

Examples of Recent Major Projects

County-Wide Fiber Network, Natchez-Adams Unified School District (MS)

In December 2005, InLine's Engineers and Construction teams deployed a fiber based network across the city of Natchez, Mississippi to interconnect all of the district's schools at Gigabit speeds. InLine ran over 480,000 feet of the fiber in the historical city of Natchez, MS to connect the city's entire school district at 1000Mbps, as opposed to its existing 1.5Mbps system.

County-Wide Fiber Network, Shelby County School District (AL)

This May 2006 network design forms a Metropolitan Area Network using a single domain Ethernet switch fabric for 38 schools, serving over 27,000 students.

County-wide Wireless Network, Jefferson Davis County Board of Education (MS)

During the period of July-October 2003, InLine's team of engineers designed and implemented a network that spans the entire county, utilizing Carrier-Class microwave radios in concert with Short & Long-haul fiber. This network supports over 1500 users at 8 locations at 100Mbps between locations and a back-up T1 to the Internet. This system required the implementation of over 25 managed VLAN's to provide student, faculty, and administrative networks over the same system. Additionally, a redundant fiber ring was installed in 2008.

ALDOT Intrastate Wireless Network, Alabama Department of Transportation

During the period from April-July 2006, InLine's engineers and construction teams built and maintained a network that stretches from Mobile to Montgomery along I-65 and supports hundreds of users. This network is designed to provide real-time video and traffic radar sensor data to ALDOT Central Office and ALDOT 6th Division Headquarters in Montgomery and ALDOT 9th Division Headquarters in Mobile.

Wireless/Fiber Hybrid Network, City of Murfreesboro (TN)

From November 2005-May 2006, InLine designed a citywide network enabling Murfreesboro public safety locations to share resources and exchange information between the protected Police Headquarters LAN servers and all police and fire precincts. The wireless network covers over 50 square miles.

Wireless/Fiber Hybrid Network, City of Montgomery Fire Department (AL)

During the period of June-December 2003, InLine's network and construction teams designed a citywide wireless network, which enables Montgomery's public safety locations to share resources and exchange information between the protected city networks and each of the fire stations. This network enables the sharing of all network resources, including Internet Access, Firewall, Content Filter, network servers, printers, workstations, anti-virus server, and DHCP server.

Intelligent Transportation System and Network, Mississippi Department of Transportation (MDOT)

In the aftermath of Hurricane Katrina, InLine partnered with the Mississippi Department of Transportation to provide a Design-Build Solution for an Intelligent Transportation System that would enable real-time traffic monitoring and incident management as well as a number of other applications including Video Detection Systems and Adaptive Signal Control along this corridor allowing more vehicles to travel safely down the same road space in an efficient manner.

InLine's deployed a hybrid fiber/wireless network to connect ITS components, including the backbone, distribution, and edge connections to 54 signalized intersections. As a partner in this groundbreaking project, InLine was able to provide state-of-the-art traffic management capabilities along the 43-mile corridor spanning six cities and two counties.

Management Team Resumes

Martin Costa, Chief Executive officer founded The Contact Network, Inc. dba in 1992 and primarily has been responsible for strategic planning, marketing and overseeing the technical and service aspects. Mr. Costa has overseen the growth of The Contact Network, Inc./InLine Connections, Inc. while continuing to deliver consulting services to InLine's extensive client base. Mr. Costa is responsible for all financial and operations for logistics, accounting and sales professionals at Contact Network, d/b/a InLine. He oversees the executive team which unifies Contact Network's most valuable resources, its' employees.

Professional Qualifications: From 1988 to 1992, Mr. Costa was District Sales Manager for Dataimport AS in Bergen, Norway where he increased sales from \$2 million to \$18 million. From 1986 to 1988, he managed the historic Alabama Theatre and computerized its accounting and POS systems. Mr. Costa, a certified public accountant, earned his BA degree in accounting with a minor in computer science from the University of Alabama at Birmingham in 1989.

Project Description	Outcome	Dates
Start the corporation	Has hired over 400 people and developed over 300 Million worth of revenue	1991-Current
Developed ISP/CLEC Business	Over 30 Million worth of service provided to over 120,000 end users	1995-Current
Developed K12 division	Deployed technology to over 1000 schools with over 100,000 of our youth	2000-Current

Chris Cull, Founding Partner, helped create The Contact Network's original business plan in 1991 and has been an integral team member since the Company's inception. Throughout the Company's 16 years of operation, Mr. Cull has performed every job function in the organization until there was sufficient revenue to hire a full time person to replace him. Mr. Cull's primary responsibility has been to maintain a strong revenue stream. He has sold and supported more than \$30 million worth of products and services while developing a large, loyal customer base. He currently provides design and consulting services to strategic and key accounts.

Professional Qualifications: Prior to joining InLine, Mr. Cull was Sports Director for WUAL, Tuscaloosa, AL where he produced, directed and edited live and recorded national broadcasts. Mr. Cull earned a BA degree in Telecommunications with a minor in English from the University of Alabama in 1991.

Project Description	Outcome	Dates
Broadband/Mobile Broadband coverage for City of Murfreesboro, TN	Connect 14 Police and Fire Stations, upgraded system in stage 2 to provide Mobile Broadband data	2002-Current
Implement complete network including infrastructure and software for 35 physician clinic	Deployed circuits, servers, software, disaster recovery replication over iSCSI, all aspects of WAN/LAN	2006-Current
Implement complete network including phone system, infrastructure and software including remote support for rural healthcare provider	Deployed telco circuits, phone system with recording and "find me now" capabilities, deployed and support servers, workstations and software for rural health care provider	2005-Current

Bryan C. Gilliom, Chief Technical Officer, is responsible for all technical service professionals, both field, datacenter, and help desk at Contact Network. He oversees the policies, procedures and service delivery standards for Contact Network. In addition Bryan is responsible for key strategic vendor partner relationships.

Professional Qualifications: Bryan has been active in the technology integration and resale business since 1982. Bryan’s career started as a bench technician and over the course of his career he has held nearly every position available in a technology integrator. In 1990 Bryan helped found one of the first true value added resellers in Birmingham focused on the small and medium business space. In 2000, Bryan sold that company to Contact Network and took over responsibility for its technical department increasing headcount and revenue by a 300% over the intervening 9 years.

Project Description	Outcome	Dates
AL Governor’s Access Initiative	100+ Systems Deployed Successfully	2007-Current
<i>Reconnecting the Coast</i> MDOT Highway 90 Advanced ITS System	Design, Construction, Maintenance and Training Services for an Advanced Intelligent Transportation System along Hwy 90. This system provides access to real-time video and traffic management systems for over a 400 square mile area. Project awarded ITS America’s Best of Show award in 2008.	2005-Current
ALDOT Interstate Contra-flow Video Project	Design, Construction and Maintenance of ITS Network utilizing fiber and wireless broadband for managing contra-flow evacuations along the I-65/I-85 corridors between Mobile and Montgomery, AL.	2005-Current

Rick Barber, VP Corporate Sales, is responsible for inception and design of all virtual services at Contact Network. He oversees the virtual services policies, procedures and service delivery standards for Contact Network. In addition, Rick is responsible for key strategic sales initiatives and training around Contact Network’s virtual services.

Professional Qualifications: Rick has been active in the technology integration and resale business since 1995. Rick’s career started as a bench technician and over the course of his career he has held nearly every position available in a technology integrator. In 2001, Rick founded one of the first true value added resellers in Montgomery that focused on managed services within the small and medium business space. In 2005, Rick sold his company to Contact Network and took over responsibility for its remote offices, assistance with strategic product development and has worked to develop a number of highly successful service initiatives within InLine.

Project Description	Outcome	Dates
InCare Manage Services	Established the first formal on site managed service model for Contact Network	2005-Current
Internal Systems	Worked to identify, implement and manage InLine’s internal sales and support systems	2006-Current
Virtualization Services	Researched, developed and incepted InLine’s managed services offering around virtualization	2007-Current

Alan Newman, VP Education Division, is responsible for developing classroom solutions for the K12 market. This includes selection of technologies, partners, and development of vendor relationships, developing sales and marketing strategies, selecting and managing sales, professional development, and administrative staff, and P&L responsibility for the Division.

Professional Qualifications: Alan has been involved in sales and marketing of technology since 1977. Alan became involved in the K12 Education industry in 1997, and created the Education Division of a major computer manufacturer in 2000. In 2002, the Division was purchased by Contact Network/InLine, where Alan has continued to evolve the business to a total classroom solutions provider. InLine’s Education Division is one of the leading providers of classroom technology in Alabama and Mississippi, with hundreds of video classrooms installed.

Project Description	Outcome	Dates
AL Governor’s Access Distance Learning Initiative	100+ Systems Deployed	2007-Current
SCMCEED/Erate Grants	125+ Video System Deployed	2004-Current

Jon Gifford, Vice President of Broadband and Government Operations, joined InLine in 2000 and is responsible for InLine’s growth and expansion of our Broadband and Government Services.

Professional Qualifications: Mr. Gifford founded NovaZone Broadband in 1994, one of the nation’s first Wireless Internet Service Providers (WISPs). Since this time, Jon has developed, designed, and managed the deployment of numerous Wireless and Fiber Optic Broadband Networks that provide a range of communication services to numerous communities and government agencies for applications such as Education, Public Safety, Administration, Transportation, and Utilities. Jon has extensive experience in public/private community resource sharing models, first responder communications and other connectivity based functionality used by county, city and state governments as well as business and residential users.

Project Description	Outcome	Dates
Murfreesboro, TN Public Safety Wireless System	Design, Construction and Maintenance of City-wide Fiber and Wireless Broadband Network that connected all police, fire, and administrative offices as well as access for all water facilities within the community. This system provides fixed, nomadic and mobile broadband access over an 80 square mile coverage area.	2002-Current
Reconnecting the Coast MDOT Highway 90 Advanced ITS System	Design, Construction, Maintenance and Training Services for an Advanced Intelligent Transportation System along Hwy 90. This system provides access to real-time video and traffic management systems for over a 400 square mile area. Project awarded ITS America’s Best of Show award in 2008.	2005-Current
ALDOT Hurricane Evacuation Network	Design, Construction and Maintenance of ITS Network utilizing fiber and wireless broadband for video surveillance and managing contra-flow evacuations along the I-65/I-85 corridors between Mobile and Montgomery, AL.	2005-Current

Matthew Veasey, Senior Wireless Engineer, is responsible for the design, RF propagation studies, implementation, installation, and maintenance of InLine's wireless networks.

Professional Qualifications. Mr. Veasey holds Associates Degrees in Computer Science and Fine Arts from Shelton State Community College and is an Iraq war veteran of the United States Marine Corps. Prior to joining InLine, he previously worked as a network engineer for Trillion Digital Communications from 2002-2006.

Project Description	Outcome	Dates
Murfreesboro, TN Public Safety Wireless System	Design, Construction and Maintenance of City-wide Fiber and Wireless Broadband Network that connected all police, fire, and administrative offices as well as access for all water facilities within the community. This system provides fixed, nomadic and mobile broadband access over an 80 square mile coverage area.	2006-Current
<i>Reconnecting the Coast</i> MDOT Highway 90 Advanced ITS System	Design, Construction, Maintenance and Training Services for an Advanced Intelligent Transportation System along Hwy 90. This system provides access to real-time video and traffic management systems for over a 400 square mile area.	2006-Current
ALDOT Hurricane Evacuation Network	Design, Construction and Maintenance of ITS Network utilizing fiber and wireless broadband for video surveillance and managing contra-flow evacuations along the I-65/I-85 corridors between Mobile and Montgomery, AL.	2006-2008

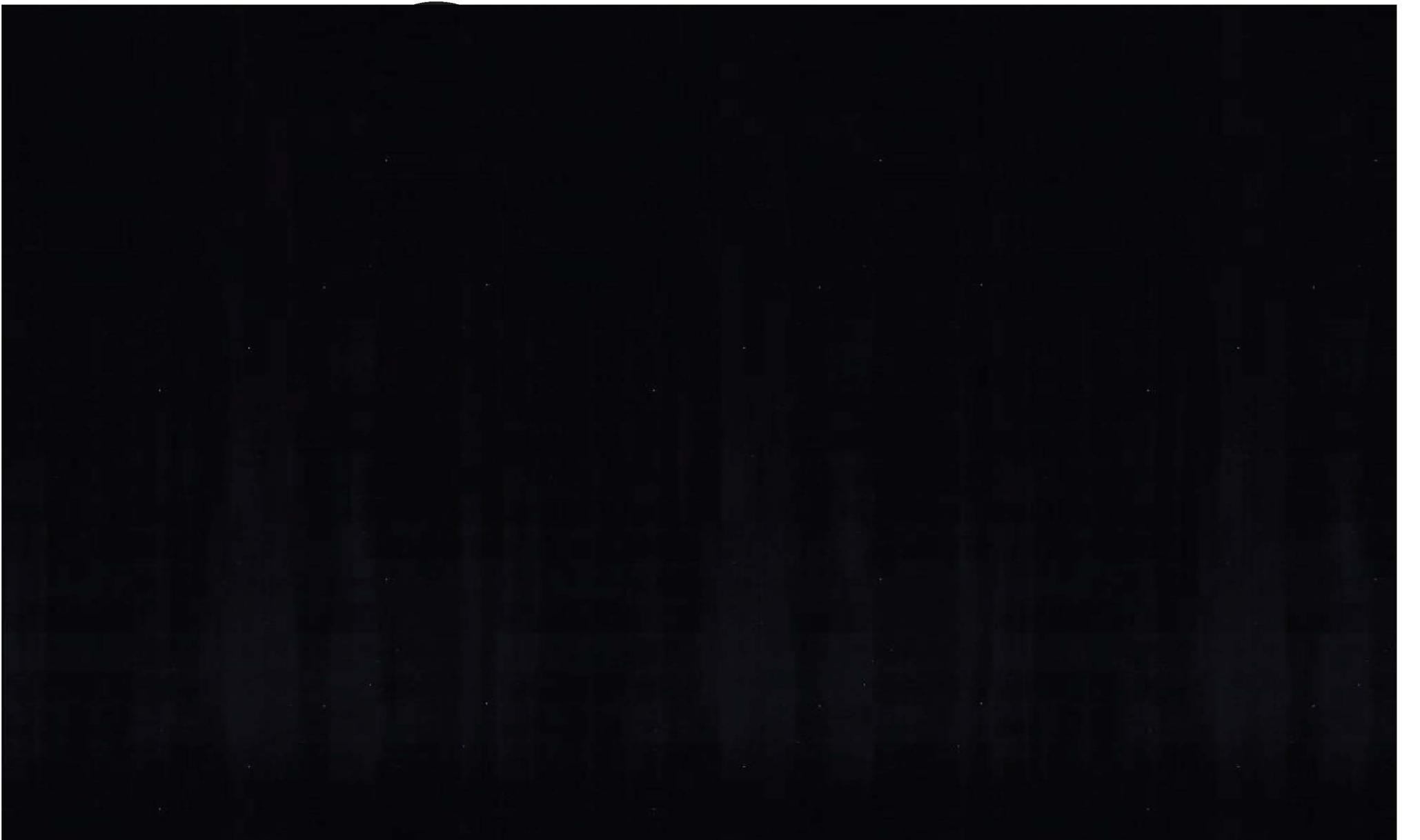
Kyle Godwin, Infrastructure Manager, is responsible for managing the wireless and cabling department employees, developing customer and contractor relations, managing the flow of multiple project build outs, analyzing project options, evaluating performance, and quality control. He has certifications for wireless, copper, fiber, Tower-Safety Rescue and lift trucks.

Professional Qualifications. Mr. Godwin established and managed an event staffing company for 15 years before joining New Era Promotions, where for seven years he coordinated and managed the logistical requirements for major events throughout the southeast. In 1999, Mr. Godwin worked for Cypress Network Services, as a senior technician, supervising the installation and commissioning of equipment for major telecommunications firms. He later worked for Trillion Digital Communications as a Corporate Construction Manager, where he established key contractor relationships, negotiated contracts, coordinated and scheduled contractors for the WAN installations throughout the southeast.

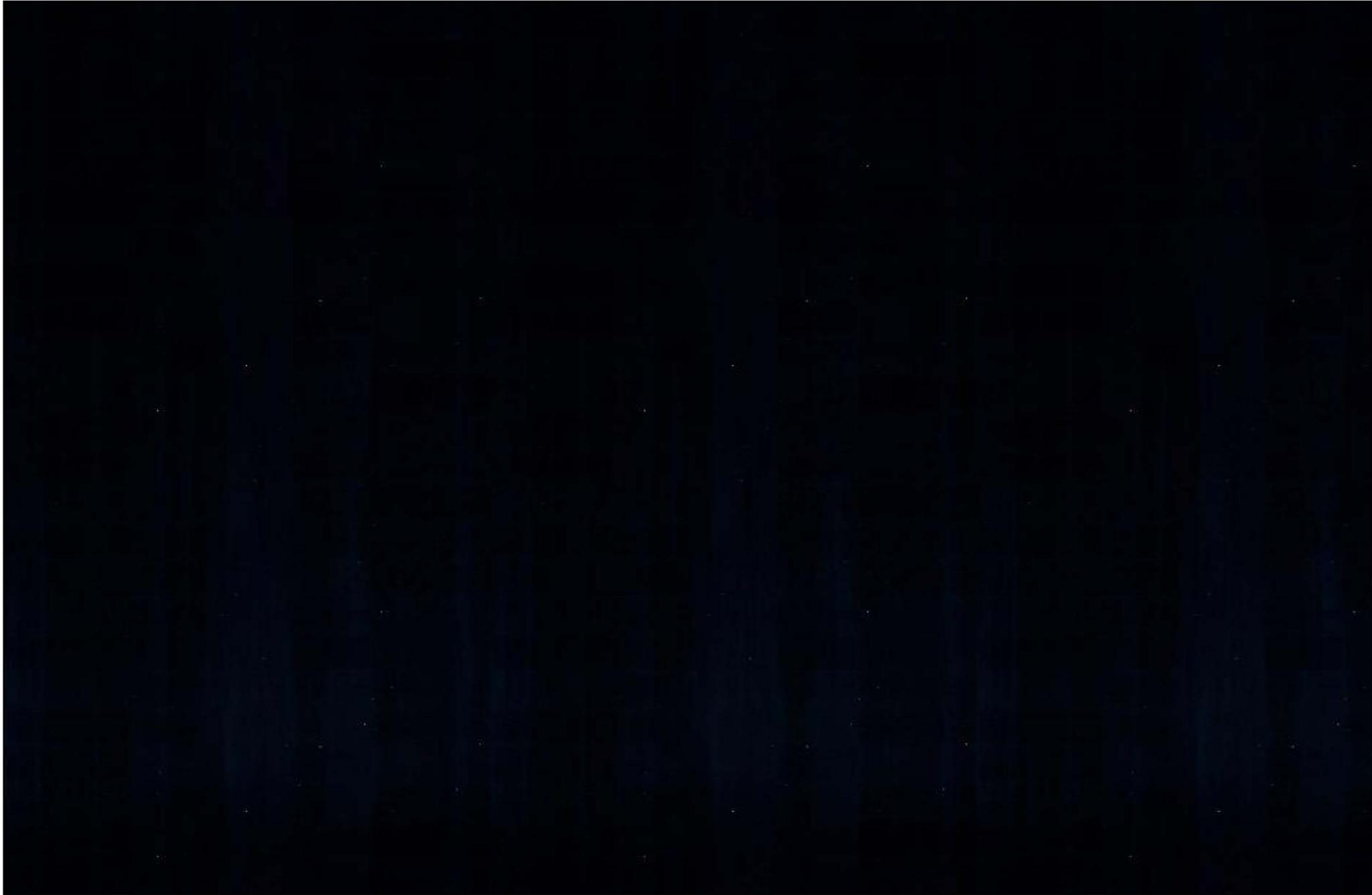
Project Description	Outcome	Dates
Town of Benoit, MS Community Connect Broadband Internet Access Service System	Design, Construction, Maintenance and Training Services for an Internet Access and Wireless Broadband Distribution System, as well as a community computing center.	2007-Current
<i>Reconnecting the Coast</i> MDOT Highway 90 Advanced ITS System	Design, Construction, Maintenance and Training Services for an Advanced Intelligent Transportation System along Hwy 90. This system provides access to real-time video and traffic management systems for over a 400 square mile area.	2006-Current
ALDOT Hurricane Evacuation Network	Design, Construction and Maintenance of ITS Network utilizing fiber and wireless broadband for video surveillance and managing contra-flow evacuations along the I-65/I-85 corridors between Mobile and Montgomery, AL.	2006-2008

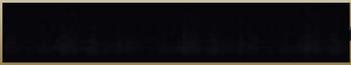














BTOP Comprehensive Community Infrastructure Service Offerings and Competitor Data Template

Please complete the complete the following worksheets--either of the Last Mile or Middle Mile Service Offerings worksheets may be omitted if the applicant is not proposing to provide that type.

For both the Last Mile and Middle Mile Service Offerings worksheets, the service offerings should include all relevant tiers and markets (*e.g.* residential, business, wholesale). Applicants should ensure to include details on any services that would be offered at discounted rates to specific classes of customers (*e.g.* community anchor institutions or third party service providers).

In the Last Mile Service Offerings worksheet, applicants are required to provide estimated end user speeds. Average speeds should be the average sustained actual, non-burst end user speed that would be received during a peak hour. For purposes of calculating these speeds, applicants should utilize their subscriber projections for year eight of the project, and develop utilization projections that are consistent with any additional services the applicant proposes. For wireless broadband services, this speed should be an average of the speeds available across the entire cell. Beyond these general guidelines, due to the multiplicity of technical solutions that may be proposed, the applicants may use discretion to determine the most reasonable method to estimate actual speeds on their network. Applicants should explain the underlying methodology used to calculate the average speeds in the space provided.

In the Competitor Data worksheet, applicants are required to provide data on both last mile and middle mile service providers, regardless of whether the applicant proposes to offer last mile and middle mile services. In the column titled Service Areas Where Service Offered, applicants should list all of the Last Mile and Middle Mile Service Areas within their Proposed Project Area in which the listed services are available. Please ensure that the Service Areas are consistent with those provided within the application and the Service Areas upload. If the availability of the listed services is limited (*e.g.* the service is only available within a portion of a Last Mile or Middle Mile Service Area), note this in the Other Comments column.

In contrast to several other upload templates in this application, the data provided in these worksheets will NOT be subject to automated processing. These template worksheets are provided to demonstrate the level of data required and to provide a suggested format. Applicants may modify the template layouts in order to provide the most effective presentation of their specific project. Applicants should, however, ensure that they provide at least as much data as these templates require. To the extent that you modify these templates please ensure that the print layouts are adjusted so that rows do not break across pages in a manner that is difficult to understand. A PDF of this file will be automatically generated upon upload to EasyPrint and the print settings will be used to format the PDF file.

Middle Mile
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Proposed Middle Mile Service Offerings

Name of Service Offering	Distance Band or Point to Point	Minimum Peak Load Network Bandwidth Capacity (Mbps)	Monthly/Yearly Pricing (\$)	Other Comments/Description/Features or Limitations
10Mbps Private Network	0-10 Miles	10Mbps		
10Mbps Fiber Connection with Internet	0-10 Miles	10Mbps		
100Mbps Private Network	0-10 Miles	100Mbps		
100Mbps Fiber Connection with Internet	0-10 Miles	100Mbps		
Public Safety Option	0-10 Miles	100Mbps		
Public Safety Option - Separate VLAN	0-1000 Ft	N/A		

Competitor Data

Competitor Data - Last Mile Service Providers

Service Provider	Service Areas Where Service Available	Technology Platform	Service Tiers	Downstream Speed	Monthly Pricing	Other Comments/Description/Features or Limitations
AT&T	Benoit, Cleveland, Carrollton, Clarksdale, Drew, Durant, Greenville, Greenwood, Grenada, Hollandale, Indianola, Itta Bena, Kilmichael, Leland, Moorhead, Ruleville, Shaw, Tchula, Winona, Yahoo City, Tunica	DSL	Entry Level	768k/128k	19.95	Requires telephone service, Dry-Loop service not available
			Highest Speed	6M/512k	42.95	Requires telephone service, Dry-Loop service not available
			Other Plans	1.5M/256; 3M/384k	32.95, 37.95	Requires telephone service, Dry-Loop service not available
Cable One	Clarksdale, Duncan, Lyon, Boyle, Cleveland, Drew, Merigold, Mound Bayou, Pace, Parts of Bolivar County, Parts of Sunflower County, Renova, Ruleville, Shaw, Shelby, Diamondhead, Kiln, Itta Bena, Duck Hill, Durant, Goodman, Kilmichael, Lexington, Pickens, Tchula, Winona, Yazoo City, Benton, Parts of Yazoo County	Cable	Entry Level	1.5M/150k w/ 1GB Monthly cap	26	1.5M/150k w/ 1GB Monthly cap, \$26.00
			Highest Speed	10M/1M	59	Only available as part of a triple-play bundle
			Other Plans	5M/500k	49	

Competitor Data - Middle Mile Service Providers

Service Provider	Service Areas Where Service Available	Technology Platform	Service Tiers	Distance Band or Point-to-Point	Minimum Peak Load Network Bandwidth Capacity	Monthly Pricing	Other Comments/Description/Features or Limitations
Telepak/Megapop	Clarksdale, Tunica, Greenwood, Yazoo City, Jackson	Metro Ethernet	1 Year Contract				
			3 Year Contract				
			5 Year Contract				
Telepak/Megapop	Clarksdale, Tunica, Greenwood, Yazoo City, Jackson	Metro Ethernet	1 Year Contract				
			3 Year Contract				

			5 Year Contract	
Norlight/KDL	Jackson, Yazoo City, Greenwood, Tunica	Metro Ethernet	3 Year Contract	
			5 Year Contract	
Norlight/KDL	Jackson, Yazoo City, Greenwood, Tunica	Metro Ethernet	3 Year Contract	
			5 Year Contract	
Norlight/KDL	Jackson, Yazoo City, Greenwood, Tunica	Metro Ethernet	3 Year Contract	
			5 Year Contract	
AT&T	Greenwood, Clarksdale, Jonestown, Friar's Point, Tunica	Metro Ethernet	12 Month Contract	
			37 Month Contract	
			61 Month Contract	
AT&T	Greenwood, Clarksdale, Jonestown, Friar's Point, Tunica	Metro Ethernet	12 Month Contract	
			37 Month Contract	
			61 Month Contract	
AT&T	Benoit, Cleveland, Carrollton, Drew, Durant, Greenville, Grenada, Hollandale, Indianola, Itta Bena, Kilmichael, Leland, Moorhead, Ruleville, Shaw, Tchula, Winona, Yahoo City,	Metro Ethernet	12 Month Contract	
			37 Month Contract	
			61 Month Contract	
AT&T	Benoit, Cleveland, Carrollton, Drew, Durant, Greenville, Grenada, Hollandale, Indianola, Itta Bena, Kilmichael, Leland, Moorhead, Ruleville, Shaw, Tchula, Winona, Yahoo City,	Metro Ethernet	12 Month Contract	
			37 Month Contract	
			61 Month Contract	

THE CONTACT NETWORK, INC.
d/b/a INLINE

FINANCIAL STATEMENTS

DECEMBER 31, 2008

CONTENTS

	Page
ACCOUNTANTS' REVIEW REPORT	3
FINANCIAL STATEMENTS	
Balance Sheets	4
Statements of Operations and Comprehensive Income	6
Statements of Changes in Stockholders' Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	10
SUPPLEMENTAL INFORMATION	
Schedules of Operating Expenses	18

ACCOUNTANTS' REVIEW REPORT

March 27, 2009

Stockholders

The Contact Network, Inc. d/b/a InLine
Birmingham, Alabama

We have reviewed the accompanying balance sheets of The Contact Network, Inc. d/b/a InLine as of December 31, 2008 and 2007, and the related statements of operations and comprehensive income, changes in stockholders' equity and cash flows for the years then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The Contact Network, Inc. d/b/a InLine.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Our reviews were made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying schedules of operating expenses is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Warren, Averett, Kimbrough + Marino, LLC

Birmingham, Alabama

THE CONTACT NETWORK, INC. d/b/a INLINE
BALANCE SHEETS
DECEMBER 31, 2008 AND 2007

ASSETS

2008

2007



See accountants' review report and notes to financial statements.

LIABILITIES AND STOCKHOLDERS' EQUITY

2008

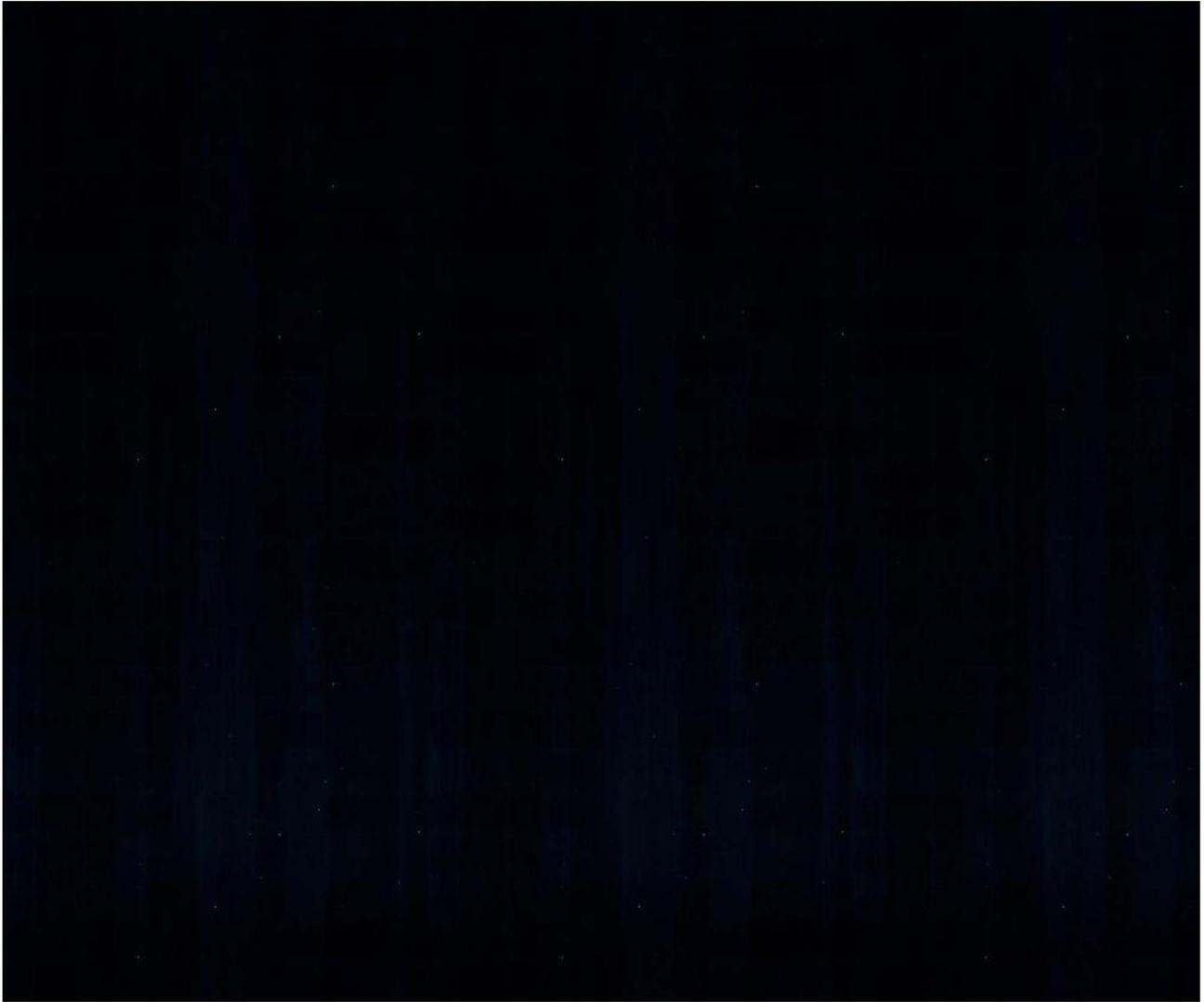
2007



**THE CONTACT NETWORK, INC. d/b/a INLINE
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

2008

2007



See accountants' review report and notes to financial statements.

**THE CONTACT NETWORK, INC. d/b/a INLINE
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
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See accountants' review report and notes to financial statements.

THE CONTACT NETWORK, INC. d/b/a INLINE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

2008

2007

Cash Flows from Operating Activities



**THE CONTACT NETWORK d/b/a INLINE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

2008

2007



See accountants' review report and notes to financial statements.

**THE CONTACT NETWORK d/b/a INLINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Contact Network, Inc. d/b/a InLine (the Company) is a provider of Internet systems, computer hardware and minimal software, and network management solutions and resells local and long-distance telecommunication services. The Company is headquartered in Birmingham, Alabama and primarily conducts business within the states of Alabama and Mississippi.

Cash and Cash Equivalents

The Company considers all cash and money market accounts with a maturity of three months or less when purchased to be cash equivalents. The Company, at times, may maintain deposits at financial institutions which exceed federally insured limits.

Accounts Receivable

The Company reports trade receivables at net realizable value. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables and, once these receivables are determined to be uncollectible, they are written off through a charge against an existing allowance account or against earnings.

Revenue Recognition

Revenue is recognized when earned in the month when services are provided or when hardware is delivered.

Inventories

Inventories are valued at the lower of cost or market with cost determined using the first-in, first-out (FIFO) method.

Available-for-Sale Securities

All investment securities are classified as available for sale. Available-for-sale securities are equity securities that are not classified as trading securities and debt securities which are not classified as trading securities or held-to-maturity securities. Available-for-sale securities are stated at fair value based on published market quotations. Unrealized holding gains and losses are not reflected in operations but are netted and included as a separate component of stockholders' equity until realized. Unrealized holding gains and losses are included in the statements of operations and comprehensive income. For purposes of computing realized gains or losses, cost is determined on a specific identification basis.

**THE CONTACT NETWORK d/b/a INLINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued**

Goodwill

Goodwill represents the excess of the cost of companies acquired over the fair value of their net assets at dates of acquisition. The Company does not amortize goodwill but periodically evaluates the recorded amount for impairment. No impairment losses were recorded during 2008 or 2007.

Property and Equipment

Property and equipment is stated at cost. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the related accounts, and any gain or loss is reflected in operations. Depreciation is provided primarily using the straight-line method over the following estimated useful lives:

Item	Estimated Useful Life
Computer equipment	5-10 years
Furniture and fixtures	5-10 years
Vehicles	5 years
Leasehold improvements	3-10 years

Advertising Costs

The Company expenses all advertising costs during the period in which they are incurred. Advertising costs amounted to [REDACTED]

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**THE CONTACT NETWORK d/b/a INLINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued**

Comprehensive Income

Comprehensive income is the total of net income plus all other changes in net assets arising from nonowner sources, which are referred to as other comprehensive income (loss). The Company has presented statements of operations and comprehensive income that include other comprehensive income (loss). Other comprehensive income (loss) for the Company is comprised entirely of unrealized gains and losses on available-for-sale securities.

Income Taxes

The Company has elected to have its income taxed under the provisions of Subchapter S of the Internal Revenue Code which provides that, in lieu of corporate income taxes, each stockholder is taxed on his proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes is reflected on these financial statements.

Collection of Taxes on Behalf of Third Parties

The Company collects various taxes from customers and remits these amounts to applicable taxing authorities. The Company's accounting policy is to exclude these taxes from sales revenues and cost of sales.

Recent Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. (FIN) 48, *Accounting for Uncertainty in Income Taxes*. FIN 48 interprets the guidance in FASB Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*. When FIN 48 is implemented, reporting entities utilize different recognition thresholds and measurement requirements when compared to prior technical literature. On December 30, 2008, the FASB issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. As deferred by the guidance in FSP FIN 48-3, the Company is not required to implement provisions of FIN 48 until fiscal years beginning after December 15, 2008. As such, the Company has not implemented those provisions in the 2008 financial statements.

Since the provisions of FIN 48 have not been implemented in accounting for uncertain tax positions, the Company continues to utilize its prior policy of accounting for these positions, following the guidance in SFAS No. 5, *Accounting for Contingencies*.

THE CONTACT NETWORK d/b/a INLINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued

Disclosure is not required of a loss contingency involving an unasserted claim or assessment when there has been no manifestation by a potential claimant of an awareness of a possible claim or assessment unless it is considered probable that a claim will be asserted, and there is a reasonable possibility that the outcome will be unfavorable. Using that guidance, as of December 31, 2008, the Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

In February 2008, the FASB issued FASB Staff Position (FSP) No. FAS 157-2, *Effective Date of FASB Statement No. 157* (FSP FAS 157-2), that delays the effective date of FASB Statement No. 157's fair value measurement requirements for nonfinancial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis. Fair value measurements identified in FSP FAS 157-2 will be effective for fiscal years beginning on or after November 15, 2008.

The Company adopted the provisions of FASB Statement No. 157, *Fair Value Measurements*, effective January 1, 2008, on a prospective basis. FASB Statement No. 157 defines fair value for financial reporting purposes as the price that would be received to sell an asset or paid to transfer a liability in an orderly market transaction between market participants at the measurement date (reporting date). Under the statement, fair value is based on an exit price in the principal market or most advantageous market in which the reporting entity could transact. FASB Statement No. 157 does not require new fair value measurements but does apply under other accounting pronouncements where fair value is required or permitted.

FASB Statement No. 157 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

**THE CONTACT NETWORK d/b/a INLINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued**

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations based on observable inputs, including quoted prices (other than Level 1) in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates, yield curves, volatilities and default rates, and inputs that are derived principally from or corroborated by observable market data.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

NOTE B - INVESTMENTS

At December 31, available-for-sale securities consist of the following:

	2008	2007
		

The Company's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with FASB Statement No. 157. See Note A for a discussion of the Company's policies regarding this hierarchy.

**THE CONTACT NETWORK d/b/a INLINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE B - INVESTMENTS - Continued

The following fair value hierarchy table presents information about the Company's assets measured at fair value on a recurring basis as of December 31, 2008:



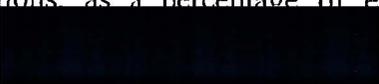
NOTE C - PROPERTY AND EQUIPMENT

At December 31, property and equipment consists of the following:

	2008	2007
		

Depreciation expense for 2008 totaled 

NOTE D - DEFINED CONTRIBUTION PLAN

The Company sponsors a defined contribution plan covering substantially all of its employees. Eligibility to participate is based on age and years of service. Contributions to the plan consist of participant elective deferrals of compensation and employer discretionary matching contributions as a percentage of employee deferrals. The Company's expense for 2008 was 

**THE CONTACT NETWORK d/b/a INLINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE E - RELATED PARTY TRANSACTIONS

The Company leases a building in Birmingham, Alabama that is owned by an affiliated organization under a month-to-month operating lease agreement. The affiliate is a related party due to common majority ownership. The Company paid \$ [REDACTED] for rent on this building during 2008 [REDACTED] in 2007). The Company leases two other buildings in Alabama and Mississippi that are owned by unrelated parties under month-to-month operating lease agreements. The Company paid [REDACTED] for rent on these buildings during 2008 [REDACTED] in 2007).

SUPPLEMENTAL INFORMATION

**THE CONTACT NETWORK d/b/a INLINE
SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

2008

2007



See accountants' review report.

U.S. Department of Commerce
Broadband Technology Opportunities Program
Authentication and Certifications

1. I certify that I am the duly Authorized Organization Representative (AOR) of the applicant organization, and that I have been authorized to submit the attached application on its behalf.
2. I certify that I have examined this application, that all of the information and responses in this application, including certifications, and forms submitted, all of which are part of this grant application, are material representations of fact and true and correct to the best of my knowledge, that the entity(ies) that is requesting grant funding pursuant to this application and any subgrantees and subcontractors will comply with the terms, conditions, purposes, and federal requirements of the grant program; that no kickbacks were paid to anyone; and that a false, fictitious, or fraudulent statements or claims on this application are grounds for denial or termination of a grant award, and/or possible punishment by a fine or imprisonment as provided in 18 U.S.C. §1001 and civil violations of the False Claims Act.
3. I certify that the entity(ies) I represent has and will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, codes, orders and programmatic rules and requirements relating to the project. I acknowledge that failure to do so may result in rejection or deobligation of the grant or loan award. I acknowledge that failure to comply with all federal and program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.
4. I certify that the entity(ies) I represent has and will comply with all applicable administrative and federal statutory, regulatory, and policy requirements set forth in the Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements ("DOC Pre-Award Notification"), published in the Federal Register on February 11, 2008 (73 FR 7696), as amended; DOC Financial Assistance Standard Terms and Conditions (Mar. 8, 2009); the Department of Commerce American Recovery and Reinvestment Act Award Terms (Apr. 9, 2009); and any Special Award Terms and Conditions that are included by the Grants Officer in the award.
5. I certify that any funds awarded to the entity(ies) I represent as a result of this application will not result in any unjust enrichment of such entity(ies) or duplicate any funds such entity(ies) receives under federal universal service support programs administered by the Universal Service Administrative Corporation (USAC).
6. I certify that the entity(ies) I represent has secured access to pay the 20% of total project cost or has petitioned the Assistant Secretary of NTIA for a waiver of the matching requirement.

____ 3/5/10 _____
Date



Authorized Organization Representative Signature

____ Martin Costa _____
Print Name

____ President and CEO _____
Title

ATTACHMENT E - PROJECT PLAN (KEY PHASES AND MILESTONES TO DEMONSTRATE DEGREE OF COMPLETION)

Time Period	Qtr.	List All Relevant Milestones	Support for Reasonableness/Data Points
Year 1	Qtr. 1	Project Discovery Phase	<ul style="list-style-type: none"> . Conceptual Design . Planning and Control . Site Assessment . Scope Definition . Discipline Support . Conceptual Phase Completion
	Qtr. 2	Project Discovery Phase (75% complete)	<ul style="list-style-type: none"> . Conceptual Design . Planning and Control . Site Assessment . Scope Definition . Discipline Support . Conceptual Phase Completion
	Qtr. 3	Project Discovery Phase (100% complete)	<ul style="list-style-type: none"> . Conceptual Design . Planning and Control . Site Assessment . Scope Definition . Discipline Support . Conceptual Phase Completion
		Survey Phase	<ul style="list-style-type: none"> . Analysis . Review Current Infrastructure . Identify Target Areas for Improvement . Review Current Market Solution Vendors
		Logistics Phase (20% complete)	<ul style="list-style-type: none"> . Design . Planning and Control . Procurement of equipment
	Qtr. 4	Logistics Phase (40% complete)	<ul style="list-style-type: none"> . Design . Planning and Control . Procurement of equipment
		Pre-configuartion & Staging Phase (50% complete)	<ul style="list-style-type: none"> . Equipment Configuration . Equipment Documentation/Staging . Determine readiness to proceed with installation
		Installation Phase - Begin Outside Plant	<ul style="list-style-type: none"> . Mobilize on Site . Middle Mile Distribution Hub - WAN Installation . Middle Mile Distribution Hub - Fiber interconnects . Last Mile Client- Fiber interconnects . Point of Presence (POP) - Fiber interconnects
		Middle Mile Distribution Hub - Fiber interconnects (20% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Last Mile Client- Fiber interconnects (20% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Point of Presence (POP) - Fiber interconnects (20% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Installation Phase - Inside Plant (10% complete)	<ul style="list-style-type: none"> . Point of Presence (POP) Installation . Last Mile Client building Installation
		Begin Testing Phase	<ul style="list-style-type: none"> . Network Routing configuration testing . Fiber Network testing . Internet Access and Firewall Setup and testing . System testing and certification . System acceptance testing with client.
		Begin Training Phase	<ul style="list-style-type: none"> . Onsite Personnel Training Classes
		Begin Finalization Phase	<ul style="list-style-type: none"> . Final Clean-up (inside/outside plant) . Complete Final Inspections
Qtr. 1	Logistics Phase (60% complete)	<ul style="list-style-type: none"> . Design . Planning and Control 	

Time Period	Qtr.	List All Relevant Milestones	Support for Reasonableness/Data Points
Year 2			<ul style="list-style-type: none"> . Procurement of equipment
		Pre-configuration & Staging Phase (complete)	<ul style="list-style-type: none"> . Equipment Configuration . Equipment Documentation/Staging . Determine readiness to proceed with installation
		Middle Mile Distribution Hub - WAN Installation (50% complete)	<ul style="list-style-type: none"> . Telecommunication Shelter Installations . Power Service Installations . End User Client Equipment Installation
		Middle Mile Distribution Hub - Fiber interconnects (40% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Last Mile Client- Fiber interconnects (40% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Point of Presence (POP) - Fiber interconnects (40% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Installation Phase - Inside Plant (25% complete)	<ul style="list-style-type: none"> . Point of Presence (POP) Installation . Last Mile Client building Installation
		Testing Phase (25% complete)	<ul style="list-style-type: none"> . Network Routing configuration testing . Fiber Network testing . Internet Access and Firewall Setup and testing . System testing and certification . System acceptance testing with client.
		Training Phase (25% complete)	<ul style="list-style-type: none"> . Onsite Personnel Training Classes
		Finalization Phase (25% complete)	<ul style="list-style-type: none"> . Final Clean-up (inside/outside plant) . Complete Final Inspections
	Qtr. 2	Logistics Phase (80% complete)	<ul style="list-style-type: none"> . Design . Planning and Control . Procurement of equipment
		Middle Mile Distribution Hub - WAN Installation (75% complete)	<ul style="list-style-type: none"> . Telecommunication Shelter Installations . Power Service Installations . End User Client Equipment Installation
		Middle Mile Distribution Hub - Fiber interconnects (60% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Last Mile Client- Fiber interconnects (60% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Point of Presence (POP) - Fiber interconnects (60% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Installation Phase - Inside Plant (50% complete)	<ul style="list-style-type: none"> . Point of Presence (POP) Installation . Last Mile Client building Installation
		Testing Phase (50% complete)	<ul style="list-style-type: none"> . Network Routing configuration testing . Fiber Network testing . Internet Access and Firewall Setup and testing . System testing and certification . System acceptance testing with client.
		Training Phase (50% complete)	<ul style="list-style-type: none"> . Onsite Personnel Training Classes
		Finalization Phase (50% complete)	<ul style="list-style-type: none"> . Final Clean-up (inside/outside plant) . Complete Final Inspections
	Qtr. 3	Logistics Phase (complete)	<ul style="list-style-type: none"> . Design . Planning and Control . Procurement of equipment

Time Period	Qtr.	List All Relevant Milestones	Support for Reasonableness/Data Points
		Middle Mile Distribution Hub - WAN Installation (80% complete)	<ul style="list-style-type: none"> . Telecommunication Shelter Installations . Power Service Installations . End User Client Equipment Installation
		Middle Mile Distribution Hub - Fiber interconnects (60% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Last Mile Client- Fiber interconnects (60% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Point of Presence (POP) - Fiber interconnects (80% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
		Installation Phase - Inside Plant (60% complete)	<ul style="list-style-type: none"> . Point of Presence (POP) Installation . Last Mile Client building Installation
		Testing Phase (60% complete)	<ul style="list-style-type: none"> . Network Routing configuration testing . Fiber Network testing . Internet Access and Firewall Setup and testing . System testing and certification . System acceptance testing with client.
		Training Phase (60% complete)	<ul style="list-style-type: none"> . Onsite Personnel Training Classes
		Finalization Phase (60% complete)	<ul style="list-style-type: none"> . Final Clean-up (inside/outside plant) . Complete Final Inspections
	Qtr. 4	Middle Mile Distribution Hub - Fiber interconnects (80% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
	Last Mile Client- Fiber interconnects (80% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations 	
	Point of Presence (POP) - Fiber interconnects (90% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations 	
	Installation Phase - Inside Plant (70% complete)	<ul style="list-style-type: none"> . Point of Presence (POP) Installation . Last Mile Client building Installation 	
	Testing Phase (70% complete)	<ul style="list-style-type: none"> . Network Routing configuration testing . Fiber Network testing . Internet Access and Firewall Setup and testing . System testing and certification . System acceptance testing with client. 	
	Training Phase (70% complete)	<ul style="list-style-type: none"> . Onsite Personnel Training Classes 	
Finalization Phase (70% complete)		<ul style="list-style-type: none"> . Final Clean-up (inside/outside plant) . Complete Final Inspections 	
Qtr. 1	Middle Mile Distribution Hub - Fiber interconnects (90% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations 	
Last Mile Client- Fiber interconnects (90% complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations 		
Point of Presence (POP) - Fiber interconnects (complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation 		

Time Period	Qtr.	List All Relevant Milestones	Support for Reasonableness/Data Points	
Year 3			<ul style="list-style-type: none"> . Underground fiber installation . Fiber Splicing and terminations 	
		Installation Phase - Inside Plant (80% complete)	<ul style="list-style-type: none"> . Point of Presence (POP) Installation . Last Mile Client building Installation 	
		Testing Phase (80% complete)	<ul style="list-style-type: none"> . Network Routing configuration testing . Fiber Network testing . Internet Access and Firewall Setup and testing . System testing and certification . System acceptance testing with client. 	
		Training Phase (80% complete)	<ul style="list-style-type: none"> . Onsite Personnel Training Classes 	
		Finalization Phase (80% complete)	<ul style="list-style-type: none"> . Final Clean-up (inside/outside plant) . Complete Final Inspections 	
		Qtr. 2	Middle Mile Distribution Hub - Fiber interconnects (complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
			Last Mile Client- Fiber interconnects (complete)	<ul style="list-style-type: none"> . Aerial fiber make ready . Construction team make ready . Aerial fiber installation . Underground fiber installation . Fiber Splicing and terminations
			Installation Phase - Inside Plant (90% complete)	<ul style="list-style-type: none"> . Point of Presence (POP) Installation . Last Mile Client building Installation
			Testing Phase (90% complete)	<ul style="list-style-type: none"> . Network Routing configuration testing . Fiber Network testing . Internet Access and Firewall Setup and testing . System testing and certification . System acceptance testing with client.
			Training Phase (90% complete)	<ul style="list-style-type: none"> . Onsite Personnel Training Classes
			Finalization Phase (90% complete)	<ul style="list-style-type: none"> . Final Clean-up (inside/outside plant) . Complete Final Inspections
		Qtr. 3	Installation Phase - Inside Plant (complete)	<ul style="list-style-type: none"> . Point of Presence (POP) Installation . Last Mile Client building Installation
			Testing Phase (95% complete)	<ul style="list-style-type: none"> . Network Routing configuration testing . Fiber Network testing . Internet Access and Firewall Setup and testing . System testing and certification . System acceptance testing with client.
			Training Phase (95% complete)	<ul style="list-style-type: none"> . Onsite Personnel Training Classes
			Finalization Phase (95% complete)	<ul style="list-style-type: none"> . Final Clean-up (inside/outside plant) . Complete Final Inspections
		Qtr. 4	Testing Phase (complete)	<ul style="list-style-type: none"> . Network Routing configuration testing . Fiber Network testing . Internet Access and Firewall Setup and testing . System testing and certification . System acceptance testing with client.
			Training Phase (complete)	<ul style="list-style-type: none"> . Onsite Personnel Training Classes
			Finalization Phase (complete)	<ul style="list-style-type: none"> . Final Clean-up (inside/outside plant) . Complete Final Inspections
			Project complete	<ul style="list-style-type: none"> . Project complete

