

**Resolution No. 23-131 - Exhibit A**



**Term-Sheet for the Broadband Agreement between Hudson, OH and Lit Fiber Hudson, LLC**

Parties	City of Hudson, Ohio (“Hudson”) of 1140 Terex Road, Hudson, OH 44236 and Lit Fiber Hudson, LLC, a to be formed entity that will be a wholly owned subsidiary of Lit Fiber, LLC (collectively, “Lit”), of 3500 Blue Lake Drive, Suite 225, Birmingham, Alabama 35243.
Purpose	Lit wishes to create a success-based, mutually beneficial public-private partnership (“P3”) with Hudson to deploy a fiber infrastructure network that would provide broadband service to Hudson’s residential customers at rates uniform to the FTTX Network, excluding temporary promotions; business and anchor institution customers; and provide backhaul for wireless or smart city service (collectively the “FTTX Network”). The FTTX Network will be constructed within Hudson’s municipal limits. Lit wishes to utilize Hudson’s Velocity Broadband (“Velocity”) existing fiber network (“Velocity Network”) as the backbone and distribution network from which it would build and add its FTTX Network infrastructure. The Velocity Network currently serves business and governmental customers in Hudson. Should circumstances arise in which the FTTX Network and the Velocity Network are both available to service a business customer, Lit and Hudson shall mutually agree as to which entity shall service the customer. All businesses currently serviced by the Velocity Network, and for which Lit is not required to build out the FTTX Network, shall be attached as an addendum to the final agreement between the parties.
Velocity Network	Hudson owns and operates the Velocity Network, providing service to its first customers as a full-service municipal broadband network in 2015. Since 2015, Velocity has grown to providing services to 315 businesses (“Velocity Business Customers”) and 168 residential customers (“Velocity Residential Customers”). The Velocity Network also currently passes an additional ~300 homes, with the ability to provide service to those homes (“Potential Velocity Residential Customers”). At all times during the Term, the Velocity Network will remain owned by Hudson.
FTTX Network and Lit Obligations	<p>During the Term, in consideration of the Hudson Services, as hereinafter defined, and to further the P3 with Hudson, Lit will undertake the following obligations to develop the FTTX Network:</p> <ol style="list-style-type: none"> <li>1. Lit will, at its own cost and expense, engineer and design the FTTX Network, provided, however, that it will engineer and design the same in collaboration and coordination with Hudson, which shall include, but not be limited to, consulting with, incorporating recommendations from, and providing full access of information to, Hudson’s IT staff, public works staff and other key personnel. Hudson will have the right to approve both the initial planning and the final engineering and design of the FTTX Network prior to the construction of the same and Lit will cooperate with Hudson to ensure that areas of service prioritized by Hudson are constructed in accordance with that priority.</li> <li>2. Lit will, at its own cost and expense, procure and construct the FTTX Network, including, but not limited to the procurement of all labor and materials necessary to construct the same.</li> <li>3. The FTTX Network will be designed and constructed as a 100% fiber-optic cable, multi-ring architecture, operating on a Calix Intelligent Modular System as set forth in Lit’s response to Hudson’s RFP.</li> <li>4. The FTTX Network shall be engineered and constructed to pass as many households and businesses within Hudson, including those in underserved areas of Hudson, in a manner that is reasonably calculated to provide the required</li> </ol>

	<p>return on investment to Lit while minimizing obstructions and impediments thereto, and in any case located within the municipal boundaries of Hudson (the “Service Territory”), and the same will be complete on or before the FTTX Network Completion Date, as defined below. In meeting its obligation to construct the FTTX Network so that it may provide broadband service in Service Territory, Lit may utilize the Velocity Network to meet its obligation to construct the FTTX Network, and is not required to construct additional fiber components adjacent to the existing Velocity Network unless Lit so chooses, and upon the consent of Hudson, which shall not be unreasonably withheld, conditioned, or delayed.</p> <ol style="list-style-type: none"> <li>5. Lit will be fully responsible for constructing, owning, operating, and maintaining, at its sole cost and expense, the FTTX Network upon construction of the same, and will provide broadband services (which shall include administrative services such as billing and technical/customer service) to the customers within the Service Territory, as further set forth herein. Lit will also provide Services to certain business customers within the Service Territory to the extent provided for herein. Lit may also operate a network operations center related thereto.</li> <li>6. During and after construction of the FTTX Network, Lit will collaborate with Hudson and any pertinent education, workforce, and training partners to establish workforce development programs intended to hire Hudson residents, or residents of nearby communities to operate and manage the FTTX Network and broadband services provided to customers of the FTTX Network.</li> <li>7. Lit will provide customer support services and maintain a customer support call center for all customers of the FTTX Network.</li> <li>8. Lit will provide residential customers with Services at service levels and pricing consistent with Exhibit A, attached hereto, and uniform within the Service Territory, excluding any temporary promotions offered by Lit, for connection to and use of the FTTX Network.</li> <li>9. Lit will provide Hudson with a 10Gig NNI connection to the FTTX Network at no cost to Hudson. Lit will also allocate two (2) strands throughout the FTTX Network for Hudson’s future use.</li> <li>10. Lit will follow all City of Hudson Engineering Standards set forth in Codified Ordinances Section 1016 related to the construction of the FTTX Network, including restoration of all private and public properties following construction.</li> <li>11. Lit shall be the exclusive provider on the FTTX Network. This in no way limits Hudson’s current and future use of the Velocity Network.</li> </ol>
Hudson Services	<p>During the Term, Hudson will provide or contribute the following items (“Hudson Services”) to Lit in exchange for the Fee, provided, however, that Hudson will have no obligation to construct any additional components of the Velocity Network that are not already in existence at the time that Hudson and Lit enter into their agreement(s):</p> <ol style="list-style-type: none"> <li>1. Hudson will provide Lit non-exclusive backhaul services (via an IRU or similar agreement) over the Velocity Network for the purpose of operation of, and interconnectivity with, the FTTX Network that will begin with a 10Gig circuit but could increase to 100Gig based on network usage over time. If capacity is not available, Lit will be able to use Medina County’s municipally owned network as well, provided, however, that as long as Hudson provides at least a 10Gig circuit, Hudson will be entitled to the Fee provided for herein. The provision of backhaul</li> </ol>

	<p>services from Hudson to Lit shall be done by Hudson’s standard service-level agreement.</p> <ol style="list-style-type: none"> <li>2. Access to use of existing Velocity Network infrastructure that will assist in the FTTX Network build-out, which includes:             <ol style="list-style-type: none"> <li>a. Aerial and underground conduit, vaults, and fiber strands</li> <li>b. Co-location space for Lit routers and electronics</li> <li>c. Cabinets or rack space, if available</li> </ol> <p>Access to the aforementioned infrastructure is conditioned upon the availability of the same and Hudson will have no obligation to construct any new Velocity Network infrastructure to accommodate Lit. The availability of such infrastructure will also be conditioned upon any existing agreements between Hudson and any other broadband provider or any other person that limits Hudson’s availability to permit the use of the same by Lit. Prior to execution of any agreement, Lit and Hudson will identify the extent and nature of the Velocity Network Infrastructure that will be utilized by Lit and the same will be incorporated into the appropriate agreement(s).</p> </li> <li>3. Temporary office space to Lit during the ramp up for Lit employees, if reasonably requested. Any such temporary office space shall be for a period no longer than six (6) months, unless otherwise agreed between the parties. The parties will negotiate the specific terms of a lease for such office space including but not limited to location, square footage, parking, and storage needs, etc., and incorporate the same into the agreement(s) resulting from this Term Sheet. Such space will only be made available out of property already owned or leased by Hudson and in no event will Hudson be required to procure or lease space for Lit’s use.</li> <li>4. Access to Hudson-owned electric poles within areas designated by Hudson where space is available.</li> <li>5. Hudson will provide guidance and non-monetary assistance to Lit with Hudson’s permitting and approval process to use City right-of-ways and easements, provided, however, that Lit shall obtain all necessary permits and all permitting for the use of public right-of-ways will comply with Section 1016 of Hudson’s Codified Ordinances, and the use of all existing City easements must comply with the terms of those easements. Further, Lit will be fully responsible for obtaining any private property easements, rights of use, attachment agreements and access agreements from any other public or private parties necessary for Lit to construct the FTTX Network, provided that Hudson will provide guidance and non-monetary assistance regarding the same.</li> <li>6. Hudson will otherwise assist Lit, to the extent possible, in reducing make-ready engineering and construction costs through collaborative planning and providing timely and reasonable access, but will not have an obligation to contribute monetarily to the same. To the extent Hudson incurs any such cost in doing so, Lit shall reimburse the City in full.</li> <li>7. Hudson will support and collaborate with Lit on all in-market messaging, public relations, and marketing initiatives. Lit must receive written approvals from Hudson prior to the release of any marketing materials or external communications that involve the use of the Velocity Network or branding.</li> <li>8. Hudson will provide, as appropriate and approved, access to local government land and facilities, at a location to be determined, to store materials for the FTTX</li> </ol>
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	<p>Network infrastructure buildout, including outside space for passive parts of the FTTX Network and inside space for the electronic components of the FTTX Network. Lit will agree to vacate the space within thirty (30) days of request from Hudson and will restore any such space to its condition prior to Lit taking possession of the same.</p>
<p>Broadband Service to Customers within the Service Territory</p>	<p>Hudson and Lit each intend to operate Velocity and the FTTX Network, respectively, concurrently within the Service Territory. In so doing, and as more fully set forth herein, Hudson shall be responsible for serving business customers within the Service Territory through Velocity and Lit shall be responsible for serving residential customers within the Service Territory through the FTTX Network.</p> <p>The parties acknowledge and understand that Hudson currently provides broadband service through Velocity to the Velocity Residential Customers, and the Velocity Network currently could provide service to a limited number of Potential Velocity Residential Customers. Initially, the Velocity Residential Customers will continue to remain customers of Velocity, and the parties will use their best commercial efforts to negotiate terms in the future for the migration of the Velocity Residential Customers to Lit Broadband Services within twelve (12) months of signing the agreement(s) resulting from this Term Sheet. The parties understand and agree that they will negotiate and determine an appropriate amount of consideration to be paid by Lit to Hudson for the transfer of the Velocity Residential Customers that is intended to ensure revenue stability for Velocity after the transfer.</p> <p>Until such time as Lit has extended the FTTX Network to run along the homes of the Potential Velocity Residential Customers, or Hudson and Lit have agreed to a transfer of all Velocity Residential Customers as set forth above, Hudson may provide Velocity service to the Potential Velocity Residential Customers.</p> <p>Hudson also currently provides broadband service through Velocity to the Velocity Business Customers. It is the intent of the parties that the Velocity Business Customers will remain customers of Hudson on the Velocity network during the term of the agreements(s) being contemplated by this Term Sheet.</p>
<p>Expansion Outside of Service Territory</p>	<p>Prior to the FTTX Network Completion Date for the Service Territory, Lit shall not use any portion of the FTTX Network connected to the backhaul services provided to Lit by the Velocity Network to provide broadband service to any customer outside of the Service Territory, unless such customer is located immediately adjacent to the Service Territory and included in Lit's FTTX Network build plans. Thereafter, in the event Lit provides broadband service to any customer outside the Service Territory by using the FTTX Network connected to the backhaul services provided by the Velocity Network, Lit shall pay Hudson a fee in an amount to be determined in the definitive agreements resulting from this Term Sheet.</p>
<p>Project Completion</p>	<p>The FTTX Network will be substantially completed by Lit no later than the thirty-six (36) months of the execution of the definitive agreements resulting from this Term Sheet, subject to force majeure. Substantial completion will be fully defined in the definitive documentation in a mutually acceptable manner, but, at a minimum, will include passage of the FTTX Network by 100% of the residential properties located within the portions of the Service Territory set forth on Exhibit A, and the ability to connect those residential properties to the FTTX Network (even if such connectivity necessitates portions of the FTTX Network to be located outside of the areas set forth on Exhibit A), including the full design, construction, installation, and the commencement of operation of the same, and the restoration of both public and private lands and structures disturbed by such construction and installation, excepting therefrom punch-list and other remedial work customarily</p>

	<p>completed after substantial completion. Substantial completion shall occur no later than thirty-six (36) months of the execution of the agreements resulting from this Term Sheet (the “FTTX Network Completion Date”).</p> <p>To ensure adherence to the FTTX Network Completion Date, LIT shall post and provide Hudson a surety bond in the amount of \$4 million from a surety reasonably acceptable to Hudson. In the event Lit fails to fully complete the FTTX Network on or before the FTTX Network Completion Date, subject to force majeure, then Hudson may execute upon the surety bond and use the proceeds to: (i) undertake the completion of the FTTX Network, (ii) fully connect the portions of the FTTX Network that need to be constructed to the existing FTTX Network and Velocity Network and to interconnect the same so that the same may function properly as a broadband service network, or (iv) to utilize the funds to pay for costs related to the financing of the current Velocity Network, the expansion of the Velocity Network, or other Hudson costs to expand broadband access to Hudson residents and businesses.</p> <p>To ensure timely completion of the Project, the agreement(s) consummating the transactions set forth herein shall contain certain milestones that must be completed by Lit prior to the twelve (12) month, twenty-four (24) month and thirty (30) month anniversaries of the execution of said agreements. The parties will meet upon such anniversaries and provide a progress report that will be presented to City Council to ensure said milestones are met.</p>
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<p>Fee</p>	<p>In exchange for the Hudson Services, Lit will pay Hudson a monthly Fee equal to (i) Five Dollars and No Cents (USD \$5.00) for each residential internet/data subscriber (account) generated using the Velocity Network, and (ii) Forty Dollars and No Cents (USD \$40.00) for business customer subscriber (account), beginning on the first month that each customer is connected.</p> <p>The per subscriber Fee will be deferred until twelve (12) months after the first residential customer is connected to the FTTX Network by Lit to allow for lower capital costs while the FTTX Network is being procured and constructed.</p> <p>On the three (3) year anniversary of the connection of first residential customer, and each succeeding three (3) year anniversary, the per subscriber fee will be reviewed and maybe adjusted as part of a general fee schedule review meeting.</p> <p>In addition, commencing twelve (12) months after the first residential customer is connected to the FTTX Network by Lit, Hudson will charge, and Lit shall pay, for 10GB backhaul services, the sum of \$1,200/month for the first three (3) years and, and thereafter \$2,400/month.</p>
<p>Term</p>	<p>The term of the agreement(s) will be twenty (20) years, and the same may be extended by up to two (2) ten (10) year renewal terms upon Lit’s prior written notice to Hudson (the “Term”).</p>

<p>Right of First Refusal to Purchase FTTX Network</p>	<p>Hudson shall have a right of first refusal to purchase the FTTX Network and ancillary assets, including, but not limited to, the customer base receiving Lit Broadband Services, in the event of:</p> <ol style="list-style-type: none"> <li>1. Lit voluntarily files for bankruptcy protection or is adjudged bankrupt.</li> <li>2. Lit is placed in or under a receivership.</li> <li>3. Lit materially breaches the agreement(s) that will result from this Term Sheet after the expiration of all applicable notice and cure periods, including, but not limited to, failure to provide the Lit Broadband Services to customers within the Service Territory.</li> </ol> <p>In such event, Hudson may exercise its right of first refusal by providing notice to Lit of the same. The purchase price by which Hudson may purchase the FTTX Network shall be determined in the definitive documentation arising from this Term Sheet.</p>
<p>Obligation to Purchase Velocity</p>	<p>In the event that federal or state law or regulations are changed to prohibit the ownership or operation of a municipally-owned broadband network that serves private customers, Lit shall purchase the Velocity Network from Hudson for the appraised market value of the Velocity Network, which shall be determined by appraisers as set forth in the prior Section, provided, however, that (i) the value of the Velocity Network shall not be discounted in the valuation process solely because it is a municipally-owned asset, and (ii) the market value of the Velocity Network shall in no event be less than the then-outstanding balance of the bonds issued by Hudson to finance the construction of the Velocity Network, which currently have an outstanding balance of \$3.6 million.</p>
<p>Miscellaneous Provisions</p>	<ol style="list-style-type: none"> <li>1. Lit will maintain general liability insurance and will name Hudson as an additional insured. Lit must maintain casualty insurance for all of its assets located on or within City-owned land, equipment or facilities.</li> <li>2. Lit will indemnify and hold Hudson harmless as will be provided in the definitive documentation.</li> <li>3. The relationship between the parties will be cooperative in nature and shall not constitute a joint venture or partnership as the same is more generally legally defined under Ohio law and Lit and Hudson shall each be responsible for the management of their respective employees, assets and operations.</li> <li>5. The parties will comply with all federal, state, and local laws in the design, construction and operation of the FTTX Network and the provision of Services.</li> <li>6. With the exception of any agreements that pre-exist this Term Sheet, Hudson shall not contract with any other broadband provider or ISP to utilize the Velocity Network from the effective date of any subsequent agreements resulting herefrom to the FTTX Network Completion Date and three (3) years thereafter, except that Hudson may enter into such contracts with other broadband providers or ISPs to utilize the Velocity Network to provide broadband internet service to existing business customers within the Service Territory or to provide broadband internet service to customers outside of the Service Territory .</li> </ol>

	7. Any disputes or litigation will be venued in Summit County, Ohio and Ohio shall be the controlling law governing all agreements.
Dark Fiber	Lit will start the FTTX Network with two (2) fibers throughout the Velocity Network that will enable end users to be served through lit services. If spare fibers are not available, Hudson will provide over lash or conduit rights to Lit to install additional capacity fiber in the network segments that do not have sufficient capacity, subject to any existing agreements between Hudson and any other broadband provider or other person that would limit the provision of over lash or conduit rights.
Non-Binding	This Term Sheet is a summary of the parties' intent, and further sets out the general terms of certain agreements that the parties intend to reduce to writing. The provisions of this Term Sheet are not legally binding unless and until those provisions are incorporated into such subsequent written agreements, approved by the Hudson City Council and executed by the parties.

**Signatures:**

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 Brian Snider  
 CEO  
 Lit Fiber, LLC  
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 Thomas J. Sheridan  
 City Manager  
 City of Hudson  
 1140 Terex Road  
 Hudson, OH 44236