



## FIRST PERFORMANCE PROGRESS REPORT 2010

<p>1. Recipient Organization (<i>Name and complete address including zip code</i>) Com Net, Inc. 13888 County Rd. 25A P.O. Box 2038 Wapakoneta, OH 45895</p>	<p>2. Award Identification Number  NT10BIX5570072</p>
<p>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></p> <p>In the first quarter of the Com Net GigEPAC award period our organization has take the steps necessary to:</p> <ul style="list-style-type: none"><li>Reviewed award, identified items for and obtained clarification</li><li>Reassessed project timeline and feasibility based on Special Award Conditions, specifically as it related to Environmental Assessment requirements and non-duplication requirements</li><li>Formally accepted Award in accordance with Company Governance Policy</li><li>Establish an Organizational structure to manage and monitor project</li><li>Established Financial Accounting System for Project</li><li>Established Project Implementation Support and Communication Systems</li><li>Established grants file</li><li>Reviewed and updated existing procurement policies and company code of conduct for compliance with federal regulations</li><li>Established a Sub-Recipient Monitoring Program</li><li>Established regular review meetings with project participants</li><li>Established Community Out-Reach Program with Local Broadband Service Provider Partners, K-12 Education Community, Higher Education Institutes, County and City Government and other communities of interest in our service area</li><li>Established Media Kit for communication with local media outlets on status of Project throughout its life</li><li>Completed online registrations (ASAP, federalreporting.gov, grants Online, Post-Award-Management)</li><li>RFP issued and EA firm selected to meet requirements of SAC</li><li>Communicated Award requirements with sub-recipients</li><li>Established contracts containing all federal requirements with Sub-Recipient Partners, Vendors and Contractors</li><li>Preliminary route engineering started to provide details needed for EA</li><li>6-month budget prepared and submitted</li><li>Participated in NTIA desk review</li><li>Conducted weekly progress conference calls with sub recipients, engineering, construction and EA firms to make insure progress on priority SAC items, particularly the EA work.</li><li>Contact made with environmental agencies such as Corps of Engineers, SHPO, Lakes and Wildlife, etc.</li><li>Contacted Dept of Labor for Davis-Bacon wage determination for laborers and mechanics involved in the project</li><li>Continued to actively participate in the Ohio Middle Mile Consortium for building a comprehensive High Speed Fiber Optic Regional Backhaul Network across Ohio with connectivity to neighboring states through co-operation with fellow BIP/BTOP awardees</li><li>Continued to work to identify existing broadband facilities that could be leased or purchased prior to construction</li><li>Identified preliminary sites to be acquired for the location of huts to house electronic and optronic backhaul equipment</li></ul> <p>In performing these activities Com Net incurred \$91782.26 in expenses drawing \$50,689.77 from its federal grant</p> <p>During the first quarter the majority of the challenges have related to readjusted timelines based on unanticipated requirements and the timing needed to secure clarification and approval. This included the following.</p> <ul style="list-style-type: none"><li>Obtaining clarification to awarding agency requirements resulting in full utilization of award acceptance period prior to addressing Special Award Condition requirements</li></ul>	

Adjustments to project implementation plan to address Special Award Conditions specifically Environmental Assessment  
Adjustments to scope of project based on fixed award period for construction give 6-month Special Award Condition period to ensure compliance with timeline requirements for substantial completion and full completion  
Significant increase in time to visit with community stakeholders in managing expectations based on adjusted timelines and project scope with some delays resulting in lost or reduced commitments for use of broadband infrastructure  
Adjustment of agreements with service providers, vendors and prospective network users based on adjusted timelines and clarification of requirements

#### 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)*

In the upcoming quarter Com Net will focus efforts on completion of the following:

Completion of preliminary route engineering needed for the EA

Completion and submission of the draft Environmental Assessment Report prior to the due date of 1/2/11

Equipment RFP released to obtain bids on optoelectronics in anticipation of FONSI and in compliance with SAC requirements.

Outside Plant Material RFP released and awarded for release of initial orders to establish inventory at cable yards

Completion and submission of baseline report

Continued execution of its community outreach program to keep interested parties apprised of the progress status in order to manage expectations

Submission of changes in proposed routes post drive-out and compilation of data on suitable broadband facilities available for lease or purchase

Continued participation in Ohio Middle Mile Consortium

Increased participation and collaboration with BIP/BTOP awardees in the tri-state region and nationwide

Execution of Binding Letters of Intent for acquisition of sites for equipment huts

Execution of Binding Letters of Intent for the purchase or lease of identified facilities that will be adequate for use in the network

Continued review of project plans and associated agreements with our Federal Program Officer

Attend Round 2 BTOP Recipient Orientation meeting on November 9<sup>th</sup> and 10<sup>th</sup>

In pursuing these activities Com Net will manage its work to realize the following key milestone dates:

Submit draft EA by 12/20/10

Issue equipment and Outside Plan RFP by 11/30/10

Insure that fiber cable will be available in needed time frame in anticipation of FONSI and in compliance with SAC. Insure that engineering and permits are substantially complete to allow construction on certain segments of the project to be initiated immediately upon notification of SAC compliance

Prepare and submit street level maps required by SAC to insure no overlap with adjacent funded projects by 12/20/10.

Prepare and submit baseline report required by SAC no later than 11/15/10

Potential delays could be lack of wage determination, equipment and OSP material lead times, unexpected delays from agencies reviewing EA and delays in issuing of permits by the Authority Having Jurisdiction. Additional challenges exist in securing final agreements with projected partners due to timeline and necessary agreement modifications along with resulting budgetary overruns for rework of plans and scope of work modifications.

In the fourth quarter of 2010 Com Net projects to expend \$478,000 to complete the projected work with a draw on its federal grant of \$334,600. Com Net is monitoring progress of its Environmental Assessment (EA), the supply and demand of outside plant fiber optic cable and the winter season construction conditions. In the event of favorable progress on the EA, a favorable winter forecast in January 2011 and/or extended lead times in the supply of Outside Plan Fiber, Com Net may spend an additional \$857,000 to inventory Outside Plan Fiber Construction Materials at its primary contractor's cable yards in western Ohio. In such case an additional \$599,900 would be drawn against the CNI federal grant in the upcoming quarter.

**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  Timothy N. Berelsman, CEO	5c. Telephone ( <i>area code, number and extension</i> ) 419-739-3151
	5d. Email Address <a href="mailto:tberelsman@cniteam.com">tberelsman@cniteam.com</a>
5b. Signature of Authorized Certifying Official	5e. Date Report Submitted ( <i>Month, Day, Year</i> ) <b>October 29, 2010</b>

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