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** NT10BIX5570080	**3. DUNS Number** 800782943

4. Recipient Organization

ONWAV INC. 201 W. Gore Ave., Gainesboro, TN 38562-9601

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	**6. Is this the last Report of the Award Period?** ◯ **Yes** ⦿ **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.

7a. Typed or Printed Name and Title of Certifying Official Sam Hariton	**7c. Telephone (area code, number and extension)** X
	7d. Email Address sam.hariton@widelity.com
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 11-16-2012

Project Indicators (This Quarter)

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

- Environmental - OnWav completed the necessary tribal consultations for the change in location for the Livingston site, and received approval from NTIA to proceed forward with new fiber construction.
- Tower Construction - OnWav completed all surveys and geological engineering work for the three new towers. OnWav received FCC clearance on two of the three new towers in the next quarter. OnWav expects to receive FCC clearance on the final tower early next quarter.
- Tower Construction - OnWav has ordered tower materials for the two FCC approved towers. OnWav will order steel for the third new tower once FCC clearance is given.
- Equipment - OnWav has received the remainder of the Customer Premise Equipment (CPE). All Radio equipment (both basestation and customer premise equipment) has now been delivered to OnWav.
- Deployment - OnWav has installed basestation equipment on the initial two sites in the towns of Jamestown and Allardt.
- Deployment - OnWav has activated CPE at the first CAIs in Jamestown and Allardt.
- Jobs - OnWav reported 3.99 jobs created this quarter. This included new work completed by Tower Climbers and other construction services as part of OnWav's installation on the Water Tanks as well as preparations of construction of the three new towers.
- CAIs - OnWav is serving 12 CAIs as of the end of Q3 2012 with CAI turnup proceeding at full speed in the initial markets.
- OnWav signed 2 broadband last mile provider agreements in Q3 2012.

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	65	OnWav made significant progress on this project during the last quarter. OnWav's equipment entirely arrived, and almost entirely invoiced. The first two collocation sites have been completed and the initial batch of CAIs have been connected.
2b.	Environmental Assessment	100	OnWav's Environmental assessment is complete, additionally, OnWav expects to complete the additional environmental work for the additional work related to the planned fiber network.
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 reached agreement with the owners of the water towers for the the lease agreements for the collocation sites, but has received approval from the owners and does not expect any issues or additional expenses.
2e.	Construction Permits and Other Approvals	33	OnWav has received a formal letter confirming no zoning is required for the construction of the three new towers. Building and electrical permits will be pulled shortly before construction. The cost for all remaining permitting is wrapped into the total cost of tower construction under OnWav's Tower Construction Contract.
2f.	Site Preparation	0	OnWav has completed all surveys and geological analysis. Site preparation is planned for Q4 2012 shortly before foundation pouring and tower construction.
2g.	Equipment Procurement	98	Nearly all equipment has been procured. Only the site generators remain to be ordered during Q4 2012, all other equipment has been acquired.
2h.	Network Build (all components - owned, leased, IRU, etc)	99	OnWav has acquired over 190 miles of an expected approximately 210 miles of IRUs planned for in the network. The remaining miles are expected to be completed and acquired in Q4 2012.
2i.	Equipment Deployment	33	OnWav has deployed 2 of the 6 sites. 3 more sites are expected to be completed in Q4 2012.
2j.	Network Testing	0	N/A

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2k.	Other (please specify): BSS-OSS	90	OnWav has deployed nearly all of it's new BSS/OSS system integrated with Twin Lake's system. One piece of electronics remains to be configured during Q4 2012 for the new 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).

A challenge OnWav faced is FAA and FCC approval time-lines for the three towers to be constructed. The Tower steel could not be ordered from the manufacturer until both FAA and FCC approval had been received. OnWav was able to get FAA approval on all three towers, and FCC approval on two towers. The Third tower FCC approval is expected in early Q4 2012. We could not order the towers until these approvals were received because and FAA or FCC height changes would have resulted in a cancelled tower order. This meant that our timelines were somewhat delayed, but we are passed that hurdle and construciton of the towers is expected in Q4 2012. In this case, additional intervention by BTOP was not necessary.

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	0	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 not been constructed yet as OnWav was completing necessary environmental review for the change from Microwave to Fiber. Now that this is complete, OnWav expected to finish all fiber construction in Q4 2012.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	190	OnWav has an initial IRU for access to 190 miles of existing dark fiber to use as part of the planned 210 mile network providing Middle Mile backhaul between OnWav's Last Mile towers. OnWav already has more fiber miles deployed than originally foreseen wireless miles for the project in the baseline.
Number of miles of new fiber (aerial or underground)	0	Because of OnWav's change from a Microwave system to a fiber system, fewer new fiber miles will be deployed as OnWav will be largely taking advantage of existing dark fiber. OnWav's new miles have not been constructed yet as OnWav was completing necessary environmental review for the change from Microwave to Fiber. Now that this is complete, OnWav expected to finish all fiber construction in Q4 2012.
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	0	Due to delays in awaiting FAA and FCC approval, OnWav was not able to construct it's new towers in Q3 2012. However, all FAA approvals and 2 of 3 FCC approvals have been received. The final FCC approval will be received in early Q4 2012. OnWav expects to have towers constructed in Q4 2012
Number of new and/or upgraded interconnection points	3	Because of OnWav's change from a Microwave system to a fiber system, fewer interconnection points will be created. OnWav has deployed three ppotential interconnection points, two tower sites and a datacenter 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

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	OnWav's partners will be receiving new service.
	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	1	Currently customers are not throttled and are receiving a best-effort service. In the future, CAIs will be provided speed tiers up to 12 Mbps down and up to 2 Mbps up depending on customer discretion
Community Anchor Institutions (including Government institutions)	Total subscribers served	12	OnWav has completed sites in the Jamestown and Allardt locations and begun turning up CAI customers in those markets.
	Subscribers receiving new access	12	OnWav has completed sites in the Jamestown and Allardt locations and begun turning up CAI customers in those markets.
	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 or subscribers for each	1	Currently CAI customers are not throttled and are receiving a best-effort service. In the future, CAIs will be provided speed tiers up to 12 Mbps down and up to 2 Mbps up depending on customer discretion
Residential / Households	**Entities passed**	0	OnWav's network is not yet complete with construction, as a result, no households have yet been offered service. This is expected to increase in future quarters.
	Total subscribers served	0	OnWav's network is not yet complete with construction, as a result, no households have yet been offered service. This is expected to increase in future quarters.
	Subscribers receiving new access	0	OnWav's network is not yet complete with construction, as a result, no households have yet been offered service. This is expected to increase in future quarters.
	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 is not yet complete with construction, as a result, no households have yet been offered service. This is expected to increase in future quarters.
Businesses	**Entities passed**	0	OnWav's network is not yet complete with construction, as a result, no businesses have yet been offered service other than CAIs. This is expected to increase in future quarters.
	Total subscribers served	0	OnWav's network is not yet complete with construction, as a result, no businesses have yet been offered service other than CAIs. This is expected to increase in future quarters.
	Subscribers receiving new access	0	OnWav's network is not yet complete with construction, as a result, no businesses have yet been offered service other than CAIs. This is expected to increase in future quarters.
	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 is not yet complete with construction, as a result, no businesses have yet been offered service other than CAIs. This is expected to increase in future quarters.

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

OnWav is still in the process of deploying the network, as a result, OnWav does not yet have 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).

OnWav has not made any changes to its network management practices over the last quarter. OnWav's network policies for the grant network are still under development, but will be posted prior to network launch.

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
Allardt Fire Department	**Allardt**	**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.**
Fentress County Election Commission	**Jamestown**	**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.**
Fentress County Agriculture Extension	**Jamestown**	**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.**

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
Fentress County Executive Office	Jamestown	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.
Soil conservation	Jamestown	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.
Jamestown City Hall	Jamestown	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.
Fentress Co. Probation & Parole Office	Jamestown	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.
Allardt City Hall	Allardt	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.
Allardt Elementary School	Allardt	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.
Jamestown Chamber of Commerce	Jamestown	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.
Fentress Drug Coalition	Jamestown	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.
Fentress County Fire Department	Jamestown	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.

Project Indicators (Next Quarter)

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

 - Tower Construction - OnWav anticipates completing all tower construction work for the three new tower sites.
 - CAIs - OnWav expects to continue installation of CPE at CAIs and activating them on the network.
 - OnWav expects to deploy the remaining 20 miles of the fiber miles in Q4 2012. This will complete the last of approximately 210 miles of total fiber.
 - OnWav expects to serve approximately 44 new CAIs in the next quarter.
 - OnWav does not expect to sign any additional broadband last mile providers in 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	83	OnWav expects to show significant progress on this project during the next quarter. Tower construction is expected to make considerable progress on Towers in late Q4.
2b.	Environmental Assessment	100	OnWav's Environmental assessment is complete, additionally, OnWav expects to complete the additional environmental work for the additional work related to the planned fiber network.
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.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
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 reached agreement with the owners of the water towers for the the lease agreements for the collocation sites, but has received approval from the owners and does not expect any issues or additional expenses.
2e.	Construction Permits and Other Approvals	100	OnWav expects to have permits for all sites by the end of Q4 2012
2f.	Site Preparation	100	OnWav expects to have completed site preparation on all three new tower constructions.
2g.	Equipment Procurement	100	OnWav expects that the final pieces of equipment (generators) will be delivered and a large fraction of it installed and turned-up in the field by the end of Q4 2012
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	OnWav expects to construct the remaining portion of the fiber network prior to the end of Q4 2012
2i.	Equipment Deployment	83	OnWav anticipates having 5 of the 6 sites deployed with the final one to be completed in early 2013.
2j.	Network Testing	0	N/A
2k.	Other (please specify): BSS/OSS	100	OnWav expects to have the final remaining piece of equipment for the BSS/OSS system installed and operating by the end of the Q4 2012

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).

Much of OnWav's time lines after the next quarter (Q4 2012 and after) are extremely dependent on Tower construction beginning and completing on schedule. Any delay in the beginning of the construction of the three new towers will have ripple affects delaying large portions of the remainder of the project. OnWav has a regular weekly call with the Tower Construction vendor where the planned tower construction scheduled is reviewed and potential delay causing events are discussed and planned for. As the potential delays are related to third party contractors and the weather, there is unlikely to be an scenarios requiring NTIA support.

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.

Cost Classification	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		
	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	$1,145,000	$0	$1,145,000	$623,496	$0	$623,496	$678,496	$0	$678,496
b. Land, structures, right-of-ways, appraisals, etc.	$1,054,911	$0	$1,054,911	$382,169	$0	$382,169	$980,299	$0	$980,299
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$124,440	$0	$124,440	$97,066	$0	$97,066	$109,566	$0	$109,566
e. Other architectural and engineering fees	$30,417	$0	$30,417	$18,375	$0	$18,375	$24,995	$0	$24,995
f. Project inspection fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
g. Site work	$7,500	$0	$7,500	$0	$0	$0	$7,500	$0	$7,500
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$150,000	$0	$150,000	$19,162	$0	$19,162	$49,662	$0	$49,662
j. Equipment	$3,406,069	$1,317,548	$2,088,521	$3,021,292	$1,317,548	$1,703,744	$3,379,696	$1,317,548	$2,062,148
k. Miscellaneous	$583,658	$0	$583,658	$62,805	$0	$62,805	$165,383	$0	$165,383
l. SUBTOTAL (add a through k)	$6,501,995	$1,317,548	$5,184,447	$4,224,365	$1,317,548	$2,906,817	$5,395,597	$1,317,548	$4,078,049
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$6,501,995	$1,317,548	$5,184,447	$4,224,365	$1,317,548	$2,906,817	$5,395,597	$1,317,548	$4,078,049

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