purchase and sale of the Shares contemplated hereby shall take place at a closing (the "**Closing**") to be held at the end of the calendar month after the last of the conditions to Closing set forth in Section 8 have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), remotely by electronic exchange of documents and signatures, or at such other time or on such other date or at such other place as Seller and Buyer may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**").

3.2 **Transactions to be Effected at the Closing**.

3.2.1 At the Closing, Buyer shall deliver (or with Seller cause to be delivered) to Seller:

(i) the Closing Date Payment;

(ii) the Earnest Money Deposit;

(iii) the Note;

(iv) the CVIN Pledge Agreement; and

(v) all other agreements, documents, instruments or certificates required to be delivered by Buyer at or prior to the Closing pursuant to Section 8.3 of this Agreement.

3.2.2 At the Closing, Seller shall deliver to Buyer:

(i) stock certificates evidencing the Shares, free and clear of all Encumbrances, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank, with all required stock transfer tax stamps affixed thereto; and

(ii) all agreements, documents, instruments or certificates required to be delivered by Seller at or prior to the Closing pursuant to Section 8.2 of this Agreement.

3.3 **Working Capital**.

3.3.1 At least three (3) Business Days before the Closing, Seller shall prepare and deliver to Buyer a statement setting forth its good faith estimate of Closing Working Capital (the "**Estimated Closing Working Capital**"), which statement shall contain an estimated balance sheet of the Companies as of the Closing Date (without giving effect to the transactions contemplated herein), a calculation of Estimated Closing Working Capital (the "**Estimated Closing Working Capital Statement**"), and a certificate of the of Seller certifying that the Estimated Closing Working Capital Statement was prepared in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of Seller's reviewed financial statements for the most recent fiscal year-end as if such Estimated Closing Working Capital Statement was being prepared and audited as of a fiscal year end.

3.3.2 Post-Closing Adjustment.

(i) Within ninety (90) days after the Closing Date, Buyer shall prepare and deliver to Seller a statement setting forth its calculation of Closing Working Capital, which statement shall contain an audited balance sheet of the Companies as of the Closing Date (without giving effect to the transactions contemplated herein), a calculation of Closing Working Capital (the "**Closing Working Capital Statement**") and a certificate of the Buyer certifying that the Closing Working Capital Statement was prepared in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of Seller's reviewed financial statements for the most recent fiscal year end as if such Closing Working Capital Statement was being prepared and audited as of a fiscal year end.

(ii) The post-closing adjustment shall be an amount equal to the Closing Working Capital (as finally determined in accordance with Section 3.3.4 minus the Estimated Closing Working Capital (the "**Post-Closing Adjustment**").

3.3.3 Examination and Review.

(i) After receipt of the Closing Working Capital Statement, Seller shall have thirty (30) days (the "**Review Period**") to review the Closing Working Capital Statement. During the Review Period, Seller and Seller's accountants shall have full access to the books and records of the Company, the personnel of, and work papers prepared by, Buyer and/or Buyer's accountants to the extent that they relate to the Closing Working Capital Statement and to such historical financial information (to the extent in Buyer's possession) relating to the Closing Working Capital Statement as Seller may reasonably request for the purpose of reviewing the Closing Working Capital Statement and to prepare a Statement of Objections (defined below), provided, that such access shall be in a manner that does not interfere with the normal business operations of Buyer or the Company.

(ii) On or prior to the last day of the Review Period, Seller may object to the Closing Working Capital Statement by delivering to Buyer a written statement setting forth Seller's objections in reasonable detail, indicating each disputed item or amount and the basis for Seller's disagreement therewith (the "**Statement of Objections**"). If Seller fails to deliver the Statement of Objections before the expiration of the Review Period, the Closing Working Capital Statement and the Post-Closing Adjustment, as the case may be, reflected in the Closing Working Capital Statement shall be deemed to have been accepted by Seller. If Seller delivers the Statement of Objections before the expiration of the Review Period, Buyer and Seller shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Post-Closing Adjustment and the Closing Working Capital Statement with such changes as may have been previously agreed in writing by Buyer and Seller, shall be final and binding.

(iii) If Seller and Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute ("**Disputed Amounts**" and any amounts not so disputed, the "**Undisputed Amounts**") shall be submitted for resolution to the Independent Accountant. The Independent Accountant shall be an office of an impartial nationally recognized firm of independent certified public accountants appointed by mutual agreement of Buyer and Seller (the "**Independent Accountant**") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Post-Closing Adjustment, as the case may be, and the Closing Working Capital Statement. The

parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Closing Working Capital Statement and the Statement of Objections, respectively.

(iv) The fees and expenses of the Independent Accountant shall be paid by Seller, on the one hand, and by Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to Seller or Buyer, respectively, bears to the aggregate amount actually contested by Seller and Buyer.

(v) The Independent Accountant shall make a determination as soon as practicable within thirty (30) days (or such other time as the parties hereto shall agree in writing) after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Closing Working Capital Statement and/or the Post-Closing Adjustment shall be conclusive and binding upon the parties hereto.

3.3.4 Payments of Post-Closing Adjustment.

(i) If the Post-Closing Adjustment is a positive number (such amount, the "**Purchase Price Underpayment**"), Buyer shall deliver, or cause to be delivered, to Seller, by wire transfer of immediately available funds to such account as is directed by Seller, payment in an amount equal to Purchase Price Underpayment.

(ii) If the Post-Closing Adjustment is a negative number (the absolute value of such amount, the "**Purchase Price Overpayment**"), Seller shall deliver, or cause to be delivered, to Buyer, by wire transfer of immediately available funds to such account as is directed by Buyer, payment in an amount equal to the Purchase Price Overpayment.

(iii) Except as otherwise provided herein, any payment of the Purchase Price Underpayment or Purchase Price Overpayment, as applicable, shall be due (A) within two (2) Business Days of acceptance of the applicable Closing Statement or (B) if there are Disputed Amounts, then within two (2) Business Days of the resolution described in Section 3.3.3 above; and shall be paid by wire transfer of immediately available funds to such account as is directed by Buyer or Seller, as the case may be.

3.3.5 Any payments made pursuant to Section 3.3 shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

3.4 **Withholding Tax**. Buyer and the Companies shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer and the Companies may be required to deduct and withhold under any provision of Tax Law. Buyer will provide at least fifteen (15) days notice to Seller in advance of Closing of its intention to withhold Taxes from the Purchase Price at Closing and the reasons therefor. All such withheld amounts shall be treated as delivered to Seller hereunder.

4. Representations and Warranties of Seller and STB. Except as set forth in the Disclosure Schedules (with specific reference to the section of this Agreement to which the information stated in such Disclosure Schedules relates), Seller and STB, jointly and severally, hereby represent and warrant to Buyer as of the date hereof, and which are now and shall continue to be true, complete and correct in all material respects on the Closing Date, as follows:

4.1 **Organization and Authority of Seller**. Seller is a corporation duly organized, validly existing and in good standing under the Laws of the state of California. Seller has full corporate power and authority to enter into this Agreement and the ancillary agreements referenced herein (which ancillary agreements include, but are not limited to, the Note, Escrow Agreement, CVIN Pledge Agreement, and Disclosure Schedules) (which together, the ancillary agreements and the Agreement are the "**Transaction Documents**"), to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of the Transaction Documents, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Seller. The Transactions Documents have been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) the Transaction Documents constitute a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms. When the Transaction Documents have been duly executed and delivered by Seller (assuming due authorization, execution and delivery by each other party thereto), the Transaction Documents will constitute a legal and binding obligation of Seller enforceable against it in accordance with its terms, except as enforcement may be limited by general principles of equity whether applied in a court of law or court of equity and by bankruptcy, insolvency and similar laws affecting creditors' rights and remedies generally.

4.2 **Organization, Authority and Qualification of the Companies**. The Companies, and each of them, is a corporation duly organized, validly existing and in good standing under the Laws of the state of California and has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. Each Company is licensed or qualified to do business only in California, and the Companies are duly licensed or qualified to do business and are in good standing only in California, which is the only jurisdiction where the properties owned or leased by them or the operation of the business as currently conducted makes such licensing or qualification necessary. All corporate actions taken by the Companies in connection with the Transaction Documents will be duly authorized on or prior to the Closing Date.

4.3 **Capitalization**.

4.3.1 **Schedule 4.3.1** sets forth the authorized number and par value, if any, of shares of capital stock of each Company. All of the Shares have been duly authorized, are validly issued, fully paid and non-assessable, and are owned of record and beneficially by Seller, free and clear of all Encumbrances. Upon consummation of the transactions contemplated by this Agreement, Buyer shall own all of the Shares, free and clear of all Encumbrances.

4.3.2 All of the Shares were issued in compliance with applicable Laws. None of the Shares were issued in violation of any agreement, arrangement or commitment to which Seller or any Company is a party or is subject to or in violation of any preemptive or similar rights of any Person.

4.3.3 There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the capital stock of any Company or obligating Seller or any such Company to issue or sell any shares of capital stock of, or any other interest in, any Company. The Companies do not have outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights. There are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares.

4.4 **No Subsidiaries**. The Companies do not own, or have any capital stock or other equity, ownership or profit-sharing interests in any other Person, or the right or obligation to acquire any capital stock or other equity, ownership or profit-sharing interests in any other Person.

4.5 **No Conflicts; Consents**. The execution, delivery and performance by Seller of the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Seller or the Companies; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller or the Companies; (c) except as set forth in **Schedule 4.5**, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which Seller or any of the Companies are a party or by which Seller or any of the Companies are bound or to which any of their respective properties and assets are subject (including any Material Contract) or any Permit affecting the properties, assets or business of the Companies; or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any properties or assets of the Companies. Except as set forth in **Schedule 4.5**, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller or any of the Companies in connection with the execution and delivery of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

4.6 **Financial Statements**.

4.6.1 Complete copies of Seller's reviewed financial statements consisting of the balance sheet of Seller as at December 31 in each of the years 2020, 2021, 2022, 2023, and 2024

and the related statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "**STCG Financial Statements**"), and unaudited financial statements consisting of the balance sheet of STCG as at September 30, 2025 and the related statements of income and retained earnings, stockholders' equity and cash flow for the nine-month period then ended (the "**STCG Interim Financial Statements**" and together with the STCG Financial Statements, the "**Seller Financial Statements**") have previously been provided to Buyer.

4.6.2 Complete copies of STC's audited financial statements consisting of the balance sheet of STC as at December 31 in each of the years 2020, 2021, 2022, 2023, and 2024 and the related statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "**STC Audited Financial Statements**"), and unaudited financial statements consisting of the balance sheet of STC as of September 30, 2025 and the related statements of income and retained earnings, stockholders' equity and cash flow for the nine-month period then ended (the "**STC Interim Financial Statements**" and together with the STC Audited Financial Statements the "**STC Financial Statements**", and the Seller Financial Statements and the STC Financial Statements the "**Financial Statements**") have previously been provided to Buyer.

4.6.3 The Seller Financial Statements include Seller's ownership of its wholly-owned subsidiary STB, through which Seller owns its indirect interest in CVIN. Seller accounts for its investment in CVIN by the equity method of accounting under which the proportionate share of net income or loss of CVIN is recognized as income or loss in Seller's consolidated statements of income and added to or subtracted from the investment accounts. Buyer is not acquiring STB, and the financial results of the Companies owned after the Closing Date will exclude the ownership (and income or loss).

4.6.4 The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved, subject, in the case of the STCG Interim Financial Statements and STC Interim Financial Statements, to normal and recurring year-end adjustments (the effect of which will not be material to Seller or STC) and the absence of notes (that, if presented, would not differ materially from those presented in the Seller Financial Statements or STC Financial Statements). The Financial Statements are based on the books and records of and fairly present the financial condition of STC and Seller as of the respective dates they were prepared and the results of the operations of STC and Seller for the periods indicated. The balance sheet of Seller as of December 31 is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date**" and the balance sheet of Seller as of September 30, 2025, is referred to herein as the "**Interim Balance Sheet**" and the date thereof as the "**Interim Balance Sheet Date**". Seller and STC maintain a standard system of accounting established and administered in accordance with GAAP.

4.7 **Undisclosed Liabilities**. The Companies have no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise ("**Liabilities**"), except (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date, (b) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount, (c) liabilities arising under the terms of (but not from any breach or default

under) any agreement, contract, commitment, permit, lease or other instrument or obligation that is disclosed in the Disclosure Schedules.

4.8 **Absence of Certain Changes, Events and Conditions**. Except as set forth on **Schedule 4.8**, since the Balance Sheet Date, the business of the Companies have been conducted in the ordinary course of business consistent with past practice, and there has not been, with respect to the Companies, any:

4.8.1 event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

4.8.2 amendment of the charter, by-laws or other organizational documents of any of the Companies;

4.8.3 split, combination or reclassification of any shares of its capital stock;

4.8.4 issuance, sale or other disposition of any of its capital stock, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any of its capital stock;

4.8.5 declaration or payment of any dividends or distributions on or in respect of any of its capital stock or redemption, purchase or acquisition of its capital stock;

4.8.6 material change in any method of accounting or accounting practice any of the Companies, except as required by GAAP or as disclosed in the notes to the Financial Statements;

4.8.7 material change in any of the Companies' cash management practices and its policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits;

4.8.8 entry into any Contract that would constitute a Material Contract;

4.8.9 incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the ordinary course of business consistent with past practice;

4.8.10 transfer, assignment, sale or other disposition of any of the assets shown or reflected in the Balance Sheet or cancellation of any debts or entitlements except in the ordinary court of business consistent with past practices;

4.8.11 transfer or assignment of or grant of any license or sublicense under or with respect to any Company Intellectual Property or Company IP Agreements;

4.8.12 abandonment or lapse of or failure to maintain in full force and effect any material Company IP Registration;

4.8.13 material damage, destruction or loss (whether or not covered by insurance) to its property;

4.8.14 capital investment in, or loan to, any other Person;

4.8.15 acceleration, termination, material modification to or cancellation of any material Contract (including, but not limited to, any Material Contract) to which the Company is a party or by which it is bound;

4.8.16 material capital expenditures;

4.8.17 imposition of any Encumbrance upon any of the Companies' properties, capital stock or assets, tangible or intangible;

4.8.18 (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements or required by applicable Law, (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed $25,000, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant;

4.8.19 hiring or promoting of any person as or to (as the case may be) except to fill a vacancy in the ordinary course of business;

4.8.20 adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant, (ii) Benefit Plan or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral;

4.8.21 loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its stockholders or current or former directors, officers and employees;

4.8.22 entry into a new line of business or abandonment or discontinuance of existing lines of business;

4.8.23 adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

4.8.24 purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of $25,000, individually (in the case of a lease, per annum) or $50,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the ordinary course of business consistent with past practice;

4.8.25 acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof;

4.8.26 action by the Companies to make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Buyer in respect of any Post-Closing Tax Period; or

4.8.27 Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

4.9 **Material Contracts**.

4.9.1 **Schedule 4.9.1** lists each of the following Contracts of the Companies (such Contracts, together with all Contracts concerning the occupancy, management or operation of any Real Property (including without limitation, brokerage contracts) listed or otherwise disclosed in **Schedule 4.10.2** and all Company IP Agreements set forth in **Schedule 4.12.2**, being "**Material Contracts**"):

(i) each Contract of the Company involving aggregate consideration in excess of $50,000 and which, in each case, cannot be cancelled by any of the Companies without penalty or without more than 90 days' notice;

(ii) all Contracts that require any Company to purchase its total requirements of any product or service from a third party or that contain "take or pay" provisions;

(iii) all Contracts that provide for the indemnification by any Company of any Person or the assumption of any Tax, environmental or other Liability of any Person;

(iv) all Contracts that relate to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(v) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts to which any Company is a party involving aggregate consideration in excess of $50,000;

(vi) all employment agreements and Contracts with independent contractors or consultants (or similar arrangements) to which any Company is a party and which are not cancellable without material penalty or without more than 90 days' notice;

(vii) except for Contracts relating to trade payables, all Contracts relating to Indebtedness (including, without limitation, guarantees) of the Companies;

(viii) all Contracts with any Governmental Authority to which any Company is a party ("**Government Contracts**");

(ix) all Contracts that limit or purport to limit the ability of any Company to compete in any line of business or with any Person or in any geographic area or during any period of time;

(x) any Contracts, other than with respect to STB's interest in CVIN, which is excluded from this Agreement, to which any Company is a party that provide for any joint venture, partnership or similar arrangement by any Company;

(xi) all Contracts between or among any Company on the one hand and Seller or any Affiliate of Seller (other than a Company) on the other hand;

(xii) all collective bargaining agreements or Contracts with any Union to which any Company is a party; and

(xiii) any other Contract that is material to the Companies and not previously disclosed pursuant to **Schedule 4.9.1**.

4.9.2 Each Material Contract is in full force and effect (other than due to ordinary expiration of the term thereof) and is a valid and binding agreement enforceable against the Company for which such Company is a party and in accordance with its terms. No Company, or, to Seller's Knowledge, any other party thereto is in material breach of or in default under (or is alleged to be in material breach of or in default under) or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyer.

4.10 **Title to Assets; Real Property**.

4.10.1 Except as set forth on **Schedule 4.10.1**, the Companies have good and valid (and, in the case of owned Real Property, good and marketable fee simple) title to, or a valid leasehold interest in, all Real Property and personal property and other assets reflected in the Financial Statements or acquired after the Balance Sheet Date, other than properties and assets sold or otherwise disposed of in the ordinary course of business consistent with past practice since the Balance Sheet Date. All such properties and assets (including leasehold interests) are free and clear of Encumbrances except for the following (collectively referred to as "**Permitted Encumbrances**"):

(i) those items set forth in **Schedule 4.10.1**;

(ii) liens for Taxes not yet due and payable;

(iii) mechanics, carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business consistent with past practice or amounts that are not delinquent and which are not, individually or in the aggregate, material to the business of the Companies;

(iv) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property which are not, individually or in the aggregate, material to the business of the Companies;

(v) other than with respect to owned Real Property, liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business consistent with past practice which are not, individually or in the aggregate material to the business of the Company; or

(vi) liens, encumbrances and imperfections of title, if any, as do not detract from the value of the Real Property and do not interfere with the present or proposed use of any Real Property or otherwise materially impair such operations.

4.10.2 **Schedule 4.10.2** lists (i) the street address of each parcel of Real Property; (ii) if such property is owned, leased, or subleased by a Company, the landlord under the lease, the rental amount currently being paid, and the expiration of the term of such lease or sublease for each leased or subleased property; (iii) the current use of such property; and (iv) any parcel of Real Property that is in part or in whole on tribal lands or subject to a tribal agreement. With respect to owned Real Property, Seller has delivered or made available to Buyer true, complete and correct copies of the deeds and other instruments (as recorded) by which a Company acquired such Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of Seller or the Company and relating to the Real Property. With respect to leased Real Property, Seller has delivered or made available to Buyer true, complete and correct copies of any written leases affecting the Real Property and any lease with respect to Real Property that is unwritten, Seller will set forth the terms thereof on **Schedule 4.10.2**. The Companies are not a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any leased Real Property except as set forth in **Schedule 4.10.2**. The use and operation of the Real Property in the conduct of the Companies' business do not violate in any material respect any Law, covenant, condition, restriction, easement, license, permit or agreement. No material improvements constituting a part of the Real Property encroach on real property owned or leased by a Person other than the Companies. There are no Actions pending nor, to the Seller's Knowledge, threatened against or affecting the Real Property or any portion thereof or interest therein in the nature or in lieu of condemnation or eminent domain proceedings.

4.11 **Condition and Sufficiency of Assets**. Except as set forth in **Schedule 4.11**, the buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property of the Companies are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property currently owned or leased by the Companies, together with all other properties and assets of the Companies, including without limitation, all of the property set forth on the Continuing Property Records (CPRs) dated as of June 30, 2025 as filed with the FCC, are sufficient, for the continued conduct of the Companies' businesses after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the businesses of the Companies as currently conducted.

4.12 **Intellectual Property**.

4.12.1 **Schedule 4.12.1** contains a correct, current, and complete list of: (i) all Company IP Registrations; (ii) all unregistered Trademarks included in the Company Intellectual Property; (iii) all proprietary Software of the Companies; and (iv) all other Company Intellectual Property used or held for use in the Companies' businesses as currently conducted.

4.12.2 **Schedule 4.12.2** contains a correct, current, and complete list of all the Companies' IP Agreements, specifying for each the date, title, and parties thereto, and separately identifying the Company IP Agreements: (i) under which the Companies are a licensor or otherwise grants to any Person any right or interest relating to any Company Intellectual Property; (ii) under which the Companies are a licensee or otherwise granted any right or interest relating to the Intellectual Property of any Person; and (iii) which otherwise relate to any Company's ownership or use of Intellectual Property. Seller has provided Buyer with true and complete copies (or in the case of any oral agreements, a complete and correct written description) of all Company IP Agreements, including all modifications, amendments and supplements thereto and waivers thereunder. Each Company IP Agreement is valid and binding on the Company which is the party thereto in accordance with its terms and is in full force and effect. Neither the Companies nor any other party thereto is, or is alleged to be, in breach of or default under, or has provided or received any notice of breach of, default under, or intention to terminate (including by non-renewal), any Company IP Agreement.

4.12.3 The Companies own or are validly licensed or otherwise have the right to use Company Intellectual Property as used in their business as presently conducted, except where the failure to have the right to use such Company Intellectual Property, individually or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect. No actions, suits or other proceedings are pending or, to the Knowledge of the Company, threatened any Company is infringing, misappropriating or otherwise violating the rights of any Company with respect to any Company Intellectual Property owned by a Company. The representations and warranties in this Section 4.12 constitute the sole representations and warranties of Seller with respect to any matter (including any liability) relating to intellectual property matters.

4.12.4 **Schedule 4.12.4** contains a correct, current, and complete list of all social media accounts used in the Companies businesses, including login information and passwords. The Companies have complied with all terms of use, terms of service, and other Contracts and all associated policies and guidelines relating to its use of any social media platforms, sites, or services (collectively, "**Platform Agreements**"). There are no Actions, whether settled, pending, or threatened, alleging any (i) breach or other violation of any Platform Agreement by any Company; or (ii) defamation, violation of publicity rights of any Person, or any other violation by any Company in connection with its use of social media.

4.12.5 All Company IT Systems are in good working condition and are sufficient for the operation of the Companies' businesses as currently conducted. In the past five (5) years, there has been no malfunction, failure, continued substandard performance, denial-of-service, or other cyber incident, including any cyberattack, or other impairment of the Company IT Systems that has resulted or is reasonably likely to result in material disruption or damage to the businesses of the Companies. The Companies have taken all commercially reasonable steps to safeguard the confidentiality, availability, security, and integrity of the Company IT Systems, including implementing and maintaining appropriate backup, disaster recovery, and Software and hardware support arrangements.

4.12.6 The Companies have complied in all material respects with all applicable Laws and all publicly posted policies, notices, and statements concerning the collection, use, processing, storage, transfer, and security of personal information in the conduct of the Companies' businesses. In the past five (5) years, the Companies have not (i) experienced any actual, alleged, or suspected data breach or other security incident involving personal information in its possession or control or (ii) received any notice of any audit, investigation, complaint, or other Action by any Governmental Authority or other Person concerning the Companies' collection, use, processing, storage, transfer, or protection of personal information or actual, alleged, or suspected violation of any applicable Law concerning privacy, data security, or data breach notification, and there are no facts or circumstances, to Seller's Knowledge, that could reasonably be expected to give rise to any such Action.

4.13 **Inventory**. All inventory of the Companies, whether or not reflected in the Balance Sheet, consists of a quality and quantity usable and salable in the ordinary course of business consistent with past practice, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established. All such inventory is owned by the Companies free and clear of all Encumbrances, and no inventory is held on a consignment basis. The quantities of each item of inventory (whether raw materials, work-in-process or finished goods) are consistent with the past practices of the Companies.

4.14 **Accounts Receivable**. The accounts receivable reflected on the Interim Balance Sheet and the accounts receivable arising after the Interim Balance Sheet Date (a) have arisen from bona fide transactions entered into by the Companies involving the sale of goods or the rendering of services in the ordinary course of business consistent with past practice; (b) constitute only valid, undisputed claims of the Companies not subject to claims of set-off or other defenses or counterclaims other than normal cash discounts accrued in the ordinary course of business consistent with past practice and are recorded at unpaid balances, less an allowance for credit loss

using a forward-looking expected credit loss model that requires management of Seller and STC to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information including historical experience, current conditions and reasonable and supportable forecasts affecting collectability; and (c) subject to a reserve for bad debts shown on the Interim Balance Sheet or, with respect to accounts receivable arising after the Interim Balance Sheet Date, on the accounting records of the Companies, are collectible in full within 90 days after billing. The reserve for bad debts shown on the Interim Balance Sheet or, with respect to accounts receivable arising after the Interim Balance Sheet Date, on the accounting records of the Companies have been determined in accordance with GAAP, consistently applied, subject to normal year-end adjustments and the absence of disclosures normally made in footnotes.

4.15 **Customers and Suppliers**.

4.15.1 **Schedule 4.15.1** sets forth (i) each customer who has paid aggregate consideration to any Company for goods or services rendered in an amount greater than or equal to $25,000 for each of the two (2) most recent fiscal years (collectively, the "**Material Customers**"); and (ii) the amount of consideration paid by each Material Customer during such periods. Except as set forth in **Schedule 4.15.1**, no Company has received any notice or to Seller's Knowledge, has any reason to believe that any of its Material Customers has ceased, or intends to cease after the Closing, to use its goods or services or to otherwise terminate or materially reduce its relationship with the Companies.

4.15.2 **Schedule 4.15.2** sets forth (i) each supplier to whom any Company has paid consideration for goods or services rendered in an amount greater than or equal to $25,000 for each of the two most recent fiscal years (collectively, the "**Material Suppliers**"); and (ii) the amount of purchases from each Material Supplier during such periods. Except as set forth in **Schedule 4.15.2**, no Company has received any notice or to Seller's Knowledge, has any reason to believe that any of its Material Suppliers has ceased, or intends to cease, to supply goods or services to any Company or to otherwise terminate or materially reduce its relationship with any Company.

4.16 **Insurance**. **Schedule 4.16** sets forth a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, directors' and officers' liability, fiduciary liability and other casualty and property insurance maintained by Seller or its Affiliates (including the Companies) and relating to the assets, business, operations, employees, officers and directors of the Companies (collectively, the "**Insurance Policies**") and true and complete copies of the Insurance Policies have been made available to Buyer. The Insurance Policies are in full force and effect and shall remain in full force and effect (or replacements therefor) following the consummation of the transactions contemplated by this Agreement to the extent extended by Buyer. Neither the Seller nor any of its Affiliates (including the Companies) has received any written notice of any lapse in coverage, cancellation of, or alteration of coverage under, any of the Insurance Policies. All premiums due on the Insurance Policies have either been paid or, if due and payable prior to Closing, will be paid prior to Closing in accordance with the payment terms of each Insurance Policy. Except as set forth on **Schedule 4.16**, there are no claims related to the business of the Companies pending under any Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. None of Seller or any of its Affiliates (including

the Companies) is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any Insurance Policy. The Insurance Policies are sufficient for compliance in all material respects with all applicable Laws and Material Contracts.

4.17 **Legal Proceedings; Governmental Orders**.

4.17.1 Except as set forth in **Schedule 4.17.1**, there are no Actions pending or, to Seller's Knowledge, threatened (a) against or by any Company or affecting any of its properties or assets (or by or against Seller or any Affiliate thereof and relating to any Company); or (b) against or by any Company, Seller or any Affiliate of Seller that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. To Seller's Knowledge, no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

4.17.2 Except as set forth in **Schedule 4.17.2**, there are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Companies or any of its properties or assets. The Companies are in compliance with the terms of each Governmental Order set forth in **Schedule 4.17.2**. No event has occurred or circumstances exist that may constitute or result in (with or without notice or lapse of time) a violation of any such Governmental Order.

4.18 **Compliance With Laws; Permits and Licenses**.

4.18.1 Except as set forth in **Schedule 4.18.1**, each Company has complied, and is now complying, in all material respects, with applicable Communications Laws, and no Company has received written notice from any Governmental Authority of any violation of the Communications Laws. "**Communications Laws**" means (i) the Communications Act, (ii) the rules, regulations and published policies, orders, and decisions of the FCC, as amended, and interpretations thereof by federal courts of competent jurisdiction. "**Communications Act**" means the Communications Act of 1934, as amended, 47 U.S.C. §§151 et seq., including the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996.

4.18.2 **Schedule 4.18.2** lists all authorizations, permits, licenses, franchises, approvals, registrations, certificates, variances, and similar rights obtained from Governmental Authorities, including, but not limited to, the call sign, service and expiration date of any license, permit, or authorization issued by the Federal Communications Commission ("**FCC**") (the "**FCC Authorizations**") and any certifications, authorizations, designations, franchises, rights of way, easements and pole attachment agreements, or otherwise, issued by or entered into with the California Public Utilities Commission ("**California PUC**"), the California Department of Transportation ("**Cal Trans**") or any state or local government, including but not limited to Madera and Mariposa Counties ("**State Authorizations**," and together with the FCC Authorizations, the "**Authorizations**" or "**Communications Permits,**" and singly referenced as **"Authorization"** or **"Communications Permit"**), used or necessary to operate the Companies' business. The Communications Permits that have been obtained or issued are in full force and effect, and are free and clear of any material restrictions (other than with respect to such restrictions or conditions of general applicability that are commonly included in the particular type of Authorizations), and have been so unrestricted for the full current license term. No event has occurred that would

reasonably be expected to result in the revocation or lapse of any Permit. There is no Action pending, nor to the Seller's Knowledge, threatened, that seeks the revocation, cancellation, suspension, or adverse modification of any Communications Permit.

4.18.3 Seller and the Companies are in compliance with all terms and conditions of the Communications Permits and have not received any written, or to the Seller's Knowledge, oral, notice or communication from any Governmental Authority regarding any cancellation, revocation, suspension, or modification of the Communications Permits, or violation of the Communication Laws, which has not been fully cured by the Effective Date.

4.18.4 No amounts (including installment payments consisting of principal and/or interest or late payment fees) are due to the FCC or the United States Department of the Treasury or to the State of California or any County in which Seller or the Companies operate by reason of their holding the Communication Permits. The consummation of the transactions contemplated hereunder will not entitle the FCC to impose any unjust enrichment penalties pursuant to 47 C.F.R. §1.2111 of the FCC's rules.

4.18.5 To Seller's Knowledge, no facts or circumstances exist that could cause any of the Communication Permits to not be renewed in the ordinary course.

4.18.6 All transmission towers leased by Seller or any of the Companies and used by Seller are obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the Federal Aviation Administration ("**FAA**") (the "**FAA Rules**"), except as would not, individually or in the aggregate, reasonably be expected to be material to Seller. Appropriate notification to the FAA has been made for each transmission tower leased by Seller or any of the Companies and used by to the extent required to be made by the Seller or the Companies by, and in accordance with, the FAA Rules, in each case, except as would not, individually or in the aggregate, reasonably be expected to be material to the Seller.

4.18.7 The Seller and the Companies have operated and are operating the business with equipment that has been certified by the FCC and in compliance in all material respects with the technical rules of the Communications Laws. The Seller and the Companies have timely filed all material reports, certifications, statements and other filings required by the FCC and other governmental entities. Such filings are correct in all material respects and no deficiencies with these filings have been noted by any governmental entity. The Seller and the Companies have duly and timely paid all required fees or assessments, including payments to the Universal Service Fund ("**USF**"), in accordance with the rules and regulations of each applicable governmental entity, there is no inquiry, claim or demand pending or threatened before or by any governmental entity that questions the amounts paid by the Seller or the Companies, and none of the Companies has had its authorized USF support suspended. Neither Seller nor the Companies are the subject of any FCC or state investigation, inspection, audit, appeal, program integrity assurance review, payment quality assurance review, commitment adjustment or recovery action by the FCC or the Universal Service Administrative Company, or in connection with the Enhanced Alternative Connect America program ("**Enhanced ACAM Program**").

4.18.8 Seller and the Companies are fully qualified under the Communications Laws and the rules and regulations of the FCC to hold the FCC Authorizations, except as would

not, individually or in the aggregate, reasonably be expected to be material to the operations of the Companies. As of the date hereof, there are no facts or circumstances relating to the qualifications of the Seller and the Companies that are likely to prevent or delay the grant of any FCC Form 603 application (or other appropriate form) under the FCC Rules and the Communications Act with respect to the transactions contemplated by the Transaction Documents.

4.18.9 **Schedule 4.18.9** lists all federal USF programs and federal or state grant programs in which the Companies participate. The Companies have timely made all required contributions to the USF and any state universal service program. Seller or the Companies do not participate in any federal USF program or any federal or state grant program not listed in the Schedules of this Section 4.18.

4.19 **Environmental Matters**.

4.19.1 The Companies are currently and have been in compliance with all Environmental Laws and have not received from any Person any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date.

4.19.2 The Companies have obtained and are in material compliance with all Environmental Permits (each of which has been provided to Buyer and a true and complete list set forth on **Schedule 4.19.2**) necessary for the ownership, lease, operation or use of the business or assets of the Company and all such Environmental Permits are in full force and effect and shall be maintained in full force and effect by Seller through the Closing Date in accordance with Environmental Law, and neither Seller nor the Companies are aware of any condition, event or circumstance that might prevent or impede, after the Closing Date, the ownership, lease, operation or use of the business or assets of the Companies as currently carried out. With respect to any such Environmental Permits, Seller has undertaken, or will undertake prior to the Closing Date, to cooperate with Buyer, at Buyer's expense, to facilitate transferability of the same if necessary as a result of the change of ownership, and Seller is not aware of any condition, event or circumstance that might prevent of impede the transferability of the same. Neither Seller nor the Companies have received any Environmental Notice or written communication regarding any material adverse change in the status or terms and conditions of the same.

4.19.3 No real property currently or formerly owned, operated or leased by the Companies is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

4.19.4 There has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the business or assets of the Companies or any real property currently or formerly owned, operated or leased by the Companies, and neither the Companies nor Seller has received an Environmental Notice that any real property currently or formerly owned, operated or leased in connection with the business of the Companies (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material which could reasonably be expected to result in an

Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, Seller or the Companies.

4.19.5 **Schedule 4.19.5** contains a complete and accurate list of all active or abandoned aboveground or underground storage tanks owned or operated by the Companies.

4.19.6 **Schedule 4.19.6** contains a complete and accurate list of all off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by the Companies and any predecessors as to which the Companies or Seller may retain liability, and none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA, or any similar state list, and neither Seller nor the Companies have received any Environmental Notice regarding potential liabilities with respect to such off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by the Companies or Seller.

4.19.7 Neither Seller nor the Companies have retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

4.19.8 Seller has provided or otherwise made available to Buyer and listed in **Schedule 4.19.8**: (i) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the business or assets of the Companies or any currently or formerly owned, operated or leased real property which are in the possession or control of the Seller or the Companies related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials; and (ii) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution and/or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (including, without limitation, costs of remediation, pollution control equipment and operational changes).

4.19.9 There are not any conditions, events or circumstances concerning the Release or regulation of Hazardous Materials by Seller or the Companies that might, after the Closing Date, present, impede or materially increase the costs associated with the ownership, lease, operation, performance or use of the business or assets of the Companies as currently carried out.

4.20 **Employee Benefit Matters**.

4.20.1 **Schedule 4.20.1** contains a true and complete list of each pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off (PTO), medical, vision, dental, disability, welfare, Code Section 125 cafeteria, fringe benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by the Companies for the benefit of any current or former employee, officer, director, retiree, independent

contractor or consultant of the Companies or any spouse or dependent of such individual, or under which the Companies or any of its ERISA Affiliates have or may have any Liability, or with respect to which Buyer or any of its Affiliates would reasonably be expected to have any Liability, contingent or otherwise (as listed on **Schedule 4.20.1**, each, a "**Benefit Plan**").

4.20.2 With respect to each Benefit Plan, Seller has made available to Buyer accurate, current and complete copies of each of the following: (i) where the Benefit Plan has been reduced to writing, the plan document together with all amendments; (ii) where the Benefit Plan has not been reduced to writing, a written summary of all material plan terms; (iii) where applicable, copies of any trust agreements or other funding arrangements, custodial agreements, insurance policies and contracts, administration agreements and similar agreements, and investment management or investment advisory agreements, now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise; (iv) copies of any summary plan descriptions, summaries of material modifications, summaries of benefits and coverage, COBRA communications, employee handbooks and any other written communications (or a description of any oral communications) relating to any Benefit Plan; (v) in the case of any Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination, opinion or advisory letter from the Internal Revenue Service and any legal opinions issued thereafter with respect to such Benefit Plan's continued qualification; (vi) in the case of any Benefit Plan for which a Form 5500 must be filed, a copy of the two most recently filed Forms 5500, with all corresponding schedules and financial statements attached; (vii) actuarial valuations and reports related to any Benefit Plans with respect to the two most recently completed plan years; (viii) the most recent nondiscrimination tests performed under the Code; and (ix) copies of material notices, letters or other correspondence from the Internal Revenue Service, U.S. Department of Labor, U.S. Department of Health and Human Services, Pension Benefit Guaranty Corporation or other Governmental Authority relating to the Benefit Plan.

4.20.3 Except as set forth in **Schedule 4.20.3**, each Benefit Plan and any related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "**Multiemployer Plan**")) has been established, administered and maintained in all material respects in accordance with its terms and in compliance with all applicable Laws (including ERISA and the Code. Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "**Qualified Benefit Plan**") is so qualified and received a favorable and current determination letter from the Internal Revenue Service with respect to the most recent five year filing cycle, or with respect to a prototype or volume submitter plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan or volume submitter plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and nothing has occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Benefit Plan. Nothing has occurred with respect to any Benefit Plan that has subjected or could reasonably be expected to subject the Companies or any of its ERISA Affiliates or, with respect to any period on or after the Closing Date, Buyer or any of its Affiliates, to a penalty under Section 502 of ERISA or to tax or penalty under Sections 4975 or 4980H of the Code.

4.20.4 No pension plan (other than a Multiemployer Plan) which is subject to minimum funding requirements, including any multiple employer plan, (each, a "**Single Employer**

Plan") in which employees of the Companies or any ERISA Affiliate participate or have participated has an "accumulated funding deficiency," whether or not waived, or is subject to a lien for unpaid contributions under Section 303(k) of ERISA or Section 430(k) of the Code. No Single Employer Plan covering employees of the Companies which is a defined benefit plan has an "adjusted funding target attainment percentage," as defined in Section 436 of the Code, less than 80%. Except as set forth in **Schedule 4.20.4**, all benefits, contributions and premiums relating to each Benefit Plan have been timely paid in accordance with the terms of such Benefit Plan and all applicable Laws and accounting principles, and all benefits accrued under any unfunded Benefit Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with, GAAP.

4.20.5 Neither the Companies nor any of their ERISA Affiliates have (i) incurred or reasonably expects to incur, either directly or indirectly, any material Liability under Title I or Title IV of ERISA or related provisions of the Code or applicable local Law relating to employee benefit plans; (ii) failed to timely pay premiums to the Pension Benefit Guaranty Corporation; (iii) withdrawn from any Benefit Plan; (iv) engaged in any transaction which would give rise to liability under Section 4069 or Section 4212(c) of ERISA; (v) incurred taxes under Section 4971 of the Code with respect to any Single Employer Plan; or (vi) participated in a multiple employer welfare arrangement (MEWA).

4.20.6 A true and complete copy of the Sierra Telephone Employee Health Care Plan (the "**Health Plan**") as in effect on the Effective Date has been delivered by Seller to Buyer and certified, as of the Effective Date, by an Officer of Seller to be a true and complete copy. Except as described in **Schedule 4.20.1**, the Health Plan has not been amended, modified or replaced. Other than the Health Plan and as described in **Schedule 4.20.1**, the Companies have no other health care plans, agreements or obligations to any current or former employees or eligible participants. The Companies have no commitment or obligation and has not made any representations to any employee, officer, director, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan or any collective bargaining agreement, in connection with the consummation of the transactions contemplated by this Agreement or otherwise.

4.20.7 Except as set forth in **Schedule 4.20.7**, there is no pending or, to Seller's Knowledge, threatened Action relating to a Benefit Plan (other than routine claims for benefits), and no Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Authority or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Authority.

4.20.8 There has been no amendment to, announcement by Seller, the Companies or any of their Affiliates relating to, or change in employee participation or coverage under, any Benefit Plan or collective bargaining agreement that would increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year (other than on a de minimis basis) with respect to any director, officer, employee, independent contractor or consultant, as applicable. None of Seller, the Companies, nor any of their Affiliates has any commitment or obligation or has made any representations to any director,

officer, employee, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan or any collective bargaining agreement.

4.20.9 Each Benefit Plan that is subject to Section 409A of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including notices, rulings and proposed and final regulations) thereunder. The Companies do not have any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

4.20.10 Each individual who is classified by the Companies as an independent contractor has been properly classified for purposes of participation and benefit accrual under each Benefit Plan.

4.21 **Employment Matters**.

4.21.1 **Schedule 4.21.1** contains a list of all persons who are employees, independent contractors or consultants of the Companies as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full-time or part-time); (iii) hire or retention date; (iv) current annual base compensation rate or contract fee; (v) commission, bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such individual as of the date hereof. Except as set forth in **Schedule 4.21.1**, as of the date hereof and the Closing Date, all compensation, including wages, commissions, bonuses, fees and other compensation, payable to all employees, independent contractors or consultants of the Companies for services performed on or prior to the date hereof have been paid in full (or accrued in full on the audited balance sheet contained in the Closing Working Capital Statement) and there are no outstanding agreements, understandings or commitments of the Companies with respect to any compensation, commissions, bonuses or fees.

4.21.2 Except as set forth in **Schedule 4.21.2**, the Companies are not, and have not been for the past five (5) years, a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, "**Union**"), and there is not, and has not been for the past five (5) years, any Union representing or purporting to represent any employee of the Company, and no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. There has never been, nor has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor disruption or dispute affecting the Companies or any of its employees. The Companies have no duty to bargain with any Union.

4.21.3 The Companies are and have been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices to the extent they relate to employees, consultants and independent contractors of the Companies, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety,

workers' compensation, leaves of absence, paid sick leave and unemployment insurance. All individuals characterized and treated by the Companies as independent contractors or consultants are properly treated as independent contractors under all applicable Laws. All employees of the Company classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified. Except as set forth in **Schedule 4.21.3**, there are no Actions against the Company pending, or to the Seller's Knowledge, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former applicant, employee, consultant, or independent contractor of the Companies, including, without limitation, any charge or claim relating to unfair labor practices, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, employee classification, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence, paid sick leave, unemployment insurance or any other employment related matter arising under applicable Laws.

4.22 **Taxes**. Except as set forth in **Schedule 4.22**:

4.22.1 All Tax Returns required to be filed on or before the Closing Date by the Companies have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete and correct in all respects. All Taxes due and owing by the Companies (whether or not shown on any Tax Return) have been, or will be, timely paid. The Companies have been included in the Consolidated Tax Returns of Seller, and such Consolidated Tax Returns have also included the results of STB, and STB is not one of the Companies and its ownership will be retained by Seller after the Closing.

4.22.2 Seller or the Companies have withheld and paid each Tax required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, shareholder or other party, and complied with all information reporting and backup withholding provisions of applicable Law.

4.22.3 No claim has been made by any taxing authority in any jurisdiction where the Companies do not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

4.22.4 No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of the Companies.

4.22.5 The amount of the Companies' Liability for unpaid Taxes for all periods ending on or before the Interim Balance Sheet Date does not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) reflected on the Financial Statements. The amount of the Companies' Liability for unpaid Taxes for all periods following the end of the recent period covered by the Financial Statements shall not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) as adjusted for the passage of time in accordance with the past custom and practice of the Companies (and which accruals shall not exceed comparable amounts incurred in similar periods in prior years).

4.22.6 **Schedule 4.22.6** sets forth:

(i) the taxable years of the Companies as to which the applicable statutes of limitations on the assessment and collection of Taxes have not expired;

(ii) those years for which examinations by the taxing authorities have been completed; and

(iii) those taxable years for which examinations by taxing authorities are presently being conducted.

4.22.7 All deficiencies asserted, or assessments made, against the Companies as a result of any examinations by any taxing authority have been fully paid.

4.22.8 The Companies are not a party to any Action by any taxing authority. There are no pending or threatened Actions by any taxing authority.

4.22.9 Seller has delivered to Buyer copies of all federal, state, local and foreign income, franchise and similar Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by, Seller for all Tax periods ending after 2020.

4.22.10 There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of the Companies.

4.22.11 The Companies are not a party to, or bound by, any Tax indemnity, Tax sharing or Tax allocation agreement.

4.22.12 No private letter rulings, technical advice memoranda or similar agreement or rulings have been requested, entered into or issued by any taxing authority with respect to the Companies.

4.22.13 The Companies have not been a member of an affiliated, combined, consolidated or unitary Tax group for Tax purposes other than with Seller and each other Company. The Companies have no Liability for Taxes of any Person (other than the Companies) under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, by contract or otherwise.

4.22.14 The Companies will not be required to include any item of income in, or exclude any item or deduction from, taxable income for any taxable period or portion thereof ending after the Closing Date as a result of:

(i) any change in a method of accounting under Section 481 of the Code (or any comparable provision of state, local or foreign Tax Laws), or use of an improper method of accounting, for a taxable period ending on or prior to the Closing Date;

(ii) an installment sale or open transaction occurring on or prior to the Closing Date;

(iii) a prepaid amount received on or before the Closing Date;

(iv) any closing agreement under Section 7121 of the Code, or similar provision of state, local or foreign Law; or

(v) any election under Section 108(i) of the Code.

4.22.15 Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2. The Companies are not, nor has it been, a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period in Section 897(c)(1)(a) of the Code.

4.22.16 The Companies are not, and have not been, a party to, or a promoter of, a "reportable transaction" within the meaning of Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011-4(b).

4.23 **Books and Records**. The minute books and stock record books of the Companies, all of which have been made available to Buyer, are complete and correct in all material respects and have been maintained in accordance with sound business practices. The minute books of the Companies contain accurate and complete records of all meetings, and actions taken by written consent of, the stockholders, the board of directors and any committees of the board of directors of the Companies, and no meeting, or action taken by written consent, of any such stockholders, board of directors or committee has been held for which minutes have not been prepared and are not contained in such minute books. At the Closing, all of those books and records will be in the possession of the Companies.

4.24 **Related Party Transactions**. Except as set forth on **Schedule 4.24**, there are no Contracts or other arrangements involving the Companies in which Seller, its Affiliates, another Company, or any of its or their respective directors, officers, or employees or any immediate family members thereof is a party, has a financial interest, or otherwise owns or leases any material asset, property, or right which is used by the Companies.

4.25 **Brokers**. No broker, finder or investment banker, including, but not limited to, Charlesmead Advisors, LLC or BA Securities, LLC, is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or the Transaction Documents based upon arrangements made by or on behalf of Seller.

4.26 **Full Disclosure**. To Seller's Knowledge, no representation or warranty by Seller or the Companies in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

4.27 **Acknowledgement of the Buyer.** Buyer acknowledges and agrees that it has conducted its own independent review and analysis of the business, assets, condition and operations of the Companies. In entering into this Agreement, Buyer has relied solely upon the representations and warranties, covenants and agreements of Seller and STB contained in this

Agreement including the Disclosure Schedules and the Transaction Documents and Buyer (a) acknowledges that, other than as set forth in the Transaction Documents, none of Seller or the Companies nor any of their respective directors, officers, employees, Affiliates, agents or representatives makes or has made any representation or warranty, either express or implied, as to the accuracy or completeness of any of the information provided or made available to Buyer or its Representatives prior to the execution of this Agreement, and (b) agrees, to the fullest extent permitted by law, that none of Seller nor any of its respective directors, officers, employees, Affiliates, or Representatives shall have any liability or responsibility whatsoever to Buyer on any basis (including in contract, tort or otherwise) based upon any information provided or made available, or statements made, by any Company prior to the execution of this Agreement except with regard to the fraud or gross negligence of any such party.

4.28 **No Other Representations or Warranties**. Except for the representations and warranties expressly contained in this Agreement including the Disclosure Schedules hereto and the Transaction Documents, neither Seller nor any other Person makes any other express or implied representation or warranty with respect to Seller or the Companies or the transactions contemplated by this Agreement, and Seller disclaims any other representations or warranties, whether made by Seller or any of its Affiliates, officers, directors, employees, agents or Representatives. Except for the representations and warranties expressly contained in this this Agreement including the Disclosure Schedules hereto and the Transaction Documents, Seller hereby disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement, or information made, communicated, or furnished (orally or in writing) to Buyer or any of its Affiliates or representatives (including any opinion, information, projection, or advice that may have been or may be provided to Buyer by any director, officer, employee, agent, consultant, or representative of Seller or the Companies or any of their Affiliates).

5. Representations and Warranties of Buyer. The matters set forth in this Section 5 made by Buyer, as of the date hereof, and which are now and shall continue to be true, complete, and correct up to and including the Closing Date.

5.1 **Organization and Authority of Buyer**. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the state of California. Buyer has full corporate power and authority to enter into this Agreement and the Transaction Documents, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and Transaction Documents, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as enforcement may be limited by general principles of equity whether applied in a court of law or court of equity and by bankruptcy, insolvency and similar laws affecting creditors' rights and remedies generally.

5.2 **No Conflicts; Consents**. The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or

breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Buyer; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice or other action by any Person under any Contract to which Buyer is a party.

5.3 **Investment Purpose**. Buyer is acquiring the Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Shares are not registered under the Securities Act of 1933, as amended, or any state securities laws, and that the Shares may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

5.4 **Brokers**. Except for W.G. Nielsen & Co. and/or Michael Mazer, to which the payment of ay broker, finder or other fee is the sole and exclusive responsibility of Buyer and not Seller nor any of Seller's Affiliates, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or the Transaction Documents based upon arrangements made by or on behalf of Buyer.

5.5 **Availability of Funds**. Buyer will have at the Closing available (through existing credit arrangements or otherwise) cash funds or borrowing capacity under an existing credit facility or otherwise sufficient to consummate the transactions contemplated by this Agreement and to pay all associated fees, costs and expenses incurred by if in connection with the transactions contemplated by this Agreement.

5.6 **Solvency**. Upon consummation of the transactions contemplated hereby, Buyer and the Companies will not (i) be insolvent or left with unreasonably small capital, (ii) have incurred debts beyond their ability to pay debts as they mature, or (iii) have liabilities in excess of the reasonable market value of their assets.

6. Covenants.

6.1 **Conduct of Business Prior to the Closing**. From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer, Seller shall, and shall cause the Companies to, (x) conduct the business of the Companies in the ordinary course of business consistent with past practice; and (y) use reasonable best efforts to maintain and preserve intact the current organization, business and franchise of the Companies and to preserve the rights, franchises, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having business relationships with the Companies. Without limiting the foregoing, from the date hereof until the Closing Date, Seller shall cause the Companies to:

6.1.1 preserve and maintain all of its Permits;

6.1.2 pay its debts, Taxes and other obligations when due;

6.1.3 maintain the properties and assets owned, operated or used by the Companies in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;

6.1.4 continue in full force and effect without modification all Insurance Policies, except as required by applicable Law;

6.1.5 defend and protect its properties and assets from infringement or usurpation;

6.1.6 perform all of its obligations under all Contracts relating to or affecting its properties, assets or business;

6.1.7 maintain its books and records in accordance with past practice;

6.1.8 comply in all material respects with all applicable Laws; and

6.1.9 not take or permit any action that would cause any of the changes, events or conditions described in Section 4.8 to occur.

6.2 **[Intentionally Omitted]**.

6.3 **Access to Information**. From the date hereof until the Closing, Seller shall, and shall cause the Companies to, (a) afford Buyer and its Representatives full and free access to and the right to inspect all of the Real Property, properties, assets, premises, books and records, Contracts and other documents and data related to the Companies; (b) furnish Buyer and its Representatives with such financial, operating and other data and information related to the Companies as Buyer or any of its Representatives may reasonably request including monthly financial statements of the Companies to the extent consistent with monthly statements prepared prior to the Effective Date; and (c) instruct the Representatives of Seller and the Companies to cooperate with Buyer in its investigation of the Companies. Without limiting the foregoing, Seller shall permit Buyer and its Representatives to conduct environmental due diligence of the Companies and the Real Property. Any investigation pursuant to this Section 6.3 shall be conducted in such manner as not to interfere with the conduct of the business of Seller or the Companies. No investigation by Buyer or other information received by Buyer shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller in this Agreement.

6.4 **No Solicitation of Other Bids**.

6.4.1 Seller shall not, and shall not authorize or permit any of its Affiliates (including the Companies) or any of its or their Representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Seller shall immediately cease and cause to be terminated and shall cause its Affiliates (including the Companies) and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, "**Acquisition Proposal**" shall mean any inquiry, proposal or offer from any Person (other than Buyer or any of its Affiliates) concerning (i) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving any of the Companies; (ii) the issuance or acquisition of shares of capital

stock or other equity securities of any of the Companies; or (iii) the sale, lease, exchange or other disposition of any significant portion of the Companies' properties or assets.

6.4.2 In addition to the other obligations under this Section 6.4, Seller shall promptly (and in any event within three (3) days after receipt thereof by Seller or its Representatives) advise Buyer orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same.

6.4.3 Seller agrees that the rights and remedies for noncompliance with this Section 6.4 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Buyer and that money damages would not provide an adequate remedy to Buyer.

6.5 **Notice of Certain Events**.

6.5.1 From the date hereof until the Closing, Seller shall promptly notify Buyer in writing of:

(i) any fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Seller hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 8.2 to be satisfied;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and

(iv) any Actions commenced or, to Seller's Knowledge, threatened against, relating to or involving or otherwise affecting Seller or the Companies that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.17 or that relates to the consummation of the transactions contemplated by this Agreement.

6.5.2 Buyer's receipt of information pursuant to this Section 6.5 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller in this Agreement and shall not be deemed to amend or supplement the Disclosure Schedules.

6.6 **Resignations**. Seller shall deliver to Buyer written resignations, effective as of the Closing Date, of the officers and directors of the Companies set forth on **Schedule 6.6** at least five (5) Business Days prior to the Closing.

6.7 **Confidentiality**. From and after the Closing, Seller shall, and shall cause its Affiliates to, hold, and shall use its reasonable best efforts to cause its or their respective Representatives to hold, in confidence any and all information, whether written or oral, concerning the Companies, except to the extent that Seller can show that such information (a) is generally available to and known by the public through no fault of Seller, any of its Affiliates or their respective Representatives; or (b) is lawfully acquired by Seller, any of its Affiliates or their respective Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. If Seller or any of its Affiliates or their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of Law, Seller shall promptly notify Buyer in writing and shall disclose only that portion of such information which Seller is advised by its counsel in writing is legally required to be disclosed, provided that Seller will cooperate with Buyer, at Buyer's cost and expense, to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

6.8 **Governmental Approvals and Consents**.

6.8.1 The Seller, Companies and Buyer, at Buyer's expense including filing fees and counsel costs, shall jointly make any required filings and applications with Governmental Authorities that are needed to effectuate the transaction contemplated herein, including but not limited to the FCC, the California PUC and any state or local governments as expeditiously as possible following execution of this Agreement. The Seller and the Companies shall cooperate with Buyer to provide necessary information and support as may reasonably be needed for Buyer to make any required filings and applications with applicable Governmental Authorities.

6.8.2 Each party hereto shall use reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the Transaction Documents. Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

6.8.3 Seller and Buyer shall use reasonable best efforts to give all notices to, and obtain all consents from, all third parties that are described in **Schedule 4.5**.

6.9 **Closing Conditions**. From the date hereof until the Closing, each party hereto shall, and Seller shall cause the Companies to, use reasonable best efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Section 8 hereof.

6.10 **Public Announcements**. Unless otherwise required by applicable Law, no party to this Agreement shall make any public announcements in respect of this Agreement or the

transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

6.11 **Further Assurances**. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

6.12 **Indemnification; Exculpation**. All rights to indemnification and exculpation (including the advancement of expenses) from Liabilities for acts or omissions occurring prior to Closing, which rights existed as of the Closing in favor of former directors and officers of the Companies as provided in their Articles of Incorporation or Bylaws (in each instance, as amended) as of the Closing Date or pursuant to applicable Law (the "**D&O Indemnified Parties**") shall survive the Closing and shall continue in full force and effect without amendment, modification or repeal in accordance with their terms for a period of not less than six (6) years after the Closing; provided, however, that if any claims are asserted or made by any D&O Indemnified Party within such period, all rights to indemnification (and to advancement of expenses) hereunder in respect of any such claims shall continue, without diminution, until the disposition of such claims. Notwithstanding the foregoing, any rights to indemnification and exculpation referred to in this Section 6.12 shall not apply to (i) any claims the underlying basis of which would constitute a breach of the representations and warranties of Seller under any Transaction Document (ignoring any knowledge of materiality qualifiers), (ii) any claims by Seller in any capacity against a D&O Indemnified Party, or (iii) any other claims if such D&O Indemnified Party is found to have acted with gross negligence or ad faith or to have committed fraud or a criminal act. The provisions of this Section 6.12 are intended to be for the benefit of, and enforceable by, Seller, its shareholders and each of their successors and assigns.

6.13 **Post-Closing Covenants of Seller and STB**. For a period of two (2) years from the Closing Date, Seller and STB agree that either Seller or STB or some combination will (i) continue to own of record STB's current ownership interest in CVIN or (ii) cash in an amount not less than Three Million Dollars ($3,000,000).

7. Tax Matters.

7.1 Tax Covenants.

7.1.1 Without the prior written consent of Buyer not to be unreasonably withheld, conditioned or delayed, Seller shall not (and, prior to the Closing, Seller shall cause the Companies, its Affiliates and their respective Representatives not to), to the extent it may affect, or relate to, the Companies, make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Buyer or the Companies in respect of any Post-Closing Tax Period. Seller agrees that Buyer is to

have no liability for any Tax resulting from any such action of Seller, the Companies, its Affiliates or any of their respective Representatives.

7.1.2 All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the Transaction Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid by the party that is required by Law to pay such Taxes. The party required by Law to do so shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and the other party shall cooperate with respect thereto as necessary).

7.1.3 Seller shall prepare, or cause to be prepared, all Tax Returns required to be filed by the Companies after the Closing Date with respect to a Pre-Closing Tax Period, which may require a Consolidated Tax Return of Seller to be filed including the results of the Companies with respect to a Pre-Closing Tax Period. Any such Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law) and without a change of any election or any accounting method and shall be submitted by Seller to Buyer (together with schedules, statements and, to the extent requested by Seller, supporting documentation) at least thirty (30) days prior to the due date (including extensions) of such Tax Return. If Buyer objects to any item on any such Tax Return, it shall, within five (5) days after delivery of such Tax Return, notify Seller in writing that it so objects, specifying with particularity any such item and stating the specific factual or legal basis for any such objection. If a notice of objection shall be duly delivered, Buyer and Seller shall negotiate in good faith and use their reasonable best efforts to resolve such items. If Buyer and Seller are unable to reach such agreement within five (5) days after receipt by Seller of such notice, the disputed items shall be resolved by the Independent Accountant and any determination by the Independent Accountant shall be final. The Independent Accountant shall resolve any disputed items within fifteen (15) days of having the item referred to it pursuant to such procedures as it may require. If the Independent Accountant is unable to resolve any disputed items before the due date for such Tax Return, the Tax Return shall be filed as prepared by Seller and then amended to reflect the Independent Accountant's resolution. The costs, fees and expenses of the Independent Accountant shall be borne equally by Buyer and Seller. The preparation and filing of any Tax Return of the Companies that does not relate to a Pre-Closing Tax Period shall be exclusively within the control of Buyer and Buyer shall be responsible for all Taxes of the Companies or relating to the business of the Companies for all Post-Closing Tax Periods.

7.2 **Tax Indemnification**. Except to the extent treated as a liability in the calculation of Closing Working Capital, from and after Closing, Seller shall indemnify the Companies, Buyer, and each Buyer Indemnitee and hold them harmless from and against (a) any Loss attributable to any breach of or inaccuracy in any representation or warranty made in Section 4.22; (b) any Loss attributable to any breach or violation of, or failure to fully perform, any covenant, agreement, undertaking or obligation in Section 7; (c) all Taxes of the Companies or relating to the business of the Companies for all Pre-Closing Tax Periods ("**Pre-Closing Taxes**"); (d) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which the Companies (or any predecessor of the Companies) are or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of foreign, state or local Law; and (e) any and all Taxes of any person imposed on the Companies arising

under the principles of transferee or successor liability or by contract, relating to an event or transaction occurring before the Closing Date. In each of the above cases, together with any out-of-pocket fees and expenses (including attorneys' and accountants' fees) incurred in connection therewith, Seller shall reimburse Buyer for any Taxes of the Companies that are the responsibility of Seller pursuant to this Section 7.2 within ten (10) Business Days after payment of such Taxes by Buyer or the Companies.

7.3 **Straddle Period**. In the case of Taxes that are payable with respect to a taxable period that begins before and ends after the Closing Date (each such period, a "**Straddle Period**"), the portion of any such Taxes that are treated as Pre-Closing Taxes for purposes of this Agreement shall be:

7.3.1 in the case of Taxes (i) based upon, or related to, income, receipts, profits, wages, capital or net worth, (ii) imposed in connection with the sale, transfer or assignment of property, or (iii) required to be withheld, deemed equal to the amount which would be payable if the taxable year ended with the Closing Date; and

7.3.2 in the case of other Taxes, deemed to be the amount of such Taxes for the entire period multiplied by a fraction the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire period.

7.4 **Contests**. Buyer agrees to give written notice to Seller of the receipt of any written notice by the Companies, Buyer or any of Buyer's Affiliates which involves the assertion of any claim, or the commencement of any Action, in respect of which an indemnity may be sought by Buyer pursuant to this Section 7 (a "**Tax Claim**"); provided, that failure to comply with this provision shall not affect Buyer's right to indemnification hereunder.

7.4.1 Seller shall have the right, at its expense, to control any Tax audit, investigation or proceeding, initiate any claim for refund, contest, resolve and defend against any assessment, notice of deficiency, or other adjustment or proposed adjustment relating to any and all Taxes of Seller or the Companies for any taxable period (or portion thereof) ending on or before the Closing Date; provided, however, that Seller shall consult with Buyer regarding the resolution of any issue that would affect Buyer, and not settle any issue, or file any Tax Return relating to such issue, or take any other action, without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

7.4.2 Except to the extent provided in Section 7.4.1, Buyer shall control the contest or resolution of any Tax Claim; provided, however, that Buyer shall obtain the prior written consent of Seller (which consent shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of a claim or ceasing to defend any claim that may be reasonably expected to cause Seller to become liable for or obligated to make any payment pursuant to this Agreement or otherwise, Buyer will consult with Seller regarding the resolution of any issue that would affect Seller, and not settle any issue, or file any Tax Return relating to such issue, or take any other action, without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed.

7.5 **Cooperation and Exchange of Information**. Seller and Buyer shall provide each other with such cooperation and information as either of them reasonably may request of the other in filing any Tax Return pursuant to this Section 7 or in connection with any audit or other proceeding in respect of Taxes of the Companies. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by tax authorities. Each of Seller and Buyer shall retain all Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Companies for any taxable period beginning before the Closing Date until the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions except to the extent notified by the other party in writing of such extensions for the respective Tax periods. Prior to transferring, destroying or discarding any Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Companies for any taxable period beginning before the Closing Date, Seller or Buyer (as the case may be) shall provide the other party with reasonable written notice and offer the other party the opportunity to take custody of such materials.

7.6 **Tax Treatment of Indemnification Payments**. Any indemnification payments pursuant to this Section 7 shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

7.7 **Payments to Buyer**. Any amounts payable to Buyer pursuant to this Section 7 shall be satisfied from Seller.

7.8 **Survival**. Notwithstanding anything in this Agreement to the contrary, the provisions of Section 4.22 and this Section 7 shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus 60 days.

7.9 **Refunds and Credits**. Any Tax refunds that are received by the Companies or Buyer after the Closing Date, and any amounts the Companies or Buyer actually credit against Taxes, that relate to Tax periods or portions thereof ending on or before the Closing Date shall be for the account of Seller, and Buyer or the Companies shall pay over to Seller any such refund or the amount of any such credit within ten (10) days after receipt or crediting thereof; provided, however, that the foregoing shall not apply to any net operating loss ("**NOL**") or Tax carry-forward of the Companies for any pre-Closing period.

7.10 **Scope**. To the extent that any obligation or responsibility pursuant to Section 9 may overlap with an obligation or responsibility pursuant to this Section 7, the provisions of this Section 7 shall govern. Any claim by any party relating to a breach by another party of its obligations under this Section 7 or otherwise with respect to indemnification shall be pursued in accordance with the procedures for indemnification claims, and shall otherwise be subject to the terms and conditions, set forth in Section 9. In no event shall a Buyer Indemnitee have any right to indemnification under this Section 7 for any Taxes to the extent such Taxes were included as a current liability in the final determination of Closing Working Capital. The Buyer Indemnitees shall not be entitled to indemnification under both this Section 7 and Section 9 of this Agreement with respect to the same matter.

8. Conditions to Closing.

8.1 **Conditions to Obligations of All Parties**. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

8.1.1 No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

8.1.2 Seller shall have received all consents, authorizations, orders and approvals from the Governmental Authorities referred to in **Schedule 4.5** in form and substance reasonably satisfactory to Seller and Buyer, and no such consent, authorization, order and approval shall have been revoked.

8.2 **Conditions to Obligations of Buyer**. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

8.2.1 Other than the representations and warranties of Seller contained in Section 4.1, Section 4.2, Section 4.3, Section 4.4 and Section 4.5, the representations and warranties of Seller contained in Transaction Documents shall be true and correct in all respects (without giving effect to any limitation indicated by the words "Material Adverse Effect," "in all material respects," "in any material respect," "material," or "materially") on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects), except where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The representations and warranties of Seller contained in Section 4.1, Section 4.2, Section 4.3, Section 4.4 and Section 4.5 shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

8.2.2 Seller shall have duly performed and complied in all material respects with all agreements and covenants required by the Transaction Documents to be performed or complied with by it prior to or on the Closing Date.

8.2.3 No Action shall have been commenced against Buyer, Seller or the Companies, which would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any transaction contemplated hereby.

8.2.4 All approvals, consents and waivers that are listed on **Schedule 4.5** shall have been received, and executed counterparts thereof shall have been delivered to Buyer at or prior to the Closing.

8.2.5 From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

8.2.6 The Transaction Documents shall have been executed and delivered by the parties thereto and true and complete copies thereof shall have been delivered to Buyer.

8.2.7 Buyer shall have received resignations of the directors and officers of the Companies pursuant to Section 6.6.

8.2.8 Seller shall have delivered to Buyer the Estimated Closing Working Capital Statement contemplated in Section 3.3.1.

8.2.9 Seller shall have delivered to Buyer a good standing certificate (or its equivalent) for the Companies from the secretary of state or similar Governmental Authority of the jurisdiction under the Laws in which the Companies are organized.

8.2.10 Seller shall have delivered to Buyer a certificate pursuant to Treasury Regulations Section 1.1445-2(b) that Seller is not a foreign person within the meaning of Section 1445 of the Code.

8.2.11 Seller shall have delivered, or caused to be delivered, to Buyer stock certificates evidencing the Shares, free and clear of Encumbrances, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank and with all required stock transfer tax stamps affixed.

8.2.12 Buyer shall have received a certificate of the Secretary of Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Seller authorizing the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

8.2.13 Buyer shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Seller, that each of the conditions set forth in Section 8.2.1 and Section 8.2.2 have been satisfied.

8.2.14 Seller shall have delivered to Buyer such other documents or instruments as Buyer reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

8.3 **Conditions to Obligations of Seller**. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver, at or prior to the Closing, of each of the following conditions:

8.3.1 Other than the representations and warranties of Buyer contained in Section 5.1, Section 5.2 and Section 5.4, the representations and warranties of Buyer contained in this Agreement and the Transaction Documents shall be true and correct in all respects (without giving effect to any limitation indicated by the words "Material Adverse Effect," "in all material respects," "in any material respect," "material," or "materially") on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects), except where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Buyer's ability to consummate the transactions contemplated by this Agreement. The representations and warranties of Buyer contained in Section 5.1, Section 5.2 and Section 5.4 shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

8.3.2 Buyer shall have duly performed and complied in all material respects with all agreements and covenants required by this Agreement and Transaction Documents to be performed or complied with by it prior to or on the Closing Date.

8.3.3 The Transaction Documents shall have been executed and delivered by the parties thereto and complete copies thereof shall have been delivered to Seller.

8.3.4 Buyer shall have delivered to Seller cash in an amount equal to the Closing Date Payment by wire transfer of immediately available funds and directed the Escrow Agent to distribute to Seller all funds in the Escrow Account, to an account or accounts designated at least two (2) Business Days prior to the Closing Date by Seller in a written notice to Buyer.

8.3.5 Seller shall have received a certificate of the Secretary of the Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of the Buyer authorizing the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

8.3.6 Seller shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Buyer, that each of the conditions set forth in Section 8.3.1 and Section 8.3.2 have been satisfied.

8.3.7 Buyer shall have delivered to Seller such other documents or instruments as Seller reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

9. Indemnification.

9.1 **Survival**. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein (other than any representations or warranties contained in Section 4.22 which are subject to Section 7) shall survive the Closing and shall remain in full force and effect until the date that is one (1) year from the Closing Date; provided, that the representations and warranties in Section 4.1, Section 4.2, Section 4.3, Section 4.4, Section 4.5, Section 4.18, Section 4.20, Section 5.1, Section 5.2 and Section 5.4 shall survive indefinitely. All covenants and agreements of the parties contained herein (other than any covenants or agreements contained in Section 7 which are subject to Section 7) shall survive the Closing indefinitely or for the period explicitly specified therein. It is the express intent of the parties that, if the applicable survival period for an item, as contemplated by this Section 9 is shorter than the statute of limitations that otherwise would have been applicable to such item, then by contract right of a party to seek indemnification from the other party shall cease notwithstanding the applicable statute of limitations with respect to such item. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

9.2 **Indemnification By Seller**. Subject to the other terms and conditions of this Section 9, from and after Closing, Seller shall indemnify and defend each of Buyer and its Affiliates (including the Companies) and their respective Representatives (collectively, the "**Buyer Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, with respect to or by reason of:

9.2.1 any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement, the Disclosure Schedules, or in any certificate or instrument delivered by or on behalf of Seller pursuant to this Agreement (other than in respect of Section 4.22, it being understood that the remedy for any such inaccuracy in or breach thereof shall be pursuant to Section 7) and, provided, further, that Buyer may not assert any claim for any inaccuracy in or breach of a representation and warranty about which Buyer Representative gains actual knowledge of prior to the Closing Date as a result of the services of Buyer Representative as a consultant to Seller or any of the Companies prior to the Closing Date except to the extent that Buyer has provided a Pre-Closing Notice about a Potential Claim;

9.2.2 any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement or in any certificate or instrument delivered by or on behalf of Seller pursuant to this Agreement (other than any breach or non-fulfillment of any covenant, agreement or obligation in Section 7, it being understood that the sole remedy for any such breach or non-fulfillment shall be pursuant to Section 7);

9.2.3 any services provided by any of the Companies, in whole or in part, prior to the Closing Date;

9.2.4 any and all liability arising out of or relating to the lawsuit entitled Bryan Smith v. Sierra Telephone Company, Inc. and Robert Griffin, Case No MCV093375, filed in the

Superior Court of the State of California, in and for the County of Madera, or claims or obligations ancillary thereto;

9.2.5 any and all liability arising out of or relating to (i) the audit of STC by the Internal Audit Division of Universal Service Administrative Company ("USAC") relating to the period of July 1, 2019 through June 30, 2020; (ii) the Payment Quality Assurance (PQA) Program Assessment with respect to the Federal Universal Fund Lifeline Program per notice provided by USAC to STC on October 31, 2025 asserted for any period prior to the Closing Date; and/or (iii) the disbursement made November 1, 2024 under the PQA Program per the letter provided by USAC to STC dated January 13, 2026; or

9.2.6 any and all liability arising out of or relating to the failure of Seller or the Companies to make matching contributions to the NTCA Savings Plan and/or Roth 401(k) Plan to employees of Seller or the Companies.

9.3 **Indemnification By Buyer**. Subject to the other terms and conditions of this Section 9, from and after Closing, Buyer shall indemnify and defend each of Seller and its Affiliates and their respective Representatives (collectively, the "**Seller Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, with respect to or by reason of:

9.3.1 any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement or in any certificate or instrument delivered by or on behalf of Buyer pursuant to this Agreement;

9.3.2 any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement; or

9.3.3 any services provided by any of the Companies, in whole or in part, on or after the Closing Date.

9.4 **Certain Limitations**. The indemnification provided for in Section 9.2 and Section 9.3 shall be subject to the following limitations:

9.4.1 Seller shall not be liable to the Buyer Indemnitees for indemnification under Section 9.2.1 until the aggregate amount of all Losses in respect of indemnification under Section 9.2.1 exceeds $50,000 (the "**Basket**"), in which event Seller shall be required to pay or be liable for all such Losses from the first dollar.

9.4.2 Buyer shall not be liable to the Seller Indemnitees for indemnification under Section 9.3.1 until the aggregate amount of all Losses in respect of indemnification under Section 9.3.1 exceeds the Basket, in which event Buyer shall be required to pay or be liable for all such Losses from the first dollar.

9.4.3 Notwithstanding the foregoing, the limitations set forth in Section 9.4.1 and 9.4.2 shall not apply to Losses based upon, arising out of, with respect to or by reason of any

inaccuracy in or breach of any representation or warranty in Section 4.1, Section 4.2, Section 4.3, Section 4.4, Section 4.5, Section 5.1, Section 5.2 and Section 5.4.

9.4.4 For purposes of this Section 9 (including for purposes of determining the existence of any inaccuracy in, or breach of, any representation or warranty and for calculating the amount of any Loss with respect thereto), any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

9.4.5 Notwithstanding anything in this Agreement to the contrary, no party shall be liable for any consequential, punitive (other than to the extent paid to a third party), speculative, treble, remote, special or indirect damages relating to a breach of this Agreement.

9.5 **Indemnification Procedures**. The party making a claim under this Section 9 is referred to as the "**Indemnified Party**", and the party against whom such claims are asserted under this Section 9 is referred to as the "**Indemnifying Party**".

9.5.1 If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "**Third-Party Claim**") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after receipt of such notice of such Third-Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third-Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third-Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; provided, that if the Indemnifying Party is Seller, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third-Party Claim that (x) is asserted directly by or on behalf of a Person that is a supplier or customer of a Company, or (y) seeks an injunction or other equitable relief against the Indemnified Party. In the event that the Indemnifying Party assumes the defense of any Third-Party Claim, subject to Section 9.5.2, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, provided, that if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each

jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third-Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third-Party Claim, the Indemnified Party may, subject to Section 9.5.2, pay, compromise, defend such Third-Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third-Party Claim. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third-Party Claim, including making available non-privileged records relating to such Third-Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third-Party Claim.

9.5.2 Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third-Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 9.5.2. If a firm offer is made to settle a Third-Party Claim without leading to Liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all Liabilities and obligations in connection with such Third-Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third-Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third-Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third-Party Claim, the Indemnifying Party may settle the Third-Party Claim upon the terms set forth in such firm offer to settle such Third-Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 9.5.1, it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed).

9.5.3 Any Action by an Indemnified Party on account of a Loss which does not result from a Third-Party Claim (a "**Direct Claim**") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Companies' premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request.

If the Indemnifying Party does not so respond within such thirty (30)-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

9.5.4 Notwithstanding any other provision of this Agreement, the control of any claim, assertion, event or proceeding in respect of Taxes of the Companies (including, but not limited to, any such claim in respect of a breach of the representations and warranties in Section 4.22 hereof or any breach or violation of or failure to fully perform any covenant, agreement, undertaking or obligation in Section 7) shall be governed exclusively by Section 7 hereof.

9.5.5 Notwithstanding any other provision of this Agreement, if, prior to the Closing Date, Buyer receives notice of or otherwise becomes aware of any fact or circumstances that Buyer believes is the basis for an indemnification claim pursuant to Section 9.2 hereof, if the Potential Claim were made after the Closing (the "**Potential Claim**"), Buyer shall provide notice to Seller of Buyer's intention to seek a Purchase Price adjustment or otherwise assert rights pursuant to this Section 9.5.5 (the "**Pre-Closing Notice**"). Buyer and Seller shall negotiate for a thirty (30) day period beginning upon Seller's receipt of the Pre-Closing Notice to agree upon whether and to what extent any amount is payable in respect of the Potential Claim and the reduction in Purchase Price as a result of such claim. If the Potential Claim and a Purchase Price adjustment are not resolved during the thirty (30) day period, the parties agree to attempt in good faith to resolve the Potential Claim in confidential, non-binding mediation, using an experienced mediator with at least five (5) years of experience who is an attorney or retired judge and who is mutually agreed upon by the parties. If the parties are unable to agree upon a mediator, the American Arbitration Association ("**AAA**") will suggest three (3) mediators meeting the above qualifications and each party will strike one. A mediation session shall be scheduled within thirty (30) days after the failure of the informal discussions to resolve the Potential Claim. Costs of the mediation shall be borne equally by Buyer and Seller. The mediation will be held under the rules of AAA and will be conducted in Fresno, California. Should the parties be unable to resolve the Potential Claim and a Purchase Price adjustment through mediation, Seller may terminate this Agreement without any further obligation to Buyer and the Earnest Money Deposit will be returned to Buyer only if (i) Buyer is seeking in excess of One Million Five Hundred Thousand Dollars ($1,500,000) payable to Buyer on account of Potential Claim, or (ii) Seller reasonably determines in good faith that Buyer will seek in excess of One Million Five Hundred Thousand Dollars ($1,500,000) payable to Buyer on account of Potential Claim, after Closing. Absent a termination of the Agreement, the parties may proceed to Closing reserving in full all of their rights and remedies under this Agreement including the ability to commence actions in law to pursue claims for indemnity. Nothing in this Section 9.5.5 shall limit or prevent Buyer from seeking indemnification against Seller following the Closing Date for any Third-Party Claim, Direct Claim or any other Losses except to the extent that Buyer has actual knowledge of the facts or circumstances of a Potential Claim prior to the Closing and has not provided a Pre-Closing Notice to Seller.

9.6 **Payments**. Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Section 9, the Indemnifying Party shall satisfy its obligations within fifteen (15) Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds.

9.7 **Indemnification Offset**. Notwithstanding Section 9.6 above, once a Loss is agreed by the Indemnifying Party or finally adjudicated to be payable pursuant to this Section 9, and to the extent that Seller is the Indemnifying Party, the Buyer, as the Indemnified Party, shall be required to deduct and offset the amount of such Loss as follows:

(i) In the event the Note has not been prepaid, the Loss shall be deducted from amounts due and owing from the principal balance of the Note.

(ii) To the extent that the amount of the Loss exceeds the balance of the Note, Seller shall pay the remaining amount pursuant to Section 9.6 above.

9.8 **Tax Treatment of Indemnification Payments**. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

9.9 **Effect of Investigation**. The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 8.2 or Section 8.3, as the case may be.

9.10 **Exclusive Remedy**. Subject to Section 7, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud, criminal activity or willful misconduct on the part of a party in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this Section 9. In furtherance of the foregoing, each party waives, to the fullest extent permitted under Law, any and all rights, claims, causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other party hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in Section 9 and Section 7 or the provisions set forth in section 11.11. Nothing in this Section 9.10 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any Party's fraudulent, criminal or intentional misconduct.

10. Termination.

10.1 **Termination**. This Agreement may be terminated at any time prior to the Closing:

10.1.1 by the mutual written consent of Seller and Buyer;

10.1.2 by Buyer or Seller, upon written notice to the other party, if the transactions contemplated by this Agreement have not been consummated on or before July 31, 2027 (the "**Drop Dead Date**");

10.1.3 by Buyer by written notice to Seller if Buyer is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 8 and such breach, inaccuracy or failure has not been cured, if curable, by Seller within thirty (30) days of the Seller's receipt of written notice of such breach from Buyer;

10.1.4 by Seller by written notice to Buyer if Seller is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Section 8 and such breach, inaccuracy or failure has not been cured, if curable, by Buyer within thirty (30) days of Buyer's receipt of written notice of such breach from the Seller;

10.1.5 by Buyer or Seller if (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable;

10.1.6 by Buyer in the event of a termination of Eric Votaw as a consultant to Seller and STC.

10.2 **Effect of Termination**. Except as otherwise set forth in this Agreement, in the event of the termination of this Agreement in accordance with this Section, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

10.2.1 that the obligations set forth in this Section 10 and Section 11 hereof shall survive termination and the Earnest Money Deposit and all accrued interest shall be returned to Buyer as described in the Escrow Agreement; and

10.2.2 that nothing herein shall relieve any party hereto from liability for any willful breach of any provision hereof and any non-breaching party shall be entitled to all remedies against the breaching party for such breach, whether at Law or in equity, even if the non-breaching party is the party that terminated this Agreement.

11. Miscellaneous.

11.1 **Expenses**. Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

11.2 **Notices**. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail

of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 11.2):

If to Seller:	Sierra Tel Communications Group c/o Womble Bond Dickinson (US) LLP 50 California Street, Suite 2750 San Francisco, CA 94111 Phone: (415) 433-1900 Attn: Walter W. Hansell, Esq. Email: walter.hansell@wbd-us.com
If to Buyer:	Varcomm-SierraTel, Inc. P.O. Box 700 Ducor, CA 93218 Phone: (559) 534-2211 Attn: Eric N. Votaw Email: evotaw@varcomm.biz
with a copy to (which shall not constitute notice):	GVM Law 1000 Main St. #300 Napa, CA 94559 Phone: (707) 252-9000 Attn: Nicholas Donovan Email: ndonovan@gvmlaw.com

11.3 **Interpretation**. For purposes of this Agreement, unless otherwise expressly provided, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole; and (d) references herein: (i) to Sections, Disclosure Schedules and Exhibits mean the Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

11.4 **Headings**. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

11.5 **Severability**. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

11.6 **Entire Agreement**. The Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

11.7 **Successors and Assigns**. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that prior to the Closing Date, Buyer may, without the prior written consent of Seller, assign all or any portion of its rights under this Agreement to one or more of its direct or indirect wholly-owned subsidiaries. No assignment shall relieve the assigning party of any of its obligations hereunder.

11.8 **No Third-Party Beneficiaries**. Except as provided in Section 7.2 and Section 9, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

11.9 **Amendment and Modification; Waiver**. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

11.10 **Governing Law; Submission to Jurisdiction; Waiver of Jury Trial**.

11.10.1 This Agreement shall be governed by and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction).

11.10.2 Any legal suit, action or proceeding arising out of or based upon this Agreement, the Transaction Documents, or the transactions contemplated hereby or thereby may be instituted in the federal courts of the United States of America or the courts of the state of California in each case located in or with jurisdiction over the County of Madera, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

11.10.3 EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.10.3.

11.11 **Specific Performance**. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. Upon Seller's failure to proceed with Closing notwithstanding the satisfaction of all the conditions set forth in Section 8.1 and 8.3, Buyer shall provide written notice to Seller of such failure. If Seller fails to proceed with Closing within thirty (30) days of such notice, Buyer shall immediately be entitled to seek all available legal and/or equitable remedies available to Buyer in a court of competent jurisdiction, including without limitation specific performance and/or damages.

11.12 **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

11.13 **Disclosure Schedules**. Each Disclosure Schedule or section within the Disclosure Schedules is populated by reference to the Section of this Agreement to which it applies; provided, that disclosures in the Disclosure Schedules with respect to a particular representation or warranty in this Agreement shall be deemed to be disclosures made with respect to any other representation and warranty in this Agreement where such disclosure is appropriate and solely to the extent that it is clearly apparent on its face from reading such Disclosure Schedule that such disclosure is applicable to such other representation and warranty. The Disclosure Schedules are qualified in their entirety by reference to specific provisions of the Agreement, and are not intended to constitute, and shall not be construed as constituting, any representation or warranty or covenant of Seller, except as and to the extent expressly provided in this Agreement. No disclosure in the Disclosure Schedules relating to any possible breach or violation of any Contract or Law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred or that such item constitutes a Material Adverse Effect. Capitalized terms used but not defined in the Disclosure Schedules shall have the same meanings given them in this Agreement. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

[Signatures on the following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

BUYER:

VARCOMM-SIERRATEL, INC., a California corporation

E. M. Votaw

Eric Votaw, Chief Executive Officer

SELLER:

SIERRA TEL COMMUNICATIONS GROUP, a California corporation

John H. Baker, Chairman

[Signature Page to Stock Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

BUYER:

VARCOMM-SIERRATEL, INC., a California corporation

Eric Votaw, Chief Executive Officer

SELLER:

SIERRA TEL COMMUNICATIONS GROUP, a California corporation

John H. Baker, Chairman

List of Exhibits

Exhibit A: Definitions

Exhibit B: Escrow Agreement

Exhibit C: Note

Exhibit D: CVIN Pledge Agreement

EXHIBIT A

DEFINITIONS

As used in this Agreement, the following terms shall have the following respective meanings:

"**AAA**" has the meaning set forth in Section 9.5.5.

"**Acquisition Proposal**" has the meaning set forth in Section 6.4.1.

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble.

"**Authorizations**" has the meaning set forth in Section 4.18.2.

"**Balance Sheet**" has the meaning set forth in Section 4.6.4.

"**Balance Sheet Date**" has the meaning set forth in Section 4.6.4.

"**Basket**" has the meaning set forth in Section 9.4.1.

"**Benefit Plan**" has the meaning set forth in Section 4.20.1.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in California are authorized or required by Law to be closed for business.

"**Buyer**" has the meaning set forth in the preamble.

"**Buyer Indemnitees**" has the meaning set forth in Section 9.2.

"**Buyer Representative**" shall mean Eric Votaw.

"**Buyer's CVIN Subsidiary**" has the meaning set forth in Section 2.4.1.

"**California PUC**" has the meaning set forth in Section 4.18.2.

"**Cal Trans**" has the meaning set forth in Section 4.18.2.

"**CERCLA**" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

"**Closing**" has the meaning set forth in Section 3.1.

"**Closing Date**" has the meaning set forth in Section 3.1.

"**Closing Date Payment**" has the meaning set forth in Section 2.3.2(i).

"**Closing Working Capital**" means: (a) the Current Assets of the Companies, less (b) the Current Liabilities of the Companies, determined as of the close of business on the Closing Date.

"**Closing Working Capital Statement**" has the meaning set forth in Section 3.3.2(i).

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Communications Act**" has the meaning set forth in Section 4.18.1.

"**Communications Law**" has the meaning set forth in Section 4.18.1.

"**Communications Permits**" has the meaning set forth in Section 4.18.2.

"**Company**" and "**Companies**" have the meanings set forth in the recitals.

"**Company Indebtedness**" means, without duplication and with respect to the Companies, as of the Closing, all (a) indebtedness for borrowed money; (b) obligations for the deferred purchase price of property or services (other than Current Liabilities taken into account in the calculation of Closing Working Capital), (c) long or short-term obligations evidenced by notes, bonds, debentures or other similar instruments; (d) obligations under any interest rate, currency swap or other hedging agreement or arrangement; (e) capital lease obligations; (f) reimbursement obligations under any letter of credit, banker's acceptance or similar credit transactions; (g) guarantees made by the Company on behalf of any third party in respect of obligations of the kind referred to in the foregoing clauses (a) through (f); and (h) any unpaid interest, prepayment penalties, premiums, costs and fees that would arise or become due as a result of the prepayment of any of the obligations referred to in the foregoing clauses (a) through (g) but excluding any prepayment penalties, premiums, costs and fees related to the RUS Loan Agreement.

"**Company Intellectual Property**" means all Intellectual Property that is owned by the Companies.

"**Company IP Agreements**" means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, waivers, releases, permissions and other Contracts, whether written or oral, relating to Intellectual Property to which the Companies are a party, beneficiary or otherwise bound.

"**Company IP Registrations**" means all of the Companies' Intellectual Property that is subject to any issuance, registration or application by or with any Governmental Authority or authorized private registrar in any jurisdiction, including issued patents, registered trademarks, domain names and copyrights, and pending applications for any of the foregoing.

"**Company IT Systems**" means all Software, computer hardware, servers, networks, platforms, peripherals, and similar or related items of automated, computerized, or other information technology (IT) networks and systems (including telecommunications networks and systems for voice, data and video) owned, leased, licensed, or used (including through cloud-based or other third-party service providers) by the Companies.

"**Company Retiree Health Obligations**" has the meaning set forth in Section 2.2.3.

"**Contracts**" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"**Copyrights**" has the meaning set forth in the definition of Intellectual Property.

"**Current Assets**" means the aggregate of the Companies' cash and cash equivalents, accounts receivable, inventory and prepaid expenses, but excluding (a) the portion of any prepaid expense of which Buyer will not receive the benefit following the Closing, (b) deferred Tax assets, and (c) from receivables from and between any of the Companies or from Company Affiliates, directors, employees, officers or stockholders and any of their respective Affiliates, determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Audited Financial Statements for the most recent fiscal year end as if such accounts were being prepared and audited as of a fiscal year end.

"**Current Liabilities**" means the aggregate of the Companies' accounts payable, accrued Taxes, and accrued expenses, but excluding (a) payables by and between any of the Companies and any of the Companies' Affiliates, directors, employees, officers, or stockholders and any of their respective Affiliates, (b) deferred Tax liabilities, and (c) the current portion of any Indebtedness, each determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies, and procedures, with consistent classifications, judgments, and valuation and estimation methodologies that were used in the preparation of the Audited Financial Statements for the most recent fiscal year end as if such accounts were being prepared and audited as of a fiscal year end.

"**CVIN**" has the meaning set forth in the recitals.

"**CVIN Pledge Agreement**" has the meaning set forth in Section 2.4.1.

"**D&O Indemnified Parties**" has the meaning set forth in Section 6.12.

"**Direct Claim**" has the meaning set forth in Section 9.5.3.

"**Disclosure Schedules**" means the Disclosure Schedules delivered by Seller and Buyer concurrently with the execution and delivery of this Agreement, as later supplemented or updated, no later than ten (10) Business Days prior to the Closing.

"**Disputed Amounts**" has the meaning set forth in Section 3.3.3(iii).

"**Drop Dead Date**" has the meaning set forth in Section 10.1.2.

"**Earnest Money Deposit**" has the meaning set forth in Section 2.3.1.

"**Effective Date**" has the meaning set forth in the preamble.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Enhanced ACAM Program**" has the meaning set forth in Section 4.18.7.

"**Environmental Claim**" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence of, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"**Environmental Law**" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient or indoor air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act of 1910, as amended, 7 U.S.C. §§ 136 et seq.;

the Oil Pollution Act of 1990, as amended, 33 U.S.C. §§ 2701 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"**Environmental Notice**" means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"**Environmental Permit**" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"**ERISA Affiliate**" means all employers (whether or not incorporated) that would be treated together with the Companies or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code or Section 4001 of ERISA.

"**Escrow Account**" has the meaning set forth in Section 2.3.1.

"**Escrow Agent**" means U.S. Bank National Association, a national banking association.

"Escrow Agreement" means that certain Escrow Agreement by and among Seller, Buyer and Escrow Agent in the form of **Exhibit B**.

"**Estimated Closing Working Capital**" has the meaning set forth in Section 3.3.1.

"**Estimated Closing Working Capital Statement**" has the meaning set forth in Section 3.3.1.

"**FAA**" has the meaning set forth in Section 4.18.6.

"**FAA Rules**" has the meaning set forth in Section 4.18.6.

"**FCC**" has the meaning set forth in Section 4.18.2.

"**FCC Authorizations**" has the meaning set forth in Section 4.18.2.

"**Financial Statements**" has the meaning set forth in Section 4.6.2.

"**GAAP**" means United States generally accepted accounting principles in effect from time to time.

"**Government Contracts**" has the meaning set forth in Section 4.9.1(viii).

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Hazardous Materia**ls" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation, and polychlorinated biphenyls.

"**Health Plan**" has the meaning set forth in Section 4.20.6.

"**Indemnified Party**" has the meaning set forth in Section 9.5.

"**Indemnifying Party**" has the meaning set forth in Section 9.5.

"**Independent Accountant**" has the meaning set forth in Section 3.3.3(iii).

"**Insurance Policies**" has the meaning set forth in Section 4.16.

"**Intellectual Property**" means any and all rights in, arising out of, or associated with any of the following in any jurisdiction throughout the world: (a) issued patents and patent applications (whether provisional or non-provisional), including divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and other Governmental Authority-issued indicia of invention ownership (including certificates of invention, petty patents, and patent utility models) ("**Patents**"); (b) trademarks, service marks, brands, certification marks, logos, trade dress, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing ("**Trademarks**"); (c) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing ("**Copyrights**"); (d) internet domain names, whether or not Trademarks, all associated web addresses, URLs, websites and web pages, social media sites and pages, and all content and data thereon or relating thereto, whether or not Copyrights; (e) mask works, and all registrations, applications for registration, and renewals thereof; (f) industrial designs, and all Patents, registrations, applications for registration, and renewals thereof; (g) trade secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein ("**Trade Secrets**"); (h) computer programs, operating systems, applications, firmware, and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications, and other documentation thereof ("**Software**"); and (i) all other intellectual or industrial property and proprietary rights.

"**Interim Balance Sheet**" has the meaning set forth in Section 4.6.4.

"**Interim Balance Sheet Date**" has the meaning set forth in Section 4.6.4.

"**Knowledge of Seller** or **Seller's Knowledge**" or any other similar knowledge qualification, means the actual or constructive knowledge of any director or officer of Seller or the Companies, after due inquiry.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Liabilities**" has the meaning set forth in Section 4.7.

"**Licensed Intellectual Property**" means all Intellectual Property in which the Companies hold any rights or interests granted by other Persons, including Seller or any of its Affiliates.

"**Losses**" means losses, damages, Liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided, however, that "Losses" shall not include punitive damages, except to the extent actually awarded to a Governmental Authority or other third party.

"**Material Adverse Effect**" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Company, or (b) the ability of Seller to consummate the transactions contemplated hereby on a timely basis; provided, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Company operates; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer; (vi) any changes in applicable Laws or accounting rules, including GAAP; (vii) the public announcement, pendency or completion of the transactions contemplated by this Agreement; (viii) any natural or man-made disasters or acts of God; (ix) any epidemics, pandemics, or disease outbreaks or any worsening thereof; or (x) any failure by the Company to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded); provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (i) through (iv) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Company compared to other participants in the industries in which the Company conducts its businesses.

"**Material Contracts**" has the meaning set forth in Section 4.9.1.

"**Material Customers**" has the meaning set forth in Section 4.15.1.

"**Material Suppliers**" has the meaning set forth in Section 4.15.2.

"**Multiemployer Plan**" has the meaning set forth in Section 4.20.3.

"**Note**" has the meaning set forth in Section 2.3.2(iii).

"**Patents**" has the meaning set forth in the definition of Intellectual Property.

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"**Permitted Encumbrances**" has the meaning set forth in Section 4.10.1.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Platform Agreements**" has the meaning set forth in Section 4.12.4.

"**Pledged CVIN Membership Interest**" has the meaning set forth in Section 2.4.1.

"**Pledged CVIN Shares**" has the meaning set forth in Section 2.4.1.

"**Post-Closing Adjustment**" has the meaning set forth in Section 3.3.2(ii).

"**Post-Closing Tax Period**" means any taxable period beginning after the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period beginning after the Closing Date.

"**Potential Claim**" has the meaning set forth in Section 9.5.5.

"**Pre-Closing Notice**" has the meaning set forth in Section 9.5.5.

"**Pre-Closing Tax Period**" means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.

"**Pre-Closing Taxes**" has the meaning set forth in Section 7.2.

"**Purchase Price**" has the meaning set forth in Section 2.2.1.

"**Purchase Price Overpayment**" has the meaning set forth in Section 3.3.4(ii).

"**Purchase Price Underpayment**" has the meaning set forth in Section 3.3.4(i).

"**Qualified Benefit Plan**" has the meaning set forth in Section 4.20.3.

"**Real Property**" means the real property owned by, or leased or subleased to, the Company, together with all buildings, structures and facilities located thereon.

"**Release**" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation,

ambient or indoor air, surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Resolution Period**" has the meaning set forth in Section 3.3.3(ii).

"**Review Period**" has the meaning set forth in Section 3.3.3(i).

"**RUS**" means the Rural Utilities Service.

"**RUS Loan Agreement**" means that certain Loan Agreement dated as of January 13, 2021 between STC and the United States of America acting through the Administrator of the RUS.

"**Seller**" has the meaning set forth in the preamble.

"**Seller Financial Statements**" has the meaning set forth in Section 4.6.1.

"**Seller Indemnitees**" has the meaning set forth in Section 9.3.

"**Shares**" has the meaning set forth in the recitals.

"**Single Employer Plan**" has the meaning set forth in Section 4.20.4.

"**Software**" has the meaning set forth in the definition of Intellectual Property.

"**State Authorizations**" has the meaning set forth in Section 4.18.2.

"**Statement of Objections**" has the meaning set forth in Section 3.3.3(ii).

"**STB**" has the meaning set forth in the recitals.

"**STC**" has the meaning set forth in the recitals.

"**STC Audited Financial Statements**" has the meaning set forth in Section 4.6.2.

"**STC Financial Statements**" has the meaning set forth in Section 4.6.2.

"**STC Interim Financial Statements**" has the meaning set forth in Section 4.6.2.

"**STCG Financial Statements**" has the meaning set forth in Section 4.6.1.

"**STCG Interim Financial Statements**" has the meaning set forth in Section 4.6.1.

"**Straddle Period**" has the meaning set forth in Section 7.3.

"**Target Working Capital**" means One Million Five Hundred Thousand Dollars ($1,500,000) (Current Assets less Current Liabilities; provided, however, that Current Assets shall include a

minimum of Two Million Dollars ($2,000,000) in unrestricted cash or cash equivalents at the Closing).

"**Taxes**" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Tax Claim**" has the meaning set forth in Section 7.4.

"**Tax Return**" means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Third-Party Claim**" has the meaning set forth in Section 9.5.1.

"**Trade Secrets**" has the meaning set forth in the definition of Intellectual Property.

"**Trademarks**" has the meaning set forth in the definition of Intellectual Property.

"**Transaction Documents**" has the meaning set forth in Section 4.1.

"**Undisputed Amounts**" has the meaning set forth in Section 3.3.3(iii).

"**Union**" has the meaning set forth in Section 4.21.2.

"**USF**" has the meaning set forth in Section 4.18.4.

EXHIBIT B

ESCROW AGREEMENT

ESCROW AGREEMENT

This Escrow Agreement ("**Agreement**"), dated as of January 14, 2026 (the "**Escrow Effective Date**") is made by and among SIERRA TEL COMMUNICATIONS GROUP, a California corporation ("**Seller**"), VARCOMM-SIERRATEL, INC., a California corporation ("**Buyer**"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as escrow agent hereunder ("**Escrow Agent**"). Solely as between Buyer and Seller, capitalized terms used in this Agreement but not defined herein shall have the meanings ascribed to such terms in the Stock Purchase Agreement, dated as of January 14, 2026 (the "**Underlying Agreement**"), by and between Buyer and Seller.

BACKGROUND

A. In connection with the transactions contemplated by the Underlying Agreement, following the Effective Date, Buyer has agreed to deposit Seven Hundred Fifty Thousand Dollars ($750,000) as the Earnest Money Deposit to be held in escrow and disbursed in accordance with the terms hereof.

B. Escrow Agent has agreed to accept, hold, and disburse the funds deposited with it and any earnings thereon in accordance with the terms of this Agreement.

C. Buyer and Seller have appointed their respective Representatives (as defined below) to represent them for all purposes in connection with the funds to be deposited with Escrow Agent and this Agreement.

D. Buyer and Seller acknowledge that (i) Escrow Agent is not a party to and has no duties or obligations under the Underlying Agreement, (ii) all references in this Agreement to the Underlying Agreement are solely for the convenience of Buyer and Seller, and (iii) Escrow Agent shall have no implied duties beyond the express duties set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Definitions. The following terms shall have the following meanings when used herein:

"Affiliate" means, with respect to any Person, any Person which, directly or indirectly controls, is controlled by, or is under common control with, such Person.

"Business Day" means any day, other than a Saturday, Sunday or legal holiday, on which Escrow Agent at its location identified in Section 17 is open to the public for general banking purposes.

"Buyer" has the meaning set forth in the preamble.

"Buyer Representative" means any person so designated on Schedule C hereto or any other person designated in a writing signed by Buyer and delivered to Escrow Agent and the Seller Representative in accordance with Section 17, to act as its representative under this Agreement.

"Closing" means the closing of the Contemplated Transactions.

"Closing Date" means the date on which the Closing occurs, as identified in writing by a Joint Written Direction to Escrow Agent.

"Contemplated Transactions" means the transactions contemplated by the Underlying Agreement, and by all other documents, certificates, assignments and agreements executed and/or delivered in connection with the Underlying Agreement in order to consummate the Contemplated Transactions, as the same may be amended, restated, modified or otherwise replaced from time to time.

"Demand" has the meaning set forth in Section 5(a).

"Dispute Notice" has the meaning set forth in Section 5(b).

"Disputed Claim" has the meaning set forth in Section 5(c).

"Escrow Funds" means the funds described as the Earnest Money Deposit in the Underlying Agreement and deposited with Escrow Agent pursuant to Section 3(c) of this Agreement, together with any interest and other income thereon.

"Escrow Period" means the period commencing on the Escrow Effective Date and ending at the close of Escrow Agent's Business Day on the date that is the eighteen (18) month anniversary of the Closing Date, unless earlier terminated pursuant to this Agreement.

"Final Distribution Date" means the date that is eighteen (18) months following the Closing Date, or if that date is not a Business Day, then on the next following Business Day.

"Final Judgment" has the meaning set forth in Section 5(b).

"Governmental Authority" means any (a) nation, state, county, city, village, district or other jurisdiction of any nature, (b) federal, state, local, municipal, foreign or other government, (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal), (d) multi-national organization or body or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"IRS" has the meaning set forth in Section 4(b).

"Joint Written Direction" means a written direction executed by a Seller Representative and a Buyer Representative and delivered to Escrow Agent in accordance with Section 17 directing Escrow Agent to disburse all or a portion of the Escrow Funds or to take or refrain from taking any other action pursuant to this Agreement.

"Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, cooperative, estate, trust, association, organization, labor union or other entity or Governmental Authority.

"Representative(s)" means, the Buyer Representative or the Seller Representative, as applicable, or collectively, the Buyer Representative and the Seller Representative.

"Seller" has the meaning set forth in the preamble.

"Seller Representative" means any person so designated on Schedule C hereto or any other person designated in a writing signed by Seller and delivered to Escrow Agent and the Buyer Representative in accordance with Section 17, to act as its representative under this Agreement.

"Underlying Agreement" has the meaning set forth in the preamble.

2. Appointment of and Acceptance by Escrow Agent. Buyer and Seller hereby appoint Escrow Agent to serve as escrow agent hereunder. Escrow Agent hereby accepts such appointment and, upon receipt by wire transfer of the Escrow Funds in accordance with Section 3, agrees to hold, invest and disburse such funds in accordance with this Agreement.

3. Deposit of Escrow Funds. On the Escrow Effective Date, Buyer will transfer to and deposit with Escrow Agent the Escrow Funds in the aggregate amount of Seven Hundred Fifty Thousand Dollars ($750,000) by wire transfer of immediately available funds to an account designated by Escrow Agent.

4. Disbursements of Escrow Funds.

(a) Escrow Agent is hereby authorized by Seller and Buyer to disburse the Escrow Funds only as follows:

(i) in accordance with a Joint Written Direction; or

(ii) in accordance with Sections 5(a) and 5(b), below, as applicable.

(b) Prior to any disbursement, Escrow Agent must receive reasonable identifying information regarding the recipient so that Escrow Agent may comply with its regulatory obligations and reasonable business practices, including without limitation a completed United States Internal Revenue Service ("**IRS**") Form W-9 or Form W-8, as applicable. All disbursements of the Escrow Funds shall be subject to the fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 11 and Section 12, below.

(c) Buyer and Seller may each deliver written notice to Escrow Agent in accordance with Section 17 changing their respective funds transfer instructions, which notice shall be effective only upon receipt by Escrow Agent and after Escrow Agent has had a reasonable time to act upon such notice, which reasonable time shall in any event be no more than two (2) Business Days.

5. Right to Escrow Funds. Buyer and Seller agree, solely as between themselves, that Section 5(a) and Section 5(b) below are subject to the Underlying Agreement.

(a) If the Closing occurs then, at the Closing, Escrow Agent shall deliver to Seller the Escrow Funds by wire transfer of immediately available funds to an account designated by Seller and as confirmed by a Joint Written Direction.

(b) If Escrow Agent receives a notice signed by Buyer or Seller (the "**Noticing Party**"), a copy of which is also provided by the Noticing Party to the other party hereto (the "**Non-Noticing Party**") stating that: (i) this Agreement has been cancelled or terminated pursuant to the terms of a specific section of this Agreement giving either Buyer or Seller the right to terminate this Agreement, and that such Noticing Party is entitled to the Escrow Funds; or (ii) the Non-Noticing Party hereto has defaulted in the performance of its obligations hereunder, Escrow Agent shall deliver a copy of such notice (the

"**Demand**") to the Non-Noticing Party. The Non-Noticing Party shall have the right to object to such request for the Escrow Funds by notice of objection ("**Dispute Notice**") delivered to and received by Escrow Agent within fifteen (15) Business Days after the date of Escrow Agent's delivery of the Demand to the Non-Noticing Party, but not thereafter. If Escrow Agent shall not have so received a Dispute Notice from the Non-Noticing Party pursuant to the terms of the immediately preceding sentence, Escrow Agent shall deliver the Escrow Funds to the Noticing Party. If Escrow Agent shall have received a Dispute Notice from the Non-Noticing Party within the time herein prescribed, Escrow Agent shall retain the Escrow Funds until Escrow Agent receives (i) a Joint Written Direction or (ii) a final judgment, order or decree of a court or other judicial body of competent jurisdiction that decided the Disputed Claim, together with a certificate of the presenting Party to the effect that such judgment, order or decree is final and from a court of competent jurisdiction (together, a "**Final Judgment**"), whichever is earlier. Escrow Agent shall be entitled to conclusively rely upon such certificate and a Final Judgment without inquiry, investigation or notice to the non-presenting Party. Upon Escrow Agent's receipt of either a Joint Written Direction or a Final Judgment, with respect to any Disputed Claim, Escrow Agent shall, on or before the third (3rd) Business Day following the date of such receipt, disburse such amount(s) to the Buyer or Seller, as applicable, as provided in the Joint Written Direction or a Final Judgment.

(c) Escrow Agent shall have no responsibility to determine the validity or sufficiency of any notice delivered to it under this Section 5 or whether any such notice has been received by, or to provide a copy of any such notice to, any of Buyer, Seller or their respective Representatives. Escrow Agent may conclusively presume that any such notice delivered to it has been simultaneously delivered to Seller or Buyer, as the case may be.

6. Suspension of Performance; Disbursement into Court. If, at any time, (i) there shall exist any dispute between Buyer and any Seller with respect to the holding or disposition of all or any portion of the Escrow Funds or any other obligations of Escrow Agent hereunder, (ii) Escrow Agent is unable to determine, to Escrow Agent's sole satisfaction, the proper disposition of all or any portion of the Escrow Funds or Escrow Agent's proper actions with respect to its obligations hereunder, or (iii) the Representatives have not, within ten (10) calendar days of the furnishing by Escrow Agent of a notice of resignation pursuant to Section 8 hereof, appointed a successor Escrow Agent to act hereunder, then Escrow Agent may, in its sole discretion, take either or both of the following actions:

(a) suspend the performance of its obligations set forth in Section 4 and Section 5 of this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of Escrow Agent or until a successor Escrow Agent shall have been appointed.

(b) petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to Escrow Agent, for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, Escrow Funds (or any applicable portion thereof), after deduction and payment to Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder.

Escrow Agent shall have no liability to Buyer or Seller for suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise due to any delay in any other action required or requested of Escrow Agent.

7. Investment of Funds. Based upon Buyer's and Seller's prior review of investment alternatives, in the absence of further specific written direction to the contrary at any time that an investment decision must be made, Escrow Agent is directed to initially invest and reinvest Escrow Funds in the investment identified on Schedule A hereto. The Representatives may deliver a Joint Written Direction changing the investment of the Escrow Funds, upon which direction Escrow Agent may rely without inquiry or investigation; provided, however, that Buyer and Seller warrant that no investment or reinvestment direction shall be given except in any of the following investments maturing, prior to the delivery of a Demand, not later than the Final Distribution Date: (a) direct obligations of the United States of America or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America; (b) U.S. dollar denominated deposit accounts and certificates of deposit issued by any bank, bank and trust company, or national banking association (including Escrow Agent and its affiliates), which are either (i) insured by the Federal Deposit Insurance Corporation ("**FDIC**") up to FDIC limits, or (ii) with domestic commercial banks which have a rating on their short- term certificates of deposit on the date of purchase of "A-1" by S&P or "P-1" by Moody's (ratings on holding companies are not considered as the rating of the bank); or (c) institutional money market funds, including funds managed by Escrow Agent or any of its affiliates that invest solely in investments of the type described in (a) or (b) above; provided that Escrow Agent is not required to invest in investments that Escrow Agent in its sole discretion determines are not consistent with Escrow Agent's policy or practices. Buyer and Seller recognize and agree that Escrow Agent will not provide supervision, recommendations or advice relating to either the investment of Escrow Funds or the purchase or disposition of any investment and Escrow Agent shall not have any liability for any loss in an investment made pursuant to the terms of this Agreement. Escrow Agent has no responsibility whatsoever to determine the market or other value of any investment and makes no representation or warranty as to the accuracy of any such valuations.

All investments shall be made in the name of Escrow Agent. Escrow Agent may, without notice to Buyer and Seller, sell or liquidate any of the foregoing investments at any time for any disbursement of Escrow Funds permitted or required hereunder and shall not be liable for any loss, cost or penalty resulting from any sale or liquidation of any such investment. All investment earnings shall become part of the Escrow Funds and investment losses shall be charged against the Escrow Funds. With respect to any Escrow Funds or investment instruction received by Escrow Agent after 11:00 a.m., U.S. Central Time, Escrow Agent shall not be required to invest applicable funds until the next Business Day. Receipt of the Escrow Funds and investment and reinvestment of the Escrow Funds shall be confirmed by Escrow Agent by an account statement. Failure to inform Escrow Agent in writing of any reasonably apparent error or omission in any such account statement within ninety (90) days after receipt shall conclusively be deemed confirmation and approval by Buyer and Seller of such account statement.

8. Resignation or Removal of Escrow Agent. Escrow Agent may resign and be discharged from the performance of its duties hereunder at any time by giving ten (10) days' prior written notice to Buyer and Seller specifying a date when such resignation shall take effect and, after the date of such resignation notice, notwithstanding any other provision of this Agreement, Escrow Agent's sole obligation will be to hold the Escrow Funds pending appointment of a successor Escrow Agent. Similarly, Escrow Agent may be removed by a Joint Written Direction received by Escrow Agent at least thirty (30) days' prior to the date specified upon which such removal shall take effect. Buyer and Seller jointly shall appoint a successor Escrow Agent hereunder prior to the effective date of such resignation or removal. If Buyer and Seller fail to appoint a successor Escrow Agent within such time, Escrow Agent shall have the right to petition a court of competent jurisdiction to appoint a successor Escrow Agent, and all costs and expenses (including without limitation attorneys' fees) related to such petition shall be paid jointly and severally by Buyer and Seller. The retiring Escrow Agent shall transmit all records pertaining to the Escrow Funds and

shall pay all Escrow Funds to the successor Escrow Agent, after making copies of such records as the retiring Escrow Agent deems advisable and after deduction and payment to the retiring Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by the retiring Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder. After any retiring Escrow Agent's resignation or removal, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Agreement.

9. Binding Effect; Successors. This Agreement shall be binding upon the respective parties hereto and their heirs, executors, successors or assigns. If Escrow Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including the escrow contemplated by this Agreement) to another corporation, the successor or transferee corporation without any further act shall be the successor Escrow Agent.

10. Duties and Liability of Escrow Agent.

(a) Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. Escrow Agent has no fiduciary duties of any kind, or discretionary duties. Escrow Agent's permissive rights shall not be construed as duties. Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Agreement, including without limitation the Underlying Agreement or any other agreement between or among any or all of the parties hereto or any other persons even though reference thereto may be made herein and whether or not a copy of such document has been provided to Escrow Agent. Escrow Agent's sole responsibility shall be for the safekeeping of the Escrow Funds in accordance with Escrow Agent's customary practices and disbursement thereof in accordance with the terms of this Agreement. Escrow Agent shall not be responsible for or have any duty to make any calculations under this Agreement, or to determine when any calculation required under the provisions of this Agreement should be made, how it should be made or what it should be, or to confirm or verify any such calculation. Escrow Agent shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. This Agreement shall terminate upon the distribution of all the Escrow Funds pursuant to any applicable provision of this Agreement, and Escrow Agent shall thereafter have no further obligation or liability whatsoever with respect to this Agreement or the Escrow Funds.

(b) Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines, which determination is not subject to appeal, that Escrow Agent's gross negligence or willful misconduct in connection with its material breach of this Agreement was the sole cause of any loss to Buyer or Seller.

(c) Escrow Agent may rely upon any notice, instruction, request or other instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which Escrow Agent believes in good faith to be genuine and to have been signed or presented by the person or parties purporting to sign the same. In no event shall Escrow Agent be liable for (i) acting in accordance with or conclusively relying upon any instruction, notice, demand, certificate or document believed by Escrow Agent in good faith to have been created by or on behalf of Buyer or Seller, (ii) incidental, indirect, special, consequential or punitive damages or penalties of any kind (including, but not limited to lost profits), even if Escrow Agent has been advised of the likelihood of such damages or penalty and regardless of the form of action or (iii) any amount greater than the value of the Escrow Funds as valued upon deposit with Escrow Agent.

(d) Escrow Agent shall not be responsible for delays or failures in performance resulting from acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, attacks or intrusions, power failures, earthquakes or any other circumstance beyond its control. Escrow Agent shall not be obligated to take any legal action in connection with the Escrow Funds, this Agreement or the Underlying Agreement or to appear in, prosecute or defend any such legal action. Buyer and Seller are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. Escrow Agent shall have no liability to Buyer or Seller, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Funds escheat by operation of law.

(e) Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving any party hereto, and shall incur no liability and shall be fully indemnified from any liability whatsoever in acting in accordance with the advice of such counsel. Buyer and Seller, jointly and severally, shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel. Solely as among Buyer and Seller, each of Buyer and Seller (the "**Responsible Party**") agree (i) to hold such other party (the "**Other Party**") harmless from, and indemnify such Other Party against all costs, damages, judgments, expenses, obligations, and liabilities paid by such Other Party (including reasonable and documented out-of-pocket attorneys' fees and expenses) arising out of or in connection with the performance of such Other Party's obligations under this Section 10 and which are directly attributable to the negligent, reckless, willful or fraudulent act or omission of the Responsible Party, and (ii) to pay such Other Party on demand the amount of all such costs, damages, judgments, expenses, obligations (including reasonable and documented out-of-pocket attorneys' fees and expenses). Buyer and Seller agree to perform or procure the performance of all further acts and things, and execute and deliver such further documents, as may be required by law or as Escrow Agent may reasonably request in connection with its duties hereunder. Escrow Agent is authorized, in its sole discretion, to comply with final orders issued or process entered by any court with respect to the Escrow Funds, without determination by Escrow Agent of such court's jurisdiction in the matter.

(f) If any portion of the Escrow Funds is at any time attached, garnished or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if Escrow Agent complies with any such order, writ, judgment or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

(g) In the event instructions, including funds transfer instructions, address change or change in contact information are given to Escrow Agent (other than in writing at the time of execution of this Agreement), whether in writing, by facsimile or otherwise, Escrow Agent is authorized but shall not be required to seek confirmation of such instructions by telephone call-back to any person designated by the instructing party on Schedule C hereto, and Escrow Agent may rely upon the confirmation of anyone purporting to be a person so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by Escrow Agent and shall be effective only

after Escrow Agent has a reasonable opportunity to act on such changes. If Escrow Agent is unable to contact any of the designated representatives identified in Schedule C, Escrow Agent is hereby authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to any one or more of Buyer's and Seller's executive officers ("**Executive Officers**"). Such Executive Officer shall deliver to Escrow Agent a fully executed incumbency certificate, and Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. The Escrow Agent in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Buyer or Seller, as applicable, to identify (i) the beneficiary's bank, or (ii) an intermediary bank, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank so designated. Buyer and Seller acknowledge that these optional security procedures are commercially reasonable.

11. Indemnification of Escrow Agent. From and at all times after the Escrow Effective Date, Buyer and Seller, jointly and severally, shall, to the fullest extent permitted by law, indemnify and hold harmless Escrow Agent and each director, officer, employee and affiliate of Escrow Agent (collectively, the "**Indemnified Parties**") against any and all actions, claims (whether or not valid), losses, damages, liabilities, penalties, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees, costs and expenses) incurred by or asserted against any of the Indemnified Parties as a result of or arising from or reasonably relating to any claim, demand, suit, action or proceeding (including any inquiry or investigation) by any person, including without limitation Buyer and Seller, whether threatened or initiated, asserting a claim for any legal or equitable remedy against any person under any statute or regulation, including, but not limited to, any federal or state securities laws, or under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance in connection with this Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such action, proceeding, suit or the target of any such inquiry or investigation; provided, however, that no Indemnified Party shall have the right to be indemnified hereunder for any (i) consequential damages (including, but not limited to lost profits) or (ii) liability finally determined by a court of competent jurisdiction, subject to no further appeal, to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. Buyer and Seller further agree, jointly and severally, to indemnify each Indemnified Party for all costs, including without limitation reasonable attorney's fees, incurred by such Indemnified Party in connection with the enforcement of Buyer's and Seller's indemnification obligations hereunder. Each Indemnified Party shall, in its sole discretion, have the right to select and employ separate counsel with respect to any action or claim brought or asserted against it, and the reasonable fees of such counsel shall be paid upon demand by Buyer and Seller, jointly and severally. The obligations of Buyer and Seller under this Section 11 shall survive any termination of this Agreement and the resignation or removal of Escrow Agent. Solely as among Buyer and Seller, each Responsible Party agrees (i) to hold such Other Party harmless from, and indemnify such Other Party against all costs, damages, judgments, expenses, obligations, and liabilities paid by such Other Party (including reasonable and documented out-of-pocket attorneys' fees and expenses) arising out of or in connection with the performance of such Other Party's obligations under this Section 11 and which are directly attributable to the negligent act or omission of the Responsible Party, and (ii) to pay such Other Party on demand the amount of all such costs, damages, judgments, expenses, and obligations (including reasonable and documented out-of-pocket attorneys' fees).

The parties agree that neither the payment by Buyer or Seller of any claim by Escrow Agent for indemnification hereunder shall impair, limit, modify, or affect, as among Buyer and Seller, the respective rights and obligations of Buyer and Seller under the Underlying Agreement.

12. Compensation of Escrow Agent

(a) Fees and Expenses. Each of Seller and Buyer agree, jointly and severally, to compensate Escrow Agent on-demand for its services hereunder in accordance with Schedule B attached hereto. If any amount due to Escrow Agent hereunder is not paid within thirty (30) days of the date due, Escrow Agent, in its sole discretion, may charge interest on such amount up to the highest rate permitted by applicable law. Without limiting the joint and several nature of their obligations to Escrow Agent, Buyer and Seller agree between themselves that Buyer and Seller shall each be responsible for fifty percent (50%) of Escrow Agent's compensation. The obligations of Buyer and Seller under this Section 12 shall survive any termination of this Agreement and the resignation or removal of Escrow Agent.

(b) Disbursements from Escrow Funds to Pay Escrow Agent. Escrow Agent is authorized to, and may disburse to itself from the Escrow Funds, from time to time, the amount of any compensation and reimbursement of expenses due and payable hereunder (including any amount to which Escrow Agent or any other Indemnified Party is entitled to seek indemnification hereunder). Escrow Agent shall notify Buyer and Seller of any such disbursement from the Escrow Funds to itself or any other Indemnified Party and shall furnish Buyer and Seller copies of related invoices and other statements.

(c) Security and Offset. Buyer and Seller hereby grant to Escrow Agent and the Indemnified Parties a first priority security interest in, lien upon and right of offset against the Escrow Funds with respect to any compensation or reimbursement due any of them hereunder (including any claim for indemnification hereunder). If for any reason the Escrow Funds are insufficient to cover such compensation and reimbursement, Buyer and Seller shall promptly pay such amounts upon receipt of an itemized invoice.

13. Representations and Warranties. Buyer and each Seller, respectively, make the following representations and warranties to Escrow Agent:

(a) it has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and this Agreement has been duly approved by all necessary action and constitutes its valid and binding agreement enforceable in accordance with its terms; and

(b) each of the applicable persons designated on Schedule C attached hereto have been duly appointed to act as authorized representatives hereunder and individually have full power and authority to execute and deliver any Joint Written Direction, to amend, modify or waive any provision of this Agreement and to take any and all other actions as authorized representatives under this Agreement, all without further consent or direction from, or notice to, it or any other person, provided that any change in designation of such authorized representatives shall be provided by written notice delivered to each party to this Agreement.

14. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, Escrow Agent requires documentation to verify its formation and existence as a legal entity. Escrow Agent may require financial statements, licenses or identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. Buyer and Seller agree to provide all information requested by Escrow Agent in connection with any legislation or regulation to which Escrow Agent is subject, in a timely manner. Escrow Agent's

appointment and acceptance of its duties under this Agreement is contingent upon verification of all regulatory requirements applicable to Buyer, Seller and any of their permitted assigns, including successful completion of a final background check. These conditions include, without limitation, requirements under the USA Patriot Act, the USA Freedom Act, the Bank Secrecy Act, and the U.S. Department of the Treasury Office of Foreign Assets Control. If these conditions are not met, Escrow Agent may at its option promptly terminate this Agreement in whole or in part, or refuse any otherwise permitted assignment by Buyer or Seller, without any liability or incurring any additional costs.

15. Governing Law, Jurisdiction and Venue. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of California without giving effect to the conflict of laws principles thereof that would require the application of any other laws. Each of the Parties hereto irrevocably (a) consents to the exclusive jurisdiction and venue of the Superior Court for the County of Madera, State of California in connection with any matter arising out of this Agreement, (b) waives any objection to such jurisdiction or venue (c) agrees not to commence any legal proceedings related hereto except in such courts (d) consents to and agrees to accept service of process to vest personal jurisdiction over it in any such courts made as set forth in Section 17 and (e) waives any right to trial by jury in any action in connection with this Agreement

16. [Reserved.]

17. Notices. All notices, approvals, consents, requests and other communications hereunder (each, a "**Notice**") shall be in writing , in English, and shall be delivered (a) by personal delivery, or (b) by national overnight courier service, or (c) by certified or registered mail, return receipt requested, or (d) via facsimile transmission, with confirmed receipt or (e) via email . Notice shall be effective upon receipt except for notice via email, which shall be effective only when the recipient, by return email or notice delivered by other method provided for in this Section, acknowledges having received that email (with an automatically generated receipt or similar notice not constituting an acknowledgement of an email receipt for purposes of this Section 17). Such notices shall be sent to the applicable party or parties at the address specified below:

If to Buyer or Buyer Representative, at:	Varcomm-SierraTel, Inc. P.O. Box 700 Ducor, CA 93218 Attn: Eric N. Votaw Email: evotaw@varcomm.biz
with a mandatory copy (which shall not constitute notice) to:	GVM Law, LLP 1000 Main Street, Suite 300 Napa, CA 94559 Attention: Nicholas E. Donovan E-mail: ndonovan@gvmlaw.com

To Seller or Seller Representative, at:	Sierra Tel Communications Group c/o Walter W. Hansell, Esq. Womble Bond Dickinson (US) LLP 50 California Street, Suite 2750 San Francisco, CA 94111 Attention: Walter W. Hansell E-mail: Walter.Hansell@wbd-us.com
If to Escrow Agent, at:	U.S. Bank National Association, as Escrow Agent ATTN: Global Corporate Trust 633 West Fifth Street, 24th Floor Los Angeles, CA 90071 E-mail: kathleen.connelly@usbank.com

or to such other address as each party may designate for itself by like notice and unless otherwise provided herein shall be deemed to have been given on the date received. Buyer and Seller agree to assume all risks arising out of the use of electronic methods to submit instructions and directions to Escrow Agent, including without limitation the risk of Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties. Electronic signatures believed by Escrow Agent to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider acceptable to Escrow Agent) shall be deemed original signatures for all purposes. Each other party assumes all risks arising out of the use of electronic signatures and electronic methods to send Notices to Escrow Agent, including without limitation the risk of Escrow Agent acting on an unauthorized Notice, and the risk of interception or misuse by third parties. Notwithstanding the foregoing, Escrow Agent may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to Escrow Agent in lieu of, or in addition to, any such electronic Notice.

18. Tax Reporting. Escrow Agent shall have no responsibility for the tax consequences of this Agreement and Buyer and Seller shall consult with independent counsel concerning any and all tax matters. Buyer and Seller jointly and severally agree to (a) assume all obligations imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement and (b) request and direct Escrow Agent in writing with respect to withholding and other taxes, assessments or other governmental charges, and advise Escrow Agent in writing with respect to any certifications and governmental reporting that may be required under any applicable laws or regulations. Except as otherwise agreed by Escrow Agent in writing, Escrow Agent has no tax reporting or withholding obligation except with respect to Form 1099-B reporting on payments of gross proceeds under Internal Revenue Code Section 6045 and Form 1099 and Form 1042-S reporting with respect to investment income earned on the Escrow Funds, if any. Escrow Agent shall have no responsibility for Form 1099- MISC reporting with respect to disbursements that Escrow Agent makes in an administrative or ministerial function to vendors or other service providers. Escrow Agent shall have no tax reporting or withholding duties with respect to the Foreign Investment in Real Property Tax Act (FIRPTA) or Internal Revenue Code Section 1446(f). To the extent that U.S. federal imputed interest regulations apply, Buyer and Seller shall so inform Escrow Agent, provide Escrow Agent with all imputed interest calculations and direct Escrow Agent to disburse imputed interest amounts as Buyer and Seller deem appropriate. Escrow Agent shall rely solely on such provided calculations and information and shall have no responsibility for the accuracy or completeness of any such calculations or information. Buyer and Seller shall provide Escrow Agent a properly completed IRS Form W-9 or Form W-8, as applicable, for each payee. If requested tax documentation is not so provided,

Escrow Agent is authorized to withhold taxes as required by the United States Internal Revenue Code and related regulations. Buyer and Seller have determined that any interest or income on Escrow Funds shall be reported on an accrual basis and deemed to be for the account of Seller. If any accrued interest income attributed to Seller is subsequently disbursed by Escrow Agent to Buyer, Buyer and Seller shall provide a Joint Written Direction to Escrow Agent with respect to the appropriate tax treatment and reporting of such disbursements.

19. Amendment and Assignment. None of the terms or conditions of this Agreement may be changed, waived, modified, discharged, terminated or varied in any manner whatsoever unless in writing duly signed by each party to this Agreement. No course of conduct shall constitute a waiver of any of the terms and conditions of this Agreement, unless such waiver is specified in writing, and then only to the extent so specified. This Agreement may not be assigned by any party without the written consent of the other parties, provided that If Escrow Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including the escrow contemplated by this Agreement) to another entity, the successor or transferee entity without any further act shall be the successor Escrow Agent.

20. Severability. To the extent any provision of this Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

21. Entire Agreement, No Third Party Beneficiaries. This Agreement constitutes the entire agreement between the signatory parties hereto relating to the holding, investment and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of Escrow Agent with respect to the Escrow Funds. This Agreement and any Joint Written Direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction. To the extent any provision of this Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. The Section headings appearing in this instrument have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and conditions of this Agreement. Nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the signatory parties hereto and the Indemnified Parties any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

VARCOMM-SIERRATEL, INC.

By: _____
Name: Eric N. Votaw
Title: Chief Executive Officer

SIERRA TEL COMMUNICATIONS GROUP

By: _____
Name: John H. Baker
Title: Chairman

U.S. BANK NATIONAL ASSOCIATION

By: _____
Name: Kathleen Connelly
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

VARCOMM-SIERRATEL, INC.

By:_____
Name: Eric N. Votaw
Title: Chief Executive Officer

SIERRA TEL COMMUNICATIONS GROUP

By:_____
Name: John H. Baker
Title: Chairman

U.S. BANK NATIONAL ASSOCIATION

By:_____
Name: Kathleen Connelly
Title: Vice President

SCHEDULE A

U.S. BANK NATIONAL ASSOCIATION
Investment Authorization Form

U.S. BANK MONEY MARKET DEPOSIT ACCOUNT

Description and Terms

The U.S. Bank Money Market Deposit Account is a U.S. Bank National Association ("U.S. Bank") interest-bearing money market deposit account designed to meet the needs of U.S. Bank's Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit and invest with U.S. Bank.

U.S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates are determined at U.S. Bank's discretion, and may be tiered by customer deposit amount.

The owner of the account is U.S. Bank as agent for its Corporate Trust customers. U.S. Bank's Corporate Trust Services Escrow Group performs all account deposits and withdrawals. Deposit accounts are FDIC insured per depositor, as determined under FDIC Regulations, up to applicable FDIC limits.

U.S. BANK IS NOT REQUIRED TO REGISTER AS A MUNICIPAL ADVISOR WITH THE SECURITIES AND EXCHANGE COMMISSION FOR PURPOSES OF COMPLYING WITH THE DODD-FRANK WALL STREET REFORM & CONSUMER PROTECTION ACT. INVESTMENT ADVICE, IF NEEDED, SHOULD BE OBTAINED FROM YOUR FINANCIAL ADVISOR.

Automatic Authorization

In the absence of specific written direction to the contrary, U.S. Bank is hereby directed to invest and reinvest proceeds and other available moneys in the U.S. Bank Money Market Deposit Account. The customer(s) confirm that the U.S. Bank Money Market Deposit Account is a permitted investment under the operative documents and this authorization is the permanent direction for investment of the moneys until notified in writing of alternate instructions.

SCHEDULE B

Schedule of Fees for Services as Escrow Agent

Acceptance Fee: $1,500.00

The acceptance fee covers the administrative review of documents on the new financing, initial set-up of the account and other reasonably required services up to and including the closing. This is a flat one-time fee, payable at closing.

Annual Escrow Agent Fee: $2,500.00

The annual administration fee covers the routine duties of escrow agent associated with the administration of the account. The administration fee is payable in advance.

External Legal Expense, per Series: At cost

Covers initial document review and closing, legal opinion, if required and interaction with the working group.

Out-of-Pocket Expenses: At cost (if any)

We do not anticipate incurring any out-of-pocket expenses in connection with the closing. If applicable, then reimbursement of expenses associated with the performance of our duties, including but not limited to: publications, travel expenses, filing fees etc., will be billed at cost.

Extraordinary Services:

Extraordinary services are responses to requests, inquiries or developments, or the carrying out of duties or responsibilities of an unusual nature, including termination, which may or may not be provided for in the governing documents, are not routine or undertaken in the ordinary course of business. Payment of fees for extraordinary services is appropriate where particular requests, inquiries or developments are unexpected, even if the possibility of such things could have been foreseen at the inception of the transaction. A reasonable charge will be assessed and collected by the Trustee or Agent based on the nature of the extraordinary service. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.

SCHEDULE C

Each of the following person(s) is a **Buyer Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Buyer's behalf (only one signature required):

Name	Specimen signature	Telephone No.
Eric N. Votaw	E N. Votaw	(916) 955-4442
Nicholas E. Donovan		(707) 252-9000

(Note: if only one person is identified above, provide the following information)

The following person not listed above is authorized for call-back confirmations:

Name	Telephone No.

[*Continued on Following Page.*]

SCHEDULE C

Each of the following person(s) is a **Seller Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Buyer's behalf (only one signature required):

Walter W. Hansell Name	 Specimen signature	(415) 765-6287 Telephone No.
Cynthia A. Huber Name	 Specimen signature	(559) 683-4611 Telephone No.
_____ Name	_____ Specimen signature	_____ Telephone No.

(Note: if only one person is identified above, provide the following information)

The following person not listed above is authorized for call-back confirmations:

_____ Name	_____ Telephone No.

Schedule D

Public

Confidential; redacted entirely

EXHIBIT C

NOTE

SECURED PROMISSORY NOTE

$_____

FOR VALUE RECEIVED, and subject to the terms and conditions set forth herein, on _____, 202_ (the "**Effective Date**"), VARCOMM-SIERRATEL, INC., a California corporation (the "**Borrower**"), hereby unconditionally promises to pay to the order of SIERRA TEL COMMUNICATIONS GROUP, a California corporation or its assigns (the "**Lender**"), _____ ($_____), together with all accrued interest thereon (the "**Loan**") as provided in this Secured Promissory Note (the "**Note**"). Any capitalized term not defined herein has the definition given to it in the Stock Purchase Agreement by and between Borrower and Lender dated as of January 14, 2026 (the "**Purchase Agreement**").

RECITALS

WHEREAS, Concurrently with the purchase by Borrower, as Buyer, from Lender, as Seller, of all of the issued and outstanding shares held by Lender in **SIERRA TELEPHONE COMPANY, INC., a California corporation; SIERRA TEL BUSINESS SYSTEMS, a California corporation; SIERRA TELEPHONE LONG DISTANCE, a California corporation; SIERRA TEL INTERNET, a California corporation; and SIERRA TEL ADMINISTRATION, a California corporation** (each a "**Company**" and together, the "**Companies**"), Borrower delivers this Note to Lender as payment of a portion of the Purchase Price in accordance with the terms and conditions of the Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Term; Payments.

1.1 Term. The aggregate unpaid principal amount of the Loan and all accrued and unpaid interest shall be due and payable on the second anniversary of the Closing Date (the "**Initial Maturity Date**"), unless extended pursuant to the terms of this Note.

1.2 Optional and Mandatory Prepayments. Borrower may prepay the Loan in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Buyer is obligated to make a mandatory payment to Lender to reduce the then-current principal balance as described in Section 2.4.2 of the Purchase Agreement.

1.3 Manner of Payments. All payments of interest and principal shall be made in lawful money of the United States of America no later than 5:00 PM on the date on which such

payment is due by (ACH) electronic transfer of immediately available funds to Lender's account at a bank specified by Lender in writing to Borrower from time to time.

1.4 Application of Payments. All payments made under this Note shall be applied first to the payment of any fees or charges outstanding hereunder, second to accrued interest, and third to the payment of the principal amount outstanding under the Note.

1.5 Business Day Convention. Whenever any payment to be made hereunder shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day, and such extension will be taken into account in calculating the amount of interest payable under this Note.

2. Interest.

2.1 Interest Rate. Except as set forth in Section 4.3, the outstanding principal amount of the Loan made hereunder shall bear interest at the Secured Overnight Financing Rate (SOFR) plus two (2%) percent (the "**Initial Interest Rate**") from the Effective Date until the Loan is paid in full, whether at maturity, by prepayment, or otherwise. SOFR shall be adjusted at the end of each calendar quarter (March 31, June 30, September 30, December 31) during the term of this Note as reported by the Federal Reserve Bank of New York on such dates.

2.2 Interest Payment Dates. Interest shall be payable monthly in arrears to Lender on the first day of each month beginning on _____, 202_ (each, an "**Initial Interest Payment Date**").

2.3 Default Interest. Upon the occurrence of an Event of Default under this Note, and, if such Event of Default is curable, until such time as the Event of Default is cured, the unpaid principal balance shall then bear interest at the Interest Rate (as defined herein) plus two (2%) percent (the "**Default Rate**") from the date of such Event of Default.

2.4 Computation of Interest. All computations of interest shall be computed on the basis of 365-day year for the actual number of days elapsed. Interest shall begin to accrue on the Loan on the Effective Date.

2.5 Interest Rate Limitation. If at any time and for any reason whatsoever, the interest rate payable on the Loan shall exceed the maximum rate of interest permitted to be charged by Lender to Borrower under applicable Law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable Law.

3. Security and CVIN Pledge Agreement.

3.1 CVIN Pledge Agreement. Performance under this Note is secured pursuant to the terms of that certain CVIN Pledge Agreement made and entered into as of the Effective Date by and among Lender, on the one hand, and Borrower and Varcomm2, Inc., a California corporation ("**Subsidiary**") on the other hand, and delivered by Borrower and Subsidiary to Lender concurrently with the delivery of this Note. Subsidiary was formed as a single purpose entity

solely and specifically to own beneficially and of record a six percent (6%) membership interest in CVIN.

4. Extension.

4.1 Extension by Borrower. Borrower shall have the option to extend (the "**Option to Extend**") this Note for an additional two (2) years from the Initial Maturity Date (the "**Extended Maturity Date**") so long as no Event of Default exists at the time of the Extension Notice (defined herein) or at the time of the Initial Maturity Date.

4.2 Procedure. In order to exercise the Option to Extend, Borrower shall provide written notice to Lender of its intention to exercise the Option to Extend the Initial Maturity Date (the "**Extension Notice**") no later than sixty (60) days prior to the Initial Maturity Date.

4.3 Payments During Extension.

(i) Borrower shall continue to make monthly payments of interest as provided in Section 2; provided, however, that the Interest Rate shall be the SOFR plus five (5%) percent during the period from and after the date of the Extension Notice (the "**Extension Interest Rate**"; the Initial Interest Rate and the Extension Interest Rate may be referred to herein as the "**Interest Rate**").

(ii) In addition to the regular payments of interest only, Borrower shall make the following principal reduction payments (the "**Principal Reduction Payments**"):

(1) following the second (2rd) year anniversary of the Effective Date, at Borrower's election, Borrower shall either (i) pay to Lender an aggregate of One Million Five Hundred Thousand Dollars ($1,500,000) of the outstanding principal balance in equal monthly payments of principal along with the interest payments set forth in Section 4.3(i) with a final payment on the third (3rd) year anniversary of the Effective Date; or (ii) make a single principal payment of One Million Five Hundred Thousand Dollars ($1,500,000) on the date nine (9) months after the second (2nd) year anniversary of the Effective Date;

(2) following the third (3rd) year anniversary of the Effective Date, at Borrower's election, Borrower shall either (i) pay to Lender an aggregate of Two Million Dollars ($2,000,000) of the outstanding principal balance in equal monthly payments of principal along with the interest payments set forth in Section 4.3(i) with a final payment on the fourth (4th) year anniversary of the Effective Date; or (ii) make a single principal payment of Two Million Dollars ($2,000,000) on or before the date nine (9) months after the third (3rd) year anniversary of the Effective Date; and

(3) The Principal Reduction Payments are in addition to and not in substitution for the mandatory principal payments described in Section 2.4.2 of the Purchase Agreement; and

(iii) The balance of the Note shall be paid no later than the Extended Maturity Date.

5. **Subordination**. Lender, by acceptance of this Note, covenants and agrees that the indebtedness evidenced by, and payment of principal and interest on, this Note, shall be subordinate, junior, and subject in right of payment security or otherwise to the indebtedness of Sierra Telephone Company, Inc., a California corporation to the United States of America, acting through the Administrator of the Rural Utilities Service pursuant to the Loan Agreement dated as of January 13, 2021 (the "**RUS Loan Agreement**" and the indebtedness thereunder the "**RUS Indebtedness**") and Lender, by acceptance hereof, covenants and agrees to execute such documents reasonably required by the holder of the RUS Indebtedness to evidence such subordination.

6. **No Right to Setoff**. Borrower shall not have any right to withhold and setoff against any amount due hereunder pursuant to any claims against Lender including, without limitation, claims pursuant to the Purchase Agreement.

7. **Affirmative Covenants**. Borrower covenants and agrees that so long as this Note is in effect and until payment in full of all Obligations, unless Lender shall otherwise give its prior written consent, Borrower shall and shall cause the Companies to, perform and comply with all covenants in this Section 7.

7.1 **Compliance With Laws**. Borrower will (i) comply with and will cause the Companies to comply with the requirements of all Laws (including laws, rules, regulations and orders relating to taxes, employer and employee contributions, securities, employee retirement and welfare benefits, environmental protection matters and employee health and safety) as now in effect and which may be imposed in the future in all jurisdictions in which Borrower or any of the Companies is now or hereafter doing business, other than those Laws the noncompliance with which could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (ii) obtain and maintain and will cause the Companies to obtain and maintain all licenses, qualifications and permits (including the Licenses) now held or hereafter required to be held by Borrower or any of the Companies, the loss, suspension or revocation of which or which the failure to obtain or renew could reasonably be expected to have a Material Adverse Effect and (iii) comply with and will cause the Companies to comply with all Contracts, other than, in all such cases, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. This Subsection 7.1 shall not preclude Borrower or any of the Companies from contesting any taxes or other payments, if they are being diligently contested in good faith and if adequate reserves therefor are maintained in conformity with GAAP.

7.2 **Maintenance of Books and Records; Properties; Insurance**. Borrower will keep and will cause each of the Companies to keep adequate records and books of account, in which full, true and correct entries will be made in accordance with GAAP consistently applied, reflecting all financial transactions of such Persons, in all material respects. Borrower will maintain or cause to be maintained and will cause each of the Companies to maintain or cause to be maintained in good repair, working order and condition all material property used in its business and the business of the Companies, and will make or cause to be made all appropriate repairs, renewals and replacements thereof. Borrower will and will cause each of the Companies to maintain complete, accurate and up-to-date books, records, accounts in all material respects. Borrower will use commercially reasonable efforts to maintain or cause to be maintained and will use commercially reasonable efforts to cause each of the Companies to maintain or cause to be maintained, with

financially sound and reputable insurers, commercial general liability, property loss and damage, business interruption and workers' compensation insurance with respect to its business and properties and the business and properties of the Companies against loss and damage of the kinds customarily carried or maintained by corporations of established reputation engaged in the telecommunications service provider industries and of such types, with such insurers, in such amounts, with such limits and deductibles and otherwise on such terms and conditions as shall be acceptable to Lender in its reasonable discretion, which types, insurers, amounts, limits, deductibles, and other terms and conditions are similar to the coverage maintained by Lender with regard to the Companies prior to the sale of the Companies to Borrower, and will deliver evidence thereof to Lender on or prior to the Closing Date, and thereafter at least 30 days prior to any expiration thereof, evidence of renewal of such insurance. Borrower shall use commercially reasonable efforts to ensure that all property loss and damage insurance shall be on an all risk basis and shall insure property for the full replacement cost thereof.

Lender shall be entitled, upon reasonable advance notice, to review and/or receive copies of, the insurance policies of Borrower and the Companies carried and maintained with respect to Borrower's obligations under this Section 7.2. Notwithstanding anything to the contrary herein, no provision of this Section 7.2 or any provision of this Note shall impose on Lender any duty or obligation to verify the existence or adequacy of the insurance coverage maintained by Borrower and the Companies, nor shall Lender be responsible for any representations or warranties made by or on behalf of Borrower and the Companies to any insurance broker, company or underwriter. Lender, at its sole option, may obtain such insurance if not provided by Borrower and in such event, Borrower shall reimburse Lender upon demand for the cost thereof.

7.3 Legal Existence, Etc. Borrower will and will cause the Companies to at all times preserve and keep in full force and effect its or their legal existence and good standing and all rights and franchises material to its or their business.

7.4 Further Assurances. Borrower will, and will cause each of the Companies to, from time to time, do, execute and deliver all such additional and further acts, documents and instruments as Lender reasonably requests to consummate the transactions contemplated hereby and to vest completely in and assure Lender of its rights under this Note.

7.5 Investment Company Act; Public Utility Holding Act. Neither Borrower nor any of the Companies shall be or become an "investment company" as that term is defined in and is not otherwise subject to regulation under, the Investment Company Act of 1940, as amended. Neither Borrower nor any of the Companies shall be or become a "holding company" as that term is defined in, and is not otherwise subject to regulation under, the Public Utility Holding Company Act of 1935, as amended.

7.6 Payment of Obligations. Borrower will, and will cause each of the Companies to, (i) pay, discharge or otherwise satisfy at or before maturity all liabilities and obligations as and when due (subject to any applicable subordination provisions), and any additional costs that are imposed as a result of any failure to so pay, discharge or otherwise satisfy such obligations, and (ii) pay and discharge all taxes, assessments, claims and governmental charges or levies imposed

upon it, upon its income or profits or upon any of its properties, prior to the date on which a lien would attach to any of the properties of Borrower if unpaid unless the same are being contested in good faith and by appropriate proceedings and then only if and to the extent reserves required by GAAP have been set aside therefor.

8. Negative Covenants. Borrower covenants and agrees that so long as this Note is in effect and until payment in full of all Obligations, unless Lender shall otherwise give its prior written consent, Borrower shall, and shall cause the Companies to, perform and comply with all covenants in this Section 8.

8.1 Indebtedness. Borrower will not and will not permit the Companies directly or indirectly to create, incur, assume, guaranty or otherwise become or remain liable with respect to any Indebtedness other than:

(i) the Obligations;

(ii) the RUS Indebtedness;

(iii) indebtedness incurred in the ordinary course of business which, in the aggregate, is not material to the business or assets of the Companies;

(iv) indebtedness under capital leases, the aggregate principal amount of which shall not exceed $250,000 per year;

(v) indebtedness under purchase money security agreements, the aggregate principal amount of which shall not exceed $250,000 per year; and

(vi) indebtedness among Borrower, Subsidiary and the Companies.

8.2 Encumbrances, Guarantees and Related Matters.

(i) **No Encumbrances**. Borrower will not and will not permit the Companies directly or indirectly to create, incur, assume or permit to exist any Encumbrance on or with respect to any property or asset (including the Shares and any document or instrument with respect to goods or accounts receivable) of Borrower or the Companies, whether now owned or hereafter acquired, or any income or profits therefrom, except Permitted Encumbrances.

(ii) **No Negative Pledges**. Borrower will not and will not permit the Companies directly or indirectly to enter into or assume any agreement (other than under the Note or the RUS Loan Agreement) prohibiting the creation or assumption of any Encumbrance upon its or their properties or assets, whether now owned or hereafter acquired other than negative pledges relating to assets which, in the aggregate, would not be material to the business of the Companies.

(iii) **No Contingent Liabilities**. Borrower will not and will not permit the Companies to assume, guarantee, become liable as a surety, endorse, contingently agree to purchase, or otherwise be or become liable, directly or indirectly, for or on account of the account of any Person or Persons, except as contemplated by the RUS Loan Agreement other than liabilities

(a) incurred in the ordinary course of business or (b) which, in the aggregate, would not be material to the business or assets of the Companies.

8.3 Investments. Borrower will not and will not permit the Companies directly or indirectly to make or own any Investment in any Person except:

(i) Borrower and the Companies may make and own Investments in Cash Equivalents; provided that neither Borrower nor any of the Companies shall incur any obligation to any Person which could subject such Cash Equivalents to set off rights;

(ii) advances to employees made in the ordinary course of business; and

(iii) Investments in the Companies or Borrower.

8.4 Restricted Payments. Other than Restricted Payments from the Companies to Borrower or to another Company, Borrower will not, and will not permit any Company to:

(i) Declare or pay dividends, either in cash or property, on any of its shares of its capital stock of any class, including the Shares (except dividends or other distributions payable in shares of capital stock of Borrower or such Company),

(ii) Directly or indirectly, or through any Company, purchase, redeem or retire any shares of its capital stock or any warrants, rights, options to purchase or acquire any shares of its capital stock;

(iii) Make any other payment or distribution, either directly or indirectly or through any Company, in respect of its capital stock;

(iv) Make, or permit any Company to make, any Restricted Investment;

(such declarations or payments of dividends, purchases, redemptions or retirements or capital stock and warrants, rights or options and all such other payments or distributions and such Restricted Investments are "**Restricted Payments**").

8.5 Restriction on Fundamental Changes. Borrower will not and will not permit the Companies directly or indirectly to: (i) unless and only to the extent required by law, amend, modify or waive any term or provision of its articles of organization or articles of incorporation without the consent of Lender (which consent shall not be unreasonably withheld), other than an amendment, modification or waiver that is solely ministerial or administrative in nature; provided, however, Borrower shall promptly give Lender notice of any such amendment, modification or waiver; (ii) enter into any transaction of merger or consolidation, except any Company may be merged with or into Borrower or any other Company, provided that Borrower or such Company is the surviving entity; (iii) liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution); or (iv) acquire by purchase or otherwise all or any substantial part of the business or assets of any other Person.

8.6 Restriction on Equity Issuance. Except for issuances of ownership interests in Borrower or the Companies on or prior to the date hereof, Borrower will not and will not permit the Companies to directly or indirectly issue any capital stock or other equity interests in Borrower or any of the Companies; provided, however, that additional ownership interests may be issued if issued in Borrower of not more than twenty percent (20%) of the outstanding equity issued to employees or service providers of Borrower as equity incentives.

8.7 Disposal of Assets or Company Stock. Borrower will not, and will not permit any of the Companies to, directly or indirectly, convey, sell, lease (including, without limitation, pursuant to a lease and leaseback transaction), sublease, transfer or otherwise dispose of, or grant any Person an option to acquire, in one transaction or a series of transactions, any of its property, business or assets, or the capital stock of or other equity interests in any of the Companies, except for (i) bona fide sales or leases of inventory to customers in the ordinary course of business, dispositions of equipment not used or useful in the business or otherwise obsolete and any sale, conveyance, lease, sublease, transfer or other disposition of assets of any of Borrower or the Companies to Borrower or any Company; (ii) fair market value sales of Cash Equivalents; (iii) leasing or subleasing of its property in the ordinary course of business, (iv) sales or dispositions of assets of One Hundred Thousand Dollars ($100,000) individually or Five Hundred Thousand Dollars ($500,000) in the aggregate or (v) dispositions of assets for which reasonably equivalent property consideration is received in return.

8.8 Transactions with Affiliates. Borrower will not and will not permit the Companies directly or indirectly to enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate or with any director, officer or employee of Borrower or any Affiliate, except (i) transactions between Borrower or any Company with Borrower or any other Company; or (ii) in the ordinary course of and pursuant to the reasonable requirements of the business of Borrower or such Company and upon fair and reasonable terms which are fully disclosed to Lender and are no less favorable to Borrower or such Company than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate.

8.9 Management Fees and Compensation. Borrower will not and will not permit the Companies directly or indirectly to pay any management, consulting or other similar fees to any Person, other than professional services fees to accountants, attorneys, engineers, architects, marketing agencies, third party billing providers and financial consultants customary in the telecommunications systems industry or as agreed in writing prior to or on the Effective Date.

8.10 Conduct of Business. Borrower will not and will not permit the Companies directly or indirectly to engage in any business other than businesses of owning, constructing, managing and operating telecommunications systems, or other lines of business necessary to or ancillary to the foregoing or consistent with advances in the telecommunications systems industry.

8.11 Fiscal Year. Borrower will not permit the Companies to change any of their fiscal years from a fiscal year ending on December 31 of each year.

8.12 Inconsistent Notes. Borrower will not, and will not permit any of the Companies to, enter into any agreement containing any provision which would (a) be violated or breached by

any borrowing by Borrower hereunder or by the performance by Borrower or such Company of any of its obligations hereunder, or (b) create or permit to exist or become effective any encumbrance or restriction on the ability of such Company to (i) pay dividends or make other distributions to its Borrower or pay any indebtedness owed to Borrower, (ii) make loans or advances to Borrower or (iii) transfer any of its assets or properties to Borrower.

9. Default.

9.1 Events of Default. The occurrence and continuance of any of the following shall constitute an "**Event of Default**" hereunder:

(i) Borrower fails to pay any principal amount of the Loan or interest when due or any other amount when due and such failure continues for five (5) days after the same becomes due and payable;

(ii) Borrower fails to observe or perform any covenant, condition or agreement contained in any Transaction Document and such failure or default shall continue unremedied within thirty (30) days after the earlier of an officer of Borrower obtaining actual knowledge or the default, or written notice thereof shall have been given to Borrower from Lender;

(iii) any representation or warranty made in writing by or on behalf of Borrower under the Transaction Documents or in any writing furnished in connection with the transactions contemplated thereunder proves to have been false or incorrect in any material respect on the date as of which made that, if known, would have affected Lender's decisions to consummate the transactions thereunder.

(iv) (A) Borrower or any Company is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or interest on any indebtedness that is outstanding, including the RUS Indebtedness and, as a consequence of such default or condition, the Lender thereunder has the right to declare such indebtedness due and payable, or (B) Borrower or any Company is in default in the performance of or compliance with any term of any evidence of indebtedness and, as a consequence of such default or condition the lender thereunder has the right to declare such indebtedness due and payable;

(v) the Borrower or any Company (1) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (2) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (3) makes an assignment for the benefit of its creditors, (4) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (5) is adjudicated as insolvent or to be liquidated, or (6) takes corporate action for the purpose of any of the foregoing;

(vi) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by Borrower or any Company, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property,

or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of Borrower or any Company, or any such petition shall be filed against Borrower or any Company and such petition shall not be dismissed within 90 days; or

(vii) a final judgment or judgments for the payment of money aggregating in excess of $100,000 are rendered against one or more of Borrower of any Company and which judgments are not, within 30 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 30 days after the expiration of such stay.

9.2 Remedies. Upon the occurrence of any Event of Default and at any time thereafter during the continuance of such Event of Default, Lender may, at its option, by written notice to Borrower declare the entire principal amount of the Loan, together with all accrued interest thereon and all other amounts payable under this Note, immediately due and payable; and exercise any or all of its rights, powers or remedies under the Transaction or applicable Law.

10. Miscellaneous.

10.1 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.1):

If to Lender: Sierra Tel Communications Group

c/o Womble Bond Dickinson (US) LLP

50 California Street, Suite 2750

San Francisco, CA 94111

Phone: (415) 765-6287

Attn: Walter Hansell

Email: walter.hansell@wbd-us.com

If to Borrower: Varcomm-SierraTel, Inc.

P.O. Box 700

Ducor, CA 93218

Phone: (916) 555-4442

Attn: Eric N. Votaw

Email: evotaw@varcomm.biz

with a copy to: GVM Law

1000 Main St. #300

Napa, CA 94559

Phone: (707) 252-9000

Attn: Nicholas Donovan

Email: ndonovan@gvmlaw.com

and

BRB Law Group LLP

492 Ninth Street #220

Oakland, CA 94607

Phone: (510) 955-1085

Attn: Patrick Rosvall

Email: patrick@brblawgroup.com

10.2 **Expenses**. Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, attorneys' fees, incurred in connection with this Note and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred. Borrower agrees to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by Lender in endeavoring to collect any amounts payable hereunder that are not paid when due, whether by acceleration or otherwise.

10.3 **Governing Law**.

(i) This Note shall be governed by and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction).

(ii) Any legal suit, action or proceeding arising out of or based upon this Note, or the transactions contemplated hereby or thereby may be instituted in the federal courts of the United States of America or the courts of the state of California in each case located in or with jurisdiction over the city of Oakhurst and County of Madera, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

10.4 Integration. This Note, the Purchase Agreement and the CVIN Pledge Agreement constitute the entire contract between the Parties with respect to the subject matter hereof and supersedes all previous agreements and understandings, oral or written, with respect thereto.

10.5 Successors and Assigns. This Note may be assigned or transferred by Lender to any Person. Borrower may not assign or transfer this Note or any of its rights hereunder without the prior written consent of Lender. This Note shall inure to the benefit of, and be binding upon, the parties and their permitted assigns.

10.6 Waiver of Notice. Borrower hereby waives demand for payment, presentment for payment, protest, notice of payment, notice of dishonor, notice of nonpayment, notice of acceleration of maturity, and diligence in taking any action to collect sums owing hereunder.

10.7 Amendments and Waivers. No term of this Note may be waived, modified, or amended except by an instrument in writing signed by both of the parties. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

10.8 Headings. The headings of the various Sections and subsections herein are for reference only and shall not define, modify, expand, or limit any of the terms or provisions hereof.

10.9 No Waiver; Cumulative Remedies. No failure to exercise, and no delay in exercising on the part of Lender, of any right, remedy, power, or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

10.10 Severability. If any term or provision of this Note is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Note or invalidate or render unenforceable such term or provision in any other jurisdiction.

10.11 Definitions. As used in this Note, the following terns shall have the following respective meanings:

"**Cash Equivalents**" means: (i) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within three (3) months from the date of acquisition thereof; (ii) commercial paper maturing no more than three (3) months from the date issued and, at the time of acquisition, having a rating of at least A-1 from Standard & Poor's Rating Service or at least P-1 from Moody's Investors Service, Inc.; (iii) certificates of deposit or bankers' acceptances maturing within three (3) months from the date of issuance thereof issued by, or overnight reverse repurchase agreements from, any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia having combined capital and surplus of not less than $500,000,000; and (iv) time deposits maturing no more than 30 days from the date of creation thereof with commercial banks having membership in the Federal Deposit Insurance Corporation in amounts at any one such institution not exceeding the lesser of $100,000 or the maximum amount of insurance applicable to the aggregate amount of Borrower's deposits at such institution.

"Investment" means (i) any direct or indirect purchase or other acquisition by Borrower or any of the Companies of any beneficial interest in, including stock, partnership interest or other equity securities of, any other Person, other than trade associations and similar organizations purchased or acquired in the ordinary course of business; and (ii) any direct or indirect loan, advance, guarantee, assumption of liability or other obligation of liability, or capital contribution by Borrower or any of the Companies to any other Person, including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business.

"**Obligations**" means all obligations, liabilities and indebtedness of every nature of Borrower or any of the Companies from time to time owed to Lender under the Transaction Documents including the principal amount of all debts, claims and indebtedness, accrued and unpaid interest, and all fees, costs and expenses thereunder, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable whether before or after the filing of a proceeding under the Bankruptcy Code by or against Borrower or any of the Companies.

"**Restricted Investments**" means all Investments except (i) property to be used in the ordinary course of business; (ii) current assets arising from the sale of goods and services in the ordinary course of business; (iii) Investments in one or more subsidiaries or any Person that concurrently becomes subject to the Transaction Documents and as approved in writing by Lender; (iv) Investments existing on the Effective Date; (v) Investments in obligations, maturing within three (3) months, issued by or guaranteed by the United States of America or an agency thereof; (vi) Investments in municipal securities, maturing within three (3) months, which are rated in one of the top two ratings classifications by at least one national rating agency; (vii) Investments in certificates of deposit or banker's acceptances issued by commercial banks that are rated in one of

the top two rating classifications by at least one national rating agency; (viii) Investments in commercial paper, maturing within 90 days, rating in one of the top two rating classifications by at least one national rating agency; and (ix) Investments in money market instrument programs which are classified as current assets in accordance with GAAP.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Note to be executed as of the Effective Date.

BORROWER:	**LENDER:**
VARCOMM-SIERRATEL, INC., a California corporation	SIERRA TEL COMMUNICATIONS GROUP, a California corporation
_____	_____
Eric Votaw, Chief Executive Officer	John H. Baker, Chairman

EXHIBIT D

CVIN PLEDGE AGREEMENT

PLEDGE AGREEMENT

This Pledge Agreement (as amended or otherwise modified from time to time, this "**Agreement**") is made and entered into as of _____, 202_, by and among VARCOMM-SIERRATEL, INC., a California corporation ("**Buyer**"), and VARCOMM2, INC., a California corporation and wholly-owned subsidiary of Buyer ("**Subsidiary**") (Subsidiary and Buyer are referred to herein, collectively, as "**Pledgors**" and, individually as a "**Pledgor**"), and SIERRA TEL COMMUNICATIONS GROUP, a California corporation ("**Secured Party**").

RECITALS

A. Secured Party and Buyer were the parties to that certain Stock Purchase Agreement, dated as of January 14, 2026 (the "**SPA**") pursuant to which Secured Party sold to Buyer, and Buyer purchased from Secured Party, all of the issued and outstanding shares of the Companies (as defined in the SPA). Capitalized terms used herein without definition are used as defined in the SPA.

B. In connection with the Closing pursuant to the SPA, Buyer has delivered the Note to Secured Party. Subsidiary was formed as a single purpose entity solely and specifically to own beneficially and of record a six percent (6%) membership interest in CVIN LLC, a California limited liability company (the "**Pledged CVIN Membership Interest**"). The Note will be secured pursuant to this Agreement by a pledge of the Pledged CVIN Shares and Pledged CVIN Membership Interest.

C. Each Pledgor owns all the issued and outstanding equity interests of each Person set forth on Schedule 1 attached hereto opposite such Pledgor's name (each, an "**Issuer**").

D. Each Pledgor will derive substantial direct and indirect benefits from the making and delivery of the Note by Buyer in favor of the Secured Party.

E. As a condition to entering into the SPA with Buyer, the Secured Party has required, among other things, that each Pledgor shall have made the pledge and hypothecation contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Pledgor hereby agrees with the Secured Party, as follows:

AGREEMENT

1. **Pledge**. Each Pledgor hereby pledges and hypothecates to the Secured Party, other holders of the Obligations, and grants to the Secured Party a security interest in:

(a) the equity interests of each Issuer identified on Schedule 1 hereto held by such Pledgor (the "**Pledged Equity Interests**") and the certificates, if any, representing the Pledged Equity Interests, and all equity dividends, cash dividends, cash, instruments, chattel paper and other rights, property or proceeds and products from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Equity Interests;

(b) all additional equity interests of any Issuer at any time acquired by such Pledgor in any manner, and the certificates representing such additional equity interests (and any such additional equity interests shall constitute part of the Pledged Equity Interests under this Agreement), and all equity dividends, cash dividends, distributions, cash, instruments, chattel paper and other rights, property or proceeds and products from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Pledged Equity Interests, in each instance except as provided herein; and

(c) all proceeds of any of the foregoing (the assets described in this Section 1 are collectively referred to as, the "**Pledged Collateral**").

2. **Security for Obligations**. This Agreement and all of the Pledged Collateral secure the prompt payment and performance when due of any and all indebtedness, obligations and liabilities of Buyer to the Secured Party, including under or in connection with or evidenced by the Note and all other obligations of Buyer existing or hereafter arising (and whether arising before or after the filing of a petition in bankruptcy and including all interest accrued after the petition date), due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired, and any and all expenses and charges, legal or otherwise, suffered or incurred by the Secured Party which are reimbursable pursuant to the Note (all of the indebtedness, obligations, liabilities, expenses and charges set forth in this Section 2 being referred to herein collectively as the "**Secured Obligations**").

3. **Delivery of Pledged Collateral**. All certificates or instruments representing or evidencing any of the Pledged Collateral shall be delivered to and held by or on behalf of the Secured Party pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed undated instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Secured Party. The Secured Party shall have the right, at any time in its sole discretion and with concurrent notice to the applicable Pledgor upon the occurrence and during the continuance of an Event of Default (as defined in the Note and used herein an "**Event of Default**"), to transfer to or to register in the name of the Secured Party or any of its nominees any or all of the Pledged Collateral in order to exercise its rights and remedies hereunder. ln addition, the Secured Party shall have the right to exchange certificates or instruments representing or evidencing any Pledged Collateral for certificates or instruments of smaller or larger denominations.

4. **Representations and Warranties**. ln order to induce the Secured Party to enter into this Agreement and for the Secured Party to extend credit under the Note, each Pledgor

represents and warrants that the following statements are true, correct and complete in all respects as follows:

(a) Schedule 1 hereto completely and accurately sets forth the number of equity interests of, and options or other rights to purchase or receive, the issued and outstanding equity interests of each Issuer held by each Pledgor as of the date hereof. The Pledged Equity Interests held by each Pledgor constitute the percentage of the issued and outstanding equity interests of each applicable Issuer set forth on Schedule l. All of such equity interests owned by any Pledgor are owned legally and beneficially by such Pledgor and have been duly authorized and validly issued and are fully paid and nonassessable. There are no outstanding warrants, options, subscriptions or other contractual arrangements for the purchase of any other equity interests or any securities convertible into equity interests of any Issuer, and there are no preemptive rights with respect to the equity interests of any Issuer.

(b) No consent of any other party (including, without limitation, any creditor of any Pledgor) and no consent, authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the pledge by any Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by any Pledgor or (ii) for the exercise by Secured Party of the voting or other rights provided for in this Agreement or the remedies in respect of any of the Pledged Collateral pledged by any Pledgor pursuant to this Agreement (except as (i) may be required in connection with such disposition by laws affecting the offering and sale of securities generally, and (ii) set forth in the Amended and Restated Operating Agreement for CVIN LLC dated for reference purposes and effective as of November 23, 2011).

(c) All information heretofore, herein or hereafter supplied to Secured Party by or on behalf of each Pledgor with respect to any of the Pledged Collateral is and will be accurate and complete in all material respects.

(d) No Pledged Equity Interests consisting of either (i) a membership interest in an Issuer that is a limited liability company or (ii) a partnership interest in an Issuer that is a partnership, in each case, are governed by any limited liability company agreement, partnership agreement or other organizational document, as applicable, that provides by its terms that it is a "security" governed by Article 8 of the UCC as in effect under the laws of any state having jurisdiction.

(e) Buyer and Subsidiary hereby represent, warrant and covenant that Subsidiary, since its formation has always been and, until the Note has been paid in full, shall continue to be a "Single Purpose Entity" as defined and described in Schedule 2 attached hereto.

5. **Further Assurances**.

(a) Upon the Secured Party's reasonable written request, each Pledgor agrees to execute and deliver to the Secured Party such further agreements, assignments, instruments and documents, and to do all such other things, as may be reasonably necessary or appropriate to assure the Secured Party its lien and security interest hereunder, including without limitation, (i) executing such instruments and documents as the Secured Party may from time to time reasonably require to comply with the UCC and any other applicable law, and (ii) after the purchase or other acquisition thereof, and within a reasonable time, deliver to the Secured Party all Pledged Equity Interests hereunder. Without limiting the generality of the foregoing, each Pledgor will, upon Secured Party's reasonable request, appear in and defend any action or proceeding that may affect such Pledgor's title to or Secured Party's security interest in the Pledged Collateral.

(b) Each Pledgor will promptly, upon the Secured Party's written request, provide to the Secured Party the information and evidence concerning the Pledged Collateral to enable the Secured Party to enforce the provisions of this Agreement.

(c) Each Pledgor will promptly, upon the purchase or acquisition of any additional equity interests of any Person, deliver to the Secured Party the certificates, if any, evidencing such equity interests as required by Section 3 above, together with a proxy substantially in the form attached hereto as Exhibit A, and a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit B hereto (a "**Pledge Amendment**"), in respect of the additional equity interests which are to be pledged pursuant to this Agreement. Each Pledgor hereby authorizes the Secured Party to attach each Pledge Amendment to this Agreement and agrees that all shares listed on any Pledge Amendment delivered to the Secured Party shall for all purposes hereunder be considered Pledged Collateral.

(d) After the date hereof, no Pledgor shall take any action to cause any membership interest or partnership interest comprising the Pledged Collateral to be or become a "security" within the meaning of, or to be governed by Article 8 of the UCC as in effect under the laws of any state having jurisdiction and after the date hereof, no Pledgor shall cause or permit any Issuer to "opt in" or to take any other action seeking to establish any membership interest or partnership interest of the Pledged Collateral as a "security" or, unless certificated prior to the date hereof, to become certificated.

6. **Affirmative Covenants**

(a) Each Pledgor shall do all things necessary to maintain its legal existence in California. Each Pledgor shall maintain its legal status and qualification to do business in each jurisdiction where it is required to register or qualify to do business, except where the failure to do so would not, individually or in the aggregate, have a Material Adverse Effect.

(b) The Pledgors shall comply with all applicable Laws and other legal requirements applicable to the Pledgors.

(c) The Pledgors shall pay and discharge promptly, on or before the due date thereof, all taxes, assessments, charges, and other impositions imposed by any governmental authority on the Pledgors, or on the Pledged Collateral, including any thereof relating to the creation, ownership or use of the Pledged Collateral, or relating to any security interest in or lien on any Pledged Collateral, or relating to any sale, assignment, transfer or other disposition of the Pledged Collateral.

(d) Each Pledgor, at the cost and expense of the Pledgors, shall keep and maintain at its chief executive office current, complete and accurate books and records concerning all of the Pledged Collateral. The Secured Party shall have unrestricted access to each Pledgor's places of business during normal business hours and after two (2) days' written notice to such Pledgors, or at any time and without notice to any Pledgor after the occurrence of an Event of Default, for the purpose of inspecting, copying, verifying and auditing any Pledgor's books and records concerning the Pledged Collateral.

(e) Within ten (10) days after the Secured Party's written request from time to time, the Pledgors shall furnish to the Secured Party, and cause any Issuer to furnish to the Secured Party, in writing such information regarding the Pledged Collateral as the Secured Party may request, including such information, financial statements and other reports regarding the Issuers as may be in the possession of, or otherwise available to, the Pledgors.

(f) The Pledgors shall give the Secured Party written notice of any Event of Default within two (2) Business Days after the occurrence of such Event of Default.

(g) The Pledgors shall give the Secured Party immediate written notice of any Encumbrance proceeding relating to the Collateral or any thereof. If any Encumbrance proceeding is commenced relating to the Collateral, the Pledgors shall promptly give the Secured Party such information, and copies of any documentation, relating to such Encumbrance proceeding as the Secured Party may request from time to time.

(h) The Pledgors shall, at their sole cost and expense, promptly execute and deliver, or cause the execution and delivery of, all certificates, instruments, and other documents and papers that the Secured Party may request in connection with the obtaining of any consent, approval, registration, qualification, or authorization of any governmental authority or of any other Person necessary or appropriate for the effective exercise of any rights or remedies under this Agreement and the other Transaction Documents. Without limiting the generality of the foregoing, the Pledgors agree that in the event the Secured Party shall exercise the Secured Party's rights to sell, transfer, or otherwise dispose of or take any other action in connection with any of the Pledged Collateral pursuant to this Agreement or any other Transaction Document, the Pledgors shall execute and deliver all applications, certificates, and other documents that the Secured Party may request, and, if requested by the Secured Party,

the Pledgors shall otherwise promptly, fully and diligently cooperate with the Secured Party and any other necessary Persons, in making any application for the prior consent or approval of any governmental authority or any other Person in connection with the exercise by the Secured Party of any of such rights relating to all or any part of the Pledged Collateral. The Pledgors agree that the Secured Party's remedy at law for failure of the Pledgors to comply with the provisions of this Section would not be adequately compensable in damages, and the Pledgors agree that the covenants of this may be specifically enforced.

(i) The Pledgors shall cause each of Buyer and Subsidiary to do the following:

(A) maintain its legal existence in California;

(B) maintain its legal status and qualification to do business in each jurisdiction where it is required to register or qualify to do business, except where the failure to do so would not, individually or in the aggregate, have a Material Adverse Effect;

(C) comply with all applicable Laws and other legal requirements applicable to Buyer and Subsidiary;

(D) pay and perform when due all the terms, covenants and conditions on the part of Buyer and Subsidiary to be performed under its organizational documents; and

(E) to the extent that covenants or other provisions of any other Transaction Document apply to Buyer or Subsidiary, comply with such covenants and provisions even if Buyer or Subsidiary is not a party to such other Transaction Document and is not specifically named or referred to in such covenants or provisions, and even though such covenants or provisions are not set forth in this Agreement.

(j) Promptly, when requested by the Secured Party, and at the sole cost and expense of the Pledgors, the Pledgors shall take all such actions as may be requested by the Secured Party to enforce or secure the performance of any term, covenant or condition of the organizational documents of Buyer or Subsidiary and to exercise any rights of the Pledgors under such organizational documents.

(k) Promptly, when requested by the Secured Party, and at the sole cost and expense of the Pledgors, the Pledgors shall execute and deliver to the Secured Party, and cause any Issuers to exercise and deliver to the Secured Party, an acknowledgment and consent agreement in form and substance satisfactory to the Secured Party, pursuant to which such Issuers shall, among other things, acknowledge that they consent to the terms of this Agreement and agree to comply with the terms of this Agreement that relate to Issuers.

7. **Negative Covenants**

(a) None of the Pledgors shall, without the Secured Party's prior written consent, do any of the following: (i) change its name; (ii) change from a California corporation; (iii) change or amend its organizational documents if such change or amendment would have any adverse effect on the Secured Party's rights or remedies under this Agreement or any other Transaction Document or the Secured Party's rights or remedies with respect to the Pledged Collateral, or the existence, perfection or priority of the Secured Party's security interest in the Pledged Collateral, or the Secured Party's rights or remedies with respect to the Pledged Collateral; (iv) convert from one form of entity to another (or, if a limited liability company, create or form any series), or adopt or approve a plan of division, file a certificate of division, or effect a division; (v) merge, combine or consolidate with any Person; (vi) liquidate, dissolve, wind up, terminate, or cease to exist; or (vi) change the location of its chief executive office or principal place of business.

(b) The Pledgors shall not, without the Secured Party's prior written consent, do any of the following: (i) create, incur, assume, or suffer to exist any security interest or other lien upon any Pledged Collateral other than any security interest or other lien in favor of the Secured Party; (ii) authorize, prepare or execute, or file or permit to be on file in any public office, or suffer to exist, any UCC financing statement or other lien notice applicable to any Pledged Collateral, or fail to have any such UCC financing statement or other lien notice terminated of record and in fact, other than UCC financing statements or other lien notices that are solely in favor of the Secured Party; (iii) cause or permit any of the Pledged Collateral to be in the possession or control of any Person other than the Secured Party or the Pledgor that is the owner of such Pledged Collateral; (iv) grant or agree to any reduction, discount, rebate, refund or adjustment that would reduce the amount that any party or Person that is obligated for the payment or performance of any Pledged Collateral is obligated to pay to any Pledgor; (v) grant to any Person an option or right to purchase or otherwise acquire any Pledged Collateral; (vi) make any agreement for the sale, assignment, transfer, exchange, conversion or other disposition of any Pledged Collateral in a manner that would have any adverse effect on the Secured Party or in a manner that violates the terms of the SPA or this Agreement; or (vii) make or engage in any sale, assignment, transfer, exchange, conversion or other disposition, whether voluntary or involuntary, of any Pledged Collateral, including to any subsidiaries or affiliates in a manner that would have any adverse effect on the Secured Party or in a manner that violates the terms of the SPA or this Agreement.

(c) The Pledgors shall not, without the Secured Party's prior written consent, do any of the following:

(i) with respect to any Pledgor's Ownership Interests in any Issuer, make or consent to any amendment or other change to any ownership documentation or waive any Pledgor's rights thereunder;

(ii) make or consent to any amendment or other change to the

organizational documents of any Issuer, or waive any of any Pledgor's rights thereunder, if such amendment or other change or waiver could have an adverse effect on (A) any Pledgor's rights or remedies under such organizational documents, (B) the Secured Party's rights or remedies under this Agreement, the SPA or the Note, (C) the existence, perfection or priority of the Secured Party's security interest in the Pledged Collateral, or (D) the existence or value of the Pledged Collateral;

(iii) cause or permit any Issuer to pay any dividend on, or make any distribution of assets on account of, or redeem, purchase or otherwise acquire for value, any Ownership Interest in such Issuer held by any Person unless, if permitted by the terms of this Agreement, the SPA or the Note,

(iv) cause or permit Buyer or Subsidiary to change its jurisdiction from California;

(v) cause or permit Buyer or Subsidiary to change its name or capital structure in a manner that could have an adverse effect on (i) any Pledgor's rights or remedies under the organizational documents, (ii) the Secured Party's rights or remedies under this Agreement or any other Transaction Document, (iii) the existence, perfection or priority of the Secured Party's security interest in the Pledged Collateral, or (iv) the existence or value of the Pledged Collateral;

(vi) cause or permit Buyer or Subsidiary to merge or consolidate with any other Person, acquire all or substantially all of the assets of any Person, or form or acquire any subsidiary in a manner that would have any adverse effect on (i) any Pledgor's rights or remedies under the organizational documents, (ii) the Secured Party's rights or remedies under this Agreement or any other Transaction Document, (iii) the existence, perfection or priority of the Secured Party's security interest in the Pledged Collateral, or (iv) the existence or value of the Pledged Collateral; provided, that, the Pledgors shall give the Secured Party written notice at least thirty (30) days prior to the effectiveness thereof; or

(vii) cause or permit Buyer or Subsidiary to liquidate, dissolve, wind up, terminate, or cease to exist.

8. **Voting Rights; Dividends; Etc.**

(a) So long as no Event of Default shall have occurred and is continuing and the Secured Party shall not have delivered to a Pledgor notice of its election to exercise the rights set forth in subsection (b) below:

(i) Such Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral owned by it or any part thereof for any purpose not inconsistent with the terms of this Agreement; provided, however, that such Pledgor shall not exercise or refrain from exercising any such right if

such action or inaction would have a material adverse effect on the security interest granted hereunder on the Pledged Collateral.

(ii) (A) Any cash dividends and other cash distributions paid or payable with respect to any of the Pledged Collateral, but only to the extent permitted under the terms of the Note, shall be paid to such Pledgor, and (B) subject to any limitations set forth in the Security Agreement, any and all instruments, chattel paper and other rights, property or proceeds and products (other than cash or checks) received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral, shall be, and shall be forthwith, delivered to the Secured Party to hold as Pledged Collateral, and shall, if received by such Pledgor, be received in trust for the benefit of the Secured Party, be segregated from the other property or funds of such Pledgor, and be forthwith delivered to the Secured Party as Pledged Collateral in the same form as so received (with any necessary endorsement).

(iii) The Secured Party shall promptly execute and deliver (or cause to be executed and delivered) to such Pledgor all such proxies and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to exercise the voting and other rights which such Pledgor is entitled to exercise pursuant to paragraph (i) above, and to receive the dividends which such Pledgor is authorized and permitted to receive and retain pursuant to paragraph (ii) above.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) All rights of each Pledgor to receive and retain any cash dividends and distributions, if any, and to exercise the voting and other consensual rights which such Pledgor would otherwise be entitled to exercise, shall cease to be effective upon notice by the Secured Party to such Pledgor of its intent to exercise its rights hereunder, and upon delivery of such notice become vested in the Secured Party, who shall thereupon have the sole right to exercise such voting and other consensual rights and the sole right to receive and hold as Pledged Collateral such dividends (and, apply them to payment of the Secured Obligations). In order to permit the Secured Party to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder, (A) such Pledgor shall promptly execute and deliver (or cause to be executed and delivered) to the Secured Party all such proxies, dividend payment orders and other instruments as the Secured Party may from time to time request, and (B) without limiting the effect of clause (A) above, such Pledgor hereby grants to the Secured Party an irrevocable proxy coupled with an interest to vote the Pledged Collateral and to exercise all other rights, powers, privileges and remedies to which a holder of the Pledged Collateral would be entitled (including giving or withholding written consents, calling special meetings and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of the Pledged Collateral on the record books of the issuer thereof) by any other Person (including the

issuer of the Pledged Collateral or any officer or agent thereof), upon the occurrence and during the continuance of an Event of Default, and which proxy shall only terminate upon the payment in full of the Secured Obligations or cure of such Event of Default. In furtherance of the foregoing, such Pledgor shall execute an irrevocable proxy substantially in the form attached hereto as Exhibit A (a "**Proxy**") in blank contemporaneously herewith.

(ii) All dividends which are received by such Pledgor contrary to the provisions of this subsection 8(b) shall be received in trust for the benefit of the Secured Party, shall be segregated from other funds of such Pledgor and shall be forthwith paid over to the Secured Party as Pledged Collateral, in the same form as so received (with any necessary endorsement).

9. **Transfers and Other Liens; Additional Shares**.

(a) Each Pledgor agrees that no Pledgor will (i) encumber, sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral except to the extent that this Agreement provides for the use of proceeds of any of the Pledged Collateral or (ii) enter into any other contractual obligations which could reasonably be expected to restrict or inhibit the Secured Party's rights or ability to sell or otherwise dispose of the Pledged Collateral or any part thereof after the occurrence and during the continuance of an Event of Default.

(b) Each Pledgor agrees that it will (i) not cause any Issuer to issue any equity interests or other securities (including any warrants, options, subscriptions or other contractual arrangements for the purchase of equity interests or securities convertible into equity interests) in addition to or in substitution for the Pledged Equity Interests unless such additional or substituted shares are issued solely to such Pledgor and are pledged to the Secured Party concurrent with such issuance and as provided herein, and (ii) deliver hereunder, immediately upon its acquisition (directly or indirectly) thereof, any and all writings evidencing any additional Pledged Collateral. This Agreement may be modified by amending Schedule 1 to include such equity interests or other securities, provided, that, each party to this Agreement consents in writing to such amendment.

10. **Secured Party Appointed Attorney-in-Fact**. Each Pledgor hereby irrevocably appoints the Secured Party as such Pledgor's attorney-in-fact effective upon the occurrence and during the continuance of an Event of Default, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, the Secured Party or otherwise, from time to time in the Secured Party's discretion to take any action (including completion and presentation of any proxy) and to execute any instrument that Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to (i) receive, endorse and collect all instruments made payable to such Pledgor representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof; (ii) exercise the voting and other consensual rights pertaining to the Pledged Collateral; and (iii) subject to and in accordance with the

provisions of Section 13 hereof, sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Pledged Collateral as fully and completely as though the Secured Party was the absolute owner thereof for all purposes, and to do, at the Secured Party's option and Pledgors expense, at any time or from time to time, all acts and things that Secured Party deems necessary to protect, preserve or realize upon the Pledged Collateral. Each Pledgor hereby ratifies and approves all acts the Secured Party may take pursuant to this Section 10. Except as specifically set forth in Section 12 hereof, neither the Secured Party nor any Person designated by the Secured Party shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than those resulting from the Secured Party's or such designated Person's gross negligence, bad faith or willful misconduct. This power of attorney, being coupled with an interest, shall be irrevocable until all Secured Obligations shall have been paid in full.

11. **Secured Party May Perform**. If any Pledgor fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the documented out of pocket expenses of the Secured Party incurred in connection therewith shall be payable by Pledgor and be a part of the Secured Obligations.

12. **Limitation on Duty of Secured Party with Respect to the Pledged Collateral**. The powers conferred on the Secured Party hereunder are solely to protect its interest in all of the Pledged Collateral and shall not impose any duty on it to exercise any such powers. Except for the safe custody of any Pledged Collateral in its possession and the accounting for monies actually received by it hereunder, the Secured Party shall have no duty with respect to any Pledged Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if such Pledged Collateral is accorded treatment that is substantially equivalent to that which the Secured Party accords its own property, it being expressly agreed that the Secured Party shall have no responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Pledged Collateral, but the Secured Party may do so and all expenses incurred in connection therewith shall be payable by and for the sole account of Pledgors.

13. **Remedies upon Event of Default**. If any Event of Default shall have occurred and is continuing:

(a) The Secured Party may exercise in respect of any of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party under the Uniform Commercial Code (the "UCC") in effect in the State of California at that time, whether or not the UCC applies to the affected Pledged Collateral, and the Secured Party may also, without notice except as specified below, sell all of the Pledged Collateral pledged by any Pledgor or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the

Secured Party's offices or elsewhere, for cash, on credit, or for future delivery, at such price or prices and upon such other terms as Secured Party deems commercially reasonable. Each Pledgor acknowledges and agrees that such a private sale may result in prices and other terms which may be less favorable to the seller than if such sale were a public sale. Each Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to such Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. At any sale of any of the Pledged Collateral, if permitted by law, the Secured Party may bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness) for the purchase of such Pledged Collateral or any portion thereof. The Secured Party shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Secured Party shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit the issuing corporation of such securities to register such securities for public sale under the Securities Act of 1933, as from time to time amended (the "**Securities Act**"), or under applicable state securities laws, even if the issuing corporation would agree to do so. To the extent permitted by law, each Pledgor hereby specifically waives all rights of redemption, stay or appraisal which such Pledgor has or may have under any law now existing or hereafter enacted; provided, that the foregoing waiver shall inure to the benefit of only the Secured Party and its successors and assigns.

(b) All cash proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Pledged Collateral may, in the discretion of the Secured Party, be held by the Secured Party as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Secured Party pursuant to Section 16 hereof) in accordance with the terms of the Note. Any surplus of such cash or cash proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the applicable Pledgor; provided, that, in the event that all of the conditions to the termination of this Agreement pursuant to Section 17 hereof shall not have been fulfilled, such balance shall be held and applied from time to time as provided in this subsection 13(b) until all such conditions shall have been fulfilled.

(c) Each Pledgor recognizes that the Secured Party may be unable to effect a public sale of all or part of the Pledged Collateral and may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obligated to agree, among other things, to acquire such Pledged Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Such private sales shall be bona fide transactions with unaffiliated third parties at fair market value. Each Pledgor acknowledges that any such private sales may be at prices and on terms less favorable to the seller than if sold at public sales and agrees that such private sales shall be deemed to have been made in a commercially reasonable manner, and that Secured Party has no obligation to delay sale of any such Pledged Collateral for the period of time necessary to

permit the issuer of such Pledged Collateral to register such Pledged Collateral for public sale under the Securities Act.

14. **Remedies Cumulative**. No failure on the part of the Secured Party to exercise, and no delay in exercising and no course of dealing with respect to, any power, privilege or right under the Loan Documents or this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise by the Secured Party of any power, privilege or right under the Loan Documents or this Agreement preclude any other or further exercise thereof or the exercise of any other such power, privilege or right. The powers, privileges and rights in this Agreement and the Loan Documents are cumulative and are not exclusive of any other remedies provided by law.

15. **Application of Proceeds**. Upon the occurrence and during the continuance of an Event of Default, the proceeds of any sale of, or other realization upon, all or any part of any Pledged Collateral shall be applied as required by the Note.

16. **Expenses**. Each Pledgor shall promptly pay to the Secured Party all reasonable, documented third-party out-of-pocket costs and expenses (including the reasonable compensation and expenses and disbursements of its counsel) of the Secured Party in connection with protecting or perfecting the Secured Party's security interest in all of the Pledged Collateral and the exercise and enforcement of any of its rights hereunder.

17. **Termination of Security Interests; Release of Collateral**. Upon payment and performance in full of all Secured Obligations and cancellation of the Note, the security interests shall terminate and all rights to the Pledged Collateral shall revert to each applicable Pledgor. Upon such termination of the security interests or release of any Pledged Collateral, the Secured Party will promptly, at the expense of Pledgors, and subject to Section 22 herein, execute and deliver to each Pledgor such documents as such Pledgor shall reasonably request to evidence the termination of the security interests or the release of such Pledged Collateral which has not yet theretofore been sold or otherwise applied or released in accordance with the terms of the Note, and shall return to each applicable Pledgor all equity interest certificates, assignments separate from ce1tificate and proxies relating to or evidencing any of the Pledged Collateral. Such release shall be without recourse or warranty to the Secured Party, except as to the absence of any prior assignments by the Secured Party of its interest in the Pledged Collateral.

18. **Amendments, Waivers and Consents**. No amendment, modification, termination or waiver of any provision of this Agreement, or consent to any departure by any Pledgor therefrom, shall in any event be effective without the written concurrence of the Secured Party and such Pledgor.

19. **Notices**. Except as otherwise specified herein, all notices hereunder shall be delivered in accordance with Section 11.2 of the SPA, with all notices to Subsidiary to be provided to Buyer.

20. **Continuing Security Interest: Successors and Assigns**. This Agreement shall create a continuing security interest in all of the Pledged Collateral and shall (a) remain in full force and effect until payment and performance in full of the Secured Obligations and cancellation of the Note, (b) be binding upon each Pledgor, each Pledgor's successors and assigns, and (c) inure, together with the rights and remedies of the Secured Party hereunder, to the benefit of the Secured Party and its successors and permitted assigns. No Pledgor may assign or transfer any of its interests or obligations hereunder without the prior consent of the Secured Party.

21. **Waiver**.

(a) In addition to any other waivers herein and to the extent permitted by applicable Law, each Pledgor waives to the greatest extent it may lawfully do so, and agrees that it shall not at any time insist upon, plead or in any manner whatever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, marshalling of assets, redemption or similar law, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by such Pledgor of its obligations under, or the enforcement by the Secured Party of, this Agreement. Except as otherwise provided in this Agreement and the other Loan Documents, each Pledgor hereby waives diligence, presentment and demand (whether for nonpayment or protest or of acceptance, maturity, extension of time, change in nature or form of the Secured Obligations, acceptance of further security, release of further security, composition or agreement arrived at as to the amount of, or the terms of, the Secured Obligations, notice of adverse change in any Issuer's or any other Person's financial condition or any other fact which might materially increase the risk to any Pledgor) with respect to any of the Secured Obligations or all other demands whatsoever and waives the benefit of all provisions of law which are or might be in conflict with the terms of this Agreement.

(b) If the Secured Party may, under applicable law, proceed to realize its benefits under any agreement giving such party a lien upon any Pledged Collateral, whether owned by any Issuer or by any other Person, either by judicial foreclosure or by non-judicial sale or enforcement, the Secured Party may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of the rights and remedies of the Secured Party under this Agreement.

22. **Reinstatement**. This Agreement shall continue to be effective, or be reinstated, as the case may be (and only so long as the Note or such other agreement, document or instrument evidencing the Secured Obligations and secured hereby continue to be effective or are reinstated under such circumstances), if at any time any amount received by Secured Party in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of a Pledgor or any Issuer or upon the appointment of any intervenor or conservator of, or trustee or similar official for, a Pledgor or any Issuer or any substantial part of its assets, or otherwise, all as though such payments had not been made.

23. **Severability**. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

24. **Interpretation**. Time is of the essence of each provision of this Agreement of which time is an element. All terms not defined herein or in the SPA or Note shall have the meanings set forth in the UCC, except where the context otherwise requires.

25. **Headings Descriptive**. The headings in this Agreement are for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

26. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement.

27. **GOVERNING LAW; JURISDICTION**. This Agreement has been delivered to and accepted by the Secured Party and will be deemed to be made in the State of California. THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTIONS ACT (OR EQUIVALENT) IN SUCH STATE (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT). The Pledgors hereby irrevocably consent to the exclusive jurisdiction of the federal courts of the United States of America or the courts of the State of California in each case located in or with jurisdiction over the County of Madera; provided that nothing contained in this Agreement will prevent the Secured Party from bringing any action, enforcing any award or judgment or exercising any rights against the Pledgors individually, against any security or against any property of the Pledgors within any other county, state or other foreign or domestic jurisdiction. The Secured Party and the Pledgors agree that the venue provided above is the most convenient forum for both the Secured Party and the Pledgors. The Pledgors waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

28. **WAIVER OF JURY TRIAL**. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS

AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 28.

29. **Termination**. Upon the payment in full of the Secured Obligations (other than unasserted contingent indemnification and unasserted expense reimbursement obligations) in accordance with the provisions of the Note, the liens and security interest granted hereby shall automatically terminate and all rights to the applicable Pledged Collateral shall revert to the applicable Pledgors or any other Person entitled thereto, and at such time, Secured Party will promptly at Pledgor's expense return to the applicable Pledgor any of the Pledged Collateral in the possession of the Secured Party and take such further action as is reasonably requested by such Pledgor.

[SIGNATURE PAGES FOLLOW]

Each Pledgor acknowledges that it has read and understands all the provisions of this Agreement, including the waiver of jury trial provision, and has been advised by counsel as necessary or appropriate.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

PLEDGORS:

VARCOMM-SIERRA TEL, INC., a California corporation

By:_____
Eric Votaw, Chief Executive Officer

VARCOMM2, INC., a California corporation

By:_____
Eric Votaw, Chief Executive Officer

SECURED PARTY:

SIERRA TEL COMMUNICATIONS GROUP, a California corporation

By:_____
John H. Baker, Chairman

[Signature Page to Pledge Agreement]

SCHEDULE 1
TO PLEDGE AGREEMENT

Pledgor	**Equity Issuer**	**Class of Equity Interest**	**Certificate No(s). (if applicable)**	**Par Value (if any)**	**Number of Interests**	**Percentage of Equity Issuer's Equity Interests**
Buyer	Subsidiary	Common	[___]	None	[__] Shares	100%
Subsidiary	CVIN	Membership Interest	[___]	None	[__] Shares	6.0%

SCHEDULE 2

(a) Notwithstanding anything to the contrary contained herein, for so long as the Note remains outstanding, Buyer and Subsidiary represent and warrant and covenant as described in this Schedule 2. The Schedule is in addition to the provisions set forth in the Agreement, and in the event of any conflict between the provisions contained in this Schedule 2 and the other provisions of this Agreement, the provisions of this Schedule 2 shall control and govern.

(b) Subsidiary has not, and for so long as the Note shall remain outstanding, Subsidiary shall not:

(i) engage in any business or activity unrelated to the acquisition, ownership, management or operation of the Pledged CVIN Membership Interest;

(ii) own any assets other than the Pledged CVIN Membership Interest;

(iii) engage in, seek or consent to any dissolution, division, winding up, liquidation, consolidation, merger, sale of all or substantially all of its assets;

(iv) fail to preserve its existence as an entity duly organized, validly existing and in good standing under the laws of California and will not without the prior written consent of Secured Party, amend, modify, terminate or fail to comply with the provisions of its organizational documents, or consent to or suffer the amendment, modification, termination or breach of any of the organizational documents;

(v) own any subsidiary or make any investment in, any person or entity;

(vi) commingle its assets with the assets of any of its general partners, managing members, shareholders, Affiliates, principals or of any other person or entity;

(vii) incur any indebtedness and no indebtedness may be secured (senior, subordinate or pari passu) by the Pledged CVIN Membership Interest;

(viii) fail to maintain its financial statements, accounting records, bank accounts and other entity documents separate and apart from those of the partners, members, shareholders, principals and Affiliates of such entity, and will not permit its assets to be listed as assets on the financial statement of any other entity except that such entity's financial position, assets, results of operations and cash flows may be included in the consolidated financial statements of an Affiliate of such entity in accordance with GAAP; provided, however, that any such consolidated financial statement shall contain a note indicating that its separate assets and liabilities are neither available to pay the debts of the consolidated entity nor constitute obligations of the consolidated entity;

(ix) enter into or be a party to any contract or agreement with any general partner, managing member, shareholder, principal or Affiliate of Buyer;

(x) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(xi) make any promissory notes to any third party;

(xii) fail to hold itself out and identify itself to the public as a legal entity separate and distinct from any other Person;

(xiii) fail to conduct its business solely in its own name in order not (i) to mislead others as to the identity with which such other party is transacting business, or (ii) to suggest that such entity is responsible for the debts of any third party;

(xiv) fail to endeavor to remain solvent and pay its debts and liabilities from its assets as the same shall become due;

(xv) fail to endeavor to maintain adequate capital;

(xvi) fail to file its own tax returns, if any, as may be required under applicable law, to the extent such entity is (1) not part of a consolidated group filing a consolidated return or returns or (2) not treated as a division solely for tax purposes of another taxpayer, and has paid and will pay any taxes so required to be paid under applicable Law;

(xvii) fail to correct any known misunderstanding regarding the separate identity of such entity;

(xviii) fail to hold its assets in its own name and has conducted and will conduct its business in its own name;

(xix) fail to pay its own liabilities and expenses;

(xx) fail to observe all corporate formalities, as applicable;

(xxi) assume or guarantee or become obligated for the debts of any other Person or hold out its credit as being available to satisfy the obligations of any other Person;

(xxii) acquire obligations or securities of its partners, members or shareholders or any other Affiliate;

(xxiii) fail to maintain and use separate stationery, invoices and checks bearing its name;

(xxiv) pledge its assets for the benefit of any other Person;

(xxv) have any obligation to, and will not, indemnify its partners, officers, directors or members, as the case may be;

(xxvi) fail to comply with all of the terms and provisions contained in its organizational documents; and

(xxvii) fail to continue to act in a manner to make the statement of facts contained in its organizational documents true and correct;

EXHIBIT A

Irrevocable Proxy

The undersigned hereby appoints SIERRA TEL COMMUNICATIONS GROUP (the "**Secured Party**"), as Proxy pursuant to the terms of that certain Pledge Agreement dated _____, 202_ among VARCOMM-SIERRA, INC. and VARCOMM2, INC. and Sierra Tel Communications Group, with full power of substitution, and hereby authorizes the Secured Party to represent and vote all of the equity interests of _____, a _____, held of record by the undersigned on the date of exercise hereof or at any meeting or at any other time chosen by the Secured Party in its sole discretion.

[_____]

By:_____
Name:_____
Date:_____ Title:_____

[TO BE DUPLICATED FOR EACH PLEDGOR]

EXHIBIT B

Pledge Amendment

This Pledge Amendment dated _____, 202_ is delivered pursuant to Section 5(c) of the Pledge Agreement referred to below. The undersigned hereby agrees that this Pledge Amendment may be attached to the Pledge Agreement, dated as of _____, 202_ among VARCOMM-SIERRA, INC. and VARCOMM2, INC. and SIERRA TEL COMMUNICATIONS GROUP (the "**Pledge Agreement**"; capitalized terms defined therein being used herein as therein defined), and that the shares listed on this Pledge Amendment shall be deemed to be part of the Pledged Collateral and shall secure all Secured Obligations.

[_____]

Date:_____

By:_____
Title:_____

Equity Issuer	**Class of Equity Interest**	**Certificate No(s). (if applicable)**	**Par Value (if any)**	**Number of Interests**	**Percentage of Equity Issuer's Equity Interests**

List of Schedules

2.2.3 Company Retiree Health Obligations – to be delivered after the Effective Date
4.3.1 Capitalization Schedule
4.5 Conflicts; Consents
4.8 Absence of Changes
4.9.1 Material Contracts
4.10.1 Real Property Exceptions
4.10.2 Real Property Listing
4.11 Condition of Assets
4.12.1 Company IP
4.12.2 IP Agreements
4.12.4 Social Media Accounts
4.15.1 Material Customers
4.15.2 Material Suppliers
4.16 Insurance
4.17.1 Legal Proceedings
4.17.2 Governmental Orders
4.18.1 Compliance with Laws
4.18.2 Authorization
4.18.9 USF Program
4.19.2 Environmental Permits
4.19.5 Tanks
4.19.6 Hazardous Materials Storage
4.19.8 Environmental Report
4.20.1 Benefit Plans
4.20.3 ERISA Compliance
4.20.4 ERISA Contributions
4.20.7 ERISA Claims
4.21.1 Employees
4.21.2 Collective Bargaining
4.21.3 Labor Exceptions
4.22 Taxes
4.22.6 Tax Year Disclosures
4.24 Related Party Transactions
6.6 Officers and Directors

DISCLOSURE SCHEDULES

These Disclosure Schedules (the "**Disclosure Schedules**") are being delivered pursuant to that certain Stock Purchase Agreement (the "**Agreement**"), dated as of January 14, 2026, entered into by and between Sierra Tel Communications Group, a California corporation and Varcomm-SierraTel, Inc., a California corporation. Unless otherwise defined herein, any capitalized term used in these Disclosure Schedules shall have the same meaning assigned to such term in the Agreement.

The disclosures in these Disclosure Schedules identify the section of the Agreement to which such disclosure relates. The headings and subheadings contained in these Disclosure Schedules are for reference purposes only. Notwithstanding anything to the contrary contained in these Disclosure Schedules or in the Agreement, the information and disclosures contained in each section of these Disclosure Schedules shall be deemed to be disclosed and incorporated by reference in each of the other sections of these Disclosure Schedules as though fully set forth in such other sections if it readily apparent on its face that such disclosure relates to such other section(s).

Inclusion of any item in these Disclosure Schedules (i) does not represent a determination that such item is material or establish a standard of materiality, and (ii) shall not constitute, or be deemed to be, an admission to any third party concerning such item or an admission of default or breach under any agreement or document or of a violation of any applicable Law.

The information contained in these Disclosure Schedules is provided solely for the purpose of making disclosures to Buyer under the Agreement. In disclosing such information, Seller does not waive any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine with respect to any of the matters disclosed or discussed in these Disclosure Schedules.

The parties to the Agreement acknowledge that these Disclosure Schedules constitute a part of the Agreement and are subject to the provisions thereof.

Schedule 2.2.3

Company Health Plan Obligations

Seller shall deliver to Buyer, after the Effective Date and during 2026 and as described in Section 2.2.3 of the Agreement, a report indicating the actuarial value of the Companies' aggregate obligations for Post-retirement medical benefits (the "**Retiree Health Coverage**") as of December 31, 2025. The Boards of Directors of STC and Sierra Tel Administration at special meetings on August 25, 2025 terminated all employer-provided retiree health benefit coverage effective December 31, 2025. See Schedule 4.20.1. The regulatory, ratemaking and other consequences of terminating Retiree Health Coverage may be material and have not yet been determined.

Schedule 4.3.1

Capitalization

The authorized number of shares of capital stock of each Company and the number of outstanding shares of capital stock (all of which are common shares and are without par value) is as follows:

Company	Authorized Shares	Outstanding Shares
Sierra Telephone Company, Inc.	10,000	4,000
Sierra Tel Business Systems	10,000	500
Sierra Telephone Long Distance	10,000	1,000
Sierra Tel Internet	1,000	80
Sierra Tel Administration	10,000	1,000

Schedule 4.5

Consents

1. The Closing of the transactions contemplated by the Agreement will require the consent of the California PUC and consent will also be required in connection with the transfer or issuance of new licenses issued or to be issued by the FCC and FAA.

2. Certain of the Authorizations described in Schedule 4.19.2 are not transferable by Seller or the Companies upon a change of control of the Companies and Buyer will be required to obtain new Authorizations effective on and after the Closing Date.

3. STC and the RUS are the parties to the RUS Loan Agreement pursuant to which the RUS agreed to make a Telecommunications Loan to STC up to the principal amount of $40,228,000, which Telecommunications Loan is evidenced by the Promissory Note dated as of January 13, 2021 made by STC in favor of the RUS. The RUS Loan Agreement requires the prior written consent of the RUS if Seller takes or suffers to be taken any steps to reorganize, consolidate with, or merge into any other corporation, or to sell, lease or transfer (or make any agreement therefor) all or any part of its property.

Schedule 4.8

Absence of Changes

1. Certain of the Companies continue to make dividends or distributions to its shareholder consistent with the historic and reported practices described in the Financial Statements and subsequent to the Effective Date and prior to the Closing Date will make substantially increased dividends and distributions subject to the Target Working Capital requirements.

2. Seller has previously entered into retention agreements with certain management employees as described in Schedule 4.20.1.

3. Seller has modified or eliminated Retiree Health Coverage as described in Schedule 4.20.1.

4. STC and Cal Trans have an agreement in principle for the sale by STC to Cal Trans for $10,000 of a 1,629 square foot parcel in Coarsegold, California, as part of Cal Trans's efforts to implement critical safety improvements to the "T" intersection of State Route 41 and Road 416. The parcel abuts these roads. STC has filed with the Cal PUC, pursuant to the Public Utilities Code Section 851 Advice Letter Program (G.O. 173), its request to approve the proposed sale in accordance with California Public Utilities Code Section 851. In its filing, STC has made a proposal to distribute the gain on sale from the transaction to STC's ratepayers through an appropriate sur-credit.

5. Pursuant to the RUS Loan Agreement, since the Balance Sheet Date, STC continued to borrow funds as permitted thereunder and made related material capital expenditures, and the borrowings and the capital expenditures through the Interim Balance Sheet Date are reflected in the STC Interim Financial Statements, subject to year-end adjustments. STC may continue to borrow under and make capital expenditures as permitted by the RUS Loan Agreement until the Closing Date. The RUS Loan Agreement permits STC to draw funds until December 31, 2026.

Schedule 4.9.1

Material Contracts

Attached is the Open Purchase Order report as of December 31, 2025.

Construction Services Agreement made and entered into as of November 24, 2025, by and between Sierra Telephone Company, Inc., a California corporation and Allison Sierra, Inc., a California corporation.

Administrative and Operational Service Agreement made and entered into as of the 1st day of January, 2016, by and between STC and Sierra Telephone Long Distance.

Administrative and Operational Service Agreement made and entered into as of the 1st day of January, 2016, by and between STC and Sierra Tel Internet.

Administrative and Operational Service Agreement made and entered into as of the 1st day of January, 2016, by and between STC and Sierra Tel Business Systems.

Administrative and Operational Service Agreement made and entered into as of the 1st day of January, 2021, by and between STC and Sierra Tel Administration.

Telephone Directory Publishing Agreement made and entered into as of the 6th day of March, 2023 between STC and DPS Media, Inc.

Directory Assistance Service Agreement made the 10th day of December 2021, by and between STC and National Directory Assistance, LLC

Directory Assistance Service Agreement made the 10th day of December 2021, by and between Sierra Telephone Long Distance and National Directory Assistance, LLC

Operator Service Agreement made the 10th day of December 2021, by and between Sierra Telephone Long Distance and National Directory Assistance, LLC

Intercompany Network Agreement made as of January 1, 2006 by and between Kerman Telephone Company, STC and The Ponderosa Telephone Co.

* License Agreement by and between The Ponderosa Telephone Co. (Grantor) and STC (Licensee) with respect to Special Use Permits held by Grantor from the U.S. Forest Service

* Colocation Space License Agreement made the 1st day of November 2021 by and between CVIN LLC, dba Vast Networks and Sierra Tel Internet

Engineering Service Contract – Special Services – Telephone made as of December 24, 2025 between STC and Terracon Consultants. Inc.

Post Loan Engineering Services Contract – Telecommunications Systems (RUS Contract Form 217), made March 20, 2025 between STC and JSI Engineering, LLC

RUS Loan OSP Engineering agreement between STC and Vantage Point Solutions, Inc. executed by STC July 15, 2021

QA/QC Services agreement between STC and Vantage Point Solutions, Inc. executed by STC in 2021

Supply and Services Agreement made and entered into by and between Nokia of America Corporation and STC effective as of December 21, 2021

* STC CARE Support Services Statement of Work regarding the provision of Care Services by Nokia of America Corporation for STC (December 2, 2024) and governed by the Supply and Services Agreement dated December 21, 2021

* Calix Master Purchase and License Agreement made as of June 2020 by and between Calix, Inc. and STC

* Calix Master Purchase and License Agreement made as of July 2020 by and between Calix, Inc., and Sierra Tel Internet

* Software License Agreement made effective as of the 11th day of March, 2015 by and between STC and Innovative Systems, LLC

* Agreement effective July 1st, 2023 between Innovative Systems, LLC and STC (executed April 21, 2023)

* Agreement effective November 1, 2025 between Innovative Systems, LLC and STC (executed June 23, 2025 and June 24, 2025)

* Agility 60 Month Agreement Proposal Prepared for STC and executed by Agility Recovery Solutions, Inc. and STC and effective October 29, 2021

* Carrier Agreement made and entered into as of December 20, 2024 by and between STC and Intermedia.net, Inc. together with Addendum #1 to Carrier Agreement

* License Addendum – Software to Software and Services License Agreement dated November 17, 2010 between Mapcom Systems, LLC and STC, with Addendum executed November 5, 2018 and Change Request executed August 2, 2019

* Master Services Agreement executed July 2, 2024 by Yaana, Inc. and Sierra Tel Internet

United States Authorized Indirect Reseller Agreement effective September 4, 2019 by and among Sierra Tel Internet and eero LLC

* Netskrt Edge Content Delivery Network Deployment Agreement effective September 14, 2023 by and between Netskrt Systems, Inc. and Sierra Tel Internet

* Master Services Agreement dated as of July 19, 2024 by and between NeoNovaNetwork Services, LLC dba NRTC Management Services and Sierra Tel Internet

Grant Writing and Technical Assistance Agreement between Bonfire Fiber, LLC and STC effective September 15, 2025

* Communications Services Agreement made the 8th day of September, 2011 by and between ANPI, LLC and STC

* Arista Terms and conditions by and between Arista Networks Inc. and STC effective October 20, 2023

* Black Box Network Services General Terms and Conditions by and between NextiraOne Federal, LLC dba Black Box Network Services and STC (Effective April 1, 2015)

* Blackhole Technologies, Inc. GPS Hardware and Service Agreement entered into as of March 1, 2021 by and between Blackhole Technologies, Inc. and STC

* Corporate Services Agreement between Canonical Group Limited and STC effective September 23, 2010

* Enterprise Payment Solutions Merchant Processing Service Agreement made by and between Jack Henry & Associates, Inc. and STC effective April 13, 2021

CostQuest Data License Agreement dated as of June 8, 2022 entered into by and between CostQuest Associates, Inc. and STC

* Master Services Agreement effective as of June 20, 2025 by and between Datatel Communications Inc. and STC

* Master Agreement made between LightRiver Technologies, Inc. and STC as of the 17th day of August, 2015

Proposal and Contract between Pasley Construction and STC dated May 20, 2024

* Software as a Service Agreement effective as of January 11, 2021 entered into by Systemates, Inc. and STC, as amended by Amendment No. 1 effective as of December 4, 2024

* VMware Renewal/Contract 377366183 between Broadcom and STC through September 19, 2017

Schedule 4.9.1

Public

Confidential; attachment redacted

Schedule 4.10.1

Title to Assets and Real Property

All of the Real Property and assets owned by the Companies are subject to a (i) Mortgage, Security Agreement and Financing Statement dated as of January 13, 2021 made by and between STC and the RUS and subsequently recorded in Madera County and Mariposa County, California, and (ii) associated UCC-1 Financing Statement (File #: U210071874129) filed with the California Secretary of State on August 2, 2021.

Schedule 4.10.2

Real Property

See attached schedule.

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

Site	Address	City	Equipment	Status	Doc. #
BSLK	[redacted]	Bass Lake	[redacted]	Deed	1118/415, 1118/418
MAA1		Mariposa		Deed	175/184 & 20250304
MBK1		Mariposa		Deed	981273 & 20250304
MCD2		Mariposa		Deed	87-1004
MCE2		Mariposa		Deed	913953 & 20250304
MEA1		Mariposa		Deed	197/401 & 20250304
MEA2		Mariposa		Deed	914574 & 20250304
MEG1		Mariposa		Deed	202/137 & 20250304
MMPA		Mariposa		Deed	57/197 & 20250304 Mariposa CO
MRPS		Mariposa		Deed	150/581 & 20250304 Bootjack CO
OCA1		Oakhurst		Deed	9115769
OFA1		Oakhurst		Deed	1957/407
OKA1		Coarsegold		Deed	1369/65 & 2025012509
OLA1		Coarsegold		Deed	1317/631 & 2025012509
OLA2		Coarsegold		Deed	1314/15 & 2025012509
OLA3		Coarsegold		Deed	1324/239 & 2025012509
OMA1		Ahwahnee		Deed	1414/422 & 2025012509
OMA2		Oakhurst		Deed	2017/437 & 2025012509
ORA1		Coarsegold		Deed	1354/283 & 2025012509
RYMN		Raymond		Deed	735/406 & 2025012509 Raymond CO
YMLP		Coarsegold		Deed	1432/369 & 2025012509 YLP CO
MCM1		Mariposa		Deeds	124/148 & 160/126 & 20250304
MGG1		Catheys Valley		Deeds	964256 & 964257, 964258 & 20250304
MND1		Mariposa		Deeds	250/644; 974049 & 975275 & 20250304
OKHR		Oakhurst		Deeds	9435536,1129/138,1110/597,1074/187 & 2022029003 STC Headquarters
MAA2		Mariposa		Lease	1994587

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

Site	Address	City	Equipment	Status	Doc. #
MAL1	[redacted]	Midpines Oakhurst Mariposa Mariposa	[redacted]	Lease Deed	176/481

(1) Lease Agreement between Yosemite Oaks, Inc., a California corporation and STC for the term beginning July 26, 1999 and ending July 26, 2050 (small telephone company building housing electronic equipment) (rent: one time fee of $1,000)

(2) Lease Agreement by and between Carlos C. LaRoche and Maria del Carmen LaRoche and Mariposa County Telephone Company, Inc., as amended by First Amendment to Lease Agreement by and between Lloyd R. Fischer and Shirley E. Fischer (successor to Lessor) and STC (successor to Lessee) for a 51-year term beginning August 20, 1977 (small telephone company building with equipment)

(3) Owned by Sierra Tel Business Systems and leased to Yosemite Falls Lumber, Inc., a California corporation, pursuant to a California Commercial Lease Agreement made the 15th day of January 2025 (5-year term through January 31, 2030 with a rental of $4,000 per month)

Schedule 4.11

Condition of Assets

None

Schedule 4.12.1

Company IP

See attached list of registered trademarks.

www.sierratel.com

Sierra Telephone Long Distance has filed Fictious Business Name Statements for “Sierra Tel Long Distance” in both Mariposa and Madera Counties

Trademark	Country	Case Number	App. No.	Filing Date	Reg. No.	Reg Date	Status	Next Due Date	Owner Name	Classes and Goods/Services
[DESIGN ONLY] 	United States	CWC 0142	90/109,641	12-Aug-2020	6,332,618	27-Apr-2021	Registered	27-Apr-2031	Sierra Tel Communications	38: Providing Internet access
STI	United States	CWC 0149	75/418,178	15-Jan-1998	2,214,700	29-Dec-1998	Registered	29-Dec-2028	Sierra Tel Internet	42: providing multiple user access to a global computer network for the transfer and dissemination of a wide range of information
[DESIGN ONLY] 	United States	CWC 0143	75/321,014	08-Jul-1997	2,487,825	11-Sep-2001	Registered	11-Sep-2031	Sierra Tel Communications Group	09: HDSL adaptors, routers, access servers, switches, hubs, and protocol converters 38: telecommunications services, namely, audio teleconferencing; data and voice telecommunication, directory information services, electronic mail services, electronic transmission of data and documents via computer terminals, electronic voice messaging; facsimile transmission, gateway services, operator services, telephone network access services, rental of telecommunication equipment, telephone communication services, wireless digital messaging services, and providing telecommunications connections to a global computer network 42: computer software systems technical support and help desk services, namely, providing information on the use of computers by telephone
SIERRA TEL	United States	CWC 0144	75/350,657	02-Sep-1997	2,478,286	14-Aug-2001	Registered	14-Aug-2031	Sierra Tel Communications Group	38: telecommunications services, namely, audio teleconferencing, data and voice telecommunication, directory information services, electronic mail services, electronic transmission of data and documents via computer terminals, electronic voice messaging,facsimile transmission, gateway services, operator services, telephone network access services, PABX dialing services, rental of telecommunication equipment, telephone communication services, wireless digital messaging services, and providing telecommunications connections to a global computer network 42: computer software systems technical support and help desk services, namely, providing information on the use of computers by telephone
SIERRA TEL	United States	CWC 0146	90/100,708	07-Aug-2020	6,305,660	30-Mar-2021	Registered	30-Mar-2027	Sierra Tel Communications Group	38: Providing internet access
SIERRA TEL & Design 	United States	CWC 0147	90/109,587	12-Aug-2020	6,307,253	30-Mar-2021	Registered	30-Mar-2027	Sierra Tel Communications Group	38: Providing internet access
SIERRA TEL INTERNET	United States	CWC 0148	76/311,608	10-Sep-2001	2,850,092	08-Jun-2004	Registered	08-Jun-2034	Sierra Tel Communications Group	09: telecommunication equipment, namely, routers, access servers, telecommunication switches 38: Telecommunications services, namely, electronic mail services, rental of telecommunication equipment, and providing telecommunications connections to a global computer network 42: technical support services, namely, troubleshooting of computer software problems by telephone, but not for use for computer games, electronic games and interactive games; computer game software or entertainment and amusements associated or connected with computer games, electronic games, interactive games or on-line interactive gaming software provided by means of a global computer network or electronic games played on the Internet
SIERRATEL and Design 	United States	CWC 0145	75/320,348	07-Jul-1997	2,843,296	18-May-2004	Registered	18-May-2034	Sierra Tel Communications Group	09: service order processing, and automated switch service provisioning; telephones; telephone network equipment, namely, routers, access servers, voicemail systems; answering machines 38: telecommunications services, namely, audio teleconferencing, data and voice telecommunication, directory information services, electronic mail services, electronic voice messaging, (namely, the recording, storage, and subsequent transmission of voice messages by telephone), facsimile transmission, gateway services, telephone network access services, rental of telecommunication equipment, telephone communication services, and providing telecommunications connections to a global computer network 42: computer software systems technical support and help desk services, namely, providing information on the use of computers by telephone

Schedule 4.12.2

IP Agreements

License Agreement by and between The Ponderosa Telephone Co. (Grantor) and STC (Licensee) with respect to Special Use Permits held by Grantor from the U.S. Forest Service

*Colocation Space License Agreement made the 1st day of November 2021 by and between CVIN LLC, dba Vast Networks and Sierra Tel Internet

STC CARE Support Services Statement of Work regarding the provision of Care Services by Nokia of America Corporation for STC (December 2, 2024) and governed by the Supply and Services Agreement dated December 21, 2021

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Calix Master Purchase and License Agreement made as of July 2020 by and between Calix, Inc., and Sierra Tel Internet

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Agreement effective July 1st, 2023 between Innovative Systems, LLC and STC (executed April 21, 2023)

Agreement effective November 1, 2025 between Innovative Systems, LLC and STC (executed June 23, 2025 and June 24, 2025)

Agility 60 Month Agreement Proposal Prepared for STC and executed by Agility Recovery Solutions, Inc. and STC and effective October 29, 2021

Carrier Agreement made and entered into as of December 20, 2024 by and between STC and Intermedia.net, Inc. together with Addendum #1 to Carrier Agreement

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Master Services Agreement executed July 2, 2024 by Yaana, Inc. and Sierra Tel Internet

Netskrt Edge Content Delivery Network Deployment Agreement effective September 14, 2023 by and between Netskrt Systems, Inc. and Sierra Tel Internet

Master Services Agreement dated as of July 19, 2024 by and between NeoNovaNetwork Services, LLC dba NRTC Management Services and Sierra Tel Internet

Communications Services Agreement made the 8th day of September, 2011 by and between ANPI, LLC and STC

Arista Terms and conditions by and between Arista Networks Inc. and STC effective October 20, 2023

Black Box Network Services General Terms and Conditions by and between NextiraOne Federal, LLC dba Black Box Network Services and STC (Effective April 1, 2015)

Blackhole Technologies, Inc. GPS Hardware and Service Agreement entered into as of March 1, 2021 by and between Blackhole Technologies, Inc. and STC

Corporate Services Agreement between Canonical Group Limited and STC effective September 23, 2010

Enterprise Payment Solutions Merchant Processing Service Agreement made by and between Jack Henry & Associates, Inc. and STC effective April 13, 2021

Master Services Agreement effective as of June 20, 2025 by and between Datatel Communications Inc. and STC

Master Agreement made between LightRiver Technologies, Inc. and STC as of the 17th day of August, 2015

Software as a Service Agreement effective as of January 11, 2021 entered into by Systemates, Inc. and STC, as amended by Amendment No. 1 effective as of December 4, 2024

VMware Renewal/Contract 377366183 between Broadcom and STC through September 19, 2017

Schedule 4.12.4

Social Media Accounts

The social media accounts used in the Companies' businesses include the following:

- Facebook (facebook.com/sierratel)
- Instagram (instagram.com/sierratel)
- X (x.com/SierraTel)
- YouTube (youtube.com/user/SierraTelephone)
- Linkedin (linkedin.com/company/sierra-telephone)

The login information and passwords will be delivered to Buyer immediately in advance of the Closing Date.

Schedule 4.15.1

Material Customers

Greater than $25,000 in each of 2023 and 2024 and through November 30, 2025

See attached schedule.

Schedule 4.15.1

Public

Confidential; attachment redacted

Schedule 4.15.2

Material Suppliers

Greater than $25,000 in payments in each of 2023 and 2024 and through November 30, 2025

See attached schedule.

Schedule 4.15.2

Public

Confidential; attachment redacted

Schedule 4.16

Insurance

See attachments.

Schedule 4.16

Public

Confidential; attachments redacted

Schedule 4.17.1

Legal Proceedings

- Smith adv. Sierra Telephone Company, et al., Superior Court of the State of California in and for the County of Madera (Case No. MCV093375)
- Cal PUC Proceedings

- R.18-07-006 Affordability
- R.20-02-008 LifeLine OIR (closing)
- R.20-08-021 CASF
- R.20-09-001 Broadband for All
- R.20-10-002 Incarcerated OIR
- R.21-03-002 Surcharges
- R.22-02-002 Tribal Land Transfer Policy
- R.22-03-016 GO 133
- R.22-08-008 VoIP
- R.23-02-016 BEAD
- R.23-11-001 DDTP
- R.24-06-012 COLR (STC delisted as respondents)
- R.24-10-005 GO 95
- R.25-07-014 Resiliency
- R.25-11-005 LifeLine Successor OIR
- R.25-08-005, CTF

- On June 6, 2025, an on-duty STC technician was involved in some sort of vehicular misbehavior, while operating an STC vehicle, involving a member of the public in a pickup truck; one or both of them were brake-checking the other until the STC employee passed the pickup truck on a double yellow line and was rammed by the pickup. The CHP took no action in connection with the incident. The STC employee had dashcam video of the accident, which did not corroborate his account of the accident, and he was discharged by STC on August 1, 2025. The employee said he already had other employment and threatened STC with a lawsuit, but so far has only filed for unemployment. The driver of the pickup truck made a claim against STC that STC has tendered to its auto insurer. The former STC employee could theoretically file for wrongful discharge, but no such claim has been filed or threatened.

- MPUD/Sierra Gardens Apartments (ACT Holding)

  In early 2025, Summit Construction, Inc., ("Summit") a contractor for the Mariposa Public Utility District (MPUD) damaged the facilities of STC and other underground users while doing digging and boring work for MPUD on the grounds at or near the Sierra Gardens Apartments at 4922 Joe Howard Street in Mariposa County. STC entered into a Settlement and Release Agreement with Summit and was paid its property damages sustained in the approximate amount of $15,000.

Subsequently, both MPUD and ACT Holdings (owner of the apartments) contacted STC asserting claims of responsibility for the matter. STC responded through its counsel, explaining it had no responsibility for the third party contractor Summits' activities. No further legal contact has been received by STC or its counsel, and no claim or litigation against STC is known to be pending or threatened at this time.

Schedule 4.17.2

Governmental Orders

See Schedule 4.17.1

Schedule 4.18.1

Compliance with Laws

None

Schedule 4.18.2

Authorizations

STC is a party to the 1998 Northern California Joint Pole Agreement made and entered into as of January 1, 1998 by and among the parties listed on Appendix A thereto.

California PUC

Sierra Telephone Long Distance – Certificate of Public Convenience and Necessity originally issued pursuant to D.96-09-003, as expanded in D.24-07-010 to Provide Facilities-Based and Resold Local Exchange Services

FCC

- International Section 214 Authorization
  ITC-214-19960718-00321
- Radio Station Authorization
  KRR705 – Call Sign
  0009652973 – File Number
  Miami Mountain
  Expiration: October 23, 2031

[FAA]

Madera County

Business License – Sierra Tel Internet - #2021-0105

Business License – Sierra Tel Long Distance – B0103885

Business License – Sierra Tel Business Systems - #2022-0221

U.S. Forest Service Permits

U.S. Department of Agriculture – Forest Service – Special Use Permit issued to STC (the "**Forest Service Permit**") – Authorization ID: BLD371 – authorizing STC to use or occupy National Forest System Land in the Bass Lake Ranger District, Sierra National Forest subject to the terms and conditions set forth therein. The permit expires on December 31, 2034*

* The Forest Service Permit is not assignable or transferable. Upon a change in control (as described in the permit), the holder is required to notify the authorized officer, and any deemed change in control results in the termination of the Forest Service Permit and requires the party acquiring control to submit an application for a new permit, and the Forest Service is not obligated to issue a new permit to the party that acquires control

Amendment #1 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved August 11, 2015 (Emerald Cove W.O.7-131-14)

Amendment #2 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved September 10, 2015 (Camp Green Meadows W.O. 7-126-12)

Amendment #3 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved September 10, 2015 (Westfall Ranger Station W.O. 2-004-13)

Amendment #4 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved October 30, 2015 (Jerseydale Fire Station)

Amendment #5 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved January 18, 2017 (Bass Lake Fiber 7-091-10)

Amendment #6 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved January 18, 2017 (Teaford Meadow 7-050-13 and 7-030-13)

Amendment #7 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved November 7, 2016 (Bass Lake-Lupine Campground to Sky Lake Yosemite Camp 7-053-16)

Amendment #8 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved October 5, 2016 (Jerseydale Fire Station 7-069-15 and supplementary prior approvals in Amendment #4)

Amendment #9 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved November 21, 2016 (Mariposa Smither Road 7-109-16)

Amendment #10 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved May 16, 2018 (Worman Road Mariposa 7-009-17 and 7-011-17)

Amendment #11 – U.S. Department of Agriculture – Forest Service Amendment for Special-Use Authorization approved June 29, 2020 (Batterson Fire Station Oakhurst 7-050-19)

Decision Memo approved February 25, 2025 with respect to Special Use Permit Amendments (Shany Creek – Encinas 7-212-21)

Decision Memo approved February 25, 2025 with respect to Special Use Permit Amendments (Angel Springs Recreation Residence Tract 7-043-23)

Decision Memo approved February 25, 2025 with respect to Special Use Permit Amendments (Angel Springs Recreation Residence Tract 7-049-24)

The Forest Service Permit requires STC to provide annual updates to the Forest Service with respect to its Fiber Facility Map and updates, if any to STC's Operations and Maintenance Plan

Cal Trans Permits

Cal Trans Encroachment Permit No. 06-25-6-UE-1065
Approved July 3, 2025 (Madera County)

Cal Trans Encroachment Permit No. 10-25-6-UE-1076
Approved July 1, 2025 (Mariposa County)

Bureau of Land Management and U.S. Army Corp of Engineers and Easements Permits

[See Attached List]

BLM PERMIT LIST BY DATE OF EXPIRATION:

APN 008-340-008: SEC. 25, T4S R17E; SEC. 31, T4S R18E; SEC. 5F, T5S R18E – Mt. Bullion Ridge Rd., Morrissey Lane – Serial Number CACA 3057 w/ Amendment – EXPIRES 11/19/2025

APN 008-270-001: SEC. 31, T4S R18E – Permit Lode – Serial Number CACA 40475 – EXPIRES 12/31/2028

APN 012-040-003: SEC. 5, T5S R18E - MNW1 – Mt. Bullion Cxr – Serial Number CACA 43082 – EXPIRES 12/31/2030

APN 008-260-007: SEC. 32, T4S R18E – Whitlock Rd. cable – Serial Number CACA 44125 – EXPIRES 12/31/2031

APN 008-260-007: SEC. 32, T4S, R18E & SEC 4 T5S R18E – Mt. Bullion Fiber – Serial Number CACA 44487 – EXPIRES 12/31/2031

APN 008-340-011: SEC. 29, T4S R18E – Whitlock Rd. – Serial Number 46418 – EXPIRES 12/31/2033

APN 008-340-011: SEC. 28 & 29, T4S R18E – Sherlock Rd. – Serial Number CACA 47068 – EXPIRES 12/31/2034

APN 054-187-001: SEC. 33 T8S R21E – Quartz Mtn. – Serial Number CACA 47697 – EXPIRES 12/31/2036

APN 008-140-005: SEC. 25, T4S R17E – Mt. Bullion Ridge Rd. – Serial Number CACA 47701 – EXPIRES 12/31/2035

APN 008-340-049: SEC. 28 T4S R18E – Sherlock Rd. Fire repair – Serial Number CACA 50177 – EXPIRES 12/31/2037

APN 008-350-060: SEC. 27, T4S R18E – COLORADO RD – Serial Number CACA 50878 – EXPIRES 12/31/2039

APN 008-140-008: SEC. 35, T4S R17E – Half Way Road - Serial Number CACA 51365 – EXPIRES 12/31/2039

APN 008-280-012: SEC. 29, T4S R18E – E. WHITLOCK RD – Serial Number CACA 53390 – EXPIRES 12/31/2041

US ARMY CORP OF ENGINEERS:

APN'S BOOK 53 PGS. 24, 25, & 33: SEC. 22, 26, 27, 28, 33 T8S R18E – Buchanan Dam / Eastman Lake – Easement No. DACW05-2-12-548 - EXPIRES 6/26/2037

APN 053-100-014: SEC. 1 T8S R18E – Buchanan Dam / Eastman Lake – Easement No. DACW05-2-94-585 - EXPIRES 8/14/2044

California Department of Fish and Wildlife

Agua Fria Creek (Mariposa) – Transaction Number: 29920397

Ben Hur Creek Crossings – Transaction Number: 26825806

Darrah Road Bridge Replacement – Transaction Number: 25464650

Dorstan Drive – Transaction Number: 25776780

Fresno River – Transaction Number: 34072709

Jones Creek – Transaction Number: 31589052

Oak Road Ridge – Transaction Number: [_____]

Peterson Creek – Transaction Number: [_____]

Road 427 Bridge Replacement – Transaction Number: 24651432

Shady Lane Bridge – Transaction Number: 28338066

California Contractors State License Board

Sierra Tel Business Systems – License Number 810990

California State Board of Equalization

Seller's Permit – Sierra Telephone Company, Inc.
Account Number 2/1/1979 SR DF 41-626637
(Crane Valley Road, Oakhurst)

Seller's Permit – Sierra Tel Internet
Account Number 04/01/2016 SR Y DF 097-151213 00002 DF
(Bullion Street, Mariposa)

Seller's Permit – Sierra Tel Internet
Account Number 10/10/1997 SR DF 97-151213
(Road 426, Oakhurst)

Consolidated Seller's Permit – Sierra Tel Business Systems
Account Number 3/1/1988 SR Y DF 22-799737
(Oakhurst)

Seller's Permit – Sierra Tel Business Systems
Account Number 3/1/1988 SR Y DF 22-799737 00001 DF
(Crane Valley Road, Oakhurst)

Seller's Permit – Sierra Tel Business Systems
Account Number 3/1/1988 SR Y DF 22-799737 00003 DF
(Highway 140, Mariposa)

Seller's Permit – Sierra Tel Business Systems
Account Number 3/1/1988 SR Y DF 22-799737 00004 DF
(Highway 49, Oakhurst)

Seller's Permit – Sierra Tel Business Systems
Account Number 3/1/1988 SR Y DF 22-799737 00006 DF
(Sierra Way, Oakhurst)

State of California
Department of Industrial Relations
Division of Occupational Safety and Health

Conveyance Permit
Conveyance Number: 136525
40033 Sierra Way
Oakhurst, CA 93644

Environmental Permits

See Schedule 4.19.2

Schedule 4.18.9

USF Programs

Federal

- Federal Lifeline – low income, tribal
- E-Rate – Schools and Libraries
- High Cost Support/Connect America Fund
- Rural Healthcare
- CAF ICC
- HCLS
- CAF BLS
- CBOL
- RUS Grant/Loan and Reconnect Grant/Loan Programs

California

- California Lifeline
- California Advanced Services Fund
- California Teleconnect Fund
- Deaf and Disabled Telecommunications Program
- CHCF-A

STC has three (3) open audits with respect to the receipt of High Cost Program Funds

(1) By letter dated June 21, 2023, Hurlbert CPA advised that they had been engaged by the Internal Audit Division of Universal Service Administrative Company ("USAC"), which engagement was subsequently taken over by USAC, to perform compliance attestation examinations relating to the period of July 1, 2019 through June 30, 2020.

(2) By e-mail dated October 31, 2025, STC was advised by USAC of a Payment Quality Assurance (PQA) Program Assessment with respect to the Federal Universal Fund Lifeline Program (relating to a disbursement amount of $12,691.00).

(3) By letter dated January 13, 2026, USAC advised STC that it would be assessing a disbursement made November 1, 2024 under the PQA Program (relating to a disbursement in the amount of $1,228,706).

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

Schedule 4.19.2

Environmental Permits

California Environmental Protection Agency
Air Resources Board

Certificate of Reported Compliance – Off Road Diesel Vehicle Registration
January 1, 2025
Fleet Identification 2669

San Joaquin Valley
Air Pollution Control District

Permit to Operate
Facility C-4205
30350 Stetson Drive
Coarsegold, CA

Permit to Operate
Facility C-8657
40033 Sierra Way
Oakhurst, CA

Permit to Operate
Facility C-1788
39858 Road 425B
Oakhurst, CA

Madera County

Permit to Operate
Record ID: 24-0109-PRMT
Hazardous Material Handler – Range 2
[redacted]

Permit to Operate
Record ID: PR0008242
APSA – 10,000 to 100,000 GAL.
Record ID: PR0000339
Hazardous Material Handler – Range 2
Record ID: PR0004055
Haz. Waste Sm. Qty Generator – 100-999 kg./mo.
[redacted]

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

Permit to Operate
Record ID: PR0000923
Hazardous Materials Handler – Range 1
[redacted]

Permit to Operate
Record ID: PR0004028
Hazardous Materials Handler – Range 2
Record ID: PR0009785
APSA Tier 1
[redacted]

Permit to Operate
Record ID: PR0000924
Hazardous Materials Handler – Range 1
[redacted]

Permit to Operate
Record ID: PR0000925
Hazardous Materials Handler – Range 1
[redacted]

State of California
Department of Industrial Relations
Division of Occupational Safety and Health

Permits to Operate Liquified Petroleum Gas Tank

L004562-91	[redacted]
L004563-91	
L21-006142	
L21-006143	
L22-005850	
L22-005864	
L22-005865	
L22-005907	
L25-002627	
L25-002628	
L25-002629	
L25-002630	

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

Conveyance Permit

Conveyance Number 104703
Conveyance Number 136525

Permit to Operate Air Pressure Tank

A028483
A18-006274
A18-006275 [redacted]

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

Schedule 4.19.5

Tanks

The following list identifies the fuel tanks maintained by one of the Companies and the capacities of each of the tanks.

(1) Shop Fuel Tank: [redacted]

(2) Bootjack Fuel Tank: [redacted]

(3) Lumber Yard Fuel Tank: [redacted]

The Companies also maintain [redacted] tanks for use with their generators at the locations in the attached schedule.

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

Site	Location	Generator Type	Fuel Type	Fuel Capacity
BBL2	[redacted]	Cummins 25KW	[redacted]	[redacted]
BCA1		Cummins 20KW		
BCB1		Cummins 20KW		
BSLK		Cummins 100KW		
MAA1		Cummins 20KW		
MAA2		Olympian 15KW		
MAA3		Cummins 20KW		
MAB1		Cummins 20KW		
MAC1		Cummins 20KW		
MAC2		Cummins 20KW		
MAE1		Cummins 20KW		
MAJ1		Cummins 20KW		
MAJ2		Cummins 13KW		
MAK1		Cummins 13KW		
MAL1		Cummins 20KW		
MAY1		Cummins 25KW		
MAZ1		Cummins 20KW		
MBA1		Cummins 13KW		
MBA2		Cummins 20KW		
MBA3		Cummins 20KW		
MBA4		Cummins 20KW		
MBH1		Cummins 20KW		
MBK1		Olympian 15KW		
MBT1		Cummins 20KW		
MCA1		Cummins 20KW		
MCA2		Cummins 20KW		
MCA3		Cummins 20KW		

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

MCA4	[redacted]	Cummins 13KW	[redacted]
MCB1		Cummins 20KW	
MCC1		Cummins 20KW	
MCD1		Cummins 20KW	
MCD2		Cummins 20KW	
MCE1		Cummins 25KW	
MCE2		Cummins 20KW	
MCF1		PSAP Cust Gen	
MCM1		Cummins 25KW	
MCM2		Cummins 20KW	
MCN1		Cummins 20KW	
MCN2		Cummins 20KW	
MCN3		Cummins 20KW	
MCZ1		Cummins 25KW	
MDA1		Cummins 20KW	
MDA2		Cummins 20KW	
MDA3		Cummins 20KW	
MDE1		Cummins 20KW	
MDS1		Cummins 13KW	
MEA1		Cummins 20KW	
MEA2		Cummins 13KW	
MEG1		Cummins 25KW	
MEG2		Cummins 20KW	
MEJ1		Cummins 20KW	
MEK1		Cummins 13KW	
MEM1		Cummins 20KW	
MEN1		Cummins 20KW	
MEV1		Cummins 20KW	

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

MEX1	[redacted]	Cummins 20KW	Propane	[redacted]
MFA1		Olympian 15KW	Propane	
MFP1		Cummins 13KW	Propane	
MGA1		Cummins 25KW	Propane	
MGA2		Cummins 20KW	Propane	
MGG1		Cummins 20KW	Propane	
MGN1		Cummins 20KW	Propane	
MGQ1		Cummins 13KW	Propane	
MGT1		Cummins 20KW	Propane	
MIMT		Onan 20KW	Propane	
MMPA		Cummins 200KW	Diesel	Currently being installed
MMPY		Cummins 50KW	Propane	
MND1		Olympian 15KW	Propane	
MND2		Cummins 20KW	Propane	
MNW1		Olympian 15KW	Propane	
MPA1		Cummins 13KW	Propane	
MRPS		Cummins 100KW	Propane	
MSM1		Cummins 20KW	Propane	
MTC1		Cummins 20KW	Propane	
MTH1		Cummins 20KW	Propane	
OAA1		Cummins 20KW	Propane	
OAA2		Cummins 20KW	Propane	
OBS1		Cummins 20KW	Propane	
OCA1		Cummins 20KW	Propane	
OCM1		Cummins 20KW	Propane	
ODA1		Olympian 15KW	Propane	
OEA1		Cummins 20KW	Propane	
OFA1		Olympian 15KW	Propane	

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

OGA1	[redacted]	Cummins 20KW	[redacted]
OHA1		Cummins 20KW	
OKA1		Cummins 20KW	
OKA2		Olympian 15KW	
OKC1		Cummins 20KW	
OKHR		Caterpillar 300KW	
OKI1		Cummins 13KW	
OKL1		Cummins 20KW	
OKT1		Cummins 20KW	
OKW1		Cummins 25KW	
OKW2		Cummins 20KW	
OLA1		Cummins 20KW	
OLA2		Cummins 20KW	
OLA3		Cummins 20KW	
OLD1		Cummins 20KW	
OLF1		Cummins 20KW	
OLJ1		Cummins 20KW	
OMA1		Cummins 20KW	
OMA2		Olympian 15KW	
OMA3		Cummins 20KW	
OMG1		See OMZ1	
OMG2		See OMZ1	
OMG3		See OMZ1	
OMJ1		Cummins 20KW	
OMK1		Cummins 20KW	
OMN1		Cummins 20KW	
OMQ1		Cummins 20KW	
OMT1		Cummins 20KW	

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

OMT2	[redacted]	Cummins 20KW	[redacted]
OMZ1		Cummins 50KW	
ONE1		Cummins 20KW	
ONF1		Olympian 15KW	
ONH1		Cummins 20KW	
ONQ1		Cummins 20KW	
OPJ1		Cummins 20KW	
ORA1		Cummins 70KW	
ORA2		Cummins 20KW	
ORK1		Cummins 20KW	
ORR1		Onan 20KW	
ORW1		Cummins 20KW	
OSB1		Cummins 20KW	
OSH1		Cummins 20KW	
OSY1		Olympian 15KW	
OTF1		Cummins 20KW	
OTM1		Cummins 20KW	
OTP1		Cummins 20KW	
OTS1		Cummins 20KW	
OWL1		See OMZ1	
OYA1		Cummins 20KW	
RAA1		Cummins 20KW	
RAB1		Cummins 20KW	
RAC1		Cummins 20KW	
RAC2		Cummins 20KW	
RBA1		Cummins 20KW	
REA1		Cummins 20KW	
RYMN		Cummins 100KW	

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code 583; Civ. Code § 3426.1(d); Cal. Evid. Code § 1060; Gov. Code §§ 7922.000, 7927.705; 6 C.F.R. § 29.2; 6 U.S.C. § 671(5)(B); 6 U.S.C. § 673(a); 6 C.F.R. § 29.1, et seq.

YBA1	[redacted]	Cummins 20KW	Propane	[redacted]
YBD1		Cummins 20KW	Propane	
YBL1		Cummins 20KW	Propane	
YBW1		Cummins 20KW	Propane	
YCF1		Cummins 20KW	Propane	
YCR1		Cummins 20KW	Propane	
YCS1		Cummins 20KW	Propane	
YCU1		Cummins 20KW	Propane	
YDG1		Cummins 20KW	Propane	
YDH1		Cummins 20KW	Propane	
YLT1		Cummins 20KW	Propane	
YMLP		Caterpillar 50KW	Propane	
STC Parkway		Caterpillar 350KW	Propane	
STI Parkway		Cummins 100KW	Propane	

Schedule 4.19.6

Hazardous Materials Storage

None.

Schedule 4.19.8

Environmental Report

1. Pacific Engineering & Consulting, Inc. prepared for the Companies a "Spill Plan, Control and Countermeasure Plan" in accordance with 40 CFR 112.7 and certified (on September 4, 2024) that the Plan was prepared in accordance with good engineering practice, including consideration of applicable industry standards and the requirements of 40 CFR part 112 and further that procedures for required inspection and testing have been established and that the Plan is adequate for the facility.

2. The Madera County Environmental Health Division conducted an inspection of the STC Maintenance Yard on June 21, 2024 and issued a CUPA-Hazardous Waste Generators Inspection Report that noted only one violation, which was remedied as required. Specifically, the report noted that two 55-gallon drums contained contaminated oil stored beyond the applicable 180-day storage period. The hazardous waste was disposed of within the required 30-day period specified in the report.

3. Pursuant to a letter agreement dated August 18, 2020, STC and Live Oak Associates, Inc. ("Live Oak") STC engaged Live Oak to prepare a report that assessed the effects of the federally threatened California tiger salamander resulting from the construction of the Raymond Exchange RYMN (South) Project in Madera County. The project, with its funding provided with funds under the RUS Loan Agreement, was the subject of a request of U.S. Fish and Wildlife to receive an effects determination and, if necessary, a mitigation plan. Live Oak subsequently prepared and delivered its report to STC.

Confidential and proprietary -- G.O. 66-D; Pub. Util. Code § 583; Gov. Code § 7922.000, Cal. Const., Art. I, § 1

Schedule 4.20.1

Benefit Plans

- A Benefits Summary for Full-Time Employees is attached to this Schedule.

- Seller participates in the Profit Sharing Segment of the Savings Plan sponsored by the NTCA – The Rural Broadband Association ("NTCA"). The NTCA Savings Plan is a qualified multi-employer defined contribution plan. Contributions to the NTCA Savings Plan are made by each participant under an election to defer a percentage of the participant's compensation each year. Seller (or one or more of the Companies) also make discretionary employer matching contributions to the NTCA Savings Plan, which are described in the STCG Financial Statements.

- Seller offers medical benefits to employees of the Companies as described in the Plan Document and Summary Plan Description for Sierra Telephone (Restated January 1, 2014).

- Through December 31, 2025, Seller (or its affiliated Companies) provided certain health care benefits to all full-time employees hired prior to January 1, 2006 and retiring at age 62 or later, with 20 years of credited service. The Boards of Directors of STC and Sierra Tel Administration at special meetings on August 25, 2025 terminated all employer-provided Retiree Health Coverage effective December 31, 2025 and, as a result, all of such retiree health benefits for all eligible employees, retirees, and their dependents ceased as of that date. By letters dated October 9, 2025, all affected employees of and retirees from STC and Sierra Tel Administration were formally advised of the termination of such Retiree Health Coverage effective December 31, 2025, although employees are eligible to secure medical coverage through the NTCA.

- STC and the following employees were the parties to a Retention Bonus Agreement dated May 1, 2023:

  [redacted]

  Each of the employees above, with the exception of [redacted], executed a Retention Bonus Agreement Extension Letter agreement dated December 31, 2024, pursuant to which each executing employee received a partial payment and deferred the balance (with a $20,000 incentive increase) pursuant to the terms described therein. [redacted] elected to receive the retention bonus amount described in the May 1, 2023 Retention Bonus Agreement.

- [redacted] is a party to a Retention and Incentive Bonus Agreement with Seller (and not the Companies), which is the responsibility of Seller.

SIERRA TEL

Benefits Summary –Full-Time Employees

Health Benefits

Medical/Prescription Drug Insurance* - (*Effective 61st day of employment.)*

(PPO) Preferred Provider Plan – No Deductible applies to in network, out of network benefits available

(HSA) Two Health Savings Account High Deductible Health Plans offered – Lower contribution plan with in network and out of network benefits, both plans offer Employer Contributions.

Vision Plan* *(Included with Medical - Effective 61st day of employment.)*

Eye Exams, eyeglasses and/or contact lenses every Plan Year, materials co-pay from $0 - $160; $140 frame allowance. Discount for special services such as Progressive lenses, tinting, and coatings.

Dental Plan* (*Effective 61st day of employment.)*

Diagnostic and Preventative Services –- No Deductible; paid at 100% of Usual, Customary, and Reasonable (UCR)

Routine, Basic, and Major services - $75 single/$150 family deductible, paid at 80% of UCR, $3,000 limit per person per year

Orthodontia – paid at 80% of UCR, $1,500 maximum lifetime benefit

Life/Disability Insurance

Basic Group Life - *(Included with Medical - Effective 61st day of employment.)*

$3,000 (employee), $1,000 (spouse), $500 (children)

Basic Group Life, Accidental Death and Dismemberment, Dependent Life Insurance (*Six Calendar Months Waiting Period*)

$15,000 face amount per employee; $5,000 face amount for spouse and $2,000 for each dependent child under 19 years of age

Employee Term Life Insurance Program (*Six Calendar Months Waiting Period*)

Amount of coverage: One and one half times annual salary to $150,000 maximum

Long-Term Disability Insurance (*Six Calendar Months Waiting Period*)

Upon disability - a 360-day waiting period applies; the plan pays approximately 60% of earnings with a maximum benefit of $10,000 per month

Time Off

Vacation Benefit (*Accrual begins with the first pay period)*

Up to five weeks per year depending on calendar years of service. Vacation accrues on regular hours worked. Vacation accumulation is not allowed. Accrued benefits are available for use on January 1 of the year following the date of hire.

Floating Holidays *(Available after the first pay period)*

Employees receive a total of 16 floating holiday hours bi-annually, totaling 32 floating holiday hours per year that employees can use at their discretion. 16 floating holiday hours become available on January 1st and another 16 hours are made available on July 1st. Newly hired employees will earn floating holidays on a prorated basis.

Paid Sick Leave (*Effective 61st day of employment.)*

Maximum 80 hours allocated each year. The maximum number of accumulated hours allowable is 160.

Retirement Benefits

401(k)* *(Eligible upon hire: Enrollment First of Every Month)*

Multiple Investment options to choose from - 800# and website availability. The Company matches 50% of contributions up to 15% of earnings up to the Federal maximum contribution limit.

Education Benefits

Scholarship Allowances *(Two Calendar Years Waiting Period)*

Limited to two scholarships per family for children enrolled before attaining 21 years of age
Up to $800 per child, if attending a junior/community college, vocational school, or educational institution of higher learning
Up to $1,000 per child, if attending a four-year college or university

Voluntary Employee Benefits*

The following are 100% funded by employees' contributions:

Aflac *(First of month, following 60 days of employment)*

Personal Accident Indemnity, Personal Cancer Indemnity, Hospital Indemnity, Lump Sum Critical Illness, and Dental Health Plans available. This is a pre-tax payroll deduction.

Voluntary Term Life/Accidental Death and Dismemberment Insurance Program *(Six Calendar Months Waiting Period)*

Amount of coverage: Minimum of $10,000 up to $500,000 with a guarantee issue of $130,000
Coverage for spouse and dependents also offered

Voluntary Whole Life Insurance Program (*First of the year following six calendar months of employment*)

Two levels of coverage offered depending upon age and tobacco use
Coverage for spouse and dependents also offered

Voluntary Short-Term Disability Program (*First of the year following six calendar months of employment*)

Two levels of coverage offered depending upon income level

125 Flexible Benefits Plan (Flexible Spending Account) - *(Eligible first payroll after 90 days of employment with enrollment in the Medical/Prescription Drug Plan*)

Health Care Reimbursement Account and Dependent Care Assistance available with enrollment in the PPO Plan. This is a pre-tax payroll deduction.

Health Savings Account - *(Eligible 61st day of employment with enrollment in the Medical/Prescription Drug Plan*)

Health Care Savings Account available with enrollment in the HDHP Medical Plan. This is a pre-tax payroll deduction.

*Employee Contribution Required

Schedule 4.20.3

ERISA Compliance

Employees of Seller (or the Companies) are participants in Multiemployer Plans sponsored by the NTCA as described in Section 4.20.1. There is no defined benefit retirement or pension plan in effect covering any employees of the Companies.

Schedule 4.20.4

ERISA Contributions

Seller or the Companies make matching contributions to the NTCA Savings Plan (401(k) Plan) in an amount equal to 50% of an employee's 401(k), post-tax and/or Roth 401(k) contributions up to, and including, a total employee contribution of 15% of W-2 compensation contributed per Plan year, for a maximum employer matching contribution of 7.5% of W-2 compensation. In the course of an internal audit of employer matching contributions, it was discovered that some employees did not receive the benefit of the full employer match in accordance with the Plan. For STC, the amount was $115,889.42 and for Sierra Tel Administration the amount was $2,580.19, and such amounts were funded in late 2025. Seller and the Companies are awaiting the missed earnings calculation from Fidelity (via NTCA) and will remit the aggregate amount when advised. An adjustment will be made to the 2025 financial statements, and Seller assumes all responsibility in connection with the issue.

Schedule 4.20.7

ERISA Claims

None

Schedule 4.21.1

Employees

See attached schedule for employees.

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Sierra Telephone Company, Inc.
Sierra Tel Administration
Active Employee list 8/8/2025

Payroll Company	Employee ID	Full Name	Department	Title	Date Hired	Exempt Status	Employment Type	Age	Hourly Rate	Ann Sal	Service	Status	Original Date Hired
Sierra Telephone	000946	[redacted]	Accounting and Regulatory	Finance Director	[redacted]	Exempt Salaried	Full-Time	72.53	[Redacted]	[Redacted]	9.02	Active	[redacted]
Sierra Telephone	002049		Accounting and Regulatory	Accountant		Non-Exempt Hourly	Full-Time	39.02	[Redacted]	[Redacted]	3.23	Active	
Sierra Telephone	002028		Accounting and Regulatory	Accounting Clerk II		Non-Exempt Hourly	Full-Time	26.02	[Redacted]	[Redacted]	4.42	Active	
Sierra Telephone	002014		Accounting and Regulatory	Accounting And Regulatory Manager		Exempt Salaried	Full-Time	48.68	[Redacted]	[Redacted]	5.20	Active	
Sierra Telephone	002082		Accounting and Regulatory	Accounting Clerk I		Non-Exempt Hourly	Full-Time	47.80	[Redacted]	[Redacted]	0.18	Active	
Sierra Telephone	002056		Accounting and Regulatory	Regulatory Analyst I		Non-Exempt Hourly	Full-Time	45.81	[Redacted]	[Redacted]	2.68	Active	
Sierra Telephone	000240		Administration	President		Exempt Salaried	Full-Time	69.79	[Redacted]	[Redacted]	42.34	Active	
Sierra Telephone	000894		Administration	Construction Inspection Specialist		Non-Exempt Hourly	Full-Time	44.24	[Redacted]	[Redacted]	10.49	Active	
Sierra Telephone	000206		Administration	Special Projects Manager		Exempt Salaried	Full-Time	58.63	[Redacted]	[Redacted]	31.85	Active	
Sierra Telephone	002071		Administration	Executive Administrative Assistant		Non-Exempt Hourly	Full-Time	34.71	[Redacted]	[Redacted]	1.65	Active	
Sierra Telephone	000439		Administration	Operations Manager		Exempt Salaried	Full-Time	47.72	[Redacted]	[Redacted]	27.42	Active	
Sierra Telephone	000850		Administration	Vice President And General Manager		Exempt Salaried	Full-Time	50.36	[Redacted]	[Redacted]	15.86	Active	
Sierra Telephone	000376		Administration	Administrative Assistant Iii		Non-Exempt Hourly	Full-Time	58.61	[Redacted]	[Redacted]	29.12	Active	
Sierra Telephone	002009		Auto Shop/Mechanics	Senior Automotive Technician		Non-Exempt Hourly	Full-Time	34.69	[Redacted]	[Redacted]	5.65	Active	
Sierra Telephone	002057		Auto Shop/Mechanics	Senior Automotive Technician		Non-Exempt Hourly	Full-Time	35.85	[Redacted]	[Redacted]	2.04	Active	
Sierra Telephone	000297		Auto Shop/Mechanics	Automotive Fleet & Build. Maint. Manager		Exempt Salaried	Full-Time	50.55	[Redacted]	[Redacted]	29.97	Active	
Sierra Telephone	000248		Billing Department	Billing Supervisor		Exempt Salaried	Full-Time	61.25	[Redacted]	[Redacted]	34.05	Active	
Sierra Telephone	000732		Billing Department	Billing Clerk Iii		Non-Exempt Hourly	Full-Time	65.90	[Redacted]	[Redacted]	19.09	Active	
Sierra Telephone	002033		Billing Department	Billing Clerk Iii		Non-Exempt Hourly	Full-Time	46.36	[Redacted]	[Redacted]	3.98	Active	
Sierra Telephone	000184		Billing Department	Billing Clerk Iii		Non-Exempt Hourly	Full-Time	65.45	[Redacted]	[Redacted]	24.58	Active	
Sierra Telephone	002029		Building Maintenance	Building Maintenance Technician		Non-Exempt Hourly	Full-Time	45.15	[Redacted]	[Redacted]	4.38	Active	
Sierra Telephone	000968		Building Maintenance	Building Maintenance Technician		Non-Exempt Hourly	Full-Time	32.85	[Redacted]	[Redacted]	8.39	Active	
Sierra Telephone	000191		Building Maintenance	Building Maint.& Environmental Supervisor		Exempt Salaried	Full-Time	47.82	[Redacted]	[Redacted]	21.20	Active	
Sierra Telephone	002067		Building Maintenance	Building Maintenance Electrician		Non-Exempt Hourly	Full-Time	49.05	[Redacted]	[Redacted]	1.78	Active	
Sierra Telephone	000734		Central Office	Lead Telecom Technician		Non-Exempt Hourly	Full-Time	56.65	[Redacted]	[Redacted]	18.90	Active	
Sierra Telephone	002037		Central Office	Telecom Technician Ii		Non-Exempt Hourly	Full-Time	45.46	[Redacted]	[Redacted]	3.69	Active	
Sierra Telephone	000115		Central Office	Lead Telecom Technician		Non-Exempt Hourly	Full-Time	55.71	[Redacted]	[Redacted]	22.69	Active	
Sierra Telephone	000382		Central Office	Senior Telecom Technician		Non-Exempt Hourly	Full-Time	52.55	[Redacted]	[Redacted]	28.93	Active	
Sierra Telephone	000777		Central Office	Co Supervisor/ Planner		Exempt Salaried	Full-Time	66.34	[Redacted]	[Redacted]	17.98	Active	
Sierra Telephone	000185		Central Office	Senior Frame Person		Non-Exempt Hourly	Full-Time	71.57	[Redacted]	[Redacted]	24.58	Active	
Sierra Telephone	002051		Central Office	Telecom Technician I		Non-Exempt Hourly	Full-Time	47.04	[Redacted]	[Redacted]	3.06	Active	
Sierra Telephone	000936		Central Office	Telecom Technician I		Non-Exempt Hourly	Full-Time	33.56	[Redacted]	[Redacted]	9.58	Active	
Sierra Telephone	000978		Central Office	Telecom Technician I		Non-Exempt Hourly	Full-Time	36.62	[Redacted]	[Redacted]	8.28	Active	
Sierra Telephone	002078		Central Office	Telecom Technician I		Non-Exempt Hourly	Full-Time	33.36	[Redacted]	[Redacted]	0.41	Active	
Sierra Telephone	000954		Central Office	Senior Telecom Technician		Non-Exempt Hourly	Full-Time	66.87	[Redacted]	[Redacted]	26.30	Active	
Sierra Telephone	002032		Central Office	Senior It Network Technician		Non-Exempt Hourly	Full-Time	41.74	[Redacted]	[Redacted]	4.27	Active	
Sierra Telephone	000977		Construction I	Lead Construction Technician		Non-Exempt Hourly	Full-Time	47.98	[Redacted]	[Redacted]	8.81	Active	
Sierra Telephone	002050		Construction I	Construction Technician Ii		Non-Exempt Hourly	Full-Time	44.43	[Redacted]	[Redacted]	3.29	Active	
Sierra Telephone	002021		Construction I	Lead Construction Technician		Non-Exempt Hourly	Full-Time	45.65	[Redacted]	[Redacted]	4.94	Active	
Sierra Telephone	002081		Construction I	Construction Technician Ii		Non-Exempt Hourly	Full-Time	24.72	[Redacted]	[Redacted]	0.24	Active	
Sierra Telephone	000939		Construction I	Lead Construction Technician		Non-Exempt Hourly	Full-Time	40.68	[Redacted]	[Redacted]	9.19	Active	
Sierra Telephone	002074		Construction I	Construction Technician Ii		Non-Exempt Hourly	Full-Time	24.27	[Redacted]	[Redacted]	0.41	Active	
Sierra Telephone	002017		Construction I	Construction Technician Ii		Non-Exempt Hourly	Full-Time	27.32	[Redacted]	[Redacted]	5.18	Active	

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Payroll Company	Employee ID	Full Name	Department	Title	Date Hired	Exempt Status	Employment Type	Age	Hourly Rate	Ann Sal	Service	Status	Original Date Hired
Sierra Telephone	002060	[redacted]	Construction I	Construction Technician II	[redacted]	Non-Exempt Hourly	Full-Time	24.79	[Redacted]	[Redacted]	1.93	Active	[redacted]
Sierra Telephone	002022		Construction I	Construction Project Manager		Exempt Salaried	Full-Time	64.76	[Redacted]	[Redacted]	4.86	Active	
Sierra Telephone	000979		Construction I	Construction Technician III		Non-Exempt Hourly	Full-Time	33.45	[Redacted]	[Redacted]	8.79	Active	
Sierra Telephone	002068		Construction I	Construction Technician II		Non-Exempt Hourly	Full-Time	33.41	[Redacted]	[Redacted]	1.78	Active	
Sierra Telephone	002053		Construction I	Construction Technician III		Non-Exempt Hourly	Full-Time	41.13	[Redacted]	[Redacted]	3.04	Active	
Sierra Telephone	002018		Construction I	Construction Technician III		Non-Exempt Hourly	Full-Time	38.53	[Redacted]	[Redacted]	5.05	Active	
Sierra Telephone	002075		Construction I	Construction Technician I		Non-Exempt Hourly	Full-Time	26.19	[Redacted]	[Redacted]	0.41	Active	
Sierra Telephone	002070		Construction I	Construction Technician II		Non-Exempt Hourly	Full-Time	23.21	[Redacted]	[Redacted]	1.70	Active	
Sierra Telephone	000975		Construction I	Construction Technician III		Non-Exempt Hourly	Full-Time	54.19	[Redacted]	[Redacted]	8.79	Active	
Sierra Telephone	000997		Construction I	Construction Technician Specialist		Non-Exempt Hourly	Full-Time	39.05	[Redacted]	[Redacted]	7.15	Active	
Sierra Telephone	000124		Construction I	Construction Supervisor		Exempt Salaried	Full-Time	53.32	[Redacted]	[Redacted]	22.76	Active	
Sierra Telephone	002079		Construction I	Construction Technician I		Non-Exempt Hourly	Full-Time	24.32	[Redacted]	[Redacted]	0.31	Active	
Sierra Telephone	000267		Customer Care	Customer Care Specialist I		Non-Exempt Hourly	Full-Time	57.44	[Redacted]	[Redacted]	35.51	Active	
Sierra Telephone	002052		Customer Care	Customer Care Associate I		Non-Exempt Hourly	Full-Time	35.96	[Redacted]	[Redacted]	3.06	Active	
Sierra Telephone	000319		Customer Care	Customer Care Specialist		Non-Exempt Hourly	Full-Time	61.11	[Redacted]	[Redacted]	23.39	Active	
Sierra Telephone	002077		Customer Care	Customer Care Tech. Support Associate		Non-Exempt Hourly	Full-Time	34.45	[Redacted]	[Redacted]	0.43	Active	
Sierra Telephone	002034		Customer Care	Customer Care Associate I		Non-Exempt Hourly	Full-Time	46.14	[Redacted]	[Redacted]	3.94	Active	
Sierra Telephone	000254		Customer Care	Customer Care Multi. Officer Worker		Non-Exempt Hourly	Full-Time	82.13	[Redacted]	[Redacted]	46.90	Active	
Sierra Telephone	000234		Customer Care	Business Dev. & Customer Care Manager		Exempt Salaried	Full-Time	64.34	[Redacted]	[Redacted]	34.17	Active	
Sierra Telephone	000762		Customer Care	Customer Care Supervisor		Exempt Salaried	Full-Time	55.12	[Redacted]	[Redacted]	20.99	Active	
Sierra Telephone	000233		Customer Care	Customer Care Specialist		Non-Exempt Hourly	Full-Time	68.53	[Redacted]	[Redacted]	24.75	Active	
Sierra Telephone	002058		Customer Care	Customer Care Tech Support Associate I		Non-Exempt Hourly	Full-Time	33.89	[Redacted]	[Redacted]	2.00	Active	
Sierra Telephone	002076		Customer Care	Customer Care Tech. Support Associate		Non-Exempt Hourly	Full-Time	41.78	[Redacted]	[Redacted]	0.43	Active	
Sierra Telephone	000261		Customer Care	Customer Care Specialist		Non-Exempt Hourly	Full-Time	61.47	[Redacted]	[Redacted]	35.36	Active	
Sierra Telephone	000597		Customer Care	Customer Care Specialist I		Non-Exempt Hourly	Full-Time	64.41	[Redacted]	[Redacted]	21.91	Active	
Sierra Telephone	000948		Engineering	Geographic Information System Tech.		Non-Exempt Hourly	Full-Time	49.47	[Redacted]	[Redacted]	8.94	Active	
Sierra Telephone	002083		Engineering	Gis Facilities Technician		Non-Exempt Hourly	Full-Time	28.94	[Redacted]	[Redacted]	0.15	Active	
Sierra Telephone	000221		Engineering	Outside Plant Engineering Administrator		Non-Exempt Hourly	Full-Time	68.48	[Redacted]	[Redacted]	45.37	Active	
Sierra Telephone	000402		Engineering	Senior Geographic Information System Tec		Non-Exempt Hourly	Full-Time	54.03	[Redacted]	[Redacted]	28.21	Active	
Sierra Telephone	002062		Engineering	Right-Of-Way Agent		Non-Exempt Hourly	Full-Time	35.21	[Redacted]	[Redacted]	1.85	Active	
Sierra Telephone	002024		Engineering	Fiber Network Engineer		Non-Exempt Hourly	Full-Time	31.38	[Redacted]	[Redacted]	4.79	Active	
Sierra Telephone	000363		Engineering	Outside Plant Engineering Supervisor		Exempt Salaried	Full-Time	64.65	[Redacted]	[Redacted]	29.18	Active	
Sierra Telephone	002012		Engineering	Line Assignment Specialist		Non-Exempt Hourly	Full-Time	33.09	[Redacted]	[Redacted]	5.50	Active	
Sierra Telephone	000757		Engineering	Outside Plant Facilities Engineer		Non-Exempt Hourly	Full-Time	44.46	[Redacted]	[Redacted]	21.15	Active	
Sierra Telephone	000302		Engineering	Senior Right-Of-Way Agent		Non-Exempt Hourly	Full-Time	55.14	[Redacted]	[Redacted]	31.37	Active	
Sierra Telephone	000533		Engineering	Senior Outside Plant Facilities Engineer		Non-Exempt Hourly	Full-Time	47.98	[Redacted]	[Redacted]	25.19	Active	
Sierra Telephone	000329		Engineering	Line Assignment Specialist		Non-Exempt Hourly	Full-Time	60.60	[Redacted]	[Redacted]	30.11	Active	
Sierra Telephone	000350		Facilities Services	Facilities Services Supervisor		Exempt Salaried	Full-Time	52.46	[Redacted]	[Redacted]	29.35	Active	
Sierra Telephone	002042		Facilities Services	Facilities Services Cable Locator		Non-Exempt Hourly	Full-Time	25.17	[Redacted]	[Redacted]	3.40	Active	
Sierra Telephone	000949		Facilities Services	Universal Technician II		Non-Exempt Hourly	Full-Time	31.63	[Redacted]	[Redacted]	8.83	Active	
Sierra Telephone	002069		Facilities Services	Universal Technician I		Non-Exempt Hourly	Full-Time	28.99	[Redacted]	[Redacted]	1.74	Active	
Sierra Telephone	000718		Facilities Services	Universal Technician III		Non-Exempt Hourly	Full-Time	47.54	[Redacted]	[Redacted]	19.30	Active	
Sierra Telephone	000558		Facilities Services	Lead Universal Technician		Non-Exempt Hourly	Full-Time	43.16	[Redacted]	[Redacted]	22.81	Active	
Sierra Telephone	002080		Facilities Services	Universal Technician		Non-Exempt Hourly	Full-Time	19.55	[Redacted]	[Redacted]	0.30	Active	
Sierra Telephone	000719		Facilities Services	Universal Technician III		Non-Exempt Hourly	Full-Time	45.05	[Redacted]	[Redacted]	19.32	Active	
Sierra Telephone	002036		Facilities Services	Universal Technician I		Non-Exempt Hourly	Full-Time	28.30	[Redacted]	[Redacted]	3.75	Active	
Sierra Telephone	002048		Facilities Services	Universal Technician II		Non-Exempt Hourly	Full-Time	38.01	[Redacted]	[Redacted]	3.27	Active	

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Payroll Company	Employee ID	Full Name	Department	Title	Date Hired	Exempt Status	Employment Type	Age	Hourly Rate	Ann Sal	Service	Status	Original Date Hired
Sierra Telephone	002089	[redacted]	Facilities Services	Universal Technician I	[redacted]	Non-Exempt Hourly	Full-Time	28.10	[Redacted]	[Redacted]	3.50	Active	[redacted]
Sierra Telephone	000998		Facilities Services	Universal Technician II		Non-Exempt Hourly	Full-Time	36.97	[Redacted]	[Redacted]	7.07	Active	
Sierra Telephone	002046		Human Resources	Human Resource Manager		Exempt Salaried	Full-Time	66.24	[Redacted]	[Redacted]	3.29	Active	
Sierra Telephone	000445		Human Resources	Benefits And Payroll Administrator		Non-Exempt Hourly	Full-Time	60.18	[Redacted]	[Redacted]	27.26	Active	
Sierra Telephone	000417		Information Systems	Systems Analyst		Non-Exempt Hourly	Full-Time	56.90	[Redacted]	[Redacted]	28.03	Active	
Sierra Telephone	000590		Information Systems	Geographic Information Systems Analyst		Non-Exempt Hourly	Full-Time	44.23	[Redacted]	[Redacted]	21.97	Active	
Sierra Telephone	002005		Information Systems	Network Administrator		Non-Exempt Hourly	Full-Time	30.87	[Redacted]	[Redacted]	6.19	Active	
Sierra Telephone	000337		Information Systems	Information Systems Supervisor		Exempt Salaried	Full-Time	59.12	[Redacted]	[Redacted]	23.01	Active	
Sierra Telephone	000956		Information Systems	Network Engineer		Non-Exempt Hourly	Full-Time	52.78	[Redacted]	[Redacted]	23.70	Active	
Sierra Telephone	000723		Information Systems	Network Security Engineer		Non-Exempt Hourly	Full-Time	51.62	[Redacted]	[Redacted]	19.21	Active	
Sierra Telephone	000473		Information Systems	Help Desk Support		Non-Exempt Hourly	Full-Time	60.56	[Redacted]	[Redacted]	26.82	Active	
Sierra Telephone	002064		Information Systems	Help Desk Support		Non-Exempt Hourly	Full-Time	21.89	[Redacted]	[Redacted]	3.04	Active	
Sierra Telephone	000194		Information Systems	Senior Network Engineer		Non-Exempt Hourly	Full-Time	50.95	[Redacted]	[Redacted]	24.21	Active	
Sierra Telephone	000753		Information Systems	Web Application Developer		Non-Exempt Hourly	Full-Time	59.65	[Redacted]	[Redacted]	22.28	Active	
Sierra Telephone	000988		Purchasing/Warehouse	Purchasing & Supply Agent		Non-Exempt Hourly	Full-Time	63.69	[Redacted]	[Redacted]	7.70	Active	
Sierra Telephone	000898		Purchasing/Warehouse	Purchasing Supervisor		Exempt Salaried	Full-Time	42.92	[Redacted]	[Redacted]	10.13	Active	
Sierra Tel Administration	001316		NOC	Network Engineer		Non-Exempt Hourly	Full-Time	44.76	[Redacted]	[Redacted]	23.53	Active	
Sierra Tel Administration	000187		NOC	Network Engineer		Non-Exempt Hourly	Full-Time	49.42	[Redacted]	[Redacted]	24.42	Active	
Sierra Tel Administration	001369		NOC	Internet Operations Supervisor		Exempt Salaried	Full-Time	51.81	[Redacted]	[Redacted]	24.09	Active	
Sierra Tel Administration	002084		NOC	Network Technician		Non-Exempt Hourly	Full-Time	60.85	[Redacted]	[Redacted]	0.05	Active	
Sierra Tel Administration	000725		Purchasing	Purchasing/Warehouse Associate		Non-Exempt Hourly	Full-Time	81.55	[Redacted]	[Redacted]	19.23	Active	

Schedule 4.21.2

Collective Bargaining

None

Schedule 4.21.3

Labor Exceptions

See Schedule 4.17.1 regarding legal proceedings.

Schedule 4.22

Taxes

None

Schedule 4.22.6

Tax Year Disclosures

- The Companies's results are included in the consolidated tax return of Seller. The applicable statute of limitations on the assessment and collection of Taxes has not expired with respect to (i) the IRS for federal income taxes for the year 2022 and the ensuing years, and (ii) the California Franchise Tax Board ("**FTB**") for the year 2022 and the ensuing years.

- Examination by the IRS has been completed for the year 2021 without adjustment.

- There are no current examinations by taxing authorities being conducted.

Schedule 4.24

Related Party Transactions

- See Schedule 4.9.1 with respect to Administrative and Operations Service Agreements.

- Seller is the parent company and sole shareholder of each of the Companies and, as such, has contracts or arrangements with the Companies. There are no contracts or arrangements between any of the Companies, on the one hand, and any Affiliate of Seller, on the other hand, except with respect to distributions to Seller and arrangements between the Companies, on the one hand, and Cynthia A. Huber, on the other, who serves as an Officer and Director of Seller and each of the Companies.

Schedule 6.6

Officers and Directors

The Directors of each of the Companies are as follows:

John H. Baker
Cynthia A. Huber

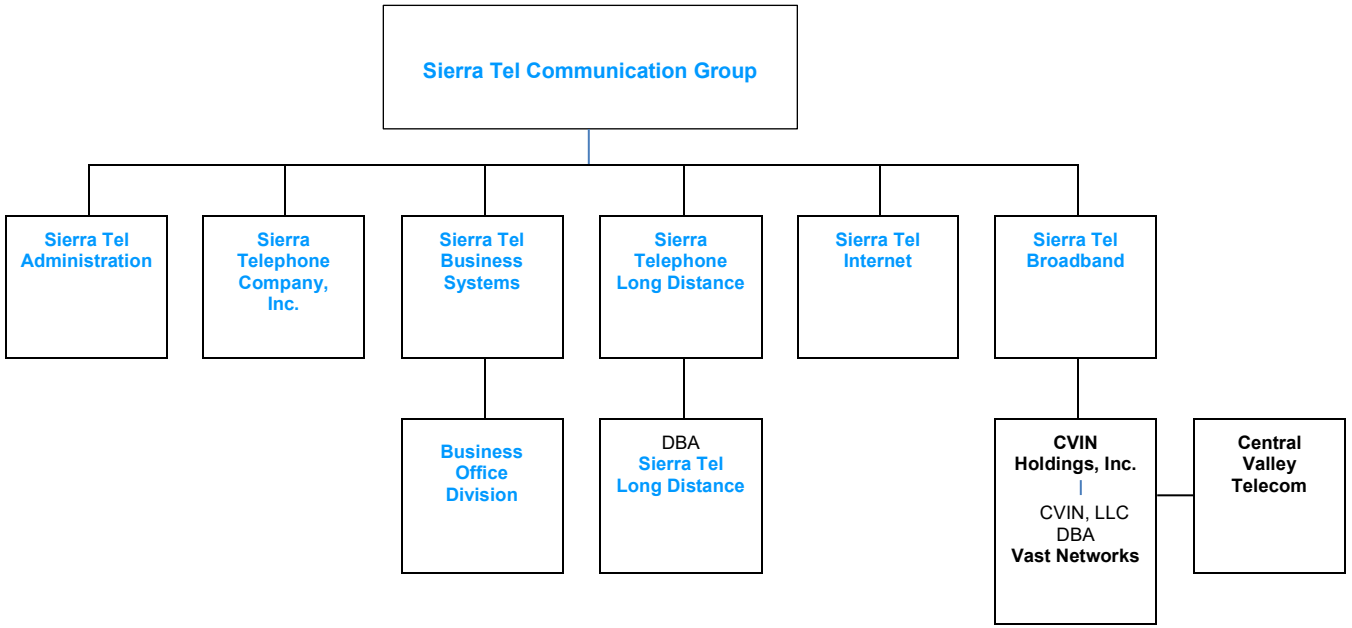
The Officers of each of the Companies are as follows:

Cynthia A. Huber	President and Secretary
Robert J. Griffin*	Vice President and Treasurer

* Robert J. Griffin also serves as Assistant Secretary of STC

Exhibit 2

Current Sierra Tel Communications Group Corporate Structure



Revised 01-01-2021

Pro Forma Sierra Tel Communications Group
Corporate Structure

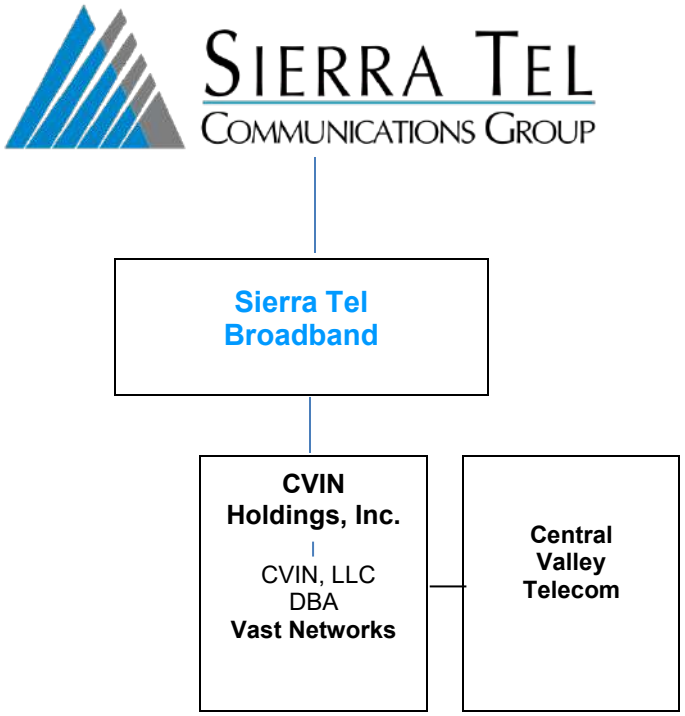
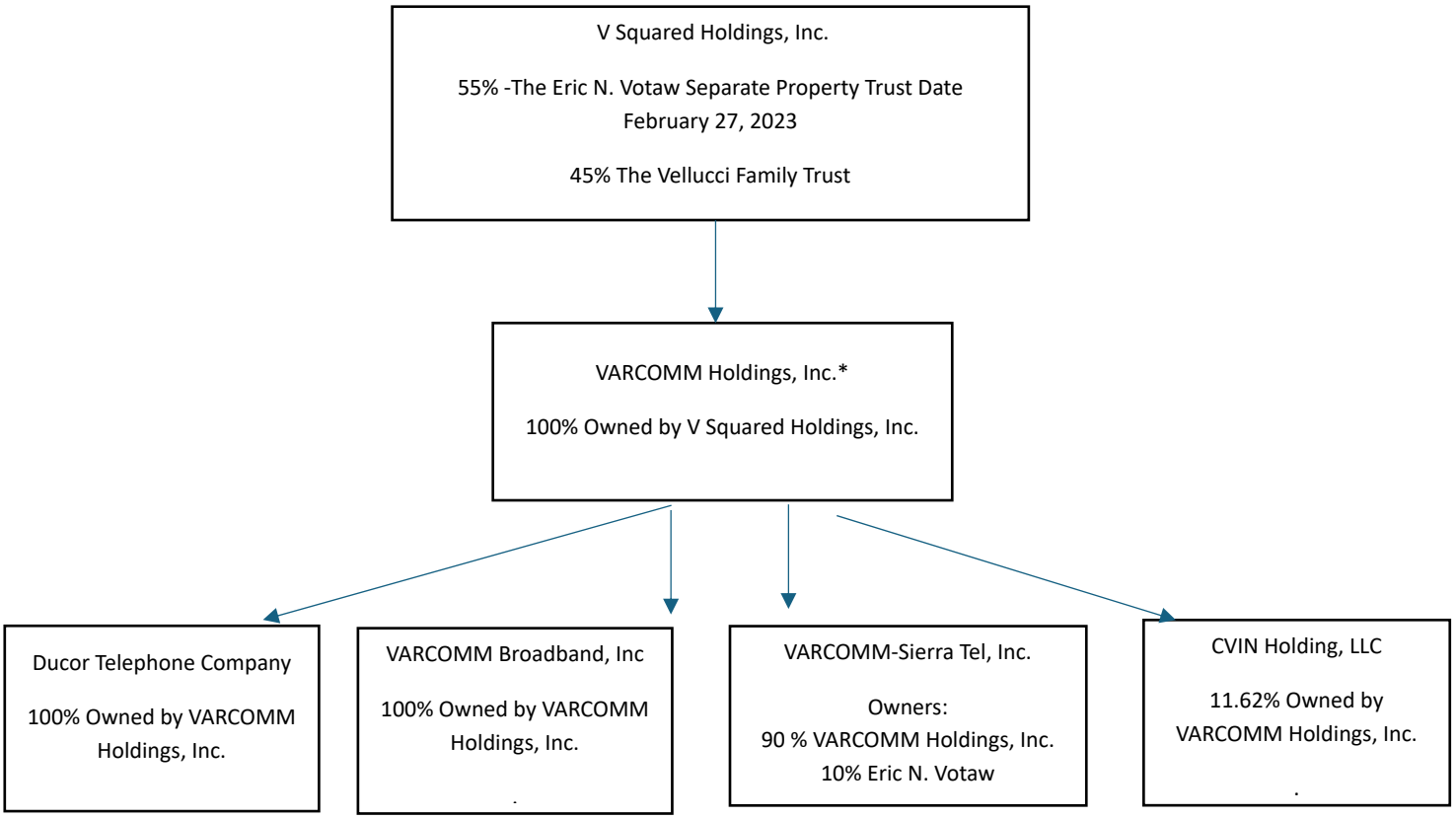

SIERRA TEL
COMMUNICATIONS GROUP
Sierra Tel
Broadband
CVIN
Holdings, Inc.
CVIN, LLC
DBA
Vast Networks
Central
Valley
Telecom

Exhibit 3

Current V Square Holdings, Inc.
Corporate Structure

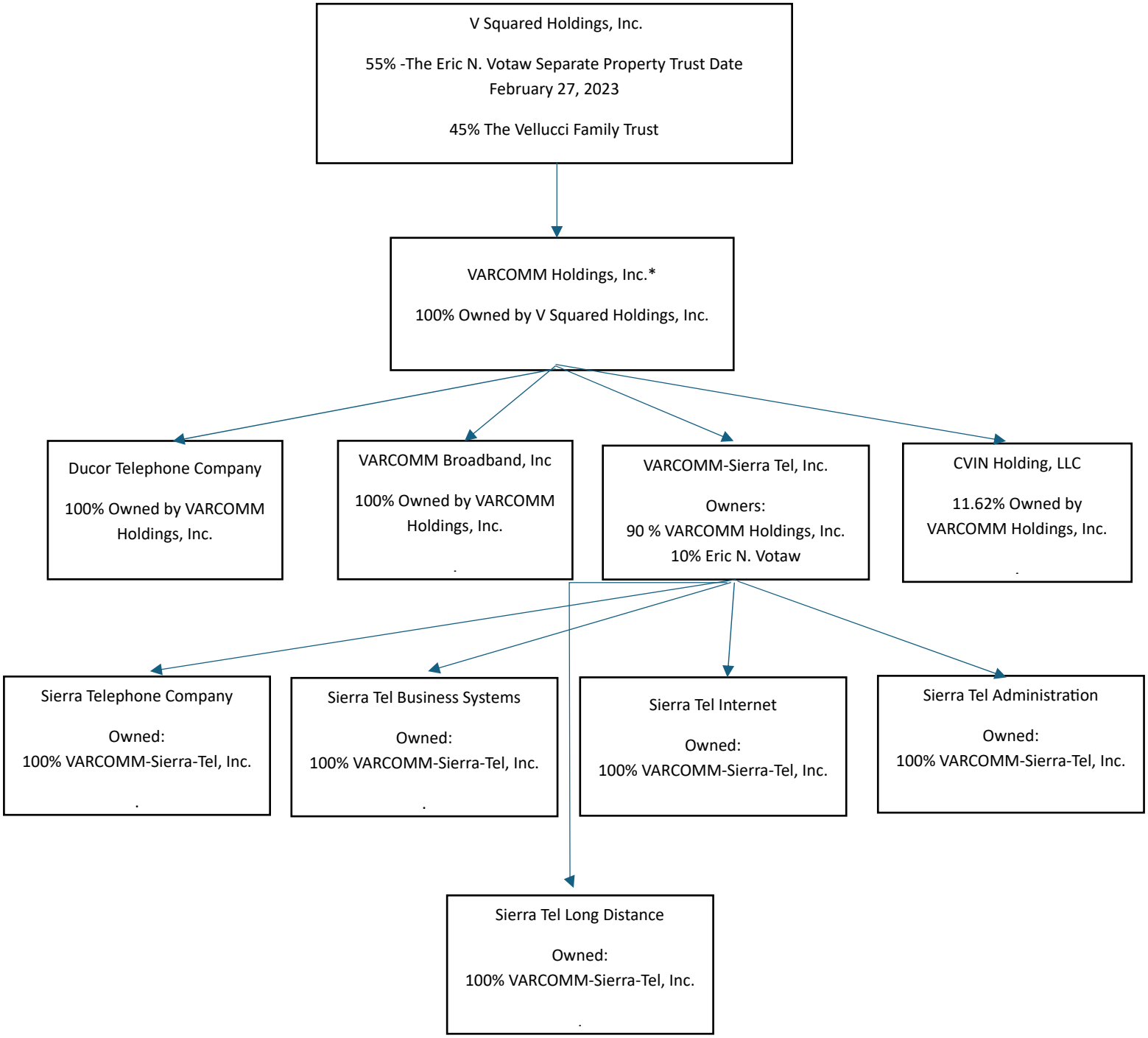
Current Ownership of V Squared Holdings, Inc.



* For simplicity of presentation, this organizational chart depicts only four direct subsidiaries of Varcomm Holdings, Inc. ("VHI"), including the two existing public utilities owned by VHI, the Varcomm-SierraTel, Inc. entity involved in the acquisition, and the interest in CVIN. However, there are six additional subsidiaries of VHI not depicted, none of which relate to this matter, as follows: Varnet Land Administration, Inc., IHN Ventures, Inc., V Squared Land, LLC, Trinity Equipment & Leasing, LLC, General Wash, LLC, and General Wash Land, LLC.

Pro Forma V Square Holdings, Inc.
Corporate Structure

Pro Forma Ownership of V Squared Holdings, Inc.



* For simplicity of presentation, this organizational chart depicts only four direct subsidiaries of Varcomm Holdings, Inc. (“VHI”), including the two existing public utilities owned by VHI, the Varcomm-SierraTel, Inc. entity involved in the acquisition, and the interest in CVIN. However, there are six additional subsidiaries of VHI not depicted, none of which relate to this matter, as follows: Varnet Land Administration, Inc., IHN Ventures, Inc., V Squared Land, LLC, Trinity Equipment & Leasing, LLC, General Wash, LLC, and General Wash Land, LLC.

Exhibit 4

Sierra Telephone Company, Inc.
Articles of Incorporation

ARTICLES OF INCORPORATION

of

SIERRA TELEPHONE COMPANY, INC.

FILED
In the office of the Secretary of State
of the State of California

NOV 26 1954

294491

FRANK M. JORDAN, Secretary of State

By Oscar Peterson
Deputy

FIRST: The name of this corporation is

SIERRA TELEPHONE COMPANY, INC.

SECOND: The primary business in which this corporation intends to engage is the installation, the maintenance, and the dispensing of telephone service in and around the area of Raymond, California, in Madera County and Mariposa County, in the State of California.

THIRD: The general purposes for which this corporation is formed are:

(a) To enter into, make, perform and carry out contracts of any kind for any lawful purpose with any corporation, firm, association, partnership or individual.

(b) To purchase, acquire, hold, mortgage, pledge, lease, hypothecate, encumber, exchange, sell, deal in and dispose of and otherwise handle alone or in syndicates or otherwise in conjunction with other, commodities, and other personal property, real property, rights of way, easements, licenses, profits, franchises, rents and other rights in and to real property of every kind, character and description whatsoever and wheresoever situated, and any interest therein.

(c) To purchase, acquire, hold, operate, mortgage, encumber, sell, lease or otherwise dispose of the business or assets, or any part thereof, of any corporation, partnership, joint venture, incorporated association, or individual; to merge or consolidate with any corporation.

(d) To act as agent or representative of any corporation, partnership or individual, and as such to develop and extend their business interest insofar as may be permitted by law.

(e) To underwirte, purchase, acquire, hold, pledge, hypothecate, exchange, sell, deal in and dispose of, alone or in

Restriction of right to assn articles
No
Yes

HAROLD A. PARICHAN
ATTORNEY AT LAW
1415 SECURITY BANK BUILDING
FRESNO, CALIF.
TELEPHONE 4-6829

syndicates or otherwise in conjunction with others, stocks, bonds, notes and other evidences of indebtedness and obligations of any corporation, partnership, joint venture, incorporated association, or individual, or governmental, municipal or public authority, domestic or foreign, and evidences of any interest in respect of any such stocks, bonds, and other evidences of indebtedness and obligations; to issue in exchange therefor its own stocks, bonds, notes or other evidences of indebtedness of the corporation or otherwise, and, while the owner or holder of any such to exercise all the rights, powers and privileges of ownership in respect thereof, and, to the extent now or hereafter permitted by law, to aid by loan, subsidy, guaranty, or otherwise, those issuing, creating, or responsible for any such stocks, bonds, or other evidences of indebtedness or obligations or evidences of any interest in respect thereof.

(f) To engage in any mercantile, manufacturing, construction or farming business of any kind or character whatsoever, within or without the State of California, and to do all things incidental to any such business; to cause to be formed, merged or reorganized or liquidated, and to promote, take charge of and aid in any way permitted by law, the formation, merger, reorganization or liquidation of any corporation, partnership, association or entity in the United States of America or abroad.

(g) To enter into any lawful arrangements for sharing profits, union of interest, or reciprocal concession with any corporation, firm, association, partnership or individual, or governmental, municipal or public authority, domestic or foreign in the carrying on of any business which the corporation is authorized to carry on or any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of the corporation, and to do all acts necessary or proper to the performance of any such agreement.

HAROLD A. PARICHAN
ATTORNEY AT LAW
1418 SECURITY BANK BUILDING
FRESNO, CALIF.
TELEPHONE 4-6529

(h.) Subject to the provisions of law, to purchase or otherwise acquire, hold, reissue, sell or exchange the shares of its capital stock; and to issue shares of its capital stock in payment of services actually rendered to this corporation or for real or personal property acquired by this corporation.

(i) To borrow money and issue bonds, debentures, notes, and evidences of indebtedness, and to secure the payment or the performance of its obligations by mortgage, deed of trust, lien, pledge or otherwise.

(j) To manufacture, fabricate, assemble, to take, purchase and otherwise acquire, own hold, use, sell, assign, transfer, exchange, lease and otherwise dispose of, and to invest, trade, deal in and deal with goods, wares and merchandise and supplies and all other personal property of every class and description.

(k) To adopt, register, apply for, produce, purchase, rent, lease, take and otherwise acquire, or hold out, sell, assign, transfer, exchange, lease, mortgage, convey in trust, pledge, hypothecate, encumber, grant licenses in respect of, and otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trade marks and trade names which this corporation may deem advantageous in the prosecution of its business or in the maintenance, operation, development or extension of its properties.

(l) To have one or more offices for the purpose of carrying on and conducting operations and business of this corporation in any of the states, territories, colonies or dependencies of the United States and in the District of Columbia and in any and all foreign countries; to carry on in general other business in connection with any of the foregoing and to have and exercise all of the powers conferred by the laws of the State of California upon corporations formed in this State, and to do any and all things

HAROLD A. PARICHAN
ATTORNEY AT LAW
1415 SECURITY BANK BUILDING
FRESNO, CALIF.
TELEPHONE 4-6528

set forth in those Articles of Incorporation as fully and to the same extend as natural persons might or could do.

(m) To do and perform every act or thing which may be necessary, expedient, incidental or proper, or which the Board of Directors of this corporation may deem necessary, expedient, incidental or proper to the carrying on of the business of this corporation or for the purposes, or any of the purposes hereinbefore set forth or referred to, or for the purposes of attaining or furthering any of the objects or purposes of this corporation.

(n) If this corporation shall undertake or do any of the things hereinabove set forth in any State other than the State of California, or in any district, territory, province, nation, colony or country, then only as to such jurisdictions and each of them this corporation shall be deemed to have only such powers as said jurisdictions respectively permit corporations organized within their respective jurisdictions to exercise.

(o) The foregoing clauses shall be construed both as objects and powers; and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation; and it is our intention that each of the objects, purposes and powers specified in each of the paragraphs of this Article Third of these Articles of Incorporation shall, except where otherwise specified, be in no wise limited or restricted by reference or inference from the terms of any other paragraph or of any other Article in these Articles of Incorporation, but that the objects, purposes and powers specified in this Article Third of each of the Articles or paragraphs of these Articles of Incorporation shall be regarded as independent object, purposes and powers, and the enumeration of specific purposes or powers shall not be construed to restrict in any manner the general privileges and powers of this corporation, nor shall the exclusion of one thing be deemed to exclude another

HAROLD A. PARICHAN
ATTORNEY AT LAW
1415 SECURITY BANK BUILDING
FRESNO, CALIF.
TELEPHONE 4-6529

although it be of like nature.

FOURTH: The principal office for the transaction of the business of this corporation is to be located at the Telephone Building, in the Town of Raymond, County of Madera, State of California.

FIFTH: The corporation is authorized to issue one class of stock only. This stock shall be common stock. The par value of each share is Ten Dollars ($10.00) per share. The total number of shares authorized is: Ten Thousand (10,000); that the aggregate par value of all shares is One Hundred Thousand Dollars ($100,000.00).

SIXTH: (a) The number of Directors of this corporation shall be four (4), except that by appropriate amendment to the By-Laws the number of directors may be changed at any time and from time to time to any number between the numbers of three (3) and nine (9), inclusive.

(b) The names and addresses of the persons who are appointed to act as the directors of this corporation are:

NAMES	ADDRESSES
Harry Baker, Jr.	P.O. Box 3, Raymond, California
Mrs. Harry Baker, Sr.	P.O. Box 3, Raymond, California
Mr. Harry Baker, Sr.	P.O. Box 3, Raymond, California
Harold A. Parichan	1415 Security Bank Bldg., Fresno, Cal.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of California, we, the undersigned, constituting the incorporators of this corporation, including the persons named hereinabove as the first Directors of this corporation, have executed these Articles of Incorporation, this 5 day of November, 1954.

Harry Baker Jr.

Mrs. Harry Baker Sr.

Harry Baker Sr.

HAROLD A. PARICHAN
ATTORNEY AT LAW
1415 SECURITY BANK BUILDING
FRESNO, CALIF.
TELEPHONE 4-6529

STATE OF CALIFORNIA }
County of Madera } ss.

On this 7th day of November in the year one thousand nine hundred and Fifty-three before me, Dorothy Stefanelli, a Notary Public in and for the County of Madera, State of California, residing therein, duly commissioned and sworn, personally appeared Harry Baker, Sr., and Mrs. Harry Baker, Sr.

known to me to be the person S whose name S are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Madera the day and year in this certificate first above written.

Dorothy Stefanelli

Notary Public in and for the County of Madera State of California. My Commission Expires [illegible]

Cowdery's Form No. 32—Acknowledgment—General. (C. C. Sec. 1189)

STATE OF CALIFORNIA }
County of Mariposa } ss.

On this 19th day of November in the year one thousand nine hundred and fifty four before me, Ellen Jones, a Notary Public in and for the County of Mariposa, State of California, residing therein, duly commissioned and sworn, personally appeared Harry Baker Jr.,

known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Mariposa the day and year in this certificate first above written.

Ellen Jones

Notary Public in and for the County of Mariposa State of California. My Commission Expires April 4, 1957

Cowdery's Form No. 32—Acknowledgment—General. (C. C. Sec. 1189)

STATE OF CALIFORNIA }
County of Fresno } ss.

On this 23rd day of November in the year one thousand nine hundred and fifty-four before me, Ruby A. Barker a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared HAROLD A. PARICHAN known to me to be the person described in, whose name is subscribed to and who executed the within instrument, and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County, the day and year in this Certificate first above written.

Ruby A Barker

Notary Public in and for said County and State

GENERAL ACKNOWLEDGMENT—Shelburne's Stationery—1951 Mariposa, Fresno, Calif.

STATEMENT BY CORPORATION OF ADDRESS OF PRINCIPAL OFFICE, NAMES OF OFFICERS AND DESIGNATION OF AGENT FOR THE SERVICE OF PROCESS

(For filing with the Secretary of State of the State of California pursuant to Section 3301, Corporation Code)

39491

SIERRA TELEPHONE COMPANY, INC., a corporation

organized under the laws of the State of California, makes the following statements:

1. The address and location of its principal office is as follows:

(a) Telephone Building, Raymond, California
(Post Office or mail address)

(b) _____
(Street address or location)

FILED
In the office of the Secretary of State
of the State of California
SEP 16 1955
FRANK M. JORDAN, Secretary of State
By _____ Deputy

2. The names of the following officers are:

(a) President, HARRY BAKER, JR.

(b) Secretary, MRS. HARRY BAKER, SR.

(c) Treasurer, MR. HARRY BAKER, SR.

(d) Other officers desired to be named are, Vice-President - HAROLD A. PARICHAN

(No officers other than the president or other head, the secretary, the treasurer, if any, need be named)

(Use the following paragraph 3 if the process agent is a natural person. See NOTES at the end of this form.)

3. _____, a natural person residing in the State of California, whose complete ☐ business ☐ residence address is _____, is designated as its agent for the purpose of service of process.

(Use the following paragraph 3 if the process agent is a corporation. See NOTES at the end of this form.)

3. _____, a corporation, is designated as its agent for the purpose of service of process.

(Use the following subparagraphs (a) and (b) if the corporate agent is a domestic corporation.)

(a) The said _____ is a corporation
(Name of corporate agent)
organized and existing under the laws of the State of California, which has filed the certificate provided for in Section 3301.5 of the Corporations Code of California.

(b) The name of the city, town or village wherein said .....
(Name of corporate agent)
..... has the office at which the said .....
(Name of corporation filing statement)
..... may be served, as set forth in the certificate filed by said .....
..... pursuant to Section 3301.5 or Section
(Name of corporate agent)
3301.6 of the Corporations Code of California, is .....
(See NOTES at end of form for instructions before filling in)
.....

(Use the following subparagraphs (a) and (b) if the corporate agent is a foreign corporation.)

(a) The said ..... is a corporation
(Name of corporate agent)
organized and existing under the laws of .....
(Insert place or state of incorporation)
which has filed the certificate provided for in Section 6403.5 of the Corporations Code of California.

(b) The name of the city, town or village wherein said .....
(Name of corporate agent)
..... has the office at which the said .....
(Name of corporation filing statement)
..... may be served, as set forth in the certificate filed by said .....
..... pursuant to Section 6403.5 or Section 6403.6 of the
(Name of corporate agent)
Corporations Code of California, is .....
(See NOTES at end of form for instructions before filling in)
.....

August 30, 1955

SIERRA TELEPHONE COMPANY, INC.
(Name of corporation)

By .....
Harold A. Parichan (Title) Vice-President

NOTES: (A) Item 1 (address and location of principal office) and 2 (names of officers) *must* be filled in in all cases. Item 3 (designation of agent) is optional and should not be filled in unless it is desired to designate an agent for the purpose of receiving process against the corporation.

There is no fee for filing this statement if only Items 1 and 2 be filled in. If Item 3 is filled in, a filing fee of $5 will be charged.

(B) All domestic (California) corporations, profit and nonprofit, are required to file this statement with the Secretary of State (Section 3301, Corporations Code). After the original filing, new statements need be filed only in the case of a change of address or location of principal office. New statements may be filed at any time desired for the purpose of designating an agent, or new agent, for purpose of service of process or naming successors of one or more of the officers named in the statement last filed with the Secretary of State.

(C) In answering paragraph 3 if a natural person is designated as process agent, give either the business address *or* the residence address. Indicate by check mark in proper box.

(D) In answering paragraph 3(b) if a corporate agent is designated as process agent, state only *the name of the city, town or village* wherein the corporate agent will maintain the office where service of process may be made. *Do not give the street address of each office.* The corporate agent in a certificate filed by it is required to give the corporate address of its office therein where service of process may be made. See Sections 3301.5, 3301.6, 6403.5 and 6403.6 of the Corporations Code.

12024 5-55 4M © SPC

A276454

FILED
In the office of the Secretary of State
of the State of California
JAN 20 1984
MARCH FONG EU, Secretary of State
By Phyllis E. Biagi
Deputy

29449/
SURV

AGREEMENT OF MERGER
BETWEEN
SIERRA TELEPHONE COMPANY, INC.
AND
MARIPOSA COUNTY TELEPHONE COMPANY, INC.

This Agreement of Merger is entered into between SIERRA TELEPHONE COMPANY, INC., a California corporation (herein "Sierra") and MARIPOSA COUNTY TELEPHONE COMPANY, INC., a California corporation (herein "Mariposa").

1. Mariposa shall be merged into Sierra.

2. The outstanding shares of Mariposa shall be canceled and no shares of Sierra shall be issued in exchange therefor.

3. The outstanding shares of Sierra shall remain outstanding and are not affected by the merger.

4. Mariposa shall from time to time, as and when requested by Sierra, execute and deliver all such documents and instruments and take all such action necessary or desirable to evidence or carry out this merger.

5. The effect of the merger and the effective date of the merger are as prescribed by law.

IN WITNESS WHEREOF the parties have executed this Agreement.

SIERRA TELEPHONE COMPANY, INC.

By Harry H. Baker, Jr.
Harry H. Baker, Jr.
President

By Heidi D. Baker
Secretary

MARIPOSA COUNTY TELEPHONE COMPANY, INC.

By Harry H. Baker, Jr.
Harry H. Baker, Jr.
President

By Heidi D. Baker
Secretary

CERTIFICATE OF APPROVAL

OF

AGREEMENT OF MERGER

HARRY H. BAKER, JR. AND HEIDI BAKER certify that:

1. They are the president and the secretary, respectively, of SIERRA TELEPHONE COMPANY, INC. a California corporation.

2. The Agreement of Merger in the form attached was duly approved by the board of directors and shareholders of the corporation.

3. The shareholder approval was by the holders of 100% of the outstanding shares of the corporation.

4. There is only one class of shares and the number of shares outstanding is 4,000.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: November 8, 1983

Harry H. Baker, Jr., President

Heidi Baker, Secretary

CERTIFICATE OF APPROVAL

OF

AGREEMENT OF MERGER

HARRY H. BAKER, JR. AND HEIDI BAKER certify that:

1. They are the president and the secretary, respectively, of MARIPOSA COUNTY TELEPHONE COMPANY, INC., a California corporation.

2. The Agreement of Merger in the form attached was duly approved by the board of directors and shareholders of the corporation.

3. The shareholder approval was by the holders of 100% of the outstanding shares of the corporation.

4. There is only one class of shares and the number of shares outstanding is 1,053.295.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: November 8, 1983

Harry H. Baker, Jr., President

Heidi D. Baker

Heidi Baker, Secretary

A0714535

029449

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

SIERRA TELEPHONE COMPANY, INC.

FILED DTL
in the office of the Secretary of State
of the State of California

MAY 03 2011

Harry H. Baker and Heidi D. Baker certify that:

1. They are the president and the secretary, respectively, of Sierra Telephone Company, Inc., a California corporation.

2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

FIRST: The name of this corporation is **Sierra Telephone Company, Inc.**

SECOND: The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code. This corporation elects to be governed by all of the provisions of General Corporation Law of 1977 not otherwise applicable to it under Chapter 23 thereof.

THIRD: This corporation is authorized to issue only one class of shares of stock. This stock shall be common stock. The total number of shares which this corporation is authorized to issue is Ten Thousand (10,000).

FOURTH: The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law. Any repeal or modification of the provisions of this Article Fourth shall not adversely affect any right or protection of a director of this corporation existing at the time of such repeal or modification.

FIFTH: This corporation is authorized to provide indemnification of agents (as defined in section 317 of the Corporations Code) through bylaw provisions, agreements with agents, vote of shareholders or disinterested directors, or otherwise, in excess of the indemnification otherwise permitted by section 317 of the corporations Code, subject only to the applicable limits set forth in Section 204 of the Corporations Code with respect to actions for breach of duty to the corporation and its shareholder. Any repeal or modification of the provisions of this Article Fifth shall not adversely affect any right or protection of an agent of the corporation existing at the time of such repeal or modification.

3. The foregoing amendment of articles of incorporation has been duly approved by the board of directors.

4. The foregoing amendment of Articles of Incorporation has been duly approved by the vote of 100% of the outstanding shareholders of the corporation in accordance with Section 902 of the California Corporations Code. The total number of outstanding shares of the corporation is 3097.226.

We further declare under penalty of perjury under the laws of the state of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: October 31, 2010

Harry H. Baker, President

Heidi D. Baker, Secretary

I hereby certify that the foregoing transcript of 13 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

AUG 07 2015

Date: MR

ALEX PADILLA, Secretary of State

Sierra Telephone Long Distance
Articles of Incorporation

1895383

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

OCT 20 1994

TONY MILLER
Acting Secretary of State

ARTICLES OF INCORPORATION

OF

SIERRA TELEPHONE LONG DISTANCE

I

The name of this corporation is SIERRA TELEPHONE LONG DISTANCE.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in this state of this corporation's initial agent for service of process is:

Harry H. Baker
49150 Crane Valley Road
Oakhurst, CA 93644

IV

This corporation is authorized to issue only one class of shares of stock; the total number of shares which this corporation is authorized to issue is 10,000.

V

The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law. Any repeal or modification of the

provisions of this Article V shall not be adversely affect any right or protection of a director of this corporation existing at the time of such repeal or modification.

VI

This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) through bylaw provisions, agreements with agents, vote of shareholders or disinterested directors, or otherwise, in excess oaf the indemnification otherwise permitted by Section 317 of the Corporations Code, subject only to the applicable limits set forth in Section 204 of the Corporations Code with respect to actions for breach of duty to the corporation and its shareholders. Any repeal or modification of the provisions of this Article VI shall not adversely affect any right or protection of any agent of the corporation existing at the time of such repeal or modification.

Dated: October 19, 1994

Alvin H. Pelavin, Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

Alvin H. Pelavin

101663/101294

Secretary of State
Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

Entity Name:	SIERRA TELEPHONE LONG DISTANCE
Entity No.:	1895383
Registration Date:	10/20/1994
Entity Type:	Stock Corporation - CA - General
Formed In:	CALIFORNIA
Status:	Active

The above referenced entity is active on the Secretary of State's records and is authorized to exercise all its powers, rights and privileges in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may impact status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of October 26, 2023.

SHIRLEY N. WEBER, PH.D.
Secretary of State

Certificate No.: 154607721

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at bizfileOnline.sos.ca.gov.

BA20231637916

STATE OF CALIFORNIA
Office of the Secretary of State
STATEMENT OF INFORMATION
CORPORATION

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: BA20231637916

Date Filed: 10/25/2023

Entity Details

Corporation Name	SIERRA TELEPHONE LONG DISTANCE
Entity No.	1895383
Formed In	CALIFORNIA

Street Address of Principal Office of Corporation

Principal Address	49150 ROAD 426 OAKHURST, CA 93644

Mailing Address of Corporation

Mailing Address	PO BOX 1505 OAKHURST, CA 93644
Attention	

Street Address of California Office of Corporation

Street Address of California Office	49150 ROAD 426 OAKHURST, CA 93644

Officers

Officer Name	Officer Address	Position(s)
CYNTHIA A HUBER	PO BOX 1505 OAKHURST, CA 93644	Secretary, Chief Executive Officer
ROBERT J GRIFFIN	PO BOX 1505 OAKHURST, CA 93644	Chief Financial Officer

Additional Officers

Officer Name	Officer Address	Position	Stated Position
None Entered			

Directors

Director Name	Director Address
CYNTHIA A HUBER	PO BOX 1505 OAKHURST, CA 93644
JOHN H BAKER	PO BOX 1505 OAKHURST, CA 93644

The number of vacancies on Board of Directors is: 0

Agent for Service of Process

Agent Name	CYNTHIA A HUBER
Agent Address	49150 ROAD 426 OAKHURST, CA 93644

Type of Business

Type of Business	LONG DISTANCE TELEPHONE SERVICE

Email Notifications

Opt-in Email Notifications	Yes, I opt-in to receive entity notifications via email.

Labor Judgment

B2205-5176 10/25/2023 11:23 AM Received by California Secretary of State

No Officer or Director of this Corporation has an outstanding final judgment issued by the Division of Labor Standards Enforcement or a court of law, for which no appeal therefrom is pending, for the violation of any wage order or provision of the Labor Code.

Electronic Signature

☒ By signing, I affirm that the information herein is true and correct and that I am authorized by California law to sign.

Deborah R. Peters	*10/25/2023*
Signature	Date

B2205-5177 10/25/2023 11:23 AM Received by California Secretary of State

Varcomm-SierraTel, Inc. Articles of Incorporation

B20250261942

STATE OF CALIFORNIA
Office of the Secretary of State
ARTICLES OF INCORPORATION
CA GENERAL STOCK CORPORATION

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 657-5448

For Office Use Only

-FILED-

File No.: B20250261942

Date Filed: 8/20/2025

Corporation Name	
Corporation Name	Varcomm-SierraTel, Inc.
Initial Street Address of Principal Office of Corporation	
Principal Address	23473 AVENUE 56 DUCOR, CA 93218
Initial Mailing Address of Corporation	
Mailing Address	2019 E STREET BAKERSFIELD, CA 93301
Attention	Eric Votaw
Agent for Service of Process	
Agent Name	Patrick Rosvall
Agent Address	492 NINTH STREET 220 OAKLAND, CA 94607

Shares

The total number of shares the corporation is authorized to issue is: 1,000

Does the corporation have more than one class or series of shares? No

Purpose Statement

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

Additional information and signatures set forth on attached pages, if any, are incorporated herein by reference and made part of this filing.

Electronic Signature

☒ By checking this box, I acknowledge that I am electronically signing this document as the incorporator of the Corporation and that all information is true and correct.

Eric N. Votaw — Incorporator Signature

08/20/2025 — Date

B3947-9839 08/20/2025 2:48 AM Received by California Secretary of State

Varcomm Holdings, Inc.
Articles of Incorporation

A428456

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

JAN 25 1993

MARCH FONG EU, Secretary of State

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
ROOME ENTERPRISES, INC.

VIRGIL A. ROOME and LEE E. McMURREY certify that:

1. They are the president and secretary, respectively, of ROOME ENTERPRISES, Inc.

2. That Article I of the Articles of Incorporation of this corporation is hereby amended and Articles V and VI are hereby adopted to read in full as follows:

"I

The name of this corporation is VARCOMM, INC.

"V

The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law. Any repeal or modification of the provisions of this Article V shall not adversely affect any right or protection of a director of this corporation existing at the time of such repeal or modification."

"VI

This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) through bylaw provisions, agreements with agents, vote of shareholders or disinterested directors, or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the Corporations Code, subject only to the applicable limits set forth in Section 204 of the Corporations Code with respect to actions for breach of duty to the corporation and its shareholders. Any repeal or modification of the provisions of this Article VI shall not adversely affect any right or protection of an agent of the corporation existing at the time of such repeal or modification."

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.

4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 902 of the California Corporations Code. The total number of outstanding shares of the corporation is 3,140. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50 percent.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: January 19, 1993

Virgil A. Roome

Virgil A. Roome, President

Lee E. McMurrey

Lee E. McMurrey, Secretary

A428456

State of California

OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

FEB 1 1 1993

THE GREAT SEAL OF THE STATE OF CALIFORNIA
EUREKA

March Fong Eu

Secretary of State

A0810264

Secretary of State
Certificate of Amendment of Articles of Incorporation
Name Change Only - Stock

AMDT-STK-NA

FILED
Secretary of State
State of California
MAR 16 2018

IMPORTANT — Read Instructions before completing this form.

Filing Fee – $30.00

Copy Fees – First Page $1.00 & .50 for each attachment page;
Certification Fee – $5.00

1 pc

This Space For Office Use Only

1. Corporation Name (Enter the exact name of the corporation as it currently is recorded with the California Secretary of State.)

Varcomm, Inc.

2. 7-Digit Secretary of State File Number

C1190015

3. New Corporation Name

Item 3a: Enter the number, letter or other designation assigned to the provision in the Articles of Incorporation being amended (e.g., "I," "First," or "A"). **See Instructions** if the provision in the Articles of Incorporation being amended does not include a number, letter, or other designation. Any attachment is made part of this document.

Item 3b: Enter the new corporate name.

3a. Article I of the Articles of Incorporation is amended to read as shown in Item 3b below:

3b. The name of the corporation is Varcomm Holdings Inc.

4. Approval Statements

4a. The Board of Directors has approved the amendment of the Articles of Incorporation.

4b. Shareholder approval was (**check one**):

☑ By the required vote of shareholders in accordance with California Corporations Code section 902. The total number of outstanding shares of the corporation is 3140. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50%.

☐ Not required because the corporation has no outstanding shares.

5. Read, sign and date below (See instructions for signature requirements. Note: Both lines must be signed.)

We declare under penalty of perjury under the laws of the State of California that the matters set forth herein are true and correct of our own knowledge and we are authorized by California law to sign.

Date	Signature	Type or Print Name
3/16/2018	Eric N. Votaw	Eric Votaw
		Type or Print Name of President
03/16/2018	Jennifer Vellucci	Jennifer Vellucci
		Type or Print Name of Secretary

V Squared Holdings, Inc.
Articles of Incorporation

California Secretary of State
Electronic Filing

FILED
Secretary of State
State of California

General Stock Corporation - Articles of Incorporation

Entity Name:	V Squared Holdings, Inc
Entity (File) Number:	C4810766
File Date:	11/15/2021
Entity Type:	General Stock Corporation
Jurisdiction:	California

Detailed Filing Information

1. Corporate Name: V Squared Holdings, Inc
2. Business Addresses:
   a. Initial Street Address of Corporation: 23473 AVENUE 56
   DUCOR, California, 93218
   United States of America
   b. Initial Mailing Address of Corporation: PO Box 700
   Ducor, California, 93218
   United States of America
3. Agent for Service of Process:
   Individual Agent: Patrick Rosvall
   436 14th Street Suite 1205
   Oakland, California, 94612
   United States of America
4. Shares: 10000
5. Purpose Statement: The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

The incorporator affirms the information contained herein is true and correct.

Incorporator: Jenifer Vellucci

Exhibit 5

Sierra Telephone Company, Inc.
11 Months Unaudited Financials (Nov. 2025)

Public

Confidential; redacted entirely

Exhibit 6

Sierra Tel Communications Group
11 Months Unaudited Financials (Nov. 2025)

Public

Confidential; redacted entirely

Exhibit 7

Sierra Telephone Company, Inc.
2024 Audited Financials

Sierra Telephone Company, Inc.

FINANCIAL STATEMENTS WITH RUS LETTER

Years Ended December 31, 2024 and 2023

Aldrich

Proprietary and Confidential

SIERRA TELEPHONE COMPANY, INC.

Financial Statements with RUS Letter

Years Ended December 31, 2024 and 2023

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Aldrich CPAs + Advisors LLP
680 Hawthorne Avenue SE, #140
Salem, OR 97301

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sierra Telephone Company, Inc.
Oakhurst, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sierra Telephone Company, Inc. (a California corporation and a wholly-owned subsidiary of Sierra Tel Communications Group), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, comprehensive income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sierra Telephone Company, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sierra Telephone Company, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sierra Telephone Company, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements, continued
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sierra Telephone Company, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sierra Telephone Company, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2025, on our consideration of Sierra Telephone Company, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sierra Telephone Company, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sierra Telephone Company, Inc.'s internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

Salem, Oregon
April 3, 2025

SIERRA TELEPHONE COMPANY, INC.

Balance Sheets

December 31, 2024 and 2023

ASSETS	2024	2023
Current Assets:		
Cash and cash equivalents - without restrictions	$ 8,103,781	$ 5,640,189
Restricted cash	10,381,412	16,307,515
Subscriber accounts receivable, less allowance for credit losses of $5,775 for 2024 and 2023	25,679	92,372
Settlements and access accounts receivable, less allowance for credit losses of $4,907 for 2024 and $395 for 2023	4,470,842	2,576,289
Other accounts receivable	67,660	62,265
Materials and supplies	3,733,875	4,277,070
Prepaid expenses	1,733,733	1,556,948
Total Current Assets	28,516,982	30,512,648
Other Assets	165,275	184,048
Property, Plant, and Equipment:		
Telecommunications plant in service	282,456,453	280,238,098
Telecommunications plant under construction	14,685,988	5,773,726
	297,142,441	286,011,824
Less accumulated depreciation	181,165,036	170,874,002
Net Property, Plant, and Equipment	115,977,405	115,137,822
	$ 144,659,662	$ 145,834,518

LIABILITIES AND STOCKHOLDER'S EQUITY	2024	2023
Current Liabilities:		
Current portion of long-term debt	$ 2,579,844	$ 362,222
Accounts payable	2,285,228	9,750,323
Due to parent and affiliated companies	507,286	1,480,472
Accrued payroll and payroll taxes	423,639	451,146
Accrued post-retirement expense	662,000	764,200
Accrued vacations and sick leave	644,713	650,196
Accrued other liabilities	52,179	54,138
Accrued income taxes	751,823	185,403
Total Current Liabilities	7,906,712	13,698,100
Noncurrent Liabilities:		
Long-term debt	32,103,853	29,881,400
Deferred income taxes	8,571,752	8,453,625
Post-retirement medical benefits	12,718,152	16,168,489
Other noncurrent liabilities	16,572	19,762
Total Noncurrent Liabilities	53,410,329	54,523,276
Stockholder's Equity:		
Common stock, $10 par value, 10,000 shares authorized, 4,000 shares issued and outstanding	40,000	40,000
Contributed capital	10,533	10,533
Retained earnings	77,219,862	73,097,631
Accumulated other comprehensive income	6,072,226	4,464,978
Total Stockholder's Equity	83,342,621	77,613,142
	$ 144,659,662	$ 145,834,518

SIERRA TELEPHONE COMPANY, INC.

Statements of Income

Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues:		
Local network services	$ 5,414,995	$ 6,001,063
Interstate access services	9,459,610	6,735,794
Intrastate access services	73,974	253,117
Federal universal service support	12,581,635	12,211,893
State high cost fund support	8,602,368	7,295,625
Miscellaneous	604,957	696,721
Uncollectible revenue	(10,040)	64,743
Total Operating Revenues	36,727,499	33,258,956
Operating Expenses:		
Plant specific operations	7,884,118	6,764,496
Plant nonspecific operations	3,538,762	3,180,228
Depreciation and amortization	12,990,042	11,244,999
Customer operations	2,811,853	2,925,778
Corporate operations	2,486,595	2,556,962
Operating taxes	1,128,606	899,057
Total Operating Expenses	30,839,976	27,571,520
Operating Income	5,887,523	5,687,436
Other Income (Expenses):		
Interest and dividend income	168,199	258,324
Interest expense	(1,408,989)	(384,249)
Allowance for funds used during construction	258,287	327,628
Nonoperating income	484,798	742,537
Total Other Income (Expenses)	(497,705)	944,240
Income Before Income Taxes	5,389,818	6,631,676
Provision for Income Taxes	267,587	1,755,203
Net Income	$ 5,122,231	$ 4,876,473

SIERRA TELEPHONE COMPANY, INC.

Statements of Comprehensive Income

Years Ended December 31, 2024 and 2023

	2024	2023
Net Income	$ 5,122,231	$ 4,876,473
Other Comprehensive Income (Loss):		
Post-retirement medical benefit adjustment:		
Net gain (loss) arising during the period, net of $1,060,111 tax expense in 2024 (net of tax benefit of $89,734 in 2023)	2,728,217	(230,935)
Amortization included in net periodic benefit cost, net of tax benefit of $435,578 in 2024 (net of tax benefit of $482,429 in 2023)	(1,120,969)	(1,241,543)
Other Comprehensive Income (Loss), net of tax	1,607,248	(1,472,478)
Comprehensive Income	$ 6,729,479	$ 3,403,995

SIERRA TELEPHONE COMPANY, INC.

Statements of Changes in Stockholder's Equity

Years Ended December 31, 2024 and 2023

	Common Stock	Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2022	$ 40,000	$ 10,533	$ 68,221,158	$ 5,937,456	$ 74,209,147
Net income	-	-	4,876,473	-	4,876,473
Benefit plan adjustments	-	-	-	(1,472,478)	(1,472,478)
Balance, December 31, 2023	40,000	10,533	73,097,631	4,464,978	77,613,142
Net income	-	-	5,122,231	-	5,122,231
Benefit plan adjustments	-	-	-	1,607,248	1,607,248
Dividends on common stock	-	-	(1,000,000)	-	(1,000,000)
Balance, December 31, 2024	$ 40,000	$ 10,533	$ 77,219,862	$ 6,072,226	$ 83,342,621

SIERRA TELEPHONE COMPANY, INC.

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Net income	$ 5,122,231	$ 4,876,473
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	12,990,042	11,244,999
Deferred income taxes	(506,406)	1,547,389
Allowance for credit losses	4,512	(300,522)
Allowance for funds used during construction	(258,287)	(327,628)
Changes in operating assets and liabilities:		
Accounts receivable	(1,837,767)	17,585
Materials and supplies	543,195	(579,549)
Prepaid expenses	(176,785)	58,080
Other assets	18,773	43,192
Accounts payable and due to parent and affiliated companies	(1,296,192)	(386,836)
Other accrued liabilities	(792,475)	(2,235,701)
Net Cash Provided by Operating Activities	13,810,841	13,957,482
Cash Flows from Investing Activities:		
Purchase of property, plant, and equipment	(20,832,622)	(31,686,587)
Plant removal costs, net of salvage	119,195	95,400
Net change in certificates of deposit	-	200,000
Net Cash Used by Investing Activities	(20,713,427)	(31,391,187)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	4,929,624	27,925,612
Payments on long-term debt	(489,549)	(133,240)
Dividends paid	(1,000,000)	-
Net Cash Provided by Financing Activities	3,440,075	27,792,372
Net Increase (Decrease) in Cash and Cash Equivalents	(3,462,511)	10,358,667
Cash and Cash Equivalents, beginning of year	21,947,704	11,589,037
Cash and Cash Equivalents, end of year	$ 18,485,193	$ 21,947,704
Cash Consists of:		
Cash and cash equivalents - without restrictions	$ 8,103,781	$ 5,640,189
Restricted cash	10,381,412	16,307,515
	$ 18,485,193	$ 21,947,704
Noncash Investing Activities:		
Additions to property, plant and equipment included in accounts payable, net	$ (7,142,089)	$ 8,027,654
Supplemental Disclosure of Cash Flows Information:		
Cash Paid During the Year for Interest	$ 1,408,989	$ 384,249

Note 1 - Organization and Summary of Significant Accounting Policies

Organization
Sierra Telephone Company, Inc. (the Company), is a California operating telecommunications company located in Oakhurst, California. The Company is wholly owned by Sierra Tel Communications Group (STCG).

Basis of Accounting
The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), applicable to regulated enterprises.

Regulation
The Company is subject to limited regulation by the California Public Utilities Commission (CPUC) and the Federal Communications Commission (FCC). The Company maintains its accounting records in accordance with the Uniform System of Accounts, as prescribed by the FCC, and adopted by the CPUC. As a result, the Company's application of GAAP differs in certain respects from the application by non-regulated entities. Such differences primarily concern the time at which certain items enter into the determination of net income.

The Company also receives universal service support from various support mechanisms administered by the Universal Service Administrative Company (USAC) under the direction of the FCC.

Regulatory and legislative actions, as well as future regulations and ongoing matters with the FCC and the CPUC, the outcomes of which are uncertain, could have a significant impact on the Company's future operations and financial condition.

Revenue Recognition
The Company recognizes revenue when its performance obligations are satisfied, regardless of the period in which it is billed. The amount and timing of revenue recognition varies based on the nature of the goods or services. Monthly service fees derived from local telephone, wholesale broadband, and other recurring services are billed in advance. Accounts receivable are reduced by advanced billings and subsequently transferred to income in the period earned. Access charges and other revenues based on usage are billed in arrears and recognized in the month the service is provided. Revenues for monthly services and access charges are generally collected within one month. Various economic factors affect revenues and cash flows. See Note 2 for more information about the Company's revenue.

Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. These estimates involve judgments with respect to numerous factors that are beyond management's control. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Company considers all highly liquid debt instruments purchased with a maturity of three months or fewer to be cash equivalents. The Company maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per account holder per bank. At various times throughout the year, the balances exceeded federally insured limits. A possible loss exists for those amounts in excess of $250,000. The Company minimizes this risk by utilizing numerous financial institutions for deposits of cash and temporary cash investments.

The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Restricted Cash
All funds advanced to the Company from the Rural Utilities Service (RUS) for construction are required to be deposited in a special construction account, held in trust for RUS, with a federally insured institution. As of December 31, 2024, the funds advanced from RUS and included in restricted cash were $10,381,412 ($16,307,515 at December 31, 2023).

Accounts Receivable
Accounts receivable are recorded at unpaid balances, less an allowance for credit loss using a forward-looking expected credit loss model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. Receivables from subscribers and other exchange carriers are due 30-40 days after issuance of the customer bill. Uncollectible receivables are charged off when deemed uncollectible. Recoveries of previously charged off accounts are recorded when received.

Materials and Supplies
Materials and supplies consist of construction materials, which are valued at the lower of cost and net realizable value. Cost is determined principally by the average cost method.

Fair Value of Financial Instruments
The Company's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, restricted cash, receivables, accounts payable, and notes payable. The Company estimates that the fair value of all of these non-derivative financial instruments at December 31, 2024 and 2023, do not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying balance sheets.

Property, Plant, and Equipment
Telecommunications plant in service and under construction is stated at cost, including estimated overhead expense. Depreciation is calculated on a straight-line basis over the estimated life of the classes of property and equipment in accordance with rates consistent with industry standards and as prescribed by regulators. Depreciation rates range from .05% to 43.5%. Expenditures for maintenance and repairs are charged to operating expense as incurred and major additions are capitalized. Costs of plant retired are eliminated from telecommunications plant accounts and such costs plus removal expenses, less salvage, are charged to accumulated depreciation in accordance with industry practice.

The Company follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. In 2024, total interest incurred was $1,408,989 ($384,249 in 2023), of which $258,287 was capitalized ($327,628 in 2023).

Leases
The Company adheres to the Accounting Standards Codification (ASC) Topic 842, *Leases*, which provides guidance for financial statement recognition, measurement, and disclosure of leases. Leases with an initial term of 12 months or fewer are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term. Management has analyzed all potential lease agreements and determined no right-of-use assets or lease liabilities exist as of December 31, 2024 and 2023.

Comprehensive Income
Comprehensive income is defined as the change in equity of a business enterprise during a period as a result of net income and other gains and losses affecting equity that, under GAAP, are excluded from net income, such as the Company's post-retirement medical benefit plan.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Income Taxes
The Company is a taxable corporation that files a consolidated return with its parent, Sierra Tel Communications Group.

Deferred income tax represents the future tax return consequence of differences between the financial statement and the tax basis of assets and liabilities, which will either be taxable or deductible when the related assets or liabilities are recorded or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change in deferred tax assets and liabilities during the period.

The Company follows GAAP related to the recognition of uncertain tax positions. The Company recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions.

Subsequent Events
The Company has evaluated subsequent events through April 3, 2025, which is the date the financial statements were available to be issued.

Note 2 - Revenue

Revenue Recognition
The Company earns revenue from contracts with customers accounted for under ASC Topic 606, *Revenue from Contracts with Customers*, primarily through providing local telephone and wholesale broadband services. The Company also earns revenues that are not accounted for under Topic 606 from universal service support payments and pooled revenues that do not meet the definition of a contract with a customer (see Note 2, Network Access Revenues). In total, revenues are accounted for as follows:

	2024	2023
Revenue accounted for under Topic 606	$ 6,083,886	$ 7,015,644
Revenues not accounted for under Topic 606	30,643,613	26,243,312
Total Revenues	$ 36,727,499	$ 33,258,956

The Company's revenues from contracts with customers are derived from monthly services and are recognized over time as the customers receive the services.

Contract Assets
The Company has recorded the following beginning and ending contract balances related to revenue from contracts with customers accounted for under Topic 606:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract Assets - subscriber accounts receivable	$ 25,679	$ 92,372	$ 73,742

Note 2 - Revenue, continued

Network Access Revenues
Network access revenue is received under a system of access charges. Access charges represent a methodology by which local telephone companies, including the Company, charge the long-distance carrier for access and interconnection to local facilities. The Company has elected to file access tariffs through the National Exchange Carrier Association (NECA) and directly with the CPUC for these charges. These access tariffs are subject to approval by the FCC for interstate charges and the CPUC for intrastate charges.

When network access revenues have been received pursuant to the settlement and access agreements above, they are then either placed into common pooling arrangements with other exchange carriers for redistribution or kept by the Company. The redistributions are made according to formulas established by the governing boards of the pools and are generally based upon expenses incurred and investment maintained. The Company participates in pooling arrangements with NECA. Settlement, access, and pool distribution revenues are recorded when the amounts become determinable. Related expenses are recorded when incurred. Subsequent true-ups and retroactive adjustments, which are generally allowed for a period of 24 months after the close of the related calendar years, are recorded in the year in which such adjustments become determinable based upon studies performed.

Other Regulated Revenues
In addition to recoveries from the pools, the Company also receives revenues from the Universal Service High Cost Loop Fund (HCL) and Connect America Fund (consisting of CAF-BLS and CAF-ICC) and other support mechanisms administered by USAC. These universal service support revenues are intended to compensate the Company for the high cost of providing service in rural areas. The amount of support received from HCL and CAF-BLS is based on the number of customers served and the cost of providing service in that area being in excess of the national average cost per loop, as determined by the FCC.

CAF-ICC support is calculated beginning with a base figure consisting of the frozen switched access revenue requirement under the 2011 NECA annual tariff filing plus certain amounts related to the mandated reduction in intrastate switched access rates and net reciprocal compensation revenue. The base figure is reduced annually by 5% beginning July 1, 2012.

In 2023, the FCC issued Order 23-60, which provided the option for a one-time voluntary election by rate-of-return carriers to receive a predetermined amount of model-based support beginning in 2024 and running through 2038 under the Enhanced Alternative Connect America Cost Model (EA-CAM). The Company did not elect EA-CAM support and therefore will continue to receive support under the legacy HCL and CAF-BLS support systems.

The Company also receives State High Cost Fund revenues administered by the CPUC, based on rules established by the state of California. The California High Cost Fund-A (CHCF-A) support is subject to renewal by the California legislature. Legislation to extend the CHCF-A program to January 1, 2028, was adopted in September 2022.

Note 3 - Property, Plant, and Equipment

Major classes of property, plant, and equipment consist of the following at December 31:

	2024	2023
Land	$ 1,014,198	$ 1,014,198
General support	35,240,935	36,513,308
Central office	67,411,449	67,118,253
Cable and wire facilities	178,789,871	175,592,339
	282,456,453	280,238,098
Plant under construction	14,685,988	5,773,726
	$ 297,142,441	$ 286,011,824

Note 4 - Long-Term Debt

Long-term debt consists of the following as of December 31:

	2024	2023
Notes payable to the Rural Utilities Service (RUS), at 3.40-4.78%, due in monthly installments of $326,851, principal and interest, collateralized by real and personal property, due in 2036.	$ 34,683,697	$ 30,243,622
Less current portion	(2,579,844)	(362,222)
	$ 32,103,853	$ 29,881,400

Future maturities of long-term debt are as follows:

2025	$ 2,579,844
2026	2,684,372
2027	2,793,159
2028	2,906,215
2029	3,024,210
Thereafter	20,695,897
	$ 34,683,697

The Company has funds available under a loan with RUS from which they can borrow. At December 31, 2024, there were $4,921,514 of unadvanced loan commitments from RUS.

The terms of the mortgage agreements contain restrictions on the payment of dividends and require the Company to meet certain levels of stockholder's equity and meet certain financial ratios. Management has determined that they are in compliance with these requirements as of December 31, 2024 and 2023.

Note 5 - Employee Benefit Plans

Defined Contribution Plan
The Company participates in the Profit Sharing Segment of the Savings Plan sponsored by the National Telecommunications Cooperative Association (NTCA). The NTCA Savings Plan is a qualified multiemployer defined contribution plan that covers substantially all of the employees. Contributions to the plan are made by each participant under an election to defer a percentage of such participant's compensation each year. The Company also makes discretionary employer matching contributions to this plan. The Company's employer contributions to the plan were $550,288 for 2024 and $536,472 for 2023.

Post-Retirement Medical Benefits
The Company provides certain health care and death benefits (terminated as of January 1, 2012) to all full-time employees hired prior to January 1, 2006, and retiring at age 62 or later with 20 years of credited service. Generally, the Company was self-insured for medical expenses prior to 2016, subject to a stop-loss policy, and it paid a portion of the premiums for the secondary coverage for retirees. The plan is unfunded.

The following table summarizes the Company's allocated portion of the benefit obligations, the fair value of assets, and the funded status over the two-year period ending December 31:

Health Care Benefits	2024	2023
Accumulated benefit obligation	$ (13,380,152)	$ (16,932,689)
Fair value of plan assets	-	-
Funded status at December 31	$ (13,380,152)	$ (16,932,689)

The Company's allocated portion of estimated future health care benefit payments, which reflect expected future service, as appropriate, are as follows:

2025	$ 662,000
2026	722,800
2027	756,800
2028	808,700
2029	855,700
2030-2034	4,878,800

The Company's allocated portion of estimated net periodic post-retirement cost for the years ended December 31, 2024 and 2023, was approximately a $566,400 benefit and a $733,900 benefit, respectively. The portion of the estimated net periodic post-retirement cost related to service cost was approximately $230,000 and $215,000 in 2024 and 2023, respectively and was capitalized or expensed in the same line items as other compensation costs arising from services rendered by the pertinent employees during the period. Of the other components of estimated net period post-retirement benefit cost, a $690,600 benefit was recognized in nonoperating income and $106,000 was removed from property, plant, and equipment in accordance with regulatory accounting in 2024 ($684,200 of benefit in nonoperating income and $265,000 removed from property, plant, and equipment, respectively in 2023).

The accumulated post-retirement benefit obligation was determined using a discount rate of 5.74% in 2024 and 5.06% in 2023, and using an average health care cost trend rate of 8.59% in 2024 and 7.81% in 2023, gradually decreasing to 4.50% in the year 2035 and thereafter.

Note 5 - Employee Benefit Plans, continued

Post-Retirement Medical Benefits, continued

At December 31, 2024, the benefit obligation experienced a net actuarial gain, which was primarily attributable to the updated claims and trends assumption, as well as the increase in discount rate from the prior year. The actual demographic experience also created a small gain. At December 31, 2023, the benefit obligation experienced a net actuarial loss, which was primarily attributable to the updated trend assumption and discount rate decrease from the prior year. The known increase in the medical and prescription drug premium charged to retirees partially offset this loss.

The components of accumulated other comprehensive income associated with the post-retirement medical benefit plan as of December 31, are as follows:

	2024	2023
Unrecognized net actuarial gain - health care	$ (8,431,728)	$ (6,199,947)
Less deferred income taxes	2,359,502	1,734,969
Net amount reported as an increase in equity	$ (6,072,226)	$ (4,464,978)

The amounts recognized as current and noncurrent liabilities in the balance sheet as of December 31 that are allocated to the Company consist of:

	2024	2023
Post-retirement health care liability - current	$ 662,000	$ 764,200
Post-retirement health care liability - noncurrent	12,718,152	16,168,489
Total liability	$ 13,380,152	$ 16,932,689

Note 6 - Income Taxes

The components of the provision for income taxes for the years ended December 31, are as follows:

	2024	2023
Current Expense:		
Federal	$ 371,049	$ 184,342
State	402,944	23,472
Deferred Expense:		
Federal	(488,642)	895,728
State	(17,764)	651,661
	$ 267,587	$ 1,755,203

The Company computes and records federal and state income taxes on a separate return basis, but files consolidated federal and state income tax returns with its parent, Sierra Tel Communications Group.

The provision for income taxes differs from the amount computed by applying the current statutory federal income tax rate to earnings before income taxes due to the effects of state taxes (net of federal benefit), net operating loss deductions, general business tax credits, nondeductible items, and prior year over or under accruals.

Note 6 - Income Taxes, continued

The components of the net deferred tax liabilities at December 31, are as follows:

	2024	2023
Current Deferred Tax Assets:		
Accrued vacations, sick leave, and other	$ 236,000	$ 159,000
Net operating loss, tax credit carryforward	4,059,000	5,048,000
Allowance for credit losses/inventory reserve	3,000	1,000
Total current deferred tax assets	4,298,000	5,208,000
Noncurrent Deferred Tax Assets (Liabilities):		
Property - tax depreciation in excess of book	(16,614,000)	(18,400,000)
Post-retirement benefits	3,744,248	4,738,375
Total noncurrent deferred tax liabilities	(12,869,752)	(13,661,625)
Net deferred tax liabilities	$ (8,571,752)	$ (8,453,625)

Note 7 - Related Party Transactions

Sierra Telephone Company, Inc. is one of several wholly owned subsidiaries of Sierra Tel Communications Group. The Company provides payroll services and certain other administrative functions for the parent company and many of the affiliates, the costs of which are charged directly to the applicable company. The Company also receives certain administrative services from affiliates. Amounts charged by the Company for the 12 months ended December 31, 2024 and 2023, were $2,865,471 and $3,614,759, respectively. Amounts charged to the Company for the 12 months ended December 31, 2024 and 2023, were $643,863 and $868,118, respectively. The net amount due to the parent company and affiliates was $507,286 at December 31, 2024, and $1,480,472 at December 31, 2023.

Central Valley Independent Network, LLC (CVIN) is accounted for as an equity method investment by Sierra Tel Communications Group. Sierra Telephone Company, Inc. provides facility access services to CVIN. Amounts charged by the Company for the 12 months ended December 31, 2024 and 2023, were $1,565,389 and $1,337,736, respectively. The amount due to the Company from CVIN was $436,561 at December 31, 2024, and $233,908 at December 31, 2023.

Note 8 - Broadband Grant

In December 2024, the Company was selected to receive funding for a broadband project by the United States Department of Agriculture, through the Rural Utilities Service ReConnect Program. The broadband project is funded through a $11,685,645 grant and will require the Company to provide matching funds of $3,895,215 for a total project cost of $15,580,860. There were no amounts requested or received during 2024, as the award is subject to approval by the CPUC, which is still pending as of the date the financial statements were available to be issued.

Sierra Telephone Company, Inc.

RUS LETTER

Year Ended December 31, 2024

Proprietary and Confidential

Aldrich CPAs + Advisors LLP
680 Hawthorne Avenue SE, #140
Salem, OR 97301

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Sierra Telephone Company, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of Sierra Telephone Company, Inc. (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, the related statements of income, comprehensive income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements; and have issued our report thereon dated April 3, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

Salem, Oregon
April 3, 2025

Exhibit 8

Sierra Tel Communications Group
2024 Reviewed Financials

Public

Confidential; redacted entirely

Exhibit 9

V Squared Holdings, Inc.
2025 Unaudited Financials

Public

Confidential; redacted entirely

Exhibit 10

Sierra Tel Communications Group
Management Resumes

Al Baumgarner

Al Baumgarner

49150 Road 426

Oakhurst, California 93644

Summary of Qualifications

- More than 40 years of increasingly responsible positions in accounting management in the telecommunications and construction industry
- Able to maintain a balanced, objective, and fair viewpoint in addressing multiple tasks and taking the initiative in organizing, analyzing and solving problems
- Ability to work well with public and other professional organizations
- Enjoy contributing to a team effort, creating a good working environment, and dedication to the success of a company

Accounting Management

- Manage monthly bookkeeping and financial reports for multiple corporations using GAAP and Part 32
- Present financial reports to management, banks and boards
- Prepare financial sections of the strategic plans and budgets
- Manage audits of company records from multiple companies and government agencies
- Prepare depreciation certifications for regulatory agencies
- Manage RUS and other bank loan applications, draws, and covenants
- Treasury management including investment policy statement development and compliance
- Develop and monitor internal controls including external auditor reviews
- Manage and monitor affiliated transaction compliance

Education

- BA Accounting 1975, Moorhead State University, Moorhead, Minnesota

Work History

- 2016 to Present: Finance Director, Sierra Telephone, Oakhurst, California
- 1997 to 2016: Controller & Treasurer, Sebastian, Kerman, California
- 1975 to 1997: Accountant & Accounting/Commercial Supervisor, Wikstrom Telephone Company, Karlstad, Minnesota

Robert J. Griffin

Robert James Griffin

Professional Experience

Sierra Telephone Company, Inc., Oakhurst CA, 93644
04/2021 – Present - Vice President and General Manager – Assist/support Company President with overall strategic leadership and direction for the Company ensuring that all operations comply with applicable federal, state and local authority regulations.

10/2020-04/2021 - General Manager - Oversee all aspects of Sierra's business operations, with primary responsibility for Accounting, Regulatory, Purchasing, Billing and Customer Care Departments.

09/2016 – 10/2020 - Controller - Responsible for all company accounting and associated functions, procedures and policy. Developing cash management strategies, establishing and executing internal controls.

05/2011 – 09/2016 - Accounting Manager – Management of all accounting functions and staff, responsible for budgets, forecasts, payroll, financials and retirement plan audits.

11/2010 – 05/2011 - Senior Accountant – Oversee all accounting working closely with Controller, budgeting and reporting of financial data. Develop efficient processes in the department.

10/2009 – 11/2010 - Accountant – Responsible for the month end close and preparation of financial statements of Sierra Tel Business Systems; cash management all nine companies.

Bomanite Corporation, Madera CA 93637
02/2003 – 07/2009 - Accountant - Accounts Payable, Accounts Receivable, General Ledger and cash reconciliations.
Senior Accountant (2005) – Secure/maintain financing, promoting business growth, strategic planning, budgeting, forecasting, financial reporting, payroll.

Royal Bank of Scotland/National Westminster Bank, London, England
08/1996 – 03/2002 – Assistant to the Finance Director (2000) - assist bank merger and convert financial systems into single system.
Accounting Supervisor (1998) - Restructure of several accounting functions into one team.
Accounts Payable Clerk (1996) - Head Office Purchasing Unit responsible for entire network of banks across the UK.
Fixed Assets Manager (1999) - responsible for all fixed assets and associated records within the bank network.

Education

1993-1996
University of Hertfordshire - Bachelor of Arts with Honors - Applied Economics

1986-1993
St. Joseph's RC College, Upper Norwood, London, England - General education curriculum - GCSE and A-Levels

Michael Montgomery

Michael Montgomery
Ahwahnee, CA 93601
559-658-1370
Michaelm@stcg.net
linkedin.com/in/michael-montgomery-28ba1ab1/

Operations Manager | Technical Operations Manager

Catalyzing Business Development through Technical Skills, Operations, and Leadership Expertise

Accomplished Operations Manager with 27 years of experience in operations management, information technology, team leadership, and technical business development. Proven track record in streamlining operational procedures, enhancing departmental functions, and driving business growth. Excellent leader adept at collaborating with diverse teams to deliver results and create rapid business value.

Skills

- Executive Level Leadership
- IT Systems & Infrastructure
- Broadband Network performance and design
- Broadband Network Engineering
- Project Management
- Communications
- Process Improvement
- Technical Problem Solving

Professional Experience

SIERRA TEL | Oakhurst, CA
Operations Manager
May 2019 – Present
Sierra Tel is the premier communication provider in Eastern Madera and Mariposa counties.

- **Business Growth:** Engaged in regulatory compliance processes to minimize turbulence and promote organizational adherence.
- **Digital Marketing:** Led strategic planning for Fiber deployment across 775+ square miles, ensuring comprehensive market coverage and service fulfillment.

- **Continuous Improvement:** Managed operational planning for three business sections (Sierra Tel Internet, Outside Plant, Central Office) focusing on compliance and business continuity.
- **Managed:** Oversaw all departments related to Broadband and voice Network Engineering, Design and Performance. Oversaw all departments related to infrastructure, deployment and maintenance of Broadband and voice network.

Central Office Supervisor
March 2017 – May 2019

- Supervised Central Office Switching Department, improving personnel performance through workflow processes and productivity monitoring.
- Supervised all Engineering, design and performance of the voice and broadband network.
- Enhanced reliability and safety by redesigning the CO fiber network architecture.
- Led the design and implementation of disaster recovery and data replication systems.

Central Office Technician
April 2007 – March 2017

- Provided technical support and maintenance for Central Office equipment, ensuring operational longevity.
- Participated in the Design, Engineering and Performance of the Voice and Broadband Network.
- Developed a multi-location Hosted PBX system to enhance internal and external communication capabilities.

Earlier Experience
Sierra Tel Facilities Technician | Oakhurst, CA
June 2000 – April 2007
Service Technician focused on the installation and repair of communication systems.

Education

- **BS in Business Administration (Organizational Leadership)** | Southern New Hampshire University
- **Associate in Science in Management** | Reedley College

Licensure and Certification

- C7 Contractors License, State of CA
- Certificate of Achievement in Business Management | Fresno City College
- Multiple Vendor-Specific Training Certificates

- Professional Christian Life Coach

Languages

- English (Fluent)

Awards and Honors

- 1st Place | Toastmasters Division Level Speech Contest

Volunteerism

- Sierra Pines Church Men's Ministry Leader - 11 years
- Sierra Pines Church Board - Multiple positions including Chairman of the Board
- Yosemite Ministry Institute – Board Member and Executive Director
- Immediate Past G1 Area Director - Toastmasters
- Board Member – Economic Development Corporation (EDC) of Mariposa County

Deborah R. Peters

Deborah R. Peters
Post Office Box 113
Catheys Valley, California 95306
209-966-6597

February 2025 to present – CASF Infrastructure Grant Project Manager

Worked with Bonfire Fiber, LLC to complete application for CASF Infrastructure Grant.

March 2024 to present – Reconnect 5 Project Manager

Worked with JSI Engineering to complete application for Reconnect 5 Grant Project. Work with attorneys on completion of required grant documents for acceptance of Reconnect 5 Grant. Assigned to manage day to day project execution. Will organize and oversee all areas of project, including managing contracts; overseeing construction; working with engineering vendor, contractors and USDA personnel; review and approve invoices and manage regulatory closeout procedures.

January 1, 2021 to present- Sierra Tel Executive Management Team

Work as a member of the Executive Management Team to provide strategic leadership and direction for the company.

November 21, 2015 to present – Sierra Telephone RUS Administrator and Project Manager

Project Manager for $40.2 million dollar RUS Loan FTTP Project. Organize and oversee all areas of RUS Project. Responsible for managing contracts; overseeing construction; working with engineering vendor, contractors and RUS personnel; review and approve invoices and RUS loan closeouts.

November 15, 2014 to present – Sierra Tel Special Projects Manager

Work closely with the President to manage and complete corporate level projects, and provide other support as needed. Serve on various boards and committees as a representative of Sierra Tel, including through interaction with local and regional business leaders at public meetings and forums. Maintain updated details about information regarding projects and communicate effectively with third-party contractors, vendors, consultants, attorneys, and President regarding project details and work. Create and compose documents, letters, and reports. Review legal documents and make recommendations. Prepare necessary business agreements, leases, and contracts. Assist in the employment testing process including research and development of testing materials, and proctoring examinations. Oversee the coordination and production of Sierra Telephone Directory. Assist with preparation of company press releases, subscriber newsletters, bill stuffers, advertisements and other company literature. Custodian of Records and CPNI Compliance Officer. Responsible for companywide CPNI and Red Flags Training. File lobby and campaign reports.

July 3, 2011 to November 15, 2014 – Sierra Telephone Customer Care Manager

Determined long and short-range goals for the Customer Care Department. Ensured that staffing levels, equipment, tools and resources were appropriate to meet established goals. Determined training needs for the department, developed training materials, and coordinated with Supervisors to deliver information and skill improvements effectively to staff. Ensured that the office environment and workstation layout allowed for efficient workflow throughout the department. Oversaw department training and ensured compliance with industry regulations for telephone and Internet, including Customer Proprietary Network Information (CPNI procedures). Understood the technical nature of products and services offered by Sierra Tel, and served as a technical expert to Customer Care and other departments. Worked closely with all company departments to engineer, troubleshoot, and implement services and technologies while meeting regulatory demands. Prepared and followed annual budget. Oversaw the consolidation of technical support and customer care into one department. Managed the conversion of the department to a new software system.

February 12, 2010 to July 3, 2011 - Sierra Telephone Customer Service Supervisor

Supervised the Customer Service Department ensuring that Company policies, procedures, and services offered were compliant with all telecommunication industry regulations. Oversaw and trained CSR's in providing an excellent customer experience. Reinforced the overall culture and expectations of the department and managed effective coordination of operator services, customer service, dispatch, and technical support activities. Conducted employee evaluations and reviews. Oversaw telephone directory processes and production.

May 11, 2008 to February 12, 2010 Sierra Telephone Customer Service Assistant Supervisor

Assisted the Customer Service Supervisor in overseeing the Customer Service Department. Helped ensure that Company policies, procedures, and services offered were compliant with all telecommunication industry regulations. Assisted with helping Customer Service Representatives provide an excellent customer experience. Helped establish the overall culture and expectations of the department and assisted with ensuring effective coordination of operator services, customer service, dispatch, and technical support activities. Assisted with telephone directory processes and production.

October 2, 1995 to May 11, 2008 Sierra Telephone Customer Service Representative

Familiar with all areas of Customer Service. Provided excellent service to customers by answering in-bound calls, placing out-bound calls, and conducting face-to-face interactions to respond to inquiries on the selection and availability of products and services. Carried out orders to establish and change services, collected payments, and resolved product and service related problems. Interactions complied with industry regulations and established Sierra Tel procedures for customer verification and documentation. Maintained accurate records of all customer interactions and transactions by documenting information in customer accounts. Maintained up-to-date knowledge of Company products, services, technology, and procedures. Performed monthly inventory counts and organized storage of all inventory items. Completed collections responsibilities including contacting customers, making payment arrangements, and documenting accounts to be written-off. Reviewed and corrected records for telephone directory.

October 11, 1993 to October 2, 1995 Golden State Cellular Customer Sales and Service

Assisted with the opening of the first cellular telephone office in Mariposa. Processed cellular telephone applications, programmed and activated cell phones, and reviewed phone usage with customers. Processed bank deposits and other office procedures. Sierra Telephone was the managing partner and I transferred to their customer care department in 1996.

Small Telco Sacramento Lobby Day, 2025

CalCom Annual Conference, 2019, 2024, 2025

Central Sierra Broadband Summit, Sonora, CA, February 19, 2020

Cooper, White and Cooper, Confidentiality Training, Sacramento, CA, April 4, 2019

RUS Workshop, Mid-State Consultants, Nephi, Utah, April 8-9, 2015

Bachelor of Science Degree, Agricultural and Managerial Economics, UC Davis, 1990

Exhibit 11

V Squared Holdings, Inc.
Management Resumes

Eric N. Votaw

Eric N. Votaw

(916) 955-4442 | evotaw@gmail.com

Areas of Expertise

Operations; Project Management; Regulatory Compliance; Product Development; Marketing; Customer Relationship Management; Contract Negotiations; Employee Training; Process Development & Implementation

Professional Experience

Ducor Telephone Company

President & CEO 2017 – Present

- Manage the corporate operations of Ducor while implementing new strategies for construction and revenue growth and reduction of corporate expenses.
- Secure additional funding for network upgrades.
- Drive efficiencies, including new billing software and process improvement, throughout the organization.
- Manage corporate relations with external government agencies and industry trade groups.

Executive Vice President 2016 – 2017

- Implemented new accounting software to save over $60K a year in consulting fees.
- Implement cost savings plans resulting in reduction in operating expenses of over $200K a year.
- Drive vision of company excellence throughout the organization.

Moss Adams, LLP

Senior Manager – Regulatory Compliance 2013 – 2016

- Oversaw state and federal compliance filings for over 40 telephone, wireless, internet, and cable TV client companies.
- Directly and remotely manage staff to ensure timely and accurate completion of required state and federal filings.
- Developed and implemented client and staff training relating to federal financial reporting, network information reporting, and regulatory compliance.
- Created new revenue products that added $200K in revenue.
- Provided strategy, marketing and product development support, including IPTV launch, CLEC opportunities, VoIP product launch, business development and international long distance services.

TeleGuam Holdings, LLC (d/b/a "GTA")

Vice President – Regulatory 2010 –2012

- Directed corporate compliance with local, territorial and federal regulations affecting GTA's telephone, wireless, Internet, and cable TV offerings.
- Oversaw NECA and USF compliance audits.
- Advised key company executives and staff on regulatory compliance matters.
- Represented GTA in contract negotiations concerning equipment vendor/supplier, video content providers, and services agreements.
- Collaborated with external general counsel to develop major negotiations strategies, policy positions, and internal department decisions.
- Collaborated with the Accounting division to save $300K annually, and gain an additional $1M in federal subsidy support, and $240K in federal support.
- Collaborated with human resources and security department to develop and implement employee policies and corporate security procedures.

Vice President – Marketing & Regulatory *2007 – 2010*

- Developed and executed marketing plans for products and services for GTA's wireless, telephone, internet, and cable TV services, ensuring the competitiveness and profitability of GTA products.
- Grew prepaid wireless subscribership by 300%; generated growth exceeding marketing plans for wireless revenue and Internet revenue by over $2M and $500K, respectively.
- Launched GTA IPTV product, exceeding subscriber growth projections and maintaining expense budget.
- Created new products and services for wireless, landline, internet, and IPTV.
- Managed all product development and marketing activities including day-to-day operations and ad creation for TV, radio, and print.
- Directed and conducted negotiations for all media buy; TV, radio, and print.
- Developed acquisition and retention strategies.

John Staurulakis, Inc.

Staff Director of Business Development *2007*

- Provided operational, business development, network management advice to rural independent telecommunications companies.
- Directed and managed business case development, analyses, and feasibility studies for companies seeking to expand upon traditional business models.
- Identified and solved technological, operational, and regulatory issues for regulated and deregulated entities.
- Managed operational preparedness for Rural Local Exchange Companies facing competitive issues in traditional markets.
- Negotiated interconnection agreements on behalf of clients.
- Drafted and developed petitions to governmental agencies on behalf of clients.

WVT Communications/Warwick Valley Telephone Company

Director – Network Services & Regulatory *2006 – 2007*

- Conducted field operations and corporate planning.
- Managed outside plant, central office, video head end and data network.
- Managed network operations with 6 direct reports and staff of 49.
- Oversaw a $5.2M budget to upgrade the network.
- Managed revenue stream for carrier billings.
- Upgraded video head end and legacy network from ATM to IP.
- Performed executive-level responsibilities pertaining to merger and acquisition activity.
- Provided overall management in Warwick's regulatory proceeding, filing, and motions with various regulatory agencies.

Director - External Affairs *2004 – 2006*

- Performed executive-level responsibilities for regulatory and product management.
- Conducted profit & loss management, managed operations, and developed and deployed the company's CLEC, Long Distance, Video, and Wireless offerings.
- Performed written and oral regulatory advocacy on behalf of the company before the FCC, New York PSC, and New Jersey BPU.
- Made regulatory filings and motions on behalf of the company before the FCC, New York PSC, and New Jersey BPU.
- Managed $8M revenue streams that included CABS and toll cost studies.
- Negotiated new wireless interconnection agreements and cleaned up CABS to generate an additional $450K in yearly revenue.
- Oversaw the deployment of Greenfield CLEC opportunity, valued at $600K.

John Staurulakis, Inc.
Manager Business Development *2000 – 2004*

- Consulted telecommuncation companies on issues of network, regulatory compliance, and business development.
- Negotiated interconnection agreements.
- Provided regulatory and network support for telecommunication companies implementing Local Number Portability.
- Managed network interconnection projects and network design projects between companies.
- Conducted network design, regulatory certification, legal and marketing plan development to facilitate CLEC entry into business.
- Resolved regulatory and operational issues to prepare ILECs for CLEC interconnection.
- Developed interconnection agreement templates for ILECs and CLECs.
- Financially modeled ILEC and CLEC business plan development.
- Developed Carrier-to-Carrier Quality of Service Performance Measurements for use by Puerto Rico Regulatory Utility Board.
- Developed ILEC customer guideline handbook for CLEC Implementation.
- Developed training material and conducted training for all levels of staff on issues relating to Telecommunications Act of 1996 and Local Number Portability.

Previous Work Experience

Sprint Communications

Implementation Manager Policy Development and Contract Implementation	1999 – 2000
Support Manager Contract Negotiation & Implementation	1998 – 1999
Local Market Planning Analyst	1997 – 1998
Tariff Analyst (CLEC Division)	1996 – 1997
Analyst (Long Distance Division)	1996
Research Analyst (Corporate)	1995 – 1996
Revenue Analyst (Long Distance Division)	1994 – 1995

Community Involvement

Make-A-Wish Foundation Guam
Board Member 2009 – 2013

Guam Public Library Systems
Board Member 2009 – 2013

Education

Friends University (Overland Park, KS)
Business Administration 1997 – 1999

Jenifer Vellucci

Jenifer Vellucci, CPA, CGMA

11168 W Rio Vista Ln, Avondale, AZ 85323

Cell: 602-432-3981

Email: jmvellucci@gmail.com

CHIEF FINANCIAL OFFICER

Highly accomplished, results-driven senior accounting and financial management executive with more than 17 years of progressive experience in finance and operations management within mid-sized organizations. Demonstrated ability to streamline business operations that drive growth and increase efficiency and bottom-line profit. Strong qualifications in developing and implementing financial controls and processes in addition to productivity improvements and change management. Possesses solid leadership, communications and interpersonal skills to establish rapport with all levels of staff and management.

CORE QUALIFICATIONS

- Accounting & Financial Management
- Business Planning & Analysis
- Operational Efficiencies
- Controllership & Decision Support
- Growth Strategy Development
- Financial Analysis & Reporting
- Performance Measurement
- M&A, Strategic Partnerships, Valuations
- Resource Management

PROFESSIONAL EXPERIENCE

Ducor Telephone Company, Ducor, CA

Apr 2017 – Present

Rural Incumbent Local Exchange Carrier (RLEC) with service to 3 rural California communities.

CHIEF FINANCIAL OFFICER/ASSISTANT GENERAL MANAGER

Leads financial and operational planning to support the CEO and the Board of Directors. Ensures cohesive financial, strategic and operational plans. Leads the allocation of resources, ROI strategies, financial forecasting/analysis and performance measurement. Directs accounting and finance operations including transaction processing, billing and government contracts and subsidies. Directs the operational staff on the construction of fiber, installation of new customer and the implementation of cost saving strategies. Advises the CEO and Board of Directors with development of business strategies and financial models, core competencies capitalization, strategic revenue stream development, business lines, and strategic partnership identification.

Selected Achievements:

- Led the process of bringing all accounting functions in-house and the training of the current staff on the accounting functions of a telecommunications company.
- Working with the customer service staff to clean up the billing system, to streamline processes and ensure accurate and easy to understand customer invoices.
- Implemented corporate documents, forms, accountability and structure to ensure the company has a good corporate foundation.

Tumbleweed Center for Youth Development, Phoenix, AZ

Nov 2016 – Apr 2017

Non-profit helping homeless and vulnerable youth grow and thrive in Maricopa, County, Arizona.

VICE PRESIDENT OF FINANCE/CHIEF FINANCIAL OFFICER

Directed the finance team encompassing Controllership, Business Operations, Decision Support, Financial Planning and Analysis, and Reporting.

Jenifer Vellucci, CPA, CGMA

Selected Achievements:

- Led the company through the Ch. 11 bankruptcy process and vetted local non-profits for the transfer of the company's programs.
- Facilitated and negotiated with the strategic partners for the acquisition of Tumbleweed's programs.
- Partnered with the largest non-profit to acquire Tumbleweed's programs and led the process of transferring and integrating the accounting functions from Tumbleweed into their non-profit accounting systems and departments.
- Directed finance, accounting, contracting staff through the process of cleaning up the books and records, strengthening and designing controls and preparing the company for an over-due audit.
- Prepared financial statements, budgets and projections for strategic partners and funders for the future and transfer of Tumbleweed's programs.

Zona Communications, Phoenix, AZ — Aug 2007 – Nov 2016

Rural Incumbent Local Exchange Carrier (RLEC) with the first fiber-to-the-Home network in Arizona and the first 1 Gig residential service in Arizona. Zona is the fastest growing RLEC in the country.

VICE PRESIDENT/CHIEF FINANCIAL OFFICER

Led central financial and operational planning to support the CEO and the Board of Directors. Ensured cohesive financial, strategic and operational plans. Led the allocation of resources, ROI strategies, financial forecasting/analysis and performance measurement. Directed accounting and finance operations including transaction processing, billing and government contracts and subsidies. Directed the operational staff on the construction of fiber, installation of new customer and the implementation of cost saving strategies. Advised the CEO and Board of Directors with development of business strategies and financial models, core competencies capitalization, strategic revenue stream development, business lines, and strategic partnership identification.

Selected Achievements:

- Increased our customer base by 35% composite annual growth rate (CAGR) over 8 years while simultaneously keeping our discretionary operating expenses at 1% CAGR.
- Built $26,000,000 of plant including 190 miles of fiber and added over 3000 new customers.
- Reduced installation costs by 67%
- Reduced construction costs by 70%
- Out produced all other rural telecommunications providers in the country
- Led the company through a successful Ch.11 bankruptcy and vetted numerous interested telecommunications companies for the acquisition of Zona.
- Reduced the dependence on government subsidies by 54%

Mountain Telecommunications Inc, Tempe, AZ — Dec 2002 – Jul 2007

Facilities-based Competitive Local Exchange Carrier (CLEC) who served business, government and educational organizations throughout Arizona. MTI provided superior-quality local voice and data, long-distance, Internet, wireless and private-line transport to customers require optimum performance and reliability.

CORPORATE CONTROLER

Directed all accounting activities including managing a team of five direct reports and external accountants, financial statement preparation, capital assets, banking, payroll, close, development and documentation of accounting policies and controls, revenue recognition, audits and general ledger transactions.

Selective Achievements:

- Created and implemented a 5-day close schedule, transitioning from a 15-day close, with accurate and timely financial statements provided to upper management monthly.
- Completed numerous clean financial, payroll, sales tax and government audits, and oversaw the preparation of tax returns.
- Developed accounting systems and processes to streamline the accounting and reporting process.

Jenifer Vellucci, CPA, CGMA

- Managed government contracts and compliance.

EDUCATION/QUALIFIACTIONS

Certified Public Accountant – 2007
Certified Global Management Accountant – 2012
Master of Business Administration, Baker's College, Flint, MI 2000
Bachelor of Science in Business Administration with a concentration in Finance, College of Charleston, Charleston, SC – 1997

PROFESSIONAL AFFILIATIONS

American Institute of CPAs
Arizona Society of Certified Public Accountants
President of the Arizona-New Mexico Telecommunications Association 2011-2012

Exhibit 12

Optigate Bankruptcy – Trustee's Final Report

FILED
October 20, 2009
CLERK, U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
CM17167350

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

In re: OPTIGATE NETWORKS, INC.	§	Case No. 04-17014
	§	
	§	
Debtors	§	

TRUSTEE'S FINAL REPORT (TFR)

The undersigned trustee hereby makes this Final Report and states as follows:

1. The debtor filed a petition under Chapter 7 of the United States Bankruptcy Code on August 13, 2004. The undersigned trustee was appointed on August 13, 2004.

2. The trustee faithfully and properly fulfilled the duties enumerated in 11 U.S.C. §704.

3. All scheduled and known assets of the estate have been reduced to cash, released to the debtor as exempt property pursuant to 11 U.S.C. § 522, or have been or will be abandoned pursuant to 11 U.S.C. § 554. An individual estate property record and report showing the disposition of all property of the estate is attached as **Exhibit A.**

4. The trustee realized the gross receipts of $ 686,942.40

Funds were disbursed in the following amounts:

Administrative expenses	209,052.63
Payments to creditors	0.00
Non-estate funds paid to 3rd Parties	0.00
Exemptions paid to the debtor	0.00
Leaving a balance on hand of	$ 477,889.77

The remaining funds are available for distribution.

5. Attached as **Exhibit B** is a cash receipts and disbursements record for each estate bank account.

6. The deadline for filing claims in this case was 12/20/2004. All claims of each class which will receive a distribution have been examined and any objections to the allowance of claims have been resolved. If applicable, a claims analysis. explaining why payment on any claim is not being made, is attached as **Exhibit C**.

7. The Trustee's proposed distribution is attached as **Exhibit D**.

8. Pursuant to 11 U.S.C. § 326(a), the maximum compensation allowable to the trustee is $37,597.12. To the extent that additional interest is earned before case closing, the maximum compensation may increase.

The trustee has received $0.00 as interim compensation and now requests the sum of $37,597.12, for a total compensation of $37,597.12. In addition, the trustee received reimbursement for reasonable and necessary expenses in the amount of $0.00 and now requests reimbursement for expenses of $3,693.03, for total expenses of $3,693.03.

Pursuant to Fed R Bank P 5009, I hereby certify, under penalty of perjury, that the foregoing report is true and correct.

Date: 08/12/2009 By: /s/Beth Maxwell Stratton
Trustee

STATEMENT: This Uniform Form is associated with an open bankruptcy case, therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Exhibit 13

Zona Bankruptcy Order

ORDERED ACCORDINGLY.

Dated: December 15, 2016

UNITED STATES BANKRUPTCY
DISTRICT ARIZONA

George B. Nielsen, Bankruptcy Judge

In re ACCIPITER COMMUNICATIONS, INC., d/b/a ZONA COMMUNICATIONS, Debtor.	Chapter 11 Case No. 2:14-bk-04372-GBN **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING SECOND AMENDED CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY PINPOINT HOLDINGS, INC. AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Accipiter Communications, Inc. (d/b/a Zona Communications), as debtor and debtor in possession in the above-captioned chapter 11 case (the "**Debtor**"), having:[1]

a. commenced, on March 28, 2014 (the "**Petition Date**"), the above-captioned chapter 11 case (the "**Chapter 11 Case**") by filing a voluntary petition for relief under title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the District of Arizona (the "**Court**");

b. operated its businesses and managed is properties during the Chapter 11 Case as a debtor in possession pursuant to Bankruptcy Code sections 1107(a) and 1108;

The Plan Proponents having:

a. jointly proposed and filed the (i) *First Amended Chapter 11 Plan of Reorganized Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors*, dated October 25, 2016 [Docket No. 329] (as amended by the *Second Amended Chapter 11 Plan of Reorganized Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditor*, filed on December 12, 2016 [Docket No. 368] and as further modified, amended or supplemented from time to time, the "**Plan**") and (ii) *First Amended Disclosure Statement in Support First Amended Chapter 11 Plan of Reorganized Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors,* dated October 25, 2016 [Docket No. 331] (the "**Disclosure Statement**");

b. filed, on September 29, 2016, the *Motion for Order: (A) Approving Disclosure Statement; (B) Approving Plan Solicitation Procedures; and (C) Scheduling Confirmation Hearing* [Docket No. 314] (the "**Solicitation Motion**");

c. distributed, on October 3, 2016, the Disclosure Statement and appropriate Solicitation Packages, including those Ballots for those holders of Claims in Classes 3 and 4 entitled to vote on the Plan (the "**Voting Classes**"), in accordance with the terms of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and the Local Rules of Bankruptcy Procedure for the District of Arizona (the "**Local Rules**") and as approved by order of this Court on November 1, 2016 [Docket No. 339] (the "**Disclosure Statement Order**") and as evidenced by the *Certificate of Service* [Docket No. 316];

d. filed and served, on November 2, 2016, the *Notice of Plan Confirmation Hearing* [Docket No. 345] (the "**Confirmation Hearing Notice**"), as evidenced by the *Certificate of Service and Notice of Compliance with Order* [Docket No. 353];

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[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan, Disclosure Statement or Solicitation Motion (each, as defined below), as applicable. The rules of interpretation set in the Plan shall apply to this Confirmation Order.

e. filed, on November 29, 2016, the *Notice of Proposed Assumption of Certain Executory Contracts and Unexpired Leases and Setting Forth the Cure Amounts* [Docket No. 358] (the "**Cure Notice**"), as evidenced by the *Certificate of Service* filed on November 30, 2016 [Docket No. 359] and the *Supplemental Certificate of Service* filed December 8, 2016 [Docket No. 366];

f. filed, on November 30, 2016, the *Supplement to Chapter 11 Plan of Reorganization Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors* (the "**Plan Supplement**") [Docket No. 360] and the *Notice of Filing of Supplement to Chapter 11 Plan of Reorganization Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors* [Docket No. 361] as evidenced by the *Certificate of Service* [Docket No. 365] (collectively with the other affidavits of service referenced in sub-sections (c)-(e) above, the "**Notice Affidavits**");

g. filed, on December 8, 2016, the *Ballot Report* [Docket No. 367], which details the results of the Plan voting process;

h. filed a *Notice of Lodging Prior to Hearing of Proposed Findings of Fact, Conclusions of Law and Order Confirming the Second Amended Chapter 11 Plan of Reorganized Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors,* on December 12, 2016 [Docket No. 371], with a proposed draft of these *Findings of Fact, Conclusions of Law and Order Confirming the Second Amended Chapter 11 Plan of Reorganized Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors* (together with all the exhibits hereto, the "**Proposed Confirmation Order**"); and

i. filed, on December 12, 2016, the *Declaration of Bachtiyer Kholmatov in Support of Confirmation of the Second Amended Chapter 11 Plan of Reorganized Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors* [Docket No. 370] (the "**Kholmatov Declaration**");

The Court having:

a. entered, on November 1, 2016, the Disclosure Statement Order;

b. set December 7, 2016 as the date and time by which any votes on the Plan shall be due (the "**Voting Deadline**"), as set forth in the Disclosure Statement Order;

c. set December 7, 2014 at 5:00 p.m. (Arizona Time), as the date and time by which any objections to Confirmation of the Plan shall be due (the "**Plan Objection Deadline**"), as set forth in the Disclosure Statement Order;

d. set December 14, 2014 at 1:30 p.m. (Arizona Time), as the date and time for the commencement of a hearing to consider confirmation of the Plan, as set forth in the Disclosure Statement Order, and as held on December 14, 2016 at 1:30 p.m. (Arizona Time) (the "**Confirmation Hearing**");

e. reviewed the Plan, the Disclosure Statement, the Plan Supplement, the Ballot Report, the Confirmation Hearing Notice, the Cure Notice, the Notice Affidavits, the Khlomatov Declaration and all filed pleadings, exhibits, statements and comments regarding Confirmation;

f. admitted into evidence the Ballot Report and the Khlomatov Declaration at the Confirmation Hearing;

g. received no objections regarding Confirmation;

h. held the Confirmation Hearing, after due and sufficient notice was given to holders of Claims against, and Equity Interests in, the Debtor and other parties in interest in accordance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, in each case as established by the Notice Affidavits;

i. heard statements and arguments made by counsel in respect of Confirmation;

j. considered all oral representations, testimony, documents, filings and other evidence regarding Confirmation at the Confirmation Hearing held on December 14, 2016;

k. ruled on any and all objections to the Plan and the Confirmation Order and all statements and reservations of rights not consensually resolved or withdrawn, unless otherwise indicated; and

l. considered all pleadings and other documents filed, all orders entered, and all evidence and arguments presented in the Chapter 11 Case.

NOW, THEREFORE, it appearing to the Court that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation of the Plan have been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby, and the legal and factual bases set forth in the documents filed in support of approval of Confirmation and other evidence presented at the Confirmation Hearing establish just cause for the relief granted herein; and after due deliberation thereon and good cause appearing therefor, the Court makes and issues the following findings of fact and conclusions of law:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY DETERMINED, FOUND AND ADJUDGED THAT:

A. Findings and Conclusions

1. The findings and conclusions set forth herein and in the record of the Confirmation Hearing, including the Khlomatov Declaration and the Ballot Report, constitute the Court's findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the following conclusions of law shall be determined to be a finding of fact, it shall be so deemed, or any of the following findings of fact shall be determined to be a conclusion of law, it shall be so deemed.

B. Jurisdiction, Venue and Core Proceeding

2. This Court has jurisdiction over the Chapter 11 Case pursuant to 28 U.S.C. §§ 157 and 1334. This Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be approved and confirmed, respectively. Venue is proper in this District and before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The Plan Proponents are proper plan proponents under section 1121(a) of the Bankruptcy Code.

C. Eligibility for Relief

3. The Debtor was and is an entity eligible for relief under Bankruptcy Code section 109.

D. Commencement of the Chapter 11 Case

4. On the Petition Date, the Debtor commenced a voluntary case under chapter 11 of the Bankruptcy Code. Since the Petition Date, the Debtor has operated its businesses and managed its properties as a debtor in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No trustee or examiner has been appointed in the Chapter 11 Case.

E. Objections

5. Any resolutions of objections to Confirmation explained on the record at the Confirmation Hearing are hereby incorporated by reference. Any and all unresolved objections, statements, informal objections, and reservations of rights, if any, related to the Plan or Confirmation are either resolved or overruled on the merits by this Confirmation Order.

F. Burden of Proof—Confirmation of the Plan

6. The Plan Proponents have met their burden of proving the applicable elements of Bankruptcy Code section 1129(a) by a preponderance of the evidence, which is the applicable evidentiary standard for Confirmation.

G. Notice

7. Notice of (a) the Plan and the Plan Supplement, (b) the Confirmation Hearing, (c) the Voting Deadline, (d) the Plan Objection Deadline, (e) the entry of the Disclosure Statement Order and (f) the Solicitation Packages has been provided and such notice was adequate and sufficient pursuant to Bankruptcy Code section 1128, Bankruptcy Rules 2002(b), 3017 and 3020, the Disclosure Statement Order and all other applicable law, rules and orders of this Court, and no other or further notice is or shall be required.

H. Solicitation

8. As described in the Ballot Report and the Notice Affidavits, as applicable, Ballots to vote to accept or reject the Plan were transmitted and served upon members of the Voting Classes on November 2, 2016, in compliance with the Bankruptcy Code, including sections 1125 and 1126 thereof, the Bankruptcy Rules, including Bankruptcy Rules 3017 and 3018, the Local Rules, the Disclosure Statement Order and any applicable non-bankruptcy law, rule or regulation. Transmission and service of the Solicitation Packages, including the Ballots and the Confirmation and Hearing Notice, were timely, adequate and sufficient. No further notice is required. As evidenced by the mailing of the Solicitation Packages on November 2, 2016 and the Voting Deadline of December 7, 2016, the thirty-five (35) calendar days during which the Plan Proponents solicited acceptances or rejections to the Plan was a reasonable and sufficient

period of time for holders of Claims in the Voting Classes to make an informed decision to accept or reject the Plan.

9. Under Bankruptcy Code section 1126(f) and as approved by the Disclosure Statement Order, the Plan Proponents were not required to solicit votes from holders of Claims in Classes 1 and 2 because such holders are deemed to accept the Plan. In addition, under Bankruptcy Code section 1126(g) and as approved by the Disclosure Statement Order, the Plan Proponents were not required to solicit votes from holders of Equity Interests in Class 5 because such holders are deemed to reject the Plan.

10. As described in and as evidenced by the Ballot Report and the Notice Affidavits, the transmittal and service of the Plan, the Plan Supplement, the Disclosure Statement, the Ballots and the Confirmation Hearing Notice (all of the foregoing, the "**Solicitation**") was timely, adequate and sufficient. The Solicitation complied with the procedures set forth in the Solicitation Motion and approved in the Disclosure Statement Order, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Case, was conducted in good faith, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any other applicable non-bankruptcy law, rule and regulation. The persons and entities involved in the offer, issuance or purchase of securities under the Plan acted in good faith and in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any other applicable non-bankruptcy law, rule and regulation. The Exculpated Parties (as defined below) are each entitled to the protection of Bankruptcy Code section 1125(e).

I. Voting

11. The Ballot Report is hereby approved. As evidenced by the Ballot Report, votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith, and in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the procedures as approved by the Disclosure Statement Order and any applicable non-bankruptcy law, rule and regulation. All Classes identified as not impaired under the Plan are deemed to accept the Plan,

and all Classes identified as impaired under the Plan and not entitled to receive any distribution are deemed to reject the Plan.

J. Plan Supplement

12. The Plan Supplement complies with the Bankruptcy Code and the terms of the Plan, and the filing and notice of such documents is good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and the Disclosure Statement Order, and no other or further notice is required. All documents included in the Plan Supplement are integral to, part of, and incorporated by reference into the Plan. Subject to the terms of the Plan, the Plan Proponents reserve the right to amend or modify the Plan Supplement at any time prior to the Effective Date.

K. Compliance with Bankruptcy Code Requirements—Section 1129(a)(1)

13. As detailed below, the Plan complies with all applicable provisions of the Bankruptcy Code, thereby satisfying Bankruptcy Code section 1129(a)(1):

a. **Proper Classification—Sections 1122 and 1123(a)(1).** The Plan satisfies the requirements of Bankruptcy Code sections 1122(a) and 1123(a)(1). In addition to Administrative Claims, Professional Fee Claims, and Priority Tax Claims identified in Article II of the Plan, which need not be classified, Article III of the Plan provides for the separate classification of Claims and Equity Interests into five Classes of Claims and Equity Interests. Valid business, factual and legal reasons exist for the separate classification of such Classes of Claims and Equity Interests. The classifications reflect no improper purpose and do not unfairly discriminate between, or among, holders of Claims or Equity Interests. Each Class of Claims and Equity Interests contains only Claims or Interests that are substantially similar to the other Claims or Equity Interests within that Class.

b. **Specified Classes That Are Not Impaired—Section 1123(a)(2).** The Plan satisfies the requirements of Bankruptcy Code section 1123(a)(2). Article III of the Plan specifies that Claims and Equity Interests, as applicable, in the following Classes are not impaired under the Plan within the meaning of Bankruptcy Code section 1124:

Class	Designation
Class 1	Priority Claims
Class 2	Miscellaneous Secured Claims

Additionally, Article II of the Plan specifies that Administrative Claims, Professional Fee Claims, and Priority Tax Claims will be paid in full in accordance with the terms of the Plan, although these Claims are not classified under the Plan.

c. **Specified Treatment of Impaired Classes—Section 1123(a)(3).** The Plan satisfies the requirements of Bankruptcy Code section 1123(a)(3). Article III of the Plan specifies the treatment of the following Classes of Claims and Equity Interests, as applicable, that are impaired under the Plan within the meaning of Bankruptcy Code section 1124:

Class	Designation
Class 3	RUS Loan Claims
Class 4	General Unsecured Claims
Class 5	Equity Interests and Equity Related Claims

d. **No Discrimination—Section 1123(a)(4).** The Plan satisfies the requirements of Bankruptcy Code section 1123(a)(4). The Plan provides the same treatment by the Plan Proponents for each Claim or Interest in each respective Class unless the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest.

e. **Adequate Means for Plan Implementation—Section 1123(a)(5).** The Plan satisfies the requirements of Bankruptcy Code section 1123(a)(5). Article IV of the Plan and various other provisions in the Plan, the exhibits and attachments to the Plan, the Plan Supplement and the Disclosure Statement, provide, in detail, adequate and proper means for the Plan's implementation, including regarding: (i) sources of Cash for Plan distributions; (ii) the Exit Facility; (iii) the restructuring transactions to effectuate the Plan; (iv) the formation of the Unsecured Creditor Trust; (v) the Restated Governance Documents, which authorize, among other things, the issuance of the New Common Stock; (vi) the cancellation of all notes, instruments and outstanding Equity Interests; and (vii) the vesting of the property of the Estate free and clear of all Liens and Claims existing before the Effective Date. Moreover, Reorganized Accipiter will have, immediately upon the Effective Date, sufficient Cash to make all payments required to be made on the Effective Date or as soon as reasonably practicable thereafter, pursuant to the terms of the Plan.

f. **Non-Voting Equity Securities—Section 1123(a)(6).** Section 4.05 of the Plan provides that the Restated Governance Documents will include a prohibition on the issuance of non-voting equity securities to the extent required by Bankruptcy Code section 1123(a) and (b). Non-voting equity securities are not being issued under the Plan, thereby satisfying Bankruptcy Code section 1123(a)(6).

g. **Directors and Officers—Section 1123(a)(7).** The Plan satisfies the requirements of Bankruptcy Code section 1123(a)(7). Section 4.11 of the Plan and the Disclosure Statement contain provisions regarding the identity and affiliations of the Initial Board of Directors and the Initial Officers on the Effective Date. The manner of selection of Reorganized Accipiter's Initial Board of Directors and Initial Officers is consistent with the interests of all holders of Claims and Equity Interests and public policy.

h. **Impairment / Unimpairment of Classes—Section 1123(b)(1).** The Plan is consistent with Bankruptcy Code section 1123(b)(1). Under Article III of the Plan each Class of Claims and Equity Interests is impaired or not impaired.

i. **Assumption and Cure of Defaults—Section 1123(b)(2).** The Plan is consistent with Bankruptcy Code section 1123(b)(2). Article V of the Plan provides for the rejection of all executory contracts and unexpired leases other than those executory contracts or unexpired leases that: (i) are designated as an exhibit to the Plan Supplement as assumed; (ii) have been assumed by a separate Final Order of the Bankruptcy Court; (iii) are the subject of a motion to assume pending on the Effective Date; or (iv) are assumed pursuant to the terms of the Plan.

j. **Avoidance Actions, Litigation Claims—Section 1123(b)(3).** The Plan is consistent with Bankruptcy Code section 1123(b)(3). In accordance with Bankruptcy Code section 1123(b)(3)(A), Article VII of the Plan appropriately provides that Avoidance Actions and Litigation Claims are retained and reserved for Reorganized Accipiter, which is designated as the Estate's representative under Bankruptcy Code § 1123(b)(3)(B) for purposes of the Avoidance Actions and Litigation Claims. In addition, in accordance with Bankruptcy Code section 1123(b)(3)(B), Section 7.2 of the Plan appropriately provides that Reorganized Accipiter has the sole authority to prosecute, defend, compromise, settle, and otherwise deal with any Avoidance Actions and Litigation Claims, and does so in its capacity as a representative of the Estate in accordance with Bankruptcy Code § 1123(b)(3)(B). No Avoidance Actions or Litigation Claims will be brought by Reorganized Accipiter against the holders of Claims listed on the Claims Schedule. Reorganized Accipiter will pay the fees and costs associated with litigating the Avoidance Actions and the Litigation Claims. Reorganized Accipiter has sole discretion to determine in its business judgment which Avoidance Actions and Litigation Claims to pursue, which to settle, and the terms and conditions of those settlements. The provisions regarding the preservation of Litigation Claims and Avoidance Actions in the Plan are appropriate, fair, equitable and reasonable, and are in the best interests of the Debtor, the Estate and holders of Claims and Equity Interests.

k. **Additional Plan Provisions—Section 1123(b)(6).** The other discretionary provisions of the Plan are appropriate and consistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section Bankruptcy Code 1123(b)(6).

l. **Bankruptcy Rule 3016(a).** The Plan is dated and identifies the Plan Proponents as the proponents submitting it, thereby satisfying Bankruptcy Rule 3016(a).

L. Compliance with the Bankruptcy Code—Section 1129(a)(2)

14. The Plan Proponents also have satisfied the requirements of Bankruptcy Code section 1129(a)(2). Specifically, the Debtor is an eligible debtor under Bankruptcy Code section 109, and the Plan Proponents are proper proponents of the Plan under Bankruptcy Code section 1121(a). The Plan Proponents have complied with all applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Court, including Bankruptcy Code sections 1125 and 1126, the Bankruptcy Rules, the Local Rules, any applicable non-bankruptcy law, rule and regulation, the Disclosure Statement Order and all other applicable law, in transmitting the Solicitation Packages, and related documents and notices, and in soliciting and tabulating the votes on the Plan.

M. Plan Proposed in Good Faith—Section 1129(a)(3)

15. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(3). The Plan Proponents have proposed the Plan (including all documents necessary to effectuate the Plan) and the transactions contemplated in the Plan in good faith and not by any means forbidden by law. In so determining, the Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Case, the Plan itself, the process leading to approval of the Disclosure Statement, Confirmation of the Plan and the transactions to be implemented pursuant thereto. The Chapter 11 Case was filed, and the Plan was proposed, with legitimate and honest purposes, including (a) a restructuring of the Debtor's debt obligations and (b) preservation of the going concern value of the Debtor's businesses and maximization of value to creditors. The Plan Proponents' good faith is evident from the facts and record of the Chapter 11 Case, the Disclosure Statement, the record of the hearing on the Disclosure Statement, and the record of

the Confirmation Hearing and other proceedings held in the Chapter 11 Case. The Plan (including all documents necessary to effectuate the Plan) was negotiated in good faith and at arm's length among representatives of the Purchaser and the Committee and each of their respective professionals and other representatives. Further, the Plan's classification, exculpation, and injunction provisions have been negotiated in good faith and at arm's length, are consistent with Bankruptcy Code sections 105, 1122, 1123(b)(6), 1123(b)(3)(A), 1129 and 1142 and are each necessary for the Debtor's successful reorganization.

N. Payment for Services or Costs and Expenses—Section 1129(a)(4)

16. Any payment made or to be made by the Plan Proponents or by a person issuing securities or acquiring property under the Plan for services or for costs and expenses in connection with the Chapter 11 Case, or in connection with the Plan and incidental to the Chapter 11 Case, has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying Bankruptcy Code section 1129(a)(4).

O. Directors, Officers and Insiders—Section 1129(a)(5)

17. The Plan Proponents have satisfied the requirements of Bankruptcy Code section 1129(a)(5). Section 5(h) of the Disclosure Statement discloses the identity and affiliations of the individuals proposed to serve as the Initial Board of Directors and the Initial Officers, and the identity and nature of any compensation for any insider who will be employed or retained by Reorganized Accipiter. The proposed directors and officers for Reorganized Accipiter are qualified, and the appointments to, or continuance in, such offices by the proposed directors and officers is consistent with the interests of the holders of Claims and Equity Interests and with public policy.

P. No Rate Changes—Section 1129(a)(6)

18. Bankruptcy Code section 1129(a)(6) is not applicable to the Chapter 11 Case. The Plan does not provide for any rate change that requires regulatory approval.

Q. Best Interest of Creditors—Section 1129(a)(7)

19. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(7). Section 8(c) of the Disclosure Statement and the liquidation analysis contained in Appendix 4 to the Disclosure Statement, and the other evidence related thereto in support of the Plan that was proffered and accepted at the Confirmation Hearing: (a) are reasonable, persuasive, credible and accurate as of the dates such analysis or evidence was prepared, presented or proffered; (b) utilize reasonable, customary and appropriate methodologies and assumptions; (c) have not been controverted by other evidence; and (d) establish that each holder of an Impaired Claim or Equity Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtor was liquidated under chapter 7 of the Bankruptcy Code on such date.

R. Acceptance by Certain Classes—Section 1129(a)(8)

20. The Plan does not satisfy the requirements of Bankruptcy Code section 1129(a)(8) but is nevertheless confirmable because the Plan Proponents have satisfied the requirements of Bankruptcy Code sections 1129(a)(10) and 1129(b) to "cram down" the rejecting Classes, as set forth below. Specifically, Classes 1 and 2 are not impaired and thus deemed to accept the Plan. Classes 3 and 4, which are impaired, voted to accept the Plan by the requisite majorities. With respect to Class 5, which is both impaired and deemed to reject the Plan, the Plan Proponents cannot satisfy section 1129(a)(8) with respect to that Class.

S. Treatment of Claims Entitled to Priority Under Bankruptcy Code Section 507(a)—Section 1129(a)(9)

21. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(9). The treatment of Administrative Claims, Professional Fee Claims and Priority Tax Claims under Article II of the Plan satisfies the requirements of, and complies in all respects with, Bankruptcy Code section 1129(a)(9).

T. Acceptance By At Least One Impaired Class—Section 1129(a)(10)

22. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(10). As evidenced by the Ballot Report, the Voting Classes voted to accept the Plan by the requisite numbers and amounts of Claims, determined without including any acceptance of the Plan by any insider (as that term is defined in Bankruptcy Code section 101(31)), specified under the Bankruptcy Code.

U. Feasibility—Section 1129(a)(11)

23. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(11). The projections in Appendix 3.2 to the Disclosure Statement and the evidence supporting Confirmation of the Plan proffered, accepted and admitted into evidence by the Court at, or prior to, or in a declaration filed in connection with, the Confirmation Hearing, including, without limitation, the Kholmatov Declaration: (a) is reasonable, persuasive, credible and accurate as of the dates such analysis or evidence was prepared, presented or proffered; (b) utilizes reasonable and appropriate methodologies and assumptions; (c) has not been controverted by other evidence; (d) establishes that the Plan is feasible and Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of Reorganized Accipiter or any successor to Reorganized Accipiter under the Plan, except as provided in the Plan; and (e) establishes that Reorganized Accipiter will have sufficient funds available to meet their obligations under the Plan.

V. Payment of Fees—Section 1129(a)(12)

24. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(12). All fees payable under 28 U.S.C. § 1930(a) as of the Effective Date are Administrative Claims. Section 2.02 of the Plan provides for the payment of all Administrative Claims (which includes fees payable under 28 U.S.C. § 1930(a) as of the Effective Date) on the Effective Date. Section 12.14 of the Plan provides that Reorganized Accipiter is responsible for paying any post-Effective Date fees arising under 28 U.S.C. § 1930(a).

W. Non-Applicability of Certain Sections—Sections 1129(a)(13), (14), (15) and (16)

25. Bankruptcy Code sections 1129(a)(13), 1129(a)(14), 1129(a)(15) and 1129(a)(16) do not apply to the Chapter 11 Case. The Debtor has no liability for retiree benefits or the payment of retiree benefits (as defined in Bankruptcy Code section 1114), do not owe any domestic support obligations, are not individuals and are not nonprofit corporations.

X. Fair and Equitable Treatment; No Unfair Discrimination—Section 1129(b)

26. The Plan is fair and equitable and does not unfairly discriminate with respect to the treatment of Claims and Equity Interests and thus satisfies Bankruptcy Code section 1129(b) in all respects. Specifically, the Plan satisfies Bankruptcy Code section 1129(b)(2) because (a) the Plan provides for a full recovery for holders of Claims in Classes 1 and 2, (b) holders of Claims in the Voting Classes (Classes 3 and 4) have consented to receive their respective treatment under the Plan and (c) no holder of an Equity Interest in a Class junior to those in Class 5 will receive or retain any property under the Plan. In addition, the Plan's treatment of Claims and Equity Interests is proper, as similarly-situated creditors will receive substantially similar treatment irrespective of class, and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Equity Interests in each Class. Notwithstanding the Plan Proponents' inability to satisfy Bankruptcy Code section 1129(a)(8), the Plan is still confirmable because it meets all the applicable requirements of Bankruptcy Code section 1129(a) other than section 1129(a)(8), does not discriminate unfairly and is fair and equitable with respect to the Class of Equity Interests (Class 5) that is impaired and has not accepted the Plan.

Y. Only One Plan—Section 1129(c)

27. The Plan satisfies the requirements of Bankruptcy Code section 1129(c). The Plan is the only chapter 11 plan that was both filed and solicited in the Chapter 11 Case.

Z. Principal Purpose of the Plan—Section 1129(d)

28. The principal purposes of the Plan are (a) the reorganization of the Debtor as a going concern and (b) the maximization of the value of the Estate, all of which are for the benefit

of creditors. No party in interest has requested that the Court deny Confirmation of the Plan on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933 (as amended, and including the rules and regulations promulgated thereunder, the "**Securities Act**"). In addition, the principal purpose of the Plan is not such avoidance. The Plan thus satisfies the requirements of Bankruptcy Code section 1129(d).

AA. Good Faith Solicitation—Section 1125(e)

29. Each of the Debtor, the Committee, the Purchaser, Reorganized Accipiter, and any of their respective members, officers, directors, employees, advisors, professionals, or agents (collectively, the "**Exculpated Parties**") have acted in "good faith" within the meaning of Bankruptcy Code section 1125(e) and in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in connection with, related to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan. As a result, such parties have no liability to any holder of a Claim or Equity Interest for any post-petition act or omission in connection with, related to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for willful misconduct, a breach of fiduciary duty arising from something more wrongful than mere negligence, gross negligence, or fraud, and such parties are entitled to the protections afforded by Bankruptcy Code section 1125(e).

BB. Satisfaction of Confirmation Requirements

30. Based on the foregoing, the Plan satisfies the requirements for Confirmation set forth in Bankruptcy Code section 1129.

CC. Likelihood of Satisfaction of Conditions Precedent to the Effective Date

31. Each of the conditions precedent to the Effective Date, as set forth in Section 8.2 of the Plan, has been or is reasonably likely to be satisfied or waived in accordance with Section 8.3 of the Plan.

DD. Implementation

32. All documents necessary to implement the Plan, including those contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arm's length and shall, upon completion of documentation and execution, be valid, binding and enforceable agreements and shall not be in conflict with any applicable law, rule or regulation.

EE. Disclosure of Facts

40. The Plan Proponents have disclosed all material facts regarding the Plan.

FF. Good Faith

41. The Plan Proponents, the Debtor, Reorganized Accipiter and the Exculpated Parties have been and will be acting in good faith if they proceed to: (a) consummate the Plan and the agreements, settlements, transactions and transfers contemplated thereby and (b) take the actions authorized and directed by this Confirmation Order.

GG. Retention of Jurisdiction

42. The Court may properly retain jurisdiction over the matters set forth in Section 10.1 of the Plan and/or Bankruptcy Code section 1142.

HH. Waiver of Bankruptcy Rule 3020(e)

43. Based on the business exigencies in the Chapter 11 Case, it is appropriate for the 14- day stay imposed by Bankruptcy Rule 3020(e) to be waived.

IT IS HEREBY ORDERED, ADJUDGED, DECREED AND DETERMINED THAT:

CONFIRMATION OF THE PLAN

1. **Findings of Fact and Conclusions of Law.** The above-referenced findings of fact and conclusions of law are hereby incorporated by reference as though fully set forth herein and shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable herein by Bankruptcy Rule 9014. To the extent any of the following

conclusions of law shall be determined to be a finding of fact, it shall be so deemed, or any of the following findings of fact shall be determined to be a conclusion of law, it shall be so deemed.

2. **Confirmation of the Plan.** The Plan, including each of the documents that comprise the Plan Supplement, is approved and confirmed under Bankruptcy Code section 1129 with respect to the Debtor. The documents contained in the Plan Supplement (including any amendments, modifications and supplements thereto and documents referred to in such papers consistent with the Plan) and execution, delivery and performance thereof by the Plan Proponents and the Debtor are authorized and approved. The terms of the Plan, including the Plan Supplement, are incorporated by reference into and are an integral part of this Confirmation Order.

3. **Objections.** All objections, responses to, statements, comments and reservations of rights, if any, in opposition to, the Plan, other than those withdrawn with prejudice in their entirety prior to, or on the record at, the Confirmation Hearing, shall be, and hereby are, overruled in their entirety or are otherwise resolved as incorporated herein.

IMPLEMENTATION OF THE PLAN

4. **Sources of Cash for Plan Distributions**. All Cash necessary for Reorganized Accipiter to make payments pursuant to the Plan shall be obtained from existing Cash balances of the Debtor and Reorganized Accipiter (including the payment of the Purchase Price by the Purchaser) and the operations of the Debtor or Reorganized Accipiter, as applicable. Cash payments on account of Allowed Claims under the Plan and any Cure required under Section 5.03 of the Plan, are made from Reorganized Accipiter's Cash.

5. **Exit Facility**. On the Effective Date, Reorganized Accipiter shall enter into the Exit Facility. The Exit Facility shall be substantially in the form, or on the terms, set forth in the Plan Supplement, and shall be in form and substance acceptable to the Purchaser. Among other terms, the security granted by Reorganized Accipiter to the lender in connection with the Exit

Facility shall include a specific and limited lien subordination on the Office Building. Such Office Building lien shall be provided as security for the Installment Payments required to be made to the holders of General Unsecured Claims under Article 3.04 of the Plan.

6. **Restructuring Transactions**. On the Effective Date, 100% of the New Common Stock for Reorganized Accipiter will be issued to the Purchaser in exchange for the Purchase Price pursuant to the terms of the Plan. As of the Effective Date, Reorganized Accipiter shall be deemed to have assumed and to have agreed to pay, perform and satisfy all liabilities that become Allowed Claims that are to receive distributions and are not discharged under the Plan

7. **Formation of the Unsecured Creditor Trust**. On the Effective Date, the Unsecured Creditor Trust shall be formed in order to hold the lien granted on behalf of Class 4 unsecured creditors to secure the Installment Payments. The Committee has selected Christopher Linscott to be the Unsecured Creditor Trustee. The Deed of Trust and Assignment of Rents was filed as part of the Plan Supplement.

8. **Restated Governance Documents**. As of the Effective Date and without any further action by the directors of the Debtor or Reorganized Accipiter, the Debtor's corporate governance documents are amended and restated substantially in the forms of the Restated Governance Documents. The Restated Governance Documents, among other things, authorize the issuance of the New Common Stock and prohibit (to the extent required by Bankruptcy Code § 1123(a) and (b)) the issuance of non-voting equity securities. After the Effective Date, Reorganized Accipiter may amend its corporate governance documents as permitted by applicable law.

9. **Necessary Documents/Information**. The Debtor and Reorganized Accipiter and their officers and directors are authorized, empowered and directed to sign any documents necessary to effect any provision of the Plan, including any such documents reasonably requested by the Purchaser. The Debtor and its officers and directors are expressly authorized

and directed to deliver to the Purchaser documentation evidencing the minimum Cash on hand balance and the Net Working Capital when requested by the Purchaser. The Debtor and its officers and directors are authorized and directed to provide the Purchaser with reasonable and prompt access to the Debtor's employees and records and, promptly, with all relevant information pertaining to the Debtor's operations, to assist with the closing of the transactions contemplated in the Plan when requested by the Purchaser. Notwithstanding anything to the contrary herein, the Debtor and its officers and directors are authorized, empowered and directed (a) to take all actions in order to consummate the terms of this Plan and the transactions hereunder including, without limitation, making all necessary applications, requests, notices and other filings and notifications (collectively, the "**Regulatory Filings**") to obtain or maintain all FCC Approvals and State PUC Approvals and (b) to execute any such other documents or filings prior to the Effective Date required, or reasonably requested by the Purchaser, to consummate the transactions contemplated in the Plan. For the avoidance of doubt, the Regulatory Filings made by the Debtor shall be in form and substance acceptable to the Purchaser. Further, the Purchaser shall act in good faith in making such Regulatory Filings and shall use commercial reasonably efforts to obtain the FCC Approvals and State PUC Approvals as promptly as is practicable and permitted under applicable law.

10. **Cancellation of Instruments and Agreements**. On the Effective Date, all agreements, instruments, and other documents relating to any Equity Interests, including the Equity Interests themselves, automatically terminate such that all obligations under all such agreements, instruments, and other documents are deemed fully and finally extinguished.

11. **Dismissal of Adversary Proceeding**. Prior to the Effective Date, the Bankruptcy Court shall enter an order dismissing the Adversary Proceeding with prejudice, which dismissal shall become effective only upon the Effective Date and payment of the Purchase Price, and the Committee and RUS shall lodge the stipulated Order dismissing the Adversary Proceeding and shall each execute and deliver agreed upon written releases of the other parties to the Adversary

Proceeding which shall be limited to their claims asserted in the pleadings in the Adversary Proceeding and effective only upon the Effective Date and payment of the Purchase Price.

12. **Effecting Documents; Further Transactions; Timing**. The Debtor and Reorganized Accipiter and all other parties any agreement or instrument to be executed under the Plan must, as of the Effective Date and without further order of the Bankruptcy Court, execute, deliver, file, or record all contracts, instruments, releases, and other agreements or documents contemplated in the Plan, and take all actions necessary or appropriate to effect and further evidence the terms of the Plan. All transactions required to occur on the Effective Date under the terms of the Plan are deemed to have occurred simultaneously. RUS shall execute any release and/or other necessary documents to evidence and effectuate the release of its liens that the Purchaser reasonably requests.

13. **No Corporate Action Required**. As of the Effective Date, (a) the adoption, execution, delivery, and implementation of all documents, contracts, leases, instruments, releases, and other agreements related to or contemplated by the Plan, and (b) the other matters provided for under, or in furtherance of, the Plan involving corporate action required of the Debtor, are deemed to have occurred, are effective, binding, and enforceable in accordance with their respective terms, and are deemed authorized and approved in all respects without further order of the Bankruptcy Court or any further action by the Debtor's officers, directors, or shareholders.

14. **Post-Effective Date Management.** On the Effective Date or as soon as reasonably practicable thereafter, the directors and officers identified in Section 4.11 of the Plan shall serve as Initial Board of Directors and Initial Officers. After the Effective Date, the corporate governance and management of the Reorganized Accipiter shall be determined by the board of directors in accordance with the laws of the applicable state of organization.

15. **Vesting of Assets.** Except as provided in the Plan or this Confirmation Order, all property of the Estate vests in Reorganized Accipiter on the Effective Date free and clear of all Liens and Claims existing before the Effective Date. From and after the Effective Date, Reorganized Accipiter may use and dispose of its property free of any restrictions of the Bankruptcy Code, including the employment of, and payment to, Professionals except as otherwise provided in the Plan or the Confirmation Order.

16. **Governmental Approvals Not Required.** Except as otherwise stated in the Plan, this Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, or regulations of any state or other governmental authority with respect to the dissemination, implementation or consummation of the Plan, the Disclosure Statement, any documents, instruments or agreements, and any amendments or modifications thereto, and any other transactions referred to in, or contemplated by, the Plan and the Disclosure Statement, without any requirement for further action by the Plan Proponents or the Debtor.

17. **Section 1145 Exemption.** In accordance with Bankruptcy Code § 1145, the issuance of the New Common Stock under the Plan is exempt from all federal, state, or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in a security.

18. **Exemption from Transfer Taxes.** To the fullest extent permitted by Bankruptcy Code § 1146(a): (a) the issuance, distribution, transfer, and exchange of assets or property of the Estate; (b) the execution, assignment, modification, or recording of any lease or sublease; and (c) the execution, delivery, or recording of a deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, the Confirmation Order, or any transaction contemplated above, or any transactions arising out of, contemplated by, or in any way related to, the foregoing are not subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, or real estate transfer tax, or other similar tax or governmental assessment and the appropriate state or local government officials or agents are

directed to forego the collection of any such tax or assessment and to accept for filing or recordation any of the foregoing instruments or other documents without the payment of any such tax or assessment.

19. **Dissolution of the Committee.** The Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in Bankruptcy Code section 1103 and shall perform such other duties as it may have been assigned by the Bankruptcy Court prior to the Effective Date. On the Effective Date, the Committee shall be dissolved and the Committee's members shall be deemed released of all their duties, responsibilities and obligations in connection with the Chapter 11 Case or the Plan and its implementation, and the retention or employment of the Committee's Professionals shall terminate.

AVOIDANCE ACTIONS, LITIGATION CLAIMS

20. **Retention and Reservation.** All Avoidance Actions and Litigation Claims are retained and reserved for Reorganized Accipiter, which is designated as the Estate's representative under Bankruptcy Code § 1123(b)(3)(B) for purposes of the Avoidance Actions and Litigation Claims, in accordance with Article 7 of the Plan and the Plan Supplement.

21. **Prosecution**. Reorganized Accipiter has the sole authority to prosecute, defend, compromise, settle, and otherwise deal with any Avoidance Actions and Litigation Claims, and does so in its capacity as a representative of the Estate in accordance with Bankruptcy Code § 1123(b)(3)(B). Reorganized Accipiter will pay the fees and costs associated with litigating the Avoidance Actions and the Litigation Claims. Reorganized Accipiter has sole discretion to determine in its business judgment which Avoidance Actions and Litigation Claims to pursue, which to settle, and the terms and conditions of those settlements. No Avoidance Actions or Litigation Claims will be brought by Reorganized Accipiter against the holders of Claims listed on the Claims Schedule.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

22. **Assumption of Executory Contracts and Unexpired Leases.** In accordance with Article V of the Plan, all executory contracts and unexpired leases will be deemed rejected as of the Effective Date in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code except those executory contracts and unexpired leases that (i) are designated as an exhibit to the Plan Supplement as assumed, (ii) have been assumed by a separate Final Order of the Bankruptcy Court, (iii) are the subject of a motion to assume pending on the Effective Date or (iv) are assumed pursuant to the terms of the Plan. The listing of a document in the Plan Supplement shall not constitute an admission by the Debtor or the Plan Proponents that such document is an executory contract or an unexpired lease or that the Debtor or Reorganized Accipiter has any liability thereunder. Unless a party to an executory contract or lease listed on the Schedule of Assumed Contracts and Leases filed in the Plan Supplement timely filed an objection to the Cure amount, the Cure amount listed on the Schedule of Assumed Contracts and Leases will govern and payment of such Cure amount by Reorganized Accipiter will constitute a cure of all monetary defaults under such executory contract or lease.

23. **Rejection Claims Bar Date.** All Rejection Claims must be filed by the Rejection Claims Bar Date. Any Rejection Claim not filed by the Rejection Claims Bar Date is forever barred. All Rejection Claims are General Unsecured Claims under the Plan. With respect to any executory contract or unexpired lease rejected by the Debtor before the Effective Date, the deadline for filing a Rejection Claim remains the deadline set forth in the order of the Bankruptcy Court authorizing that rejection. If the order did not contain such a deadline, the deadline for filing a Rejection Claim is 30 days after the Effective Date.

24. **Administrative Claims Bar Date.** All requests for payment of an Administrative Claim (other than a Professional Fee Claim) must be served (i) if prior to the Effective Date, on the Debtor and the Plan Proponents or (ii) on or after the Effective Date, Reorganized Accipiter, and filed with the Bankruptcy Court no later than the Administrative Claims Bar Date. Any

holder of an Administrative Claim (other than a Professional Fee Claim) that fails to file and serve its request by the Administrative Claims Bar Date is forever barred from asserting its Administrative Claim against the Debtor or Reorganized Accipiter.

RELEASES, INJUNCTIONS, STAYS

25. **Discharge.** Except as provided in the Plan or the Confirmation Order: (a) the rights granted under this Plan and the treatment of Claims and Equity Interests under this Plan are in exchange for and in complete satisfaction, discharge, and release of, all Claims including any interest accrued on any Claim from the Petition Date; and (b) confirmation of this Plan discharges the Debtor and Reorganized Accipiter from all Claims or other debts that arose before the Effective Date to the fullest extent allowed under Bankruptcy Code § 1141(a), (b), (c), and (d)(1).

26. **Pre-Effective Date Injunctions or Stays.** All injunctions or stays, whether by operation of law or by order of the Bankruptcy Court, provided for in the Chapter 11 Case pursuant to Bankruptcy Code sections 105 or 362 or otherwise that are in effect on the Confirmation Date shall remain in full force and effect until the Effective Date.

27. **Injunction and Exculpation Provisions Under the Plan.** The release, injunctions and exculpation provisions set forth in Sections 9.3 and 9.4 of the Plan are approved and authorized in their entirety, and such provisions shall be effective and binding on all Persons and Entities to the extent provided in the Plan.

28. **Indemnification Obligations.** Any obligation of the Debtor to indemnify any Person serving as a fiduciary of any employee benefit plan of the Debtor under charter, bylaws, contract, or applicable state law is an executory contract and is rejected as of the Effective Date. Any obligation of the Debtor to indemnify, reimburse, or limit the liability of any Person, including any officer or director of the Debtor, or any agent, professional, financial advisor, or underwriter of any securities issued by the Debtor related to any acts or omissions occurring

before the Petition Date is rejected under the Plan as of the Confirmation Date if the Effective Date occurs. Any Claim resulting from these rejections in favor of any Person must be filed by the Rejection Claims Bar Date and constitutes a General Unsecured Claim. Notwithstanding any of the foregoing, nothing contained in the Plan or in this Confirmation Order affects the rights of any Person covered by an applicable D&O Policy with respect to such policy.

PLAN CONSUMMATION AND EFFECTIVENESS

29. **Waiver of Stay.** For good cause shown, the stay of this Confirmation Order provided by Bankruptcy Rule 3020(e) is waived, and this Confirmation Order shall be effective and enforceable immediately upon its entry by the Court.

30. **Authorization to Consummate.** The Plan Proponents are authorized to consummate the Plan at any time after the entry of this Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to effectiveness set forth in Section 8.2 of the Plan.

31. **Failure of Consummation.** If the Effective Date does not occur, then nothing contained in the Plan shall (a) constitute a waiver or release of any Claims against or Equity Interests in the Debtor; (b) prejudice in any manner the rights of the holder of any Claim against, or Equity Interest in, the Debtor (c) prejudice in any manner any right, remedy or Claim of the Debtor; (d) be deemed an admission against interest by the Debtor; or (e) constitute a settlement, implicit or otherwise, of any kind whatsoever.

32. **Substantial Consummation.** On the Effective Date, the Plan shall be deemed to be substantially consummated under Bankruptcy Code sections 1101 and 1127, notwithstanding any post-Effective Date, non-material, technical modifications thereto.

33. **Notice of Confirmation.** In accordance with Bankruptcy Rules 2002 and 3020(c), the Plan Proponents shall serve notice of entry of this Confirmation Order, substantially

in the form attached hereto as **Exhibit A** (the "**Confirmation Order Notice**"), on the "core" notice parties and all holders of Claims and Equity Interests and within ten (10) Business Days after the date of entry of this Confirmation Order. The form of the Confirmation Order Notice is hereby approved in all respects.

34. **Notice of Effective Date.** The Plan Proponents shall file with the Bankruptcy Court a notice of the occurrence of the Effective Date within 3 business days after the conditions in Section 8.2 of the Plan have been satisfied or waived pursuant to Section 8.3, and the Effective Date has occurred (the "**Effective Date Notice**"). The Effective Date Notice shall be filed in the main Chapter 11 Case and the Adversary Proceeding. Notwithstanding the above, no notice of Confirmation or consummation or service of any kind shall be required to be mailed or made upon any Entity to whom the Plan Proponents mailed notice of the Confirmation Hearing, but received such notice returned marked "undeliverable as addressed," "moved, left no forwarding address" or "forwarding order expired," or similar reason, unless the Plan Proponents have been informed in writing by such Entity, or are otherwise aware, of that Entity's new address. The above-referenced notices are adequate under the particular circumstances of the Chapter 11 Case, and no other or further notice is necessary.

OTHER MATTERS

35. **Binding Effect.** Upon the occurrence of the Effective Date, all provisions of the Plan are binding on, and inure to the benefit of, the Debtor and the holders of all Claims and Equity Interests and their respective successors and assigns. All agreements, instruments and other documents filed in connection with the Plan shall have full force and effect, and shall bind all parties thereto, subject to the occurrence of the Effective Date, upon the entry of the Confirmation Order, whether or not such exhibits actually shall be executed by parties other than the Plan Proponents or the Debtor, or shall be issued, delivered or recorded on the Effective Date or thereafter. The rights, benefits and obligations of any entity named or referred to in the Plan

shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

36. **Severability.** If the Bankruptcy Court or any appellate court finds the Plan or any provision of the Plan to be invalid, illegal or unenforceable, or if the Bankruptcy Court cannot confirm the Plan under Bankruptcy Code § 1129, the Bankruptcy Court, at the Purchaser's request, with the consent of the Committee not to be unreasonably withheld, or Reorganized Accipiter's request, may retain the power to alter and interpret the Plan or any such provision to make it valid or enforceable to the maximum extent feasible, consistent with the original purpose of the provision held to be invalid or unenforceable, and such provision then becomes applicable as altered or interpreted. This Confirmation Order constitutes a judicial determination and provides that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable.

37. **Post-Confirmation Modifications.** After the Confirmation Date but before substantial consummation of the Plan as defined in Bankruptcy Code § 1101(2), the Plan Proponents or Reorganized Accipiter may, under Bankruptcy Code § 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, and any matters necessary to carry out the Plan's purposes as long as those proceedings do not materially and adversely affect the treatment of holders of Claims or Equity Interests under the Plan. The Plan Proponents or Reorganized Accipiter must serve prior notice of those proceedings in accordance with the Bankruptcy Rules or applicable order of the Bankruptcy Court.

38. **Applicable Non-Bankruptcy Law.** Pursuant to Bankruptcy Code sections 1123(a) and 1142(a), the provisions of this Confirmation Order, the Plan and related documents, or any amendments or modifications thereto, shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law, rule or regulation.

39. **References to and Omissions of Plan Provisions.** References to articles, sections and provisions of the Plan are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan. The failure to specifically include or to refer to any particular article, section, or provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such article, section, or provision, it being the intent of the Court that the Plan be confirmed in its entirety and incorporated herein by this reference.

40. **Headings.** Headings utilized herein are for convenience and reference only, and do not constitute a part of the Plan or this Confirmation Order for any other purpose.

41. **Effect of Conflict.** This Confirmation Order supersedes any Court order issued prior to the Confirmation Date that may be inconsistent with this Confirmation Order, except as set forth in this paragraph. If there is any inconsistency between the terms of this Confirmation Order and the Plan (including any amendments thereto), the terms of this Confirmation Order shall govern and control. If there is any inconsistency between the terms of the Plan (including any amendments thereto), the terms of the Plan Supplement and the terms of this Confirmation Order, the terms of the Plan Supplement shall govern and control.

42. **Retention of Jurisdiction.** The Court may properly, and upon the Effective Date shall, to the full extent set forth in the Plan, retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Case, including the matters set forth in Article X of the Plan and section 1142 of the Bankruptcy Code. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan or in the Chapter 11 Case, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

*** * * SIGNED AND DATED ABOVE * * ***

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
DISTRICT ARIZONA

In re ACCIPITER COMMUNICATIONS, INC., d/b/a ZONA COMMUNICATIONS, Debtor.	Chapter 11 Case No. 2:14-bk-04372-GBN **NOTICE OF ENTRY OF ORDER APPROVING SECOND AMENDED CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY PINPOINT HOLDINGS, INC. AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

PLEASE TAKE NOTICE that, on December [14], 2016, the United States Bankruptcy Court for the District of Arizona entered the *Findings of Fact, Conclusions of Law and Order Approving the Second Amended Chapter 11 Plan of Reorganization Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors* (Docket No. ___) (the "**Confirmation Order**") confirming the *Second Amended Chapter 11 Plan of Reorganization Proposed by Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors* (Docket No. 368) (the "**Plan**").

PLEASE TAKE FURTHER NOTICE that copies of the Plan, Confirmation Order, and any other related documents may be obtained by writing to counsel to the Committee: Alisa C. Lacey, or Christopher C. Simpson, Stinson Leonard Street LLP, 1850 North Central Avenue, Suite 2100, Phoenix, Arizona 85004, Alisa.Lacey@stinson.com or Christopher.Simpson@stinson.com. In addition, copies of any pleadings filed in this Chapter 11 Case remain on file with the Office of the Clerk of the Court and viewable through access to the PACER and ECF system.

December [__], 2016.

/s/ Jared G. Parker
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UNITED STATES BANKRUPTCY COURT

DISTRICT ARIZONA

In re ACCIPITER COMMUNICATIONS, INC., d/b/a ZONA COMMUNICATIONS, Debtor.	Chapter 11 Case No. 2:14-bk-04372-GBN **SECOND AMENDED CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY PINPOINT HOLDINGS, INC. AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Pinpoint Holdings, Inc. and the Official Committee of Unsecured Creditors co-propose this plan for the resolution of all outstanding claims and equity interests.

All holders of Claims or Equity Interests should read the Plan, the Disclosure Statement, and the related materials in their entirety.

Subject to the restrictions on modifications set forth in Bankruptcy Code § 1127, Bankruptcy Rule 3019, and Section 11.01 of the Plan, the Plan Proponents may amend the Plan before its substantial consummation.

ARTICLE 1.
DEFINITIONS AND RULES OF INTERPRETATION

All capitalized terms used in the Plan are defined in this Article 1, the Bankruptcy Code, or the Bankruptcy Rules. "Including" means "including without limitation."

As used in the Plan, the following terms have the following meanings:

1.01. Adequate Protection Payments. The Debtor's monthly payments of cash to RUS under stipulated orders of the Bankruptcy Court in the Bankruptcy Case regarding the Debtor's use of cash collateral.

1.02. Administrative Claim. A Claim for any expense Allowed under Bankruptcy Code §§ 503(b), 507(b), or 546(c)(2) and entitled to priority under Bankruptcy Code § 507(a)(2), including: (a) fees payable under 28 U.S.C. § 1930; (b) actual and necessary costs and expenses incurred in the ordinary course of the Debtor's business; (c) actual and necessary costs and expenses of preserving the Estate or administering the Chapter 11 Case; and (d) all Professional Fee Claims to the extent Allowed by Final Order under Bankruptcy Code § 330.

1.03. Administrative Claims Bar Date. The first Business Day 30 days after the Effective Date.

1.04. Adversary Proceeding. Adversary proceeding number 2:15-ap-00005-GBN in the Bankruptcy Case, under which the Committee, on the Estate's behalf, seeks, among other things, to equitably subordinate the RUS Claims to the claims of all creditors and, alternatively, to re-characterize the RUS Claims as Equity Interests.

1.05. Allowed. With respect to any Claim against, or Equity Interest in, the Debtor:

a. allowed by Final Order, whether or not following an objection to its allowance, a motion to estimate for purposes of allowance, or a request to subordinate filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court; or

b. proof of which, request for payment of which, or application for allowance of which was filed or deemed filed with the Bankruptcy Court on or before the Bar Date, the Administrative Claims Bar Date, the Professional Fee Bar Date, or the Rejection Damages Bar Date, as applicable, for filing proofs of claim or equity interest or requests for payment for Claims of that type against the Debtor or other applicable date established by order of the Bankruptcy Court, even if that date is after the Bar Date, the Administrative Claims Bar Date, the Professional Fee Bar Date, or the Rejection Damages Bar Date, as applicable; or

c. listed as undisputed, liquidated, and non-contingent in the Schedules and no objection to its allowance, motion to estimate for purposes of allowance, or request to subordinate has been filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court.

1.06. Avoidance Actions. All statutory causes of action preserved for the Estate under Bankruptcy Code §§ 510, 542, 543, 544, 545, 547, 548, 549, 550, and 553 that the Estate may have against any Person. For the avoidance of doubt, under Bankruptcy Code § 546(a), the time

period for the Debtor (or any party on its behalf) to bring preference actions seeking to avoid certain pre-Petition transfers has expired and, accordingly, Reorganized Accipiter will not seek to pursue any such preference actions. Reorganized Accipiter reserves all rights to bring an Avoidance Action with respect to any Claim not identified on the Claims Schedule.

1.07. Bankruptcy Code. Title 11 of the United States Code.

1.08. Bankruptcy Court. The United States District Court for the District of Arizona and, to the extent of any reference under 28 U.S.C. § 157, the bankruptcy unit of the District Court under 28 U.S.C. § 151.

1.09. Bankruptcy Rules. Collectively, the Federal Rules of Bankruptcy Procedure as promulgated under 28 U.S.C. § 2075 and any Local Rules of the Bankruptcy Court applicable to the Chapter 11 Case.

1.10. Bar Date. The date fixed by the Bankruptcy Court by which Persons asserting a Claim against the Debtor (except Administrative Claims, Professional Fee Claims, and Rejection Damages Claims) are required to file a proof of claim or be forever barred from asserting a Claim against the Debtor or its property, from voting on the Plan, and from sharing in distributions under the Plan.

1.11. Benefit Plans. All benefit plans of whatever type that the Debtor provided to its employees, whether now in existence or previously terminated, and any rights of employees to extended coverage arising from any benefit plan, whether under the terms of that benefit plan or under applicable law.

1.12. Business Day. Any day other than a Saturday, Sunday, or legal holiday (as defined in Bankruptcy Rule 9006).

1.13. Cash. Currency, checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks, money orders, negotiable instruments, and wire transfers of immediately-available funds.

1.14. Chapter 11 Case. The case under chapter 11 of the Bankruptcy Code for the Debtor pending before the Bankruptcy Court under Case No. 2:14-bk-04372-GBN.

1.15. Claim. A claim against the Debtor or its property as defined in Bankruptcy Code § 101(5), including: (a) any right to payment, whether or not the right is reduced to judgment, liquidated, fixed, contingent, matured, disputed, legal, equitable, secured, or unsecured arising at any time before the Effective Date; or (b) any right to an equitable remedy for breach of performance if the breach gives rise to a right to payment, whether or not the right to an equitable remedy is reduced to judgment, fixed, contingent, matured, disputed, secured, or unsecured.

1.16. Claims Schedule. That certain schedule, attached as **Appendix 5** to the Disclosure Statement, which identifies those Claims by name of holder and amount that Reorganized Accipiter will not object to on any basis, including pursuant to any Avoidance Action. To the extent any such Claim (i) is not the subject of an objection by the Debtor or another party in interest on the Effective Date or (ii) has not been Disallowed by order of the Court, such

identified Claims shall be deemed Allowed Claims on the Effective Date. The Claims Schedule shall be reasonably acceptable to the Plan Proponents.

1.17. Class. A category consisting of holders of Claims or Equity Interests substantially similar in nature to the Claims or Equity Interests of other holders placed in that category, as designated in Article 3 of the Plan.

1.18. Collateral. Any property or interest in property of the Estate subject to a Lien to secure the payment or performance of a Claim, the Lien not avoidable or invalid under the Bankruptcy Code or applicable state law.

1.19. Committee. The official committee of unsecured creditors appointed in the Chapter 11 Case under Bankruptcy Code § 1102.

1.20. Confirmation Date. The date the Bankruptcy Court enters the Confirmation Order.

1.21. Confirmation Hearing. The evidentiary hearing at which the Bankruptcy Court considers confirmation of the Plan.

1.22. Confirmation Order. The order of the Bankruptcy Court confirming the Plan under the Bankruptcy Code. The Confirmation Order shall be in form and substance acceptable to the Plan Proponents.

1.23. Contingent Claim. Any Claim for which a proof of claim has been filed with the Bankruptcy Court that: (a) was not filed in a fixed amount, or has not accrued and depends on a future event that has not occurred and may never occur; and (b) has not been Allowed on or before the Effective Date.

1.24. Cure. The payment on the Effective Date of Cash or other property as a condition to the assumption or assumption and assignment by the Debtor of an executory contract or unexpired lease of nonresidential real property, in accordance with Bankruptcy Code § 365(b).

1.25. D&O Policy. Any directors and officers liability insurance policy or any applicable errors and omissions policy applicable to the Debtor's directors, officers, and managers.

1.26. Debtor. Accipiter Communications, Inc., doing business as Zona Communications, a Nevada corporation with its principal place of business in Phoenix, Arizona.

1.27. Disallowed. In reference to a Claim, a Claim or any portion of a Claim that: (a) has been disallowed or withdrawn by Final Order; or (b) with respect to a Claim other than an Administrative Claim, a Professional Fee Claim, or a Rejection Claim, was listed as disputed, unliquidated, or contingent in the Schedules and no proof of which was filed before the applicable Bar Date.

1.28. Disclosure Statement. The written disclosure statement relating to the Plan (including all exhibits and schedules) in the form approved by the Bankruptcy Court under Bankruptcy Code § 1125 and Bankruptcy Rule 3017.

1.29. Disputed. With respect to a Claim or Equity Interest, any Claim or Equity Interest: (a) listed in the Schedules as unliquidated, disputed, or contingent, or as to which the Debtor, the Committee, the Purchaser, Reorganized Accipiter, or any other party-in-interest has (i) interposed a timely objection or request for estimation, or (ii) sought to equitably subordinate or otherwise limit recovery in accordance with the Bankruptcy Code and the Bankruptcy Rules, in each instance where such listing, objection, request for estimation, or action to limit recovery has not been withdrawn or determined by a Final Order; or (b) that is a Contingent Claim.

1.30. Effective Date. The date selected by the Plan Proponents which shall not be more than 25 Business Days after the first Business Day on which (a) no stay of the Confirmation Order is in effect and (b) all conditions to the Effective Date set forth in Section 8.02 of the Plan have been satisfied or waived in accordance with the Plan.

1.31. Equity Interest. Any equity interest in the Debtor represented by any certificated or uncertificated shares or membership interest issued to any Person before the Effective Date, and any warrants, options, or rights to purchase any equity interest.

1.32. Equity Related Claim. Any Claim by any Person other than the Debtor or Reorganized Accipiter: (a) arising from the rescission of a purchase or sale of an Equity Interest; or (b) for damages arising from the purchase or sale of an Equity Interest; or (c) that asserts equitable or contractual rights of reimbursement, contribution, or indemnification arising from such a Claim; including any Claim that has been or may be asserted by any Person other than the Debtor or Reorganized Accipiter against the Debtor on one or more of its officers or directors, asserting violations of federal securities laws or any applicable non-federal securities law.

1.33. Estate. The estate consisting of the Debtor's interests in property created under Bankruptcy Code § 541.

1.34. Exit Facility. That certain credit facility, in an aggregate principal amount of $4,000,000, to be entered into by the Purchaser and Reorganized Accipiter as of the Effective Date, substantially in the form, or on the terms, set forth in the Plan Supplement and shall be in form and substance acceptable to the Purchaser

1.35. FCC Approvals. Such consents, approvals, authorizations, licenses, permits, actions, waivers, no action statements, filings and/or notifications as are required to be made with or obtained from the Federal Communications Commission under the Communications Act of 1934 in order to consummate the transactions contemplated in the Plan.

1.36. Final Order. An order or judgment of the Bankruptcy Court: (a) as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired, or as to which any right to appeal, petition for certiorari, reargue, or rehear has been waived in writing in form and substance satisfactory to the Plan Proponents; and (b) if an appeal, writ of certiorari, or reargument or rehearing has been sought, as to which the highest court to which the order was appealed, or certiorari, reargument or rehearing was sought, has determined or denied the appeal, writ of certiorari, reargument, or rehearing, and the time to take any further appeal, petition for writ of certiorari, or move for reargument or rehearing has expired; but the filing of a motion under Rule 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under

the Bankruptcy Rules, with respect to the order does not prevent the order from being a Final Order.

1.37. General Unsecured Claim. Any Claim against the Debtor existing as of the Petition Date including a Rejection Claim but excluding a Secured Claim, an Administrative Claim, a Priority Tax Claim, a Priority Claim, an Equity Related Claim, or a RUS Claim.

1.38. Installment Payments. The meaning given to such term in Section 3.04 of the Plan.

1.39. Litigation Claims. All claims and causes of action in law or in equity, whether known or unknown, contingent or otherwise, that the Estate has brought or may have against any Person, including those listed in the Plan Supplement, other than Avoidance Actions. Failure to list a Litigation Claim in the Plan does not waive or release that Litigation Claim. For the avoidance of doubt, any Claims listed on the Claims Schedules shall not be deemed Litigation Claims.

1.40. Miscellaneous Secured Claim. Any Secured Claim, other than a Secured Claim held by RUS, that is: (a) listed in the Schedules as a liquidated, non-contingent, and undisputed secured claim, or (b) reflected in a proof of claim as a secured claim secured by a Lien on Collateral to the extent of the value of the collateral, as determined in accordance with Bankruptcy Code § 506(a), or, if the claim is subject to setoff under Bankruptcy Code § 553, net of setoff.

1.41. Net Working Capital. All collectible account receivables, prepayments and materials (usable and saleable in the ordinary course) of the Debtor, ***less*** accounts payable, advanced billings and payments, customer credits, refunds, and deposits and other current and accrued liabilities of the Debtor; for the avoidance of doubt, the RUS Loan Claims shall be excluded from the calculation of the Net Working Capital.

1.42. New Common Stock. The common stock, $0.001 par value per share, to be authorized under the Amended and Restated Articles of Incorporation of Reorganized Accipiter.

1.43. Office Building. That certain office building located at 2238 W. Lone Cactus Drive, Suite 100, Phoenix, AZ 85027, which is currently owned by the Debtor and, on the Effective Date, will be owned by Reorganized Accipiter pursuant to the terms of the Plan.

1.44. Petition Date. March 28, 2014, the date on which the Debtor filed its voluntary chapter 11 petition in the Bankruptcy Court.

1.45. Plan. This chapter 11 plan, either in its present form or as it may be amended from time to time, including all its exhibits and the Plan Supplement.

1.46. Plan Proponents. The Purchaser and the Committee.

1.47. Plan Supplement. The compilation of documents and forms of documents, schedules, and exhibits to the Plan, to be filed by the Plan Proponents no later than 14 days prior to the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, and additional documents filed with the Bankruptcy Court before the Effective Date as amendments to the Plan Supplement, comprised of, among other documents, the following, if any and as applicable: (a) the Restated Governance Documents; (b) the list of

executory contracts and unexpired leases to be assumed and Cure amounts; (c) the Exit Facility or a term sheet outlining the material terms of the Exit Facility; (d) the selection of the Unsecured Creditor Trustee and governing documents related to the Unsecured Creditor Trust; and (d) the Litigation Claims. The Plan Supplement documents shall be in form and substance acceptable to the Purchaser; *provided, however*, that the selection of the Unsecured Creditor Trustee shall be made by the Committee and any such governing documents related thereto shall be reasonably acceptable in form and substance to the Committee and the Purchaser.

1.48. Preserved Ordinary Course Administrative Claim. Any Administrative Claim based on liabilities incurred by the Debtor in the purchase, lease, or use of goods and services in the ordinary course of its business, including Administrative Claims on account of services provided after the Petition Date to the Debtor by its employees, and Claims for unpaid rent or contract payments arising under a rejected executory contract or unexpired lease of nonresidential real property after the Petition Date and before the effective date of the rejection of that contract or lease, but excluding Professional Fee Claims.

1.49. Priority Claim. Any Claim (or portion of a Claim) entitled to priority under Bankruptcy Code § 507(a) other than Priority Tax Claims and Administrative Claims.

1.50. Priority Tax Claim. Any Claim of a Governmental Unit entitled to priority under Bankruptcy Code § 507(a)(8).

1.51. Professional. A Person: (a) employed in the Chapter 11 Case by a Final Order under Bankruptcy Code §§ 327, 328, 363, or 1103 and compensated for services under Bankruptcy Code §§ 327, 328, 329, 330, and 331 or by a Final Order; or (b) for whom compensation and reimbursement has been Allowed by a Final Order under Bankruptcy Code § 503(b).

1.52. Professional Fee Bar Date. The first Business Day 30 days after the Effective Date.

1.53. Professional Fee Claim. An Administrative Claim for compensation and reimbursement of expenses of a Professional incurred before the Effective Date submitted in accordance with Bankruptcy Code § § 328, 330, 331, or 503(b).

1.54. Pro Rata. A proportionate share, such that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the amount of that Allowed Claim is the same as the ratio of all consideration distributed on account of all Allowed Claims in that Class to the amount of all Allowed Claims in that Class.

1.55. Purchaser. Pinpoint Holdings, Inc. or any designated affiliate of Pinpoint Holdings, Inc.

1.56. Purchase Price. The $5,250,000 purchase price to be paid by the Purchaser in order to acquire 100% of the New Common Stock on the Effective Date pursuant to the terms of this Plan.

1.57. Regulatory Filings. As defined in Section 4.07 of the Plan.

1.58. Rejection Claim. A Claim arising from the Debtor's rejection of an executory contract or unexpired lease either during the Chapter 11 Case or under the Plan other than a Claim for

unpaid rent or contract payments arising under a rejected executory contract or unexpired lease after the Petition Date and before the effective date of the rejection of that contract or lease.

1.59. Rejection Claims Bar Date. The first Business Day 30 days after the Effective Date.

1.60. Reorganized Accipiter. Accipiter Communications, Inc., on and after the Effective Date.

1.61. Restated Governance Documents. The *Amended and Restated Articles of Incorporation* of Reorganized Accipiter and the *Amended and Restated Bylaws* of Reorganized Accipiter, which shall be in form and substance acceptable to the Purchaser and which shall be substantially in the forms included as part of the Plan Supplement.

1.62. RUS. Acting through the Rural Utilities Service of the United States Department of Agriculture, the United States of America.

1.63. RUS A Loan Claim. The Claim held by RUS as of the Petition Date arising from the Debtor's obligations under the *Telephone Loan Contract* dated as of July 3, 1996 between the Debtor, RUS and the Rural Telephone Bank (to which RUS is the successor), as well as *the Mortgage Note* of the same date and the *Mortgage Note* of the same date evidencing the Hardship Loan.

1.64. RUS B Loan Claim. The Claim held by RUS as of the Petition Date arising from the Debtor's obligations under the *Telephone Loan Contract Amendment* dated as of August 1, 2001 between the Debtor, RUS and the Rural Telephone Bank (to which RUS is the successor), as well as two *Mortgage Notes* of the same date.

1.65. RUS C Loan Claim. The Claim held by RUS as of the Petition Date arising from the Debtor's obligations under the *Loan Agreement* dated as of October 13, 2005 between the Debtor, RUS and the Rural Telephone Bank (to which RUS is the successor), as well as the *Promissory Notes* of the same date.

1.66. RUS Loan Claims. Collectively, the RUS A Loan Claim, the RUS B Loan Claim, and the RUS C Loan Claim.

1.67. State PUC Approvals. Such consents, approvals, authorizations, licenses, permits, actions, waivers, no action statements, filings and/or notifications as are required to be made with or obtained from any state public service or public utility commission or similar state regulatory bodies of U.S. states or possessions with jurisdiction over the provision of local and intrastate telecommunications services in order to consummate the transactions contemplated in the Plan.

1.68. Schedules. The schedules of assets and liabilities, the list of holders of interests, and the statements of financial affairs filed by the Debtor under Bankruptcy Code § 521 and Bankruptcy Rule 1007, as the schedules, list, and statements may have been or may be supplemented or amended from time to time.

1.69. Secured Claim. Any Claim (a) listed in the Schedules as a liquidated, non-contingent, and undisputed secured Claim that has not otherwise been satisfied or waived prior to the

Confirmation Date, or (b) reflected in a proof of claim as a secured Claim, secured by a Lien on Collateral to the extent of the value of the Collateral, as determined in accordance with Bankruptcy Code § 506(a), or, if the Claim is subject to setoff under Bankruptcy Code § 553, net of the setoff.

1.70. Unsecured Creditor Trust. That certain trust formed in order to hold the lien granted on behalf of Class 4 unsecured creditors to secure the Installment Payments.

1.71. Unsecured Creditor Trustee. The trustee of the Unsecured Creditor Trust, who shall be selected by the Committee and be named as part of the Plan Supplement.

ARTICLE 2.
TREATMENT OF UNCLASSIFIED CLAIMS

2.01. Unclassified Claims. Under Bankruptcy Code § 1123(a)(1), Administrative Claims and Priority Tax Claims are not classified for purposes of voting on, or receiving distributions under, the Plan. Holders of Administrative Claims and Priority Tax Claims are not entitled to vote on the Plan but are treated separately in accordance with Sections 2.02 and 2.03 of the Plan and under Bankruptcy Code § 1129(a)(9)(A).

2.02. Allowed Administrative Claims.

a. Generally. Unless otherwise agreed to by the holder of the Claim and the Purchaser or Reorganized Accipiter, as applicable, in full and final satisfaction, settlement, release and discharge of, and in exchange for, each Allowed Administrative Claim, each Allowed Administrative Claim (other than a Professional Fee Claim) is paid in full in Cash (or otherwise satisfied in accordance with its terms) on the latest of: (a) the Effective Date, or as soon after that date as feasible; (b) any date the Bankruptcy Court may fix, or as soon after that date as feasible; or (c) 30 days after the Claim is Allowed.

b. Requests for Payment. All requests for payment of an Administrative Claim (other than a Professional Fee Claim) must be served (i) if prior to the Effective Date, on the Debtor and the Plan Proponents or (ii) on or after the Effective Date, Reorganized Accipiter, and filed with the Bankruptcy Court no later than the Administrative Claims Bar Date. Any holder of an Administrative Claim (other than a Professional Fee Claim) that fails to file and serve its request by the Administrative Claims Bar Date is forever barred from asserting its Administrative Claim against the Debtor or Reorganized Accipiter.

2.03. Professional Fee Claims.

a. Pre-Effective Date Professional Fee Claims. All requests for compensation or reimbursement of Professional Fee Claims pursuant to sections 327, 328, 330, 331, 503 or 1103 of the Bankruptcy Code for services rendered prior to the Effective Date shall be filed and served on the Debtor, Reorganized Accipiter, counsel to Reorganized Accipiter, the United States Trustee, counsel to the Plan Proponents and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Court, no later than the Professional Fee Bar Date. Holders of Professional Fee Claims that are required to file and serve applications for final allowance of their Professional Fee Claims and that do not file and serve such applications by the required deadline shall be forever barred from asserting such Claims against the Debtor, Reorganized Accipiter or their respective properties, and such Professional Fee Claims shall be deemed discharged. Objections to any Professional Fee Claims must be filed and served no later than twenty (20) days following the filing with the Court of any request for compensation or reimbursement of Professional Fee Claims.

b. Post-Effective Date Professional Fees. All reasonable fees and expenses incurred by Professionals after the Effective Date in furtherance of the Plan, the preparation, filing, and review of Professional Fee Claims, the prosecution of Avoidance Actions and Litigation Claims, and the resolution of Disputed Claims, shall be paid by Reorganized Accipiter on its receipt of an invoice, or on other terms Reorganized Accipiter and the Professional agree on, without the need for further Bankruptcy Court authorization or entry of a Final Order. Reorganized Accipiter may dispute and not pay any Professional fees incurred after the Effective Date. The Bankruptcy Court retains jurisdiction to resolve any such disputes.

2.04. Preserved Ordinary Course Administrative Claims. Each Allowed Preserved Ordinary Course Administrative Claim is paid in full in Cash at Reorganized Accipiter's election either: (a) in accordance with the terms and conditions under which the Claim arose; or (b) in the ordinary course of Reorganized Accipiter's business. Payments are made without further action by the holder of the Preserved Ordinary Course Administrative Claim.

2.05. Allowed Priority Tax Claims.

a. Generally. Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, at the option of (i) the Purchaser, if before the Effective Date or (ii) Reorganized Accipiter, on or after the Effective Date, (a) Cash in an amount equal to such Allowed Priority Tax Claim on the later of (i) the Effective Date and (ii) the first Business Day after the date that is thirty (30) calendar days after the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or (b) treatment in any other manner such that its Allowed Priority Tax Claim shall not be Impaired, including equal annual installment payments in Cash of an aggregate value, as of the Effective Date, equal to the Allowed amount of such Claim, over a period ending not later than five (5) years after the Petition Date.

b. Secured Tax Claims. If any Allowed Priority Tax Claim is secured by a Lien on any property of the Estate under applicable non-bankruptcy law, the holder of that Claim retains the Lien it held as of the Petition Date securing the Claim until the Claim is paid in full. On

satisfaction of the Secured Tax Claim, the claimholder must release its Lien in accordance with applicable non-bankruptcy law.

ARTICLE 3.
CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

3.01. Class 1—Priority Claims. Class 1 consists of all Priority Claims other than Priority Tax Claims.

a. **Impairment and Voting**. Class 1 is unimpaired. All holders of Allowed Priority Claims are deemed to have accepted the Plan and do not vote on the Plan.

b. **Treatment**. Each holder of an Allowed Priority Claim other than a Priority Tax Claim receives Cash in an amount equal to its Allowed Priority Claim on the later of: (i) the Effective Date, or as soon after that date as feasible; and (ii) 30 days after the Priority Claim is Allowed; unless, before the later of those two dates, the holder of the Claim and Reorganized Accipiter agree in writing to a different date.

3.02. Class 2—Miscellaneous Secured Claims. Class 2 consists of all Miscellaneous Secured Claims. Each holder of an Allowed Miscellaneous Secured Claim is considered to be in its own separate subclass within Class 2, and each such subclass is deemed to be a separate Class for purposes of this Plan.

a. **Impairment and Voting**. Class 2 is unimpaired. All holders of Allowed Miscellaneous Secured Claims in Class 2 are deemed to have accepted the Plan and do not vote on the Plan.

b. **Treatment**. Each holder of an Allowed Miscellaneous Secured Claim in Class 2 receives Cash in an amount equal to its Allowed Miscellaneous Secured Claim from the proceeds of the collateral to which the claim pertains on the later of: (i) the Effective Date, or as soon after that date as feasible; and (ii) the closing date of the sale of the collateral to which the claim pertains; unless, before the later of those two dates, the holder of the Claim and Reorganized Accipiter agree in writing to a different date. Each holder of an Allowed Miscellaneous Secured Claim retains all Liens on applicable property of the Estate arising under applicable law until that holder's Allowed Miscellaneous Secured Claim is paid in full under the Plan.

3.03. Class 3—RUS Loan Claims. Class 3 consists of the RUS Loan Claims.

a. **Allowance of Claims**. The RUS Loan Claims are Allowed in the aggregate amount of $20,755,214.00.

b. **Impairment and Voting**. Class 3 is impaired. RUS may vote on the Plan.

c. **Treatment**. On or as soon as is reasonably practicable after the Effective Date but in no event later than 5 business days after the Effective Date, in full and final satisfaction of the RUS Loan Claims, the holder(s) of the RUS Loan Claims shall receive a Cash payment of $5,250,000 and all liens held on account of the RUS Loan Claims shall be released, and shall be deemed released, by RUS. For the avoidance of doubt, RUS shall execute any such release or

other necessary documents to evidence and effectuate the release of its liens that the Purchaser reasonably requests.

3.04. Class 4—General Unsecured Claims. Class 4 consists of all Allowed General Unsecured Claims, including Rejection Claims.

a. Impairment and Voting. Class 4 is impaired. All holders of Allowed Class 4 Claims may vote on the Plan.

b. Treatment. Each holder of an Allowed General Unsecured Claim receives, in full and final satisfaction of its Allowed General Unsecured Claim, payment in full in Cash of its Allowed General Unsecured Claim as follows: (i) its *pro rata* share of $200,000, to be distributed on or as soon as reasonably practicable after the Effective Date but in any event no later than 5 business days after the Effective Date so long as such creditor has provided Reorganized Accipiter with a completed W-8 or W-9 tax form and (ii) payment of the balance of its Allowed General Unsecured Claim as soon as is practicable but, in any event, no later than in eight equal monthly installments commencing on the first Business Day one month from the Effective Date, in all cases to be distributed on a *pro rata* basis (the "Installment Payments"). Reorganized Accipiter may prepay any Allowed General Unsecured Claim, or any remaining balance of such a Claim, in full or in part, at any time on or after the Effective Date without affecting the timing of payments on account of any other Allowed General Unsecured Claim. The Installment Payments shall be secured by a first lien on the Office Building in favor of the Unsecured Creditor Trustee, who shall be selected by the Committee and identified in the Plan Supplement.

3.05. Class 5—Equity Interests and Equity Related Claims. Class 5 consists of all Equity Interests and Equity Related Claims.

a. Impairment and Voting. Class 5 is impaired. All holders of Equity Interests and Equity Related Claims are deemed to reject the Plan without voting.

b. Treatment. Under Bankruptcy Code § 510(b), each Equity Related Claim is subordinated to all Claims or Equity Interests senior or equal to the Claim or Equity Interest represented by the Equity Related Claims. As of the Effective Date, all Equity Interests shall be cancelled and all Equity Related Claims are extinguished. The holders of Equity Interests and Equity Related Claims do not receive or retain any rights, property, or distributions on account of their Equity Interests or Equity Related Claims.

ARTICLE 4.
IMPLEMENTATION

4.01. Sources of Cash for Plan Distributions. All Cash necessary for Reorganized Accipiter to make payments pursuant to the Plan shall be obtained from existing Cash balances of the Debtor and Reorganized Accipiter (including the payment of the Purchase Price by the Purchaser) and the operations of the Debtor or Reorganized Accipiter, as applicable. Cash payments on account of Allowed Claims under the Plan and any Cure required under Section 5.03 of the Plan, are made from Reorganized Accipiter's Cash.

4.02. Exit Facility. On the Effective Date, Reorganized Accipiter shall enter into the Exit Facility. The Exit Facility shall be substantially in the form, or on the terms, set forth in the Plan Supplement, and shall be in form and substance acceptable to the Purchaser. Among other terms, the security granted by Reorganized Accipiter to the lender in connection with the Exit Facility shall include a specific and limited lien subordination on the Office Building. Such Office Building lien shall be provided as security for the Installment Payments required to be made to the holders of General Unsecured Claims under Article 3.04 of the Plan.

4.03. Restructuring Transactions. On the Effective Date, 100% of the New Common Stock for Reorganized Accipiter will be issued to the Purchaser in exchange for the Purchase Price pursuant to the terms of the Plan. As of the Effective Date, Reorganized Accipiter shall be deemed to have assumed and to have agreed to pay, perform and satisfy all liabilities that become Allowed Claims that are to receive distributions and are not discharged under the Plan.

4.04. Formation of the Unsecured Creditor Trust. On the Effective Date, the Unsecured Creditor Trust shall be formed in order to hold the lien granted on behalf of Class 4 unsecured creditors to secure the Installment Payments. The Committee shall select the Unsecured Creditor Trustee. The selection of the Unsecured Creditor Trustee, and any governing documents related thereto, shall be filed as part of the Plan Supplement.

4.05. Restated Governance Documents. As of the Effective Date and without any further action by the directors of the Debtor or Reorganized Accipiter, the Debtor's corporate governance documents are amended and restated substantially in the forms of the Restated Governance Documents. The Restated Governance Documents, among other things, authorize the issuance of the New Common Stock and prohibit (to the extent required by Bankruptcy Code § 1123(a) and (b)) the issuance of non-voting equity securities. After the Effective Date, Reorganized Accipiter may amend its corporate governance documents as permitted by applicable law.

4.06. Section 1145 Exemption. In accordance with Bankruptcy Code § 1145, the issuance of the New Common Stock under the Plan is exempt from all federal, state, or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in a security.

4.07. Necessary Documents. The Debtor and its officers and directors are authorized and directed to provide the Purchaser with reasonable and prompt access to the Debtor's employees and records and, promptly, with all relevant information pertaining to the Debtor's operations, to assist with the closing of the transactions contemplated in the Plan when requested by the Purchaser. Notwithstanding anything to the contrary herein, the Debtor is authorized, empowered and directed (a) to take all actions in order to consummate the terms of this Plan and the transactions hereunder including, without limitation, making all necessary applications, requests, notices and other filings and notifications (collectively, the "Regulatory Filings") to obtain or maintain all FCC Approvals and State PUC Approvals and (b) to execute any such other documents or filings prior to the Effective Date required, or reasonably requested by the Purchaser, to consummate the transactions contemplated in the Plan. For the avoidance of doubt, the Regulatory Filings made by the Debtor shall be in form and substance acceptable to the Purchaser. Further, the Purchaser shall act in good faith in making such Regulatory Filings

and shall use commercial reasonably efforts to obtain the FCC Approvals and State PUC Approvals as promptly as is practicable and permitted under applicable law.

4.08. Cancellation of Instruments and Agreements. On the Effective Date, all agreements, instruments, and other documents relating to any Equity Interests, including the Equity Interests themselves, automatically terminate such that all obligations under all such agreements, instruments, and other documents are deemed fully and finally extinguished.

4.09. Dismissal of Adversary Proceeding. Prior to the Effective Date, the Bankruptcy Court shall enter an order dismissing the Adversary Proceeding with prejudice, which dismissal shall become effective only upon the Effective Date and payment of the Purchase Price, and the Committee and RUS shall lodge the stipulated order dismissing the Adversary Proceeding and shall each execute and deliver agreed upon written releases of the other parties to the Adversary Proceeding which shall be limited to their claims asserted in the pleadings in the Adversary Proceeding and effective only upon the Effective Date and payment of the Purchase Price.

4.10. No Corporate Action Required. As of the Effective Date, (a) the adoption, execution, delivery, and implementation of all documents, contracts, leases, instruments, releases, and other agreements related to or contemplated by the Plan, and (b) the other matters provided for under, or in furtherance of, the Plan involving corporate action required of the Debtor, are deemed to have occurred, are effective, binding, and enforceable in accordance with their respective terms, and are deemed authorized and approved in all respects without further order of the Bankruptcy Court or any further action by the Debtor's officers, directors, or shareholders.

4.11. Post-Confirmation Management.

a. Initial Board of Directors. The initial board of directors of Reorganized Accipiter as of the Effective Date comprises three directors: (1) Michael B. Urdahl; (2) J. Thomas Shoemaker; and (3) Dwight 'Doc' Wininger.

b. Initial Officers. The initial officers of Reorganized Accipiter as of the Effective Date are: (1) Michael B. Urdahl, President and Chief Executive Officer; (2) Chris Karn, Chief Operations Officer, (3) Bachtiyer Kholmatov, Chief Financial Officer, (4) J. Thomas Shoemaker, Chief Technical Officer, and (5) Dwight 'Doc' Wininger, Executive Vice President, External Affairs.

ARTICLE 5.
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.01. Assumption of Executory Contracts and Unexpired Leases. All executory contracts and unexpired leases will be deemed rejected as of the Effective Date in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code except those executory contracts and unexpired leases that (i) are designated as an exhibit to the Plan Supplement as assumed, (ii) have been assumed by a separate Final Order of the Bankruptcy Court, (iii) are the subject of a motion to assume pending on the Effective Date or are (iv) assumed pursuant to the terms of the Plan. The listing of a document in the Plan Supplement shall not constitute an admission by the Debtor or the Plan Proponents that such document is an

executory contract or an unexpired lease or that the Debtor or Reorganized Accipiter has any liability thereunder.

5.02. Approval. Entry of the Confirmation Order constitutes: (a) the approval under Bankruptcy Code § 365 of the assumption of the executory contracts and unexpired leases assumed under the Plan; and (b) the approval under Bankruptcy Code § 365 of the rejection of the executory contracts and unexpired leases rejected under the Plan. All insurance policies shall be assumed by Reorganized Accipiter. Notwithstanding anything contained in this Section 5.02 to the contrary, the Plan Proponents may, with the consent of the Purchaser, amend the Plan Supplement to add or change the treatment (assumed or rejected) of any executory contract or unexpired lease, thus changing the treatment of the contract or lease under the Plan, at any time before the Effective Date.

5.03. Cure of Defaults. On the Effective Date or as soon after as is feasible, Reorganized Accipiter must Cure any defaults under any executory contract or unexpired lease assumed under the Plan. Any monetary Cure required for the assumption of a particular contract or lease is indicated on an exhibit to the Plan Supplement. Any non-Debtor party to any such contract or lease that disputes the amount of Cure indicated on to the Plan Supplement exhibit must file a written objection with the Bankruptcy Court no later than the deadline for objecting to confirmation of the Plan. If the Plan Supplement exhibit is modified to add an executory contract or unexpired lease to be assumed less than 7 business day prior to the deadline for objecting to confirmation of the Plan, the non-Debtor party to such contract or lease shall have 7 business days to file an objection to the proposed Cure amount. Any such objections not raised in that manner are waived. The Debtor or Reorganized Accipiter will not, and need not as a condition to assuming any executory contract or unexpired lease under the Plan, Cure any default that need not be cured under Bankruptcy Code § 365(b).

5.04. Rejection Claims Bar Date. All Rejection Claims must be filed by the Rejection Claims Bar Date. Any Rejection Claim not filed by the Rejection Claims Bar Date is forever barred. All Rejection Claims are General Unsecured Claims under the Plan. With respect to any executory contract or unexpired lease rejected by the Debtor before the Effective Date, the deadline for filing a Rejection Claim remains the deadline set forth in the order of the Bankruptcy Court authorizing that rejection. If the order did not contain such a deadline, the deadline for filing a Rejection Claim is 30 days after the Effective Date.

5.05. Indemnification Obligations. Any obligation of the Debtor to indemnify any Person serving as a fiduciary of any employee benefit plan of the Debtor under charter, by-laws, contract, or applicable state law is an executory contract and is rejected as of the Effective Date. Any obligation of the Debtor to indemnify, reimburse, or limit the liability of any Person, including any officer or director of the Debtor, or any agent, professional, financial advisor, or underwriter of any securities issued by the Debtor related to any acts or omissions occurring before the Petition Date is rejected under the Plan as of the Confirmation Date if the Effective Date occurs. Any Claim resulting from these rejections in favor of any Person must be filed by the Rejection Claims Bar Date and constitutes a General Unsecured Claim. Notwithstanding any of the foregoing, nothing contained in the Plan affects the rights of any Person covered by an applicable D&O Policy with respect to such policy.

5.06. Benefit Plans. All Benefit Plans not already assumed before the Confirmation Date are assumed as of the Effective Date if the Effective Date occurs, other than bonus plans and incentive plans. The Plan Supplement will include a list of any such bonus or incentive plans which will be assumed, if any. For the avoidance of doubt, to the extent any Benefit Plan requires that the Debtor grant equity interests to such employee, each such Benefit Plans shall be deemed modified such that no such equity interest grants are required under the terms thereof and any Equity Interests issued thereunder shall be deemed cancelled pursuant to the terms of the Plan. No Cure is required and no Cure will be made with respect to the assumption under the Plan of any Benefit Plan. Any non-Debtor beneficiary or participant in a Benefit Plan that disputes that no Cure is required for the assumption of the Benefit Plan must file an objection with the Bankruptcy Court no later than the deadline for objecting to confirmation of the Plan. Any such objections not raised in that manner are waived.

ARTICLE 6.
DETERMINATION OF CLAIMS

6.01. Claims Administration. As of and following the Effective Date, Reorganized Accipiter shall have the sole authority (a) to file, withdraw, or litigate to judgment objections to Claims or Equity Interests, (b) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court, (c) to amend the Schedules in accordance with the Bankruptcy Code, and (d) to administer and adjust the Claims Register to reflect any such settlements, withdrawals or compromises without any further notice to or action, order or approval by the Bankruptcy Court. Notwithstanding the foregoing, Reorganized Accipiter shall not object to any of the Claims identified on the Claims Schedule attached to the Disclosure Statement as **Appendix 5** and, to the extent any such Claim (i) is not the subject of an objection by the Debtor or another party in interest on the Effective Date or (ii) has been Disallowed by order of the Court, such identified Claims shall be deemed Allowed Claims on the Effective Date.

6.02. Objections to Claims. Notwithstanding the occurrence of the Effective Date, and except as to any Claim that has been Allowed before the Effective Date, Reorganized Accipiter may object to the allowance or seek estimation of any Claim against the Debtor on any grounds permitted by the Bankruptcy Code. Nothing in this section affects any party-in-interest's right to object to the allowance of any Claims or to seek the subordination of any Claim on any grounds permitted by the Bankruptcy Code. All objections to Claims must be brought by filing the appropriate pleading in the Bankruptcy Court before the first Business Day that is 180 days after the Effective Date, but the Bankruptcy Court may approve a later date on Reorganized Accipiter's motion filed (but not necessarily heard) before the first Business Day that is 180 days after the Effective Date.

6.03. Disallowance of Certain Claims. Any Claims held by Persons from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or by a Person that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and such Persons may not receive any distributions on account of their Claims until such time as such causes of action against such Persons have been settled or a Final Order with respect thereto has been entered and all sums due, if any, to the Debtor by such Person have been turned over or paid to Reorganized Accipiter.

6.04. Contingent Claims. Until a Contingent Claim becomes an Allowed Claim or is Disallowed, the Claim is treated as a Disputed Claim for all purposes under the Plan. The holder of a Contingent Claim is entitled to a distribution under the Plan only when the Contingent Claim becomes an Allowed Claim. Any Contingent Claim for reimbursement, indemnification or contribution held by a Person that may be liable with the Debtor on a Claim of a Creditor is Disallowed as of the Effective Date if: (a) that Creditor's Claim is Disallowed; (b) the Claim for reimbursement, indemnification or contribution is contingent as of the Effective Date; or (c) that Person asserts a right of subrogation to the rights of the Creditor under Bankruptcy Code § 509.

ARTICLE 7.
AVOIDANCE ACTIONS, LITIGATION CLAIMS

7.01. Retention and Reservation. All Avoidance Actions and Litigation Claims are retained and reserved for Reorganized Accipiter, which is designated as the Estate's representative under Bankruptcy Code § 1123(b)(3)(B) for purposes of the Avoidance Actions and Litigation Claims.

7.02. Prosecution. Reorganized Accipiter has the sole authority to prosecute, defend, compromise, settle, and otherwise deal with any Avoidance Actions and Litigation Claims, and does so in its capacity as a representative of the Estate in accordance with Bankruptcy Code § 1123(b)(3)(B). Reorganized Accipiter will pay the fees and costs associated with litigating the Avoidance Actions and the Litigation Claims. Reorganized Accipiter has sole discretion to determine in its business judgment which Avoidance Actions and Litigation Claims to pursue, which to settle, and the terms and conditions of those settlements.

ARTICLE 8.
CONDITIONS PRECEDENT

8.01. Conditions to Confirmation. The Plan may not be confirmed unless and until:

a. The Bankruptcy Court enters a Final Order approving the Disclosure Statement.

b. The Bankruptcy Court enters the Confirmation Order in form and substance acceptable to the Plan Proponents.

c. Substance of Confirmation Order. The Confirmation Order contains the following:

(i) The provisions of the Confirmation Order are non-severable and mutually dependent;

(ii) The Plan's assumption or rejection of all executory contracts and unexpired leases is approved;

(iii) The Debtor is released and discharged from all obligations arising under all executory contracts and unexpired leases rejected during the Chapter 11 Case or under the Plan;

(iv) The Debtor is authorized, empowered and directed (a) upon entry of the Confirmation Order, to take all actions in order to consummate the terms of the Plan and the

transactions contemplated herein, including, without limitation, making all Regulatory Filings and (b) to execute any such other documents prior to the Effective Date required and reasonably requested by the Purchaser in order to consummate the terms of the Plan and the transactions contemplated hereunder;

(v) In accordance with Bankruptcy Code § 1123(b)(3)(B), Reorganized Accipiter is appointed as the Estate's representative to prosecute, compromise, or abandon any Avoidance Actions and Litigation Claims in accordance with the Plan; and

(vi) The Bankruptcy Court retains jurisdiction to the fullest extent permissible by applicable law and at least to the extent contemplated by Article 10 of the Plan.

8.02. Conditions to Effectiveness. The Effective Date does not occur unless and until:

a. The Confirmation Date occurs;

b. The Confirmation Order is a Final Order and no request for revocation of the Confirmation Order under Bankruptcy Code § 1144 is pending;

c. The documentation for the Exit Facility shall have been executed and delivered by all of the parties thereto, including by Reorganized Accipiter, which documentation shall be in form and substance acceptable to the Purchaser, and the Purchaser shall have received $4 million in loan proceeds thereunder;

d. The Debtor shall have (i) a minimum Cash on hand balance of not less than $1.5 million (exclusive of the Purchase Price payment) and (ii) delivered to the Purchaser documentation, in a form acceptable to the Purchaser, evidencing that the Debtor has a minimum Cash on hand balance of not less than $1.5 million (exclusive of the Purchase Price payment);

e. The Debtor shall have (i) a Net Working Capital of at least $250,000 and (ii) delivered to the Purchaser documentation, in a form acceptable to the Purchaser, evidencing that the Net Working Capital is at least $250,000;

f. All authorizations, consents and regulatory approvals, including the FCC Approvals and the State PUC Approvals, required in connection with the effectiveness of the Plan and consummation of the transactions contemplated in this Plan shall have been obtained;

g. (i) A Final Order dismissing the Adversary Proceeding with prejudice shall have been entered, which order shall be in form and substance acceptable to the Plan Proponents and RUS and (ii) the Committee and RUS shall have lodged the stipulated order dismissing the Adversary Proceeding and shall each have executed and delivered agreed upon written releases of the other parties to the Adversary Proceeding which shall be limited to their claims asserted in the pleadings in the Adversary Proceeding and effective only upon the Effective Date and payment of the Purchase Price; and

h. All instruments and agreements to be issued, entered into, delivered, or filed under the Plan are issued, entered into, delivered, or filed and are effective.

8.03. Waiver of Conditions. The Plan Proponents may waive any condition to confirmation or the Effective Date, in whole or in part, at any time without notice, an order of the Bankruptcy Court, or any further action other than proceeding to confirmation and consummation of the Plan.

ARTICLE 9.
TITLE TO PROPERTY; THIRD PARTY RIGHTS

9.01. Vesting of Assets. Except as provided in the Plan or the Confirmation Order, all property of the Estate vests in Reorganized Accipiter on the Effective Date free and clear of all Liens and Claims existing before the Effective Date. From and after the Effective Date, Reorganized Accipiter may use and dispose of its property free of any restrictions of the Bankruptcy Code, including the employment of, and payment to, Professionals except as otherwise provided in the Plan or the Confirmation Order.

9.02. Discharge. Except as provided in the Plan or the Confirmation Order: (a) the rights granted under this Plan and the treatment of Claims and Equity Interests under this Plan are in exchange for and in complete satisfaction, discharge, and release of, all Claims including any interest accrued on any Claim from the Petition Date; and (b) confirmation of this Plan discharges the Debtor and Reorganized Accipiter from all Claims or other debts that arose before the Effective Date to the fullest extent allowed under Bankruptcy Code § 1141(a), (b), (c), and (d)(1).

9.03. Injunction.

a. **Generally**. Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all entities that have held, currently hold, or may hold any Claim or Equity Interest are permanently enjoined from taking any of the following actions on account of any such Claim or Equity Interest: (i) commencing or continuing in any manner any action or other proceeding against any property to be distributed under the Plan; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against any property to be distributed under the Plan; (iii) creating, perfecting, or enforcing any Lien or encumbrance against any property to be distributed under the Plan; and (iv) commencing or continuing any action that does not comply with or is inconsistent with the provisions of the Plan or the Bankruptcy Code.

b. **Limited Scope**. Except with respect to the Adversary Proceeding and Claims that are Allowed under this Plan, nothing in this Plan: (i) extinguishes, prohibits, or otherwise limits the right of any holder of a Claim to assert a right to setoff or recoupment arising in connection with that Claim as part of the resolution and treatment of that Claim under the Plan; (ii) extinguishes, prohibits, or otherwise limits the right of the Estate or Reorganized Accipiter to assert and prevail on any Avoidance Action or Litigation Claim; (iii) enjoins or otherwise precludes any party-in-interest from enforcing the terms of the Plan and the Confirmation Order.

9.04. Exculpation. None of the Debtor, the Committee, the Purchaser, Reorganized Accipiter, or any of their respective members, officers, directors, employees, advisors, professionals, or agents has any liability to any holder of a Claim or Equity Interest for any post-petition act or omission in connection with, related to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the

Plan or the property to be distributed under the Plan, except for willful misconduct, a breach of fiduciary duty arising from something more wrongful than mere negligence, gross negligence, or fraud. In all respects, the Debtor, the Committee, the Purchaser, Reorganized Accipiter, and each of their respective members, officers, directors, employees, advisors, professionals, and agents are entitled to rely on the advice of counsel with respect to their duties and responsibilities under the Plan.

9.05. Preservation of Insurance. The satisfaction of Claims as provided in the Plan, except as necessary to be consistent with the Plan, does not diminish or impair the enforceability of any insurance policy that may cover Claims against the Debtor or any other Person.

ARTICLE 10.
RETENTION OF JURISDICTION

10.01. Bankruptcy Court Jurisdiction. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court retains as much jurisdiction over the Chapter 11 Case after the Effective Date as legally permissible, including jurisdiction to:

a. Allow, disallow, determine, liquidate, classify, estimate, or establish the amount, priority, or secured or unsecured status of any Claim, and resolve any request for payment of any Administrative Claim and any objection to the Allowance or priority of any Claim;

b. Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized under the Bankruptcy Code or the Plan;

c. Resolve any matters related to the assumption or rejection of any executory contract or unexpired lease to which the Debtor is a party and to hear, determine and, if necessary, liquidate any Claims arising from such rejection;

d. Ensure that distributions required under the Plan are accomplished in accordance with the Plan;

e. Decide or resolve any motions, adversary proceedings, contested matters, and any other matters and grant or deny any applications or motions involving the Debtor that may be pending on the Effective Date;

f. Enter any necessary or appropriate orders to implement or consummate the Plan's provisions and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

g. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan, or any Person's obligations incurred in connection with the Plan;

h. Hear and determine any motion or application to modify the Plan before or after the Effective Date under Bankruptcy Code § 1127 or modify the Disclosure Statement or any contract, instrument, release, or other agreement or document issued, entered into, filed, or delivered in connection with the Plan or the Disclosure Statement; or hear or determine any motion or application to remedy any defect or omission or reconcile any inconsistency in any

Bankruptcy Court order, the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document issued, entered into, filed or delivered in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

i. Issue injunctions, enter and implement other orders, or take any other necessary or appropriate actions to restrain any entity's interference with consummation or enforcement of the Plan;

j. Enter and implement any necessary or appropriate orders if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

k. Determine any other matters that may arise in connection with or related to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document issued, entered into, filed, or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

l. Issue a final decree and enter an order closing the Chapter 11 Case;

m. Adjudicate any matter concerning the Unsecured Creditor Trust;

and

n. Adjudicate the Disputed Claims, the Avoidance Actions, and the Litigation Claims and any other cause of action or claims of the Estate.

ARTICLE 11.
AMENDMENT AND WITHDRAWAL OF PLAN

11.01. Amendment of Plan. At any time before the Confirmation Date, Plan Proponents may amend the Plan under Bankruptcy Code § 1127(a) as long as doing so does not materially and adversely affect the treatment and rights of the holders of Claims and Equity Interests under the Plan. After the Confirmation Date but before substantial consummation of the Plan as defined in Bankruptcy Code § 1101(2), the Plan Proponents or Reorganized Accipiter may, under Bankruptcy Code § 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, and any matters necessary to carry out the Plan's purposes as long as those proceedings do not materially and adversely affect the treatment of holders of Claims or Equity Interests under the Plan. The Plan Proponents or Reorganized Accipiter must serve prior notice of those proceedings in accordance with the Bankruptcy Rules or applicable order of the Bankruptcy Court.

11.02. Revocation or Withdrawal of Plan. The Plan Proponents may revoke or withdraw the Plan at any time before the Confirmation Date. If withdrawn or revoked, the Plan is void and nothing contained in the Plan waives or affects any Claims by or against the Debtor or any other Person in any further proceedings involving the Debtor or an admission of any sort, and the Plan and any transaction contemplated by the Plan may not be admitted into evidence in any proceeding.

ARTICLE 12.
MISCELLANEOUS

12.01. Effecting Documents; Further Transactions; Timing. The Debtor and Reorganized Accipiter and all other parties any agreement or instrument to be executed under the Plan must, as of the Effective Date and without further order of the Bankruptcy Court, execute, deliver, file, or record all contracts, instruments, releases, and other agreements or documents contemplated in the Plan, and take all actions necessary or appropriate to effect and further evidence the terms of the Plan. All transactions required to occur on the Effective Date under the terms of the Plan are deemed to have occurred simultaneously.

12.02. Exemption from Transfer Taxes. Under Bankruptcy Code § 1146(a): (a) the issuance, distribution, transfer, and exchange of assets or property of the Estate; (b) the execution, assignment, modification, or recording of any lease or sublease; and (c) the execution, delivery, or recording of a deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, the Confirmation Order, or any transaction contemplated above, or any transactions arising out of, contemplated by, or in any way related to, the foregoing are not subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, or real estate transfer tax, or other similar tax or governmental assessment and the appropriate state or local government officials or agents are directed to forego the collection of any such tax or assessment and to accept for filing or recordation any of the foregoing instruments or other documents without the payment of any such tax or assessment.

12.03. Binding Effect. The Plan is binding on, and inures to the benefit of, the Debtor and the holders of all Claims and Equity Interests and their respective successors and assigns.

12.04. Governing Law. Except to the extent that the Bankruptcy Code or other federal law is applicable or as provided in any document entered into in connection with the Plan, the rights, duties and obligations of any Person arising under the Plan are governed by, and construed and enforced in accordance with, the internal laws of the State of Arizona, without regard for Arizona's choice of law provisions.

12.05. Modification of Treatment of Claims. Reorganized Accipiter reserves the right to modify the treatment of any Allowed Claim in any manner adverse only to the holder of that Claim at any time after the Effective Date on that holder's prior written consent.

12.06. Setoffs and Recoupment. The Debtor, at the direction of the Purchaser, and Reorganized Accipiter may but are not required to set off or recoup against any Claim and the payments or other distributions to be made under the Plan in respect of such Claim, Claims (except those asserted in the Adversary Proceeding) of any nature that arose before the Petition Date that the Estate may have against the holder of such Claim to the extent such Claims may be set off or recouped under applicable law, but neither the failure to do so nor the fact of any Claim under the Plan becoming Allowed constitutes a waiver or release by the Estate of any such claim that it may have against such holder.

12.07. Allocation between Principal and Interest. To the extent that any Allowed Claim entitled to distribution under the Plan consists of indebtedness and accrued but unpaid interest thereon, such distributions shall, for income tax purposes, be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) and then, to the extent the

consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest, as applicable.

12.08. Notices. Any notice required or permitted to be provided under the Plan must be in writing and served by certified return-receipt-requested U.S. mail, hand delivery, overnight courier, or read-receipt-enabled email.

12.09. Delivery of Notices. If personally delivered or sent by overnight courier in accordance with the Plan, notice is deemed delivered on actual receipt; if emailed in accordance with the Plan, notice is deemed delivered on the noticing party's receipt of the read-receipt; and if sent by U.S. mail in accordance with the Plan, notice is deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service or, if the addressee fails or refuses to accept delivery, as of the date of that failure or refusal. Any party to the Plan may change its address for the purposes of the Plan by giving notice of the change.

12.10. Severability. If the Bankruptcy Court or any appellate court finds the Plan or any provision of the Plan to be invalid, illegal or unenforceable, or if the Bankruptcy Court cannot confirm the Plan under Bankruptcy Code § 1129, the Bankruptcy Court, at the Purchaser's request, with the consent of the Committee not to be unreasonably withheld, or Reorganized Accipiter's request, may retain the power to alter and interpret the Plan or any such provision to make it valid or enforceable to the maximum extent feasible, consistent with the original purpose of the provision held to be invalid or unenforceable, and such provision then becomes applicable as altered or interpreted. The Confirmation Order constitutes a judicial determination and provides that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable.

12.11. Plan Documents. Notwithstanding anything to the contrary contained in the Plan, including any reference in the Plan to documents in the forms annexed to the Plan as exhibits or the Plan Supplement, the Plan Proponents may revise any such document by filing the revised document with the Bankruptcy Court at least five days before the deadline for voting on the Plan, or with the written consent of all parties in interest that are entitled to vote on the Plan and are materially and adversely affected by the revision.

12.12. Inconsistency. If any inconsistency between the Plan and the Disclosure Statement exists, the Plan governs. If any inconsistency between the Plan and any document promulgated under the Plan exists, the document governs.

12.13. Withholding and Reporting Requirements. In connection with the Plan and all instruments issued in connection with the Plan, the Debtor or Reorganized Accipiter, as applicable, must comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions under the Plan remain subject to any such withholding and reporting requirements. The Debtor and Reorganized Accipiter, as applicable, may take all actions necessary to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan, each holder of an Allowed Claim that receives a distribution under the Plan has sole responsibility for the satisfaction or payment of any tax obligation imposed by any governmental unit, including income, withholding, and other tax obligation on account of such distribution.

12.14. Post-Effective Date Fees; Final Decree. Reorganized Accipiter is responsible for paying any post-Effective Date fees under 28 U.S.C. § 1930(a)(6) and filing post-confirmation reports until the Bankruptcy Court enters a final decree, which Reorganized Accipiter may seek as soon as feasible after distributions under the Plan have commenced. Notice of application for a final decree need be given only to those parties that, after the Effective Date, specifically request such notice in writing.

12.15. Method of Payment; Payments, Filings, and Notices Only on Business Days. Payments of Cash under the Plan must be made by check drawn on a domestic bank or by wire transfer from a domestic bank. Whenever any payment, distribution, filing, delivery, or notice to be made under the Plan is due on a day other than a Business Day, it may instead be made, without interest or penalty, on the immediately following Business Day.

12.16. Delivery of Distributions; Undeliverable Distributions. Distributions to a holder of an Allowed Claim will be made: (a) to the address set forth on the holder's proof of claim, the Schedules, or, if no proof of claim is filed and the holder does not appear on the Schedules, the holder's last known address; or (b) to the address set forth in any written notice of address change delivered to the Debtor and the Plan Proponents or Reorganized Accipiter, as applicable. If any holder's distribution is returned as undeliverable, no further distributions to that holder will be made unless and until Reorganized Accipiter is notified of the holder's then- current address. Claims held by a holder whose distributions are returned as undeliverable and who fails to notify Reorganized Accipiter of its correct address within 90 days after the distributions are returned to Reorganized Accipiter as undeliverable will be expunged, after which all unclaimed property reverts to Reorganized Accipiter free of any restrictions. Nothing contained in the Plan requires the Debtor, the Plan Proponents, or Reorganized Accipiter to attempt to locate any holder of an Allowed Claim.

12.17. Failure to Negotiate Checks. Checks issued in respect of distributions under the Plan are void if not negotiated within 90 days after issuance. Requests for reissuance of any such check must be made in writing directly to Reorganized Accipiter by the holder of the Allowed Claim with respect to which such check originally was issued. All amounts represented by any voided check will be held until 90 days after the voided check was issued. After that time, all such amounts vest in Reorganized Accipiter free of any restriction. Claims in respect of void checks and the underlying distributions are forever barred against the Debtor, Reorganized Accipiter, their agents, and their respective property, notwithstanding any federal or state escheat laws to the contrary.

December 12, 2016.

Respectfully submitted,

/s/ Jared G. Parker
Jared G. Parker
PARKER SCHWARTZ, PLLC
7310 North 16th Street, Suite 330

/s/ Christopher C. Simpson
Alisa C. Lacey
Christopher C. Simpson
STINSON LEONARD STREET LLP

Phoenix, AZ 85020

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Joanna Newdeck
AKIN GUMP STRAUSS HAUER & FELD LLP
One Bryant Park
New York, NY 10036

Counsel for Pinpoint Holdings, Inc.

1850 N. Central Avenue, Suite 2100
Phoenix, AZ 85004

Counsel for the Official Committee of Unsecured Creditors

ATTACHMENT 3

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LOAN NUMBER	LOAN NAME	ACCT. NUMBER	AGREEMENT DATE	INITIALS
TBD	PINPOINT HOLDINGS, INC ACCIPITER COMMUNICATIONS, INC.	TBD	_____	
NOTE AMOUNT	**INDEX (w/Margin)**	**RATE**	**MATURITY DATE**	**LOAN PURPOSE**
$4,000,000.00	Not applicable	7.00% / 9.00%	12/31/2017	Commercial

KEY TERMS OF THE COMMERCIAL LOAN AGREEMENT

Single Advance Loan

DATE AND PARTIES. The date of this Commercial Loan Agreement (Agreement) is_____. The parties and their addresses are as follows:

LENDER:

MCCOOK NATIONAL BANK, 220 Norris Avenue
PO BOX 1208
McCook, NE 69001-1208

BORROWER:

PINPOINT HOLDINGS, INC. ("PINPOINT"), a Nebraska Corporation
PO BOX 490
CAMBRIDGE, NE 69022-0490

ACCIPITER COMMUNICATIONS, INC.("ACCIPITER"), a Nevada Corporation
2238 W Lone Cactus Dr Ste 100 Phoenix AZ 85027

1. **DEFINITIONS.** For the purposes of this Agreement, the following terms have the following meanings.
   - A. **Accounting Terms.** In this Agreement, any accounting terms that are not specifically defined will have their customary meanings under generally accepted accounting principles.
   - B. **Insiders.** Insiders include those defined as insiders by the United States Bankruptcy Code, as amended; or to the extent left undefined, include without limitation any officer, employee, stockholder or member, director, partner, or any immediate family member of any of the foregoing, or any person or entity which, directly or indirectly, controls, is controlled by or is under common control with me.
   - C. **Loan.** Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction.
   - D. **Loan Documents.** Loan Documents refer to all the documents executed as a part of or in connection with the Loan.
   - E. **Pronouns.** The pronouns "I", "me" and "my" refer to every Borrower signing this Agreement, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Agreement. "You" and "your" refers to the Loan's lender, any participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan.
   - F. **Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
2. **SINGLE ADVANCE.** In accordance with the terms of this Agreement and other Loan Documents, Lender will provide Borrowers with a term note in the amount of $4,000,000.00 (Principal). Pinpoint will receive the funds from this Loan in one advance. No additional advances are contemplated, except those made to protect and preserve Lender's interests as provided in this Agreement or other Loan Documents.
3. **DEMAND.** Borrowers each agree to fully repay the Loan on demand, but if no demand is made, Borrowers will repay the Loan by December 31, 2017.
4. **WARRANTIES AND REPRESENTATIONS.** Each Borrower makes to Lender the following warranties and representations which will continue as long as this Loan is in effect, except when this Agreement provides otherwise.
   - A. **Power.** I am duly organized, and validly existing and in good standing in all jurisdictions in which I operate. I have the power and authority to enter into this transaction and to carry on my business or activity as it is now being conducted and, as applicable, am qualified to do so in each jurisdiction in which I operate.
   - B. **Authority.** The execution, delivery and performance of this Loan and the obligation evidenced by the Note are within my powers, have been duly authorized, have received all necessary governmental approval, will not violate any provision of law, or order of court or governmental agency, and will not violate any agreement to which I am a party or to which I am or any of my property is subject.
   - C. **Name and Place of Business.** Other than previously disclosed in writing to you I have not changed my name or principal place of business within the last 10 years and have not used any other trade or fictitious name. Without your prior written consent, I do not and will not use any other name and will preserve my existing name, trade names and franchises.
   - D. **Hazardous Substances.** Except as I previously disclosed in writing and you acknowledge in writing, no Hazardous Substance, underground tanks, private dumps or open wells are currently located at, on, in, under or about the Property.
   - E. **Use of Property.** After diligent inquiry, I do not know or have reason to know that any Hazardous Substance has been discharged, leached or disposed of, in violation of any Environmental Law, from the property onto, over or into any other property, or from any other property onto, over or into the property.
   - F. **Environmental Laws.** I have no knowledge or reason to believe that there is any pending or threatened investigation, claim, judgment or order, violation, lien, or other notice under any Environmental Law that concerns me or the property. The property and any activities on the property are in full compliance with all Environmental Law.
   - G. **Loan Purpose.** The purpose of this Loan is to purchase the common stock of Accipiter Communications, Inc. dba Zona Communications.
   - H. **No Other Liens.** I own or lease all property that I need to conduct my business and activities. I have good and marketable title to all property that I own or lease. All of my Property is free and clear of all liens, security interests, encumbrances and other adverse claims and interests, except those to you or those you consent to in writing. For clarity purpose, parties recognize
     - i. that this funding is contingent upon entry of an order by the United States Bankruptcy Court confirming the plan of reorganization for Accipiter and the full release by USDA RUS of its liens on the assets of Accipiter, and
     - ii. that per terms of the same plan of reorganization, Lender will grant subordination of its lien on a certain office building located at 2238 W. Lone Cactus Drive, Suite 100, Phoenix, Arizona 85027 to the lien held by a designee of the unsecured creditors in the bankruptcy case of Accipiter, and which subordination will be limited to the amount of allowed claims held by unsecured creditors in the Accipiter bankruptcy case, and will not extend to any amount not originally claimed in such case.
   - I. **Compliance With Laws.** I am not violating any laws, regulations, rules, orders, judgments or decrees applicable to me or my property, except for those which I am challenging in good faith through proper proceedings after providing adequate reserves to fully pay the claim and its challenge should I lose.
5. **FINANCIAL STATEMENTS.** Borrowers will prepare and maintain their financial records using consistently applied generally accepted accounting principles then in effect. Borrowers will provide Lender with financial information in a form that Lender accepts and under the following terms.
   - A. **Certification.** Each Borrower represents and warrants that any financial statements that it provides Lender fairly represents its financial condition for the stated periods, is current, complete, true and accurate in all material respects, includes all of its direct or contingent liabilities and there has been no material adverse change in its financial condition, operations or business since the date the financial information was prepared.
   - B. **Frequency.** Borrowers will provide to Lender on an annual basis their financial statements, tax returns, annual internal audit reports or those prepared by independent accountants as soon as available or at least within days after the close of each of the fiscal years. Any annual financial statements that Borrowers provide Lender will be compiled statements.
   - C. **Requested Information.** Borrowers will provide Lender with any other information about their operations, financial affairs and condition within N/A days after your request.
6. **COVENANTS.** Until the Loan and all related debts, liabilities and obligations are paid and discharged, each Borrower will comply with the following terms, unless Lender waive compliance in writing.
   - A. **Participation.** I consent to you participating or syndicating the Loan and sharing any information that you decide is necessary about me and the Loan with the other participants or syndicators.

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B. **Inspection.** Following your written request, I will immediately pay for all one-time and recurring out-of-pocket costs that are related to the inspection of my records, business or Property that secures the Loan. Upon reasonable notice, I will permit you or your agents to enter any of my premises and any location where my Property is located during regular business hours to do the following.
   (1) You may inspect, audit, check, review and obtain copies from my books, records, journals, orders, receipts, and any correspondence and other business related data.
   (2) You may discuss my affairs, finances and business with anyone who provides you with evidence that they are a creditor of mine, the sufficiency of which will be subject to your sole discretion.
   (3) You may inspect my Property, audit for the use and disposition of the Property's proceeds and proceeds of proceeds, or do whatever you decide is necessary to preserve and protect the Property and your interest in the Property.

After prior notice to me, you may discuss my financial condition and business operations with my independent accountants, if any, or my chief financial officer and I may be present during these discussions. As long as the Loan is outstanding, I will direct all of my accountants and auditors to permit you to examine my records in their possession and to make copies of these records. You will use your best efforts to maintain the confidentiality of the information you or your agents obtain, except you may provide your regulator, if any, with required information about my financial condition, operation and business or that of my parent, subsidiaries or affiliates.

C. **Business Requirements.** I will preserve and maintain my present existence and good standing in the jurisdiction where I am organized and all of my rights, privileges and franchises. I will do all that is needed or required to continue my business or activities as presently conducted, by obtaining licenses, permits and bonds everywhere I engage in business or activities or own, lease or locate my property. I will obtain your prior written consent before I cease my business or before I engage in any new line of business that is materially different from my present business.

D. **Compliance with Laws.** I will not violate any laws, regulations, rules, orders, judgments or decrees applicable to me or my Property, except for those which I challenge in good faith through proper proceedings after providing adequate reserves to fully pay the claim and its appeal should I lose. Laws include without limitation the Federal Fair Labor Standards Act requirements for producing goods, the federal Employee Retirement Income Security Act of 1974's requirements for the establishment, funding and management of qualified deferred compensation plans for employees, health and safety laws, environmental laws, tax laws, licensing and permit laws. On your request, I will provide you with written evidence that I have fully and timely paid my taxes, assessments and other governmental charges levied or imposed on me, my income or profits and my property. Taxes include without limitation sales taxes, use taxes, personal property taxes, documentary stamp taxes, recordation taxes, franchise taxes, income taxes, withholding taxes, FICA taxes and unemployment taxes. I will adequately provide for the payment of these taxes, assessments and other charges that have accrued but are not yet due and payable.

E. **New Organizations.** I will obtain your written consent before organizing, merging into, or consolidating with an entity; acquiring all or substantially all the assets of another; materially changing the legal structure, management, ownership or financial condition; or effecting or entering into a domestication, conversion or interest exchange.

F. **Other Liabilities.** I will not incur, assume or permit any debt evidenced by notes, bonds or similar obligations, except: debt in existence on the date of this Agreement and fully disclosed to you; debt subordinated in payment to you on conditions and terms acceptable to you; accounts payable incurred in the ordinary course of my business and paid under customary trade terms or contested in good faith with reserves satisfactory to you.

G. **Notice to You.** I will promptly notify you of any material change in my financial condition, of the occurrence of a default under the terms of this Agreement or any other Loan Document, or a default by me under any agreement between me and any third party which materially and adversely affects my property, operations, financial condition or business.

H. **Dispose of No Assets.** Without your prior written consent or as the Loan Documents permit, I will not sell, lease, assign, transfer, dispose of or otherwise distribute all or substantially all of my assets to any person other than in the ordinary course of business for the assets' depreciated book value or more.

I. **Insurance.** I will obtain and maintain insurance with insurers, in amounts and coverages that are acceptable to you and customary with industry practice. This may include without limitation insurance policies for public liability, fire, hazard and extended risk, workers compensation, and, at your request, business interruption and/or rent loss insurance. At your request, I will deliver to you certified copies of all of these insurance policies, binders or certificates. I will obtain and maintain a mortgagee clause (or lender loss payable clause) endorsement - naming you as the loss payee. If you require, I will also obtain an "additional insured" endorsement - naming you as an additional insured. I will immediately notify you of cancellation or termination of insurance. I will require all insurance policies to provide you with at least 10 days prior written notice to you of cancellation or modification. I consent to you using or disclosing information relative to any contract of insurance required by the Loan for the purpose of replacing this insurance. I also authorize my insurer and you to exchange all relevant information related to any contract of insurance required by any document executed as part of this Loan.

J. **Property Maintenance.** I will keep all tangible and intangible property that I consider necessary or useful in my business in good working condition by making all needed repairs, replacements and improvements and by making all rental, lease or other payments due on this property.

K. **Property Loss.** I will immediately notify you, and the insurance company when appropriate, of any material casualty, loss or depreciation to the Property or to my other property that affects my business.

L. **Additional Taxes.** I will pay all filing and recording costs and fees, including any recordation, documentary or transfer taxes or stamps, that are required to be paid with respect to this Loan and any Loan Documents.

M. **Loan Repayment.** Pinpoint expects receipt of funds from certain other transactions in late 2016 and 2017, of which the following amounts are to be directed to repayment of this loan:
   i. $1,000,000 from the Switch sale in Q4/2016 or Q1/2017
   ii. $1,000,000 from the Great Plains sale in April 2017
   iii. $1,000,000 from the Switch sale in August 2017

   Any remaining balance of this loan is payable at maturity.

7. **DEFAULT.** Each Borrower understands that Lender may demand payment anytime at its discretion. For example, Lender may demand payment in full if any of the following events (known separately and collectively as an Event of Default) occur:

A. **Payments.** I fail to make a payment in full when due.

B. **Insolvency or Bankruptcy.** The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against me or any co-signer, endorser, surety or guarantor of this Agreement or any other obligations I have with you.

C. **Business Termination.** I merge, dissolve, reorganize, end my business or existence, or a partner or majority owner dies or is declared legally incompetent.

D. **Failure to Perform.** I fail to perform any condition or to keep any promise or covenant of this Agreement.

E. **Other Documents.** A default occurs under the terms of any other Loan Document.

F. **Other Agreements.** I am in default on any other debt or agreement I have with you.

G. **Misrepresentation.** I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

H. **Judgment.** I fail to satisfy or appeal any judgment against me.

I. **Forfeiture.** The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

J. **Name Change.** I change my name or assume an additional name without notifying you before making such a change.

K. **Property Transfer.** I transfer all or a substantial part of my money or property.

L. **Property Value.** You determine in good faith that the value of the Property has declined or is impaired.

M. **Material Change.** Without first notifying you, there is a material change in my business, including ownership, management, and financial conditions.

N. **Other Events.** Anything else happens that causes you to reasonably believe that the prospect of payment, performance or realization of the Property is significantly impaired.

8. **REMEDIES.** After I default, you may at your option do any one or more of the following.

A. **Acceleration.** You may make all or any part of the amount owing by the terms of the Loan immediately due. If I am a debtor in a bankruptcy petition or in an application filed under section 5(a)(3) of the Securities Investor Protection Act, the Loan is automatically accelerated and immediately due and payable without notice or demand upon filing of the petition or application.

B. **Sources.** You may use any and all remedies you have under state or federal law or in any Loan Document.

C. **Insurance Benefits.** You may make a claim for any and all insurance benefits or refunds that may be available on my default.

D. **Payments Made On My Behalf.** Amounts advanced on my behalf will be immediately due and may be added to the balance owing under the terms of the Loan, and accrue interest at the highest post-maturity interest rate.

E. **Set-Off.** You may use the right of set-off. This means you may set-off any amount due and payable under the terms of the Loan against any right I have to receive money from you.

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My right to receive money from you includes any deposit or share account balance I have with you; any money owed to me on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation. "Any amount due and payable under the terms of the Loan" means the total amount to which you are entitled to demand payment under the terms of the Loan at the time you set-off.

Subject to any other written contract, if my right to receive money from you is also owned by someone who has not agreed to pay the Loan, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement.
Your right of set-off does not apply to an account or other obligation where my rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.
You will not be liable for the dishonor of any check when the dishonor occurs because you set-off against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

F. **Waiver.** Except as otherwise required by law, by choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

9. **COLLECTION EXPENSES AND ATTORNEYS' FEES.** On or after the occurrence of an Event of Default, to the extent permitted by law, Borrowers agree to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Agreement or any other Loan Document. Expenses include, but are not limited to, attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of this Loan. All fees and expenses will be secured by the liens on the Property. Borrowers have granted to Lender, if any. In addition, to the extent permitted by the United States Bankruptcy Code, Borrowers agree to pay the reasonable attorneys' fees incurred by Lender to protect its rights and interests in connection with any bankruptcy proceedings initiated by or against any Borrower.
10. **APPLICABLE LAW.** This Agreement is governed by the laws of Nebraska, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.
11. **JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** Each Borrower's obligation to pay the Loan is independent of the obligation of any other person who has also agreed to pay it. Lender may sue any Borrower alone, or anyone else who is obligated on the Loan, or such parties together, to collect the Loan. Extending the Loan or new obligations under the Loan, will not affect each Borrower's duty under the Loan and I will still be obligated to pay the Loan. Lender may assign all or part of its rights or duties under this Agreement or the Loan Documents without Lender's consent. If Lender assigns this Agreement, all of Borrowers' covenants, agreements, representations and warranties contained in this Agreement or the Loan Documents will benefit Lender's successors and assigns. Borrowers may not assign this Agreement or any of their rights under it without Lender's prior written consent. The duties of the Loan will bind Borrowers' successors and assigns.
12. **AMENDMENT, INTEGRATION AND SEVERABILITY.** This Agreement may not be amended or modified by oral agreement. No amendment or modification of this Agreement is effective unless made in writing and executed by the parties hereto. This Agreement and the other Loan Documents are the complete and final expression of the understanding between Borrowers and Lender. If any provision of this Agreement is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.
13. **INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Agreement.
14. **NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Borrower will be deemed to be notice to all Borrowers. Each Borrower will inform Lender in writing of any change in its name, address or other application information. Borrowers will provide Lender with any correct and complete financial statements or other information Lender's request. Borrowers agree to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve its obligations under this Loan and to confirm Lender's lien status on any Property. Time is of the essence.
15. **SIGNATURES.** By signing, each Borrower agrees to the terms contained in this Agreement. Each Borrower also acknowledges receipt of a copy of this Agreement.

BORROWER:

PINPOINT HOLDINGS, INC.

By_____ Date_____
MIKE URDAHL, President

By_____ Date_____
BACHTIYER KHOLMATOV, Chief Financial Officer

ACCIPITER COMMUNICATIONS, INC.

By_____ Date_____

By_____ Date_____

LENDER:

McCook National Bank

By_____ Date_____
TIM WIEBE, Vice President

ATTACHMENT 4

ARIZONA 513

ACCIPITER COMMUNICATIONS, INCORPORATED
(d.b.a. Zona Communications)

PHOENIX, ARIZONA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

ARIZONA 513

ACCIPITER COMMUNICATIONS INCORPORATED
(d.b.a. Zona Communications)

PHOENIX, ARIZONA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

ACCIPITER COMMUNICATIONS INCORPORATED
PHOENIX, ARIZONA

FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
8215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

Board of Directors
Accipiter Communications Incorporated
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying balance sheets of Accipiter Communications Incorporated (the Company) as of December 31, 2015 and 2014, and the related statements of income (loss), changes in Stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation to the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Accipiter Communications Incorporated's as of December 31, 2015 and 2014, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has filed for Chapter 11 bankruptcy protection from its creditors due to its inability to make debt service payments on its mortgage notes that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2016, on our consideration of Accipiter Communications Incorporated's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on noncompliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Accipiter Communications Incorporated's internal control and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

April 7, 2016

ACCIPITER COMMUNICATIONS INCORPORATED

Exhibit A

BALANCE SHEETS
DECEMBER 31, 2015 AND 2014

ASSETS

	December 31, 2015	December 31, 2014
CURRENT ASSETS		
Cash and Working Funds	$ 938,119	$ 847,795
Temporary Cash Investments	400,050	
Accounts Receivable - Telecommunications (Less Allowance for Uncollectible Accounts of $0 in 2015 and $0 in 2014)	11,579	16,935
Accounts Receivable - Other (Less Allowance for Uncollectible Accounts of $0 in 2015 and $0 in 2014)	226,258	272,615
Prepayments	399,306	295,423
Materials	86,585	135,494
	$ 2,061,897	$ 1,568,262
NONCURRENT ASSETS		
Investment in Non-Affiliated Organization	$ 52,598	$ 55,468
Other Noncurrent Assets	26,765	23,308
	$ 79,363	$ 78,776
PLANT, PROPERTY, AND EQUIPMENT		
Telecommunications Plant in Service	$ 33,488,669	$ 32,413,599
Plant Under Construction	64,371	319,438
	$ 33,553,040	$ 32,733,037
Accumulated Provision for Depreciation and Amortization	12,507,888	10,763,321
	$ 21,045,152	$ 21,969,716
TOTAL ASSETS	$ 23,186,412	$ 23,616,754

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 20,761,194	$ 20,761,194
Accounts Payable - Trade	1,308,049	1,863,068
Accounts Payable - Construction Contracts	51,579	34,543
Advanced Billing and Payments	40,326	34,490
Customer Deposits	100	
Other Current and Accrued Liabilities	335,587	209,028
	$ 22,496,835	$ 22,902,323
LONG-TERM DEBT		
Other Long-Term Debt (Less Current Maturities)	$ 0	$ 5,980
OTHER LONG-TERM LIABILITIES		
Noncurrent Deferred Income Taxes	$ 1,148,761	$ 1,315,108
STOCKHOLDERS' EQUITY		
Common Stock ($.001 Par; 10,000,000 Shares Authorized; 1,846 Shares Issued and Outstanding)	$ 3	$ 3
Additional Paid-in Capital	1,748,257	1,740,207
Retained Earnings (Deficit)	(2,207,444)	(2,346,867)
	$ (459,184)	$ (606,657)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 23,186,412	$ 23,616,754

See accompanying notes to financial statements.

ACCIPITER COMMUNICATIONS INCORPORATED

Exhibit B

STATEMENTS OF INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	December 31, 2015	December 31, 2014
OPERATING REVENUE		
Local Network Services	$ 392,772	$ 368,390
Interstate Network Access Services	2,688,628	2,191,251
Intrastate Network Access Services	3,737	5,960
Federal Universal Service Fund Support	2,418,387	2,724,804
Long Distance Services	40,849	40,847
Nonregulated Revenue	839,397	562,876
Miscellaneous	10,618	9,628
Other Operating Income (Loss)	(62,186)	(2,810)
Uncollectible Revenue	(2,509)	(1,963)
	$ 6,329,693	$ 5,898,983
OPERATING EXPENSES		
Plant Specific Operations	$ 415,644	$ 368,177
Plant Nonspecific Operations	650,783	527,224
Depreciation Expense	1,745,189	1,617,721
Customer Operations	225,346	256,049
Corporate Operations	1,150,046	1,309,660
Nonregulated Expenses	901,106	648,785
Operating Taxes	390,034	428,675
	$ 5,478,148	$ 5,156,291
NET OPERATING INCOME BEFORE FIXED CHARGES	$ 851,545	$ 742,692
FIXED CHARGES		
Interest on Long-Term Debt	$ 882,441	$ 942,169
Other Interest	897	3,591
	$ 883,338	$ 945,760
NET OPERATING LOSS	$ (31,793)	$ (203,068)
NONOPERATING INCOME (EXPENSE)		
Interest and Dividend Income	$ 4,998	$ 3,696
Other Income (Expense)	(79)	(10)
	$ 4,919	$ 3,686
NET LOSS BEFORE INCOME TAXES	$ (26,874)	$ (199,382)
INCOME TAX EXPENSE (BENEFIT)	(166,297)	58,995
NET INCOME (LOSS)	$ 139,423	$ (258,377)

See accompanying notes to financial statements.

ACCIPITER COMMUNICATIONS INCORPORATED

Exhibit C

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Common Stock	Additional Paid-In Capital	Retained Earnings (Deficit)	Total
Balance - December 31, 2013	$ 2	$ 1,732,157	$ (2,088,490)	$ (356,331)
Net Loss - 2014			(258,377)	(258,377)
Stock Based Compensation	1	8,050		8,051
Balance - December 31, 2014	$ 3	$ 1,740,207	$ (2,346,867)	$ (606,657)
Net Income - 2015			139,423	139,423
Stock Based Compensation		8,050		8,050
Balance - December 31, 2015	$ 3	$ 1,748,257	$ (2,207,444)	$ (459,184)

See accompanying notes to financial statements.

ACCIPITER COMMUNICATIONS INCORPORATED

Exhibit D

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	December 31, 2015	December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss) (Exhibit B)	$ 139,423	$ (258,377)
Adjustments to Reconcile Net Income (Loss) to Net Cash from Operating Activities:		
Depreciation	1,745,189	1,617,721
Stock Based Compensation	8,050	8,051
Deferred Income Taxes	(166,347)	58,995
(Increases) Decreases:		
Accounts Receivable	51,713	(96,103)
Prepaid Expenses	(103,883)	(18,229)
Inventory	48,909	(18,062)
Other Noncurrent Assets	(587)	319
Increases (Decreases):		
Accounts Payable	(555,018)	838,023
Advanced Billing and Payments	5,836	9,893
Customer Deposits	100	
Other Current and Accrued Liabilities	126,558	181,434
Net Cash from Operating Activities	$ 1,299,943	$ 2,323,665
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Plant in Service	$ (803,589)	$ (2,006,565)
Net Cash from Investing Activities	$ (803,589)	$ (2,006,565)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Other Long-Term Liabilities	$ (5,980)	$ (11,960)
Net Cash from Financing Activities	$ (5,980)	$ (11,960)
NET CHANGE IN CASH AND CASH EQUIVALENTS	$ 490,374	$ 305,140
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	847,795	542,655
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 1,338,169	$ 847,795
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest and Adequacy of Protection Payments on Long-Term Debt	$ 883,338	$ 822,290
Income Taxes	$ 50	$ 0

See accompanying notes to financial statements.

ACCIPITER COMMUNICATIONS INCORPORATED

NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies

Business Activity – Nature of Operations

Accipiter Communications Incorporated (the Company) is a telecommunications utility acting as a local exchange carrier within the State of Arizona, offering telecommunications services to the public under its Certificates of Public Convenience and Necessity issued by the Arizona Corporation Commission. At its inception, the Company acquired certain telecommunications exchanges from U.S. West Communications, Incorporated in an area known as Lake Pleasant and Castle Hot Springs.

System of Accounts

The accounting records of the Company conform to the Uniform System of Accounts prescribed by the Federal Communications Commission (FCC) for Class A telephone companies modified for telephone borrowers of the Rural Utilities Service (RUS).

Telephone Revenues

The Company's local and intrastate operating revenues are under the jurisdiction of the Arizona Corporation Commission.

Regulatory Accounting

The Company is subject to regulation by the Arizona Corporation Commission (the Commission) and other federal agencies, and therefore follows accounting for regulated enterprises prescribed by Financial Accounting Standards generally accepted in the United States of America.

Revenue Recognition

Monthly service plan revenues derived from local service are recognized in the month that service is provided. Usage sensitive revenues such as access (revenues earned from originating and terminating long distance calls) are generally billed as a per minute charge, are billed in arrears and recognized in the month the service is provided.

Interstate access revenues also include settlements based on the Company's participation in the revenue pools that are administered by the National Exchange Carriers Association (NECA). These revenues are determined annually by separation and interstate access cost studies. Revenues for the current year are based on estimates prior to the submission of the cost study reporting actual results of operations. The studies are subject to a 24-month pool adjustment period and final review and acceptance by the pool administrators. Management does not anticipate significant adjustments to recorded revenues for the years ended December 31, 2015 and 2014.

The Company's federal universal service support is intended to compensate the Company for the high cost of providing rural telephone service. Federal Universal Service support revenues includes funds received for the high cost loop support, interstate common line support, the connect America fund and other miscellaneous programs. High cost loop support and interstate common line support are based on the Company's current relative level of operating expense and plant investment. Support from the CAF is based on a historical frozen amount related to the 2011 plant investment and expenses associated with the switching function and certain 2011 intrastate access revenues (baseline revenues). The baseline revenue used to calculate CAF will be reduced by five percent each year.

ACCIPITER COMMUNICATIONS INCORPORATED

NOTES TO FINANCIAL STATEMENTS

The revenue received from the federal universal service programs are as follows:

	December 31, 2015	December 31, 2014
Local Service Support - Lifeline	$ 426	$ 245
Access Support - CAF	113,520	99,996
Access Support - ICLS	1,243,848	1,269,348
Total Local Service and Access Support	$ 1,357,794	$ 1,369,589
High Cost Local Loop Support	$ 2,309,667	$ 2,400,666
High Cost Support - Safety Net Additive	108,720	324,138
	$ 2,418,387	$ 2,724,804
Total Universal Service Fund Support	$ 3,776,181	$ 4,094,393

Regulation – The Company's services are subject to rate regulation as follows:

- Local telephone and intrastate access revenues are regulated by the Arizona Corporation Commission.
- Interstate access revenues are regulated by the FCC through its regulation of rates and settlements procedures as administered by NECA.
- Federal Universal Service revenues are administered by the Universal Service Administration Company (USAC) based on rules established by the FCC.

Other sources of revenue are not rate regulated these include equipment sales, internet service, DSL service, directory, billing and collection services, rents and other incidental services.

The Company's operating expenses and telecommunications plants are related primarily to regulated revenues. However, some of these costs are jointly related to regulated and non-regulated services. For settlement purposes, Universal Service Fund, rate making and other regulatory purposes, the portion of these common costs related to non-regulated activities are removed from these accounts in accordance with Part 64 of the FCC rules in order to ensure that regulated revenues are based on the cost of providing regulated services.

Federal USF and Interexchange Carrier Compensation Reform

In 2012, the Federal Communications Commission (FCC) reformed Intercarrier Compensation and Universal Service Funding (USF) mechanisms. The majority of the new rules took effect, subject to various transition provisions. Pending and future regulatory actions may have a significant impact on the Company's future operations and financial condition.

Materials

Materials and inventory are valued at average unit cost, these consist of telecommunications cable and supplies.

ACCIPITER COMMUNICATIONS INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Advertising Costs

The Company's policy is to directly expense all non-direct response advertising costs as incurred. The total marketing and advertising costs for the years ended December 31, 2015 and 2014, were $100,873 and $116,886, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers cash in banks and on hand, and temporary investments to be cash equivalents.

Group Concentration of Credit Risk

The Company had cash deposits in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. At December 31, 2015, the Company's depository institution is required to maintain a bond which insures the Company's deposits in excess of the FDIC $250,000 limit.

Accounting Policies for Trade Receivables

In the normal course of business, the Company recognized accounts receivable for telecommunications services provided and billed. All bills for service are due and payable at the office of the Company on or before the last day of the month following the post marked date of the statement of the month in which the bill is rendered. After the last day of the month, bills are delinquent and subject to the termination policy. If the bill is not paid when due, the Company may make a late payment charge of 1.5%.

The Company provides an allowance for doubtful accounts to recognize the portion of the receivables considered uncollectible. The allowance is estimated based on an aging of receivables and is tied to amounts owing in excess of 90 days. Management of the Company periodically reviews delinquent accounts and charges off accounts deemed uncollectible.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company's management has evaluated subsequent events through April 7, 2016, the date the financial statements were available for issue.

2. Going Concern

During the year ended December 31, 2013, the Rural Utilities Service (RUS) notified the Company that it would not advance loan funds available under existing loans to finance the construction of telecommunications facilities. It is the Company's management assertion that in order to reduce the Company's reliance on Federal Universal Service Fund support and thus provide for its long term viability, it must expand its subscriber base. Management further asserts that it must construct new telecommunications facilities in order to accomplish this expansion of its subscriber base. With the

loss of RUS funding for future construction of telecommunications facilities, the Company must internally finance the required construction. The Company does not have sufficient cash flow to finance the construction of telecommunications facilities and service the principal and interest of its existing debt and therefore with RUS permission, the Company discontinued paying the principal portion of its debt in November of 2013. The Company was unsuccessful in its attempts to negotiate a long term deferral and restructure of its existing debt with the RUS and filed a voluntary Chapter 11 bankruptcy petition on March 28, 2014. Management intends to use the Chapter 11 process to restructure its long-term debt obligation. The Company's ability to continue as a going concern is contingent on the ultimate resolution of the Chapter 11 proceedings. The Company has no plans to discontinue any of its operations prior to the resolution of the Chapter 11 petition. During its chapter 11 proceedings, Management's plans are to minimize its RUS debt service to the agreed-upon "adequate protection payment" and utilize remaining cash flow to fund construction of telecommunications facilities required to accommodate growth in its subscriber base.

The RUS loan covenants provide that in the event of a default the entire debt obligation is due and payable. The Company's balance sheet reflects the current portion of all debt in the amount of $20,761,194, consisting of $20,755,214 in unpaid principal due the RUS and $5,980 due on other notes payable. These amounts are contingent on the resolution of the Chapter 11 petition.

3. Assets Pledged

All assets held at March 28, 2014, the date the Chapter 11 bankruptcy petition was filed, are pledged as security for the long-term debt due to the Rural Utilities Service (RUS). Assets constructed or acquired after that date are not subject to the RUS lien and at December 31, 2015 amount to $2,673,317.

4. Temporary Cash Investments

Temporary Cash Investments consist of CDARs stated at cost. Due to the short-term nature of investment cost approximates fair value.

5. Investment in Telecommunications Plant

Telecommunications Plant, Maintenance, and Depreciation

Telecommunications plant is stated at the original cost of construction and acquisition which includes the cost of contracted services, direct labor, materials, allowance for funds used during construction (capitalized interest), and overhead items. Contributions from others toward construction are credited to the applicable plant accounts.

When property that represents a retirement unit is replaced or removed, the average cost of such property as determined from the continuing property records is credited to plant and such cost, together with cost of removal less salvage, is charged to the accumulated provision for depreciation.

Maintenance and repairs, including the removal of minor items of plant not comprising a retirement unit, are charged to the appropriate maintenance accounts, with the exception being repairs of transportation and service equipment are charged to clearing accounts and redistributed to cost of construction and plant specific operations.

NOTES TO FINANCIAL STATEMENTS

The major classes of telecommunications plant in service as of December 31, 2015 and 2014 are as follows:

	Depreciable Life in Years	Original Plant Cost 2015	Accumulated Depreciation 2015	Net Balance 2015	Net Balance 2014
General Support Assets	5 - 25	$ 1,042,915	$ 560,484	$ 482,431	$ 510,135
Central Office Assets	12 - 25	8,885,594	4,239,505	4,646,089	4,656,418
Terminal Equipment Assets	12	81,737	28,896	52,841	33,112
Cable and Wire Facilities	14 - 42	23,478,423	7,679,003	15,799,420	16,450,613
Telecommunications Plant in Service		$ 33,488,669	$ 12,507,888	$ 20,980,781	$ 21,650,278
Plant Under Construction		64,371		64,371	319,438
Total Plant, Property, and Equipment		$ 33,553,040	$ 12,507,888	$ 21,045,152	$ 21,969,716

The Company provides for depreciation on a straight-line basis at annual rates, which will amortize the property over its estimated useful life. Depreciation for the years ended December 31, 2015 and 2014 was $1,745,189 and $1,617,721, respectively.

6. RUS Mortgage Notes

Mortgage notes due to RUS are payable to the United States of America. The notes are for a 20-year period with installments of principal and interest due monthly. The following is a summary of outstanding debt:

	December 31, 2015	December 31, 2014
5.00% Notes Due in 2017	$ 2,174,311	$ 2,174,311
1.87% - 5.36% Notes Due in 2022	4,456,707	4,456,707
3.06% - 5.36% Notes Due in 2026	14,124,196	14,124,196
	$ 20,755,214	$ 20,755,214
Less: Current Maturities	20,755,214	20,755,214
	$ 0	$ 0

As disclosed in Note 2, the Company is in default of its RUS debt and according to the RUS debt covenants all outstanding debt become due and payable in the event of default. Therefore, all outstanding RUS debt is classified as current.

At year end there were no unadvanced loan funds available to the Company on loan commitments from the RUS.

The RUS mortgage agreement contains restrictions on the distribution of capital to shareholders and for investing in rural development projects. There were no distributions of capital to shareholders or investments in rural development projects during 2015. The agreement also contains a requirement that the Company maintain a minimum Times Interest Earned Ratio of 1.5. The Company did not achieve this requirement for the year ended December 31, 2015.

ACCIPITER COMMUNICATIONS INCORPORATED

NOTES TO FINANCIAL STATEMENTS

7. Other Long-Term Debt

Other long-term debt consists of a liability incurred as a result of the Company's withdrawal from the National Telephone Cooperative Association (NTCA) Retirement and Security Program on the behalf of employees who were participants in the program as of October 31, 2006. The liability is payable in ten equal annual installments of $5,980 at an interest rate of 7.5%.

	December 31,	
	2015	2014
Note due NTCA	$ 5,980	$ 11,960
Less: Current Maturities	5,980	5,980
	$ 0	$ 5,980

The estimated maturities of the NTCA long-term liability are as follows:

2016	$ 5,980

8. Income Taxes

For years prior to 2013, the Company had elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Accordingly, for years prior to 2013, the financial statements do not include a provision for income taxes because the Company did not incur federal or state income taxes. Instead, its earnings and losses were included in the stockholder's personal income tax returns and taxed based on their personal tax strategies.

Effective January 1, 2013, the Company elected to revoke its Subchapter S status and is subsequently taxed as a C Corporation using the asset and liability method of accounting for income taxes. The objective of the asset and liability method is to establish deferred tax assets and liabilities for the temporary difference between the financial reporting basis and the tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled.

Income taxes are provided for tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to accelerated depreciation and net operating loss carryover. The deferred tax liabilities represent the future tax return consequences of those differences, which will result in a tax expense when the liability is recognized. Any net operating losses incurred and not utilized are carried forward to offset future taxable income, depending on the taxing jurisdiction. Federal net operating losses may be carried forward to offset future taxable income for a period not exceeding 20 years. The state of Arizona provides that net operating losses to be carried forward for a period not exceeding five years. At December 31, 2015, the Company had federal net operating loss carryovers of $2,137,464, which begin to expire in the year 2033. The Company also had Arizona net operating loss carryovers of $2,137,464, which begin to expire in the year 2018.

ACCIPITER COMMUNICATIONS INCORPORATED

NOTES TO FINANCIAL STATEMENTS

The net federal and state deferred tax asset and liability in the accompanying balance sheet includes the following components:

	December 31, 2015	December 31, 2014
Net Concurrent Deferred Income Taxes:		
Federal:		
Asset - NOL Carryover	$ 320,620	$ 272,896
Asset - Capital Loss Carryover	14,908	
Asset - Other	93,371	108,624
Liabilities	(1,195,082)	(1,148,569)
State:		
Asset - NOL Carryover	148,938	176,103
Asset - Capital Loss Carryover	6,925	
Asset - Other	5,474	
Liabilities	(543,915)	(724,162)
	$ (1,148,761)	$ (1,315,108)

The components of income tax expense are as follows:

	December 31, 2015	December 31, 2014
Federal Income Tax Expense:		
Deferred Tax Expense (Benefit)	$ (866)	$ 34,407
State:		
Current Tax Expense	50	
Deferred Tax Expense (Benefit)	(165,481)	24,588
	$ (166,297)	$ 58,995

The Company provides for "uncertain tax positions" under the provisions of accounting principles generally accepted in the United States of America. The primary tax position of the Company is the tax depreciation methods it employs. The Company determined that it is more likely than not that its tax positions will be sustained upon examination by the Internal Revenue Service (IRS) and state taxing authorities, and that all tax benefits are likely to be realized upon settlement with taxing authorities.

The Company files its income tax returns in the U.S. federal jurisdiction, and in the state of Arizona. The Company is no longer subject to U.S. federal and state income tax examinations by federal taxing authorities for years before 2012, and Arizona state taxing authorities for years before 2011.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. There were no penalties or interest recognized during the years ended December 31, 2015 and 2014.

ACCIPITER COMMUNICATIONS INCORPORATED

NOTES TO FINANCIAL STATEMENTS

9. Shared Based Compensation

On October 24, 2012, the Company implemented a shared based compensation plan for the Company's President/CEO and Vice President/CFO. In 2012, the Company issued 170 common shares to the President/CEO at an appraised value of $31,108. Under the plan the President/CEO will receive an additional 120 shares of common stock to vest ratably over five years as of December 31 of each year with the initial vesting to occur on December 31, 2013. The Vice President/CFO will receive 100 shares of common stock that will vest ratably over five years as of December 31 of each year with the initial vesting to occur December 31, 2013. The fair value of the award is $182.99 per common share as determined by an appraisal report at the date of the grant. For each of the years ending December 31, 2015 and 2014, 44 shares were vested and issued at a value of $8,050.

10. Employee Benefit Plan

Pension Benefits

Pension benefits for substantially all employees of the Company are provided through the National Telephone Cooperative Association (NTCA) Savings Program. The Savings Program is a defined contribution pension plan. The plan is exempt from federal income taxes under the Internal Revenue Code. Contributions are made to the Savings Plan are equal to the amounts accrued for pension expense.

The pension cost to the Company for the years ended December 31, 2015 and 2014, was $44,492 and $39,597, respectively.

11. Litigation and Commitments

Litigation

As described in Note 2, the Company has an going Chapter 11 proceeding. There is no other pending litigation against the Company that is expected to have a material effect on the financial statements.

Leases

The Company has entered into various operating leases for the use of vehicles, office equipment, land, building and tower space. These leases expire at various times between 2016 and 2023, and contain renewal options. The estimated minimum lease payment obligation for the next five years is as follows:

2016	$	131,492
2017		117,588
2018		106,882
2019		106,882
2020		106,882

Rent expense under these leases for the years ended December 31, 2015 and 2014 was $152,111 and $159,507, respectively.

COMPLIANCE AND INTERNAL CONTROL SECTION

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
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REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELEPHONE BORROWERS

Independent Auditor's Report

Board of Directors
Accipiter Communications Incorporated
Phoenix, Arizona

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Accipiter Communications Incorporated (the Company), which comprise the balance sheet as of December 31, 2015, and the related statements of income, changes in Stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 7, 2016. In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2016, on our consideration of the Company's internal control over financial reporting (internal control) and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that the Company failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Company's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding the Company's accounting and records to indicate that the Company did not:

Maintain adequate and effective accounting procedures;

Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;

Reconcile continuing property records to the controlling general ledger plant accounts;

Clear construction accounts and accrue depreciation on completed construction;

Record and properly price the retirement of plant;

Seek approval of the sale, lease or transfer capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;

Maintain adequate control over materials and supplies;

Prepare accurate and timely Financial and Operating Reports;

Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the telecommunications system;

Disclose material related party transactions in the financial statements. In accordance with requirements for related parties in generally accepted accounting principles;

Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);

Comply with the requirements for the detailed schedule of deferred debits and credits; and

Comply with the requirements for the detailed schedule of investments.

This report is intended solely for the information and use of the Board of Directors, management, RUS and supplemental lenders and is not intended to be and should not be used by anyone other than theses specified parties. However, this report is a matter of public record and its distribution is not limited.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

April 7, 2016

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Board of Directors
Accipiter Communications Incorporated
Phoenix, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Accipiter Communications Incorporated (the Company) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise of the Company's basic financial statements, and have issued our report thereon dated April 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

April 7, 2016