



November 29, 2024

Dr. Tamarah Holmes
Department of Housing &
Community Development 600 East
Main Street, Suite 1100
Richmond, VA, 23219

RE: DHCD BEAD Grant – ZiTEL Letter of Intent for application.

Dear Dr. Holmes:

ZiTEL was established in 2017 and is headquartered in Moneta, VA, turning up its first customers in 2019. We have reported FCC-477 reports in a timely manner, bi-annually. In 2019 and 2020, ZiTEL was awarded Bedford Counties Phase II & III Broadband initiative with Cares Act Grant funding to complete an expansion to over 2400+ passings, and that project came in on time and within budget.

In 2022 ZiTEL was awarded a DHCD VATI grant for Bedford County to provide service to 4114 unserved citizens in the county. ZiTEL is on schedule to complete this project in the allotted 18 months contracted period and deliver quality service to the citizens of Bedford County.

In Late 2023, Bedford County approached ZiTEL about a possible agreement to assume a portion of another provider's area as an additional expansion of our VATI award. The existing provider was asking for an extension and the County was negotiating an agreement to reassign a portion of their build to another provider in exchange to grant a smaller extension, as getting the project completed on schedule was the counties' primary concern.

ZiTEL has since accepted this project for rescope of the Bedford County Shentel VATI FY22 to assume the responsibility to make service available to an additional 1509 unserved addresses. The primary reason for Bedford County to consider this rescope is based on time to market and delivery of the service to its citizens in a timely manner. ZiTEL is on track and feels it can accomplish that task in the 12-month project timeline that Bedford County has decided upon.

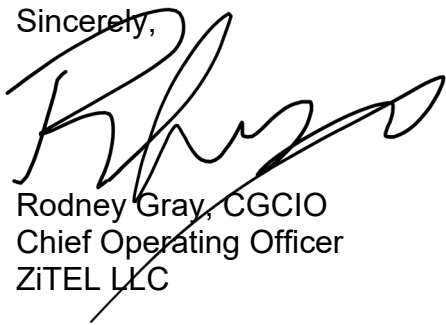
ZiTEL was awarded an ORS Grant I and II for Spartanburg County in South Carolina in 2024 to build 180 miles of fiber. These projects are in the Engineering phase with permits being submitted on a rolling basis. On the permits we have received to date, ZiTEL has broken ground and completed the construction and splicing phases of these projects. The projects are anticipated to be completed in September 2025, 6

months ahead of the contract.

ZiTEL has also been awarded a VATI 2024 Grant for Franklin County VA for 210 Miles of Fiber and will begin this project in January 2025 with a completion date estimated of December 2025.

With the current information available to ZiTEL, we intend to apply to all Counties and Cities with eligible passings within the Commonwealth of Virginia. Once the final data sets are released and we have completed final engineering, ZiTEL may re-evaluate the localities that are applied for.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Gray', written over the printed name and title.

Rodney Gray, CGCIO
Chief Operating Officer
ZiTEL LLC