

## Executive Summary of Project for BIP and BTOP

### 8. Infrastructure Projects Executive Summary

**TierOne Converged Networks, Inc.** (“TierOne” or the “Company”) is a rural, wireless internet service provider (“WISP”) headquartered in Dallas, TX. The Company currently serves [REDACTED] in 100+ rural municipalities covering 10,000+ square miles surrounding Dallas/Fort Worth, Texas. Customers include residences, small businesses, independent school districts and municipal governments. In addition to providing these customers with standard connectivity packages of up to 6.5 Mbps, the Company offers Voice-over-Internet-Protocol (“VoIP”) and related value-added services.

TierOne provides existing rural customers with the speed and reliability experienced by urban internet users through a blend of FCC licensed and unlicensed wireless spectrum, including a nationwide 3.65 GHz License. The Company’s fixed wireless approach covers rural geographic markets for a small fraction of the “per square mile cost” of terrestrial-based broadband technologies such as Digital Subscriber Lines (“DSL”) or Cable.

The Company is seeking a \$32,508,145 Million USDA Loan to extend its existing WISP network to cover certain of the unserved and underserved communities [REDACTED] (the “Project”). The Project is expected to include approximately 37,500 square miles of additional coverage [REDACTED] be built contiguous to TierOne’s existing rural network. TierOne intends to extend its existing network and leverage its existing multi-million dollar investment in network infrastructure to provide new customers with the best service offering at a competitive price. The proposed service area will pass 148,054 houses and 13,946 business [REDACTED]. We have identified in our Last Mile non-remote service area 1 community, [REDACTED] (Population 396 and households 217) that is Underserved, and is more than 50 miles from the nearest non-rural community and therefore can be defined as a Remote Area, qualifying TOCN for 1 point in the BIP Remote Area Targeting category.

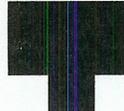
TierOne was formed in 2006 to deliver high-speed internet access to rural communities. Since inception, the Company has reached several important milestones, including: 100 rural communities served, [REDACTED], and the 17<sup>th</sup> permanent job created. The Project represents the realization of President Obama’s vision and an extension of TierOne’s existing business plan, an unusual public/private confluence of interests that will deliver a permanent solution to a desperate broadband internet need.

#### (1) Management Summary.

TierOne has an experienced, world-class team to execute the company’s core business model.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Base Salary(1)</u>	<u>Ownership</u>
Kevin Weaver	37	CEO	[REDACTED]	[REDACTED]

Ronald Celmer	47	CFO
Dr. Kim Marshall	56	CTO/COO
Richard Berman	65	Director




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(1) Bonuses are discretionary, based on performance and require board approval.

**Kevin Weaver, CEO** - a successful serial entrepreneur founded TierOne in 2006 to provide affordable broadband wireless internet access to rural customers where DSL and cable service is not available. His 15 years of business experience includes the founding of an IT staffing company in Dallas.

Mr. Weaver attended Tarrant County Junior College and Weatherford Junior College where his studies were concentrated in economics and finance.

**Ronald Celmer, CFO** - is a senior executive with more than 25 years of business experience as a Private Equity investor, board member and operating manager. Mr. Celmer was a Managing Director and General Partner with Bear Stearns managing \$450MM of institutional capital invested in Private Equity transactions. He has held 15 public and private board seats, including audit and compensations committees, and has been CEO or CFO for a held dozen privately-held technologies in his capacity as General Partner of funds aggregating \$650 million. Funds he managed were substantial shareholders in Capital IQ, Akami, and Active Health Management.

Mr. Celmer holds degrees in Economics and Psychology from the University of Pennsylvania. He became a Certified Turnaround Professional in 1996.

**Dr. Kim Marshall, CTO/COO** – is a FCC licensed engineer and a skilled professional with extensive experience in customer operations, technical support, quality and product initiatives in both start-up and large corporate environments. Over the past 15 years Mr. Marshall has planned and directed infrastructure initiatives and expansions in 17 countries for a number of very successful telecom equipment manufacturers and service providers.

Dr. Marshall holds a Doctorate in Business Administration, MBA and BS from Trinity College and earned an Associate's degree in Industrial Electronics. He has held his FCC Commercial Operators License since 1987.

**Mr. Richard Berman, Director** – has a business career that spans over 35 years of venture capital, management and merger & acquisitions experience. Since 1982, Richard Berman has mainly been active as an investor, advisor, manager, director, and financier to over 100 public and private companies, with emphasis on biotech, internet and other technology sectors. In the last five years, Mr. Berman has served as a professional director and/or officer of over a dozen public and private companies. Previously, Mr. Berman worked at Goldman Sachs; was Senior Vice President of Bankers Trust Company, where he started the M&A and Leveraged Buyout Departments; created the largest battery company in the world by merging Prestolite, General Battery and Exide to form Exide Technologies (XIDE); helped create what is now Soho (NYC) by developing five buildings; and advised on over \$4 billion of M&A transactions.

Mr. Berman is a former director of the Stern School of Business of NYU where he obtained his BS and MBA. He also has US and foreign law degrees from Boston College and The Hague Academy of International Law, respectively.

**(2) Roles and Responsibilities.**

**Kevin Weaver (CEO)** is responsible for all aspects of the strategy, leadership, capital raising and is involved in all aspects of the business. He is involved in setting short-and-long term goals, hiring, budgeting, recruiting, marketing and fund raising. This includes daily meetings to discuss progress on projects, performance against budgets and changes to the allocation of resources based on shifting market information.

**Ron Celmer (CFO)** is responsible for all aspects of the finance functions and provides oversight for certain aspects of operations. Finance function management includes: billing, collects, payables, payroll, financial reporting, budgeting, forecasting and administration. In addition, his responsibilities include site acquisition, lease negotiation, contract administration and all aspects of the Merger & Acquisition process. Mr. Celmer is also involved in service pricing, marketing, and cost management.

**Kim Marshall (CTO/COO)** is responsible for all aspects of network development, construction and maintenance. These responsibilities include: equipment selection and purchase, 24/7 network availability, technical and customer support, RF engineering, managing site construction and acquisition integration.

**(3) Other:**

- a. Has management worked together? Management has worked together for the past two and half years. During that time the Company has grown from 0 customers and no POPs to [REDACTED] and 58 POPs covering more than 10,000 square miles.
- b. How do management skills complement each other? Managing and building a wireless ISP requires technical, financial, organization, marketing and management skills. Each of Mr. Weaver, Celmer and Marshall bring a different set of experiences and technical skills. Mr. Weaver is an entrepreneur with the ability to raise capital and define the overall organizational direction. Mr. Marshall has more than two decades building and managing large wireless data networks, including a 10 year assignment in Japan. Mr. Celmer has two decades of experience in finance, operation and corporate governance, including management of a \$450 million private equity fund.

In summary, the team has worked together for 2 1/2+ years building a [REDACTED] [REDACTED] WISP and have all of the skill sets necessary to succeed with clearly defined existing roles and responsibilities.