

| ANNUAL 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 NT10BIX5570101 | 3. DUNS Number 961720575 |
| 4. Recipient Organization Appalachian Valley Fiber Network 1170 PARKER LN, Lyerly, GA 30730-5017 | | |
| 5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010 | 6. Is this the last Annual Report of the Award Period? <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. | | |
| 7a. Typed or Printed Name and Title of Certifying Official Deana Perry CFO | 7c. Telephone (area code, number and extension) 7068574646 | |
| 7b. Signature of Certifying Official Submitted Electronically | 7d. Email Address deanaperry@parkersystems.net | |
| 7e. Date Report Submitted (MM/DD/YYYY): 02-16-2011 | | |
| | | |

| OVERALL PROJECT PERFORMANCE INDICATORS | | | |
|--|----------------------|---|---------------|
| <p>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).</p> | | | |
| Cost Indicator | Average Cost / Speed | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) | |
| Average cost per new mile (Middle Mile) | 0 | No variance | |
| Average cost per household passed (Last Mile) | NA | No variance | |
| Average cost per subscriber (Last Mile) | NA | No variance | |
| Maximum broadband speed advertised (Middle Mile) | 0 | No variance | |
| Maximum broadband speed advertised (Last Mile) | NA | No variance | |
| Average broadband speed provided (Middle Mile) | 0 | No variance | |
| Average broadband speed provided (Last Mile) | NA | No variance | |
| <p>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.</p> | | | |
| Facility Identifier / Name | Facility Type | County | Census Tracts |
| None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI. | N/A | N/A | N/A |
| <input type="button" value="Add Facility"/> | | <input type="button" value="Remove Facility"/> | |
| <p>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."</p> | | | |
| <p>Interconnection Agreements (600 words or less)</p> <p>None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.</p> | | | |
| <p>Peering and Transit Agreements (600 words or less)</p> <p>None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.</p> | | | |

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) | 0 | Public Housing | 0 |
| Libraries | 0 | Other Institutions of Higher Education | 0 |
| Medical and Healthcare Providers | 0 | Other Community Support Organizations | 0 |
| Public Safety Entities | 0 | Other Government Facilities | 0 |
| Community Colleges | 0 | Total Community Anchor Institutions | |

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).

None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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:

None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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 at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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 at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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

| Total Number of Strand-miles | Total Number of Active Fiber Strand-miles Used by Recipient | Total Number of Leased Fiber Strand-miles | Total Number of Dark Fiber Strand-miles | Total Number of Strand-miles Being Built | | |
|------------------------------|---|---|---|--|--------|--------|
| | | | | Active | Leased | Dark |
| 11,832 | 0 | 0 | 0 | 1,092 | 120 | 10,620 |

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

NA

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

| Total Facility (total square feet for all facilities) | Number of Square Feet Used by Recipient | Number of Square Feet Leased | Number of Square Feet Available |
|---|---|------------------------------|---------------------------------|
| 0 | 0 | 0 | 0 |

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**).**

None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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**).**

None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less**).**

- AVFN has learned that finalization of fiber routes, both primary and alternate routes, is a critical path item for commencement and completion of the environmental assessment process. EA consultants must have clear and documented fiber route maps in order to perform the necessary surveys. AVFN advises other applicants to begin the process of route finalization as early as possible.
- AVFN has learned that resolving potential duplication of funding issues (AKA overlaps) is a time-consuming process. Other applicants often do not share the same urgency to resolve these issues, and are often unwilling or unable to share detailed street-level maps. AVFN advises other applicants to begin the process to resolve such overlaps as early as possible.
- AVFN has learned that securing the eventual commitment of community anchor institutions is an ongoing, time-consuming process. While project planning and construction is underway, applicants must also be communicating consistently with potential CAIs to educate them on the services the network will offer, stay up to date on deadlines (e.g. eRate) faced by those CAIs, set the CAIs expectations on when service will be available, and educate CAIs on the importance of CAI commitment to the network.