

**GovNET, Inc. Extension Request  
Project Plan Narrative, Key Facts and Assumptions**

**GovNET Sites Through September 30, 2014**

(b) (4)

(b) (4)

Milestone for Power and Data
Complete - 9/5/2014
Complete - 9/5/2014
Complete - 9/5/2014
Complete - 9/5/2014
Complete - 9/5/2014
Complete - 9/5/2014
Complete - 9/5/2014
Complete - 9/5/2014
Complete - 9/5/2014
Complete - 9/7/2014
Complete - 9/7/2014
Complete - 9/8/2014
Complete - 9/10/2014
Complete - 9/10/2014
9/30/2014
9/30/2014
9/30/2104
9/30/2014
9/30/2014
9/30/2014
9/30/2014
9/30/2014
9/30/2014
*10/16/2014
*10/16/2014
9/30/2014
*10/20/2014
9/30/2014
9/30/2014
# 2015
In Extension request
# 2015
# 2015
Power Only - 9/30/14

\* - affected by major rain event # - Environmental Clearance / Power issues

As identified, (b) (4) will be pushed into the October timeframe due to a major rain event that occurred on September 8<sup>th</sup>. This rain event flooded the (b) (4) with 2 feet of water and delayed both (b) (4) cell block availability. (b) (4) has been given priority by the cell block company for delivery on September 26<sup>th</sup> and 29<sup>th</sup> and our plan is to complete (b) (4) in late November. Unfortunately, (b) (4)

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(b) (4) have been delayed due to an environmental clearance issue. GovNET had hoped to place Cell on Wheels at the sites to provide data to (b) (4), but this raised further environmental hurdles. Plans are to complete these 3 sites in the extension request period, and to build permanent sites for (b) (4) in 2015.

GovNET's (b) (4) site is working through a (b) (4). We continue to work with the (b) (4) and have moved this site build into 2015. In addition, (b) (4) is powered, but unable to be reached by an existing GovNET site from a data perspective.

Unfortunately, Arizona is expecting another major rain event during the September 16 – 18<sup>th</sup> timeframe. Based on the severity of this event, other sites planned to have both power and data by 9/30/2014 could be at risk.

**CAI Installs Through September 30, 2014**

CAIs continue to be challenges to GovNET based on the goodwill issues experienced during the project suspension. Outreach has been somewhat effective in Cochise and Graham counties. Goodwill continues to be an issue since many of the individuals who originally worked with GovNET are no longer employed by these institutions, but the institutions are aware of the suspension and its impact on them. This continues to affect GovNET's ability to deploy both full and partial CAI installs. Our initial positive interactions with CAIs from which we established our goal to deploy 88 full installs and 68 partial installs have not yielded positive results as we have interacted to actually schedule the installation. Our view is that by 9/30/2014 we can achieve 25% of these full and partial installs. (b) (4)

(b) (4)

(b) (4)

(b) (4)

**GovNET Project Plan Through December 31, 2014**

Even though GovNET plans to have power and data flowing at 23 sites by September 30, 2014, certain sites will still require some additional construction to complete the full scope of the site. 9 sites (originally to have been completed by end of September 30, 2014) have been planned for completion in the 4<sup>th</sup> quarter 2014 build plan that GovNET is submitting as part of its extension request. GovNET's extension request is to also build and have power and data flowing at 12 additional sites during the 4<sup>th</sup> quarter (includes one site - (b) (4) which has been initiated in 3<sup>rd</sup> quarter 2014, but not in the original 3<sup>rd</sup> quarter build plan). If the build progresses per plan, GovNET will submit a further extension request to complete the remainder of the project scope through June 2015. Upon approval of this extension request, GovNET plans to initiate construction of 4 other sites at the end of the 4<sup>th</sup> quarter and have 3 of these with power and data by the end of January with the 4<sup>th</sup> with power and data by March 1, 2015. GovNET's 4<sup>th</sup> quarter extension project plan is noted below:

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(b) (4)

Milestone for Power and Data
12/31/2014
12/31/2014
12/31/2014
12/31/2014
12/31/2014
12/31/2014
12/31/2014
12/31/2014
12/31/2014
12/31/2014
12/31/2014
12/31/2014
12/31/2014
1/30/2015
1/30/2015
3/1/2015
1/30/2015

GovNET’s goal is to demonstrate its ability to build per the submitted extension plan and then to gain another extension through June 30, 2014 to complete the remainder of the project scope which contains the majority of collocation builds.

(b) (4) to be purchased from one owner as a package acquisition. This packaged acquisition was delayed due to environmental clearance process affecting (b) (4) (b) (4)

As noted, our goal is to complete a (b) (4) through the December 31, 2014 timeframe. Now that sites are being lit from a power and data perspective and with a few eRate CAIs to be turned on in October, we believe that additional interactions will begin to improve overall goodwill in many counties. We do believe though that all institutions will resist full and partial installs until moving through the eRate cycle which begins early winter and ends in March 2015. Our best chance of achieving the full scope of 266 CAIs will be upon completion of the eRate cycle and through June of 2015.

**GovNET Project Plan Key Facts and Assumptions**

GovNET’s extension project plan through December 31, 2014 is based on the following key assumptions and facts:

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Key Facts:

- Remaining co-locations are less complex than co-locations completed through 9/30/2014.
- Cell Block Greenfield builds are less complex than Rock Anchor / Matt foundation Greenfield builds.
- Of the 24 backbone/nodal sites in the project plan with site builds being initiated in the 4<sup>th</sup> quarter 2014; 9 sites are being completed which were under construction prior to the 4<sup>th</sup> quarter 2014; 11 sites are initiated and completed in the 4<sup>th</sup> quarter of 2014 (5 are co-locations, 2 are temp builds; 3 are Matt/Rock Anchor foundation Greenfield builds, and 1 a cell block foundation Greenfield build). 4 other sites are initiated at the end of December, sites which are critical to service key markets (2 colos, 1 cell block Greenfield and 1 Mat Greenfield). Of these 4 sites, the 2 colos and 1 cell block site are completed in the mid-January 2015 timeframe.
- [REDACTED] (b) (4) [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]

Key Assumptions:

- GovNET will provide complete A&E drawing and/or Scopes of Works (Notice to Proceed) to [REDACTED] (b) (4)
- Co-location sites:
  - (b) (4) [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
- Rock Anchor / Matt Foundation Greenfield builds will (b) (4) [REDACTED] construction start to finish. (b) (4) [REDACTED] an exception to this due to difficulty in the build.
- Cell Block Greenfield builds will take (b) (4) [REDACTED]
- The entire schedule is based on (b) (4) [REDACTED] to achieve schedule dates per the agreed upon plan.