RECIPIENT NAME:Horizon Telecom, Inc. AWARD NUMBER: NT10BIX5570119

OMB CONTROL NUMBER: 0660-0037

DATE: 04/12/2012 EXPIRATION DATE: 12/31/2013 ANNUAL PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS **General Information** 1. Federal Agency and Organizational Element to 2. Award Identification Number 3. DUNS Number Which Report is Submitted Department of Commerce, National NT10BIX5570119 933581456 Telecommunications and Information Administration 4. Recipient Organization Horizon Telecom, Inc. 68 E Main Street, Chillicothe, OH 45601-2503 6. Is this the last Annual Report of the Award Period? 5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011 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 7c. Telephone (area code, number and extension) 7407728200 X8459 Chris A Glassburn 7d. Email Address Exec GM, Strategy & Analytics chris.glassburn@horizontel.com 7b. Signature of Certifying Official 7e. Date Report Submitted (MM/DD/YYYY): 04-12-2012 Submitted Electronically

DATE: 04/12/2012

OVERALL PROJECT PERFORMANCE INDICATORS

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

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Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline or any other relevant information)		
Average cost per new mile (Middle Mile)	0	Not yet available. The first work-orders have only just begun to close. There is not enough information to provide decisive data.		
Average cost per household passed (Last Mile)	0	n/a		
Average cost per subscriber (Last Mile)	0	n/a		
Maximum broadband speed advertised (Middle Mile)	10 Gbps	n/a		
Maximum broadband speed advertised (Last Mile)	0	n/a		
Average broadband speed provided (Middle Mile)	16 Mbps	n/a		
Average broadband speed provided (Last Mile)	0	n/a		

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
n/a	n/a	n/a	n/a

Add Facility

Remove Facility

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

Interconnection Agreements (600 words or less)

- 1. Six (6)
- 2. One (1)
- 3. Zero (0)

Peering and Transit Agreements (600 words or less)

n/a

RECIPIENT NAME:Horizon Telecom, Inc.

AWARD NUMBER: NT10BIX5570119

DATE: 04/12/2012

OMB CONTROL NUMBER: 0660-0037 EXPIRATION DATE: 12/31/2013

CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS

4. Community Anchor Institutions: In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	622	Public Housing	476
Libraries	166	Other Institutions of Higher Education	19
Medical and Healthcare Providers	353	Other Community Support Organizations	612
Public Safety Entities	407	Other Government Facilities	744
Community Colleges	25	Total Community Anchor Institutions	3,424

5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).

Average increase in speed was 8.5 Megabytes per second (Mbps). Most above had a T1 which is 1.5 Mbps and have chosen 10 Mbps.

6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in \$ per month) associated with each retail service. Retail services description:

Horizon is offering retail customers speed tiers of 5 Megabytes per second (Mbps) to 10 Gigabytes per second (Gbps). Pricing plan redacted. Pricing plans are only a starting point for negotiations and are not written in stone.

7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?

None. We are not limiting or blocking access to our network.

8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).

none

9. Please provide the following information regarding the number of fiber strand-miles:

Total Number of	Total Number of Active Fiber	Total Number of Leased Fiber	per Dark Fiber	Total Number of Strand-miles Being Built		eing Built
Strand-miles	Strand-miles Used by Recipient	Strand-miles		Active	Leased	Dark
257,600	100	0	57,500	60,000	120,000	20,000

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:

none

11. Please provide the following information regarding the facility collocation capacity:

Total Facility (total square feet for all facilities)	' Number of Square Feet Lea		Number of Square Feet Available
0	0	0	0

RECIPIENT NAME:Horizon Telecom, Inc.
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12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).
When we complete our builds to Columbus and Cincinnati we will be in the same proximity as other major carriers. This will be an optical hand-off.
13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less). KGP Logistics - 1 sub-contract
14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less). n/a
15. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network. 16. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.
17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).