



FIRST PERFORMANCE PROGRESS REPORT 2010

1. Recipient Organization (Name and complete address including zip code) Sho-Me Technologies, LLC., P.O. Box D, Marshfield, MO 65706	2. Award Identification Number NT10BIX5570146
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> Sho-Me Technologies, LLC (SMT) received word of the grant award on September 13, 2010 just 2 weeks before the end of Q3, 2010. Between September 13, 2010 and September 30, 2010 SMT has completed or started the following activities: <ul style="list-style-type: none">• Participated in several press conferences help by the Governor of Missouri throughout South-Central Missouri promoting the MOBroadbandNow Initiative.• Presented the grant award to SMT's Board of Directors, consulted legal counsel over the contractual obligations and began the process of award acceptance.• Began the process of ASAP registration for project reimbursement.• Completed federalreporting.gov registration to allow the submission of publicly available project status reports.• Participated in several webinar opportunities pertaining to the environmental assessment, reporting requirements and general BTOP project information. Gained valuable information about the grant process, environmental assessment review and all the reporting requirements required for a federally funded project.• Began detailed project budget modifications: The original SF-424C submitted during Due Diligence had several budget line items classified under the "Construction" portion of the SF-424C. We started the process of more accurately breaking these costs out into their appropriate cost categories for the SF-424C. So far all modifications have been well within the initial proposed project budget.• Began the search for a qualified Environmental Assessment Consultant. Contacted several EA consultants and drafted a Request for Proposal to handle the EA portion of the project.• Established a working relationship with the Grants Office at NTIA through several conference calls and email exchanges. Established a single point of contact within Sho-Me Technologies to interface with the NTIA (Federal) project contacts.• 50% complete with Engineering and Route Selection activities. Several new Community Anchor Institutions and potential additional routes have been identified by our engineering team and will be evaluated based on EA and cost feasibility. Federal Share of Expenditures: \$39, 765.05 Recipient Share of Expenditures: \$4,418.34 Total Expenditures for 1 st Project Quarter (Q3, 2010): \$44,183.39 – This includes Pre-Award Expenses of \$42,281.60 and Post-Award Expenses of \$1,901.79.	

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)

Sho-Me Technologies anticipates completing the following activities in Q2, of our award period (Q4, 2010):

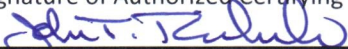
- Completing the Desktop Review with NTIA.
- Completing the Accounting System Verification SAC.
- Completing the 6-Month Environmental Assessment Budget. We will be working with NTIA to ensure this budget allows us to begin construction as soon as a FONSI has been granted on the project.
- Completing the Baseline Reporting SAC on 11/15/2010.
- Completing the Detailed Budget Modifications to give a more accurate picture of the expenses SMT and the project will incur throughout the entire project timeline.
- Completing the process of selecting an Environmental Assessment Consultant. Entering into a contract to complete the EA by the deadline of 2/28/2011.
- Coordinating the Environmental Assessment Consultant, NTIA and Sho-Me Technologies Environmental Specialist to complete 75% of the Environmental Assessment by the end of Q4. This includes consultations with SHPO, MoDOT, the State of Missouri and other relevant Federal/State entities.
- Coordinate our route selection with Blue Bird Media to ensure optimal use of federal funds and maximum project impact for the State of Missouri.
- Completing the Engineering Planning Phase (Complete Route Selection down to street level, notification/selection of all Community Anchor Institutions). Careful consideration will be given to areas that might adversely impact the EA report development. All network engineering/system design will be complete by the end of Q4, 2010.
- Completing upgrades to the Accounting System to handle the management of Grant Funds.
- Evaluate the potential for City Utilities of Springfield pole attachments swap for dark fiber.
- Evaluate other fiber for pole attachment or service for pole attachment opportunities to maximize the impact of federal funds.
- Develop Request for Proposals and Request for Quotes relating to construction activities, telecom equipment and fiber.
- Begin the process of securing Rights of Way, leases, permits and pole attachments for project use.
- Establish a working relationship with the media in and around our proposed construction areas to inform the local citizens that the project will be positively impacting their communities. Continue to interface with the State of Missouri's MOBroadBandNow Initiative to ensure positive project visibility.

Anticipated Total Expenditures for Q4, 2010: \$221,272.50

Anticipated Federal Share of Expenditures for Q4, 2010: \$191,145.25

Anticipated Recipient Share of Expenditures for Q4, 2010: \$22,127.25

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 (<i>area code, number and extension</i>) (417) 859-2615
John Richards, Chief Financial Officer	5d. Email Address jrichards@shomepower.com
5b. Signature of Authorized Certifying Official 	5e. Date Report Submitted (<i>Month, Day, Year</i>) October 29, 2010

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