

Culver Connect Ongoing Expenses & Revenues: Current (MOX) and Proposed (Inyo)

EXPENSES	Current		Proposed	
	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>
<u>Network Services</u>				
MOX Sales	\$ 10,000	\$ 120,000	\$ -	\$ -
MOX Other	\$ 12,188	\$ 146,250	\$ -	\$ -
MOX Administration	\$ 11,093	\$ 133,116	\$ -	\$ -
MOX Operations (NOC)	\$ 30,134	\$ 361,605	\$ -	\$ -
MOX GIS	\$ 8,125	\$ 97,500	\$ -	\$ -
MOX Engineering	\$ 9,750	\$ 117,000	\$ -	\$ -
Operations	\$ 62,546	\$ 750,550	\$ 500	\$ 6,000
<i>Subtotal Network Services</i>	\$ 143,835	\$ 1,726,021	\$ 500	\$ 6,000
<u>Other Expenses</u>				
Equinix: Rack/Space/Power Co-location Service	\$ 1,743	\$ 20,916	\$ 1,743	\$ 20,916
Coresite: Rack/Space/Power Co-location Service	\$ 2,510	\$ 30,114	\$ 2,510	\$ 30,114
Metro: Agreement for License of ROW	\$ 83.33	\$ 1,000	\$ 83.33	\$ 1,000
MOX: Leased Fiber	\$ 11,500	\$ 138,000	\$ 11,500	\$ 138,000
Network Equipment Maintenance (1)	\$ 2,833	\$ 34,000	\$ 3,750	\$ 45,000
HP: Locates	\$ 7,000	\$ 84,000	\$ 7,000	\$ 84,000
HP: Warehouse	\$ 1,500	\$ 18,000	\$ 1,500	\$ 18,000
HP: Contingency & Emergency Restoration	\$ 417	\$ 5,000	\$ 417	\$ 5,000
MOX: Sales Commission (2)	\$ 7,103	\$ 85,230	\$ 7,103	\$ 85,230
<i>Subtotal Other Expenses</i>	\$ 34,688	\$ 416,260	\$ 35,605	\$ 427,260
TOTAL EXPENSES	\$ 178,523	\$ 2,142,281	\$ 36,105	\$ 433,260
REVENUE				
<u>Dark Fiber Revenue</u>				
Current Service Orders	\$22,600	\$271,200	\$22,600	\$271,200
Anticipated Near Term Service Orders (3)	\$12,250	\$147,000	\$12,250	\$147,000
<i>Subtotal Dark Fiber Revenue</i>	\$34,850	\$418,200	\$34,850	\$418,200
Additional Near Term Service Order (Amortized) (4)	\$25,000	\$300,000	\$25,000	\$300,000
<i>Total Dark Fiber Revenue</i>	\$59,850	\$718,200	\$59,850	\$718,200
<u>ISP Revenue</u>				
Revenue Share (5)	-	-	\$ 12,495	\$ 149,934
NET INCOME				
w/ current and anticipated near term service orders	\$ (143,673)	\$ (1,724,081)	\$ (1,255)	\$ (15,060)
plus Addt'l Near Term Service Order (Amrtzd)	\$ (118,673)	\$ (1,424,081)	\$ 23,745	\$ 284,940
plus ISP Revenue Share	\$ (118,673)	\$ (1,424,081)	\$ 36,240	\$ 434,874
CC General Fund: Loan Payment for Working Capital	\$ (12,500)	\$ (150,000)	\$ (12,500)	\$ (150,000)
Net Income after Loan Payment to General Fund	\$ (156,173)	\$ (1,874,081)	\$ (13,755)	\$ (165,060)
plus Addt'l Near Term Service Order (Amrtzd)	\$ (131,173)	\$ (1,574,081)	\$ 11,245	\$ 134,940
plus ISP Revenue Share	\$ (131,173)	\$ (1,574,081)	\$ 23,740	\$ 284,874

Notes

Model does not assume any additional dark fiber leases negotiated by Inyo.

Model does not account for City's one-time cost "investing" activity: upfront payments for lateral construction repaid by customers or networking equipment needed to service each location and customer.

- (1) Assumes \$10,000 increase in networking equipment maintenance due to need to service customer networking cards.
- (2) Assumes commission of 7.5% of IRUs and 15% leases.
- (3) Opportunities in negotiation expected to close soon.
- (4) TCV of \$3M divided by 120 months. Actual monthly revenue subject to current negotiations and will be mixture of upfront and monthly payments.
- (5) 50% of Inyo's Projected monthly revenue share at end of year one.