

RECIPIENT NAME: ONWAV INC.

AWARD NUMBER: NT10BIX5570080

DATE: 02/24/2014

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

### QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

#### General Information

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570080	<b>3. DUNS Number</b>  800782943
<b>4. Recipient Organization</b>  ONWAV INC. 201 W. Gore Ave., Gainesboro, TN 38562-9601		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  09-30-2013	<b>6. Is this the last Report of the Award Period?</b>  <input checked="" type="radio"/> Yes <input type="radio"/> No	
<b>7. Certification:</b> I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>	<b>7c. Telephone (area code, number and extension)</b>	
	<b>7d. Email Address</b>	
<b>7b. Signature of Certifying Official</b>	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>	

**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**

- Deployment - OnWav completed installation at its sixth and final tower site location (its 7th interconnection point), a collocation site in Livingston, TN.
- Deployment - OnWav turned up the final section of dark fiber to connect the new Livingston installation to OnWav's middle mile network.
- Deployment - OnWav is now serving 154 Community Anchor Institutions in the towns of Allardt, Byrdstown, Celina, Gainesboro and Jamestown. This represents the final count of active CAIs.
- Testing - OnWav completed all final network and systems testing. The network is now operational.
- Outreach - OnWav focused its efforts on Community Anchor Institutions. During Customer Equipment installation, OnWav took the opportunity to explain OnWav's stimulus grant and how it has and will continue to help the local community. This often included discussing the benefits of broadband in the rural community and the value of having stimulus grant money in encouraging the deployment. Often the OnWav employee completing the install also educated the end user on the WiMAX technology being used.
- OnWav completed activation of equipment for 30 new CAIs in Livingston, bringing the total active CAI count to 154.
- Jobs - OnWav reported 2.42 jobs created this quarter.
- CAIs - OnWav is serving 154 Community Anchor Institutions as of the end of Q3 2013, and the end of OnWav's grant period. Community Anchor Institution turnout is now complete in all markets.

This project has significantly benefited the local community. The primary benefit is the redundant connection, which is viewed as a disaster recovery plan for the CAIs voice and Internet needs. This is a very positive addition since these facilities are the anchors of the communities and their ability to be contacted during a disaster is vital for the health and well being of the area's residents. With our solution they are able to have Internet access during a disaster, and also have their same phone number as well allowing the residents to contact them without having to be informed of alternative information.

Additionally, since the announcement of the project, speeds have gone up and prices have gone down for broadband in the region. OnWav is also able to provide broadband on demand in areas that are not wired for service or that might only need the bandwidth for a few days, such as fairs, festivals or other community events.

Future development may include partnerships with communities for machine to machine applications, such as traffic cameras, public venue security, smart grid connectivity and public safety applications with our local police departments. OnWav is also exploring a partnership with local school systems to allow low income families that are currently unable to afford broadband service to use the service to enable a low cost educational resource. OnWav intends to expand the network coverage outside the grant defined areas to ensure sustainability into the future.

**2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).**

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	100	OnWav made significant progress on this project during the last quarter. OnWav completed turn-up of final CAIs OnWav completed construction and testing of the last of the 6 sites. OnWav's remaining funds have been paid out on contracts and services related to closeout.
2b.	Environmental Assessment	100	OnWav's Environmental assessment is complete, additionally, OnWav has completed all additional environmental work and compliance with OnWav's additional environmental requirements.
2c.	Network Design	100	OnWav has completed it's network design based on chosen equipment vendor's offering. Each site has a completed RF design along with appropriate Fiber backhaul.
2d.	Rights of Way	100	OnWav has completed all land acquisition and Rights of way associated with the construction of the three new towers. OnWav has signed leases with the owners of the water towers and the owner of the cell tower that serves as the final site.
2e.	Construction Permits and Other Approvals	100	OnWav has completed all permits for the construction of the three new towers. Construction has completed.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2f.	Site Preparation	100	OnWav has completed all surveys and geological analysis. Site Clearing and grading is complete. Construction is complete at the three new sites.
2g.	Equipment Procurement	100	OnWav has received and made payment on the Generators. All equipment is deployed.
2h.	Network Build (all components - owned, leased, IRU, etc)	100	OnWav has constructed the new portion of the fiber network, and has finalized the legal documents; the fiber is lit and active. Final invoicing is not expected until the closeout period.
2i.	Equipment Deployment	100	OnWav has activated 6 of the 6 sites with CAIs active on the network.
2j.	Network Testing	0	N/A
2k.	Other (please specify): OSS/BSS	100	OnWav has deployed all of it's new BSS/OSS system integrated with Twin Lake's system.

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

As expected, OnWav experienced a challenge with contractual closeout processes (testing, inspection, documentation). OnWav has completed all testing and inspection, and is in the process of completing all closeout documentation for it's open contracts.

Two of the locations OnWav had previously listed as served CAIs are no longer being listed as served CAIs by OnWav: One has since closed and was removed from our CAI list in a September 2013 CAI Change AAR. The other had some uncertainty of its current operational status as a valid CAI and in order to remain conservative it was also removed in the September 2013 AAR. As a result, we are not reporting them as subscribers. OnWav's final total subscribers are 154 CAIs (126 from Q2 2013, minus 2 dropped, plus 30 added Q3 2013)

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	8	Because of OnWav's change from a Microwave system to a fiber system, fewer new network miles will be deployed as OnWav will be largely taking advantage of existing dark fiber.  OnWav's new miles have now been constructed. OnWav has finalized the legal paperwork, however the final payment will be completed during the closeout period. The fiber is active and in use by OnWav's network.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	208	OnWav has an initial IRU and amendments for access to 208 miles of existing dark fiber to use as part of the planned 216 mile network providing Middle Mile backhaul between OnWav's Last Mile towers.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of miles of new fiber (aerial or underground)	8	Because of OnWav's change from a Microwave system to a fiber system, fewer new network miles will be deployed as OnWav will be largely taking advantage of existing dark fiber.  OnWav's new miles have now been constructed. OnWav has finalized the legal paperwork, however the final payment will be completed during the closeout period. The fiber is active and in use by OnWav's network.
Number of new wireless links	0	Because of OnWav's change from a Microwave system to a fiber system, no new wireless links will be deployed as OnWav will be taking advantage of existing dark fiber and new fiber construction
Number of new towers	3	OnWav has completed construction of all three of OnWav's planned new towers.
Number of new and/or upgraded interconnection points	7	Because of OnWav's change from a Microwave system to a fiber system, fewer interconnection points will be created. OnWav has deployed six potential interconnection points, five tower sites and a data center location.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	2
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	8

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

Twin Lakes Telephone Cooperative  
Twin Lakes Communications

These represent entities which OnWav has signed agreements in order provide last-mile (wireless) services.

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:

OnWav is providing wholesale last-mile units for partners to sell to their existing customers. Partners will pay a wholesale monthly rate for wireless units which are turned up and activated on OnWav's network. OnWav maintains and runs the network while partners maintain their existing relationship with their customers and providing an additional service.

At time of this report, no services have been activated by partners.

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

OnWav has not designated a third party to operate any of its network. OnWav will operate and manage the entire network internally.

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	2	OnWav has signed agreements for 2 wholesaler agreements.
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	2	OnWav currently has agreements in place to provide wholesale customers 4Mbps/1Mbps and 8Mbps/2Mbps. There are currently no wholesale customers using this service.
Community Anchor Institutions (including Government institutions)	Total subscribers served	154	OnWav has completed sites in the towns of Allardt, Byrdstown, Celina, Gainesboro, Jamestown, and Livingston. OnWav has turned up CAI customers in all six markets. OnWav is providing a Backup service to these CAIs.
	Subscribers receiving new access	154	OnWav has completed sites in the towns of Allardt, Byrdstown, Celina, Gainesboro, Jamestown, and Livingston. OnWav has turned up CAI customers in all six markets.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	10	OnWav has 10 different speed tiers being used by customers. The speed tiers in usage are: 16Mbps/2Mbps (3 CAIs), 12Mbps/1Mbps (6 CAIs), 10Mbps/1Mbps (24 CAIs), 8Mbps/1Mbps (40 CAIs), 6Mbps/1Mbps (20 CAIs), 4Mbps/1Mbps (20 CAIs), 3Mbps/1Mbps (4 CAIs), 2Mbps/1Mbps (29 CAIs), 1Mbps/1Mbps (3 CAIs) 1Mbps/256 Kbps (5 CAI)
Residential / Households	Entities passed	0	OnWav's network completed construction, however no households have yet been offered service. This may change post-grant.
	Total subscribers served	0	OnWav's network completed construction, however no households have yet been offered service. This may change post-grant.
	Subscribers receiving new access	0	OnWav's network completed construction, however no households have yet been offered service. This may change post-grant.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	OnWav's network completed construction, however no households have yet been offered service. This may change post-grant.
Businesses	Entities passed	0	OnWav's network completed construction, however no businesses have yet been offered service. This may change post-grant.
	Total subscribers served	0	OnWav's network completed construction, however no businesses have yet been offered service. This may change post-grant.
	Subscribers receiving new access	0	OnWav's network completed construction, however no businesses have yet been offered service. This may change post-grant.
	Subscribers receiving improved access	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	OnWav's network completed construction, however no businesses have yet been offered service. This may change post-grant.

**7. Please describe any special offerings you may provide (600 words or less).**  
OnWav has not yet made any special offerings.

**8a. Have your network management practices changed over the last quarter?**  Yes  
 No

**8b. If so, please describe the changes (300 words or less).**  
As of the end of Q1 2013, the policies had been finalized and are posted to OnWav's website.

**9. Community Anchor Institutions:**  
Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
Celina UCHRA	Celina	Other Community Support Organizations	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Board of Education (Celina)	Celina	Schools (K-12)	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Ground Water	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
UCHRA	Livingston	Other Community Support Organizations	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Bus Maintenance	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Livingston Academy	Livingston	Schools (K-12)	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Health Department	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Livingston Regional Hospital	Livingston	Medical and Healthcare Providers	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Adult Basic Education	Livingston	Other Institutions of Higher Education	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
Livingston Housing Authority	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Superintendent	Livingston	Schools (K-12)	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County School Maintenance	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
A. H. Roberts School	Livingston	Schools (K-12)	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Executive Office	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Trustee	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Veterans Service	Livingston	Other Community Support Organizations	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Livingston Middle School	Livingston	Schools (K-12)	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton county Nursing Home	Livingston	Medical and Healthcare Providers	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton Co Jail	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Circuit Court Clerk	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Sherriff Department	Livingston	Public Safety Entities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
LBJ&C Head Start Livingston	Livingston	Other Community Support Organizations	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton Co Agriculture Ext Ser	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton Co Archives	Livingston	Other Government Facilities	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Holly Hills Apartment	Livingston	Public Housing	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Livingston Chamber of Commerce	Livingston	Other Community Support Organizations	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
Mountain Grove Apartments	Livingston	Public Housing	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Overton County Senior Center Participants	Livingston	Other Community Support Organizations	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Stevens Center	Livingston	Other Community Support Organizations	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.
Tn Technology Center	Livingston	Community Colleges	Yes	Institution has been given service as a backup to their primary system to ensure better uptime as well as provide redundancy in the event of an emergency.

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**

All grant activities are complete, OnWav will complete grant closeout during the upcoming grant closeout period:

- Deployment - OnWav has already completed installation of its WiMAX last-mile network. No further activities are required.
- Deployment - OnWav has already turned-up the entire fiber middle-mile network. No further activities are required.
- CAIs - OnWav has already activated all 154 CAIs on the network.
- Closeout - OnWav will closeout the remaining open contracts with its vendors and receive and pay final invoices.
- Closeout - OnWav will prepare all NTIA required closeout documentation during the closeout period. This includes documenting both personal and real property acquired during the course of the grant, as well as filing a Covenant of Use for the land purchased for OnWav's three new towers.
- Closeout - OnWav will compile and document the network created during the grant and ensure adequate records are kept.

**2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).**

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	100	OnWav anticipates completing the closeout process on schedule, including paying all remaining invoices and closing all active contracts.
2b.	Environmental Assessment	100	OnWav's Environmental assessment is complete, additionally, OnWav has completed all additional environmental work and compliance with OnWav's additional environmental requirements.
2c.	Network Design	100	OnWav has completed it's network design based on chosen equipment vendor's offering. Each site has a completed RF design along with appropriate Fiber backhaul.
2d.	Rights of Way	100	OnWav has completed all land acquisition and Rights of way associated with the construction of the three new towers. OnWav has signed leases with the owners of the water towers and the owner of the cell tower that serves as the final site.
2e.	Construction Permits and Other Approvals	100	OnWav has completed all permits for the construction of the three new towers. Construction has completed.
2f.	Site Preparation	100	OnWav has completed all surveys and geological analysis. Site Clearing and grading is complete. Construction is complete at the three new sites.
2g.	Equipment Procurement	100	OnWav has received and made payment on the Generators. All equipment is deployed.



	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	OnWav has constructed the new portion of the fiber network, and has finalized the legal documents; the fiber is lit and active. Final invoicing is not expected until the closeout period.
2i.	Equipment Deployment	100	OnWav has activated 6 of the 6 sites with CAIs active on the network.
2j.	Network Testing	0	N/A
2k.	Other (please specify): OSS/BSS	100	OnWav has deployed all of it's new BSS/OSS system integrated with Twin Lake's system.

**3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).**

A potential challenge facing OnWav in the next quarter during the closeout process is compilation of operational reference documentation for the network. OnWav will need to spend significant time validating the records of equipment acquired through the grant and ensuring that all equipment is accounted for in the operational reference guide.

