

### QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b> GOL	<b>2. Award Identification Number</b> NT10BIX5570047	<b>3a. DUNS Number</b> 127973282
		<b>3b. EIN</b> XXXXXXXXXXX
<b>4. Recipient Organization (Name and complete address including country, congressional district, and zip code)</b> Northwest Open Access Network 5802 Overlook Avenue NE, Tacoma, WA 98422-1435		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b> 09-30-2010	<b>6. Is this the last Report of the Award Period?</b> <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Rob Kopp	<b>7c. Telephone (area code, number and extension)</b>  2085859698	
	<b>7d. Email Address</b>  rkopp@noanet	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  11-24-2010	

**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (150 words or less).**  
 A major accomplishment this quarter was receiving the Finding of No Significant Impact (FONSI) for this project at the end of the quarter, September 30th. Network and Outside Plant Design continued this quarter in addition to preparing permitting and construction bid documents allowing for initial construction to begin in the next quarter. Detailed staking of the project routes was initiated along with development of material specifications for the construction bid packages. Procurement processes for network equipment began this quarter. Contract evaluations and awarding of the bids are in process.

**2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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	1	The Finding of No Significant Impact (FONSI), which was originally forecasted to be received in 2nd Quarter was received late in the 3rd Quarter. This delayed the projected construction start date, which is now scheduled to begin in the 4th quarter of the calendar year. In addition, the permitting process is showing early indications to take longer than expected on some select routes.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	35	N/A
2d.	Rights of Way	10	See 2a. above describing delay from initial projections.
2e.	Construction Permits and Other Approvals	5	N/A
2f.	Site Preparation	5	N/A
2g.	Equipment Procurement	5	N/A
2h.	Network Build (all components - owned, leased, IRU, etc)	0	See 2a. above describing delay from initial projections.
2i.	Equipment Deployment	0	See 2a. above describing delay from initial projections.
2j.	Network Testing	0	See 2a. above describing delay from initial projections.
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 (150 words or less).**

The baseline projection originally forecasted construction to begin this quarter. Due to delays in completing the Environmental Assessment and receipt of Finding of No Significant Impact (FONSI), the projected milestones have not been met. However, NoaNet continues to modify the project plan with the anticipation of the overall project being completed within the Broadband Technology Opportunities Program guidelines.

**4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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	The initial baseline projections indicated construction starting in Q3. Based on the delay of completion of the Environmental Assessment and subsequently the Finding of No Significant Impact (FONSI) being received, the project timeline is delayed by approximately one quarter.
New network miles leased	0	N/A
Existing network miles upgraded	0	See new network miles deployed narrative.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles leased	0	0
Number of miles of new fiber (aerial or underground)	0	0
Number of new wireless links	0	0
Number of new towers	0	0
Number of interconnection points	0	See new network miles deployed narrative.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, 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	37
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
Average term of signed agreements	5

**5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. Providers:**  
 The 37 signed agreements referred to above are comprised of 36 pre-existing wholesale customers of NoaNet with Agreement start dates pre-dating the Broadband Technology Opportunities Program award and one (1) new agreement in this quarter. These contracts have non-disclosure provisions that prohibit public release of their specific names without prior written consent. The list of pre-existing customers has been previously provided to NTIA under separate cover as "Privileged and Confidential" sales-marketing information.

**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. Wholesale services description:**  
 There are currently no wholesale services provided as this project has only recently received its Finding of No Significant Impact (FONSI). Construction is scheduled to begin in Q4 of 2010, with some potential that a small number of customers will receive new service. As the network is built, turned up and tested, this list will be updated and data will be provided.

**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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (150 words or less).**

The following entities are sub participants of the project:

Sawtooth Technologies, LLC  
 Brian Adams  
 50 S.E. Cascade Ave.,  
 P.O. Box 857  
 Stevenson, WA 98648  
 503-807-3048 phone  
 adams@saw.net

Black Rock Cable  
 Bob Warshawer  
 1512 Fairview St.  
 Bellingham, WA 98229  
 360-738-3116 phone  
 bobw@blackrockcable.com

Clallam County Public Utility District  
 Doug Nass  
 2431 East Highway 101  
 P.O. Box 1090  
 Port Angeles, WA 98362  
 360-452-9771 Phone

Pacific County PUD#2  
 405 Duryea Street  
 P.O. Box 472  
 Raymond, WA 98577

360-942-2411 Phone  
 webmaster@pacificpud.org

Port of Whitman PUD  
 302 N. Mill Street  
 Colfax, WA 99111  
 509-397-3791  
 portwhit@stjohncable.com

Franklin PUD  
 Ed Brost  
 1411 West Clark Street  
 P.O. Box 2407  
 Pasco, WA 99302  
 509-547-5591 Phone  
 franklin@franklinpud.com

Yakima County  
 128 North 2nd Street  
 Yakima, WA 98901  
 509-574-1000 Phone

See attached network drawings for the portion of the network they operate.

6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 words or less).

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	The initial baseline projections indicated construction starting in Q3. Due to the delay of a completed Environmental Assessment and subsequently the Finding of No Significant Impact (FONSI) being received, the project timeline is delayed by approximately one quarter.
	Providers with signed agreements receiving improved access	0	See narrative above.
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	See narrative above.
	Subscribers receiving new access	0	See narrative above.
	Subscribers receiving improved access	0	See narrative above.
	Please identify the speed tiers that are available and the number or subscribers for each	0	N/A
Residential / Households	Entities passed	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

7. Please describe any special offerings you may provide (150 words or less).  
 Special offerings are not provided at this point in the project as construction is just beginning.

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

8b. If so, please describe the changes (150 words or less).  
 N/A

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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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 institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
None to date	N/A	N/A	N/A	N/A

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).**

Construction bid packages will be released and construction is planned to begin on a selected route within the project. Equipment contracts will be awarded and deployment will proceed. Site preparation will continue as well as permitting and acquisition of Rights of Way.

**2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).**

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	5	Delay in completion of the Environmental Assessment (EA) and subsequent receipt of Finding of No Significant Impact (FONSI) has extended the current overall project timeline into future quarters. Construction is planned to begin in Q4. In addition, permitting issues have hindered progress of some select routes.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	40	See narrative in 2a above describing overall project delay from initial projections.
2d.	Rights of Way	20	See narrative in 2a above describing overall project delay from initial projections.
2e.	Construction Permits and Other Approvals	25	See narrative in 2a above describing overall project delay from initial projections.
2f.	Site Preparation	20	See narrative in 2a above describing overall project delay from initial projections.
2g.	Equipment Procurement	20	See narrative in 2a above describing overall project delay from initial projections.
2h.	Network Build (all components - owned, leased, IRU, etc.)	1	See narrative in 2a above describing overall project delay from initial projections.
2i.	Equipment Deployment	10	N/A
2j.	Network Testing	0	See narrative in 2a above describing overall project delay from initial projections.
2k.	Other (please specify): N/A	0	N/A

**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 (150 words or less).**

Based on the Environmental Assessment and Finding of No Significant Impact (FONSI) being delayed by one quarter, construction is planned to begin in the 4th quarter and baseline projections will be short of goal for Q4. NoaNet has revised the project plan to include an accelerated project construction during Year 2 of the project in order to complete the overall project within the Broadband Technology Opportunities Program guidelines.

**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	\$1,385,673	\$0	\$1,385,673	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$3,845,935	\$3,574,685	\$271,250	\$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	\$5,193,245	\$0	\$5,193,245	\$598,165	\$0	\$598,165	\$1,000,000	\$0	\$1,000,000
e. Other architectural and engineering fees	\$2,136,368	\$0	\$2,136,368	\$0	\$0	\$0	\$50,000	\$0	\$50,000
f. Project inspection fees	\$8,194,858	\$0	\$8,194,858	\$377,622	\$0	\$377,622	\$700,000	\$0	\$700,000
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	\$70,065,546	\$11,209,538	\$58,856,008	\$0	\$0	\$0	\$100,000	\$20,000	\$80,000
j. Equipment	\$15,517,288	\$7,414,371	\$8,102,917	\$0	\$0	\$0	\$2,500,000	\$0	\$2,500,000
k. Miscellaneous	\$207,678	\$0	\$207,678	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	<b>\$106,546,591</b>	<b>\$22,198,594</b>	<b>\$84,347,997</b>	<b>\$975,787</b>	<b>\$0</b>	<b>\$975,787</b>	<b>\$4,350,000</b>	<b>\$20,000</b>	<b>\$4,330,000</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$106,546,591</b>	<b>\$22,198,594</b>	<b>\$84,347,997</b>	<b>\$975,787</b>	<b>\$0</b>	<b>\$975,787</b>	<b>\$4,350,000</b>	<b>\$20,000</b>	<b>\$4,330,000</b>

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.

a. Application Budget Program Income: \$2,022,249	b. Program Income to Date: \$0
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