



## FIRST PERFORMANCE PROGRESS REPORT First Quarter 2010

<p>1. Recipient Organization <i>(Name and complete address including zip code)</i>          MCNC 3021 E. Cornwallis Road, PO Box 12889          Research Triangle Park, NC 27709</p>	<p>2. Award Identification Number          NT10BIX5570120</p>
<p>3. Performance Narrative (Q1)  <i>Please describe your project activities and progress for the first quarter of 2010. This should include a description of federal expenditures to date, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any delays or challenges. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i></p> <p><b>MCNC received the notice of award on 08/18/10. MCNC formalized an agreement with Golden Leaf Foundation of North Carolina related to Golden LEAF's provision of \$24M in matching funds for the project. MCNC has begun work on a sub-recipient agreement with ERC. MCNC engaged in initial discussions with the 6 BIP/RUS winners in North Carolina that have projects in BTOP 2 build areas to insure that potential overlaps are identified and partnering to avoid these overlaps are discussed. The goal is to work together to achieve MCNC and the BIP recipient's respective goals. On 09/10/10, MCNC released an RFP for selecting an engineering and environmental assessment firm. The RFP was set to close on 10/4/10. MCNC also had discussions with several entities/service providers, which are interested in IRUs of fiber as part of the project. MCNC submitted the request to the NTIA for our 6-month budget on 09/17/10. As of 9/30/10 MCNC has incurred \$288k of expenditures for pre-award costs and legal fees in preparing the various contracts the grant will require. As of the end of the quarter we had not as yet requested reimbursement, so federal funding as of 9/30/10 was \$0.00. Reimbursement of these expenses occurred in early October.</b></p>	
<p>4. Performance Projections (Q2)  <i>Please describe your anticipated project activities and progress for the next quarter. This should include a description of federal expenditures, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any potential delays or challenges you foresee. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i></p> <p><b>MCNC anticipates awarding a design and environmental firm a contract to perform those activities during the early part of the second quarter. Until February the only work they can perform will be related to the baseline engineering and whatever effort is required to complete the environmental assessment draft. Discussions will continue with those IRU providers in hopes of being in a position to execute on those contracts as close as possible to the issuance of a FONSI. MCNC will continue to work with the RUS winners and NTIA in hopes of coming to agreement on what will need to occur in those areas of overlap such that federal funds aren't expended twice in the same area. MCNC expects that in this quarter discussions will begin with vendors for the provision of construction materials with the goal of executing a contract as early as possible to insure availability of materials. Depending on when certain sections of the project are slated to begin, MCNC will start the application process for relevant permits needed along the route.</b></p>	
<p>5. 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.</p>	
<p>5a. Typed or Printed Name and Title of Authorized Certifying Official           Patricia L. Moody, Chief Financial Officer</p>	<p>5c. Telephone <i>(area code, number and extension)</i>          (919) 248-1820</p> <p>5d. Email Address          pmoody@mcnc.org</p>
<p>5b. Signature of Authorized Certifying Official</p>	<p>5e. Date Report Submitted <i>(Month, Day, Year)</i>  <b>10/31/2010</b></p>

According to the Paperwork Reduction Act, as amended, no person is required to respond to, nor shall any person be subject to penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 1 hour and 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Anthony G. Wilhelm, Director, Broadband Technology Opportunities Program, Office of Telecommunications and Information Applications, National Telecommunications and Information Administration, U.S. Department of Commerce (DOC), 1401 Constitution Avenue, N.W., HCHB, Room 4887, Washington, D.C. 20230.