

NON-BINDING LETTER OF INTENT

TO: Peaine Township, Beaver Island Community Center, Beaver Island District Library, Beaver Island Community School and Charlevoix County

FROM: Kathleen McNamara, Supervisor
St. James Township

SUBJECT: Formation of Beaver Island Broadband Consortium

This non-binding letter of intent (the "Letter") sets forth in general terms the manner by which St. James Township, Peaine Township, The Preservation Association of Beaver Island, Beaver Island District Library, Beaver Island Community School, Charlevoix County, Beaver Island Historical Society and Beaver Island Rural Health Center (the "Parties") plan to create an entity known as the Beaver Island Broadband Consortium (or such other name as is agreed by the Parties) (the "Consortium"). The purpose of the Consortium would be to create a funding and operating mechanism between the Parties to share costs to establish a broadband internet link to the mainland and to provide service to its members for use at their respective locations (the "Services"). The objective is to have the Parties come to an agreement on the terms and conditions for setting up the Consortium, including, but limited to the following:

- A. The initial and recurring costs to create the Consortium and to provide the Services as well as an allocation of those costs among the Parties. A draft allocation of these costs is set forth in Exhibit A to this Letter, which allocation is non-binding and subject to adjustment and approval by each of the Parties as part of the formation of the Consortium.
- B. The engagement of necessary experts, including persons or a company having the ability to put together equipment, wiring and wireless facilities to implement the Services.
- C. A plan to maintain and update the Services over time.
- D. The legal form of the Consortium and a process to manage the Consortium.
- E. A means for others to join the Consortium.
- F. Any such other matters which may be necessary to complete this project.

The parties understand that none of them is bound by this letter of intent, and they only commit hereby to enter into good faith negotiations regarding the matter set forth in this non-binding letter of intent.

Sincerely,

Kathleen McNamara, Supervisor
St. James Township

(Signatures are on following page.)

<p>ST. JAMES TOWNSHIP</p> <p>By: _____ Kathleen McNamara, Supervisor Date:</p>	<p>PEAINE TOWNSHIP</p> <p>By: _____ William Kohls, Supervisor Date:</p>
<p>PRESERVATION ASSOCIATION OF BEAVER ISLAND</p> <p>By: _____ Date:</p>	<p>BEAVER ISLAND DISTRICT LIBRARY</p> <p>By: _____ Date:</p>
<p>BEAVER ISLAND COMMUNITY SCHOOL</p> <p>By: _____ Date:</p>	<p>CHARLEVOIX COUNTY</p> <p>By: _____ Date:</p>
<p>BEAVER ISLAND HISTORICAL SOCIETY</p> <p>By: _____ Date:</p>	<p>BEAVER ISLAND RURAL HEALTH CENTER</p> <p>By: _____ Date:</p>

EXHIBIT A

Participant	Upfront Costs
Peaine Township	\$ 6,500.00
St. James Township	\$ 6,500.00
Charlevoix County	\$ 10,000.00
BI Community School	\$ 5,000.00
BI District Library	\$ 4,000.00
BI Rural Health Center	\$ 4,000.00
BI Community Center	\$ 2,500.00
BI Historical Society	\$ 1,500.00
Total	\$ 40,000.00

Aggregate Backhaul	Backhaul Contract Term	Monthly Charge
500M	1yr.	\$ 268.89
	5yr.	\$ 235.56
700M	1yr.	\$ 354.22
	5yr.	\$ 307.56