

RECIPIENT NAME:Motorola Solutions, Inc.

AWARD NUMBER: NT10BIX5570089

DATE: 08/07/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

### QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

#### General Information

|   |   |  |
|---|---|--|
| <b>1. Federal Agency and Organizational Element to Which Report is Submitted</b><br><br>Department of Commerce, National Telecommunications and Information Administration                          | <b>2. Award Identification Number</b><br><br>NT10BIX5570089   | <b>3. DUNS Number</b><br><br>001325463 |
| <b>4. Recipient Organization</b><br><br>Motorola Solutions, Inc. 1303 East Algonquin Road, Schaumburg, IL 60196-4041  |   |  |
| <b>5. Current Reporting Period End Date (MM/DD/YYYY)</b><br><br>06-30-2012  | <b>6. Is this the last Report of the Award Period?</b><br><br><input type="radio"/> Yes <input checked="" type="radio"/> No |  |
| <b>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.</b> |   |  |
| <b>7a. Typed or Printed Name and Title of Certifying Official</b><br><br>Tom Breves   | <b>7c. Telephone (area code, number and extension)</b><br><br>4107126590  |  |
|   | <b>7d. Email Address</b><br><br>tom.breves@motorolasolutions.com  |  |
| <b>7b. Signature of Certifying Official</b><br><br>Submitted Electronically   | <b>7e. Date Report Submitted (MM/DD/YYYY):</b><br><br>08-07-2012  |  |

| <b>Project Indicators (This Quarter)</b>   |   |                         |   |
|--|---|-------------------------|---|
| <p><b>1. Please describe significant project accomplishments completed during this quarter (600 words or less).</b></p> <p>Continued to support negotiations between BayRICS JPA and potential backhaul providers. Continued site zoning and permitting process with local governing agencies. As part of the activities caused by NTIA's decision to partially suspend our grant and as directed by the NTIA, Motorola has taken steps to preserve the BayWEB project's viability. The actions taken include cessation of tasks that are directly related to LTE equipment. All new activities planned to be undertaken during the partial suspension are intended to align with the nationwide public safety broadband network as it is currently described.</p> |   |                         |   |
| <p><b>2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative 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 (300 words or less).</b></p>  |   |                         |   |
|  | <b>Milestone</b>  | <b>Percent Complete</b> | <b>Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)</b>  |
| 2a.  | <b>Overall Project</b>  | 6                       | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays.  |
| 2b.  | <b>Environmental Assessment</b>                                 | 28                      | Although notifications and determinations were performed in regards to the National Historic Preservation Act, the indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays.   |
| 2c.  | <b>Network Design</b>   | 100                     | Although the Project Baseline report indicates that Motorola Solutions should be 100% complete, Motorola Solutions has currently exceeded 100% (maximum allowed to be reported is 100%). Motorola Solutions is anticipating that the indicated variance from the baseline plan is the result of additional effort required in the finalization and readiness of sites and other program requirements. |
| 2d.  | <b>Rights of Way</b>  | 0                       | N/A   |
| 2e.  | <b>Construction Permits and Other Approvals</b>                 | 0                       | N/A   |
| 2f.  | <b>Site Preparation</b>   | 0                       | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. Zoning efforts are well underway, but none have completed their entire process as of report time.  |
| 2g.  | <b>Equipment Procurement</b>                                    | 0                       | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs.  |
| 2h.  | <b>Network Build (all components - owned, leased, IRU, etc)</b> | 0                       | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs.  |
| 2i.  | <b>Equipment Deployment</b>                                     | 0                       | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs.  |
| 2j.  | <b>Network Testing</b>  | 0                       | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs.  |
| 2k.  | <b>Other (please specify):</b>                                  | 24                      | The indicated variance is due to the deferment of staffing program management and other project positions until the start of scheduled implementation, now also impacted by the partial suspension of the LTE equipment portion of the program. Other deferred related staffing expenses such as relocation, travel and other costs are also pending the ramp up of staffing.                         |

|  | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|--|-----------|------------------|---|
|--|-----------|------------------|---|

**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 (600 words or less).**

The partial suspension of LTE related expenditures had a major impact on the program's progress during the past quarter. The impact of the partial suspension is expected to have an increased effect on the program as time continues due to the uncertainty that it creates.

**4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative 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 (600 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     | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs. |
| New network miles leased                             | 0     | N/A  |
| Existing network miles upgraded                      | 0     | N/A  |
| Existing network miles leased                        | 0     | N/A  |
| Number of miles of new fiber (aerial or underground) | 0     | N/A  |
| Number of new wireless links                         | 0     | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs. |
| Number of new towers                                 | 0     | N/A  |
| Number of new and/or upgraded interconnection points | 0     | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs. |

**For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, 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 (in quarters)   | 0 |

**5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:**

Although the Project Baseline report indicated the Motorola Solutions would have six wholesale provider agreements in place, the unavailability of sites to accommodate the Public Access system has caused the latter to be removed from the design. This is a portion of the Route Modification request made to NTIA during the first quarter of this year.

**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 (100 words or less). Wholesale services description:**

See 5b.

**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 sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).**

No third parties were designated to operate any part of this network.

**6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column 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 (300 words or less).**

| Subscriber Type  | Access Type  | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)  |
|--|--|-------|--|
| <b>Broadband Wholesalers or Last Mile Providers</b>                      | <b>Providers with signed agreements receiving new access</b>                                     | 0     | Although the Project Baseline report indicated the Motorola Solutions would have one wholesale provider agreements in place, the unavailability of sites to accommodate the Public Access system has caused the latter to be removed from the design. This is a portion of the Route Modification request made to NTIA during the first quarter of this year.  |
|  | <b>Providers with signed agreements receiving improved access</b>                                | 0     | Although the Project Baseline report indicated the Motorola Solutions would have five wholesale provider agreements in place, the unavailability of sites to accommodate the Public Access system has caused the latter to be removed from the design. This is a portion of the Route Modification request made to NTIA during the first quarter of this year. |
|  | <b>Providers with signed agreements receiving access to dark fiber</b>                           | 0     | N/A  |
|  | <b>Please identify the speed tiers that are available and the number of subscribers for each</b> | 0     | No speed tiers are available at this time.   |
| <b>Community Anchor Institutions (including Government institutions)</b> | <b>Total subscribers served</b>  | 0     | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs.   |
|  | <b>Subscribers receiving new access</b>  | 0     | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs.   |
|  | <b>Subscribers receiving improved access</b>   | 0     | The indicated variance from the baseline plan for the previous quarter occurred as a result of delays in the finalization and readiness of sites and other program delays. The LTE equipment portion of this program is on partial suspension as is the case for other similar programs.   |
|  | <b>Please identify the speed tiers that are available and the number or subscribers for each</b> | 0     | Due to the fact that no agreements have been finalized with subscribers, no tiers of service were available for this quarter.  |
| <b>Residential / Households</b>  | <b>Entities passed</b>   | 0     | Per project baseline, no subscribers service were scheduled for this quarter.  |
|  | <b>Total subscribers served</b>  | 0     | Per project baseline, no subscribers service were scheduled for this quarter.  |
|  | <b>Subscribers receiving new access</b>  | 0     | Per project baseline, no subscribers service were scheduled for this quarter.  |
|  | <b>Subscribers receiving improved access</b>   | 0     | Per project baseline, no subscribers service were scheduled for this quarter.  |

| Subscriber Type | Access Type   | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|-----------------|---|-------|---|
|                 | Please identify the speed tiers that are available and the number of subscribers for each | 0     | Per project baseline, no subscribers service were scheduled for this quarter.                               |
| Businesses      | Entities passed   | 0     | Per project baseline, no subscribers service were scheduled for this quarter.                               |
|                 | Total subscribers served  | 0     | Per project baseline, no subscribers service were scheduled for this quarter.                               |
|                 | Subscribers receiving new access  | 0     | Per project baseline, no subscribers service were scheduled for this quarter.                               |
|                 | Subscribers receiving improved access   | 0     | Per project baseline, no subscribers service were scheduled for this quarter.                               |
|                 | Please identify the speed tiers that are available and the number of subscribers for each | 0     | Per project baseline, no subscribers service were scheduled for this quarter.                               |

**7. Please describe any special offerings you may provide (600 words or less).**

No special offerings were provided or anticipated to be provided during the quarter.

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

**8b. If so, please describe the changes (300 words or less).**

N/A

**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. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). 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 (300 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 |
|------------------|-------------------------------|--|--|---|
| 0                | 0                             | 0  | 0  | N/A   |

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**

Receive zoning approval for many of the sites planned for use in the system. Support negotiations between the BayRICS Authority and the backhaul providers for use of fiber and sites. Prepare for the eventual improvements to be made to sites that are planned for use in the system.

No LTE related equipment will be ordered due to the partial suspension on those activities.

**2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative 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 next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).**

|     | Milestone                | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information)   |
|-----|--------------------------|--------------------------|--|
| 2a. | Overall Project          | 7                        | Motorola Solutions is anticipating that the indicated variance from the baseline plan for the next quarter will occur as a result of the continuing delays in the finalization and readiness of sites and other program delays, and due to the uncertainties introduced by the partial suspension of LTE related activities. |
| 2b. | Environmental Assessment | 28                       | Fewer SHPO consultations were required at this point in the project.   |

|     | Milestone   | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information)  |
|-----|---|--------------------------|---|
| 2c. | Network Design  | 100                      | Although the Project Baseline report indicates that Motorola Solutions should be 100% complete, Motorola Solutions has currently exceeded 100% (maximum allowed to be reported is 100%). Motorola Solutions is anticipating that the indicated variance from the baseline plan is the result of additional effort required in the finalization and readiness of sites and other program requirements. Although the Project Baseline report indicates that Motorola Solutions should be 90% complete by the end of next quarter, Motorola Solutions has currently exceeded 100% (maximum allowed to be reported is 100%). Motorola Solutions is anticipating that the indicated variance from the baseline plan for the next quarter will occur as a result of additional effort required in the finalization and readiness of sites and other program requirements. |
| 2d. | Rights of Way   | 0                        | N/A   |
| 2e. | Construction Permits and Other Approvals                  | 0                        | N/A   |
| 2f. | Site Preparation  | 0                        | Motorola Solutions is anticipating that the indicated variance from the baseline plan for the next quarter will occur as a result of the continuing delays in the finalization and readiness of sites and other program delays, and due to the uncertainties introduced by the partial suspension of LTE related activities.  |
| 2g. | Equipment Procurement                                     | 0                        | Motorola Solutions is anticipating that the indicated variance from the baseline plan for the next quarter will occur as a result of the continuing delays in the finalization and readiness of sites and other program delays, and due to the uncertainties introduced by the partial suspension of LTE related activities.  |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 0                        | Motorola Solutions is anticipating that the indicated variance from the baseline plan for the next quarter will occur as a result of the continuing delays in the finalization and readiness of sites and other program delays, and due to the uncertainties introduced by the partial suspension of LTE related activities.  |
| 2i. | Equipment Deployment                                      | 0                        | Motorola Solutions is anticipating that the indicated variance from the baseline plan for the next quarter will occur as a result of the continuing delays in the finalization and readiness of sites and other program delays, and due to the uncertainties introduced by the partial suspension of LTE related activities.  |
| 2j. | Network Testing   | 0                        | Motorola Solutions is anticipating that the indicated variance from the baseline plan for the next quarter will occur as a result of the continuing delays in the finalization and readiness of sites and other program delays, and due to the uncertainties introduced by the partial suspension of LTE related activities.  |
| 2k. | Other (please specify):                                   | 29                       | Motorola Solutions is anticipating that the indicated variance from the baseline plan for the next quarter will occur as a result of the continuing delays in the finalization and readiness of sites and other program delays, and due to the uncertainties introduced by the partial suspension of LTE related activities.  |

**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 (600 words or less).**

All expected Site Access & Use agreements (SAU's) have been signed with the sites' owners and/or controllers, except for an agreement between the BayRICS Authority and BART. BART is expected to provide a significant portion of the central backhaul transport network and a portion of the LTE sites. Once an agreement is reached between those parties, Motorola Solutions will need to enter a SAU agreement with the Authority that covers the use of those facilities. Issues encountered during either negotiations could adversely impact the anticipated timeline for completion of related tasks.

Additionally, the partial suspension of LTE related activities has created uncertainties that will need to be resolved for progress to be maintained at the expected rate.

**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                 | \$165,000           | \$165,000             | \$0                  | \$683,276  | \$206,349          | \$476,927          | \$683,279   | \$206,349          | \$476,927          |
| b. Land, structures, right-of-ways, appraisals, etc. | \$0                 | \$0                   | \$0                  | \$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                | \$24,288,492        | \$9,528,787           | \$14,759,705         | \$2,119,863  | \$640,199          | \$1,479,664        | \$2,733,090   | \$825,393          | \$1,907,697        |
| e. Other architectural and engineering fees          | \$3,362,099         | \$1,319,009           | \$2,043,090          | \$1,014,178  | \$306,282          | \$707,896          | \$1,314,178   | \$396,882          | \$917,296          |
| f. Project inspection fees                           | \$0                 | \$0                   | \$0                  | \$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                                      | \$0                 | \$0                   | \$0                  | \$0  | \$0                | \$0                | \$0   | \$0                | \$0                |
| j. Equipment   | \$44,668,046        | \$10,877,290          | \$33,790,756         | \$0  | \$0                | \$0                | \$0   | \$0                | \$0                |
| k. Miscellaneous                                     | \$0                 | \$0                   | \$0                  | \$392,200  | \$118,444          | \$273,756          | \$460,919   | \$139,198          | \$321,721          |
| <b>l. SUBTOTAL (add a through k)</b>                 | <b>\$72,483,637</b> | <b>\$21,890,086</b>   | <b>\$50,593,551</b>  | <b>\$4,209,517</b>   | <b>\$1,271,274</b> | <b>\$2,938,243</b> | <b>\$5,191,466</b>  | <b>\$1,567,822</b> | <b>\$3,623,641</b> |
| m. Contingencies                                     | \$0                 | \$0                   | \$0                  | \$0  | \$0                | \$0                | \$0   | \$0                | \$0                |
| <b>n. TOTALS (sum of l and m)</b>                    | <b>\$72,483,637</b> | <b>\$21,890,086</b>   | <b>\$50,593,551</b>  | <b>\$4,209,517</b>   | <b>\$1,271,274</b> | <b>\$2,938,243</b> | <b>\$5,191,466</b>  | <b>\$1,567,822</b> | <b>\$3,623,641</b> |

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