

Special Award Conditions

Award Number: NT10BIX5570030

Amendment Number: 7

1) Prevention of Inappropriate Expenditures SAC

The National Telecommunications and Information Administration (NTIA) has informed the Grants Office of the National Oceanic and Atmospheric Administration that DeKalb has spent \$6,755.76 to install fiber at Halverson Farms, a company belonging to the family of Dan Halverson. Dan Halverson is also the sole owner of DeKalb Fiber Optic, LLC (DFO) which is a construction vendor on your BTOP project. Upon the discovery of this conflict of interest, the \$6,755.76 was credited to the County for reallocation.

The Grants Office has also learned that \$170,815.17 has been spent to install fiber in the Knolls neighborhood. The Knolls is the community in which both Dan Halverson and Herb Kuryliw reside. Mr. Kuryliw is the Chief Engineer on this BTOP project. NTIA has indicated that you have returned the money spent on the Knolls build, however, this build was also a conflict of interest.

You must submit a formal Corrective Action Plan (CAP) outlining how you will implement policies and procedures to prevent additional inappropriate expenditures and to provide proper oversight and monitoring of DeKalb Fiber Optic, LLC. We request that you document these policies and procedures and submit them to your Program Officer, Katherine Scott with a copy to the NOAA Grants Management Division no later than August 11, 2012. Failure to submit a comprehensive and sufficient CAP may result in additional adverse actions being taken including, but not limited to, suspension of the award and/or award termination

Due Date: 08/11/2012

2) Reimbursement Only SAC

Both NTIA and NOAA are concerned about DeKalb's oversight of DFO's activities and the potential for additional inappropriate expenditures. Under the Department of Commerce Uniform Administrative Requirements at 15 C.F.R. § 24.12, you are hereby designated as a "high risk" recipient, due to your "history of unsatisfactory performance" and "lack of responsibility". Your organization's Department of Treasury Automated Standard Application for Payments (ASAP) account has been placed on reimbursement-only status to enable NTIA and NOAA to review requests for payment on this award. This means that you will not be permitted to draw down funds through the ASAP system until authorized. You may submit a request for payment at most monthly, but you must submit a request at least quarterly.

Due to the relatively short period of time remaining in the period of performance, NOAA and NTIA expect that your award will remain on reimbursement-only status until the end of the closeout period.