### IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF VERMONT

D/B/A GREAT WORKS INTERNET	)
and GWI VERMONT, LLC,	) Docket No. 25-cv-354
Plaintiffs,	) JURY TRIAL ) REQUESTED
F. X. FLINN and EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT	) )
Defendants.	) )
F. X. FLINN and EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT	) ) )
Counterclaim-Plaintiffs,	) )
BIDDEFORD INTERNET CORPORATION D/B/A GREAT WORKS INTERNET	)
and GWI VERMONT, LLC,	, ) )
Counterclaim-Defendants.	)

## EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT'S MOTION FOR PRELIMINARY INJUNCTION

Defendant East Central Vermont Telecommunications District ("District"), by and through its attorneys, Primmer, Piper, Eggleston & Cramer, P.C. respectfully moves the Court for preliminary injunctive relief from Plaintiffs Biddeford Internet Corporation d/b/a Great Works Internet ("Biddeford") and GWI Vermont, LLC's ("GWI VT") (collectively "Plaintiffs" or "GWI") retaliatory repudiation of the agreement under which Plaintiffs operate the District's telecommunications services.

#### **INTRODUCTION**

Plaintiffs operate the District's high-speed fiber-optic network as an independent contractor. The parties' contractual relationship is set out in an operating agreement (the "Operating Agreement") which Plaintiffs assumed from a prior contract operator in 2022. It provides that the District possesses

all right, title, and interest in its telecommunications network—its "communications plant" as set out in the Operating Agreement and defined under Vermont law as every component of the network inclusive of hardware and software—and provides that the District's legislative body is empowered to issue policies for the operation of its network which Plaintiffs are bound to follow. According to its terms, the Operating Agreement expires on December 31, 2025. The District chose to use a different contract operator following the end of the Operating Agreement's term, and began organizing a transition process according to its rights under the Operating Agreement.

Instead of cooperating on this transition with the District, GWI obstructed the District's efforts, failed to comply with the District's Transition Policy, and retaliatorily reduced services. GWI failed to date to comply with the deadlines in the District's duly promulgated Transition Policy and refused to turn over information, records, and property which belongs to the District and has taken affirmative steps to entangle the District's customer information. GWI's failure to comply with the Transition Policy, retention of the District's property to the exclusion of the District, and entanglement of customer information unreasonably puts Vermonters at risk of service interruptions which cannot be remedied by money damages, including interruption of access to emergency services, as well as business and educational resources. A preliminary injunction is necessary to ensure that continued harm to the District is abated and risk of critical service interruptions is eliminated. Elimination of this risk is in the public interest. GWI will suffer no harm, and a bond is not necessary, as the District continues to pay GWI for its services, notwithstanding the decrease in GWI's performance, and will continue to do so whether cooperation in this transition is voluntary or Court-ordered unless GWI's conduct forces the District to terminate the Operating Agreement.

#### **FACTS**

The District is a communications union district—a political body of the state of Vermont—formed pursuant to 30 V.S.A. § 3051. (Aff. of F.X. Flinn in Support of East Central Vermont

Telecommunications District Motion for Preliminary Injunction ¶1) ("Flinn Aff.") (filed contemporaneously). The District is made up of thirty-one member municipalities. The District develops, owns, and provides telecommunications services on its communications plant under the trade name ECFiber. The District, through ECFiber uses a fiber-optic cable network to deliver high-speed internet and voice-over-IP telephone services to rural Vermonters filling a need that has gone unmet by commercial for-profit enterprise. (Flinn Aff. 1–9).

The parties' Operating Agreement concerns the development and operation of the District's telecommunications network including the physical, informational, and computer code-based parts appropriate or necessary to its function—in technical terms, its "communications plant." (Flinn Aff. ¶¶ 8–13). Plaintiffs and the District are parties to the Operating Agreement. (Flinn Aff. ¶¶ 14–20). Plaintiffs concede they hold "all" of the "rights and obligations" contained in the Operating Agreement. (Compl. ¶ 12) (ECF 18 at 3); (Flinn Aff. ¶¶ 17–20). The Operating Agreement provides that it expires on December 31, 2025. (Flinn Aff. ¶ 21).

The District contracts with an independent contractor (currently, GWI) to operate the business and take direction from the District to ensure that this community-created business is accountable to the community. Pursuant to the Operating Agreement, the District pays and outfits local staff through its operator, GWI, to support that network and serve local customers.

The District pays all expenses incurred in the development and operation of its network directly from its own bank accounts, whether for equipment, software, fees, licenses, supplies, consulting, and other operational costs. (Flinn Aff. ¶¶ 22–23). The District makes payments directly to the operator for payroll reimbursement and the operator's entitlement to a fee per subscriber as provided for in the Operating Agreement. (Flinn Aff. ¶¶ 22, 24). The Operating Agreement provides that the District retains all ownership rights and all "benefits" under the Agreement "shall devolve

upon District and its member municipalities." (Flinn Aff. ¶¶ 25–30). The Operating Agreement reserves ownership of the communications plant for the District and does not permit the contract operator to exclude any communications plant property from the District. (Flinn. Aff. ¶ 29) ("Upon written request by District, [contractor] shall transfer and set over to District all of its rights, title, claim and interest in the communications plants currently existing or subsequently constructed hereunder, together with all contract rights, warranties and benefits related thereto.").

The Operating Agreement expires on December 31, 2025. (Flinn Aff. ¶ 21). From 2023 to 2025, the District considered continuing to contract with Plaintiffs. (Flinn Aff. ¶ 51). Plaintiffs presented the District with a proposal for a replacement operating agreement in November of 2024. (Flinn Aff. ¶ 52). The terms in Plaintiffs' proposal reflected alterations relative to the Operating Agreement currently in place. (Flinn Aff. ¶ 53). In December of 2024, the Plaintiffs provided their proposal for a subsequent operating agreement within a memorandum of understanding ("MOU") with an expiration date. (Flinn Aff. ¶ 54). Plaintiffs' MOU containing their proposal for an operating agreement to extend beyond December 31, 2025 provided that the MOU and proposal would be deemed withdrawn if not executed on or before January 31, 2025. (Flinn Aff. ¶¶ 55–56). Plaintiffs conveyed: "If we don't hear from you by January 31st, we'll understand that you wish to explore other options, and we'll respect that decision." (Flinn Aff. ¶ 55).

The District considered Plaintiffs' proposals to continue the parties' contractual relationship and communicated with Plaintiffs about the substance of the proposals. (Flinn Aff. ¶ 51). Ultimately, the District concluded that continuing to contract with Plaintiffs for the operation of the District's communications plant was not viable. (Flinn Aff. ¶¶ 54–63). On April 8, 2025, the District's Governing Board voted unanimously to remove renewal or extension of the Operating Agreement with GWI from consideration as a contract operator following the expiration of the 2016 Operating

Agreement. (Flinn Aff. ¶ 61). The Governing Board's judgment that the proposed terms were financially harmful to the District contributed to the District's conclusion that a new contract with Plaintiffs was not viable, (Flinn Aff. ¶ 62), as did injuries to the working relationship between the District and Plaintiffs. (Flinn Aff. ¶ 63).

Prior to the assignment and assumption of the Operating Agreement by Plaintiffs, the District's communications plant had always been operated by a not-for-profit contractor. (Flinn Aff. ¶ 64). The District concluded that its needs were best served by a not-for-profit entity performing the role of its contract operator. (Flinn Aff. ¶ 65). On April 16, 2025, the Governing Board notified Plaintiffs that a different contract operator would take its place upon the expiration of the Operating Agreement. The communication from the Governing Board to GWI indicated that in order to oversee an effective transition between contract operators, the District must be given access to the systems essential to the communications plant's operation. (Flinn Aff. ¶¶ 66–67). The District made its request for access to its communications plant property pursuant to its rights under the Operating Agreement. (Flinn Aff. ¶ 67); (Flinn Aff. ¶¶ 31–37).

On May 6, 2025, pursuant to its policymaking prerogative under the Operating Agreement, the District notified Plaintiffs of a forthcoming policy setting out a gradual transition schedule for the transfer of operational control from Plaintiffs to the next contract operator. (Flinn Aff. ¶¶ 68–70).¹ The Governing board ratified and adopted the proposed transition policy (the "Transition Policy") on May 13, 2025. (Flinn Aff. ¶¶ 71). The District's communication notifying Plaintiffs of the transition

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<sup>&</sup>lt;sup>1</sup> In its communications to Plaintiffs in April and May 2025, the District also exercised its rights under the Operating Agreement to appoint a "Clerk of the Works" to serve as a liaison between the parties. Like the District's Governing Board's prerogative to institute and modify operational policies, the District's authority under the Operating Agreement to appoint a Clerk of the Works to oversee the project of constructing and operating the District's network is explicit. Plaintiffs have indicated they dispute the District's right to utilize a Clerk of the Works. In the interest of clarity: while the District maintains its position that the Operating Agreement empowers it to appoint a Clerk of the Works under the present circumstances, the District is not currently seeking injunctive relief enacting its rights to appoint a Clerk of the Works.

plan and associated policy invited Plaintiffs to offer feedback on the form of the transition policy contained in the letter. (Flinn Aff. ¶ 72). On May 9th, Plaintiffs responded to the District's transition communication denying the District's authority to set any such policy, announcing their intention to not comply, announcing their intention to exclude representatives from the District from engaging in a transition process, purporting to instruct the District to "desist from all future communications" about the transition process, and shockingly, threatening: "Now come the consequences" of the District's "choice to transition" to a different contract operator. (Flinn Aff. ¶¶ 73–77).

Presumably reflecting "the consequences" threatened as a result of the District's choice to transition away from Plaintiffs' services at the expiration of the Operating Agreement, Plaintiffs now refuse requests to engage in their basic responsibilities to the District under the Operating Agreement including making regular reports regarding the operational and financial condition of their work under the Operating Agreement, providing capital expense reports, and responding to requests for information. (Flinn Aff. ¶¶ 73–87).

Irreparable harm is likely to result from Plaintiffs' repudiation of responsibilities under the Operating Agreement, in particular Plaintiffs' intention to exclude the District from its rightful control over the transition between contract operators. For the reasons that follow, the District respectfully requests the Court grant injunctive relief.

#### **LEGAL STANDARD**

A movant "generally [must] show a likelihood of success on the merits, a likelihood of irreparable harm in the absence of preliminary relief, that the balance of equities tips in the party's favor, and that an injunction is in the public interest" to demonstrate injunctive relief is called for. *A.C.L.U. v. Clapper*, 804 F.3d 617, 622 (2d Cir. 2015) ("*Clapper II*"). Courts in the Second Circuit also recognize that a preliminary injunction may issue on a showing of irreparable harm and "sufficiently serious questions going to the merits to make them a fair ground for litigation and a

balance of hardships tipping decidedly toward the party requesting the preliminary relief." *Id.*, *A.C.L.U. v. Clapper*, 785 F.3d 787, 825 (2d Cir. 2015) ("*Clapper I*").

Motions for preliminary injunction are analyzed according to whether the relief requested commands a positive act or prohibits certain conduct. *Tom Doherty Assocs., Inc. v. Saban Ent., Inc.*, 60 F.3d 27, 33–35 (2d Cir. 1995). The distinction between mandatory and prohibitory injunctions involves "ascertain[ing] the status quo ante—that is, 'the last actual, peaceable uncontested status which preceded the pending controversy." *N. Am. Soccer League v. U.S. Soccer Fed., Inc.*, 883 F.3d 32, 37 (2d Cir. 2018).

An injunction is prohibitory when it prohibits a party from refusing an action it was previously bound to perform, even if an injunction compels a particular action. *In re WorldCom, Inc. Sec. Litig.*, 354 F. Supp. 2d 455, 463 (S.D.N.Y. 2005) ("Where a preliminary injunction grants only part of the relief to which a movant would be entitled on the merits and requires a party 'to do what it should have done earlier,' then it is judged under the standard for prohibiting injunctions, and not the heightened standard for mandatory injunctions.") (quoting *Johnson v. Kay*, 860 F.2d 529, 541 (2d Cir. 1988)).<sup>2</sup>

Federal courts exercising diversity jurisdiction draw the substantive law of the merits of the case from the applicable state law. *Stryker Empl. Co., LLC v. Abbas*, 60 F.4th 372, 382 (6th Cir. 2023) ("Although [state] law governs Plaintiffs' breach-of-contract claim, federal law defines the district court's power to issue a preliminary injunction."); *Vermont Fed. of Sportsmen's Clubs v. Birmingham*, 741 F. Supp. 3d 172 (D. Vt. 2024) (noting preliminary injunction determinations adopt burdens of proof from the underlying legal frameworks).

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<sup>2</sup> See also Padberg v. McGrath-McKechnie, 108 F. Supp. 2d 177, 184 (E.D.N.Y. 2000) ("An injunction which orders a party to perform an action it should previously have performed may be characterized as prohibitory, since it does not change the status quo as it would have existed, absent that party's wrongful action.") quoted in Rochester Drug Co-Operative, Inc. v. Hiscox Ins. Co., Inc., 466 F. Supp. 3d 337, 349 (W.D.N.Y. 2020).

#### **ARGUMENT**

#### I. The District is likely to suffer irreparable harm without injunctive relief.

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The wrongful and retaliatory "consequences" Plaintiffs have set off to impose upon the District by renouncing their obligations under the Operating Agreement, rejecting the Transition Policy, and coopting the District's property present a significant likelihood of irreparable harm if not prevented by the Court's injunctive relief.

A significant disruption in a business's ability to operate constitutes irreparable harm, such that the likelihood of a significant disruption satisfies the irreparable harm requirement for injunctive relief. *Petereit v. S.B. Thomas, Inc.*,63 F.3d 1169, 1186 (2d Cir. 1995) ("Major disruptions of a business can be as harmful as its termination and thereby constitute irreparable injury."); *Tom Doherty Associates, Inc. v. Saban Entm't, Inc.*, 60 F.3d 27, 37 (2d Cir. 1995) (collecting cases finding likelihood of irreparable harm based on a likelihood of businesses' operations halting or experiencing major disruption). A significant body of case law recognizes that putting telecommunications services at risk of disruption constitutes irreparable harm because of the reputational harm, loss of goodwill, and loss of customers likely to result.<sup>3</sup>

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<sup>&</sup>lt;sup>3</sup> Global NAPS v. Verizon New England, Inc., 706 F.3d 8, 13 (1st Cir. 2013) (holding that a likelihood of irreparable harm existed where there was a demonstrated risk that a telecommunications executive "might interfere" with the transfer of services from one provider to another and "might damage" the telecom companies "or their assets"); Zayo Grp., LLC v. CVIN, LLC, No. 5:25-cv-03483, 2025 WL 1181293, at \*3 (N.D. Cal. Apr. 22, 2025) (finding likely irreparable harm because "Plaintiff's reputation may be seriously and irreparably damaged if Plaintiff fails to provide the network connectivity and communications services that it has contracted to provide to its customers . . . . " and finding that injunction served public interest by preventing disruption of private and public services relying on broadband network, including potentially preventing individuals from placing 911 telephone calls); BellSouth Telecomms., LLC v. City of Daphne, No. 1:18-cv-00335, 2018 WL 3625838, at \*2 (S.D. Ala. July 30, 2018) (finding irreparable harm satisfied where defendant's removal of markers identifying network cables "jeopardize[d] the safety and continued operation of [pllaintiffs' communications facilities upon which countless customers rely"), see also BellSouth Telecomms., Inc. v. MCIMetro Access Transmission Servs, LLC, 425 F.3d 964, 970 (11th Cir. 2005) (affirming injunction because movant was threatened with irreparable harm due to loss of customers and customers' goodwill); VNU, LLC v. Serverpacket.com, LLC, No. 1:09-cv-1735, 2009 WL 10700141, at \*2 (N.D. Ga. July 24, 2009) (same); McLeodUSA Telecomms. Servs., Inc. v. Owest, Corp., 361 F. Supp. 2d 912, 921 (N.D. Iowa 2005) (granting injunctive relief where movant was threatened with termination of telecommunication services which would cause its system to "collapse" because irreparable harm was likely and public interest was served by maintaining services to movant's customers); Am. Cash Card Corp. v. AT&T Corp., No. 95-Civ-10607 (DC), 1995 WL 758883,

Plaintiffs' express threats to expose the District to consequences for declining Plaintiffs' offer of a revised operating agreement, and the extent to which Plaintiffs have made good on that threat by refusing their obligations under the current Agreement presents a significant and imminent risk of irreparable harm to the District's communications plant and its business of providing reliable telecommunications to its thousands of customers by impairing the District's and its new operator's ability to prepare for the handover of operations on January 1, 2026. The essence of Plaintiffs' threat: "Now come the consequences," is taking the District's communications plant captive, preventing the District from protecting its property, and leaving the District to wait and hope that Plaintiffs do not leave its communications plant in ruins at the end of the Operating Agreement's term.

Irreparable harm is likely because Plaintiffs have promised to impose consequences on the District; even the least destructive manner of "consequences"—holding the network captive until December 31, 2025 and walking away to let the District pick up the pieces and attempt to perform an instantaneous transition to a new operator—still inflicts irreparable harm because it stands to subject the District to, at a minimum, a major disruption to its business, interruption in the services it provides to its customers, and a resulting loss of goodwill.<sup>4</sup> Many of the Vermonters served by the District's network do not have cell service and rely on the network as a single point of connection. As Plaintiffs point out in the Complaint, the services that they operate include voice over internet telephone service,

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at \*2 (S.D.N.Y. Dec. 21, 1995) (granting preliminary injunction because movant faced irreparable harm from loss of goodwill and customers that would result if its telephone lines were disconnected).

<sup>&</sup>lt;sup>4</sup> See, e.g., Global NAPS, 706 F.3d at 13 (holding that a likelihood of irreparable harm existed where there was a demonstrated risk that a telecommunications executive "might interfere" with the transfer of services from one provider to another and "might damage" the telecom companies "or their assets"); Zayo Grp., 2025 WL 1181293, at \*3 (finding likely irreparable harm because "Plaintiff's reputation may be seriously and irreparably damaged if Plaintiff fails to provide the network connectivity and communications services that it has contracted to provide to its customers . . . ."); City of Daphne, 2018 WL 3625838, at \*2 (finding irreparable harm satisfied where defendant's removal of markers identifying network cables "jeopardize[d] the safety and continued operation of [p]laintiffs' communications facilities upon which countless customers rely"); MCIMetro, 425 F.3d at 970 (affirming injunction because movant was threatened with irreparable harm due to loss of customers and customers' goodwill); VNU, LLC, 2009 WL 10700141, at \*2 (same).

such that Plaintiffs' intention to distance the District from its property and thwart a measured and effective transition to a new operator does more than inconvenience the District's customers; it has the potential to disrupt critical emergency services and other essential aspects of daily life that rely on telecommunications.

Few arguments to the contrary are available to Plaintiffs: it is no argument to claim that the risk of harm is not imminent because it might take months to discover what harm Plaintiffs could impose or allow to accumulate on the District's communications plant; neither is it reasonable to argue that the Plaintiffs are entitled to hold the District's communications plant captive until the current Operating Agreement lapses, when the Agreement empowers the District's Governing Board to implement the policies necessary to serve its customers and empowers the District to exercise control over its property. So long as Plaintiffs hold the District's plant captive—effectively excluding the District from its own property and from the very ability to monitor or influence its business in any way—Plaintiffs threaten the very viability of the District's business.

Nor is the risk speculative: the likelihood of the harm to the District resulting from Plaintiffs holding the network captive is satisfied by the fact that it is already underway, that Plaintiffs have announced that they intend to subject the District to "consequences," and the necessary result of Plaintiffs' actions is a harmful and chaotic transfer between operators which interrupts service to customers to the severe detriment of the District's goodwill.

#### II. The District is likely to succeed on the merits.

A. The Operating Agreement provides that the District's Governing Board may promulgate binding policies for the operation of the District's communications plant.

The District is likely to succeed on the merits of its right to promulgate policies under the Operating Agreement because Agreement's plain language repeatedly identifies implementing operational policies as one of the District's prerogatives in clear terms. (Flinn Aff. ¶¶ 31–37).<sup>5</sup>

The Operating Agreement does not empower Plaintiffs to ignore or refuse compliance with policies approved and promulgated by the District Governing Board. Its terms instruct Plaintiffs to prepare a budget for implementing such policies—budgets that the District is responsible for funding in any event, (Flinn Aff. ¶¶ 22–24), and to advocate for different policies if detrimental to the network's operation, (Flinn Aff. ¶ 37). Nevertheless, the Operating Agreement is clear that the right of the District to implement binding policies remains. (Flinn Aff. ¶¶ 31–37).

Here, the clear intent expressed in the Operating Agreement is that the District, acting through its legislative body, the Governing Board, may implement policies which then will bind the contract operator—the role now occupied by Plaintiffs. *Patel v. Univ. of Vermont & State Agric. Coll.*, 526 F. Supp. 3d 3, 20–21 (D. Vt. 2021) (explaining that Vermont law instructs contracts should be interpreted to effectuate the parties' intent by harmonizing all parts of the contract and should not be interpreted to take a single provision out of context).

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<sup>&</sup>lt;sup>5</sup> Specifically, it provides: "The parties further *acknowledge that the District*, acting through its Governing Board as the legislative body of a municipal corporation, *is responsible for establishing and articulating policies to be acted upon and implemented by [contractor]* under this Agreement[,]" (Flinn Aff. ¶ 32); *[Contractor]* and District *shall comply with the General Operating Policies and Protocol* ("Operating Protocol"), which is attached hereto as Exhibit A.... This Operating Protocol may be modified from time to time by mutual written consent of District and [contractor,] (Flinn Aff. ¶ 33); "The operating policies and protocols articulated herein are intended to conform to and supplement the enactments and agreements establishing the District and its delivery of communications services under the auspices of [contractor]. Such policies will be established and modified from time to time by the District's Governing Board[,]" (Flinn Aff. ¶ 34–35); "District Governing Board shall develop, approve and promulgate general policies relating to Network operations and convey these to [contractor]. [Contractor] shall prepare and submit to the District a budget for Network and subscriber operations and support[,]" (Flinn Aff. ¶ 37); (Flinn Aff. ¶ 36) (listing as one of the contractor's roles: "Acknowledge and comply with District policies") (emphases added throughout).

An objection from Plaintiffs that the District cannot impose the Transition Policy without the mutual written consent of both parties would fall flat: by repeating the District's prerogative to "establish," "articulate," and "modify" policies "to be acted upon," and "implemented" by the contractor and with which the contractor must "comply," it is clear that the Operating Agreement's terms expressly contemplate that the Governing Board has flexibility to oversee the operation of its communications plant by issuing to the contractor new and adjusted policy-based instructions. *Id.* 

Because the Transition Policy was properly approved by a unanimous vote of the District's Governing Board, Plaintiffs' compliance is mandatory pursuant to the terms of the Operating Agreement, and the District is likely to succeed on the merits of the Transition Policy's enforceability.

B. The Operating Agreement provides that the District holds all rights, title, claims, and interest in the communications plant operated by Plaintiffs, together with all contract rights, warranties and benefits related thereto.

The Operating Agreement provides that all property ownership rights in the District's communications plant—including all contract rights, warranties, and contractual "benefits" related to the physical and operational existence of the plant—accrue and belong to the District, which may at any time instruct Plaintiffs to transfer whatever rights over to the District are not currently in its possession. (Flinn Aff. ¶¶ 25–30). Any doubts as to the extent of the District's right in its communications plant property are resolved by the provision stating, "Upon written request by District, [contractor] shall transfer and set over to District all of its rights, title, claim and interest in the communications plants currently existing or subsequently constructed hereunder, together with all contract rights, warranties and benefits related thereto." (Flinn Aff. ¶ 29). If at any time, the District is entitled to receive all of the rights and interest the operator has in components of the communications plant, it is impossible for the Agreement to contemplate—or allow—any durable property right of Plaintiffs in any component of the plant that they may wield against the District. Plaintiffs have refused to honor the District's request for access to electronic property belonging to

the District, including software essential to the operation of its communications plant. (Flinn Aff. ¶¶ 82).

The District has repeatedly demanded access to its records and property, including data and software. GWI has continued to refuse to grant the District access. The District repeatedly demanded assurances that GWI will surrender all physical property, including trucks, computers, and the ECFiber building. GWI failed to provide any such assurances. (Flinn Aff. ¶ 83). Plaintiffs, instead, attempt to withhold from the District its rights, title, claim and interest in components of its network infrastructure on the unfounded basis that the District has no ownership interest in those components. GWI's position and conduct violates the Operating Agreement's clear indication that the operating contractor possesses no ownership rights in components of the "communications plant" that are possible to exercise against or to the exclusion of the District. *See* (Flinn Aff. ¶ 29, 25–30). Vermont law provides the definition of "communications plant," which is very broad and includes software, licenses, individual and combined technologies, "in whatever forms, directions, and media," among other categories. 30 V.S.A. § 3051 (d)(1).6 The broad definition of communications plant encompasses the entire network infrastructure including all physical, informational, and computer code-based parts appropriate or necessary to its function, inclusive of software and licenses.

For the foregoing reasons, the District is likely to be successful on its claim for breach of contract related to GWI's unlawful retention of District property, its breach of contract claim related to breach of the Transition Policy to the extent the Transition Policy clearly articulates the property

<sup>&</sup>lt;sup>6</sup> Vermont law defines "communications plant" as: "Communications plant' means any and all parts of any communications system owned by the district, whether using wires, cables, fiber optics, wireless, other technologies, or a combination of, and used for the purpose of transporting or storing information, in whatever forms, directions, and media, together with any improvements constructed or acquired later, and all other facilities, equipment, and appurtenances necessary or appropriate to such system." 30 V.S.A. § 3051 (d)(1).

ownership issue, and its declaratory judgment claims seeking a declaration as to the Transition Policy and the rights of the parties in the District's property.

#### III. The balance of equities and public interest tips in favor of injunction.

#### A. The balance of equities tip in the District's favor.

The District is simply seeking to reasonably exercise its contractual rights. Moreover, the Transition Policy and District's requests do not attempt to impair any of Plaintiffs' rights under the Agreement: the District is already responsible for paying for the labor performed by GWI VT employees working to operate the District's communications plant, thus, Plaintiffs are not being instructed to provide any uncompensated work. The Transition Policy does not attempt to unilaterally change the benefit of the bargain for Plaintiffs, particularly because the Agreement expressly contemplates that the District may impose operational policies that affect costs. *See* (Flinn Aff. ¶¶ 31–37). By complying with the District's lawfully imposed Transition Policy and providing the District with access to its own property, Plaintiffs will receive the entire benefit of the bargain under the Operating Agreement: all of their per-subscriber annual fees and all of the reasonable and actually incurred marginal costs associated with implementing the District's policies as afforded in the Operating Agreement. For these reasons, a bond is also unnecessary.

Plaintiffs' objection to the District's reasonable exercise of its rights under the Operating Agreement is baseless and any harm Plaintiffs purport to suffer under the District's reasonable exercise of its rights is either manufactured, or was not among Plaintiffs' entitlements under the Agreement in the first place. Therefore, the balance of equities tips in favor of the District.

#### B. An injunction is in the public interest.

The District seeks an injunction instructing Plaintiffs to give the District access to the components of its communications plant as called for in the Operating Agreement and Vermont law, and to comply with the Transition Policy properly enacted by the Governing Board. An injunction is

in the public interest because the purpose of the District's work preparing for a transition between contract operators is to maintain reliable, uninterrupted service to its customers in its 31 member municipalities. Compliance with a legal or regulatory scheme always serves the public interest.<sup>7</sup> and courts have recognized that maintaining reliable telecommunications service serves the public interest enough to support injunctive relief. McLeodUSA Telecomms., 361 F. Supp. 2d at 921 (granting injunctive relief where movant was threatened with termination of telecommunication services which would cause its system to "collapse" because irreparable harm was likely and public interest was served by maintaining services to movant's customers); Zayo Grp., 2025 WL 1181293, at \*3 (finding that injunction served public interest by preventing disruption of private and public services relying on broadband network, including potentially preventing placing 911 telephone calls).<sup>8</sup>

#### **CONCLUSION**

The District stands to suffer immediate and irreparable harm without injunctive relief from this Court. For the foregoing reasons, injunctive relief is appropriate, and the District respectfully requests the Court GRANT its motion for preliminary injunction:

- Ordering Plaintiffs to comply with the Transition Policy;
- Ordering Plaintiffs to provide access to the communications plant and all components; and, В.
- C. Ordering Plaintiffs to cease further efforts to frustrate the transition.

<sup>&</sup>lt;sup>7</sup> Gulf & W. Indus., Inc. v. Great Atl. & Pac. Tea Co., Inc., 476 F.2d 687, 699 (2d Cir. 1973) (enjoining the merger of two corporate entities on the basis that the public interest was served by delaying merger that may violate antitrust principles, explaining "the present case involves precisely that strong showing of public interest which we hold is paramount").

<sup>&</sup>lt;sup>8</sup> Even when an entire region's connection to essential services and the world at large is not at stake, courts recognize that enforcing contracts serves the public interest. See Rochester Drug Co-Operative, Inc. v. Hiscox Ins. Co., Inc., 466 F. Supp. 3d 337, 362 (W.D.N.Y. 2020) ("The Court finds that the issuance of this injunction would serve the public interest by holding Defendant to its contractual obligations. Plaintiff was entitled to expect that it could hold Defendant to the terms of those agreements should a dispute arise."); Empower Energies, Inc. v. SolarBlue, LLC, No. 16-cv-3220 (DLC), 2016 WL 5338555, at \*13 (S.D.N.Y. Sept. 23, 2016) ("There is a well-recognized public interest in enforcing contracts . . . . "); GE Transp. (Shenyang) Co. v. A-Power Energy Generation Sys., Ltd., No. 15-cv-6194 (PAE), 2016 WL 3525358, at \*9 (S.D.N.Y. June 22, 2016) ("[T]he public interest is served by the enforcement of parties' rights under their contract....").

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Dated: June 20, 2025 By: /s/Ryan M. Long

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Attorneys for the East Central Vermont Telecommunications District

#### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was this day electronically served on:

/s/ Ryan M. Long

Ryan M. Long

## IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF VERMONT

BIDDEFORD INTERNET CORPORATION D/B/A GREAT WORKS INTERNET	)
and GWI VERMONT, LLC,	) Docket No. 25-cv-354
Plaintiffs,	) JURY TRIAL ) REQUESTED
F. X. FLINN and EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT	
Defendants.	)
F. X. FLINN and EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT	) )
Counterclaim-Plaintiffs,	)
BIDDEFORD INTERNET CORPORATION D/B/A GREAT WORKS INTERNET and GWI VERMONT, LLC,	) ) )
Counterclaim-Defendants.	)

#### AFFIDAVIT OF F.X. FLINN IN SUPPORT OF EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT'S MOTION FOR PRELIMINARY INJUNCTION

- I, F.X. Flinn, having been duly sworn, having more than eighteen years of age, being competent to testify to the matters stated herein, depose and state based on personal knowledge, information, and belief as follows:
- 1. East Central Vermont Telecommunications District (the "District") is a Vermont municipality known as a Communications Union District, formed pursuant to 30 V.S.A. § 3051 and subsequent sections, for the purpose of developing communications infrastructure, including broadband internet connectivity, in parts of the state not adequately served by commercial investment.

- 2. The District is made up of thirty-one member municipalities in east-central Vermont.
- 3. The District's Governing Board (the "Governing Board") is the District's legislative body. It is composed of a delegate exercising one vote on behalf of each member municipality.
  - 4. I represent the Town of Hartford, Vermont as a delegate to the Governing Board.
- 5. In 2017 I was elected to serve as the Vice-Chair of the Governing Board. In 2020 I was elected by the Governing Board to serve as its Chair.
  - 6. I am currently the chairperson of the Governing Board.
  - 7. Delegates receive no pay for their service on the Governing Board.
- 8. Since its formation, the District has developed nearly two thousand miles of fiberoptic network infrastructure and provides broadband telecommunications services at approximately ten thousand locations.
- 9. The District develops, owns, and provides telecommunications services on its communications plant under the trade name ECFiber; ECFiber is a trade name representing the East Central Vermont Telecommunications District.
- 10. In 2016, the District entered into a ten-year contract for design, construction, and operation services pertaining to the District's network with ValleyNet, Inc. (the "Operating Agreement").
- 11. A true and accurate copy of the Operating Agreement is attached hereto as Exhibit A.<sup>1</sup>

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<sup>&</sup>lt;sup>1</sup> To avoid or reduce ambiguity, exhibit references in this Affidavit relate to exhibits filed with East Central Vermont Communications District's Answer and Counterclaims (ECF 24), and use the same lettering scheme. Specifically, East Central Vermont Communications District's affidavit references Exhibits A, B, G, I, K, J, and O. As such, the non-consecutive nature of exhibit references in this document is intentional.

- 12. The Operating Agreement is a contract between the District and a contractor in which the contractor serves to "design, construct and operate one or more communications plants . . . for the delivery of the District's broadband communications services."
- 13. Communications plant means any and all parts of the telecommunications system owned by the District, including physical, informational, and computer code-based parts of the network which are necessary or appropriate to the system inclusive of software and licenses.
  - 14. The Operating Agreement was made between the District and ValleyNet in 2016.
- 15. ValleyNet served as the contract operator of the District's communications plant from 2016 to 2022.
- 16. In 2022, the District approved the assignment of the Operating Agreement from ValleyNet to Biddeford Internet Corporation d/b/a Great Works Internet ("GWI").
- 17. The assignment of the Operating Agreement to GWI was memorialized in an agreement attached hereto as Exhibit B (the "Assignment Agreement").
- 18. GWI took all of ValleyNet's rights and obligations under the Operating Agreement according to the language on the face of the Assignment Agreement.
- 19. The Assignment Agreement states in relevant part: "GWI hereby accepts the assignment of all of ValleyNet's rights, titles, and interests in all of the obligations, benefits, rights and privileges relating or pertaining to the ECFiber Contract."
- 20. In Paragraph 12 of its Complaint in this action, GWI states: "ECFiber, ValleyNet, and GWI entered into an Assignment and Assumption Agreement dated as of December 31, 2022, in which GWI assumed from ValleyNet the Operating Agreement and all of ValleyNet's rights and obligations thereunder." (Compl. ¶ 12) (ECF 18 at 3).

- 21. Paragraph 2 of the Operating Agreement states "The initial term of this Agreement shall be ten (10) years, commencing at midnight on the 31st day of January, 2016, and expiring at midnight on the 31st day of December, 2025, unless sooner terminated as provided herein." (Operating Agreement ¶ 2) (ECF 24-2 at 2).
  - 22. The Operating Agreement provides:
    - (20)(a) District shall pay all costs of constructing, operating and managing the Project and broadband communications services as detailed by invoices submitted by ValleyNet pursuant to the General Operating Policies and Protocol.
    - (b) ValleyNet shall receive upon invoice to District its actual and direct expenses incurred in furnishing the broadband communications services and support contemplated herein.
    - (c) ValleyNet shall receive from District compensation in an amount equal to \$10.00 per service subscriber per year, to be paid semi-annually, to the extent sufficient funds remain after payment of debt service on District's obligations.

(Operating Agreement  $\P$  20(a)–(c)) (ECF 24-2 at 5).

- 23. The District makes actual direct payments from its own accounts for all costs of constructing and operating its communications plant, inclusive of equipment, software, fees, licenses, supplies, consulting, and other operational costs.
- 24. Pursuant to the Operating Agreement, the District makes actual payments to its contract operator for payroll reimbursement and per-subscriber fee.
- 25. The Operating Agreement articulates that the District retains all ownership and benefits of the development of its communications plant.
  - 26. Paragraph 1 of the Operating Agreement reads in relevant part:
    - (1) The parties acknowledge that the benefits of this Agreement shall devolve upon District and its member municipalities, and shall be disposed of by the District pursuant to the enactments under which it is established. . . .

(Operating Agreement  $\P$  1) (ECF 24-2 at 2).

27. Paragraph 7 of the Operating Agreement reads in relevant part:

(7) ValleyNet shall use its commercially reasonable efforts to secure for the benefit and on behalf of the District, such governmental permits, exemptions, licenses, certificates and approvals as may be necessary to design, finance, construct, manage, and operate one or more systems for the delivery of broadband communications service.

(Operating Agreement  $\P$  7) (ECF 24-2 at 3-4).

28. Paragraph 11 of the Operating Agreement reads in relevant part:

(11) . . . ValleyNet shall engage all personnel . . . and shall purchase or cause to be purchased in the name of the District all equipment and materials necessary to implement the construction and operation of the Project.

(Operating Agreement ¶ 11) (ECF 24-2 at 4).

29. Paragraph 19 of the Operating Agreement reads in relevant part:

(19) Upon written request by District, ValleyNet shall transfer and set over to District all of its rights, title, claim and interest in the communications plants currently existing or subsequently constructed hereunder, together with all contract rights, warranties and benefits related thereto.

(Operating Agreement ¶ 19) (ECF 24-2 at 5).

30. Paragraph 20(a) of the Operating Agreement reads in relevant part:

(20)(a) District shall pay all costs of constructing, operating and managing the Project and broadband communications services as detailed by invoices submitted by ValleyNet pursuant to the General Operating Policies and Protocol.

(Operating Agreement ¶ 20(a)) (ECF 24-2 at 5).

31. The Operating Agreement provides that the District is "responsible for establishing and articulating policies to be acted upon and implemented" by the contractor under the Agreement.

- 32. Paragraph 1 of the Operating Agreement reads, in relevant part:
  - (1) . . . The parties further acknowledge that the District, acting through its Governing Board as the legislative body of a municipal corporation, is responsible for establishing and articulating policies to be acted upon and implemented by ValleyNet under this Agreement

(Operating Agreement ¶ 1) (ECF 24-2 at 2).

- 33. Paragraph 10 of the Operating Agreement reads, in relevant part:
  - (10) ValleyNet and District shall comply with the General Operating Policies and Protocol ("Operating Protocol"), which is attached hereto as Exhibit A . . . . This Operating Protocol may be modified from time to time by mutual written consent of District and ValleyNet.

(Operating Agreement ¶ 10) (ECF 24-2 at 3).

- 34. The Operating Agreement contains General Operating Policies and Protocol ("General Operating Policies and Protocol"), which is incorporated into the Agreement as its "Exhibit A." (Operating Agreement ¶ 10) ("ValleyNet and District shall comply with the General Operating Policies and Protocol ("Operating Protocol"), which is attached hereto as Exhibit A...").
  - 35. The General Operating Policies and Protocol reads, in relevant part:

The operating policies and protocols articulated herein are intended to conform to and supplement the enactments and agreements establishing the District and its delivery of communications services under the auspices of ValleyNet. Such policies will be established and modified from time to time by the District's Governing Board.

(Operating Agreement General Policies and Protocol at 1) (ECF 24-2 at 8) (emphasis added).

- 36. The General Operating Policies and Protocol reads, in relevant part:
  - II. General Roles regarding the Project

. . . .

- B. ValleyNet
- b. Acknowledge and comply with District policies
- c. Manage Network operations
- d. Report regularly on Network Project progress and operations

(Operating Agreement General Policies and Protocol ¶ II(B)(b)) (ECF 24-2 at 9) (emphasis added).

- 37. The General Operating Policies and Protocol reads, in relevant part:
  - III. Operational Details
  - C. Project Governance
  - b. District Governing Board shall develop, approve and promulgate general policies relating to Network operations and convey these to ValleyNet. ValleyNet shall prepare and submit to the District a budget for Network and subscriber operations and support. Should ValleyNet determine that the implementation of any such policy would be financially or operationally detrimental to the project, it shall so inform the District Governing Board, with a brief explanation, and shall either propose an alternative policy, or request the Governing Board reconsider the policy, or resolve the matter as provided in Section (25) of the Operating Agreement.

(Operating Agreement General Policies and Protocol ¶III(C)(b)) (ECF 24-2 at 10) (emphasis added).

- 38. Under the Operating Agreement, the contractor has regular reporting responsibilities to the District.
- 39. The Operating Agreement provides: "At all times ValleyNet shall communicate at least monthly with the District Governing Board and/or the Executive Committee established thereunder as to the operational and financial condition of the Project." (Operating Agreement ¶ 6) (ECF 24-2 at 3).
  - 40. The Operating Agreement provides:

ValleyNet shall establish and maintain accounting records in accordance with generally accepted accounting principles for all development, construction and operational matters related to those broadband, communications service systems and communications plants hereunder, which accounts shall detail the costs of implementing this Agreement. At District's expense, such records may be audited by a qualified accounting firm on an annual basis or as determined by the Governing Board, and shall be made available to District within ninety (90) days of completion.

(Operating Agreement ¶ 12) (ECF 24-2 at 4).

- 41. The Operating Agreement General Policies and Protocol also impose reporting requirements upon the contractor.
- 42. The General Policies and Protocol provide: "At all meetings of the District Governing Board, ValleyNet will report on the operational, financial and construction status of the Network Project." (Operating Agreement General Policies and Protocol ¶ III(C)(a)(i)) (ECF 24-2 at 9).
- 43. The Operating Agreement provides: "The parties agree to use their best efforts to resolve any dispute, controversy or claim hereunder in the first instance through the offices of the Clerk of the Works, and thereafter through negotiation and mediation." Operating Agreement ¶ 25) (ECF 24-2 at 7).
- 44. From 2016 to 2022, and consistent with the Operating Agreement, ValleyNet employees exclusively serviced ECFiber's network unless the District provided express permission to service any other communications union district.
- 45. The District is the official phone provider, and ISP of record, at the Federal Communications Commission, and for all regulatory matters at the state and local level.
- 46. ValleyNet employees self-identified as ECFiber staff because their plain focus was on operating ECFiber.

- 47. With few exceptions, most ValleyNet employees wore garb displaying the name "ECFiber" only.
- 48. ECFiber service trucks, which are owned by the District, are emblazoned with the word "ECFiber."
- 49. When customers called ValleyNet's South Royalton's office, a ValleyNet employee would generally identify themselves as working for ECFiber.
- 50. In 2023, 2024, and 2025, as the District anticipated the expiration of the 2016 Operating Agreement, several approaches to operating the District's communications plant were discussed.
- 51. Continuing to contract with GWI was a course of action which was considered by the District and discussed with GWI from 2023 to 2025.
- 52. In November 2024, GWI submitted a proposal for contracting with the District to continue serving as its contract operator.
- 53. The terms in Plaintiffs' proposal reflected changes relative to the 2016 Operating Agreement currently in force.
- 54. On December 19, 2024, GWI presented a memorandum of understanding ("MOU") incorporating a proposal by GWI for a new contract with the District.
- 55. GWI transmitted its proposal and memorandum of understanding in an email, which stated in relevant part: "If we don't hear from you by January 31st, we'll understand that you wish to explore other options, and we'll respect that decision. We believe clear communication serves everyone's best interests."
- 56. The memorandum of understanding incorporated a term providing: "16. Withdrawal of MOU if Not Fully Executed by January 31, 2025. The Parties understand that

contract negotiations require the significant expenditure of time and resources. Accordingly, if this MOU is not executed by 5pm Eastern Time on January 31, 2025, it shall be deemed withdrawn. Further, if an Amended and Restated Operating Agreement is not executed by March 31, 2025, the terms of this MOU are void."

- 57. On January 14, 2025, GWI submitted a proposal which would extend the 2016 Operating Agreement for a number of years, subject to increases in per-subscriber fees payable to GWI in excess of 100%, and express authorization to allow GWI "to assign[] employees to work on matters and projects that do not pertain to the District."
- 58. The District did not agree to the terms proposed by GWI in November, December, or January.
- 59. The deadline established by GWI for the District to accept its proposal for a new operating agreement passed without the parties' agreement to proceed.
- 60. On February 24, 2025 GWI initiated a lawsuit against me in Vermont Superior Court "individually and in [my] official capacity as Chair" of the District Governing Board.
- 61. On April 8, 2025, the Governing Board voted unanimously to remove renewal or extension of the Operating Agreement with GWI from consideration as a contract operator following the expiration of the 2016 Operating Agreement.
- 62. The Governing Board's judgment that the proposed terms were financially harmful to the District contributed to the District's conclusion that a new contract with GWI was not viable: GWI proposed an unsustainable increase in per-subscriber fees, and proposed the District should take on additional debt to pay GWI's higher fees.
- 63. The Governing Board's judgment that management decisions by GWI were inconsistent with the District's mission and needs, and the Governing Board's diminished trust in

current GWI leadership contributed to the District's conclusion that a new contract with GWI was not viable.

- 64. Prior to the assignment of the Operating Agreement from ValleyNet to GWI, the District's communications plant had always been operated by a not-for-profit entity.
- 65. The District concluded that its needs were best served by reverting to a not-for-profit operator.
- 66. On April 16, 2025, the Governing Board notified GWI that a different contract operator would take its place upon the expiration of the Operating Agreement. The communication from the Governing Board to GWI indicated that in order to oversee an effective transition between contract operators, the District must be provided access to the systems essential to the communications plant's operation.
- 67. A true and accurate copy of the April 16, 2025 letter requesting access to the District's communications plant property is attached as Exhibit G.
- 68. On May 6, 2025, the Governing Board notified GWI that pursuant to the Operating Agreement the District would be implementing a policy to facilitate the transition between operators ("Transition Policy").
- 69. The Governing Board notified GWI of its intended transition schedule, to occur gradually over several months in late 2025 so as to ensure a successful transition and stable services from 2025 to 2026.
- 70. A true and accurate copy of the May 6, 2025 letter alerting GWI to a forthcoming transition policy is attached as Exhibit I.

- 71. On May 13, 2025, the Governing Board voted unanimously to adopt the Transition Policy as conveyed to GWI. A True and accurate copy of the Transition Policy as adopted by the District's Governing Board on May 13, 2025 is attached hereto as Exhibit K.
- 72. The District's communication to GWI on May 6, 2025 invited GWI to provide feedback on the form of the Transition Policy contained in the letter.
- 73. GWI responded on May 9, 2025 through counsel. A true and accurate copy of GWI's letter on May 9, 2025 is attached hereto as Exhibit J.
- 74. GWI's response through counsel states, in relevant part: "There is nothing in the Operating Agreement that requires GWI to enter into or abide by a "Transition Policy"... whose terms have been unilaterally dictated by ECFiber and its lawyers." (May 9, 2025 Letter at 2) (ECF 24-11 at 3).
- 75. GWI's response through counsel states, in relevant part: "GWI intends to put ECFiber out of the business of taking its confidential and proprietary information for its own use, to which it has no right." (May 9, 2025 Letter at 3) (ECF 24-11 at 4).
- 76. GWI's response through counsel states, in relevant part: "ECFiber has made its choice to transition to VISPO. Now come the consequences." (May 9, 2025 Letter at 3) (ECF 24-11 at 4) (emphasis added).
- 77. GWI's response through counsel states, in relevant part: "Moving forward, please desist from all future communications with GWI about a "Transition Agreement" [sic]. (May 9, 2025 Letter at 3) (ECF 24-11 at 4).
- 78. From the May 13, 2025 meeting of the Governing Board, GWI has failed to provide adequate reporting required at all Governing Board meetings by sending a representative to receive comments instead of a representative capable of providing information. (Operating Agreement

General Policies and Protocol ¶ III(C)(a)(i)) (ECF 24-2 at 9) ("At all meetings of the District Governing Board, ValleyNet will report on the operational, financial and construction status of the Network Project.").

- 79. On June 3, 2025, GWI announced to the District in a letter that it would no longer send personnel to all Governing Board meetings. A true and accurate copy of GWI's June 3 letter is attached as Exhibit O.
- 80. On June 10, 2025 the Governing Board held its regularly-scheduled meeting, and for the first time in the history of the District, no representative of the operator was present to provide the required reports.
  - 81. Since February of 2025, GWI has failed to respond to requests for financial reports.
- 82. Since February of 2025, GWI has refused or failed to respond to requests for access to information and systems which are essential to the operation of the District's communications plant.
- 83. In response to the District's requests, GWI has failed to provide assurances that GWI will surrender all property belonging to the District—including physical property such as trucks, computers, and the ECFiber building and all applicable systems and components of the District's communications plant.
- 84. The Operating Agreement tasks GWI with conducting monthly financial reporting to the District.
- 85. The Operating Agreement tasks GWI with performing accounting on its work for the District according to generally accepted accounting principles, and to timely make its financial reports available to the District's auditors.
  - 86. GWI has failed to provide any capital expense report in 2025.

GWI failed to timely provide documents responsive to a financial audit, 87. contributing to a debt rating agency issuing a "negative" rating outlook based on a finding of "material weakness" partially caused by inadequate financial reporting by GWI.

Dated at <u>Quechee</u>, Vermont, this 20th day of June, 2025.

Notary Public

Notary Public Commission Expires: 01/31/2027

State of Vermont WINDSOR

Subscribed and sworn to before me this 20th day of June, 2025

Notary Public State of Vermont

Jeffrey S. Peck Commission **★Na. 157.0012377** 

## IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF VERMONT

BIDDEFORD INTERNET CORPORATION	)
D/B/A GREAT WORKS INTERNET	)
and GWI VERMONT, LLC,	) Docket No. 25-cv-354
Plaintiffs,	)
T Million,	)
F. X. FLINN and EAST CENTRAL VERMONT	)
TELECOMMUNICATIONS DISTRICT	)
	)
Defendants.	)
	)
F. X. FLINN and EAST CENTRAL VERMONT	)
TELECOMMUNICATIONS DISTRICT	)
	)
Counterclaim-Plaintiffs,	)
	)
BIDDEFORD INTERNET CORPORATION	)
D/B/A GREAT WORKS INTERNET	)
and GWI VERMONT, LLC,	)
	)
Counterclaim-Defendants	

# LIST OF EXHIBITS TO AFFIDAVIT OF F.X. FLINN IN SUPPORT OF EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT'S MOTION FOR PRELIMINARY INJUNCTION

<b>EXHIBIT</b>	<u>DOCUMENT</u>
A	Operating Agreement
В	<b>Assignment and Assumption Agreement</b>
G	4/16/25 ECVTD Letter to GWI
I	5/6/25 ECVTD Notification to GWI
J	5/9/25 Harvey Wolkoff Letter to Ryan Long
K	Transition Policy [as Approved 5.13.25]
O	6/3/25 Harvey Wolkoff Letter to Ryan Long

## **EXHIBIT A**

FINAL

#### OPERATING AGREEMENT

THIS OPERATING AGREEMENT ("Agreement"), entered into and executed as of the 22 day of February, 2016, by and between EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT, a municipal corporation and a political subdivision of the State of Vermont ("District"), and VALLEYNET, INC. ("ValleyNet") a non-profit corporation organized and existing under the laws of the State of Vermont.

IN CONSIDERATION OF ONE DOLLAR AND OTHER GOOD AND VALUABLE CONSIDERATION, payment, receipt and sufficiency of which is hereby mutually acknowledged, and in consideration of the several representations, undertakings and inducements set forth herein, District hereby engages ValleyNet to design, construct and operate one or more communications plants (the "Project") for the delivery of District's broadband communications services to commercial, residential, governmental and educational subscribers with the State of Vermont, all under the following terms and conditions:

- (1) The parties acknowledge that the benefits of this Agreement shall devolve upon District and its member municipalities, and shall be disposed of by the District pursuant to the enactments under which it is established. The parties further acknowledge that the District, acting through its Governing Board as the legislative body of a municipal corporation, is responsible for establishing and articulating policies to be acted upon and implemented by ValleyNet under this Agreement
- (2) The initial term of this Agreement shall be ten (10) years, commencing at midnight on the 1<sup>st</sup> day of January, 2016, and expiring at midnight on the 31<sup>st</sup> day of December, 2025, unless sooner terminated as provided herein. This Agreement shall automatically renew itself for additional and successive terms of ten (10) years each, unless notice of non-renewal shall be furnished by one party to the other, in writing, at least one hundred and eighty (180) days prior to the original or successive termination date.
- (3) Notwithstanding the provisions of Section (2), this Agreement may be terminated by the non-defaulting party in the event one or more of the following Events of Default occurs and shall remain uncorrected for a period of ninety (90) days from the date upon which notice of such Event of Default shall have been given in writing by the non-defaulting party to the other:
  - (a) The filing of a petition of bankruptcy by or against ValleyNet;
  - (b) The attachment or sequestration of all or substantially all of the assets of ValleyNet or of District;

- (c) The cancellation or revocation of any license, permit or approval granted by any cognizant governmental authority which materially impairs ValleyNet's ability to operate the Project contemplated under this Agreement;
- (d) The insufficiency of the communications plant financing proceeds and all revenue of the District's broadband communications service to meet the obligations and current expenses of District;
- (e) A determination by the District Governing Board that ValleyNet has engaged in gross negligence or malfeasance;
- (f) The failure of ValleyNet to remain in good standing under the laws of the State of Vermont;
- (g) The dissolution or liquidation of ValleyNet or District;
- (h) A default of any provision of this Agreement.
- (4) Notwithstanding the provisions of Sections (2) and (3) of this Agreement, and provided no uncured Event of Default exists, either party may terminate this Agreement upon at least six (6) months advance written notice, and upon the delivery of mutual releases with respect to all matters hereunder, including the rights of third parties.
- (5) Notwithstanding the provisions of Sections (2), (3) and (4), termination of this Agreement shall not affect the rights of any person who is a party to any third -party contract relating to the construction, operation, management or financing of any material component of the Project, or who possesses a security interest in any property dedicated to the communications plant or District broadband communications services.
- (6) ValleyNet will, on behalf and for the benefit of District, implement fully the design, construction, operation and management of the Project and broadband communications services systems as may be approved from time to time by the Governing Board of the District, and any related operating and management agreements as agreed upon in writing by the parties that may be subsequently developed and deemed useful and necessary for the successful operation of such communications plants and the delivery of broadband communications services. At all times ValleyNet shall communicate at least monthly with the District Governing Board and/or the Executive Committee established thereunder as to the operational and financial condition of the Project.
- (7) ValleyNet shall use its commercially reasonable efforts to secure for the benefit and on behalf of the District, such governmental permits, exemptions, licenses, certificates and approvals as may be necessary to design, finance, construct, manage

- and operate one or more systems for the delivery of broadband communications service.
- (8) District may engage and appoint a Clerk of the Works to oversee the construction and installation of all work related to each Project contemplated in this Agreement, and to act as a liaison between and among parties involved in communications plant construction.
- (9) District shall open and maintain such accounts, funds and reserves in its name, or with a trustee, as may be necessary or convenient to implement in this Agreement and the financing of any improvement made hereunder. In no event shall funds of the District be commingled with funds of ValleyNet or any other person.
- ValleyNet and District shall comply with the General Operating Policies and Protocol ("Operating Protocol"), which is attached hereto as Exhibit A and has been designed to ensure clear and continuous communications among the parties and related third parties. This Operating Protocol may be modified from time to time by mutual written consent of District and ValleyNet.
- (11) Each third-party contract greater than \$50,000 in any one year shall be negotiated by ValleyNet and approved by District as provided in the Operating Protocol. ValleyNet shall engage and employ all personnel, suppliers, professionals and contractors (except a Clerk of the Works), and shall purchase or cause to be purchased in the name of District all equipment and materials necessary to implement the construction and operation of the Project.
- ValleyNet shall establish and maintain accounting records in accordance with generally accepted accounting principles for all development, construction and operational matters related to those broadband, communications services systems and communications plants hereunder, which accounts shall detail the costs of implementing this Agreement. At District's expense, such records may be audited by a qualified accounting firm on an annual basis or as determined by the Governing Board, and shall be made available to District within ninety (90) days of completion.
- Neither party may assign its interest hereunder without the advance written consent of the other party. Nevertheless, the District may grant a security interest in this Agreement to any entity in connection with the financing of any part of a communications plant constructed or operated hereunder.
- (14) Notice hereunder shall be deemed sufficient if in writing and deposited for delivery, first class postage prepaid, with the United States Postal Service, addressed as follows:
  - (a) to EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT 415 Waterman Road South. Royalton, VT 05068

- (b) to VALLEYNET, INC. 415 Waterman Road South Royalton, VT 05068
- This Agreement, including Exhibit A, which is an integral part hereof, embodies the complete understanding of the parties relating to the subject matter hereof, and may be modified and amended only by an instrument executed by both parties, with the concurrence of any person possessing a security interest in this Agreement, or in any communications plan constructed and operated hereunder.
- If any part of this Agreement shall be found invalid or unenforceable, the balance thereof shall not be affected thereby.
- This Agreement shall not be construed, implemented or interpreted so as to create (17)a relationship of agency, employment, partnership, joint venture, guaranty or indemnification between the parties or with respect to any person claiming a benefit hereunder, or holding a security interest herein. District acknowledges and agrees that ValleyNet is acting solely pursuant to an independent contractual relationship with District, and not as a fiduciary to District, or any other person.
- Each third-party contract entered into by ValleyNet hereunder for the benefit of District shall provide that all parties thereto shall at all times remain qualified to do business in the State of Vermont or otherwise render themselves amenable to service of process in Vermont and to the jurisdiction of Vermont courts, and, upon request of District or ValleyNet, furnish evidence of payment of all taxes imposed by any local, federal or State authority. Failure to comply with this requirement shall constitute grounds for unilateral termination of such contract.
- Upon written request by District, ValleyNet shall transfer and set over to District all of its rights, title, claim and interest in the communications plants currently existing or subsequently constructed hereunder, together with all contract rights, warranties and benefits related thereto.
- (20)District shall pay all costs of constructing, operating and managing the Project and broadband communications services as detailed by invoices submitted by ValleyNet pursuant to the General Operating Policies and Protocol.
  - (b) ValleyNet shall receive upon invoice to District its actual and direct expenses incurred in furnishing the broadband communications services and support contemplated herein.
  - (c) ValleyNet shall receive from District compensation in an amount equal to \$10.00 per service subscriber per year, to be paid semi-annually, to the extent sufficient funds remain after payment of debt service on District's obligations.

- (d) Under no circumstances shall any compensation paid to ValleyNet be computed on the basis of profit or revenue received, accrued or accruing under a District broadband communications service.
- (e) ValleyNet shall be solely responsible for hiring, compensating, supervising, disciplining and discharging its employees, and shall be responsible for the payment of all governmental taxes, charges and assessments relating to its employees. The District shall not dictate or establish workplace standards and practices, scheduling, staffing or employee licensing or qualification. No ValleyNet employee shall report to or be under the supervision of any District official at any time, nor shall any District employee evaluate the performance or conduct of any ValleyNet person engaged by ValleyNet.
- (f) ValleyNet shall procure and maintain, or cause to be procured and maintained, adequate workers compensation insurance on its employees and the employees of its subcontractors, as well as comprehensive general liability, motor vehicle and casualty coverage for itself and its subcontractors, and shall furnish District with certificates of such coverage for the next ensuing year or, in the case of subcontractors, for the duration of the subcontractor's engagement.
- (21)The parties acknowledge that the exclusive source of payment to ValleyNet or to any party to any third-party Project contract contemplated herein shall be the revenues and resources of District broadband communications services, which payments shall be made against invoices submitted and accepted by the District.
- (22)Except as provided herein, neither party shall be liable to the other party for any special, incidental, or consequential damages, including, but not limited to, lost profits.
- Neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of such party. Such acts shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations or orders superimposed after the fact, fire, communication line failures, power failures, earthquakes or other disasters.
- To the extent permitted by law, and only to the extent permitted by law, each party shall indemnify, defend and hold harmless the other, its officers, directors, agents, employees, successors and assigns from and against any and all loss, claims, assessments, fines, damages or expenses (including reasonable attorney fees and costs) arising out of or resulting from any claims by other third parties in connection with the indemnifying party's performance pursuant to this Agreement. The party seeking indemnification shall notify the other party of any such claim, action or proceeding, and the other party shall promptly undertake the defense thereof. The party seeking indemnification may, at its election and at its sole cost, participate in the defense thereof.

- The parties agree to use their best efforts to resolve any dispute, controversy or claim hereunder in the first instance through the offices of the Clerk of the Works, and thereafter through negotiation and mediation.
- This Agreement supersedes and replaces all prior agreements between the parties and their predecessors in interest related to the subject matter contained herein.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their respective duly authorized officers.

> EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT

Governing Board Chair

VALLEYNET, INC.

#### Exhibit A

### **General Operating Policies and Protocol**

The following are the General Operating Policies and Protocol which have been designed to ensure clear and continuous communications and accountability between ValleyNet, Inc. ("ValleyNet") and East Central Vermont Telecommunications District ("District") with respect to designing, financing, constructing, operating and managing the District's communications plants and broadband communications services, (herein the "Project's"), as further described in the Operating Agreement between the parties to which this Exhibit is attached.

The operating policies and protocols articulated herein are intended to conform to and supplement the enactments and agreements establishing the District and its delivery of communications services under the auspices of ValleyNet. Such policies will be established and modified from time to time by the District's Governing Board.

#### I. General Principles

- 1. The Project network (the "Network") comprising existing, and subsequently constructed elements, shall be universal, open-access and financially selfsustaining.
- 2. The Network shall offer, within operational limits, 'net-neutral' internet access (i.e. not linked to any specific browser, not filtered or blocked).
- 3. The Network shall operate on a "level playing field" with incumbent carriers.
- 4. The Network's operations shall be delegated, with mutual consultation, according to the terms of the Operating Agreement to ValleyNet, including, Rollout, Connection, Pricing, and Marketing. Day-to-day management responsibilities such as, but not limited to, Personnel Issues and Customer Service are directly delegated to ValleyNet.
  - Initial Rollout and Connection will be prioritized as follows:
    - a. Pre-registration percentages of member communities;
    - b. Technical factors:
    - c. Economics.
  - Subscriber responses, including complaints not adequately addressed by ValleyNet, shall be reviewed at least monthly by the District Governing Board or a committee(s) thereof.
- 5. The Network's connection fees shall be standardized for all new subscribers, with the following exceptions:
  - Sales Promotions:
  - Subscriber connections exceeding standard 400 foot aerial drops;
  - Such other circumstances as exigencies may require –but only with the consent of the District Governing Board

## II. General Roles regarding the Project

#### A. District

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- a. Formulate and articulate general governance policies
- b. Oversee District accounts
- c. Monitor ValleyNet performance
- d. Due diligence and approval regarding budgets, major contracts and agreements
- e. Interface with investors
- f. Sign contracts above a stipulated amount; delegates to ValleyNet the right to sign contracts below a stipulated amount as established herein
- g. Develop and implement plans of finance

## B. ValleyNet

- a. Execute and complete the Network Project including designing, building all associated Network assets and operating them as an ongoing business
- b. Acknowledge and comply with District policies
- c. Manage Network operations
- d. Report regularly on Network Project progress and operations
- e. Promptly inform District of changes or difficulties
- f. Cooperate with a Clerk of the Works selected and engaged by the District

## III. Operational Details

#### A. Management of Funds:

- a. All Network revenues shall be deposited upon receipt in District accounts as directed by the District Treasurer in conformance with all applicable covenants and agreements.
- b. All funds received by the District, from whatever source, shall be managed and disbursed by or under the direction of the District Treasurer, to whom ValleyNet shall submit invoices for approval by the District Treasurer, Governing Board or Executive Committee under internal protocols established by the Governing Board. Items specified and identified in an approved operating budget and/or capital budget, as provided below, shall be deemed to have been pre-approved.
- B. District will appoint a Treasurer. The Treasurer shall report to the Governing Board of District and shall be responsible for the oversight of all bank accounts, including accounts and funds held by a trustee in connection with Network Project financing.

## C. Project Governance

- a. District's Governing Board will meet at least quarterly or as needed and shall exercise the powers and duties enumerated above.
  - i. At all meetings of the District Governing Board, ValleyNet will report on the operational, financial and construction status of the Network Project.

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- iii. District Governing Board may choose to appoint an independent Clerk of the Works, or upon mutual approval, rely on ValleyNet personnel, to verify contractors' project performance during Project construction periods.
- b. District Governing Board shall develop, approve and promulgate general policies relating to Network operations and convey these to ValleyNet. ValleyNet shall prepare and submit to the District a budget for Network and subscriber operations and support. Should ValleyNet determine that the implementation of any such policy would be financially or operationally detrimental to the project, it shall so inform the District Governing Board, with a brief explanation, and shall either propose an alternative to the policy, or request that the Governing Board reconsider the policy, or resolve the matter as provided in Section (25) of the Operating Agreement.

#### c. Contracts

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- i. District will delegate to ValleyNet the authority to sign third-party contracts on behalf of District, from \$50,000 to \$100,000 with prior approval of the Chair and the District Treasurer.
- ii. Contracts less than \$50,000 within any one year, consistent with approved budgets and business plans, may be signed by ValleyNet without prior approval, pursuant to formal District authorization.
- iii. Contracts and a series of contracts with the same third-party in a sixmonth period in excess of \$100,000 must be approved in advance by the District Governing Board or its designated committee(s).
- iv. ValleyNet will apprise the District Treasurer in anticipation of all contracts requiring prior approval.

#### d. Business Plan and Budgets

- i. ValleyNet shall submit for approval by the District Governing Board a business plan semi-annually or annually, projecting market conditions and changes, operating expenses, capital expenditures and revenues.
- ii. The District Governing Board shall approve semi-annually or annually a detailed operating budget consistent with the business plan.
- iii. ValleyNet shall make quarterly budget variance reports to District Governing Board.

#### e. Personnel

i. All personnel involved in direct execution of the Project, with the exception of the District Treasurer and the Clerk of the Works, will be employees or contractors under the supervision of ValleyNet, which will

be solely responsible for all hiring, discipline, firing, payment, benefits and all other matters related to human resources.

## f. Continuing Disclosure

i. ValleyNet shall implement policies and procedures to enable District to meet its financing undertakings with respect to continuing disclosure and post-issuance compliance under federal law.

## Exhibit B

# Protocol for the ValleyNet/GWI Support Services and Collaboration Agreement, dated May 19, 2022 (the "SSA")

The following is one in a series of General Operating Policies and Protocols designed to ensure clear and continuous communications between ValleyNet, Inc. ("ValleyNet") and East Central Vermont Telecommunications District ("District") with respect to the design, financing, construction, operation and management of District communications plants and broadband communications services, (herein the "Project"), as further described in the Operating Agreement between the parties to which this Exhibit is attached. This policy and protocol is in addition to, and intended to complement, the General Operating Policies and Protocol previously incorporated into the Operating Agreement between the parties.

The operating policy and protocol articulated herein is intended to conform to and supplement the enactments and agreements establishing the District and its delivery of communications services under the auspices of ValleyNet. Such policies will be established and modified from time to time by the District's Governing Board.

- 1. This Protocol seeks to ensure the highest level of communication between the Parties with respect to the execution of the ValleyNet/GWI Support Services and Collaboration Agreement (SSA) dated May 19, 2022.
- 2. The SSA shall not be construed to constrain the District's ability to communicate directly with GWI. Possible areas of discussion may include matters outside of the scope of the SSA, emergency situations or contractual negotiations for services to be provided directly to the District.

## 3. Section 2

- a. In the event of an issuance by ValleyNet under Section
   2, notice to the District shall be made at least 48 hours
   prior to delivery to GWI.
- b. If ValleyNet receives notice of termination from GWI ValleyNet shall provide notice to the District within 48 hours of receipt.

## 4. Section 5

a. Disputes that trigger Section 5 notice requirements will be of significant interest to the District. Should a Section 5 dispute arise, ValleyNet shall provide notice to the District Governing Board within 5 days of a respective notification.

## 5. Section 6.3 Insurance

- a. ValleyNet will seek to include fidelity bonding among the insurance coverages to be obtained by GWI.
- b. ValleyNet will insure that the East Central Vermont Telecommunications District is included in the list of additional insureds to be named.
- c. ValleyNet shall furnish the District copies of the certificates of insurance issued pursuant to the provisions of the SSA.
- d. ValleyNet shall notify the District immediately upon receipt of any notice of termination or material change of coverage issued by any insurance underwriter under the terms of the SSA.

- In the case of GWI's subcontractors performing services on behalf of the District, ValleyNet shall provide to the District copies of the respective certificates or proof of insurance documentation prior to the commencement of work.
- 6. Section 6.8 Assignment
  - ValleyNet shall provide written notice to the District at least 7 days prior to providing written consent to GWI of any assignment or transfer of its rights or obligations under the SSA.
- 7. For purposes of this policy and protocol all notices to the District shall be to the Governing Board Chair and the Executive Committee.

Adopted by the ECVTD Governing Board May 10, 2022

Jeff Brand, Secretary

## **Construction Reporting Protocol**

## Exhibit C

The following is one in a series of General Operating Policies and Protocols designed to ensure clear and continuous communications between East Central Vermont Telecommunications District ("District") and its Operator as described in the Operating Agreement between parties to which this Exhibit is attached.

The operating policy and protocol articulated herein is intended to conform to and supplement the enactments and agreements establishing the District and its delivery of communications services under the auspices of the Operator. Such policies will be established and modified from time to time by the District's Governing Board.

- 1. The District seeks to better understand the status and progression of construction in its member towns, enabling delegates to provide updates to their Selectboards and town residents. In order to do this effectively the board requires access to concise, data-driven reporting.
- 2. Effective Q2 2023, the Operator shall develop and provide reports to the ECFiber Governing Board that include the data about network design, pole collection, licensing, permitting, physical construction, and other relevant tasks, segmented by Town. Datapoints shall include projected dates, mileage, deliveries, and more as deemed reasonable and relevant.
- 3. Reports will be delivered monthly and all effort shall be made to provide a fresh report prior to the meeting of the Construction and Expansion Committee and Governing Board.
- 4. Progress reports shall include the current status of key aspects of the construction process including, but not limited to, hub planning and construction, pole licensing and make ready, network design and build, and permits.
- 5. The Construction and Expansion Committee will regularly review the reports and advise the Operator of new reporting requirements. A recommended report layout has been included as Appendix A.

## **ECFiber Proposed Reporting Protocol**

Version 0.2 – 8/11/2022 – Edward Childs

## Motivation

ECFiber Governing Board Members are appointed by the Selectboard of the towns they represent and are obligated to provide answers to inquiries from town residents about the progress of the network build. The most commonly asked question is "when will I get my EC Fiber connection?"

Current reporting from Valley Net consists of overall build data throughout all member towns plus specific information about various milestones and issues encountered during the previous month.

Such reporting is useful, but provides little information towards the question of "When can I be connected?"

## **Overall Reporting Goals**

To provide timely updates (ideally, by the Wed. after the 4<sup>th</sup> Monday of the month) to town residents, ECFiber Board Members require the following broad categories of information:

- 1. Planned completion dates for builds by town.
- Monthly snapshots of progress for each town which shows current percent complete. The snapshot should provide an easy comparison between this month's status and that of the previous month(s).
- 3. Indication, by town, of where builds are behind schedule, together with explanations of the delay.
- 4. Indication, by town, of where builds are complete.

## 1. Planned Completion

During previous discussions of reporting, the question "what does complete mean?" has come up. One definition is "when all planned residences have lit fiber on the poles". Another is "when all who have requested service have been hooked up". The distinction has been made partly due to the committee structure, so that the build part is the domain of Construction and Expansion, and the hookup part is the domain of Operations and Marketing.

## 2. Progress

The easiest way to show progress is by reporting overall percent complete. Of course, a reasonable breakdown of each task is required to provide this number, together with assumptions as to what percent each task is worth. Ideally, the progress should be shown as a table of month-by-month data, possibly accompanied by a chart representing the same data.

## 3. Delays

If any town is behind schedule, some explanation should be provided, e.g., network design is delayed in Bradford and West Fairlee due to Topsham Telephone being behind on make-ready.

## 4. Actual Completion

Reporting should indicate completion of tasks and overall completion of each town.

## **Example Spreadsheet**

A sample spreadsheet showing an example of the desired reporting is provided. The data is invented for a fictitious "Town A". The numbers may be unrealistic in some cases, and the order of task completion and breakdown may also be improbable. The spreadsheet is only provided as an example of something meeting the four requirements noted above. Valley Net is of course free to reformulate and substitute data and task breakdown which reflect the reality of their operations.

The explanations that follow definitely get down into the weeds but bear in mind that they only serve as an example. The bigger picture is that Valley Net is already tracking raw data on builds and subscribers in some format. The main ask from EC Fiber is that Valley Net organize and present this data to meet the four main reporting goals as stated above.

### **Build Summary Tab**

The spreadsheet is made up of multiple tabs. Data from the Poles-Permit, Network and Subscribers tabs are linked to the Summary Tab.

The Summary separates the overall build summary from the overall subscriber connection summary (but this division is optional).

The overall build summary assumes the following main tasks, and further assigns percentages to each (however these can be adjusted as desired):

1. Pole Data Collection – 20%

- 2. Hub Planning 5%
- 3. Pole License Make Ready 20%
- 4. Permits 10%
- 5. Network Design 20%
- 6. Network Construction 20%
- 7. Hub Construction 5%

The assigned percentages should be roughly proportional to the level of effort and importance of the task (and of course they should sum to 100% for each town).

The summary data for Town A is shown both in tabular and graphical form in Fig. 1.

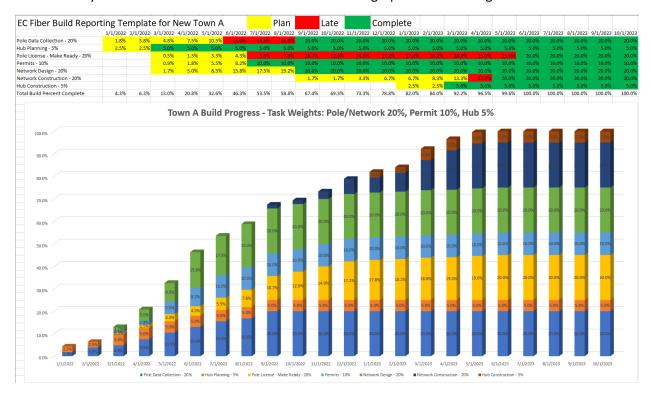


Fig. 1 – Summary Data for Town A

The data in this fictional report is shown as at Oct. 1, 2023, by which time the build for Town A has been completed. The percentage values in each cell are actual numbers, as calculated from data in the Poles-Permits and Network tabs. The yellow highlighted cells show the plan for the build. In this case, Pole Data Collection was supposed to be complete by 5/1/22, Pole Licensing and Make Ready by 6/1/22, Network Design by 8/1/22, Hub Construction by 2/1/2023. The yellow plan highlighting is to be done at the beginning of the project. So, in this case if we were looking at a report as at 1/1/22, we would see percentage numbers only in the 1/1/22 column, but we would see the yellow highlighting going out to 3/1/23.

Red highlighting indicates that a task is behind plan. For example, Pole Data Collection did not actually complete until 9/1/22, so that for the months 6-8/22, the task was behind. When the task is complete, the percent complete in the cell is equal to the overall percent assigned to the task, and the cell is

colored green. Thus, from 6/1/23 onward, the build is shown as complete, all cells are green, and the percent complete in the cell is unchanged.

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The bar chart below the table shows the same data in a bar chart format, and provides another view of the overall progress.

#### Poles – Permit Data

An explanation of the calculations in the cells of the summary data will now be provided, starting with the Pole-Permits Data. In fictional Town A, there are 120 poles, and 11 permits to be obtained (e.g., for crossing rail lines). As at 1/1/22, the data for 11 poles has been collected (see Fig. 2), and since there are a total of 120 poles, the Pole Data Collection task percent complete is calculated as (11/120)/5 = 0.01833 which rounds to 1.8% (see Fig. 1). Division by 5 is required since in the Summary, Pole Data Collection is assigned to be 20% of the total build.

Pole Data for New To	own A				Pole (	Count:	120		Perm	its Rec	quired:	11
	1/1/2022	2/1/2022	3/1/2022	4/1/2022	5/1/2022	6/1/2022	7/1/2022	8/1/2022	9/1/2022	10/1/2022	11/1/2022	12/1/2022
Total Poles Collected	11	23	29	45	63	78	93	101	120	120	120	120
Total Pole Applications Completed	0	0	13	23	39	48	56	65	83	99	120	120
Total Poles Reviewed with Utility	0	0	0	13	29	33	44	56	71	82	99	111
Total Poles Made Ready	0	0	0	0	11	21	33	44	68	79	82	93
Total Poles Licensed	0	0	0	0	0	0	0	21	35	43	57	88
Running Pole Completeness Score	0	0	13	36	79	102	133	186	257	303	358	412
Total Permits Obtained	0	0	1	2	6	9	11	11	11	11	11	11

Fig. 2 Calculation of Pole Data Collection Percent Complete for 1/1/2022

In the case of the Pole License – Make Ready task, there are 4 sub-tasks (see Fig. 2):

- 1. Pole application
- 2. Pole review with utility
- 3. Pole make-ready
- 4. Pole licensing

Numbers from these sub-tasks are summed to calculate the Running Pole Completeness Score (see Fig. 2). For example, this score as at 3/1/22 is 0 + 0 + 0 + 13 = 13 (Fig. 2). From this score, the Pole License – Make Ready task percent complete is calculated as ((13/4)/120)/5 = 0.00542 which rounds to 0.5% (see Fig. 1). Division by 4 assumes that each sub-task is given equal weighting, and division by 5, again, comes from the assumption that the Pole License – Make Ready task is assigned to be 20% of the total build.

Note that these calculations and assumptions are provided only as examples. The philosophy behind this arrangement is that Valley Net could simply take raw data on build progress (like what is displayed in the Poles-Permits and Network tabs of the spreadsheet) and from that calculate percent complete data for the summary. Thus, the spreadsheet format need only one initial design, so that the month-by-month task is only to link new data to the summary.

#### Network

Calculations of percent complete for the Network tasks (Network Design, Network Construction, Hub Construction) are similar. In the case of fictional Town A, the total network miles are 1200, there are two FSA's and two Hubs to be constructed. (It is realized that the mileage number is a bit outlandish, again, it is only an example).

Network Data f	or Nev	w Tow	n A			Total	Netwo	ork Mi	iles:	1200		FSA1	Miles:	450	FSA2	Miles:	750		Hubs:	2
	1/1/2022	2/1/2022	3/1/2022	4/1/2022	5/1/2022	6/1/2022	7/1/2022	8/1/2022	9/1/2022	10/1/2022	11/1/2022	12/1/2022	1/1/2023	2/1/2023	3/1/2023	4/1/2023	5/1/2023	6/1/2023	7/1/2023	8/1/2023
Total Miles FSA1 Designed			100	200	300	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450
Total Miles FSA2 Designed				100	200	500	600	700	750	750	750	750	750	750	750	750	750	750	750	750
Total Miles FSA1 Built									100	100	100	100	100	200	400	450	450	450	450	450
Total Miles FSA2 Built											100	300	300	300	400	600	750	750	750	750
Total Hubs Designed	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	. 2
Total Hubs Built													1	1	2	2	2	2	2	. 2
Total Miles Designed			100	300	500	950	1050	1150	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200
Total Miles Built									100	100	200	400	400	500	800	1050	1200	1200	1200	1200

Fig. 3 Network Data

## **Subscriber Connection Summary**

Subscriber connection progress is calculated in a similar way but considers the reality that new subscribers will be showing up each month, as well as total market penetration. Operations and Marketing may want to comment on/tweak the report as presented here.

This summary assumes that there four tasks towards the overall goal of getting every household in the town subscribed and connected to EC Fiber, each with equal weighting (25%) see Fig. 4:

- 1. Market Penetration (getting a household signed up as a pre-subscriber).
- 2. Surveying the premises.
- 3. Drop to the house.
- 4. Connection/Installation

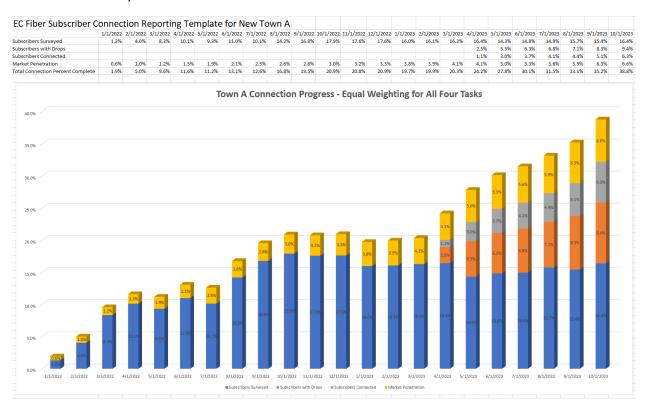


Fig. 4 Subscriber Summary

This summary assumes 100% completion of the overall task only when all households are subscribed and connected.

### Subscriber Data

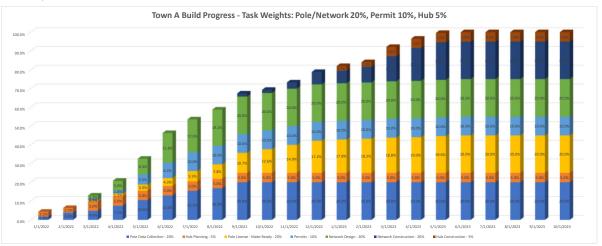
In fictional Town A, there are 793 households, see Fig. 5.

Subscriber Data for Nev	v Tow	n A					Numb	er of	House	holds:	793											
	1/1/2022	2/1/2022	3/1/2022	4/1/2022	5/1/2022	6/1/2022	7/1/2022	8/1/2022	9/1/2022	10/1/2022	11/1/2022	12/1/2022	1/1/2023	2/1/2023	3/1/2023	4/1/2023	5/1/2023	6/1/2023	7/1/2023	8/1/2023	9/1/2023	10/1/2023
Total Pre-suscribers	19	31	39	47	59	66	79	81	88	95	101	105	119	123	129	131	159	167	179	186	201	209
Total Surveys Completed	1	5	13	19	22	29	32	46	59	68	71	74	76	79	84	86	91	99	107	117	124	137
Total Surveys Needed	18	26	26	28	37	37	47	35	29	27	30	31	43	44	45	45	68	68	72	69	77	72
Total Residences Ready for Drops																15	41	61	71	85	91	101
Total Residences with Completed Drops																13	35	42	49	53	67	79
Total Residences Ready for Installation																13	35	42	49	53	67	79
Total Active Subscribers																6	19	25	29	33	41	53

Fig. 5 Subscriber Data for Town A

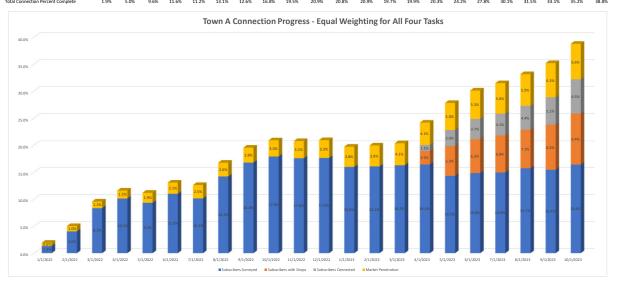
As at 10/1/23, there are 209 households pre-subscribed, thus, a market penetration of 209/793 = 0.26356, which rounds to 26.4%. Of these 209 pre-subscribers, 137 have been surveyed (65.6%), 79 have drops (37.8%) and 53 have been connected (25.4%). With equal weighting, the overall percent complete is (26.4 + 65.6 + 37.8 + 25.4)/4 = 38.3%, which corresponds to the total for 10/1/23 (see Fig. 4).





#### EC Fiber Subscriber Connection Reporting Template for New Town A

1/1/2022 3/1/2022 3/1/2022 3/1/2022 5/1



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Pole Data for New To	wn A				Pole C	ount:	120		Permi	ts Requ	ired:	11											
	1/1/2022	2/1/2022	3/1/2022	4/1/2022	5/1/2022	6/1/2022	7/1/2022	8/1/2022	9/1/2022	10/1/2022	1/1/2022	12/1/2022	1/1/2023	2/1/2023	3/1/2023	4/1/2023	5/1/2023	6/1/2023	7/1/2023	8/1/2023	9/1/2023 1	0/1/2023 11/1/	2023 12/1/2023
Total Poles Collected	11	23	29	45	63	78	93	101	120	120	120	120	120	120	120	120	120	120	120	120	120	120	
Total Pole Applications Completed	0	0	13	23	39	48	56	65	83	99	120	120	120	120	120	120	120	120	120	120	120	120	
Total Poles Reviewed with Utility	0	0	0	13	29	33	44	56	71	82	99	111	120	120	120	120	120	120	120	120	120	120	
Total Poles Made Ready	0	0	0	0	11	21	33	44	68	79	82	93	95	105	120	120	120	120	120	120	120	120	
Total Poles Licensed	0	0	0	0	0	0	0	21	35	43	57	88	92	92	92	97	111	120	120	120	120	120	
Running Pole Completeness Score	0	0	13	36	79	102	133	186	257	303	358	412	427	437	452	457	471	480	480	480	480	480	
Total Permits Obtained	0	0	1	2	6	9	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	

Network Data fo	r New To	own A	4			Total	Netwo	rk Mile	es:	1200		FSA1 N	/liles:	450	FSA2 N	∕liles:	750		Hubs:	2			
	1/1/2022 2/	/1/2022	3/1/2022	4/1/2022	5/1/2022	6/1/2022	7/1/2022	8/1/2022	9/1/2022	10/1/2022	11/1/2022	12/1/2022	1/1/2023	2/1/2023	3/1/2023	4/1/2023	5/1/2023	6/1/2023	7/1/2023	8/1/2023	9/1/2023	10/1/2023 1	1/1/2023 12/1/2023
Total Miles FSA1 Designed			100	200	300	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	
Total Miles FSA2 Designed				100	200	500	600	700	750	750	750	750	750	750	750	750	750	750	750	750	750	750	
Total Miles FSA1 Built									100	100	100	100	100	200	400	450	450	450	450	450	450	450	
Total Miles FSA2 Built											100	300	300	300	400	600	750	750	750	750	750	750	
Total Hubs Designed	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Total Hubs Built													1	1	2	2	2	2	2	2	2	2	
Total Miles Designed			100	300	500	950	1050	1150	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	
Total Miles Built									100	100	200	400	400	500	800	1050	1200	1200	1200	1200	1200	1200	

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Subscriber Data for New	Town A					N	lumb	er of H	louseh	olds:	793													
	1/1/2022	2/1/2022	3/1/2022	4/1/2022 5/1	022 6/1/2	022 7,	//1/2022	8/1/2022	9/1/2022	10/1/2022	11/1/2022	12/1/2022	1/1/2023	2/1/2023	3/1/2023	4/1/2023	5/1/2023	6/1/2023	7/1/2023	8/1/2023	9/1/2023	10/1/2023	11/1/2023	12/1/2023
Total Pre-suscribers	19	31	39	47	59	66	79	81	88	95	101	105	119	123	129	131	159	167	179	186	201	209		
Total Surveys Completed	1	5	13	19	22	29	32	46	59	68	71	74	76	79	84	86	91	99	107	117	124	137		
Total Surveys Needed	18	26	26	28	37	37	47	35	29	27	30	31	43	44	45	45	68	68	72	69	77	72		
Total Residences Ready for Drops																15	41	61	71	85	91	101		
Total Residences with Completed Drops																13	35	42	49	53	67	79		
Total Residences Ready for Installation																13	35	42	49	53	67	79		
Total Active Subscribers																6	19	25	29	33	41	53		

#### Exhibit D

## **Network Gaps and Omissions Protocol**

The following is one in a series of General Operating Policies and Protocols designed to ensure clear and continuous communications between East Central Vermont Telecommunications District ("District") and its Operator as described in the Operating Agreement between parties to which this Exhibit is attached.

The operating policy and protocol articulated herein is intended to conform to and supplement the enactments and agreements establishing the District and its delivery of communications services under the auspices of the Operator. Such policies will be established and modified from time to time by the District's Governing Board.

- The District seeks to have its entire network completed in good order. Experience has shown that
  design errors, contractor miscommunication, and property owner intransigence have led to
  situations where sections of finished network sometimes with installed drops have been left
  orphaned and unlit for years.
- 2. In order to ensure proper documentation and remediation of these omissions, effective immediately, the Operator shall make available, and continue to maintain in real-time, a list of all such locations on the network, including all information used by the operator to identify, understand, and resolve the situation. This would include, but not be limited to, information about existing easement holders, special permitting which may be needed, property owner and property owner representative contact information, and specific timelines for action.
- 3. The Construction & Expansion Committee will be responsible for reviewing the Operator's plans for solving the network gap and monitoring progress, for recommending District exercise of eminent domain to the Executive Committee, and for providing guidance to delegates as to what to communicate locally when approached by residents or municipal officials.

## Construction & Expansion Committee Recommended Protocol concerning Drops

The following is one in a series of General Operating Policies and Protocols designed to ensure clear and continuous communications between East Central Vermont Telecommunications District ("District") and its Operator as described in the Operating Agreement between parties to which this Exhibit shall be attached as a protocol.

The operating policy and protocol articulated herein is intended to conform to and supplement the enactments and agreements establishing the District and its delivery of communications services under the auspices of the Operator. Such policies are established and modified from time to time by the District's Governing Board.

In order to affirm the Operator's final authority with respect to drop management and to clarify the principle decision points, the committee endorses the protocol presented below regarding aerial vs underground drops.

The committee recognizes that the requirement to dig a trench and install conduit for the fiber is a "showstopper" for many premises owners due to costs, complications, and delays. The potential subscriber often chooses to remain a DSL or cable customer [statistics from Marketing survey here]. This protocol immediately opens a door for some who have otherwise been unable to get connected.

In addition, the operator has agreed to establish a pilot program (50 - 200 installations over a 2 year period) that further relaxes the requirements. The purpose of the program will be to monitor the failure rate and repair costs in such cases. At the conclusion of the trial period, an assessment will be made as to whether the current drops policy can be amended.

## **Exhibit E**

## **Installation of Network Drops**

- 1. If all utilities are underground, fiber must also be installed underground, and constructed according to specifications available on the web site.
- 2. If power is buried but phone and/or cable are run aerially to the structure, a drop can be placed aerially under the following conditions:
  - a. The attachment must be to the "Gable" side of the house (see illustrations below) without running under any eaves.
  - b. The attachment must be less than 150 feet from the pole. This is the physical limit of the drop fiber being used.
  - c. Fiber will not be attached to a mast on the eave side of the house.
- 3. Survey teams will make the final determination of whether the site conditions are sufficient to provide an aerial connection that will withstand the elements without causing damage to fiber, equipment, or the attached structure.

The Operator will maintain per-premises data on drop type, drop installation costs, drop repair incidents, and repair costs.

Beginning June 1, 2023 the Operator will implement a two-year test program consisting of at least 50 but no more than 200 premises where the policy would require underground but the survey team finds conditions suitable for aerial installation. Results of the test program will be used to determine whether or not the policy can be amended to allow for aerial installation so long as the subitems of #2 are met.

## **Acceptable installation site**



## **Unacceptable installation site**



# **EXHIBIT B**

## ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment Agreement") dated as of the 31 day of December, 2022 (the "Commencement Date"), by and between BIDDEFORD INTERNET CORPORATION, d/b/a GREAT WORKS INTERNET ("GWI"), a Maine corporation, whose principal place of business is at 43 Landry Street, Biddeford, ME 04005 and VALLEYNET, INC. ("ValleyNet"), a Vermont non-profit organization with a principal place of business at 415 Waterman Road, South Royalton, VT 05068. GWI and ValleyNet may also be referred to herein individually as a "Party" or collectively as the "Parties."

WHEREAS, ValleyNet is a Vermont non-profit internet service provider that, among other things, designs and builds fiber optic networks, manages the operations of such networks, provides or manages internet and retail telephone services to end user customers over such networks, and provides certain financial and legal services with respect thereto (collectively, "Operational Services").

WHEREAS, ValleyNet provides such Operational Services to East Central Vermont Telecommunications District ("ECFiber") (a Vermont CUD) pursuant to an operating agreement with ECFiber dated February 22, 2016 (the ECFiber Contract").

WHEREAS, in furtherance of its obligations under the ECFiber Contract, ValleyNet also entered into various third party contracts and agreements which remain in effect as of the date of this Assignment Agreement (the "Ancillary Agreements").

WHEREAS, in conjunction with the assignment of the ECFiber Contract, and as a condition hereto, ValleyNet will assign to ECFiber and ECFiber shall accept and assume from ValleyNet the Ancillary Agreements and all of the ValleyNet's rights and obligations thereunder.

WHEREAS, GWI is an internet service provider that designs, builds and operates broadband internet networks and provides retail and wholesale internet and VOIP telecommunications services in Maine, New Hampshire and Vermont.

WHEREAS, ValleyNet and GWI previously entered into a Support Services and Collaboration Agreement dated as of May 19, 2022, and various scopes of work referenced and incorporated therein pursuant to which GWI agreed to, among other things, assist ValleyNet to meet its contractual obligations under the ECFiber Contract (collectively the "Support Services Agreement").

WHEREAS, in lieu of continuing with the Support Services Agreement, ValleyNet desires to terminate the Support Services Agreement and assign to GWI and GWI desires to assume from ValleyNet the ECFiber Contract and all of ValleyNet's rights and obligation thereunder.

WHEREAS, ECFiber agrees that the assignment of the ECFiber Contract is in the best interest of ECFiber and executes this Assignment Agreement in order to express its written

consent to the assignment and to agree to other specified terms and conditions hereunder in order to facilitate the transactions contemplated hereby;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Assignment by ValleyNet. As of January 1, 2023 (the "Assignment Date"), ValleyNet hereby indefeasibly assigns, transfers, and conveys to GWI the ECFiber Contract and all of ValleyNet's rights, titles, and interests in all of the obligations, benefits, rights and privileges relating or pertaining thereto.
- 2. Assumption by GWI. Effective upon the Assignment Date, GWI hereby accepts the assignment of all of ValleyNet's rights, titles, and interests in all of the obligations, benefits, rights and privileges relating or pertaining to the ECFiber Contract.
- 3. Consideration. In consideration of the assignment of the ECFiber Contract to GWI, GWI shall pay to ValleyNet the amount of thirty-seven thousand five hundred dollars (\$37,500), payable on or before June 30, 2023, which payment shall be an expense under the ECFiber Contract to which GWI will be reimbursed by ECFiber as a necessary expenditure to facilitate and ensure the smooth continuity of operations and transfer of obligations. By providing consent this Assignment Agreement, ECFiber acknowledges and agrees to make this reimbursement. Additionally, as further consideration for this assignment, GWI agrees to provide ValleyNet, at no charge, general accounting services for the year 2023 in order to facilitate the potential dissolution of ValleyNet. Such services to include financial statement preparation, tax return preparation, and transactions such as general ledger entry, including any necessary cash disbursements and bill paying
- 4. Termination of Support Services Agreement. Effective upon the Assignment Date, the Support Services Agreement shall terminate and shall be of no further force or effect except for (i) provisions provided therein that are expressly designated to survive termination and (ii) any unpaid fees and unreimbursed expenses payable to GWI thereunder which have accrued or been incurred prior to the Assignment Date. Any such continuing obligation of ValleyNet under the Support Services Agreement shall be in addition to any obligations of ValleyNet arising under this Assignment Agreement.
- 5. Ancillary Agreements. ValleyNet shall use commercially reasonable efforts to cause each Ancillary Agreement to be assigned to ECFiber.
- 6. Representations and Warranties. Each party represents and warrants to the other as follows: (i) as of the Assignment Date the party is duly organized, validly existing and in good standing under the laws of the state of its organization, and has full power and authority to conduct the business in which it is now engaged; (ii) the execution, delivery and performance of this Assignment Agreement and the consummation of the transactions and assignments contemplated by this Assignment Agreement have been duly and validly authorized by all requisite actions of the party; (iii) assuming the due execution and delivery of this Agreement by each party and signatory hereto, this Assignment Agreement constitutes the valid and binding

obligation of the party, enforceable against the party in accordance with its terms; (iv) the execution, delivery and performance of this Assignment Agreement by such party and the consummation by the party of the transactions contemplated hereby will not. (a) violate any legal requirement or any order of any court or governmental authority that is binding on the party; (b) result in a breach of or default under any third party contract or other agreement to which the party is a party, or (c) result in a breach of or default under any provision of the organizational documents of the party. In addition, ValleyNet and ECFiber each represent and warrant to GWI that as of the Assignment Date the ECFiber Contract remains in full force and effect and to the best of their respective actual knowledge and belief, without inquiry or investigation, there exists no default, no facts or circumstances exist that, with the passage of time or giving of notice, will or could constitute a default, event of default, or breach on the part of either entity or a claim by such party against GWI as assignee of the ECFiber Contracts hereunder and there are no legal actions or pending proceedings, or to such entity's knowledge, threatened against such entity before any court or governmental authority, an adverse determination of which would materially adversely affect such entity's ability to enter into or perform this Assignment Agreement.

- Indemnification. ValleyNet shall indemnify and hold GWI harmless from any and all liability, claims, losses, costs, damages and expenses of whatever kind, including but not limited to reasonable attorneys' fees and court costs, arising out of claims under the ECFiber Contract or the Ancillary Agreements that arose out of ValleyNet's actions or inactions that occurred prior to the Assignment Date for such agreements, including without limitation, i) any breach of any representation or warranty made by ValleyNet in this Assignment Agreement, the ECFiber Contract or any Ancillary Agreement, (ii) any breach of any obligation or covenant to be performed by ValleyNet under the ECFiber Contract or any Ancillary Agreement, (iii) liabilities to any third party that are based upon any matter relating to the use, maintenance, operation or construction of the ECFiber Network; and (iv) any tax liabilities owing to any governmental authority and pending or threatened governmental action or audit relating to any accounting or auditing irregularities associated in any way with the ECFiber Contract, except for those claims that are due to or caused by the negligence or willful misconduct of GWI. GWI shall indemnify and hold ValleyNet harmless from any and all liability, claims, losses, costs, damages and expenses of whatever kind, including but not limited to reasonable attorneys' fees and court costs, arising out claims under the ECFiber Contract that arise on or after the Assignment Date of such agreements, except for those claims that are due to or caused by the negligence or willful misconduct of ValleyNet or any breach of this Assignment Agreement by ValleyNet.
- 8. Consent and Execution by ECFiber. By execution of this Assignment Agreement, ECFiber hereby consents to the assignment of the ECFiber Contract to GWI, and the transactions contemplated hereby, and to be bound by paragraphs 3 and 6 to the extent such paragraphs are applicable to ECFiber including any actions to be taken by ECFiber in order to facilitate the transactions contemplated hereby. To the extent that ECFiber desires to obtain from GWI services not otherwise specified in the ECFiber Contract, and GWI desires to provide to ECFiber such services, GWI and ECFiber will cooperate to identify any such services within a Thirty (30) period following the Assignment Date, and within such time agree upon the terms and conditions for their provision.

- 9. Governing Law. The Agreement shall be governed by the laws of the State of Vermont without regard to the conflict of law provisions. Jurisdiction shall be in courts located in the State of Vermont.
- 10. Counterparts. This Assignment Agreement may be executed in identical counterparts each of which shall constitute an original and all of which shall constitute one and the same Assignment Agreements.

IN WITNESS WHEREOF, the parties have hereunder caused this instrument to be executed by their duly authorized representatives, all as of the date first written above.

ValleyNet, Inc.	Biddeford Internet Corporation d/b/a
•	Great Works Internet
By: Carole Donorus	By: A M
Name: Carole D Monroe	Name: Kerem Durdag
Title: Chair, ValleyNet Board	Title: President and COO
Data	Data: Dec 28 2022

## **ECFiber Consent**

Pursuant to paragraph 13 of the ECFiber Contract, ECFiber hereby consents to ValleyNet's assignment of the Operating Agreement dated February 22, 2016, between ECFiber and ValleyNet (which is referred to herein as the ECFiber Contract) from ValleyNet to GWI, all as further specified herein and executes this Assignment Agreement for the limited purposes set forth in paragraph 8.

East Central Vermont Telecommunications District

By:	FX. Flim
Name:	F. X. Flinn
Title:	Chair, Governing Board
Date:	12/28/2022

# **EXHIBIT G**



# East Central Vermont Telecommunications District

Vermont's First Communications Union District ECFiber is the trade name of the District's ISP business

April 16, 2025

Kerem Durdag Chief Operating Officer Biddeford Internet Corporation dba GWI 40 Main St Ste 13-127 Biddeford ME 04005-5179

via eMail to: kdurdag@staff.gwi.net

Dear Kerem,

Thank you for planning to meet with representatives of the Vermont ISP Operating Company ("VISPO") to discuss and plan for the transition of management services in anticipation of the winding down of the February 22, 2016, Operating Agreement. As you are aware, VISPO will succeed GWI as the operator. It is the District's strongest desire that, in implementing the transition process, we can continue the positive working relationship created with ValleyNet and carried through with GWI.

Please consider this as formal written permission for GWI to share ECFiber's data and system access and credentials with VISPO representatives in order to facilitate the transition process.

Additionally, thank you for providing the reference points in your April 11<sup>th</sup> e-mail. As you noted, they are reference points to set expectations for the transition process.

Although the District disagrees on a few of the points outlined, we do agree that this is a first step and a comprehensive plan will developed between VISPO and GWI over the next few weeks. The District looks forward to working with GWI and VISPO in this process.

As we have discussed many times over the three-plus years that GWI has been providing services to ECFiber, there is a well-developed structure overlaying the Operating Agreement. The District owns the Network *and* the business operating the Network (known by its trade name ECFiber),

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and GWI (and formerly ValleyNet 2011-2022) provides management services through its staff.

Put simply, GWI provides the staff that fills certain roles within ECFiber, but the District owns everything. Thus, the District disagrees with a few of the statements in your e-mail. We believe the language and history of the Operating Agreement support the District's position.

Particularly, we disagree that GWI's "sole responsibility is to simply hand over ECFiber data and system access and credentials that belong to ECFiber in a secure fashion." From a plain reading of the Operating Agreement this is clearly not true. The Agreement outlines many obligations of GWI, including "implement[ing] fully the design, construction, operation and management" of the Network. This would include assuring that when the Operating Agreement officially terminates, the Network and associated business are in a strong position to continue operating as they had during the term of the Agreement.

We expect that GWI will continue to abide by its clear obligations in the Operating Agreement as it discusses and implements the transition and provides VISPO a thorough understanding of how the Network and business operate.

The District also disagrees with the blanket statement that "Process flow, documentation, procedures et al are the intellectual property of GWI." The validity of this statement is best discussed in reference to the specific items of which GWI claims intellectual property. The simple fact, however, is that most of these items were developed on behalf of ECFiber by ValleyNet/GWI staff filling roles within ECFiber's business while it was acting as the manager of the Network pursuant to the Operating Agreement. GWI's claim that they are GWI's intellectual property is incorrect.

The Operating Agreement always contemplated that the services provided by GWI may end. Providing a smooth transition to a new management company is clearly a requirement of the overall services provider under the Operating Agreement. GWI is obligated to use commercially reasonable efforts in its execution of these services. That includes

assuring that the Network and associated business operate at the same quality and reliability in the period after the completion of the Operating Agreement. The District expects that GWI will continue to provide the same excellent service during the transition that is has provided previously.

The District is in the process of developing a Transition Policy per the Operating Protocol to address the process of transitioning away from service under the Operating Agreement. Given GWI's critical role in implementing this process, the District welcomes GWI's input in the development of such a policy.

Sincerely yours,

F. X. Flinn

Governing Board Chair

CC: District Executive Committee Elijah Emerson, Primmer Ryan Long, Primmer Alessandro Iuppa, Chair, VISPO Stan Williams, VISPO Transition Lead

F.X. Flim

# **EXHIBIT I**



# **East Central Vermont Telecommunications District**

Vermont's First Communications Union District
ECFiber is the trade name of the District's ISP business

May 6, 2025

Kerem Durdag Chief Executive Officer Biddeford Internet Corporation dba GWI 40 Main St. Ste 13-127 Biddeford, ME 04005-5179

via eMail to: kdurdag@staff.gwi.net

Dear Kerem,

On May 5, 2025, the Executive Committee for the East Central Vermont Telecommunications District ("District") engaged and appointed Stan Williams as Clerk of the Works. As authorized in the operating agreement, the Clerk of the Works will help oversee GWI's work related to ECFiber and liaise between the District and GWI. Stan Williams will be in touch separately to discuss his schedule and next steps. Please prepare physical space at 415 Waterman Road for Mr. Williams, and please extend to him your full courtesy and cooperation.

The Executive Committee also prepared the attached Transition Policy to provide direction on winding up operations. GWI is directed to work directly with our new operator the Vermont ISP Operating Company ("VISPO") to develop a detailed supplemental transition plan pursuant to the Transition Policy. The schedule in the Transition Policy may be modified by mutual agreement between GWI and VISPO in the supplemental transition plan. However, unless that schedule is modified, the District considers that schedule in the Transition Policy to be the operative schedule, deviation from which will irreparably harm the District, its members, its customers, and its respective Operators.

Finally, on April 25, 2025, you sent an email to the Executive Committee addressing three issues: 1) communications via email; 2) ECFiber staff GWI will send to meetings; and, 3) GWI's policy regarding recording meetings and executive session. I will address each in turn, but these suggestions appear to create a number of inefficiencies, and diminish the responsive service the District pays GWI to provide.

On communications via email, we disagree that sending all email to operator@staff.gwi.net will result in any efficiency. The District has operated open lines of communication with specific staff responsible for specific duties and adding a second step will cause delay, while the

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question is reviewed, a determination of the appropriate party to respond is made, that party then reviews the question, and then responds through the same account. It is far more efficient for the District to send email to the responsible party and get an answer back. This system has worked well for nearly a decade. Similarly, some issues may start with an email but require a phone call to follow-up. Receiving a generic response from operator@staff.gwi.net will require yet another step for the District to determine who the party providing the answer is before the District can pick up the phone. However, as a courtesy, the District will endeavor to cc operator@staff.gwi.net on email, but intends to continue to communicate with appropriate staff directly.

On which staff will attend meetings-GWI's suggested approach to send staff to meetings to take questions back to GWI to consider and then take GWI's answers back to the District adds significant time to what has been an efficient and straightforward process in the past. Sending staff who do not have sufficient knowledge to answer the District's questions at those meetings creates yet another layer of inefficiency. The District requires competent and knowledgeable staff capable of answering operations questions to be present at its open meetings.

Finally, GWI wishes to record meetings and not allow its staff into executive sessions which are not otherwise recorded. Obviously, the District's meetings, with the exception of its executive sessions, are via Zoom and recorded. Copies of those recordings are available at https://ECVTD.gov, so GWI separately recording meetings is redundant, though of course you are welcome to do so. As to executive sessions, obviously staff will not be authorized to record executive sessions if invited to attend. While the District generally endeavors to alert the operator to pressing issues, advanced notice is not always possible in every case, and the District expects staff to be available and to appear in executive sessions when required.

Sincerely yours,

F. X. Flinn

Governing Board Chair

CC: District Executive Committee Elijah Emerson, Primmer Ryan Long, Primmer Alessandro Iuppa, Chair, VISPO Stan Williams, Clerk of the Works

F.X. Flinn

This is the current draft. The policy will be taken up by the Governing Board at the May 13, 2025 meeting. GWIs feedback is welcomed.

### **Transition Policy**

The goal of the transition is to seamlessly convert the District's business operations from management by the current operator [using its employees] to management by the new operator [using its employees]. Failure to fully comply with this Policy may impair service, result in loss of service for a period of time, and unnecessarily risk irreparable harm to the District, its members, its customers and to the respective operators...

All data, systems, equipment, tools, vehicles, computers, network devices, software, furniture, appliances, and other tangible things used in ECFiber's business are the property of the District. Therefore, prior to transition the current operator shall not take, modify, reset, dispose, sell, transfer or in any other manner change the systems, procedures, data, or configuration of these things. All shall be kept in normal operation and transferred to use by the new operator employees on a schedule that assures normal operations continue without disruption. For example, the new operator's employees should be executing the billing functions a month or more in advance of the end date of this agreement.

Because all vendor, regulatory, banking, subscriptions and other contractual service arrangements are in the name of the District, or should have been acquired in the name of the District, the current operator shall not cancel, modify, transfer or in any other manner cause these arrangements to be disrupted. In the case of existing contracts to which the current operator is a co-signer with the District, the current operator shall cooperate in assignment to the new operator or removal of their status as co-signers as may be determined by the District.

The District desires ECFiber to continue operating after the transition is complete using the same business systems as it used in the most recently completed full calendar year. The current operator shall therefore make no further changes to those systems. By way of example, the accounting system for the business of ECFiber shall not be migrated. The billing and operations shall not be migrated.

It is the intent of the District that this Transition Policy be supplemented by a detailed transition plan to be developed by leadership and staff of the current operator and the new operator working together. Work on that plan should begin no later than the first day of the seventh month preceding the contract end date (e.g. 6/1/2025 for a 12/31/2025) and

be available for preliminary approval by the District Executive Committee at its regularly scheduled meeting on the last Monday of that month.

In order to ensure the orderly transition envisioned in this Transition Policy, the supplemental transition plan shall enable the successor operator to begin monitoring functional areas of the business and having full responsibility on the first Monday of the Nth month prior to expiration of the design, build, and operate agreement. In order to facilitate a seamless cutover, the supplemental transition policy shall incorporate the following transition schedule which may be modified upon agreement of the parties to the supplemental transition plan.

Functional Area	Start Monitoring	Full Capability
Bookkeeping/AP	5th month prior	2nd month prior
Billing	4th month prior	2nd month prior
Customer Service	4th month prior	2nd month prior
Network Management	4th month prior	2nd month prior
Outside Plant	4th month prior	2nd month prior
Marketing	4th month prior	3rd month prior

WHEREAS, the East Central Vermont Telecommunications District (the "District") and ValleyNet, Inc. entered into an Operating Agreement dated February 22, 2016;

WHEREAS, the Biddeford Internet Corporation d/b/a Great Works Internet ("GWI") assumed the rights and obligations of ValleyNet under the Operating Agreement by way of an Assignment and Assumption Agreement dated December 31, 2022;

WHEREAS, the Operating Agreement defines the "Project" as the "design, construct[ion] and operat[ion] [of] one or more communication plants;"

WHEREAS, the Operating Agreement states "The parties further acknowledge that the District, acting through its Governing Board as the legislative body of a municipal corporation, is responsible for establishing and articulating policies to be acted upon and implemented by ValleyNet under this Agreement;"

WHEREAS, the Operating Agreement further states the "District may engage and appoint a Clerk of the Works to oversee the construction and installation of all work related to each Project contemplated in this Agreement, and to act as a liaison between and among parties involved in communications plant construction;"

WHEREAS, the Operating Agreement further states "The parties agree to use their best efforts to resolve any dispute, controversy or claim hereunder in the first instance through the office of the Clerk of the Works, and thereafter through negotiation and mediation;"

WHEREAS, Exhibit A to the Operating Agreement: Operating Policies and Protocols states

Paragraph II. General Roles regarding the Project

#### A. District

- a. Formulate and articulate general governance policies
- c. Monitor ValleyNet performance

### B. ValleyNet

- a. Execute and complete the Network Project including designing, building all associated Network assets and operating them as an ongoing business
- f. Cooperate with a Clerk of the Works selected and engaged by the District

g.

Paragraph III-C (a)(iii). Operational Details – Project Governance

District Governing Board may choose to appoint an independent Clerk of the Works, or upon mutual approval, rely on ValleyNet personnel, to verify contractors' project performance during Project construction periods.

WHEREAS, the Executive Committee Charter states "Role of the Executive Committee: Pursuant to Paragraph 1 of the Operating Agreement between the District and ValleyNet, Inc. executed on February [22], 2016, the parties acknowledge that the Governing Board of the District is responsible for establishing and articulating policies to be acted upon and implemented by ValleyNet;"

WHEREAS, the Charter further states: The overarching role of the Executive Committee shall be to implement the Governing Board's plans and policies, and to ensure that ValleyNet, Inc. is complying with the policies, practices and procedures set forth by the governing board. In doing so, the Executive Committee shall

(e) When a majority of the Executive Committee deems it necessary, act on behalf of the Governing Board, subject to subsequent Governing Board approval;

. . .

(i) Propose to the Governing Board amendments to the Operating Agreement;

WHEREAS, the Governing Board of the District has determined to not renew or extend the Operating Agreement with GWI, creating a strong need for increased communication and collaboration with GWI in the transition to a new operator.

NOW, THEREFORE, pursuant to its Charter, the Executive Committee finds that it is necessary and appropriate to appoint and engage a Clerk of the Works for the purpose of representing the District's interest in overseeing the Project, monitoring GWI's performance, and to act as a liaison between and among the District and GWI; and

THEREFORE, the Executive Committee appoints Stan Williams as Clerk of the Works, subject to subsequent approval by the Governing Board.

Adopted by the ECVTD Executive Committee May 5, 2025

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# EXHIBIT J

### quinn emanuel trial lawyers | boston

III Huntington Avenue, Suite 520, Boston, Massachusetts 02199-7626 | TEL (617) 712-7100 FAX (617) 712-7200

WRITER'S DIRECT DIAL NO. **(617) 712-7108** 

WRITER'S EMAIL ADDRESS harveywolkoff@quinnemanuel.com

May 9, 2025

## PRIVILEGED & CONFIDENTIAL VIA E-MAIL

Ryan M. Long
Primmer Piper Eggleston & Cramer PC
30 Main Street
Suite 500
P.O. Box 1489
Burlington, VT 05402
rlong@primmer.com

Re: <u>ECFiber's "Transition Policy"</u>

Dear Ryan:

This is written on behalf of our client Biddeford Internet Corporation d/b/a Great Works Internet and GWI Vermont, LLC ("GWI"). GWI is in receipt of ECFiber's self-styled "Transition Policy." However, that document is nothing more than additional evidence of ECFiber's bad faith treatment of a soon to be former business partner, GWI. Moreover, ECFiber is misreading the parties' Operating Agreement with respect to the role of a "Clerk of the Works", as noted herein.

We assure you that GWI will comply fully with its obligations under the Operating Agreement. This will include leaving any property that belongs to ECFiber, and departing its offices promptly as of December 31, 2025. Until that date, GWI will continue to perform its duties and responsibilities as operator as flawlessly as it has in the past. We are shocked, however, that as ECFiber writes in its "Transition Policy," unless GWI agrees to perform numerous tasks clearly outside the scope of its contract, and indeed does so without any appropriate compensation, then the District may experience loss of service for a period of time, and other alleged harm. This is truly regrettable, but if that occurs, it would be from the direct and foreseeable outgrowth of ECFiber's inexcusable conduct toward GWI and its decision to retain a new startup operator with no operating staff, no operations, and no operational history as part of a mostly secret plan by ECFiber's Chairman that includes harming GWI and its business.

We understand that ECFiber's decision to unilaterally terminate the Operating Agreement and instead replace GWI with a newly created entity, VISPO, has left ECFiber with a future operator that has no experience, to the considerable detriment of those Vermont residents within the East Central Vermont Telecommunications District (the "District"). Making matters worse, ECFiber made this decision without conducting any RFP process that would enable experienced operators, including GWI, to fairly compete for ECFiber's business. VISPO would never have been awarded ECFiber's business in any transparent and competitive bid process. Recent events in Kentucky illustrate the ill effects that can result for customers when a rural broadband network improvidently severs ties with its administrator, without lining up a successor. See https://broadbandbreakfast.com/kentucky-middle-mile-network-could-go-dark-hurtingthousands/?ref=alerts-newsletter (last accessed May 9, 2025). GWI wants nothing but for District customers to receive the same excellent service they have received since GWI took over on January 1, 2023, through the end of this year. For so long as GWI is the network operator, that will continue to be the case. GWI was not, however, hired to take on an apprentice and train that entity from its infancy until it can stand on its own two feet, and it does not guarantee the workmanship of VISPO.

We understand as well that ECFiber's choice of VISPO appears to directly contravene several of the explicit representations made by the District in its Offering Memorandum to the bondholders, including without limitation that "Both ECFiber and the District have always contracted with an experienced internet service provider to run the ECFiber business[.]" Perhaps ECFiber believed that it could simply poach GWI's employees, or have GWI voluntarily agree to train VISPO's staff on how to operate a complex business such as the one at issue. But if that was its thinking, then ECFiber is sorely mistaken. And its attempt now to unilaterally foist a multitude of additional unpaid work on the shoulders of GWI to make up for ECFiber's poor decision making is inexcusable.

ECFiber and the District cannot shield either their operational or legal exposure by attempting to impose on GWI obligations and responsibilities that are not contained in the parties' Operating Agreement. Indeed, one thing is not and cannot be in dispute: There is nothing in the Operating Agreement that requires GWI to enter into or abide by a "Transition Policy" or "Policy Agreement" whose terms have been unilaterally dictated by ECFiber and its lawyers. To the contrary: It is notable that the parties' Operating Agreement specifically provides in paragraph number (15) that its written terms "embod[y] the complete understanding of the parties." Nor does it constitute "irreparable harm" to ECFiber for GWI to adhere to its contractual obligations and not be subjected to new terms to which it never agreed. If ECFiber or the District had wanted to impose upon GWI the additional responsibility of a "Transition Policy" (without any additional compensation, no less), then ECFiber and the District should have bargained for that right and included it in the written Operating Agreement. They did not.

ECFiber and its Chairman Mr. Flinn have done nothing but act recklessly and in bad faith toward GWI and thus the residents of their District despite GWI's impeccable record of service. From listening to the secret recording of a private GWI meeting – and then publicly misreporting what was said – to attempting to poach GWI's employees under contract, to gratuitously writing to GWI's other districts in order to unfairly disclose GWI's confidential business dealings and malevolently harm GWI's business – ECFiber and its Chairman Mr. Flinn have been a model of

how <u>not</u> to treat a respected business partner like GWI. ECFiber has made its choice to transition to VISPO. Now come the consequences.

As for ECFiber's appointment of Mr. Stan Williams to the position of Clerk of the Works, we would point out that it is a bit late to fill that position, given that under the Operating Agreement the role of the Clerk of the Works is to "oversee construction and installation of all work" and to "act as a liaison between and among the parties involved in communications [about] plant construction." The Clerk of the Works is also supposed to be "independent" under the Operating Agreement. As a Director of VISPO, which purports to replace and compete with GWI, Mr. Williams is anything but independent. Rather, Mr. Williams' appointment as Clerk of the Works appears to be a thinly veiled attempt to embed Mr. Williams inside GWI's operations, to the unjust enrichment of VISPO - not to carry out the role of an independent Clerk of the Works as set out in the Operating Agreement.

Further, ECFiber has no right to unilaterally impose a Director of VISPO (or anyone else) as an occupant in GWI's office space, and he will not be admitted to that space under these circumstances. Nor will the horde of others who ECFiber somehow has decided may enter GWI's office space and learn how to operate a broadband network by taking GWI's proprietary business information. Never before has ECFiber requested that outsiders use GWI's office space in this manner. In the event there is a need to discuss plant construction with ECFiber, GWI will be sure copy Mr. Williams. Otherwise, except as specified in the Operating Agreement, GWI has no duty to communicate with Mr. Williams at all, and will not do so. Nor is a "successor operator" welcome to "begin monitoring functional areas of [GWI's] business." GWI maintains strict security and confidentiality protocols. Because VISPO is a competitor, it would violate all of GWI's confidentiality agreements and obligations to communicate with Mr. Williams about GWI business in the manner that ECFiber demands. GWI intends to put ECFiber out of the business of taking its confidential and proprietary information for its own use, to which it has no right.

On the issue of what properly belongs to ECFiber and what to GWI, GWI takes issue with ECFiber's claim that, essentially, it owns everything that is not nailed down. This is not so, and is again an example of ECFiber overreaching and not abiding by the terms of the parties' Operating Agreement. ECFiber does not own GWI's intellectual property in the use and maintenance of proprietary systems and software, as these remain exclusively GWI's property and are not transferred or licensed under the Operating Agreement. Notwithstanding this, GWI is confident that the parties can discern who owns what prior to December 31, 2025.

Moving forward, please desist from all future communications with GWI about a "Transition Agreement" and instead ensure that such further communications, if any, be sent by your attorneys to the undersigned. GWI will continue to study and may further comment on ECFiber's transition plans.

Very truly yours,

Harvey J. Wolkoff

HJW

Evan O'Brien, Esq. GWI Vermont, LLC cc:

# **EXHIBIT K**

Motion:

Move to adopt the following Transition Policy, which is one in a series of General Operating Policies and Protocols, promulgated pursuant to Section III(C)(b) of Exhibit A to the Operating Agreement (the "Agreement"), designed to ensure that the critical services performed by Biddeford Internet Corporation dba Great Works Internet ("GWI") in the design, construction and operation of East Central Vermont Telecommunications District's (the "District") broadband network (the "Network") are implemented prudently and efficiently.

### **Transition Policy**

The goal of the transition is to seamlessly convert the District's business operations from management by the current operator [using its employees] to management by the new operator [using its employees]. Failure to fully comply with this Policy may impair service, result in loss of service for a period of time, and unnecessarily risk irreparable harm to the District, its members, its customers and to the respective operators.

All data, systems, equipment, tools, vehicles, computers, network devices, software, furniture, appliances, and other tangible things used in ECFiber's business are the property of the District. Therefore, prior to transition the current operator shall not take, modify, reset, dispose, sell, transfer or in any other manner change the systems, procedures, data, or configuration of these things. All shall be kept in normal operation and transferred to use by the new operator employees on a schedule that assures normal operations continue without disruption. For example, the new operator's employees should be executing the billing functions a month or more in advance of the end date of this agreement.

Because all vendor, regulatory, banking, subscriptions and other contractual service arrangements are in the name of the District, or should have been acquired in the name of the District, the current operator shall not cancel, modify, transfer or in any other manner cause these arrangements to be disrupted. In the case of existing contracts to which the current operator is a co-signer with the District, the current operator shall cooperate in assignment to the new operator or removal of their status as co-signers as may be determined by the District.

The District desires ECFiber to continue operating after the transition is complete using the same business systems as it used in the most recently completed full calendar year. The current operator shall therefore make no further changes to those systems. By way of example, the accounting system for the business of ECFiber shall not be migrated. The billing and operations shall not be migrated.

It is the intent of the District that this Transition Policy be supplemented by a detailed transition plan to be developed by leadership and staff of the current operator and the new operator working together. Work on that plan should begin no later than the first day of the seventh month preceding the contract end date (e.g. 6/1/2025 for a

12/31/2025) and be available for preliminary approval by the District Executive Committee at its regularly scheduled meeting on the last Monday of that month.

In order to ensure the orderly transition envisioned in this Transition Policy, the supplemental transition plan shall enable the successor operator to begin monitoring functional areas of the business and having full responsibility on the first Monday of the Nth month prior to expiration of the design, build, and operate agreement. In order to facilitate a seamless cutover, the supplemental transition policy shall incorporate the following transition schedule which may be modified upon agreement of the parties to the supplemental transition plan.

Functional Area	Start Monitoring	Full Capability
Bookkeeping/AP	5th month prior	2nd month prior
Billing	4th month prior	2nd month prior
Customer Service	4th month prior	2nd month prior
Network Management	4th month prior	2nd month prior
Outside Plant	4th month prior	2nd month prior
Marketing	4th month prior	3rd month prior

## **EXHIBIT O**

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WRITER'S DIRECT DIAL NO. **(617) 712-7108** 

WRITER'S EMAIL ADDRESS harveywolkoff@quinnemanuel.com

June 3, 2025

Ryan Long, Esq. Primmer Piper Eggleston & Cramer PC 30 Main Street, Suite 500 Burlington, VT 05402

Re: ECFiber

Dear Ryan:

Thank you for your letter dated May 28, 2025. I would say at the outset that it is unreasonable to demand that GWI respond within two days with a proposed budget and list of third-party experts with respect to a transition, especially when it took ECFiber 12 days to respond to our May 16<sup>th</sup> letter. Also, you continue to reference without citation non-existent provisions of the Operating Agreement, as if they actually were there. With regard to reporting, for example, while GWI will continue to report on the operational, financial and construction status of the District network, there is no requirement that these reports be delivered in person or that GWI participate in operating committee meetings. GWI will provide responses to ECFiber's questions in writing, consistent with our established communication protocol.

As yet another example, while you continue to claim that the Operating Agreement requires that GWI hew to ECFiber's onerous transition policy, you fail to cite any actual provision in the Operating Agreement requiring GWI to do so—and there is none. Nonetheless, as you know, GWI never refused to cooperate with ECFiber in its attempt to transition over to VISPO, even though the Operating Agreement has no such requirement. GWI is in the process of securing estimates and evaluating requirements and costs for any transition and will provide that information when its ready.

On the issue of who owns what, again, one must look to the Operating Agreement for resolution of that issue. From your letter, you conjure up a requirement—again without reference to any actual language in the Operating Agreement—that GWI leave all items, including "software and data" for ECFiber's subsequent use. But what the Operating Agreement actually requires is that "all equipment and materials necessary to implement the construction and operation of the Project" be purchased in the name of the District. Leaving aside whether

purchasing items in the name of the District means that ECFiber then owns the items, it is clear that, for example, software is not "equipment and materials" and therefore belongs to GWI. The explicit language of the Operating Agreement indicates that ECFiber is not the owner of all that it claims.

As for your Clerk of the Works, Mr. Williams emailed GWI on June 2, 2025 indicating that he plans to "stop in" at GWI's office space in South Royalton "at some point Friday and then from time to time as needed to speak with [Tom Cecere] and department heads as necessary." Mr. Williams described his "mandate" as "broad oversight" including as to matters well outside the scope of the parties' Operating Agreement, which expressly contains language that delineates the role of the Clerk of the Works.

To clarify expectations: under the Operating Agreement, the role of Clerk of the Works is defined in narrow and specific terms. Section 8 provides for the appointment of a Clerk solely to oversee the construction and installation of work related to the Project, and to act as a liaison among parties involved in the construction of the communications plant. The Clerk's role does not include operational, financial, or policy oversight over GWI. Mr. Williams' description of the role of the Clerk of the Works and what he sees as his "mandate" diverges significantly from what the Operating Agreement provides. GWI will adhere to the latter.

Accordingly, to comply with the Operating Agreement, GWI will operate as follows:

- The Clerk of the Works may liaise with GWI with respect to communications concerning plant construction and installation. The Clerk should contact GWI in writing and in advance so as not to interrupt previously scheduled construction or installation activity. GWI will respond in writing.
- As reflected by the language in the Operating Agreement, GWI will not communicate with the Clerk of the Works concerning any other topic or issue that is unrelated to plant construction and installation. These include, but are not limited to, oversight of or involvement in network operations or ISP business activities. The Clerk of the Works will not be granted access to financial data, accounting systems, or internal financial reports. GWI will entertain no discussion with the Clerk of the Works regarding compliance with purported policies of the District.

It is ECFiber's decision to permit Mr. Williams entry to the offices located at 415 Waterman Road. However, please be advised that any interactions or communications with Mr. Williams will be in writing as described above. Under no circumstances will Mr. Williams receive access to confidential and proprietary systems or intellectual property of GWI. Such access would violate customer confidentiality and internal GWI policies, regardless of whether Mr. Williams resigned his position as director at VISPO or not.

Further, Mr. Williams is not authorized to speak to GWI's employees under any circumstances. Given ECFiber's recent track record in its interactions with and behavior toward GWI's employees, GWI will not be flexible on this point. If ECFiber insists that Mr. Williams

enter the GWI workspace to perform the purported duties of his new position, then GWI employees will work remotely, where they will continue to perform their duties without interruption and without ECFiber's purloining more of GWI's confidential and proprietary information than it already unlawfully has. Please let me know ECFiber's preference.

Mr. Williams should continue to direct any inquiries he may have regarding plant construction and installation to <a href="mailto:operator@staff.gwi.net">operator@staff.gwi.net</a>. While we will endeavor to address ECFiber's questions in a timely manner, all responses will be provided in writing. Should GWI, in its sole discretion, provide any GWI representative(s) to attend future ECFiber meetings, their role will be limited to delivering prepared written responses and noting any additional questions for subsequent written follow-up. This approach ensures clear communication and maintains appropriate documentation of all exchanges between the parties.

To that end, GWI acknowledges receipt of Governing Board member and VISPO director Liane Allen's email of June 2, 2025, which presents a large number of questions or action items to GWI -- by our count, 22 of them (not including any sub-parts) across a broad range of topics -- and demanding in-person responses from GWI at the Operating and Marketing Committee meeting taking place on June 4, 2025 at 7:00 PM. GWI is studying Ms. Allen's list of questions, and will provide written responses. However, under the circumstances GWI does not commit to provide those written responses by tomorrow night, nor, as noted above, does GWI commit to sending a GWI representative to attend this particular committee meeting.

We will supplement this letter as indicated as soon as additional information is available.

Very truly yours,

/s/ Harvey J. Wolkoff

Harvey J. Wolkoff

HJW