

FIRST PERFORMANCE PROGRESS REPORT 2010

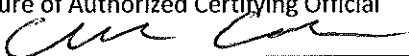


1. Recipient Organization (Name and complete address including zip code) Bluebird Media, LLC, 215 N. Stadium Blvd. Suite 101, Columbia, MO 65203	2. Award Identification Number NT10BIX5570091
3. Performance Narrative (Q1) <i>Please describe your project activities and progress for the first quarter of your award period. 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> Bluebird Media, LLC believes all Missourians should have access to an affordable and robust broadband internet service. This vision by Bluebird Media became one step closer to reality on August 18, 2010, when Bluebird Media was contacted by the National Telecommunications and Information Administration notifying Bluebird Media they were a recipient of a federal grant. On September 13, 2010, Bluebird Media graciously accepted the grant. During the first quarter of Bluebird Media's award period, Bluebird Media hired three key employees to lead the vision of constructing an ultra-high capacity middle-mile network throughout under-served and un-served northern rural Missouri. These three employees started to work on putting together a qualified workforce, evaluate the proposed path for the fiber, and identify key synergies to utilize in the future. Bluebird Media developed a website, contacted the local newspapers, and conducted a press release announcing the federal grant while posting six current job openings. Bluebird Media used their website to announce an invitation for engineering firms and environmental firms to submit a proposal by October 15, 2010 for the design of the network and to complete an environmental assessment. Bluebird Media started working with the Missouri Department of Transportation to identify easements that would be host to the infrastructure of the project. Bluebird Media has complied with all the special award conditions during the first quarter including submitting a budget for the environmental assessment. Bluebird Media enrolled in the U.S. Department of the Treasury's Automated Standard Application for Payments system in order to receive award payments in the future and established a financial management system to appropriately track and account for federal grant funds and expenditures associated with the funded project. Bluebird Media had \$19,639.72 of federal expenditures during the first quarter of the award period related to administration and engineering costs. Bluebird Media currently is renting temporary office space with plans to move during the second quarter. At this time, Bluebird Media does not foresee any delay or challenges.	
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> During the second quarter of Bluebird Media's award period, Bluebird Media plans to hire additional employees to engineer and design an ultra-high capacity middle-mile network throughout under-served and un-served northern rural Missouri. These employees will include engineers and operational personnel with telecommunications backgrounds, a construction, site acquisition, and procurement manager, a sales director, and a CPA. These employees will all be an integral part of the planning phase of the project. Bluebird Media will evaluate the request for proposals from the engineering and	

environmental firms for the design of the network and an environmental assessment and notify the winning firms no later than November 1, 2010.

Bluebird Media will have federal expenditures during the second quarter of the award period estimated at \$1,500,000. These expenditures will include the salaries of employees related to the network and infrastructure design and upfront payments for the engineering and environmental firms. Key milestones to be completed during the second quarter consist of selecting engineering firms to survey the proposed infrastructure routes and selecting an environmental firm to complete an environmental assessment. Bluebird Media will be working throughout the quarter to ensure all fiber routes and towers are going to be constructed on Missouri Department of Transportation right of way and/or property. Bluebird Media plans to work with other grantees to identify any possible fiber overlap of broadband facilities funded by the National Telecommunications and Information Administration and by the Rural Utilities Service. Potential delays and challenges Bluebird Media foresees include changing the routes of the fiber as more information comes available during the design and surveying phase.

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.

5a. Typed or Printed Name and Title of Authorized Certifying Official	5c. Telephone (area code, number and extension) 573-218-0770
Chris Bach, CFO	5d. Email Address chris.bach@bluebirdmedia.com
5b. Signature of Authorized Certifying Official 	5e. Date Report Submitted (Month, Day, Year) 10,29,2010

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.