



FIRST PERFORMANCE PROGRESS REPORT First Quarter 2010

<p>1. Recipient Organization (<i>Name and complete address including zip code</i>) South Dakota Network, LLC 2900 W 10th Street, Sioux Falls, SD 57104-2543</p>	<p>2. Award Identification Number NT10BIX5570003</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>SDN's BTOP Project Connect South Dakota progress as of the end of first quarter of 2010 has been primarily planning and establishing the necessary paperwork and approvals to begin with physical construction of the project. To date, no funds have been drawn down from award dollars, pending final approval from the ASAP system with the Treasury Department.</p> <p>Progress continues in obtaining our Finding of No Significant Impact (FONSI) for our Environmental Assessment. This appears to be one of our major challenges in being able to get the project started. Despite the delay, progress continues on planning and other preliminary work, which will allow construction once environmental approval is received.</p> <p>SDN has completed the Network design Rights of Way and Construction Permits and other approvals for the project. Procurement has been proposed to the Grants Officer and is awaiting approvals for outside plant, electronics and engineering related to the project. These same contracts were originally outlined in our application that was submitted last summer.</p> <p>Site Preparation, Network Build, and Equipment Deployment are all phases of the project set to begin once the Environmental approval is granted.</p> <p>Other preparatory activities included holding meetings with all Sub Recipients during the first quarter, weekly project conference calls with all key partners in the project, and preparing for the reporting process as outlined in our award conditions.</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>Instrumental in meeting the 2nd quarter objectives and milestones is the anticipated approval of SDN's Environmental Assessment, which we have projected to receive no later than May 15th. With receipt of aforementioned, we plan to begin construction of 20 miles of fiber network throughout our proposed project area. By the end of second quarter, we expect to have completed approximately 10% of our site preparations, with an additional 25% of our Equipment procured.</p> <p>Overall Project completion based on budget is projected to be around 1% by the end of 2nd quarter. This again will be critical to timely receipt of final EA approval. If this is not received by the timeframe indicated, our entire project will lag the milestones indicated in the Baseline Report and continue to lag into the 2nd year of construction.</p> <p>Another potential challenge as is true with northern climate is weather. Any hard rain and wet conditions could hamper progress and potentially slow things down.</p> <p>We anticipate 2nd Quarter Expenditures for this project to be \$350,000.</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 Tom Durfee <i>Vt. Network Planning & Operations</i></p>	<p>5c. Telephone (<i>area code, number and extension</i>) 605-978-3581</p>
<p>5b. Signature of Authorized Certifying Official </p>	<p>5d. Email Address Thomas.durfee@sdncommunications.com</p>
<p>5e. Date Report Submitted (<i>Month, Day, Year</i>) April 29, 2010</p>	

OMB CONTROL NO. 0660-0035

EXPIRATION DATE: 10/31/2010

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