

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

| General Information | | |
|---|---|----------------------------------|
| 1. Federal Agency and Organizational Element to Which Report is Submitted GOL | 2. Award Identification Number NT10BIX5570049 | 3a. DUNS Number 052551322 |
| | | 3b. EIN 546001441 |
| 4. Recipient Organization (Name and complete address including country, congressional district, and zip code) Nelson, County of 84 Court House Square, Lovingson, VA 22949-0000 | | |
| 5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2010 | 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 Stephen A Carter County Administrator | 7c. Telephone (area code, number and extension) 4342637000 | |
| | 7d. Email Address scarter@nelsoncounty.org | |
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 10-13-2010 | |

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (150 words or less).
 Finalized contract with engineering, design and project management firm; finalized route base mapping, began make ready surveying onsite, coordination with utility for aerial placement. Completed initial environmental consultations, developed EA document; submitted EA document end of August, received NTIA comments late September and began adjustments to document gathering new information to conform to EA document guidelines revised in August; initiated consultation with Corps of Engineers. Continued signal analysis for tower placement, meetings with private property owners for tower placement. Onsite meetings with project team, developed wiki for project task coordination, meetings with local service providers to incorporate needs into design. Began development of RFP for network operator. Met with VDOT and utility to coordinate fiber placement in right of ways, develop an agreed upon make ready work process.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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 | 8 | Lagging baseline by 2% due to slow project start but exceeded 7% estimate for this quarter provided in Qtr 2 PPR, future project indicators. |
| 2b. | Environmental Assessment | 95 | NTIA comments re EA provided late Sept, requests additional document work to meet revised guidelines and consultation with Corps of Engineers (initiated, waiting); still awaiting response from USFWS; NTIA advised hold on final document submittal until all changes made and all consultation responses received - estimated in late October. |
| 2c. | Network Design | 12 | Lagging baseline by 8% due to slow project start but met estimate for this quarter provided in Qtr 2 PPR, future project indicators |
| 2d. | Rights of Way | 15 | No change |
| 2e. | Construction Permits and Other Approvals | 5 | No change |
| 2f. | Site Preparation | 0 | N/A |
| 2g. | Equipment Procurement | 0 | No change |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 0 | No Change |
| 2i. | Equipment Deployment | 0 | No Change |
| 2j. | Network Testing | 0 | No change |
| 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 (150 words or less).
 Procurement delays in quarters 1 and 2 have only slightly affected the baseline timeline at this point and we anticipate being back on schedule by end of Qtr 4. The EA guidelines that were followed beginning July 1st to develop the EA were revised in August without notice. The EA comments received in September requests changes to the EA to conform to the August version of guidelines, requiring significant additional work and another consultation. In addition we are still waiting for USFWS to respond to our consultation request. We have met all deadlines imposed for submitting the EA and response to comments, but cannot submit the final EA document until all consultations are complete, estimated currently to occur late October. The prolonged EA process is not impeding progress on other project elements and design is underway and on schedule to catch up with Qtr 4 projections. No BTOP technical assistance is needed at this time.

4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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 | No change |
| New network miles leased | 0 | N/A |
| Existing network miles upgraded | 0 | N/A |

| Indicator | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|-------|---|
| Existing network miles leased | 0 | N/A |
| Number of miles of new fiber (aerial or underground) | 0 | No change |
| Number of new wireless links | 0 | No change |
| Number of new towers | 0 | No change |
| Number of interconnection points | 0 | No change |

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, 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 | 0 |

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. Providers:
 No agreements yet

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. Wholesale services description:
 Wholesale services description: No services being provided at this point in the project.

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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (150 words or less).
 There are no subrecipients in this project. The procurement process to select a network operator began at the end of this quarter with the start to developing the RFP for services. The third party to be selected is expected to serve as a contractor to the County.

6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 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 | No change |
| | Providers with signed agreements receiving improved access | 0 | No change |
| | Providers with signed agreements receiving access to dark fiber | 0 | No change |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | No change |
| Community Anchor Institutions (including Government institutions) | Total subscribers served | 0 | No Change |
| | Subscribers receiving new access | 0 | No change |
| | Subscribers receiving improved access | 0 | No change |
| | Please identify the speed tiers that are available and the number or subscribers for each | 0 | No change |
| Residential / Households | Entities passed | 0 | No change |
| | 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 | No change |
| | 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 |

7. Please describe any special offerings you may provide (150 words or less).

Project intends to provide high speed middle mile access to providers at speeds up to 1Gbps, and access to community anchor institutions at broadband speeds desired.

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

8b. If so, please describe the changes (150 words or less).

No changes to plan.

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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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 |
|------------------|-------------------------------|--|--|---|
| N/A | N/A | N/A | N/A | Construction not started - no Community Anchor Institutions are receiving services at this point in the project. No change to estimated subscriber timeline for connectivity. |
| N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A |

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).

Outside plant make ready assessment should be complete with work to be coordinated with the utility for making changes; minimal make ready work is estimated at this time, and needed changes will be provided to utility as phases of surveying are complete. The RFP process to select a network operator will be finalized and agreement negotiations in process. Right of way access with private property owners will be underway with significant progress expected; route design will be finalized and permitting underway. Anticipate completion of EA. Tower sites will be finalized and agreements with private property owners should be complete. As tower sites are finalized, the public notice process will begin & registration with FCC initiated. The equipment specifications will be in process as will development of required procurement proceedings to negotiate access agreements with private providers.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).

| | Milestone | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information) |
|-----|---|--------------------------|--|
| 2a. | Overall Project | 15 | No change - project expected to catch up to baseline estimate |
| 2b. | Environmental Assessment | 100 | No change |
| 2c. | Network Design | 60 | No change |
| 2d. | Rights of Way | 75 | No change |
| 2e. | Construction Permits and Other Approvals | 85 | No change |
| 2f. | Site Preparation | 0 | N/A |
| 2g. | Equipment Procurement | 0 | No change |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 0 | No change |
| 2i. | Equipment Deployment | 0 | No change |
| 2j. | Network Testing | 0 | No change |

| | | | |
|--|-----------------------------|---|-----|
| 2k. | Other (please specify): N/A | 0 | N/A |
| <p>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 (150 words or less).</p> <p>There are no challenges anticipated at this time. Due to the SHPO electing to utilize a programmatic agreement for Section 106 compliance, all four towers will require submittal to the FCC and a resubmission of EA information. While this has created additional work, this work will be completed concurrent with ongoing network design and engineering tasks and will not affect the overall project progress. No technical assistance from BTOP is anticipated at this time.</p> | | | |

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 | \$197,666 | \$39,533 | \$158,133 | \$22,402 | \$4,480 | \$17,922 | \$74,304 | \$14,861 | \$59,443 |
| b. Land, structures, right-of-ways, appraisals, etc. | \$234,020 | \$46,804 | \$187,216 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| c. Relocation expenses and payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| d. Architectural and engineering fees | \$165,775 | \$33,155 | \$132,620 | \$12,213 | \$2,443 | \$9,770 | \$81,133 | \$16,227 | \$64,906 |
| e. Other architectural and engineering fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| f. Project inspection fees | \$131,250 | \$26,250 | \$105,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 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 | \$750,883 | \$150,177 | \$600,706 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| j. Equipment | \$781,714 | \$156,343 | \$625,371 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| k. Miscellaneous | \$22,000 | \$4,400 | \$17,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| l. SUBTOTAL (add a through k) | \$2,283,308 | \$456,662 | \$1,826,646 | \$34,615 | \$6,923 | \$27,692 | \$155,437 | \$31,088 | \$124,349 |
| m. Contingencies | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTALS (sum of l and m) | \$2,283,308 | \$456,662 | \$1,826,646 | \$34,615 | \$6,923 | \$27,692 | \$155,437 | \$31,088 | \$124,349 |

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