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Date: 7/20/2020

Executive Summary: SE Rural Fiber-to-the-Home Project

Sully Telephone has taken on the digital divide since 2014 with a total dedicated Fiber-to-the-home (FTTH) Active Ethernet technology to each one of our urban and rural customers. We have expended over \$3.4 million dollars of our reserve funds and placed over 100 miles of fiber with the completion of our 2020 SW Rural project. Our goal is to complete 100% fiber connectivity to the Sully Telephone exchange by year-end 2021 and decommissioning of all our remote DSL cabinets!

The SE Fiber Project: Sully Telephone will be placing fiber connectivity to approximately 40 customer / locations SE of Sully, IA. The project will be along Jasper County Highway T-33 and its copper cable laterals to the end of the Sully Telephone exchange boundary. These rural customer locations are currently receiving less than 5/1 meg speeds.

The SE Fiber project for central office additions, fiber cable infrastructure placement, fiber splicing, customer premise optical network electronics and cutover from copper to fiber will come at a cost of well over \$500K.

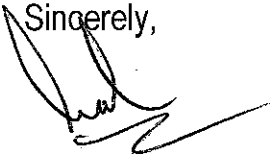
Project Start Date for Construction: September 1, 2020

Project Completion Date: July 1, 2021

Capital expense to construct fiber infrastructure in rural Iowa continues to be quite expensive and construction costs continue to rise each year. The rate-of-return on fiber deployment is not there but it is a technology change we must get to. Sully Telephone is committed to evolving to 100% fiber-optic network for all of our customer locations!

Thank you for your funding consideration for the Sully Telephone SE Rural FTTH project!

Sincerely,

A handwritten signature in black ink, appearing to read 'Earl DeAngelo', with a long, sweeping horizontal line extending to the right.

Earl "Jack" DeAngelo – General Manager
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