

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

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| 1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration | 2. Award Identification Number NT10BIX5570144 | 3. DUNS Number 001745512 |
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| 4. Recipient Organization Northern Illinois University, Inc. Lowden Hall, Ste 201, Dekalb, IL 60115-3080 |
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| 5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010 | 6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No |
|--|---|

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.

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| 7a. Typed or Printed Name and Title of Certifying Official Lisa Bergeron | 7c. Telephone (area code, number and extension) |
| | 7d. Email Address lbergeron@niu.edu |

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| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 02-22-2011 |
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

12/31/2010 - The Northern Illinois University IBOP team has been working on or completed the following:

- Developing a methodology for project management with partners.
- Developing a scope of work for sub-recipients to assist with management of non-technical project tasks.
- Interviewed and selected an engineering firm for environmental assessment.
- Completed and submitted final shape files for EA to the engineering firm.
- Initiated environmental assessment. Completed analysis of historic places on CAI list. Retained an archeological consultant for review of routes. Completed analysis of threatened and endangered species. Tasks in progress include the submission of the analysis of threatened and endangered species to USFWS. Continue work on the draft EA report and schedule meeting with Illinois Department of Transportation. Complete ride-out of all planned routes.
- Performing program and financial due diligence
- Identify fiber optic contractors for three of nine counties.
- Developed draft RFQ documents to identify fiber optic contractors to install the cable in the remaining six counties.
- Finalized project CAIs through meetings with key contacts.
- Initiated hiring process for engineers

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).

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|-----|--|------------------|---|
| 2a. | Overall Project | 0 | no variance |
| 2b. | Environmental Assessment | 50 | NIU received notification of award on 9/14/2010. However, NTIA determined the first quarter ended 9/30/2010, just two weeks later. NIU's baseline project plan is based on full quarters. According to our baseline plan, we will be 50% completed with the EA after the first full quarter. Since this report is based on progress 3 months and two weeks after award, there is no variance in our project plan. Our EA was submitted to NTIA on 2/4/2011, less than 5 months after award on 9/14/2010 so we are on target for a completed EA during the second full quarter. We anticipate reaching the overall project target during the grant period. |
| 2c. | Network Design | 0 | no variance |
| 2d. | Rights of Way | 0 | no variance |
| 2e. | Construction Permits and Other Approvals | 0 | no variance |
| 2f. | Site Preparation | 0 | no variance |
| 2g. | Equipment Procurement | 0 | no variance |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 0 | no variance |
| 2i. | Equipment Deployment | 0 | no variance |
| 2j. | Network Testing | 0 | no variance |
| 2k. | Other (please specify): | 0 | n/a |

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).

- #1 The approval process for adding a new sub recipient to manage construction could impact our progress. We are working with BTOP to facilitate this change.
- #2 Pending procurement decisions from other BTOP awardees may impact progress on our project.
- #3 NIU received notification of award on 9/14/2010. However, NTIA determined the first quarter ended 9/30/2010, just two weeks later. NIU's baseline project plan is based on full quarters and therefore does not align with NTIA quarters because of the short two week quarter. If the initial project cannot be changed to 12/31/2010, then NIU will modify its baseline to accommodate the 9/30/2010

two week quarter. Despite the short initial period, we anticipate reaching the overall project target during the grant period.
 #4 A cultural review will be required on 13% of the project area which may be delayed due to the winter conditions. If a partial FONZI can be issued on the 87% of the region, then it is unlikely to affect construction timelines. If a partial FONZI for the 87% of the area not impacted by the cultural review cannot be issued, then NIU will consider multiple contractors to expedite construction.

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 | no variance |
| New network miles leased | 0 | no variance |
| Existing network miles upgraded | 0 | no variance |
| Existing network miles leased | 0 | no variance |
| Number of miles of new fiber (aerial or underground) | 0 | no variance |
| Number of new wireless links | 0 | no variance |
| Number of new towers | 0 | no variance |
| Number of new and/or upgraded interconnection points | 0 | no variance |

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:
 not applicable

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:
 not applicable

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 third party operates (600 words or less).
 not applicable

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) |
|-----------------|-------------|-------|---|
|-----------------|-------------|-------|---|

| Subscriber Type | Access Type | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|---|---|-------|---|
| Broadband Wholesalers or Last Mile Providers | Providers with signed agreements receiving new access | 0 | no variance |
| | Providers with signed agreements receiving improved access | 0 | no variance |
| | Providers with signed agreements receiving access to dark fiber | 0 | no variance |
| Community Anchor Institutions (including Government institutions) | Please identify the speed tiers that are available and the number of subscribers for each | 0 | no variance |
| | Total subscribers served | 0 | no variance |
| | Subscribers receiving new access | 0 | no variance |
| | Subscribers receiving improved access | 0 | no variance |
| Residential / Households | Please identify the speed tiers that are available and the number of subscribers for each | 0 | no variance |
| | Entities passed | 0 | no variance |
| | Total subscribers served | 0 | no variance |
| | Subscribers receiving new access | 0 | no variance |
| | Subscribers receiving improved access | 0 | no variance |
| Businesses | Please identify the speed tiers that are available and the number of subscribers for each | 0 | no variance |
| | Entities passed | 0 | no variance |
| | Total subscribers served | 0 | no variance |
| | Subscribers receiving new access | 0 | no variance |
| | Subscribers receiving improved access | 0 | no variance |

7. Please describe any special offerings you may provide (600 words or less).
not applicable

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

8b. If so, please describe the changes (300 words or less).
not applicable

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 | Narrative description of how anchor institutions are using BTOP-funded infrastructure |
|------------------|-------------------------------|--|--|---|
| | | | | |

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|-----------------------|------------|------------|------------------------------------|------------|
| | | | institution? (Yes / No) | |
| not applicable | n/a | n/a | No | n/a |

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 For the quarter ended 3/31/2011 our planned accomplishments include:

- completion of the environmental assessment and FONSI
- execution of contracts with sub recipients
- creation of new not-for-profit to coordinate construction through a single point/entity
- completion of draft agreements for all cash and in-kind contributors
- execution of 25% of those cash and in-kind match agreements.
- secure State of Illinois cash match - DCEO grant received in January 2011
- initiation of construction contracts
- installation of 25 miles of fiber
- connection of 4 CAIs
- completion of two signification IRU contracts
- hiring of two engineers for project implementation

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 | 11 | no variance |
| 2b. | Environmental Assessment | 100 | no variance |
| 2c. | Network Design | 14 | no variance |
| 2d. | Rights of Way | 28 | no variance |
| 2e. | Construction Permits and Other Approvals | 28 | no variance |
| 2f. | Site Preparation | 0 | no variance |
| 2g. | Equipment Procurement | 8 | no variance |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 4 | no variance |
| 2i. | Equipment Deployment | 2 | no variance |
| 2j. | Network Testing | 2 | no variance |
| 2k. | Other (please specify): n/a | 0 | not applicable |

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).

- #1 NIU received notification of award on 9/14/2010. However, NTIA determined the first quarter ended 9/30/2010, just two weeks later. NIU's baseline project plan is based on full quarters and therefore does not align with NTIA quarters because of the short two week quarter. If the initial project cannot be changed to 12/31/2010, then NIU will modify its baseline to accommodate the 9/30/2010 two week quarter.
- #2 A cultural review will be required on 13% of the project area which may be delayed due to the winter conditions. If a partial FONZI can be issued on the 87% of the region, then it is unlikely to affect construction timelines. If a partial FONZI for the 87% of the area not impacted by the cultural review cannot be issued, then NIU will consider multiple contractors to expedite construction.

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 | \$3,486,487 | \$0 | \$3,486,487 | \$151,065 | \$0 | \$151,065 | \$324,735 | \$0 | \$324,735 |
| 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 | \$1,303,920 | \$0 | \$1,303,920 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| e. Other architectural and engineering fees | \$1,488,758 | \$0 | \$1,488,758 | \$0 | \$0 | \$0 | \$1,488,758 | \$0 | \$1,488,758 |
| 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 | \$50,277,258 | \$22,461,586 | \$27,815,672 | \$0 | \$0 | \$0 | \$2,011,090 | \$750,208 | \$1,112,626 |
| j. Equipment | \$11,386,911 | \$0 | \$11,386,911 | \$0 | \$0 | \$0 | \$910,953 | \$0 | \$910,953 |
| k. Miscellaneous | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| l. SUBTOTAL (add a through k) | \$67,943,334 | \$22,461,586 | \$45,481,748 | \$151,065 | \$0 | \$151,065 | \$4,735,536 | \$750,208 | \$3,837,072 |
| m. Contingencies | \$586,942 | \$0 | \$586,942 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| n. TOTALS (sum of l and m) | \$68,530,276 | \$22,461,586 | \$46,068,690 | \$151,065 | \$0 | \$151,065 | \$4,735,536 | \$750,208 | \$3,837,072 |

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.

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|---|--------------------------------|
| a. Application Budget Program Income: \$0 | b. Program Income to Date: \$0 |
|---|--------------------------------|