



FIRST PERFORMANCE PROGRESS REPORT First Quarter 2010

1. Recipient Organization (<i>Name and complete address including zip code</i>) Hardy Telecommunications, 2255 Kimseys Run Road, Lost River WV 26810-8317	2. Award Identification Number NT10BIX5570035
3. Performance Narrative (Q1) <i>Please describe your project activities and progress for the first quarter of 2010. This should include a description of federal expenditures to date, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any delays or challenges. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i> Key Milestones, Primary Activities to accomplish Key Milestones, and Significant Project Accomplishments: Other: Complete Special Award Condition for first-time federal grant awardees requiring certification by licensed public accountant of financial management systems. Hardy Telecommunications contacted its accounting and audit firm to identify required qualifications and scope of engagement to comply with Special Award Condition and all applicable federal and American Recovery and Reinvestment Act ("ARRA") requirements. Hardy applied for and received an extension of time to 6/28/2010 to complete this Special Award Condition. Other: Submission of ARRA report and submission of financial, performance and baseline reports as required to comply with Contract Award Conditions. Other: Planning and set-up for Second Quarter Activities, including planning for procurement of materials and services for second quarter, ensuring that procurement policies are in compliance with federal requirements and applicable federal guidelines for nonprofit entities. Environmental Assessment: Review of Environmental Assessment conducted pre-award. Identify additional information and updates as required to comply with post-award Environmental Assessment requirement. Delays or Challenges: Until Special Award Condition requiring certification of financial management systems is satisfied, no federal funds may be expended. Federal Expenditures to date: \$0.	

4. Performance Projections (Q2)

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)

Anticipated Federal Expenditures: \$140,493

Key Milestones, Primary Activities, Significant Accomplishments anticipated in Q2:

Other:
Certification of financial management system to comply with Special Award Condition. To be completed by on or before 6/28/2010.
Materials services procurement will begin upon completion of Special Award Condition.

Network Design: Detailed outside plant engineering. 9% completion anticipated.

Environmental Assessment: Update of Environmental Assessment as required post-award. 70% completion anticipated.


Rights of Way: Obtain construction rights of way and easements. 20% completion anticipated.

Construction Permits/Approvals: Obtain all required permits and approvals for construction. 100% completion anticipated.

Anticipated Overall Project Completion in Q2: 13%

Potential Delays or Challenges: Construction may not commence until Environment Assessment submitted and all approvals on hand.

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 David Scott Sherman	5c. Telephone (area code, number and extension) 304-897-9911
5b. Signature of Authorized Certifying Official 	5d. Email Address ssherman@hardynet.com 5e. Date Report Submitted (Month, Day, Year) 4/30/2010

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.