

PHASE ONE MEMORANDUM OF UNDERSTANDING

This Phase One Memorandum of Understanding (this “Memorandum”) is made effective as of June __, 2021 (the “Effective Date”), by and between Virginia Electric and Power Company dba Dominion Energy Virginia, a Virginia public service corporation (“Dominion”), All Points Broadband Partners, LLC, a Virginia limited liability company (“All Points”), Shenandoah Valley Electric Cooperative (“SVEC”), a not-for-profit electric distribution cooperative, and each of the participating localities who subsequently join this Memorandum in the manner set forth herein (collectively the “Participating Localities” and individually a “Participating Locality”). Dominion, All Points and SVEC are, collectively, the “Organizing Parties”, and Dominion, All Points, SVEC and each Participating Locality are each a “Party” and collectively the “Parties”.

RECITALS

- A. Pursuant to the Virginia Code § 56-585.1:9, effective July 1, 2019 (the “Broadband Statute”) the Commonwealth of Virginia is seeking to expand broadband service into unserved areas of the Commonwealth. The Broadband Statute further permits electric utilities to pursue deployments with broadband providers and localities to facilitate such expansion.
- B. Dominion and All Points have explored the feasibility of Dominion deploying middle-mile service to facilitate All Points in extending last-mile service to unserved populations throughout the communities within and adjacent to SVEC’s service territory and have identified several localities as viable candidates based on the requirements of the Broadband Statute.
- C. SVEC desires to collaborate with Dominion and All Points in an effort to leverage the proposed middle-mile and last-mile deployments by Dominion and All Points, respectively, to improve the security, reliability and efficiency of SVEC’s electric system and to extend broadband availability to as many of SVEC’s unserved members as possible.
- D. All Points desires to collaborate with SVEC to leverage SVEC’s middle-mile fiber backbone project to facilitate All Points in extending last-mile broadband service to unserved populations throughout the communities within and adjacent to SVEC’s service territory and has identified several localities as viable candidates based on the requirements of the Broadband Statute.
- E. The Organizing Parties believe their partnership as set forth herein (the “Initiative”) can dramatically expand broadband access to presently unserved areas throughout Virginia, and are inviting localities that could benefit from the Initiative to join this Memorandum and become Participating Localities.
- F. The Parties will pursue a relationship whereby: (i) pursuant to the Broadband Statute, Dominion would construct a fiber route that maximizes the number of unserved areas to be served by All Points within each Participating Locality, (ii) Dominion will leverage the additional fiber installed along the route to connect

devices that may not have had fiber connectivity under the original plan pursuant to the Grid Transformation and Security Act, (iii) SVEC will leverage the Initiative to improve the security, reliability and efficiency of SVEC's electric system and to facilitate the extension of broadband availability to as many of SVEC's unserved members as possible, (iv) All Points will collaborate with and invest in each Participating Locality and use the additional Dominion and SVEC fiber capacity and network elements to serve broadband end users in unserved locations in each Participating Locality, and (v) each Participating Locality will share relevant information with the Organizing Parties and collaborate with the Organizing Parties to advance the Initiative. The efforts of the Parties herein in each such Participating Locality shall be referred to as a "Project", and collectively the "Projects").

- G. It is the intention of the Parties that the Initiative will result in the deployment of a fiber-to-the-premises last-mile broadband network to offer service to all locations within each Participating Locality that are unserved as of the date hereof. The Parties acknowledge and agree that the specific details and characteristics of each Project will be analyzed and refined as the Initiative proceeds.
- H. The Organizing Parties have divided the Initiative into three phases.

NOW, THEREFORE, the Parties hereby agree as follows:

1. PROCEDURE TO BECOME A PARTICIPATING LOCALITY

Any locality that is invited to join the Initiative by the Organizing Parties shall have until July 23, 2021 to return a counterpart signature page to this Memorandum to the Organizing Parties; provided the Organizing Parties may extend this deadline for good cause if such extension will not materially delay the Initiative. Upon acceptance of the counterpart signature page by the Organizing Parties, such locality shall become a Participating Locality.

2. INFORMATION SHARING AND COORDINATION

- a) Each Participating Locality and each Organizing Party agrees to share with the Organizing Parties such information as it has in its possession related to broadband deployment and availability that may be useful to the Organizing Parties in conducting their analysis or otherwise facilitate the Initiative.
- b) All Points will serve as the central conduit for all information sharing activities and will be responsible for overall coordination of the Initiative. Upon request from time to time, All Points will provide updates to Dominion and SVEC as to the status of the Initiative.
- c) The Parties will coordinate any communication releases to the public, and all announcements are subject to the prior written consent of Dominion and SVEC.
- d) Notwithstanding anything to the contrary hereunder, in no event does this Memorandum require any Party to disclose confidential or proprietary information not otherwise authorized for release to any Party or Parties.

3. PHASE ONE TIMEFRAME AND ACTIVITIES

- a) The Parties anticipate that Phase I of the Initiative will continue until approximately August 15, 2021.

- b) During Phase I:
- i. The Organizing Parties will conduct community and stakeholder engagement activities in each Participating Locality.
 - ii. The Organizing Parties will collaborate to develop preliminary plans and design criteria that: (i) are consistent with the Broadband Statute, (ii) support SVEC's desire to leverage the Initiative to improve the security, reliability and efficiency of SVEC's electric system, and (iii) facilitate the extension of broadband availability to as many presently unserved locations as possible.
 - iii. All Points will perform a last-mile feasibility study ("Initial Feasibility Study") for the Project within each Participating Locality.
 - iv. All Points will prepare a preliminary financial analysis for the Project within each Participating Locality.
- c) At the Conclusion of Phase I:
- i. All Points, in coordination with the other Organizing Parties, will present the results of the Initial Feasibility Study and financial analysis to each Participating Locality.
 - ii. All Points will identify the cost of Proceeding to Phase II for each Participating Locality and identify grants and other sources of potential funding to reduce or eliminate each Participating Locality's out-of-pocket costs to proceed.
 - iii. Each Participating Locality will decide whether or not to continue to Phase II. Localities that elect to withdraw from the Initiative at the conclusion of Phase I will have no further obligations under this Memorandum.

4. PHASE TWO TIMEFRAME AND ACTIVITIES

- a) The Parties anticipate that Phase II of the Initiative will commence upon the conclusion of Phase I and continue until approximately December 31, 2021.
- b) During Phase II:
- i. Dominion will prepare a petition (the "Petition") under the Broadband Statute to the Virginia State Corporation Commission (the "Commission") seeking approval of the Projects that are then included in the Initiative. SVEC will take whatever action it deems necessary and prudent to obtain approval of the Projects within its service territory that are then included in the Initiative, including, but limited to, any action that may be permitted to seek cost recovery. All Points will serve as the nongovernmental internet service provider pursuant to the Broadband Statute and for all Projects included in the Initiative. All Points and each of the other Parties will provide such information and assistance to Dominion and SVEC as each may reasonably request to advance the Initiative and will commit to continuing to be involved in the Petition and any other regulatory proceedings that may be required until and after approval of the Petition and/or other regulatory proceedings is received. The Parties agree that implementation of each Project shall be contingent upon Commission approval, or such other regulatory approval as may be necessary, of such Project on terms and conditions approved by Dominion and SVEC, depending on the location of the Project, that are not materially adverse to Dominion or SVEC.
 - ii. All Points will complete preliminary last-mile designs for each Project based upon the middle-mile infrastructure of Dominion and SVEC. Such last-mile designs will be tailored to maximize each Project's eligibility for all available state and federal grant, loan, loan guarantee, and other support mechanisms (collectively, "Public

Support Mechanisms”).

- iii. All Points will prepare detailed financial plans for each Project. Each financial plan will address initial capital investment needs, ongoing operational expenses and provide more than one indicative approach for funding each Project through a combination of private capital, Public Support Mechanisms and contributions from Participating Localities.
 - iv. The Participating Localities, and each Organizing Party, as applicable, will agree to support an application for one or more grant programs (“Phase II Grants”) to partially offset the cost of the activities to be conducted during Phase II. All Points will coordinate and oversee the development and submission of applications for Phase II Grants.
 - v. All Points will coordinate and oversee the development and submission of applications for all available Public Support Mechanisms to fund each Project within the Initiative.
- c) At the Conclusion of Phase II:
- i. All Points will present the anticipated outcome of its last-mile designs to each Participating Locality.
 - ii. Each Participating Locality will decide whether or not to continue to Phase III. Localities that elect to proceed to Phase III will enter into negotiations with All Points for one or more binding mutual definitive agreements (“Definitive Agreements”), setting forth their respective commitments and obligations and such particulars as the parties thereto may deem appropriate. Localities that elect to withdraw from the Initiative at the conclusion of Phase II will have no further obligations under this Memorandum.

5. EXPENSES

The Parties understand that various costs will be incurred in relation to activities contemplated herein. The Parties understand that regardless of which party incurs such costs, none of the Parties herein shall be responsible for reimbursement of expenses to any of the others, unless such reimbursement is to be funded by a Phase I Grant or Phase II Grant, or otherwise agreed to in the Definitive Agreements.

6. GOOD FAITH COMMITMENT TO INITIATIVE

- a) Each Participating Locality agrees that, for so long as it is a Party to this Memorandum, it shall not participate in any activity or course of conduct that is inconsistent with or competitive to the Initiative, and that it will devote its broadband-related attention and resources to the Initiative.
- b) The Parties understand and agree that, except as provided in the next sentence, this Memorandum (i) constitutes only a statement of intentions, (ii) does not reflect all matters upon which Definitive Agreements must be reached in order for the transactions contemplated hereby to be consummated, (iii) binding obligations with respect to a Project will only result from the execution of one or more Definitive Agreements and subject to the terms and conditions stated therein, and (iv) does not obligate the Parties to enter into any Definitive Agreement relating to any Project. This Memorandum is not

intended to be binding, other than Paragraphs 4(b)(i), 5 and 6.

7. TERMINATION

Any Party may terminate its participation in this Memorandum at any time, with or without cause, upon written notice to the other Parties. In addition, this Memorandum shall terminate and be of no further force and effect if the Commission rejects the petition.

8. LIMITATION OF LIABILITY

No Party shall be liable to the others in contract, tort, or otherwise, for any claims, liabilities or losses arising out of this Memorandum or alleged to result from the failure of the other Party to enter into any Definitive Agreements. The Parties hereby waive, in advance, any claims (whether such claims are based on breach of contract, tort, equity or any other theory) for the failure for any reason to enter into the Definitive Agreements. In no event shall any Party be liable to the other for any incidental, indirect, special, punitive or consequential damages (including without limitation damages for lost profits).

9. GENERAL

9.1. Governing Law.

This Memorandum shall be governed in all respects by the laws of the Commonwealth of Virginia.

9.2. Amendments.

No modification, amendment or waiver of any of the provisions of this Memorandum will be binding without the written consent of the Parties hereto.

9.3. Binding Effect; Assignment.

This Memorandum will inure to the benefit of and be binding upon each of the Parties hereto and their respective successors and permitted assigns to the extent provided in Section 6, but in no respect shall give rise to any third party beneficiary rights or claims. No Party may assign any of its rights, interests, or obligations hereunder without the prior written consent of the other Parties, except that any of the Organizing Parties may assign this Memorandum to an affiliated entity upon written notice to the other Parties.

9.4. Counterparts.

This Memorandum may be executed in counterparts, all of which for all purposes shall be deemed to be an original and all of which shall, taken together, constitute one and the same instrument.

9.5. Relationship of Parties.

Nothing in this Memorandum shall be deemed to constitute, create, give effect to,

or otherwise recognize a joint venture, partnership, or formal business entity of any kind.

9.6. Notices.

All notices, requests and other communications hereunder shall be in writing and delivered by hand, by nationally-recognized delivery service that guarantees overnight delivery, or by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Dominion:

Dominion Energy Virginia
600 Canal Street
Richmond, Virginia 23219
Attention: Director, New Technologies and Energy Conservation

with a copy to:

Dominion Energy Services, Inc.
120 Tredegar Street
Richmond, Virginia 23219
Attention: Deputy General Counsel – State Regulatory
Fax: (804) 819-2677

If to All Points:

All Points Broadband Partners, LLC
Attn: Legal Notices
908 Trailview Boulevard, SE
Suite 170
Leesburg, Virginia 20175

If to SVEC:

Shenandoah Valley Electric Cooperative
Attn: J. Michael Aulgur
180 Oakwood Drive
Harrisonburg, Virginia 22801

If to a Participating Locality, to the address set forth on such Participating Locality's counterpart signature page to this Memorandum.

Any Party may change its address at any time upon notice to the other Parties.

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the Effective Date.


VIRGINIA ELECTRIC AND POWER COMPANY
DBA DOMINION ENERGY VIRGINIA

Name:
Title:

ALL POINTS BROADBAND

Name:
Title:

SHENANDOAH VALLEY ELECTRIC COOPERATIVE

 7/8/2021

Name: J. Michael Hulgur
Title: VP. ? Chief Financial Officer