

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

|  |   |  |
|--|---|--|
| <b>1. Federal Agency and Organizational Element to Which Report is Submitted</b><br><br>Department of Commerce, National Telecommunications and Information Administration | <b>2. Award Identification Number</b><br><br>NT10BIX5570144 | <b>3. DUNS Number</b><br><br>001745512 |
|--|---|--|

**4. Recipient Organization**

Northern Illinois University, Inc. Lowden Hall, Ste 201, Dekalb, IL 60115-3080

|  |   |
|--|---|
| <b>5. Current Reporting Period End Date (MM/DD/YYYY)</b><br><br>06-30-2013 | <b>6. Is this the last Report of the Award Period?</b><br><br><input type="radio"/> Yes <input checked="" type="radio"/> No |
|--|---|

**7. Certification:** 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><br><br>Lisa Bergeron | <b>7c. Telephone (area code, number and extension)</b> |
|  | <b>7d. Email Address</b><br><br>lbergeron@niu.edu      |

|   |  |
|---|--|
| <b>7b. Signature of Certifying Official</b><br><br>Submitted Electronically | <b>7e. Date Report Submitted (MM/DD/YYYY):</b><br><br>08-06-2013 |
|---|--|

**Project Indicators (This Quarter)**

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

The Broadband Technology Opportunities program (BTOP) is intended to accelerate broadband deployment in unserved and underserved areas, supporting strategic institutions that are likely to create jobs or provide significant public benefits. The Northern Illinois University BTOP team has been working on or completed the following:

- Completed final engineering design for 100% of the planned route representing 602 miles
- Received permits for 99% of the planned route representing 594 miles
- Completed duct installation for 94% of the new construction portion of the project totaling 564 miles
- Completed fiber installation for 86% of the new construction portion of the project totaling 520 miles
- Secured commitments from 86% of an expected 463 CAIs
- Completed lateral building entrances and fiber installation connecting 55% of the CAIs totaling 255 locations.
- 4 of 5 core network connections were completed. 14 of 28 distribution locations were completed. The final core and most of the distribution locations will be completed during Q3 2013.
- Completed 1 wireless link representing 8 of 38 wireless miles. A second link is spending final equipment testing. Three towers are under construction now with completions expected during next quarter. Equipment installation and testing will follow.
- Secured 11 last-mile/wholesale provider agreements during the quarter with several more planned during the next quarter. We are currently planning and implementing provider access into the network.
- Outreach activities include securing ISP selections from CAIs and coordinating equipment installation and lighting.

**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                          | 81               | There were more activities than federal dollars spent during the report period. Variance is also due in part to route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below.<br><br>At 6/30/2013, 100% of the network is designed and 99% permitted. Over 564 miles of conduit have been installed and 520 miles of fiber blown. During the quarter, 1 wireless link was completed representing 8 of 38 wireless miles. Lateral terminations connecting 255 CAIs have been completed. 4 of 5 core network connections were completed. 14 of 28 distribution locations were completed. NTIA approval of all remaining route modifications was received during the quarter which will enable the project move forward. |
| 2b. | Environmental Assessment                 | 100              | no variance  |
| 2c. | Network Design                           | 100              | no variance  |
| 2d. | Rights of Way                            | 100              | no variance  |
| 2e. | Construction Permits and Other Approvals | 100              | no variance  |
| 2f. | Site Preparation                         | 99               | There were more activities than federal dollars spent during the report period.  |
| 2g. | Equipment Procurement                    | 46               | There were more activities than federal dollars spent during the report period. Variance is also due in part to route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below.<br><br>At 6/30/2013, lateral terminations connecting 255 CAIs have been completed. CAI and core equipment has been purchased and installation of core and distribution sites is in progress with 4 of 5 core network connections completed and 14 of 28 distribution locations completed during the quarter.  |

|   | Milestone  | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)   |
|---|--|------------------|---|
| 2h.   | Network Build (all components - owned, leased, IRU, etc) | 85               | <p>There were more activities than federal dollars spent during the report period. Variance is also due in part to route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below.</p> <p>At 6/30/2013, 100% of the network is designed and 99% permitted. Over 564 miles of conduit have been installed and 520 miles of fiber blown. During the quarter, 1 wireless link was completed representing 8 of 38 wireless miles. Lateral terminations connecting 255 CAIs have been completed. 4 of 5 core network connections were completed. 14 of 28 distribution locations were completed. NTIA approval of all remaining route modifications was received during the quarter which will enable the project move forward.</p> |
| 2i.   | Equipment Deployment                                     | 69               | <p>There were more activities than federal dollars spent during the report period. Variance is also due in part to route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below.</p> <p>At 6/30/2013, lateral terminations connecting 255 CAIs have been completed. CAI and core equipment has been purchased and installation of core and distribution sites is in progress with 4 of 5 core network connections completed and 14 of 28 distribution locations completed during the quarter.</p>  |
| 2j.   | Network Testing  | 73               | <p>There were more activities than federal dollars spent during the report period. Variance is also due in part to route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below.</p> <p>At 6/30/2013, 100% of the network is designed and 99% permitted. Over 564 miles of conduit have been installed and 520 miles of fiber blown. NTIA approval of all remaining route modifications was received during the quarter which will enable the project move forward.</p>  |
| 2k.   | Other (please specify): N/A                              | 0                | N/A   |
| <p><b>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).</b></p> <p>1) Incumbent providers have increased target marketing aggressiveness to sign up BTOP project CAIs in advance of our efforts. This has resulted in CAIs signing long term contracts with other providers in the past few months. This recent activity from incumbent providers may inhibit our ability to sign up anchor institutions. We have initiated extensive outreach campaigns to provide an update on the project and anticipated build plans.</p> <p>2) A portion of the project region requires greater than anticipated depths for duct and fiber installation. We submitted a route modification request to address this portion of the project in June 2012 which was still pending approval in September at which time we proceeded with the original route to maintain construction schedules, despite the greater than anticipated depths.</p> <p>3) FONSI. The project's environmental assessment was submitted to NTIA on 2/7/2011. The FONSI was received on 5/8/2011. This three month period delayed construction start and will have an impact on progress.</p> <p>4) Expenditures. Because the progress reported in this report is based on federal draw down of funds, there will be more activities than federal dollars spent during the report period. We are working with subrecipients and contractors to ensure timely receipt of invoices for expenditures on the project. Additionally, the original baseline report was developed based on project progress not just expenditures. Actual expenditures can lag project progress by as much as 2 - 3 months, therefore reflecting further variance from the baseline than actual.</p> <p>5) Shortened First Quarter. The first official project quarter ended 9/30/2010, two weeks after notice of award on 9/14/2010. Therefore progress does not align with original baseline data which was based on full project quarters. According to full project quarters, there is less variance from the baseline plan for the project at eighteen months and two weeks from initiation. Despite the short initial period, we anticipate reaching the overall project target during the grant period.</p> <p>6) Fiber and wireless route modifications submitted to NTIA in June 2012 were approved during Q2 2013. However the delay in approval of route modifications caused delays in completion of the project.</p> |  |                  |   |

**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)   |
|---|-------|---|
| <b>New network miles deployed</b>                           | 528   | <p>Variance is also due in part to pending route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below.</p> <p>Cumulatively, 520 fiber and 8 wireless miles have been completed. NTIA approval of all remaining route modifications was received during the quarter which will enable the project move forward and complete the remaining miles.</p> <p>Only 4 additional miles of fiber were blown during the quarter due to construction pending route modifications which left gaps in the network and therefore limited the ability to blow and test fiber.</p> |
| <b>New network miles leased</b>                             | 203   | <p>Variance is also due in part to pending route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below. A request for additional leased miles was submitted to NTIA for approval during the quarter.</p>  |
| <b>Existing network miles upgraded</b>                      | 0     | no variance   |
| <b>Existing network miles leased</b>                        | 0     | no variance   |
| <b>Number of miles of new fiber (aerial or underground)</b> | 528   | <p>Variance is also due in part to pending route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below.</p> <p>Cumulatively, 520 fiber and 8 wireless miles have been completed. NTIA approval of all remaining route modifications was received during the quarter which will enable the project move forward and complete the remaining miles.</p> <p>Only 4 additional miles of fiber were blown during the quarter due to construction pending route modifications which left gaps in the network and therefore limited the ability to blow and test fiber.</p> |
| <b>Number of new wireless links</b>                         | 1     | <p>Variance is also due in part to pending route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below.</p> <p>One link is completed but pending fiber installation which was on hold pending route modification approvals. NTIA approval of all remaining route modifications was received during the quarter which will enable the project move forward and complete the remaining miles.</p>   |
| <b>Number of new towers</b>                                 | 1     | <p>One tower is completed. NTIA approval of all remaining route modifications was received during the quarter which will enable the project move forward and complete the remaining miles.</p>  |
| <b>Number of new and/or upgraded interconnection points</b> | 0     | <p>Variance is also due in part to pending route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 below.</p> <p>NTIA approval of all remaining route modifications was received during the quarter which will enable the project move forward and complete the remaining miles.</p>  |

**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                     | 11 |
| Number of agreements currently being negotiated with broadband wholesalers or last mile providers | 5  |
| Average term of signed agreements (in quarters)   | 20 |

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

Aero Group Inc. Adam Schulz (815) 801-3388 (O) (815) 801-9951; or Todd Fransen (sales) (815) 757-1664  
 CenturyLink Cameron Parker (312) 498-0390  
 Frontier Communications Thomas Kuschman (815) 895-1445  
 Heartland Cable Steve Allen (309) 432-2075 (O) (309) 275-2018 (C)  
 IL Century Network (ICN) www.illinois.net  
 ISI Communications Dan Howard (630) 887-2910 (O) (630)878-1325 (C)  
 Jo-Carroll Energy/Sand Prairie Jeff Harrelson (815) 858-2207 ext. 1336  
 MTCO Tina Glidewell, Sales Mgr. (309) 367-4197 off. (309) 253-8009 cell  
 NIUNet Kevin Finley (815)753-7272  
 Syndeo Amit Patel US Toll Free: (855) 479-6336 Local Phone: (630) 457-4218  
 Urban Communications Inc. Edmund G. Urban III 1-855-243-4237

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:

No wholesale services are being provided. Last mile providers are charged a \$600 per port fee plus 15% of revenue generated.

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 third party operates (600 words or less).

Illinois Fiber Resources Group NFP (iFiber) - sub recipient will operate the entire network.  
 Contact: John Lewis, Chairman (815) 753-0936 jlewis@niu.edu

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                                     | 11    | no variance   |
|   | Providers with signed agreements receiving improved access                                | 0     | no variance   |
|   | Providers with signed agreements receiving access to dark fiber                           | 0     | no variance   |
|   | Please identify the speed tiers that are available and the number of subscribers for each | 2     | 1 Gbps for 461 CAIs and 100 Mbps for 72 CAIs  |
| Community Anchor Institutions (including Government institutions) | Total subscribers served  | 255   | Variance is due in part to recently approved route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 above. |
|   | Subscribers receiving new access  | 0     | no variance   |
|   | Subscribers receiving improved access   | 255   | Variance is due in part to recently approved route modifications, permitting, the delayed FONSI, and Shortened First Quarter issue noted in Q3 above. |

| 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 or subscribers for each | 2     | 1 Gbps for 461 CAIs and 100 Mbps for 72 CAIs  |
| Residential / Households | Entities passed   | 0     | N/A   |
|                          | Total subscribers served  | 0     | N/A   |
|                          | Subscribers receiving new access  | 0     | N/A   |
|                          | Subscribers receiving improved access   | 0     | N/A   |
|                          | Please identify the speed tiers that are available and the number of subscribers for each | 0     | N/A   |
| Businesses               | Entities passed   | 0     | N/A   |
|                          | Total subscribers served  | 0     | N/A   |
|                          | Subscribers receiving new access  | 0     | N/A   |
|                          | Subscribers receiving improved access   | 0     | N/A   |
|                          | Please identify the speed tiers that are available and the number of subscribers for each | 0     | N/A   |

7. Please describe any special offerings you may provide (600 words or less).

N/A

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

8b. If so, please describe the changes (300 words or less).

N/A

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 |
|---------------------------------|-------------------------------|--|--|---|
| Belvidere Central Middle School | Belvidere                     | K-12   | No   | to expand and improve access to resources   |
| Belvidere Endeavor High School  | Belvidere                     | K-12   | No   | to expand and improve access to resources   |
| Belvidere High School           | Belvidere                     | K-12   | No   | to expand and improve access to resources   |
| Belvidere North High School     | Belvidere                     | K-12   | No   | to expand and improve access to resources   |
| Lincoln Elementary School       | Belvidere                     | K-12   | No   | to expand and improve access to resources   |

| 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 |
|--|-------------------------------|--|--|---|
| Meehan Elementary School                         | Belvidere                     | K-12   | No   | to expand and improve access to resources   |
| Perry Elementary School                          | Belvidere                     | K-12   | No   | to expand and improve access to resources   |
| Seth Whitman Elementary School                   | Belvidere                     | K-12   | No   | to expand and improve access to resources   |
| Washington Academy                               | Belvidere                     | K-12   | No   | to expand and improve access to resources   |
| Mary Morgan Elementary School                    | Byron                         | K-12   | No   | to expand and improve access to resources   |
| Caledonia Elementary School                      | Caledonia                     | K-12   | No   | to expand and improve access to resources   |
| Lee County 911 Center                            | Dixon                         | Public Safety  | No   | to expand and improve access to resources   |
| Lee County Health Department                     | Dixon                         | Other Governmental                                       | No   | to expand and improve access to resources   |
| Lee County Sheriff                               | Dixon                         | Public Safety  | No   | to expand and improve access to resources   |
| Elizabeth Township Library                       | Elizabeth                     | Library  | No   | to expand and improve access to resources   |
| Elizabeth Village Hall                           | Elizabeth                     | Other Governmental                                       | No   | to expand and improve access to resources   |
| Highland Community College                       | Elizabeth                     | Other Institutions of Higher Education                   | No   | to expand and improve access to resources   |
| Jo-Daviess - Carroll Area Vocational Center      | Elizabeth                     | Other Institutions of Higher Education                   | No   | to expand and improve access to resources   |
| FHN Community Healthcare Center                  | Freeport                      | Health Care  | No   | to expand and improve access to resources   |
| FHN Family Healthcare                            | Freeport                      | Health Care  | No   | to expand and improve access to resources   |
| Freeport High School                             | Freeport                      | K-12   | No   | to expand and improve access to resources   |
| Freeport Junior High School                      | Freeport                      | K-12   | No   | to expand and improve access to resources   |
| Freeport School District #145 Admin              | Freeport                      | K-12   | No   | to expand and improve access to resources   |
| Freeport School District 145 Technology Building | Freeport                      | K-12   | No   | to expand and improve access to resources   |
| Highland Community College                       | Freeport                      | Other Institutions of Higher Education                   | No   | to expand and improve access to resources   |
| Jones Farrar Early Learning Center               | Freeport                      | K-12   | No   | to expand and improve access to resources   |
| Lincoln Douglas Elementary School                | Freeport                      | K-12   | No   | to expand and improve access to resources   |
| Taylor Park Elementary School                    | Freeport                      | K-12   | No   | to expand and improve access to resources   |

|   |                 |                    |    |   |
|---|-----------------|--------------------|----|---|
| Grand Ridge Police Department               | Grand Ridge     | Public Safety      | No | to expand and improve access to resources |
| Whiteside County Courthouse                 | Sterling        | Other Governmental | No | to expand and improve access to resources |
| Sterling Wastewater Treatment               | Sterling        | Other Governmental | No | to expand and improve access to resources |
| Lanark Fire Protection District             | Lanark          | Public Safety      | No | to expand and improve access to resources |
| Dimmick CCSD #175                           | LaSalle         | K-12               | No | to expand and improve access to resources |
| Crusader Community Health                   | Loves park      | Health Care        | No | to expand and improve access to resources |
| Holy Cross School                           | Mendota         | K-12               | No | to expand and improve access to resources |
| CGH - Milledgeville Clinic                  | Milledgeville   | Health Care        | No | to expand and improve access to resources |
| Highland Grade School                       | Stillman Valley | K-12               | No | to expand and improve access to resources |
| Odell Public Library                        | Morrison        | Library            | No | to expand and improve access to resources |
| Whiteside County Highway Department         | Morrison        | Other Governmental | No | to expand and improve access to resources |
| York Township Public Library                | Thomson         | Library            | No | to expand and improve access to resources |
| Carroll County Highway Department           | Mt. Carroll     | Other Governmental | No | to expand and improve access to resources |
| City of Mt. Carroll                         | Mt. Carroll     | Other Governmental | No | to expand and improve access to resources |
| FHN Family Healthcare Center                | Mt. Carroll     | Health Care        | No | to expand and improve access to resources |
| Mt. Carroll Township Public Library         | Mt. Carroll     | Library            | No | to expand and improve access to resources |
| West Carroll Middle School                  | Mt. Carroll     | K-12               | No | to expand and improve access to resources |
| David L. Rahn Junior High School            | Mt. Morris      | K-12               | No | to expand and improve access to resources |
| KSB Mt. Morris Clinic                       | Mt. Morris      | Health Care        | No | to expand and improve access to resources |
| Mt. Morris Public Library                   | Mt. Morris      | Library            | No | to expand and improve access to resources |
| Mt. Morris Fire Protection District         | Mt. Morris      | Public Safety      | No | to expand and improve access to resources |
| Mt. Morris Village Hall                     | Mt. Morris      | Other Governmental | No | to expand and improve access to resources |
| Oregon Public Library                       | Oregon          | Library            | No | to expand and improve access to resources |
| Easter Seal Treatment Center                | Ottawa          | Health care        | No | to expand and improve access to resources |
| Jefferson Elementary School                 | Ottawa          | K-12               | No | to expand and improve access to resources |
| LaSalle Putnam County Education Cooperative | Ottawa          | K-12               | No | to expand and improve access to resources |
| Lincoln Elementary                          | Ottawa          | K-12               | No | to expand and improve access to resources |
| Marquette High School                       | Ottawa          | K-12               | No | to expand and improve access to resources |



|                                   |              |                    |    |   |
|-----------------------------------|--------------|--------------------|----|---|
| McKinley Elementary               | Ottawa       | K-12               | No | to expand and improve access to resources |
| Ottawa Elementary School District | Ottawa       | K-12               | No | to expand and improve access to resources |
| Shepherd Middle School            | Ottawa       | K-12               | No | to expand and improve access to resources |
| St. Patrick School                | Ottawa       | K-12               | No | to expand and improve access to resources |
| LaSalle County Farm Bureau        | Ottawa       | Other Community    | No | to expand and improve access to resources |
| Peru Elementary District #124     | Peru         | K-12               | No | to expand and improve access to resources |
| Henry C. Adams Memorial Library   | Prophetstown | Library            | No | to expand and improve access to resources |
| Crusader Community Health         | Rockford     | Health Care        | No | to expand and improve access to resources |
| Rockford Airport                  | Rockford     | Other Community    | No | to expand and improve access to resources |
| Winnebago County 911              | Rockford     | Public Safety      | No | to expand and improve access to resources |
| Savanna Public Library            | Savanna      | Library            | No | to expand and improve access to resources |
| Scales Mound City Hall            | Scales Mound | Other Governmental | No | to expand and improve access to resources |
| Scales Mound School District      | Scales Mound | K-12               | No | to expand and improve access to resources |
| Shannon Village Clerk             | Shannon      | Other Governmental | No | to expand and improve access to resources |
| Sterling Public Works             | Sterling     | Other Governmental | No | to expand and improve access to resources |

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 During the next quarter, all remaining new fiber miles (38 miles) will have conduct installed, fiber will be blown into 75 miles of the remaining 82 miles of conduit and we will be testing those miles. We will activate the remaining core network location and most remaining distribution sites. An additional 80 CAIs will be connected. Wireless tower construction will be completed at 3 sites totaling 5 links and 22 wireless miles and we will begin installing equipment and testing links. We anticipate completing Earlville/Paw Paw, Prophetstown/Erie, and Streator/Ransom. We anticipate having and additional 5 executed last-mile provider agreements in place during the next quarter.

**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          | 89                       | There will be more activity than federal dollars expended during the quarter. Variance is also due in part to route modifications, permitting, delayed FONSI, and Shortened First Quarter issue noted in Q3.<br><br>The route modification process delayed construction progress. We anticipate 100% completion of the new fiber optic network design and 100% permitted. We anticipate having 100% of conduit in existing approved routes completed and 99% of fiber blown for existing fiber routes by the end of the next quarter. The wireless vendor will complete 5 links. We anticipate reaching an additional 80 CAIs and securing commitments from 100%. The CAI equipment will be installed at connected locations. The last core site and 80% of the remaining distribution network equipment will be installed and lit during the next quarter. |
| 2b. | Environmental Assessment | 100                      | no variance   |

|     | Milestone   | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information)   |
|-----|---|--------------------------|--|
| 2c. | Network Design  | 100                      | no variance  |
| 2d. | Rights of Way   | 100                      | no variance  |
| 2e. | Construction Permits and Other Approvals                  | 100                      | no variance  |
| 2f. | Site Preparation  | 100                      | no variance  |
| 2g. | Equipment Procurement                                     | 100                      | no variance  |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 90                       | <p>There will be more activity than federal dollars expended during the quarter. Variance is also due in part to route modifications, permitting, delayed FONSI, and Shortened First Quarter issue noted in Q3.</p> <p>The route modification process delayed construction progress. We anticipate 100% completion of the new fiber optic network design and 100% permitted. We anticipate having 100% of conduit in existing approved routes completed and 99% of fiber blown for existing fiber routes by the end of the next quarter. The wireless vendor will complete 5 links. We anticipate reaching an additional 80 CAIs and securing commitments from 100%. The CAI equipment will be installed at connected locations. The last core site and 80% of the remaining distribution network equipment will be installed and lit during the next quarter.</p> |
| 2i. | Equipment Deployment                                      | 85                       | <p>There will be more activity than federal dollars expended during the quarter. Variance is also due in part to route modifications, permitting, delayed FONSI, and Shortened First Quarter issue noted in Q3.</p> <p>The route modification process delayed construction progress. We anticipate 100% completion of the new fiber optic network design and 100% permitted. We anticipate having 100% of conduit in existing approved routes completed and 99% of fiber blown for existing fiber routes by the end of the next quarter. The wireless vendor will complete 5 links. We anticipate reaching an additional 80 CAIs and securing commitments from 100%. The CAI equipment will be installed at connected locations. The last core site and 80% of the remaining distribution network equipment will be installed and lit during the next quarter.</p> |
| 2j. | Network Testing   | 100                      | no variance  |
| 2k. | Other (please specify): N/A                               | 0                        | N/A  |

**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).**

Contractors have blown 520 miles of fiber into 564 miles of conduit through the end of this quarter. NTIA approved the remaining route modification during Q2 2013 which will enable completion of the remaining miles by the end of Q3 2013. Once the fiber is completed, we can finish core and distribution equipment deployment as well as CAI installations. We will be requesting an extension of time thru 12/31/13 to complete the remainder of the project.

We have contracts with 11 last mile providers and are actively negotiating with another 5 leased and last mile providers. We anticipate having 5 executed agreements in place during the next quarter.

**Infrastructure Budget Execution Details**

**Activity Based Expenditures (Infrastructure)**

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

| Budget for Entire Project                            |                   |                       |                      | Actuals from Project Inception through End of Current Reporting Period |                |               | Anticipated Actuals from Project Inception through End of Next Reporting Period |                |               |
|--|-------------------|-----------------------|----------------------|--|----------------|---------------|---|----------------|---------------|
| Cost Classification                                  | Total Cost (plan) | Matching Funds (plan) | Federal Funds (plan) | Total Cost   | Matching Funds | Federal Funds | Total Costs   | Matching Funds | Federal Funds |
| a. Administrative and legal expenses                 | \$1,977,277       | \$0                   | \$1,977,277          | \$1,307,434  | \$0            | \$1,307,434   | \$1,583,958   | \$0            | \$1,583,958   |
| b. Land, structures, right-of-ways, appraisals, etc. | \$7,533,200       | \$7,308,110           | \$225,090            | \$6,025,618  | \$5,004,507    | \$1,021,111   | \$7,533,200   | \$5,004,507    | \$2,528,693   |
| c. Relocation expenses and payments                  | \$0               | \$0                   | \$0                  | \$0  | \$0            | \$0           | \$0   | \$0            | \$0           |
| d. Architectural and engineering fees                | \$2,159,053       | \$221,087             | \$1,937,966          | \$2,089,751  | \$221,087      | \$1,868,664   | \$2,159,053   | \$221,087      | \$1,937,966   |
| e. Other architectural and engineering fees          | \$775,000         | \$0                   | \$775,000            | \$659,865  | \$0            | \$659,865     | \$775,000   | \$0            | \$775,000     |
| f. Project inspection fees                           | \$0               | \$0                   | \$0                  | \$0  | \$0            | \$0           | \$0   | \$0            | \$0           |
| g. Site work   | \$0               | \$0                   | \$0                  | \$0  | \$0            | \$0           | \$0   | \$0            | \$0           |
| h. Demolition and removal                            | \$0               | \$0                   | \$0                  | \$0  | \$0            | \$0           | \$0   | \$0            | \$0           |
| i. Construction                                      | \$47,274,517      | \$14,887,053          | \$32,387,464         | \$40,458,454   | \$14,104,331   | \$26,354,123  | \$41,253,543  | \$14,140,998   | \$27,112,545  |
| j. Equipment   | \$8,811,229       | \$0                   | \$8,811,229          | \$4,786,346  | \$0            | \$4,786,346   | \$7,645,000   | \$0            | \$7,645,000   |
| k. Miscellaneous                                     | \$0               | \$0                   | \$0                  | \$0  | \$0            | \$0           | \$0   | \$0            | \$0           |
| <b>l. SUBTOTAL (add a through k)</b>                 | \$68,530,276      | \$22,416,250          | \$46,114,026         | \$55,327,468   | \$19,329,925   | \$35,997,543  | \$60,949,754  | \$19,366,592   | \$41,583,162  |
| m. Contingencies                                     | \$0               | \$0                   | \$0                  | \$0  | \$0            | \$0           | \$0   | \$0            | \$0           |
| <b>n. TOTALS (sum of l and m)</b>                    | \$68,530,276      | \$22,416,250          | \$46,114,026         | \$55,327,468   | \$19,329,925   | \$35,997,543  | \$60,949,754  | \$19,366,592   | \$41,583,162  |

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

a. Application Budget Program Income: \$0

b. Program Income to Date: \$0