

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 NT10BIX5570099 | 3. DUNS Number 150664001 |
| 4. Recipient Organization Bloomingdale Communications Inc 101 W Kalamazoo St., Bloomingdale, MI 49026-8793 | | |
| 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 | |
| 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 Robin Epson | 7c. Telephone (area code, number and extension) X | |
| | 7d. Email Address rempson@bloomingdalecom.net | |
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 05-20-2013 | |

Project Indicators (This Quarter)

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

During this quarter, Quarter 1 of 2013 (Year 3 Quarter 3), Bloomingdale Communications, Inc.'s (BCI) continued to work with Vantage Point Solutions (Vantage Point), the selected engineering firm, regarding the project outside plant inspection services and overall project management. Vantage Point reviewed the re-testing of the three damaged sections of the fiber network and found an area of concern with splicing. The initial failed testing areas were addressed with BCI's selected contractor this quarter, Turnkey Network Solutions (Turnkey), and most locations were fixed by the end of the quarter by being re-spliced and re-tested. As they finish this work next quarter, BCI will work on closing the OSP contract.

The Cyan CPE and transport equipment was installed this quarter and services are being scheduled to be cutover to this equipment. The inspection and acceptance testing by Cyan and Vantage Point went well as everything passed. Cyan training was also completed at the end of this quarter for the equipment.

There was no change to the fiber miles installed by the end of the prior quarter as all fiber was placed in the previous quarter. An approximate total of 87.6 miles of fiber has been installed for this project, with approximately 81.1 miles of fiber underground and 6.5 miles of aerial fiber. These totals include buried entrance fiber to all Community Anchor Institutions (CAIs) being included in this project. The joint build coordination with Merit Networks (Merit) on its Round 1 award also continued this quarter. By the end of last quarter, Merit's contractor had installed and placed fiber in a total of 40.02 aerial miles and 9.71 underground miles.

This project includes two prefabricated huts which are located in South Haven and Lawrence. The South Haven hut became 100% complete last quarter with commercial power service installed. The Lawrence hut and generator was delivered and installed last quarter. This quarter the gas line was ran to the generator and hooked up to the meter and the DC equipment was installed in the Lawrence hut. A request for proposal (RFP) was sent out this quarter for the driveways to be installed to the hut locations.

BCI completed a RFP for a DC upgrade for their Bloomingdale Central Office this quarter. Emergency Power Corp. is working on getting the contract documents together. A RFP for the air conditioning unit was also prepared this quarter for the Bloomingdale Central Office. Two bids are being reviewed for this.

The equipment was installed in the five fiber equipment cabinets this quarter.

BCI has cut more subscribers over to the new Cisco ASR 9010 core router this quarter and will continue to cut more subscriber traffic. The closeout documentation on this was completed this quarter.

BCI drew down \$929,034 in federal funds in the 1st quarter of 2013, which is a total of \$4,603,982 since the project began. The number of jobs created or retained in this quarter due to this BCI project was 1.86 full time equivalent.

BCI and Merit Network held a joint press conference on February 22, 2013 in Berrien Springs, Michigan.

BCI signed service agreements with 21 Community Anchor Institutions during the First Quarter of 2013.

This quarter, the project continued coming together and moving along as planned with construction complete and equipment being deployed the overall project progress is moving along. This quarter was very productive as expected and no delays are anticipated for final completion of the project within three years.

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 | 82 | Based on expenditures, BCI is 82% complete with the overall project. This is not as high of a percent as projected last quarter of 96% mainly due to the equipment purchased to date being less expensive as initially budgeted. he BCI project is moving along rapidly as expected and is nearing completion where contracts will be closed out and paid in full. |
| 2b. | Environmental Assessment | 100 | Completed Year 1 in 4th Quarter, which was Quarter 2 of 2011. |
| 2c. | Network Design | 99 | N/A, this is the percentage predicted at the end of last quarter for this quarter. Network Design is complete until final stage just before network deployment. |

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|-----|--|------------------|--|
| 2d. | Rights of Way | 100 | N/A, this is the percentage predicted at the end of last quarter for this quarter. All rights of ways for easements were obtained this quarter. |
| 2e. | Construction Permits and Other Approvals | 100 | Completed Year 2 in 4th Quarter, which was Quarter 2 of 2012. |
| 2f. | Site Preparation | 100 | N/A, this is the percentage predicted at the end of last quarter for this quarter. The initial site preparation was complete this quarter with all fiber complete and cement pads poured. |
| 2g. | Equipment Procurement | 72 | The equipment was installed this quarter and has begun to be paid for by BCI. This percentage is behind last quarter's prediction of 95% mainly due to the equipment purchased to date being less expensive than initially budgeted. |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 95 | N/A, this is the percentage predicted at the end of last quarter for this quarter. Network Build is continuing rapidly and a lot of progress has been made. |
| 2i. | Equipment Deployment | 95 | N/A, this is the percentage predicted at the end of last quarter for this quarter. Equipment deployment is continuing rapidly and a lot of progress has been made. |
| 2j. | Network Testing | 98 | N/A, this is the percentage predicted at the end of last quarter for this quarter. Network Testing is well underway. As noted above, one area of the network needed re-spliced and re-testing taking place. |
| 2k. | Other (please specify): | 0 | N/A |

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).

No issues or challenges other than what is covered above by individual category. Progress is moving along rapidly and really coming together as expected. The project will be completed within the three year window.

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 | 137 | As of the end of the fourth quarter 2012, all fiber had been installed. BCI had placed approximately 81.1 miles of buried fiber and 6.5 miles of aerial fiber. The Merit joint build portion of the project had completed 9.71 underground fiber miles and 40.02 aerial fiber miles by the end of last quarter. This is a total of 137 project miles of fiber placed. The BCI fiber will not be lit until the end of the project after all fiber is laid and electronics are installed, each segment is not turned up individually. All new network miles have been completed. |
| New network miles leased | 0 | N/A no change from report last quarter - Baseline showed "N/A" for new network miles leased for Year 3 Quarter 3 of the award period which is this quarter (Quarter 1 of 2013), however based on discussions with NTIA this category should be "1" by the end of the project due to the misinterpretation of "Existing network miles leased" notated below. This 1 mile will be leased once the network is lit. |

| Indicator | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|-------|---|
| Existing network miles upgraded | 0 | N/A no change from report last quarter - For this quarter, the baseline initially projected 15 existing network miles to be upgraded. With the re-bid of construction for budget purposes, the overall project was delayed, however will be completed well within the three year grant window. The project is making great progress and will continue moving rapidly. These 15 miles will be counted for once the network is lit. |
| Existing network miles leased | 0 | N/A - No miles were leased prior to the award start date. |
| Number of miles of new fiber (aerial or underground) | 137 | As of the end of the fourth quarter 2012, BCI had placed 137 miles of fiber which includes the Merit joint build portion of the project. Project progress continues rapidly and the three year project will be completed well ahead of the award period end date. |
| Number of new wireless links | 0 | N/A |
| Number of new towers | 0 | N/A |
| Number of new and/or upgraded interconnection points | 0 | BCI initially projected 13 interconnection points for this project by this time period, however as stated previously, the project was delayed from the initial timeline. The project is moving along rapidly at this time. These interconnection points will be accounted for once the network is lit. |

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 | 0 |
| 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:

N/A

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:

N/A

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).

No designations.

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 | None projected |
| | Providers with signed agreements receiving improved access | 0 | None projected |
| | Providers with signed agreements receiving access to dark fiber | 0 | None projected |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | None projected |
| Community Anchor Institutions (including Government institutions) | Total subscribers served | 33 | All project CAIs have been connected by the end of this quarter (Quarter 1 2013). This project will be completed well within the three year grant award window. |
| | Subscribers receiving new access | 29 | All project CAIs have been connected by the end of this quarter (Quarter 1 2013). This project will be completed well within the three year grant award window. |
| | Subscribers receiving improved access | 4 | Equipment was installed this quarter, therefore all project CAIs have been connected by the end of this quarter (Quarter 1 2013). This project will be completed well within the three year grant award window. |
| | Please identify the speed tiers that are available and the number or subscribers for each | 11 | No speed tiers subscribed to yet until the project is complete, which will be well within the three year award window, however not on target with the initial projection due to construction re-bid process for budget constraints. The project is moving along rapidly now and will be completed within the three year grant award window. Speed tiers that will be available once the network is lit: 10 Mbps 20 Mbps 30 Mbps 40 Mbps 50 Mbps 100 Mbps 200 Mbps 300 Mbps 400 Mbps 500 Mbps 1000 Mbps |
| Residential / Households | Entities passed | 0 | N/A |
| | Total subscribers served | 0 | N/A |
| | Subscribers receiving new access | 0 | N/A |
| | Subscribers receiving improved access | 0 | N/A |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | N/A |
| Businesses | Entities passed | 0 | N/A |
| | Total subscribers served | 0 | N/A |
| | Subscribers receiving new access | 0 | N/A |
| | 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 of subscribers for each | 0 | N/A |

7. Please describe any special offerings you may provide (600 words or less).
No special offerings provided at this time during the project.

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).
Not applicable, as no network management practices changed during this quarter.

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 |
|----------------------------|-------------------------------|--|--|---|
| Bloomingdale Public School | Bloomingdale | Schools (K-12) | Yes | BCI has installed the upgraded equipment to this Community Anchor Institution |
| Paw Paw Public School | Paw Paw | Schools (K-12) | Yes | BCI has installed the upgraded equipment to this Community Anchor Institution |
| Gobles Public High School | Gobles | Schools (K-12) | Yes | BCI has installed the upgraded equipment to this Community Anchor Institution |
| Bloomingdale Library | Bloomingdale | Libraries | Yes | BCI has installed the upgraded equipment to this Community Anchor Institution |

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
Continuation of significant project progress is expected for next quarter, Quarter 2 of 2013, as the project nears completion. Turnkey will finish splicing in South Haven and re-testing, then BCI will finalize working on closing out the Outside Plant (OSP) contract. BCI will continue cutting over more subscribers. Contract closeouts should continue to take place and customers should begin to be turned up on to the new network. Next quarter, BCI will continue to make large strides in completing the project and the project will be complete within the three year grant window.

Updated cumulative projections for key indicators for next quarter:

- a. New network miles leased = 1
- b. Number of signed agreements with broadband wholesalers or last mile providers = 0

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 | 99 | The BCI project was initially projected to be completed before Year 3 Quarter 2 (Quarter 4 of 2012), however due to initial delays stated in other quarterly reports as well as the re-bid of construction for budget constraints pushed the overall project timeline back. However, construction is moving along rapidly and this project will be 100% completed within the three year grant window. |
| 2b. | Environmental Assessment | 100 | Completed Year 1 in 4th Quarter, which was Quarter 2 of 2011. |

| | Milestone | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information) |
|-----|---|--------------------------|--|
| 2c. | Network Design | 99 | The network design portion of the project is complete until network testing is completed. |
| 2d. | Rights of Way | 100 | Completed Year 3 in 2nd Quarter, which was Quarter 4 of 2012. |
| 2e. | Construction Permits and Other Approvals | 100 | Completed Year 2 in 4th Quarter, which was Quarter 2 of 2012. |
| 2f. | Site Preparation | 100 | Completed Year 3 in 2nd Quarter, which was Quarter 4 of 2012. |
| 2g. | Equipment Procurement | 97 | The majority of the equipment procurement should be completed by the end of next quarter as the majority of the equipment has been received. Installation of the transport equipment will be taking place next quarter. |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 99 | With the re-bid of the construction portion of the project, the overall timeline was pushed back for the project. However, the construction has been moving along rapidly as expected and the project will be completed within the three year timeline of the award period. Much progress is expect on all components of the network next quarter. |
| 2i. | Equipment Deployment | 99 | Significant progress of the equipment deployment will be made next quarter as the transport equipment will be installed. The DC power and AC upgrade may not be complete until the following quarter. |
| 2j. | Network Testing | 99 | Network Testing should be almost complete by the end of next quarter. The network will be finished prior to the three year award period end. |
| 2k. | Other (please specify): | 0 | N/A |

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).

BCI does not anticipate any challenges or issues during the next quarter that may impact planned progress against the project milestones listed above other than what is listed in the individual categories above. The project will be completed well within the three year award period timeline.

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. | \$450,000 | \$90,000 | \$360,000 | \$266,087 | \$53,217 | \$212,870 | \$450,000 | \$90,000 | \$360,000 |
| c. Relocation expenses and payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| d. Architectural and engineering fees | \$553,500 | \$110,700 | \$442,800 | \$436,120 | \$87,224 | \$348,896 | \$530,145 | \$106,029 | \$424,116 |
| e. Other architectural and engineering fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| f. Project inspection fees | \$368,700 | \$73,740 | \$294,960 | \$207,194 | \$41,439 | \$165,755 | \$365,013 | \$73,003 | \$292,010 |
| 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 | \$4,535,892 | \$907,179 | \$3,628,713 | \$4,014,644 | \$802,929 | \$3,211,715 | \$4,535,892 | \$907,179 | \$3,628,713 |
| j. Equipment | \$1,150,000 | \$230,000 | \$920,000 | \$830,933 | \$166,187 | \$664,746 | \$1,115,500 | \$223,100 | \$892,400 |
| k. Miscellaneous | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| l. SUBTOTAL (add a through k) | \$7,058,092 | \$1,411,619 | \$5,646,473 | \$5,754,978 | \$1,150,996 | \$4,603,982 | \$6,996,550 | \$1,399,311 | \$5,597,239 |
| m. Contingencies | | | | | | | | | |
| n. TOTALS (sum of l and m) | \$7,058,092 | \$1,411,619 | \$5,646,473 | \$5,754,978 | \$1,150,996 | \$4,603,982 | \$6,996,550 | \$1,399,311 | \$5,597,239 |

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 |
|---|--------------------------------|