



California Public Utilities Commission Grant Agreement for the Broadband, Equity, Access, and Deployment

Program

Draft

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GRANT AGREEMENT FOR THE BROADBAND, EQUITY, ACCESS AND DEPLOYMENT (BEAD) PROGRAM

This Grant Agreement (“Agreement”) is entered into by and between the California Public Utilities Commission (the “CPUC” or “Commission” or “Grantor”) and _____ (“Grantee” or “Subrecipient”) located at [INSERT ADDRESS OF GRANTEE].

I. PROJECT SUMMARY

1. This is an Agreement between the CPUC and Grantee for the Broadband, Equity, Access, and Deployment (BEAD) Project, as described in Grantee’s Project Application and this Agreement (the “Project”).
2. This Agreement is entered into by and between the CPUC and Grantee and made effective on the date of execution by CPUC written below (“Effective Date”).
3. The CPUC BEAD staff administers the federal funds in the form of awards.
4. The Grantee was selected by the CPUC to receive federal grant funds in the amount of \$ _____ through the process adopted by the CPUC in

administering such grants.

5. Funding for the California BEAD Program is partially sourced from the Infrastructure Investment and Jobs Act (“IIJA”), also known as the Bipartisan Infrastructure Law, federal statute enacted by the 117th United States Congress and signed into law on November 15, 2021. These funds are administered by the National Telecommunications and Information Administration (NTIA) within the U.S. Department of Commerce. The purpose of BEAD funding is to ensure reliable, affordable, high-speed broadband access for all Americans, with priority given to unserved and underserved locations. The availability of these BEAD funds allows CPUC to aid Grantee by providing financial investment to support broadband infrastructure deployment. This BEAD funding is subject to any applicable Federal and State of California rules, regulations, and guidance, including without limitation any guidance or rules issued by the NTIA.

II. PROJECT OFFICIALS

A. The CPUC’s Director of Communications Division or designee shall be the CPUC’s representative for administration of the Grant Agreement and shall have authority to make determinations relating to any controversies that may arise under or in connection with the interpretation, performance, or payment for work performed under this Grant Agreement. Disputes shall be resolved in accordance with the provisions of Sections VI.Q, VI.Q.1, VI.Q.2, VI.Q.3, VI.Q.4.

B. The Grantee project official shall be those identified as follows and as specified in the Grant Application:

Authorized individual with legal authority to sign:

NAME:

TITLE:

ADDRESS:

TELEPHONE:

EMAIL:

C. By signing this Grant Agreement, the authorized individual listed above warrants that he or she has full legal authority to bind the entity for which he or she signs.

D. Either party may change its project representatives upon written notice to the other party.

III. GRANTEE'S GENERAL RESPONSIBILITY

The Grantee is solely responsible for the project activities as identified in the BEAD Grant Application. Review and approval by the CPUC is solely for the purpose of proper administration of grant funds by the CPUC and shall not be deemed to relieve or restrict the Grantee's responsibility. Grantee is solely responsible for obtaining all necessary Federal, State and Local permits and approvals necessary to comply with all legal requirements for the Project.

Ready.net will provide the California Public Utilities Commission (CPUC) with a Grants Management System (GMS). The continued implementation and maintenance of the GMS will address the NTIA's BEAD Program requirements, and the growing complexities of grants management and compliance with the Code of Federal Regulations for managing federal grants, ensuring that the CPUC can effectively manage the distribution of crucial broadband infrastructure funds across underserved communities, thereby promoting equitable digital access throughout California.

IV. GRANT AGREEMENT

A. Grant. In consideration of the various obligations to be undertaken by Grantee, CPUC awards Grant Funds to Grantee an amount not to exceed \$_____ ("the Grant"), to be disbursed to Grantee for the purposes of funding this Project, subject to the following:

1. Grantee shall use the Grant only for the approved Project and only in the approved area as indicated on the Application.
2. Grantee acknowledges that this Project must provide Qualifying Broadband Service to all broadband serviceable locations and Community Anchor Institutions (CAIs) identified in the Application with the technology, speeds and latency standards articulated therein.
3. Grantee shall deploy Qualifying Broadband Service to Eligible Locations as described in Grantee's Application.
4. Grantee shall carry out the Project in accordance with:
 - i. This Grant Agreement, including all Attachments;
 - ii. the Notice of Award (NoFA), hereby incorporated by reference;
 - iii. the BEAD Notice of Funding Opportunity ("NOFO"), hereby incorporated by reference;
 - iv. provisions of 2 C.F.R. part 200 applicable to fixed amount subawards, according to the current NTIA Guidance, and as amended during the performance of this Grant
 - v. shall ensure that all policy changes, public notices, or other programmatic adjustments made in connection with this award are developed and implemented in full compliance with all applicable guidance, directives, and requirements issued by the NTIA. The Grantee is responsible for regularly reviewing NTIA guidance and incorporating such requirements into its procedures and communications accordingly.
 - vi. BEAD Restructuring Policy Notice; and
 - vii. all applicable laws.

B. Fixed Amount Subaward

This Grant is a fixed amount subaward as defined in 2 C.F.R. § 200.201 and the NTIA Guidance. CPUC will disburse funds via fixed amount subawards on a reimbursement basis upon Grantee completion of the Project milestones as defined in this Grant Agreement. Reimbursements will be made on a milestone completion basis for pre-deployment milestones and milestones based upon percent completion of Broadband Units in the Project Area. The total cost per subaward is defined by the Project budget included in Exhibit A. Upon verification of milestone achievement, Grantee may receive pro-rated disbursements of their fixed amount subaward.

C. Match /Match Waiver Requirements

In accordance with BEAD NOFO requirements and California's Initial Proposal Volume II (IPv2), the Grantee is required to provide a non-federal match for the Project, subject to the minimum percentage established by CPUC in the NOFO. The match contribution must be extended roughly in proportion to Grantee's reimbursement requests and must

be verified through acceptable documentation prior to the disbursement of funds. Grantee may apply for a waiver of the match requirement if they can demonstrate undue hardship or if the Project Area includes high cost or other priority areas as defined by BEAD guidelines. The match amount must be reasonable, necessary, and allocable to the Project, and may not include funds already committed to other federally funded programs unless explicitly allowed. Failure to meet the match requirement is a material default under this Agreement.

The Grantee will provide matching funds in accordance with the commitments made in its application as follows:

- Minimal committed match amount (Grantee cost share): [match amount]
- Committed project match percentage: [match percentage]

The Grantee will retain records detailing the source, amount, quantity, time, and/or delivery of each match service throughout the grant lifecycle, even for in-kind matches.

The Grantee will attest that its match reporting to CPUC is accurate, and CPUC may undertake any of the following means for validating match amounts:

For cash amounts, CPUC may request bank statements, receipts, or other evidence of cash expenditures.

For in-kind matches that are volunteer services, where the rate must not exceed fair market value, CPUC may use federal tools such as the Bureau of Labor Statistics to determine wage rate information. For such services, the Grantee must keep track of timesheets, timecards, or other methods similar to those of hired staff.

For in-kind matches that are reduced rates from consultants and other individuals, CPUC may compare reported charges against standard or set labor category rates.

For in-kind matches that are facility in-kind match, CPUC may verify the amount against current mortgage statements or rental rates.

V. PROJECT COMMENCEMENT AND COMPLETION

A. Project Commencement. Unless otherwise agreed to in writing by CPUC, Grantee shall commence the Project on or prior to thirty (30) calendar days after the Effective Date of this Grant Agreement. To the greatest extent practicable, prior to Project Commencement, Grantee shall obtain or apply for necessary approvals, including applicable permits and licenses. Grantee must also begin submitting Quarterly Reports as required herein, no later than ninety (90) days after the Commencement Date.

B. Letter of Credit/Performance Bond

As a condition precedent to Project Commencement, Grantee shall have submitted to the CPUC either evidence of prequalification for an irrevocable standby letter of credit ("LOC") or a performance bond, greater than or equal to (25%) of the Grant amount. The Grantee must also submit an opinion letter from legal counsel clearly stating that the terms of the prequalified letter of credit will not be treated as the Grantee's property in the event of Grantee's bankruptcy. The prequalification letter must be issued by an entity eligible to issue the letter of credit. The LOC or performance bond must be presented within thirty (30) days of Grantee's receipt of its notice of award and may not be amended or cancelled without the consent of all parties to the letter or credit or performance bond.

C. Grant Administration Conference. After the Effective Date, CPUC may contact the Grantee to arrange a Grant administration conference. The purpose of the conference is to confirm with the Grantee its responsibilities for administration of the Grant, including its responsibilities with respect to the terms and conditions of the award and applicable federal requirements.

D. Deployment Deadlines and Benchmarks. Pursuant to 47 U.S.C. § 1702(h)(4)(C) (United States Code), the Grantee shall ensure that it deploys its Funded Networks and begins providing broadband service to each customer that desires broadband service not later than four years after the Effective Date. The Grantee shall establish interim buildout milestones, enforceable as conditions of the subgrant, sufficient to ensure that Grantees are making reasonable progress toward meeting the four-year deployment deadline.

CPUC will review progress towards milestones on a periodic basis. Grantee must inform CPUC in a timely manner if it determines there is a substantial risk of not meeting the milestone schedule included as an exhibit of this agreement or the NEPA milestone

schedules provided to CPUC by the Grantee in Exhibit B. CPUC may allow changes in the milestone and deployment schedules if mutually agreed upon and allowed under Federal guidelines. CPUC may engage in a variety of enforcement activities, including more detailed and frequent monitoring and reporting, field inspections, and withholding grant funds to ensure timely project completion. Failure to meet project milestones throughout the Term or at the end of a federally mandated deadline for project completion may result in clawbacks of grant funding.

E. Project Changes. CPUC must approve, in writing, any changes to the Application and line-item shifting of the Project Budget, including modifications to the scope of work, changes to the Project Area, technology type, construction completion date, or Project closeout date. Immaterial changes will not require a formal amendment to this Grant Agreement, so long as they are approved in writing by CPUC and the total amount of the Grant does not change.

F. Deployment Requirements. Grantee may not begin deployment activities until it completes Pre-Deployment Milestones. Grantee is required to submit regular reports and requests for reimbursement, as established by CPUC, to demonstrate continuous deployment progress toward Project completion. Project designs must include interspersed conduit access points at regular and short intervals and incorporate a documented outage management plan.

G. Proof of Project Completion.

1. Obligation to Provide Proof. In order to certify project completion and receive final disbursement of funds, Grantee must provide the CPUC with approved documentation, or proof, that is substantively accurate and complete as set forth in Acceptable Substance of Proof below. Notwithstanding the foregoing, CPUC reserves the right to determine, in its sole discretion, the completeness and sufficiency of proof provided to the CPUC by Grantee pursuant to this section. Grantee acknowledges that its failure to satisfy its obligation to provide proof as required in this section may delay or prohibit certification of project completion and disbursement of funds.

2. Acceptable Format of Proof. Grantee shall provide proof of Project completion to the CPUC in any one of the following acceptable data formats, in no particular order:

- i. Computer Aided Design or “CAD” file which should at a minimum show the Project Area, including road or landmarks to identify Project Area, and infrastructure buildout design (fiber, OSP, and/or other infrastructure needed to serve customers);

- ii. Project Area map in PDF format which should at a minimum show clearly legible streets or other landmarks, show a Project Area that is clearly delineated, and locations that are now served or can be provided service within 10 business days;
- iii. Spreadsheet of service locations, which should at a minimum provide locations as Location IDs that are serviceable by the new infrastructure or addresses that are served or can be served;
- iv. An ESRI shape file;
- v. A Google Earth KML or KMZ;
- vi. Upon the express prior approval of the CPUC, any other format deemed acceptable by the CPUC; or
- vii. Performance measurements and site visits required to validate service.

H. Inspections. During the term of this Grant Agreement and for a period of up to ten (10) years following the Completion date, Grantee shall permit CPUC to monitor the Project to ensure that the Project is being carried out in accordance with the terms of this Grant Agreement and Grantee shall make the Grantee's administrative offices, its personnel, whether full time, part time, consultants or volunteers, available to CPUC for inspection upon request. Grantee shall permit CPUC to perform program monitoring, evaluation and audit activities as determined to be necessary, at the discretion of CPUC provided such activities are limited to Project monitoring, establishing completion of the Project, ensuring proper expenditure of grant funds, and Grantee is provided fifteen (15) calendar days written notice by CPUC. Authorized representatives of the Grantee shall be in attendance to all onsite inspections. During the term of this Grant Agreement and for a period of up to ten (10) years from the end of the Project closeout year, Grantee shall permit CPUC to monitor the Project assets in a limited capacity for issues that may survive Project closeout for the Federal Interest Period.

I. Performance Testing. CPUC may, in its sole discretion, conduct performance tests for purposes of verifying compliance with the terms of this Grant Agreement, the NOFO and applicable laws, on one or multiple occasions during the term of this Grant Agreement and for up to five (5) years after Project is certified as complete pursuant to Final Report Certifications. CPUC may exercise this right both before (with the exception of authorized prepayments) and after reimbursing a Grantee for any claimed, allowable expenditures; provided that if CPUC elects to do so before reimbursing a Grantee for any claimed allowable expenditures, it will do so within a reasonable time, not-to-exceed one (1) year after Project is certified as complete pursuant to Final Report Certifications. Such performance tests may include but are not limited to:

1. Performance tests anywhere between a Grantee's central office and the demarcation at any customer's location in a Census Block in which the Project was to be deployed or to which the Project was represented as being able to facilitate Qualifying Broadband Service;
2. In the case of wireless installations, from any location in a Census Block in which the Infrastructure Project was to be deployed or to which the Project was represented as being able to facilitate Qualifying Broadband Service; and/or,
3. In the event Grantee does not have a customer in a Project Area being served by the installation, a certification obtained by the Grantee and supplied to the CPUC from an independent, third-party, properly licensed engineer that the installation facilitates Qualifying Broadband Service at speeds that meet or exceed 1/1 Gbps for CAls or 100/20 Mbps for all other locations, as applicable with approved exemption(s), in the Census Block(s) identified in the Application. The costs of such certification shall be borne by the Grantee. Such certification shall explicitly state whether the network installation complies with BEAD Technical Requirements

J. Low-Cost Service Option (LCSO). Pursuant to 47 U.S.C. § 1702(h)(4)(B), each Grantee receiving BEAD funding to deploy network infrastructure must offer at least one low-cost broadband service option. Pursuant to 47 U.S.C. § 1702(h)(5)(C), NTIA or CPUC may take corrective action, including recoupment of funds from the Grantee, for noncompliance with the statutory low-cost plan requirement.

As outlined in its approved Initial Proposal Volume 2, the Grantee shall provide a low-cost service option that offers download speeds of at least 100 Mbps and upload speeds of at least 20 Mbps and latency performance of no more than 100 milliseconds, and that is available to any household seeking to subscribe to broadband internet access service that is eligible for the Federal Communications Commission's Lifeline Program, for the duration of the Federal Interest Period. A Grantee that already offers a low-cost plan that meets these service requirements may satisfy the LCSO requirement by offering its existing low-cost plan to eligible subscribers.

K. No Data Usage Caps. The Grantee may not impose data usage caps on any plans offered over a Funded Network or impose unjust or unreasonable network management practices. The Grantee may apply otherwise-applicable acceptable use policies to Funded Networks. Grantees must certify through the semi-annual reporting

requirements described in the NOFO Section VII.E that the plans offered over Funded Networks do not contain data usage caps for subscribers.

L. Right of Review of Data Usage and Network Management Practices. The Funded Network's outages should not exceed, on average, 48 hours over any 365-day period except in the case of natural disasters or other force majeure occurrence. CPUC reserves the right to review data usage and network management metrics from the Subrecipient through the Federal Interest Period demonstrating compliance with the maximal outage and prohibition against data cap requirements.

M. Property Restoration. Grantee must make reasonable efforts to restore property affected by the Project to the condition it was in prior to Project Commencement. CPUC may, in its sole discretion, perform site visit(s) or request documentation including, but not limited to, work orders, invoices, receipts, pictures, or videos to verify compliance with this Section. Grantee's Final Report must contain a certification that reasonable restoration efforts have been made on property affected by the Project. A material misrepresentation of the efforts made by grantee to restore property is a material default under this Grant Agreement and may result in corrective action, additional award conditions, payment suspension, award suspension, grant termination, de-obligation/claw back of funds, debarment of organizations and/or personnel, and other remedies provided for in this Grant Agreement or by law.

N. Consequences of Non-Performance. Failure to satisfactorily perform the Scope of Work, the NOFO, NTIA rules and guidance, fully satisfy the criteria set forth in Section IV.B (Performance), and Exhibit I. (Reporting Requirements), failure to comply with all applicable laws, including Section 60102 of the Infrastructure Act, failure to achieve BEAD Technical Requirements, as may be verified pursuant to Section VI.I. VI.I.1, VI.I.2, VI.I.3 (Performance Testing), failure to offer and maintain a LCSO, or failure to otherwise complete the Project as represented in the Grantee's Application, may result in corrective action, additional award conditions, payment suspension, award suspension, grant termination, de-obligation/claw back of funds, debarment of organizations and/or personnel, and other remedies provided for in this Grant Agreement or by law.

O. Agreement Disputes A dispute for purposes of this section is a disagreement between Grantee and CPUC in the performance of the Agreement, which is unable to be resolved between Grantee and Program Staff ("Dispute"). In the event of a Dispute, Grantee shall file a "Notice of Dispute" with the Director of Communications Division or

designee within ten (10) days of discovery of the problem. Within ten (10) days, the Director of Communications Division or designee shall meet with the Grantee for purposes of resolving the dispute. The decision of the Director of Communications Division or designee shall be final.

In the event of a dispute, the language contained within this Agreement shall control over any other.

The CPUC reserves the right to issue an order to stop work in the event that a dispute should arise, the stop work order will be in effect until the dispute has been resolved.

Pending the final resolution of any such disputes and/or claims, Grantee agrees to diligently proceed with the performance of the Agreement, including the providing of services. Grantee's failure to diligently proceed shall constitute a material breach of the Agreement.

The Agreement shall be interpreted, administered, and enforced according to the laws of the State of California. The parties agree that any suit brought hereunder shall have venue in San Francisco, California, the parties hereby waiving any claim or defense that such venue is not convenient or proper.

Final Payment

The acceptance by Grantee of final payment shall release the California Public Utilities Commission (CPUC) from all claims, demands and liability to Grantee for everything done or furnished in connection with this work and from every act and neglect of CPUC and others relating to or arising out of this work except for any claim previously accepted and/or in process of resolution.

VI. EXPENDITURE OF GRANT FUNDS

A. Allowable Expenditures. Grantee shall only be entitled to payment for Pre-Deployment Deliverables and completion of Broadband Units, subject to the requirements of the NTIA Guidance, and any other restrictions imposed by this Grant Agreement and the NoFA. CPUC may deny a request for reimbursement or order the

return of any funds previously disbursed for expenditures that do not constitute allowable expenditures, as defined by this Grant Agreement, the NoFA, and BEAD NOFO Section IV.C.1.b. Grantee shall not otherwise be entitled to payment or reimbursement for ineligible expenditures.

B. Non-Reimbursable Expenses. Grantee may not expend the Grant for purposes contrary to this Grant Agreement, or for any purpose described under “Ineligible Costs” in the NOFO. With the exception of allowable expenditures or other reimbursable expenses or costs expressly contemplated herein, there shall be no other reimbursable expenses associated with this Grant Agreement. Except for allowable expenditures or other reimbursable expenses or costs expressly contemplated hereunder, Grantee shall be solely responsible for all costs, charges and expenses it incurs in connection with its performance under this Grant Agreement.

1. Ineligible Costs for Fixed Amount Subgrants. The Grantee may only be reimbursed for the eligible costs in connection with the last-mile broadband deployment projects. Ineligible uses of fixed amount subgrant payments include but are not limited to the following:

- i. Personal expenses of employees, executives, board members, and contractors, and family members thereof, or any other individuals affiliated with the Subrecipient, including but not limited to personal expenses for housing, such as rent or mortgages, vehicles for personal use and personal travel, including transportation, lodging and meals;
- ii. Gifts to employees; housing allowances or other forms of mortgage or rent assistance for employees except that a reasonable amount of assistance shall be allowed for work-related temporary or seasonal lodging; cafeterias and dining facilities; food and beverage except that a reasonable amount shall be allowed for work-related travel; entertainment;
- iii. Expenses associated with: tangible property not logically related or necessary to the broadband infrastructure project or authorized non-deployment use; corporate aircraft, watercraft, and other motor vehicles designed for off-road use except insofar as necessary or reasonable to access portions of the project area not readily accessible by motor vehicles travelling on roads; tangible property used for entertainment

purposes; consumer electronics used for personal use; kitchen appliances except as part of work-related temporary or seasonal lodging assistance; artwork and other objects which possess aesthetic value;

iv. Political contributions; charitable donations; scholarships; membership fees and dues in clubs and organizations; sponsorships or conferences or community events not logically related or necessary for the intended use of the subgrant; nonproduct-related corporate image advertising; and

v. Penalties or fines for statutory or regulatory violations; penalties or fees for any late payments on debt, loans, or other payments.

C. Pre-Award Costs. Except as provided herein, Grantee may only use funds to cover costs incurred after the Effective Date, unless otherwise specifically approved in writing. Limited categories of reasonable pre-award costs incurred after the publication of the NOFO and prior to grant award may be eligible for pre-award funding. Specific allowable pre-award costs include expenses associated with securing a letter of credit, data gathering, feasibility studies, community engagement and public feedback processes, digital opportunity assessments, planning and needs assessments, permitting, architectural and engineering design, and work related to environmental, historical, and cultural review of the proposed network diagrams, and project engineering costs.

D. Profits and Fees. Profit, fees, or other markups may not be claimed as eligible costs within the Project Budget. However, Grantee is not required to return the difference between the budgeted and actual costs, provided that all expenditures are allowable, allocable, and adequately documented. CPUC reserves the right to disallow any costs that are not consistent with BEAD NOFO, or the approved Project Budget.

E. Project Budget. The grant funded portion of Project Budget may not be increased except by written amendment. Any amounts necessary to complete the Project in excess of the Project Budget are to be borne at Grantee's expense.

F. Other Federal Funds. Grantee may not use any competitively awarded federal funds, other than those funds awarded under this Grant Agreement, to support the deployment of broadband service to locations in the Project Area. Grantee must also ensure that Project Area does not overlap with areas funded under other BEAD-eligible federal broadband programs, except as explicitly allowed under BEAD NOFO Section III.e.

G. Waste, Fraud, and Abuse. Grantee must not engage in wasteful, fraudulent, or abusive expenditure of grant funds. CPUC will enforce applicable rules and laws prohibiting such actions by imposing penalties including, but not limited to, corrective action, additional award conditions, payment suspension, award suspension, grant termination, de-obligation/claw back of funds, and debarment of organizations and/or personnel consistent with Sections VII.H and Exhibit G. Section P. of this Grant Agreement.

H. Duty to Report Misuse of Funds. Grantee must promptly refer to CPUC any credible evidence that a principal, employee, agent, subcontractor, subgrantee or subrecipient, subcontractor, or other person acting on behalf of Grantee has either: 1) submitted a false claim for Grant Funds as that term is use under any false claims act or other similar law, whether state or federal; or 2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving Grant Funds. This condition also applies to any subcontractor for the Project.

I. Program Income. Income generated by Grantee from the Project shall not be considered program income for purposes of 2 C.F.R. § 200.307 unless the Grantee is determined to be a contractor under 2 C.F.R. § 200.331 and NTIA guidance. For the avoidance of doubt, income from indefeasible rights of use (IRUs) and leases relating to the Project is not considered program income.

J. Prohibition on Certain Telecommunications and Video Surveillance. The Grantee is prohibited from using grant funds for telecommunications and video surveillance or services covered under the Secure and Trusted Communications Networks Act.)

K. Prohibition on Use of Eminent Domain. In accordance with Executive Order 13406, "Protecting the Property Rights of the American People" (June 28, 2006), the Grantee agrees:

- i. Not to use any power of eminent domain available to the Grantee (including the commencement of eminent domain proceedings) for use in connection with the grant for the purpose of advancing the economic interests of private parties;
- ii. Not to accept title to land, easements, or other interest in land acquired using any power of eminent domain for use in connection with the grant for the purpose of advancing the economic interests of private parties; and

iii. Any use of the power of eminent domain to acquire land, easements, or interests in land, whether by the Grantee or any other entity that has the power of eminent domain, in connection with the grant requires prior written consent from NTIA. Any use of eminent domain without prior written consent of NTIA constitutes an unauthorized activity and/or use of funds under the award and subjects the Grantee to appropriate enforcement action by the Grants Officer, including but not limited to the disallowance of award costs and the termination of an award.

VII. PAYMENT

A. Time for Reimbursement. CPUC shall review any request for reimbursement and related supporting documentation for reimbursement must allow up to thirty (30) calendar days for CPUC's review and approval. No payment will be disbursed until CPUC verifies that expenses are eligible and adequately documented. If CPUC requires additional supporting documentation for a request for reimbursement, a hold will be placed such request for reimbursement until claimed allowable expenditures are verified. Notwithstanding anything herein to the contrary, CPUC shall have the right to dispute any request for reimbursement, invoice, or other supporting documentation and withhold payment of any disputed amount if CPUC believes the documentation is inaccurate, incomplete, insufficient, or incorrect in any way. If CPUC determines that only a portion of a reimbursement request is supported, it may approve partial payment and return the remainder for revision. CPUC's review may include technical or financial audits, and its decisions are final unless otherwise revised through a formal resolution process defined by CPUC.

B. Payments. Payments will be compliant with NTIA's guidance on BEAD-enabled exceptions to the Uniform Guidance, 2 C.F.R. Part 200, per the NTIA Guidance. Notwithstanding its fixed amount nature, this award remains subject to applicable federal performance, monitoring, and reporting requirements, including those set forth in 2 C.F.R. § 200.201 and BEAD NOFO Sections IV.C.1.b and V.C.1 Disbursement of funds to the Grantee will be based on completion of project milestones and subject to verification of documentation demonstrating completion.

The Grantee shall complete, sign, and submit Certification of Compliance form (Exhibit F) and the Financial Claim form (included in your award packet), to the CPUC within 14 days of receiving this award packet.

C. Conditional Payments. Reimbursements are conditioned on work being performed in compliance with this Grant Agreement, the NOFO, and applicable laws. Payment may be withheld or subject to recoupment if CPUC determines that milestones were not met, documentation is deficient, or expenditures violate BEAD program rules. No payment, including final payment, shall be construed as or constitute: (1) acceptance of any

Project(s) as satisfying the terms, conditions, or requirements of this Grant Agreement, the NOFO, or applicable laws; or (2) a waiver by CPUC's of any rights or remedies it may have to enforce the terms of this Grant Agreement, and Grantee shall remain responsible for full performance in strict compliance with the terms and conditions of this Grant Agreement. By making any payments under this Grant Agreement, CPUC does not waive its ability to challenge any payment or reimbursement for either failing to comply with this Grant Agreement, the NOFO, or any applicable laws. All reimbursements remain subject to post-payment audit and BEAD clawback provisions outlined in this Grant Agreement, as well as BEAD NOFO Section IV.C.1.b and 2 C.F.R. § 200.339.

D. Right to Withhold Reimbursement. CPUC reserves the right not to disburse any Grant funds if, in CPUC's determination:

1. Grantee has failed to supply appropriate supporting documentation or withheld a material fact in a request for reimbursement;
2. Grantee's request for reimbursement, when combined with all prior reimbursement requests, exceeds the total amount of the Grant;
3. Grantee has used any portion of the Grant for uses or activities other than the Project, or in a manner inconsistent with the terms and conditions of this Grant Agreement, applicable laws, and/or the NOFO;
4. Grantee is not performing or completing the Project in a manner satisfactory to CPUC; or
5. Grantee is in default under any other term or condition contained in this Grant Agreement

E. Return of Funds. In the event that any previously reimbursed funds are determined to have been expended in violation of the laws applicable to the expenditure of such funds; or any payment was comprised of claimed expenditures that did not constitute allowable expenditures; was not otherwise reimbursable hereunder; was improperly or incorrectly allocated; was unreasonable; was not supported by sufficient and appropriate documentation; or was otherwise made in a manner inconsistent with or in violation of the terms, conditions, or requirements of this Grant Agreement, the NOFO, or any applicable laws, Grantee shall be liable to the CPUC for the full amount of any claim disallowed and for all related penalties incurred and Grantee shall immediately return to the CPUC funds subject to this Repayment Obligation. For the avoidance of doubt, Grantee's failure to reach Substantial Completion of the Project as proposed/represented the Application is a material breach of this Grant Agreement for which CPUC may seek full return of previous payments. This remedy is in addition to and not to the exclusion of any other remedies available to the CPUC under this Grant Agreement, at law, in equity, or otherwise. The CPUC also reserves the right to recover such funds by any other legal means, including litigation and drawing the funds in the letter of credit or performance bond.

F. Erroneous Payments and Credits. Grantee shall promptly pay or refund to CPUC

the full amount of any overpayment, erroneous payment, or unallowable expense within ten (10) business days after either discovery by the Grantee or notification by CPUC of the overpayment, erroneous payment, or unallowable expense. CPUC may, in its sole discretion, elect to have Grantee apply any amounts due to CPUC under this Section (Erroneous Payments and Credits) against any amounts payable by CPUC under this Grant Agreement.

G. Compensation Generally. Notwithstanding anything in this Grant Agreement to the contrary, in no event shall CPUC be obligated to pay Grantee any fees, costs, compensation or other amounts in excess of the amount expressly set forth herein in accordance with the terms, conditions, limitations, and requirements of this Grant Agreement, unless CPUC otherwise agrees to pay such fees, costs, compensation other amounts pursuant to a written amendment to this Grant Agreement executed by CPUC.

VIII. PUBLICITY

A. Signage of Build-in-Progress. The Grantee shall carry out public awareness campaigns in their service areas that highlight the benefit and value of broadband service and include information about low-cost service plans or federal subsidies such as the Lifeline Program.

The Grantee is encouraged to post signage and to include public acknowledgements in published and other collateral materials (e.g., press releases, marketing materials, webpages, plaques) satisfactory to NTIA and NIST that identifies grant-funded activities and indicates that those activities are “funded by the Infrastructure Investment and Jobs Act.”

The Grantee employing signage is encouraged to use the Official Investing in America emblem in accordance with the guidelines and design specifications found in the “Building A Better America Brand Guide” identified in the BEAD General Terms and Conditions. See <https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-Brand-Guide.pdf> or future guidelines on signage provided by NTIA.

Costs associated with signage and public acknowledgements shall be reasonable and limited.

Signs or public acknowledgements should not be produced, displayed, or published if doing so results in unreasonable cost, expense, or Grantee burden. The Grantee should use best effort to use recycled or recovered materials when procuring signs. The grantee will take and retain photographic evidence of such signs and retain cost information to ensure the cost is reasonable.)

B. Public Notice of Public Awareness Campaigns. The Grantee is encouraged to take photos of its construction activities and provide such photos for publicity and publication by CPUC. The Grantee will also inform CPUC of its public awareness campaigns for its BEAD project(s) and to the project locations.

C. Public Notice of Available Services. After completion of the Funded Network, the Subrecipient shall provide public notice, online and through other means, to individuals residing in the coverage area of the Funded Network's completion and availability for service (Source: NOFO Section IV.C.2.c.iv, p. 68.)

IX. CYBERSECURITY AND SUPPLY CHAIN MANAGEMENT PLANS.

Pursuant to 47 U.S.C. § 1702(g)(1)(B), a Grantee shall comply with prudent cybersecurity and supply chain risk management practices. The Grantee attests that:

- i. It has a cybersecurity risk management plan (the plan) in place that is either:
 - a. operational, if the prospective Grantee is providing service prior to the award of the grant; or
 - b. ready to be operationalized upon providing service, if the prospective Grantee is not yet providing service prior to the grant award;
- ii. The plan reflects the latest version of the NIST Framework for Improving Critical Infrastructure Cybersecurity (currently Version 1.1) and the standards and controls set forth in Executive Order 14028 and specifies the security and privacy controls being implemented;
- iii. The plan will be reevaluated and updated on a periodic basis and as events warrant; and

iv. The plan will be submitted to CPUC prior to the allocation of funds. If the Grantee makes any substantive changes to the plan, a new version will be submitted to CPUC within twenty (20) days.

With respect to supply chain risk management (SCRM), the Grantee attests that:

i. It has a SCRM plan in place that is either:

a. operational, if the prospective Grantee is already providing service at the time of the grant; or

b. ready to be operationalized, if the prospective Grantee is not yet providing service at the time of grant award;

ii. The plan is based upon the key practices discussed in the NIST publication NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry and related SCRM guidance from NIST, including NIST 800-161, Cybersecurity Supply Chain Risk Management Practices for Systems and Organizations and specifies the supply chain risk management controls being implemented;

iii. The plan will be reevaluated and updated on a periodic basis and as events warrant; and

iv. The plan will be submitted to the Grantee prior to the allocation of funds. If the Grantee makes any substantive changes to the plan, a new version will be submitted to CPUC within twenty (20) days.

To the extent the Grantee relies in whole or in part on network facilities owned or operated by a third party (e.g., purchases wholesale carriage on such facilities), it must obtain the above attestations from its network provider with respect to both cybersecurity and supply chain risk management practices.

X. COMPLIANCE WITH BUILDOUT COMMITMENT TO ALL PROJECT BSLs

The Grantee shall provide service (as defined by the BEAD NOFO) to all locations agreed upon. If there is an issue that prevents connectivity such as misclassification of the location, the building does not exist, or access to the building is denied with a location (e.g., outbuilding), it shall provide evidence of such.

Removal of requirement for buildout to a specific location agreed upon is subject to CPUC and NTIA approval.

Failure to complete buildout to all project locations without such approvals will result in enforcement actions, including potentially clawback of grant funds.

XI. DESIGN AND PRECONSTRUCTION REQUIREMENTS

A. Energy Efficiency in Design. The Grantee shall apply, where feasible, design principles for the purpose of reducing pollution and energy costs and optimizing lifecycle costs associated with the construction.

B. Tribal Consent. NTIA recognizes Tribal Employment Rights Ordinances (TERO), which may provide for preferences in contracting and employment, in connection with its financial assistance awards. Tribal ordinances requiring preference in contracting, hiring, and firing and the payment of a TERO fee are allowable provisions under federal awards and NTIA requires their incorporation when applicable into BEAD Program subgrants to Native American entities.

The payment of the TERO fee, which supports the Tribal employment rights office to administer the preferences, should generally be allowable as an expense that is “necessary and reasonable for proper and efficient performance and administration” of an award, as provided under 2 C.F.R. § 200.403.

Consistent with NOFO Sections IV.B.7.a.ii.10 and IV.B.9.b.15, the Grantee may not issue a subgrant to deploy broadband to Unserved Service Projects or Underserved Service Projects that include any locations on Tribal Lands without receiving a

Resolution of Consent from each Tribal Government, from the Tribal Council or other governing body, upon whose Tribal Lands the infrastructure will be deployed.

XII. RECORDS

A. Grantee shall maintain accurate financial, management, programmatic and other records, including those pertaining to subawards and subcontracts, of the Grantee, of all transactions relating to the receipt and expenditure of the Grant and administration of the Project (collectively, "Records") in compliance with the records retention requirements of 2 C.F.R. § 200.334. The Records shall be in a commercially reasonable form acceptable to CPUC. Grantee shall retain the Records for a minimum of ten (10) years following the date CPUC approves the Final Report described in Part VI., Section 4.iii (Final Report) or longer if required under federal or state law. If any audit, litigation, or claim is initiated during the retention period, Records shall be retained until all such matters are resolved.

B. Grantee shall, upon request, provide the U.S. Department of Commerce (including the NTIA), the Office of Inspector General, the Government Accountability Office, the Auditor of the State of California, CPUC, or any of their duly authorized representatives with prompt and unrestricted access to all records, reports, systems, geospatial data, contracts, and subaward documentation related to this Grant Agreement, in accordance with 2 C.F.R. § 200.337 and BEAD NOFO Section VI.B. Such rights to access shall continue as long as the records are retained by Grantee. Grantee shall cooperate with auditors and other authorized representatives of CPUC and the State of California and shall provide them with prompt access to all such property as requested by CPUC or the State of California. By example and not as exclusion to other breaches or failures, the Grantee's failure to comply with this Section shall constitute a material breach of this Grant Agreement and shall authorize CPUC to immediately terminate this Grant Agreement. CPUC may, at its discretion, require the Grantee to make records available through the online platform or grant management system designated by CPUC, currently Ready.net, for tracking and reporting purposes. Grantee agrees to maintain such records in an accessible location and to provide citizens reasonable access to such records consistent with the California Public Records Act (PRA). The California PRA gives every person the right to access public records in the physical custody of the Secretary of State unless the records are exempt from disclosure by law. (Government Code section 7920.000, et seq.) "Person" includes any natural person, corporation, partnership, limited liability company, firm, or association. (California Government Code section 7920.520.) State or local agencies and their officials are entitled to request public records on the same basis as any other person.

XIII. RIGHT TO AUDIT

CPUC may require, at Grantee's sole cost and expense, independent audits by a qualified certified public accounting firm of Grantee's books, records, or use of State or federal property. The independent auditor shall provide CPUC with a copy of such audit at the same time it is provided to Grantee. CPUC retains the right to issue a request for applications for the services of an independent certified public accounting firm under this Grant Agreement. In addition to and without limitation on the other audit provisions of this Grant Agreement:

A. The State Auditor may conduct an audit or investigation of the Grantee or any entity receiving funds under this Grant Agreement, directly or indirectly. Acceptance of funds by Grantee or any subrecipient constitutes acceptance of this authority. The Grantee and any subcontractor must provide the State Auditor with access to any information deemed relevant to the investigation or audit.

B. This Grant Agreement may be amended unilaterally by CPUC to comply with rules and procedures of the State Auditor in the implementation and enforcement.

C. Grantee shall ensure this audit clause is flowed down into all subcontracts and subawards, including those with subrecipients, ISPs, or service providers.

D. The Single Audit requirements in 2 C.F.R. Part 200, Subpart F are generally not applicable if Grantee is a for-profit entity; however, Grantee shall comply with the Single Audit requirements in 2 C.F.R. Part 200, Subpart F, if applicable.

E. NTIA, the U.S. Department of Commerce, the Office of Inspector General, and the U.S. Government Accountability Office shall have the right to audit, monitor, and examine the Grantee's performance under this Grant Agreement, including all programmatic, financial, technical, and geospatial records and activities associated with BEAD funding. These rights shall extend for the duration of the record retention period described in Section XIII.

F. CPUC reserves the right to recover any disallowed costs identified through any audit, review, or investigation, in accordance with BEAD NOFO Section IV.C.1.b, 2 C.F.R. § 200.339, and this Grant Agreement.

XIV. MONITORING

A. Monitoring and Review. In addition to audit provisions and compliance reviews elsewhere in this Grant Agreement, CPUC shall monitor and review Grantee's performance under this Grant Agreement to ensure compliance with this Grant Agreement, the NoFA, BEAD NOFO Section VI and all applicable laws. Such review and monitoring shall include CPUC's assessment of any claims or invoices and any reports furnished by Grantee pursuant to this Grant Agreement. CPUC reserves the right to monitor Grantee performance through site visits, reports, or other means deemed necessary by CPUC. Monitoring activities may include document reviews, site visits, virtual check-ins, interviews with program staff or contractors, and review of network buildout maps or performance test data. Performance test results will be required to be submitted within 24-hours of testing. Grantee shall cooperate fully with all such reviews and respond in a timely and complete manner to CPUC's information requests. The Grantee agrees that CPUC may conduct during regular business hours site visits to review contract compliance, assess management controls, and assess relevant services and activities. Grantee agrees to ensure the cooperation of grantee personnel in such efforts and to provide CPUC with all information requested in the manner determined by CPUC; including allowing CPUC to inspect Grantee or subcontractor's facilities and books and records to monitor and evaluate performance of this Grant Agreement. Monitoring outcomes may inform CPUC's decisions regarding payment approvals, corrective action plans, or referral for investigation or audit.

B. Corrective Action. Following each site visit or review of requested information, CPUC may submit a written report to the Grantee which identifies the CPUC's findings. A corrective action plan with a timetable to address any deficiencies or problems noted in the report may be requested. Deficiencies may include noncompliance with BEAD performance metrics, missed milestones, or inadequate documentation of expenditures, network availability, or customer pricing. The corrective action plan shall be submitted to CPUC for approval within the timelines outlined in the written report. The Grantee shall implement the plan after it is approved by CPUC. Failure to submit or implement an approved corrective action plan may result in payment withholding, suspension, or termination of the Grant Agreement, and may trigger CPUC's authority to recover disbursed funds in accordance with BEAD NOFO Section IV.C.1.b Grantee.

1. If CPUC determines that the Project is not progressing in accordance with this Agreement or if CPUC determines that a Project is otherwise not complying with BEAD Program Requirements or this Agreement, it may require the Grantee to file a "Corrective Action Plan" to remediate the Project. Grantee failure to comply with such a Corrective Action Plan may result in an Enforcement Action, including a possible clawback of BEAD funding.

2. CPUC shall normally offer Grantee the opportunity to remediate a Project deficiency through a Corrective Action Plan but, in the event of a material breach by the Grantee, CPUC may, at its discretion, immediately initiate an Enforcement Action , including a clawback of funding, without first requiring a Corrective Action Plan from Grantee. Moreover, the parties agree that the filing of a Corrective Action Plan by Grantee shall not act as a bar to CPUC initiating an Enforcement Action.

3. If CPUC determines at any time before the Contract Period Performance Date that the Grantee is unlikely to meet its obligations, CPUC shall promptly notify the Grantee and may require the submission of a Corrective Action Plan. Such a determination by CPUC will be based on circumstances such as (but not limited to) filing by or on behalf of the Grantee under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of the Grantee, an abandonment of the project by the Grantee or other similar significant event that demonstrates the Grantee or its subcontractors will be unable or is unwilling to satisfy the targets for the grant awarded through the BEAD grant-making process. Moreover, the parties agree that the filing of a Corrective Action Plan by the Grantee shall not act as a bar to CPUC initiating an Enforcement Action.

4. CPUC may, in its sole discretion, require the submission of a Corrective Action Plan if, at any time, it appears that the Grantee is unlikely to meet the deliverables specified for an upcoming Milestone. If, at the time of any Milestone, the Grantee has not met at least ninety (90) percent of each of the deliverables specified for that Milestone, then CPUC shall promptly notify the Grantee and require the submission of a Corrective Action Plan.

5. CPUC shall have the right to inspect and evaluate the Grantee's work (including internet service speed and latency tests), either directly or through a third party. If CPUC determines that the Grantee is not serving locations claimed in the Milestone Report, or if the Grantee's service to such locations fails to satisfy BEAD Program Requirements or the terms of this Agreement, CPUC may require the Grantee to file and complete a Corrective Action Plan before processing any further payments related to the Project.

6. If CPUC or a third-party performance-testing certifier finds that the Project does not meet the original design, or does not provide the measurable speeds,

latency, rates, and services, then the Grantee shall be found to be non-compliant, and may be required to submit a Corrective Action Plan to remediate as needed.

7. If, at any time before the Final Closeout of this project, CPUC identifies that any aspect of the Grantee's work does not comply with the BEAD Program Requirements or this Agreement, then CPUC may require the Grantee to submit a Corrective Action Plan to remediate as needed.

8. If the Grantee fails to comply with the low-cost broadband service option requirement set out in Section 60102(h)(4)(B) of the Infrastructure Act, then CPUC may take corrective action, including recoupment of funds from the Grantee.

9. If Grantee fails to comply with a filed Corrective Action Plan, then CPUC may issue the Grantee with a "Corrective Action Failure Notice" and allow the Grantee thirty (30) days to bring itself into compliance with the Corrective Action Plan's requirements the ("Corrective Action Cure Period"). If after the Corrective Action Cure Period, the Grantee is still not in compliance with its Corrective Action Plan, then CPUC may bring an Enforcement Action. A Corrective Action Cure Period is not required for Enforcement Actions, or in the event of a material breach by the Grantee of the BEAD Program Requirements or this Agreement.

10. CPUC shall monitor the Grantee's progress in complying with Corrective Action Plan through conference calls, desk review, and other means. Corrective Action Plans may specify additional Grantee reporting requirements, to be set at CPUC's discretion on a case-by-case basis.

C. Flow Down. The requirements of this Section shall apply to Grantee, Grantee contractors and subcontractors, and any subgrantees or subrecipients, and Grantee shall require and cause any subcontractor or subgrantee or subrecipient used by Grantee in connection with this Grant Agreement to agree to and be subject to and bound by such terms and provisions.

D. Rights Not Exclusive. All of the rights granted to CPUC under this Section may also be exercised by any entity designated by CPUC, including third-party monitors, contractors, or representatives of the U.S. Department of Commerce

XV. DEFAULT; REMEDIES; TERMINATION

A. Default. A default shall consist of one or more of the following:

1. The breach by Grantee of any material term, condition, covenant, Grant Agreement, or certification contained in this Grant Agreement;
2. The expenditure of Grant funds for any use other than as provided in the Project, approved scope of work for the Project or otherwise approved in writing by CPUC;
3. The use of competitively awarded federal funds, other than those funds awarded under this Grant Agreement, to support the deployment of broadband service to addresses in the Project Area;
4. The failure to commence or complete the Project by the dates set forth in the Grant Agreement, or otherwise unsatisfactory performance or completion of the Project, in CPUC's reasonable determination;
5. Grantee's bankruptcy, insolvency, or the dissolution or liquidation of Grantee's business organization or assets; and/or
6. A change in Grantee's staffing capacity that materially affects Grantee's ability to carry out the Project, in CPUC's sole reasonable discretion.
7. Grantee's failure to meet BEAD Program obligations, reporting requirements, or corrective action plan milestones as required under this Grant Agreement, the NoFA or Applicable Laws, including BEAD NOFO Section IV.C.1.b, the NTIA Guidance, and 2 C.F.R. § 200.339

B. Right to Cure. If a default occurs, CPUC shall give Grantee written notice of default detailing the specific basis for default and requirements to cure, and Grantee shall have thirty (30) calendar days from the date of such notice to cure the default, except as otherwise set forth in this section. If Grantee has not cured the default by correcting the specific items of default and addressing the written requirements to cure by the conclusion of the 30-day period, CPUC may, at its option: (1) extend the curative period by an additional thirty (30) days; (2) require corrective action; (3) impose additional

award conditions; (4) suspend the Grant; or (5) terminate this Grant Agreement and require Grantee to immediately repay grant funds, up to the entire amount disbursed at the time of default, at the reasonable discretion of CPUC while taking into account factors including, but not limited to, the amount of the project that was timely completed, excusable delays or other force majeure events, and the materiality of default. Notwithstanding the above, upon the occurrence of a default under this Grant Agreement involving Grantee's bankruptcy, insolvency, or the dissolution or liquidation of Grantee's business organization or assets, CPUC's right to terminate this Grant Agreement shall be immediate, without a notice and cure period. Notwithstanding the foregoing notice and cure period set forth above, if the NTIA requires the repayment of any Grant funds, Grantee shall immediately return the Grant funds to CPUC.

C. Termination for Cause. Termination of the Grant Agreement for cause due to uncured default may result in the following remedies:

1. Forfeiture of the Grantee's right, title, or interest in any undisbursed Grant funds;
2. Repayment by the Grantee of any portion of the Grant that CPUC determines was not expended in accordance with this Grant Agreement or applicable laws, plus costs and reasonable attorneys' fees incurred by CPUC in recovery proceedings;
3. Repayment of all Grant funds disbursed to Grantee, plus all costs and reasonable attorneys' fees incurred by CPUC in recovery proceedings.
4. Debarment and disqualification of Grantee and/or certain Grantee personnel for future grant awards offered by or through the State; and,
5. Reporting the Grantee to NTIA and/or other federal agencies for noncompliance, as required under the BEAD NOFO Section VI.C.

D. Termination for Cause by Grantee. Grantee may only terminate this Grant Agreement upon written notice of the breach by CPUC of any material term, condition, or provision of this Grant Agreement, if such breach is not cured within sixty (60) days of the CPUC's receipt of Grantee's written notice of breach.

E. Termination for Lack of Funding; Legislative Action. CPUC's performance of its obligations under this Grant Agreement is contingent upon and subject to the availability of and actual receipt by CPUC of sufficient and adequate funds from the sources contemplated by the Grant Agreement. The Grant Agreement is subject to immediate cancellation or termination, without penalty to CPUC or the State, subject to the availability and receipt of these funds. If CPUC becomes subject to a legislative change, revocation of statutory authority, or lack of funds that would render the activities contemplated under the Grant Agreement impossible or unnecessary, CPUC may terminate the Contract without penalty to CPUC or the State. In the event of a termination or cancellation under this Section, CPUC shall not be required to give advance notice and shall not be liable for any damages or losses caused or associated with such termination or cancellation.

F. Rescission. If after making an award CPUC determines that at the time of making the award a project was not eligible to receive funding for any reason, CPUC may rescind the Grant Agreement and the Grantee shall be required and agrees to return any grant funds that were awarded. CPUC shall reduce the amount required to be returned under this subsection if CPUC determines, in its sole reasonable discretion, that the grant funds or any portion thereof were expended in good faith. Rescission may also occur if CPUC determines the award conflicts with BEAD eligibility requirements, including overlapping service area funding or noncompliant match sources.

G. Remedies Not Exclusive. In addition to exercising any or all the rights and remedies contained in this Grant Agreement, CPUC at any time may proceed to protect and enforce all rights available to CPUC by suit in equity, action at law, or by any other appropriate proceedings, all of which shall survive the termination of this Grant Agreement. These remedies are in addition to those available under 2 C.F.R. § 200.339 through 200.343 and BEAD NOFO Section IV.C.1.b, and nothing herein shall limit CPUC's or the federal government's enforcement authority.

XVI. AMENDMENTS

A. Mutual Amendment. Except as provided in Section XVII.B. (Unilateral Amendment), this Agreement may only be amended by mutual written agreement between the Parties.

B. Unilateral Amendment. CPUC reserves the right, in its sole discretion, to unilaterally amend the Agreement prior to award and throughout the term of the Agreement to incorporate any modifications necessary for CPUC, as an agency of the State of California, and Grantee's compliance with all applicable state and federal laws, regulations, requirements and guidelines. CPUC will endeavor to provide reasonable notice to Grantee of any unilateral amendment. Grantee must comply with all state and federal laws, regulations, requirements and guidelines applicable to the Project, as these laws, regulations, requirements and guidelines currently exist and as amended throughout the term of the Agreement. Any amendment to this Agreement shall be submitted in writing to the CPUC Grant Representative or designee for review and approval, approval with conditions, or disapproval.

XVII. LIABILITY

Grantee shall be solely responsible for the performance of the Project and all acts or omissions of its employees, agents, subrecipients, subcontractors, or affiliates. Nothing in this Grant Agreement shall be construed to limit the enforcement or audit rights of the U.S. Government under federal law, including BEAD NOFO Sections IV.C.1.b and VI, 2 C.F.R. Part 200, or any other applicable statute or regulation. This Section shall survive the termination or expiration of this Grant Agreement. Notwithstanding anything the contrary, Grantee shall not be liable for the gross negligence or willful misconduct of CPUC.

XVIII. INDEMNIFICATION

TO THE EXTENT PERMITTED BY THE CONSTITUTION AND LAW OF THE STATE OF CALIFORNIA, GRANTEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF CALIFORNIA AND CPUC, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, CONSULTANTS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, SUITS, LOSSES, LIABILITIES, DAMAGES, ATTORNEY FEES, EXPENSES, AND RELATED COSTS OF ANY KIND ARISING OUT OF, OR RESULTING FROM, ANY ACTS OR OMISSIONS OF GRANTEE OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, AFFILIATES, SUBRECIPIENTS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE GRANT AGREEMENT, INCLUDING ANY PURCHASE ORDERS ISSUED UNDER THE GRANT AGREEMENT. THE DEFENSE SHALL BE COORDINATED BY GRANTEE WITH THE OFFICE OF THE CALIFORNIA ATTORNEY GENERAL WHEN CALIFORNIA STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE CALIFORNIA

ATTORNEY GENERAL. GRANTEE AND CPUC AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

NOTWITHSTANDING ANYTHING THE CONTRARY, GRANTEE SHALL NOT BE LIABLE FOR THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CPUC. THIS SECTION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS GRANT AGREEMENT.

XIX. INSURANCE

Upon notice of intent to award, the Contractor shall have 10 business days to furnish to the State certificate(s) of insurance and endorsement(s) evidencing that the contractor has met all the insurance requirements outlined below. All coverage shall be maintained throughout the contract term.

Workers Compensation and Employers Liability

By signing this Agreement, the Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contract. Employer's liability limits of \$1,000,000 are required. The insurer waives any right of recovery the insurer may have against the State because of payments the insurer makes for injury or damage arising out of the work done under contract/permit with the State. A Waiver of Subrogation or Right to Recover endorsement in favor of the State must be attached to the certificate.

A. Commercial General Liability

By signing this Agreement, the Contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured Agreement. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the Contractor's limit of liability.

B. General Provisions Applying to All Policies

- a. Coverage Term – Coverage needs to be in force for the complete term of the contract. If insurance is set to expire during the term of the contract, a new certificate must be received by the day the new policy goes into effect. Any new insurance must still comply with the original terms of the contract.
- b. Policy Cancellation or Termination & Notice of Non-Renewal – Contractor and/or Permittee is responsible to notify the State within five business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event Contractor and/or Permittee fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.
- c. Deductible – Contractor and/or Permittee is responsible for any deductible or self-insured retention contained within their insurance program.
- d. Primary Clause – Commercial General Liability insurance contained in this contract shall be primary, and not excess or contributory, to any other insurance carried by the State.
- e. Insurance Carrier Required Rating – All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor and/or Permittee is self-insured for a portion or all of its insurance, review of financial information may be required.
- f. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- g. Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor and/or Permittee's obligations under the contract.
- h. Available Coverages/Limits - All coverage and limits available to the contractor shall also be available and applicable to the State subject to the types of insurance and coverage limits listed above.
- i. Subcontractors - In the case of Contractor and/or Permittee's utilization of subcontractors to complete the contracted scope of work, contractor and/or Permittee shall include all subcontractors as insured under Contractor and/or Permittee's insurance or supply evidence of insurance to The State equal to policies, coverages and limits required of Contractor and/or Permittee.
- j. The certificate of insurance must include the following provisions:

- k. The California Public Utilities Commission must be listed as the "Certificate Holder" and list the following:
 - i. State of California
 - ii. California Public Utilities Commission
 - iii. Administrative Services Division, Management Services Branch
505 Van Ness Avenue
San Francisco, CA 94102
 - iv. The State of California, its officers, employees, and servants are hereby listed as additional insured under Commercial General Liability but only with respect to work performed for the State of California.

XX. TRANSFER OF INTEREST

A. Transfer of Interest in Grant Agreement. Grantee shall not assign, transfer or delegate, in whole or in part, any of its interest in, or rights or obligations under, the Grant Agreement, by forced or voluntary sale, merger, consolidation, receivership, or other means without the prior consent of CPUC, and then only under such conditions as CPUC may establish; however, consent shall not be unreasonably withheld. Any attempted or purported assignment, transfer or delegation thereof without such consent of CPUC shall be null and void and constitute default by Grantee.

B. Ownership or control.

1. Grantee shall promptly notify CPUC of any proposed change in, or transfer of, or acquisition by any other party of control of the Grantee or its interest in the Grant Agreement. For the purpose of determining whether CPUC shall consent to such change, transfer, or acquisition of control, the CPUC may inquire into the qualifications of the prospective controlling party, and Grantee shall assist the CPUC in any such inquiry.

2. In seeking the CPUC's consent to any change in ownership or control, Grantee shall have the following responsibility:

- i. To show to the satisfaction of CPUC whether the proposed purchaser, transferee, or assignee (hereafter referred to as the "proposed transferee"), meets, at a minimum, the same requirements imposed upon Grantee as a condition of entering into this Grant Agreement; and

ii. To establish to the satisfaction of CPUC that the financial and technical capability of the proposed transferee is such as to enable it to complete, maintain and/or operate the Project for the remaining term of this Grant Agreement and subsequent time period pursuant to this Grant Agreement.

C. Waiver. The consent or approval of CPUC to any transfer of the Grant Agreement by Grantee shall not constitute a waiver or release of the rights of CPUC under this Grant Agreement.

D. Survival. The consent or approval of CPUC to any transfer of the Grant Agreement by Grantee shall not release Grantee from any liability or obligation set forth in the Grant Agreement that is expressly stated to survive any termination or by its nature would be intended to be applicable following any such termination, including the provisions regarding ongoing Project conformance with specifications, confidentiality, indemnification, records, audit, property rights, dispute resolution, and reimbursement verification.

E. Acceptance. In no event shall a transfer or assignment of this Grant Agreement be approved without the successor in the interest of accepting, in writing, this Grant Agreement.

XXI. OWNERSHIP OF INFRASTRUCTURE

A. Federal Interest Period. The Federal interest in all real property or equipment acquired or improved as part of the Grant for which the major purpose is the Project will continue for 10 years after the year in which the Agreement for the Project has been closed out in accordance with 2 C.F.R. 200.344. For example, for a Grant closed out in 2027, regardless of the month, the Federal Interest Period will last until December 31, 2037.

The NTIA Grants Officer, in consultation with CPUC, shall determine the Federal Interest Period for real property or equipment that will be acquired or improved using BEAD funds. NTIA will issue further implementation guidance regarding the Federal Interest Period for these BEAD assets.

B. Federal Interest in BEAD-Funded Property. The federal interest in all real property or equipment acquired or improved as a part of a BEAD-funded broadband deployment subgrant will continue for ten years after the date on which that subgrant has closed out in accordance with 2 C.F.R. § 200.344. Grantees shall document the federal interest in real property through a properly recorded “Covenant of Purpose, Use and Ownership” and in equipment through a UCC-1 filing and attorney certification.

C. Encumbrance of Property. Subject to the exception below, the Grantee shall not encumber property without prior disclosure to and approval from CPUC, NTIA, and NIST. Grantees may not enter into any encumbrances that interfere with the construction, intended use, operation, or maintenance of grant-funded property during the Federal Interest Period.

The Grantee may encumber real property and equipment acquired or improved under the subgrant only after provision of notice to CPUC and NTIA and to the NTIA Grants Officer, and subject to a requirement that the Department of Commerce (DOC) receives either a first priority security interest (preferred) or a shared first priority security interest in the real property and equipment such that, if the real property and equipment were foreclosed upon and liquidated, the DOC would be entitled to receive, on a pari-passu basis with other first position creditors, the portion of the current fair market value of the property that is equal to the DOC’s percentage of contribution to the project costs.

For example, if the DOC had contributed 50% of the project costs, the DOC would receive, on a pari-passu basis, 50% of the current fair market value of the property when liquidated. When NTIA addresses the notice requirement for encumbrances, Grantee shall strive to comply with that directive.

CPUC retains the right to request and monitor information regarding encumbrances at any time.

D. Recordation of the Federal Interest in BEAD-Funded Property. For the purposes of this award, the useful life of the real property or equipment acquired or improved using BEAD funds shall coincide with the Federal Interest Period. During the useful life of the BEAD-funded property, the Grantee shall adhere to the requirements contained in

the terms and conditions of the award, including adherence to the use, management, and disposition requirements set forth in 2 C.F.R. § 200.311 or 200.313, as applicable. At such times NTIA provides additional information concerning the review and approval process for transactions involving BEAD-funded real property and equipment in subsequent guidance.

To document the federal interest in BEAD-funded real property, the Grantee shall prepare and properly record a “Covenant of Purpose, Use and Ownership” (Covenant). The Covenant differs from a traditional mortgage lien in that it does not establish a traditional creditor relationship requiring the periodic repayment of principal and interest to NTIA. Rather, pursuant to the Covenant, the Grantee acknowledges that it holds title to the BEAD-funded property in trust for the public purposes of the BEAD financial assistance award and agrees, among other commitments, that it will repay the federal interest if it disposes of or alienates an interest in the BEAD-funded property, or uses it in a manner inconsistent with the public purposes of the BEAD award, during the useful life of the BEAD-funded property.

The Covenant shall be properly recorded in the real property records in the jurisdiction in which the real property is located in order to provide public record notice to interested parties that there are certain restrictions on the use and disposition of the BEAD-funded property during its useful life and that NTIA retains an undivided equitable reversionary interest in the BEAD-funded property during the Federal Interest Period. NTIA will provide a suggested sample form to use for the Covenant to record notice of the federal interest in real property.

CPUC retains the right to request information regarding BEAD-funded property during the Federal Interest Period to monitor that property use does not violate restrictions.

E. UCC-1 Filing & Attorney’s Certification of Property. Pursuant to 2 C.F.R. § 200.316, after acquiring all or any portion of the equipment under this award, the Grantee shall properly file a UCC-1 with the appropriate State office where the equipment will be located in accordance with the State’s Uniform Commercial Code (UCC). This security interest shall be executed in advance of any sale or lease and not later than closeout of the grant or subgrant, as applicable.

The UCC filing(s) shall include the below or substantively similar language providing public notice of the federal interest in the equipment acquired with BEAD funding. Also,

a clear and accurate inventory of the subject equipment shall be attached to and filed with the UCC-1.

F. Title to Project Property. Title to real property or equipment acquired or improved under this Grant Agreement (Project Property) vests in the Grantee, subject to the condition that, for the duration of the Federal Interest Period, Grantee and any successors or transferees:

1. must use the Project Property for the authorized purposes of the project in the same manner as they use comparable real property and equipment within their networks in the ordinary course of their business, subject to the rights to disposition provided below;
2. must continue to provide internet service to the service areas and at the standard initially agreed upon by the recipient and ISP;
3. must participate in federal programs that provide low-income consumers with subsidies on broadband internet access services;
4. must comply with the requirements of Part XVI. (Insurance) and 2 C.F.R. 200.310, which may be satisfied by adequate self-insurance;
5. must comply with the use and management requirements for equipment in sections 2 C.F.R. 200.313(c)(4) and 313(d), which may be satisfied by applying the Grantee's commercial practices for meeting such requirements in the normal course of business (e.g., commercial inventory controls, loss prevention procedures, etc.), provided that such inventory controls indicate the applicable federal interest;
6. must maintain records of real property that include an indication of the applicable federal interest;
7. may dispose of Project Property in the ordinary course of business when no longer needed to operate the network, such as in order to upgrade equipment and improve facilities, provided that at least the same level of service provided by the network is maintained and there is no material interruption to service and that such upgraded property is subject to the same requirements provided in this guidance as other Project Property;

8. may otherwise sell or transfer Project Property only after compliance with Section XXII.L. and provision of notice to CPUC and NTIA that identifies the successor or transferee and after securing the Grant Agreement of the successor or transferee to comply with these requirements and the acknowledgement of the successor or transferee of the federal property interest; and

9. must notify the CPUC and NTIA upon the filing of a petition under the Bankruptcy Code, whether voluntary or involuntary, with respect to the Grantee or its affiliates.

G. Pursuant to 2 C.F.R. 200.316 and in recognition that this Grant Agreement executed for the benefit of the public being served by the Project, for the duration of the Federal Interest Period, Grantee must hold Project Property in trust for the beneficiaries of the Project.

H. Grantee may encumber Project Property if NTIA receives a shared first lien position in the Project Property such that, if the Project Property were foreclosed upon and liquidated, NTIA would receive the portion of the fair market value of the property that is equal to NTIA's percentage contribution to the Project costs. For example, in the case in which NTIA had contributed 50% of the Project costs, NTIA would receive 50% of the fair market value of the Project Property when liquidated. NTIA will post standard forms of liens, covenants, and intercreditor Grant Agreements to implement this arrangement. NTIA will not otherwise require ISPs following these requirements to record liens or other notices of record.

I. Grantee must comply with 2 C.F.R. 200.312, to the extent any federally-owned real property or equipment is used by Grantee.

J. Except as provided above, the property standards set forth in 2 C.F.R. 200.311 and 200.313 - 315 shall not apply.

K. If Grantee fails to comply with the requirements provided in this guidance in this Part XXII. (Ownership of Infrastructure), Grantee must request disposition instructions from NTIA pursuant to 2 C.F.R. 200.311(c) or 200.313(e), as applicable.

L. Equipment Title Vesting in Subgrant for Fixed Subgrants. Title to equipment acquired or improved under the fixed amount subgrant vests in the Grantee upon acquisition, subject to the following conditions and clarifications that apply for the duration of the Federal Interest Period:

i. Grantees shall follow their existing commercial practices for managing equipment in the normal course of business and shall use inventory controls indicating the applicable federal interest and loss prevention procedures. This requirement is in lieu of the requirements contained in 2 C.F.R. § 200.313(d), pursuant to an exception from OMB. Grantees that do not have existing commercial practices for managing equipment in the normal course of business shall comply with 2 C.F.R. § 200.313(d).

ii. Grantees shall comply with the use and equipment disposition requirements of 2 C.F.R. § 200.313(c)(4) and 313(e).

a. Grantees acquiring replacement equipment under 2 C.F.R. § 200.313(c)(4) may treat the equipment to be replaced as “trade-in” even if the Grantee elects to retain full ownership and use over equipment. As with trade-ins that involve a third party, the Grantee will have to record the fair market value of the equipment being replaced in its Tangible Personal Property Status Reports to the DOC to ensure adequate tracking of the federal percentage of participation in the cost of the grant-funded activities. The Grantee will also be responsible for tracking the value of the replacement equipment, including both the federal and non-federal share.

b. Grantees may sell, lease, or transfer equipment only after (a) securing the agreement of the successor or transferee to comply with these requirements and the acknowledgement of the successor or transferee of the federal interest in the subject equipment, and (b) obtaining consent to the sale or transfer from NTIA. NTIA will provide additional information concerning the review and approval process for transactions involving BEAD-funded equipment, as well as real property, in subsequent guidance.

c. Grantees shall notify the CPUC and NTIA upon the filing of a petition under the U.S. Bankruptcy Code, whether voluntary or involuntary, with respect to the Grantee or any affiliate that would impact the Grantee’s ability to perform in accordance with its subgrant.

M. Property Standards for Supplies in Fixed Subgrants. Pursuant to an exception approved by OMB, the property standards set forth in 2 C.F.R. § 200.314 for supplies shall not apply to fixed amount subgrants.

XXII. NOTICES.

Notices are deemed to be delivered three (3) business days after postmarked if sent by U.S. Postal Service. Notice sent by electronic mail is complete and receipt is presumed: 1) the date the notice is sent, if sent before 5:00 p.m. by electronic mail; or 2) the date after the notice is sent, if sent after 5:00 p.m. by electronic mail. Routine communications may be made by first class mail, email, or other commercially accepted means. Mailed communications are to be addressed as follows:

A. Communications to CPUC shall be mailed to:

California Public Utilities Commission

Attn: BEAD

505 Van Ness Avenue

San Francisco, CA 94102

With an electronic courtesy copy to: BEAD@cpuc.ca.gov

B. Communications to Grantee shall be mailed to:

[Grantee's mailing address]

[Grantee's email address]

Acronyms/Definitions

“Active Subscriber: - A household or business at a location that is currently subscribing to broadband service provided by the Funded Network.

“ADA” – The Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 *et. seq.*)

“Applicant” - A person who has submitted an eligible application for an award under this subchapter.

“Application” - The BEAD Grant Program Application, in the form and manner provided by CPA, completed by Grantee.

“Award Funds” - Grant Funds and Matching Funds (i.e., all of the funds associated with this Agreement)

“BEAD” - Broadband Equity, Access, and Deployment (BEAD) Program - Program authorized by the Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60102, Public Law 117-58, 135 Stat. 429 (November 15, 2021), commonly referred to as the Bipartisan Infrastructure Law.

“BEAD Notice of Funding Opportunity (BEAD NOFO)” - The official Notice of Funding Opportunity for the BEAD Program issued by the National Telecommunications

and Information Administration (NTIA) in May 2022, describing program requirements, as modified by the NTIA Guidance.

“BEAD Technical Requirements” - Broadband speeds delivered through a funded network must be not less than 100 Mbps for downloads and 20 Mbps for uploads. 95 percent of latency measurements during testing windows must fall at or below 100 milliseconds round-trip time.

“Broadband Service” - Internet service providing transmission speeds to businesses and residential buildings of at least 100 Mbps download and 20 Mbps upload, or greater, and speeds of at least 1 Gigabit download and 1 Gigabit upload to Community Anchor Institutions as stipulated in California Government Code.

“Broadband Serviceable Location (BSL)” - A business, residential, or Community Anchor Institution location in the project area at which mass-market fixed broadband Internet access service is, or can be, installed. Residential BSLs include all residential structures, including structures that are (or contain) housing units or group quarters (as those terms are defined by the United States Census Bureau). Business BSLs include all non-residential (business, government, non-profit, etc.) structures that are on property without residential locations and that would be expected to demand mass-market, non-enterprise-grade Internet access service. Each BSL is assigned a unique Federal Communications Commission (FCC)-issued Location ID.

“Broadband Unit” – A BSL or CAI located within the Project Area that has been newly connected or upgraded and achieves the BEAD Technical Requirements as a result of the Project. This includes BEAD-eligible unserved and underserved BSLs, BEAD-eligible CAIs, and up to 20% served locations.

“CEQA” – California Environmental Quality Act

Committed speed tier - The highest combination of download and upload speeds that a provider has committed to for a specific BEAD project as part of its subgrant conditions.

“Community Anchor Institution (CAI)” – An entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of

higher education, public housing organization, or community support organization that facilitates greater use of broadband service by the general public.

“Construction” (e.g., digging trenches, erecting towers, blowing fiber, constructing and improving buildings, etc.)

“CPUC” – California Public Utilities Commission

“DOC” – U.S. Department of Commerce

“DOL” – U.S. Department of Labor

“Effective Date” – The date of the last signature when all parties have executed the agreement.

“EHP” - Environmental and Historic Preservation

“Eligible Entity” - Any U.S. State, the District of Columbia, territories including Puerto Rico, American Samoa, Guam, the U.S. Virgin Islands, and Commonwealth of the Northern Mariana Islands, or any political subdivision or consortium serving as a Substitute Entity, with BDO designated as the Eligible Entity administering the California BEAD Program.

“Eligible Subscriber” - The definition is contained in the Federal Communications Commission’s Lifeline program at 47 CFR Section 54.409.

The term “Eligible Subscriber” means any household seeking to subscribe to broadband internet access service that

(1) qualifies for the Affordable Connectivity Program⁵ (ACP) or any successor program, or

(2) is a member of a household that meets any of the following criteria:

A) Household income for the most recently completed calendar year was at or below 200 percent of the Federal Poverty Guidelines;

B) Any member of the household receives benefits under the Supplemental Nutrition Assistance Program, Medicaid, Federal Public Housing Assistance, Supplemental Security Income, Veterans and Survivors Pension benefit, or Special Supplemental Nutrition Program for Women, Infants, and Children;

C) Any member of the household participates in Tribal specific assistance programs, such as Bureau of Indian Affairs General Assistance, Tribal TANF, Tribal Head Start, or Food Distribution Program on Indian Reservations;

D) Any member of the household has applied for and been approved to receive benefits under the National School Lunch Program or the School Breakfast Program, or at least one member of the household is enrolled in a school or school district that participates in the USDA Community Eligibility Provision;

E) Any member of the household received a Federal Pell Grant during the current award year;

F) The household meets the eligibility criteria for a participating provider's existing low-income internet program; or

G) The household satisfies any other additional criteria proposed by the Eligible Entity in its Initial Proposal and Final Proposal and approved by the Assistant Secretary.

“FAPIS” - Federal Awardee Performance and Integrity Information System

“Federal Interest Period” - the period during which Grantee will hold in trust for the beneficiaries of the BEAD Program all real property and equipment acquired or improved in connection with this Agreement. The Federal interest in all real property and equipment acquired or improved as part of this Agreement will start upon acquisition or

improvement thereof and continue for ten (10) years after the year of the Closeout Date. For example, if this award is closed out in 2027, regardless of the month, the Federal Interest Period will last until December 31, 2037.

“FSLA” - Fair Labor Standards Act

“Funded Network” - The term “Funded Network” means a broadband network deployed and/or upgraded with BEAD Program funds.

“Grant Agreement” - Collective term for the signed grant agreement and Grantee’s Application.

“Grant Funds” - Grants, loans, interest loans, or other financial incentives, including, but not limited to federal BEAD funds and Match Assistance Program funds, provided by the office to expand broadband access and adoption in designated areas.

“Grantee” - An applicant awarded grant funds who subsequently enters a formal Grant Agreement with the office.

“High-cost area” - Areas designated by NTIA as “high-cost,” with details available on NTIA’s website.

“IIJA” - The Infrastructure Investment and Jobs Act of 2021

“LEO” – Low Earth Orbit, Broadband Service provided by Low Earth Orbit satellite services.

“Location” - A broadband serviceable location (BSL) served by a Funded Network.

“Low-Cost Service Option (LCSO)” - A broadband service plan offered by Grantee to Eligible Subscribers within the Project area through the term of this Agreement and the Federal Interest Period that complies with the requirements of California IPV2.

“Low Earth Orbit (LEO)” - Broadband Service provided by Low Earth Orbit satellite services.

“Milestone” - A specific, measurable construction or compliance objective under this Agreement that must be achieved for payment release.

“NAGPRA” - Native American Graves Protection and Repatriation Act

“NEPA” - National Environmental Policy Act

“Network and access equipment” (e.g., broadband routing equipment, broadband transport equipment, network broadband access equipment, wireless base stations, antennas, etc.)

“NHPA” - The National Historic Preservation Act of 1966

“NIST” – National Institute of Standards and Technology, the entity within the United States Department of Commerce that administers BEAD program grants.

“NMFS” - National Marine Fisheries Service

“NoFA” - The Notice of Federal Award, signed September 23, 2025

“NOFO” - “Notice of Funding Opportunity: Broadband Equity, Access & Deployment Program,” NTIA, May 2022, <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>.

“Non-LEO Project” - A Project that is serviced by any technology other than Low Earth Orbit (LEO) satellite technology. NTIA—The National Telecommunications and Information Administration of the United States Department of Commerce.

“NTIA” - The entity within the United States Department of Commerce responsible for implementing the BEAD program.

“NTIA Guidance” - Is the BEAD Program: Restructuring Policy Notice, issued by NTIA on June 6, 2025, and the Policy Notice: Tailoring the Application of the Uniform Guidance to the BEAD Program, issued by NTIA on December 26, 2023. In the event of any conflict between or among the provisions contained in the preceding, the following order of precedence will govern:

- a. BEAD Program: Restructuring Policy Notice, issued June 6, 2025; and
- b. Policy Notice: Tailoring the Application of the Uniform Guidance to the BEAD Program, issued on December 26, 2023. OIG – U.S. Office of Inspector General

“Operating equipment” - (e.g., office furniture and fixtures, work equipment and vehicles, etc.)

“OSC” - U.S. Office of Special Counsel

“Priority Broadband” - End-to-end fiber-optic facilities to end-user premises.

“Priority Broadband Project” - Project that provides broadband service at speeds of no less than 100 megabits per second for downloads and 20 megabits per second for uploads, has a latency less than or equal to 100 milliseconds, and can easily scale speeds over time to meet the evolving connectivity needs of households and

businesses and support the deployment of 5G, successor wireless technologies, and other advanced services.

“Program” - The Broadband Equity, Access, and Deployment (BEAD) Program authorized by the Infrastructure Investment and Jobs Act (IIJA), Public Law 117-58, 135 Stat. 429 (November 15, 2021), also known as the Bipartisan Infrastructure Law.

“Project” - Work proposed in Grantee’s Application that has been approved by CPA. A Project may be a Non-LEO Project or a LEO Project.

“Project Budget” - The budget proposed in Grantee’s Application that has been approved by CPUC.

“Project Area” - The approved eligible county described in Grantee’s Application.

“Qualifying Broadband Service” - A funded project shall provide a location that is not a CAI with Reliable Broadband Service that includes (i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds; Qualifying Broadband Service to a CAI is Reliable Broadband Service with (i) a speed of not less than 1 Gbps for downloads and uploads alike and (ii) latency less than or equal to 100 milliseconds.

“Subrecipient” - The entity receiving BEAD funds.

“SAM” – SAM.gov, System for Award Management the U.S Official Government System for Registration for Federal Contracts, Grants, Eligibility for Federal Assistance, Compliance and Transparency, and Certification and Monitoring.

“SCRM” - Supply chain risk management

“SHPO” - State Historic Preservation Office

“Subaward” - Defined in the Federal Uniform Guidance for Federal Awards, 2 CFR 200.1 (“Uniform Guidance”), means an award provided by a pass-through entity to a

subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor, beneficiary, or participant.

“Subcontractor” - Any third person or entity, duly licensed in the state of Nevada, hired by, or performing work pursuant to, a request of the Provider or Provider’s Contractor, specifically to perform any part related to the Project or Work arising from this Agreement.

“TCNS” - Tower Construction Notification System

“THPO” - Tribal Historic Preservation Office

“TERO” - Tribal Employment Rights Ordinances

“UCC” - State’s Uniform Commercial Code

“Unserved BSL” - a location that mapping data displays as (a) having no access to broadband service, or (b) lacking access to Reliable Broadband Service offered with— (i) a speed of not less than 25 Mbps for downloads; and (ii) a speed of not less than 3 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds .

“Underserved BSL” a - location that is (a) not an unserved location, and (b) that mapping data displays as lacking access to Reliable Broadband Service offered with— (i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds

“Underserved Project Area” - project Areas with at least 80% of locations defined as unserved or underserved, prioritized post-certification by CPUC for comprehensive coverage of all unserved locations.

“USACE” - U.S. Army Corps of Engineers

“USFWS” - U.S. Fish and Wildlife Service