

**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>  NT10BIX5570050	<b>3. DUNS Number</b>  831414755
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**4. Recipient Organization**  
  
 Zito Media Communications II, LLC 106 Steerbrook Road, Coudersport, PA 16915-8440

<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2013	<b>6. Is this the last Report of the Award Period?</b>  <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.

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

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  08-21-2013
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**Project Indicators (This Quarter)**

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

During the quarter Zito continued to connect anchor institutions and other customers along the project's path. Zito continued informational brochure mailings to potential anchor institutions. In addition, Zito's commercial division increased meetings and outreach activities with various entities such as chamber of commerces. Based off of this outreach Zito's commercial division was able to sign additional anchor institutions.

**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 continued to connect customers and anchor institutions 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 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	37	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. Zito was able to connect 33 anchor institutions in the quarter. Zito has signed agreements with some CAIs, but the fiber is not installed into these locations. Over the next couple months Zito will install to locations with signed agreements.
	Subscribers receiving new access	0	No Variance from Baseline

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving improved access	37	Negative variance due to fact that we received the grant at the end of quarter one on March 26, 2010. Zito was able to connect 33 anchor institutions in the quarter. Zito has signed agreements with some CAIs, but the fiber is not installed into these locations. Over the next couple 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	37 - 100 Mbps subscribers.
Residential / Households	Entities passed	9,260	No Variance from Baseline
	Total subscribers served	57	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	57	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	2	17 - 10Mbps 40 - 20 Mbps
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 Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
<b>Meadville Fire Dept</b>	<b>Meadville</b>	<b>Public Safety Entity</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Meadville Public Works</b>	<b>Meadville</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Meadville Sewer Authority</b>	<b>Meadville</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>District Justice 1 - Mercer County</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>District Justice 2 - Mercer County</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>District Justice 3 - Mercer County</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>District Justice 4 - Mercer County</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Mercer County Domestic Relations</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Juvenile Probation - Mercer County</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Intermediate Punishment Office</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Mercer County - Public Defender</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Mercer County Jail</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Mercer Court House</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Children &amp; Youth Services</b>	<b>Mercer County</b>	<b>Other Community Support</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Mercer Department of Public Safety</b>	<b>Mercer County</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Girard Borough</b>	<b>Girard</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Girard Police Department</b>	<b>Girard</b>	<b>Public Safety Entity</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Girard Public Works</b>	<b>Girard</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Girard Water Department</b>	<b>Girard</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>
<b>Warren Municipal</b>	<b>Warren</b>	<b>Other Government Facility</b>	<b>Yes</b>	<b>Zito is providing broadband and various services to this location.</b>

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
Warren Community Development	Warren	Other Government Facility	Yes	Zito is providing broadband and various services to this location.
Warren Central Fire Department	Warren	Public Safety Entity	Yes	Zito is providing broadband and various services to this location.
Warren Operations Department	Warren	Other Government Facility	Yes	Zito is providing broadband and various services to this location.
Warren Sanitation Department	Warren	Other Government Facility	Yes	Zito is providing broadband and various services to this location.
Warren Pollution Control Dept	Warren	Other Government Facility	Yes	Zito is providing broadband and various services to this location.
Warren Engineering Planning Department	Warren	Other Government Facility	Yes	Zito is providing broadband and various services to this location.
Warren Water District	Warren	Other Government Facility	Yes	Zito is providing broadband and various services to this location.
Warren Water/Sewage Treatment	Warren	Other Government Facility	Yes	Zito is providing broadband and various services to this location.
Warren Remote Fire House 1	Warren	Public Safety Entity	Yes	Zito is providing broadband and various services to this location.
Warren Remote Fire House 2	Warren	Public Safety Entity	Yes	Zito is providing broadband and various services to this location.
Warren Music Hall/Arts/Convention Center	Warren	Other Community Support	Yes	Zito is providing broadband and various services to this location.
District Justice 5 - Mercer County	Mercer County	Other Government Facility	Yes	Zito is providing broadband and various services to this location.

**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 68 CAIs, and Zito will begin to connect these over the next quarter. Zito expects to have connected at least 63 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, but Zito plans on having zero agreements signed.

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 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

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
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):	100	No Variance from Baseline Report

**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 issue in the upcoming quarter pertains to utility companies finishing engineering and make ready work in order for Zito to connect anchor institutions to the project.

