

Special Award Conditions

Award Number: NT10BIX5570067

Amendment Number: 3

1) Matching Share Commitment CAP

To protect taxpayer dollars, NOAA and NTIA must have confidence that OneCommunity can meet its current match obligation as required by the terms of the award. The project award agreement requires OneCommunity to provide a match of 35.99% of the total project budget. However, OneCommunity has indicated to NTIA that it is unable to meet its original match obligation due to the loss of several key match sources, including the Medina network and other network elements built prior to the issuance of the Finding of No Significant Impact (FONSI).

In discussing a proposed change to the project budget, OneCommunity has assured NTIA that a reduction in its matching contribution to 26-27% of the total project budget would have no impact on the project's activities and key project metrics (e.g., number of new miles, community anchor institution (CAI) connections, and interconnection points). However, NOAA and NTIA are greatly concerned that under OneCommunity's proposal, over 62% of the total matching funds would depend upon program income or other future revenue opportunities.

NOAA and NTIA request that no later than August 3, OneCommunity provide the following documentation:

- 1) Documentation that clearly demonstrates that OneCommunity is currently in serious discussion/negotiations with named customers about purchasing service and/or facilities from OneCommunity. This documentation can be in the form of a letter, letter of intent, term sheet, contract, etc. from the named customers (or partners) that intend to help you achieve program income or revenue sources to satisfy the cash amount as described in the May 22, 2012 meeting.
- 2) A detailed explanation of any impact on the proposed project activities as a result of OneCommunity further lowering its cash-based match. Please address such impacts to key metrics as new miles, CAI connections, points of interconnection, fiber capacity, etc. Also, please explain any sources of cost savings that may facilitate the reduction in cash match without a commensurate reduction in project activities.
- 3) A revised 424C, budget narrative, and detailed budget to correspond to the new proposed project budget.

Once this proposal is received and reviewed, as per the Federal Register Announcement the Assistant Secretary for NTIA will determine if a reduction in the match will be granted.

Please remember if your proposal is accepted and the reduction granted then failure to raise the needed program income by the end of the award period will result in a reduction of the federal share of the award.

Alternatively, you may submit a detailed proposal to lower the federal share of the award and reduce the project scope.

Failure to respond comprehensively and sufficiently by August 3, 2012 may result in additional adverse actions being taken including, but not limited to, suspension of the award and/or award termination.

Due Date: 08/03/2012