

RECIPIENT NAME:SHO-ME Technologies, L.L.C.

AWARD NUMBER: NT10BIX5570146

DATE: 02/29/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 NT10BIX5570146 | 3. DUNS Number 142605331 |
| 4. Recipient Organization SHO-ME Technologies, L.L.C. 301 W Jackson St., Marshfield, MO 65706-2128 | | |
| 5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011 | 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 Miles Brusherd | 7c. Telephone (area code, number and extension) X | |
| | 7d. Email Address Mbrusherd@shometech.com | |
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 02-29-2012 | |

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).

| 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) | \$40,520 | Sho-Me Technologies' baseline estimated \$9,332.74 per mile for new build. However, this calculation was flawed and was based on overall costs rather than simply capital costs. The first segments built were comprised primarily of underground fiber and were the most expensive routes. The cost per mile, \$40,520, falls within Sho-Me's overall estimates for per mile costs for underground fiber. At the end of 2011, Sho-Me calculates overall per mile costs for the entire project to be \$30,677 which includes approximately \$42,000 per mile for underground builds and approximately \$18,000 per mile for aerial builds. |
| Average cost per household passed (Last Mile) | N/A | N/A |
| Average cost per subscriber (Last Mile) | N/A | N/A |
| Maximum broadband speed advertised (Middle Mile) | 10G | No variance. |
| Maximum broadband speed advertised (Last Mile) | N/A | N/A |
| Average broadband speed provided (Middle Mile) | 100Mps | No variance. |
| Average broadband speed provided (Last Mile) | N/A | 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 |
|----------------------------|---------------|--------|---------------|
| See Excel Addendum | | | |

Add Facility

Remove Facility

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) Total number of interconnection agreements entered into during this annual reporting period = 4
 2) Total number of interconnection agreements currently negotiating = 8
 3) No requests for interconnection have been denied.

Peering and Transit Agreements (600 words or less)

N/A

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) | 29 | Public Housing | 0 |
| Libraries | 13 | Other Institutions of Higher Education | 2 |
| Medical and Healthcare Providers | 10 | Other Community Support Organizations | 1 |
| Public Safety Entities | 14 | Other Government Facilities | 28 |
| Community Colleges | 3 | Total Community Anchor Institutions | 100 |

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 broadband speeds increase two-fold from a non-symmetrical T1 via copper pairs at 1.5Mb/s to a 3Mb/s via fiber on protected GigE rings.

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:

Sho-Me MO project offers Dedicated Internet Access, Time Division Multiplexing (TDM) circuits available at line rates from T-1 to OC-48, native Ethernet products from 5 Mb/s to GigE, Optical Wave Services available in 2.5 Gb/s and 10 Gb/s line rates for express routes between Points of Presence.

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)?

7a. The Sho-Me MO fiber project will comply with the non-discrimination and network interconnection obligations set forth in section V. D.3.b of the NOFA and in Section 6001(j) of the Recovery Act. The project will meet or exceed the requirements set forth by the FCC's Internet Policy Statement (FCC 05-151) which can be found online at http://fjallfoss.fcc.gov/edocs_public/attachmatch/FCC-05-151A1.pdf, or any subsequent ruling or statement regarding non-discrimination and actively encourages broadband deployment and the preservation and promotion of the open and interconnected nature of the public Internet. Sho-Me MO's predominantly middle mile service offering will be high-capacity, point-to-point private line transport services. Sho-Me Technologies, LLC will not manage or limit the content of communications traffic transiting the project's network, except to the extent necessary to maintain reliable service. The project will utilize neutral traffic routing, and will enable connections to other carriers and to the public Internet; not favor any lawful Internet applications and content over others; display any network management policies in a prominent location on its web page and provide notice to customer of changes to these policies; connect to the public Internet directly or indirectly, such that the project is not an entirely private closed network; offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties. This includes both the ability to connect to the public Internet and physical interconnection for the exchange of traffic; and collect, manage and resolve all inquiries, requests and complaints in a professional and timely manner, without discrimination, and according to accepted industry practices. All these requirements shall be subject to the needs of law enforcement and reasonable network management. All services offered by Sho-Me Technologies, LLC via the project will be offered with an "Open Access" understanding.

7b. No.

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. 0%

| 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 |
| 32,488 | 1,840 | 0 | 5,184 | 3,552 | 0 | 21,912 |
| 10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers: N/A | | | | | | |
| 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 | | | |
| 3,246 | 1,388 | 0 | 1,858 | | | |
| 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). N/A | | | | | | |
| 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). N/A | | | | | | |
| 14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less). Sho-Me Technologies, LLC often uses checklists as a way to ensure procedures are followed when various types of transactions are completed. For example, before a contractor is awarded a job, a checklist is completed to make sure that Sho-Me has all required documents on file from the contractor, a cost/price analysis is performed, and that the contractor is suitable for the job. Pre-Construction meetings are held with each contractor prior to construction beginning. This has helped to ensure contractors know what is expected of them regarding prevailing wages, daily reports, signage, etc. Internal communication has also been a vital part of Sho-Me's project. Biweekly meetings are held between the project's key personnel where issues and concerns are raised, progress is acknowledged, and upcoming events are discussed. | | | | | | |
| 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. | | | | | | |

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17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).