

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570050	3. DUNS Number 831414755
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4. Recipient Organization Zito Media Communications II, LLC 106 Steerbrook Road, Coudersport, PA 16915-8440

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2013	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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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.

7a. Typed or Printed Name and Title of Certifying Official Colin Higgin Vice President	7c. Telephone (area code, number and extension) 8142609588
	7d. Email Address colin.higgin@zitomedia.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 04-24-2013
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Zito completed the project build during the quarter. Zito continued informational brochure mailings to potential anchor institutions. In addition, Zito's commercial division increased meetings and out reach activities with various entities such as chamber of commerces. Based off of this outreach Zito's commercial division was able to sign anchor institutions as customers to be connected over the next few months.

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	No Variance from Baseline Report
2b.	Environmental Assessment	100	No Variance from Baseline Report
2c.	Network Design	100	No Variance from Baseline Report
2d.	Rights of Way	100	No Variance from Baseline Report
2e.	Construction Permits and Other Approvals	0	No Variance from Baseline Report
2f.	Site Preparation	100	No Variance from Baseline Report
2g.	Equipment Procurement	100	No Variance from Baseline Report
2h.	Network Build (all components - owned, leased, IRU, etc)	100	No Variance from Baseline Report
2i.	Equipment Deployment	100	No Variance from Baseline Report
2j.	Network Testing	100	No Variance from Baseline Report
2k.	Other (please specify):	0	No Variance from Baseline Report

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).
 Zito completed the project build during the quarter and does not expect any challenges or issues in the future that will require BTOP assistance.

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	363	No Variance from Baseline Report
New network miles leased	20	The 20 miles are under an IRU agreement between Zito and One Community in Ohio.
Existing network miles upgraded	0	No Variance from Baseline Report
Existing network miles leased	0	No Variance from Baseline Report
Number of miles of new fiber (aerial or underground)	363	No Variance from Baseline Report
Number of new wireless links	0	No Variance from Baseline Report
Number of new towers	0	No Variance from Baseline Report

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new and/or upgraded interconnection points	17	No Variance from Baseline Report

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

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: No agreements have been signed in the past quarter. There are preliminary talks with providers, but no signed agreements.

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:

See Service Offerings Attachment

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).

None

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	0	No Variance from Baseline
	Providers with signed agreements receiving improved access	0	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. Zito is in talks with providers, but does not have any signed agreements in place.
	Providers with signed agreements receiving access to dark fiber	0	No Variance from Baseline
	Please identify the speed tiers that are available and the number of subscribers for each	0	See Service Offerings Attachment
Community Anchor Institutions (including Government institutions)	Total subscribers served	5	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. No anchor institutions were added in the current quarter although signed agreements were reached no fiber was installed to the facilities. Zito has signed agreements with some CAIs, but the fiber is not installed into these locations. Over the next few months Zito will install to locations with signed agreements.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	No Variance from Baseline
	Subscribers receiving improved access	5	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. No anchor institutions were added in the current quarter although signed agreements were reached no fiber was installed to the facilities. Zito has signed agreements with some CAIs, but the fiber is not installed into these locations. Over the next few months Zito will install to locations with signed agreements.
	Please identify the speed tiers that are available and the number or subscribers for each	1	5 - 100 Mbps subscribers.
Residential / Households	Entities passed	9,260	No Variance from Baseline
	Total subscribers served	0	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. Zito is currently marketing high speed data and voice services in the last mile areas.
	Subscribers receiving new access	0	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. Zito is currently marketing high speed data and voice services in the last mile areas.
	Subscribers receiving improved access	0	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. Zito is currently marketing high speed data and voice services in the last mile areas.
	Please identify the speed tiers that are available and the number of subscribers for each	0	See Service Offerings Attachment
Businesses	Entities passed	5,276	No Variance from Baseline
	Total subscribers served	4	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. Zito's commercial division is negotiating and signing agreements with businesses, but these entities are not yet connected to the network. This metric will increase over the new few months as these entities are connected.
	Subscribers receiving new access	0	No Variance from Baseline
	Subscribers receiving improved access	4	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. Zito's commercial division is negotiating and signing agreement with businesses, but these entities are not yet connected to the network. This metric will increase over the new few months as these entities are connected.
	Please identify the speed tiers that are available and the number of subscribers for each	2	2 - 10 Mbps subscribers 2 - 100 Mbps subscribers

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

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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	funded infrastructure
None	None	None	None	None

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Zito will continue to negotiate with critical anchor institutions, business and last mile providers. Zito's commercial sales team is actively negotiating with institutions and will continue to do so in the next quarter. Zito currently has signed agreements with 44 CAIs, and Zito will begin to connect these over the next 2 quarters. Zito expects to have connected 38 of these anchor institutions by the end of the quarter. Zito will also continue to negotiate and discuss agreements with last mile providers along the project's path.

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	No Variance from Baseline
2b.	Environmental Assessment	100	No Variance from Baseline
2c.	Network Design	100	No Variance from Baseline
2d.	Rights of Way	100	No Variance from Baseline
2e.	Construction Permits and Other Approvals	0	No Variance from Baseline
2f.	Site Preparation	100	No Variance from Baseline
2g.	Equipment Procurement	100	No Variance from Baseline
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	No Variance from Baseline
2i.	Equipment Deployment	100	No Variance from Baseline
2j.	Network Testing	100	No Variance from Baseline
2k.	Other (please specify):	100	No Variance from Baseline

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).

Zito does not expect any challenges or issues in the future that will require BTOP assistance.

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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$4,210,356	\$842,070	\$3,368,285	\$4,210,356	\$842,070	\$3,368,285	\$4,210,356	\$842,070	\$3,368,285
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Other architectural and engineering fees	\$229,074	\$45,815	\$183,259	\$229,074	\$45,815	\$183,259	\$229,074	\$45,815	\$183,259
f. Project inspection fees	\$102,600	\$20,520	\$82,080	\$102,600	\$20,520	\$82,080	\$102,600	\$20,520	\$82,080
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	\$1,855,798	\$371,160	\$1,484,639	\$1,855,798	\$371,160	\$1,484,639	\$1,855,798	\$371,160	\$1,484,639
j. Equipment	\$1,273,302	\$254,661	\$1,018,641	\$1,273,302	\$254,661	\$1,018,641	\$1,273,302	\$254,661	\$1,018,641
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$7,671,130	\$1,534,226	\$6,136,904	\$7,671,130	\$1,534,226	\$6,136,904	\$7,671,130	\$1,534,226	\$6,136,904
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$7,671,130	\$1,534,226	\$6,136,904	\$7,671,130	\$1,534,226	\$6,136,904	\$7,671,130	\$1,534,226	\$6,136,904

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
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