

CONTRACT#: VATI #Insert Contract Number
GRANTEE: Insert Grantee Name

AGREEMENT

This AGREEMENT, entered into on the Start Date, by and between the Virginia Department of Housing and Community Development hereinafter referred to as “DHCD” and the Insert Grantee Name hereinafter referred to as “GRANTEE.”

WITNESSETH

WHEREAS, the Commonwealth of Virginia has been authorized to distribute and administer the Virginia Telecommunication Initiative (VATI), and

WHEREAS, DHCD has been authorized to distribute and administer funds awarded through the VATI grant-making process, and

WHEREAS, the Project as described in the VATI application submitted by the GRANTEE (“Project”) has achieved a sufficiently high ranking through a competitive application selection system to qualify for funds awarded through the VATI grant-making process based on the program guidelines and criteria of the funding source,

Now THEREFORE, the above-mentioned parties hereto do mutually agree as follows:

1. **Award.** DHCD agrees to award the GRANTEE a grant through the Virginia Telecommunication Initiative in the amount of Insert Grant Amount written out long form (Number in parenthesis) through the Coronavirus State and Local Fiscal Recovery Fund within the American Rescue Plan Act of 2021, which outlines special compliance and reporting requirements for broadband infrastructure projects, under which the GRANTEE must comply. These requirements are outlined in the special conditions section of this agreement.
2. **Technical Assistance.** DHCD agrees to provide the GRANTEE with technical assistance in establishing and implementing the administration this project.
3. **Project.** The GRANTEE will commence and carry out, in partnership with VATI Co-Applicant, hereinafter referred to as “THE COMPANY”, a broadband construction project designed to provide access to broadband services to insert number of serviceable units in the List Project location(s).
4. **Memorandum.** The GRANTEE must establish and execute a Memorandum of Agreement/Understanding with THE COMPANY, which is binding and enforceable to assure that the GRANTEE can adequately meet its contractual obligations under the grant awarded through the VATI grant-making process.

5. **Scope of Services.** The activities furnished by the GRANTEE shall include, but are not necessarily limited to, those outlined in **Exhibit A**, made a part of this agreement by this reference. The activities shall be provided in a manner satisfactorily to DHCD and in accordance with all applicable federal, state, and local laws.
6. **Contract Performance Period.** This contract shall commence on Start Date and be completed on End Date (“Contract Period Performance Date”), unless there are grant Special Conditions that require additional action by the GRANTEE for specific activity(ies). In such instances, the GRANTEE must complete the requirements of the Special Conditions, or the contract is terminated in accordance with other provisions herein. If the GRANTEE is unable to complete grant Activities by the above referenced date, the GRANTEE shall return all unexpended funds, unless a contract extension has been approved. Repayment of the unexpended funds shall be governed by Section 9 of this Agreement.
7. **Method of Payment.** As compensation for the activities under this agreement, DHCD agrees to pay the GRANTEE a total grant award not to exceed Insert Grant Amount (Number). This is a cost reimbursement contract and payment to the GRANTEE will be made as described in **Exhibit B**, made part of this agreement by this reference.
8. **Retainage.** DHCD shall retain ten percent (10%) of the grant award. DHCD will not accept, and GRANTEE agrees not to submit, any further progress remittance requests after 90% of the grant funds have been drawn down by the GRANTEE. DHCD will not be obligated to release any of the retainage unless all conditions precedent to payment described in this Agreement are met and GRANTEE and COMPANY are not in default under the terms of this Agreement. Upon the timely and proper completion of construction by GRANTEE and the COMPANY and approval of the final closeout report by DHCD, GRANTEE may submit a remittance request for remaining grant funds, less the post-closeout retainages described in Exhibit B, in accordance with the terms contained in Exhibit B. Following the submission to DHCD of the 6-month and 12-month post-closeout reports, GRANTEE may submit remittance requests for the respective sums retained for each such report.

9. Repayment

- a. *Repayment of funds awarded through the VATI grant-making process payments upon Determination of Inability to Comply:*
 - i. If DHCD determines at any time before the Contract Period Performance Date that the GRANTEE in partnership with THE COMPANY is unlikely to meet its contractual obligations, DHCD shall promptly notify THE GRANTEE and may require the

submission of a Corrective Action Plan. Such a determination by DHCD will be based on such circumstances as a filing by or on behalf of THE COMPANY under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of THE COMPANY, an abandonment of the project by THE COMPANY or other similar significant event that demonstrates THE COMPANY will be unable or is unwilling to satisfy the targets for the grant awarded through the VATI grant-making process. DHCD reserves the right to require the GRANTEE to recoup funds from THE COMPANY at the GRANTEE'S expense and return those funds to DHCD.

- ii. If before the Contract Period Performance Date the GRANTEE in partnership with THE COMPANY does not meet at least ninety (90) percent of each of the [key deliverables] by and through the Contract Period Performance Date (tailor description to the agreement, miles of fiber or cable laid, new homes with service, etc.), DHCD shall promptly notify the GRANTEE and may require the submission of a Corrective Action Plan. DHCD reserves the right to require the GRANTEE to recoup funds from THE COMPANY at the GRANTEE'S expense and return those funds to DHCD.

b. ***Repayment Dates: Such repayment shall be due from the COMPANY to the GRANTEE within thirty (30) days of the date that DHCD issues its notice to GRANTEE to recoup funds from the COMPANY.*** Any VATI monies repaid by THE COMPANY to the GRANTEE hereunder shall be repaid promptly to DHCD for redeposit into the fund, which funded the project. GRANTEE shall use its best efforts to recover all such funds, including legal action for breach of the executed Memorandum of Agreement. The GRANTEE shall assume primary responsibility for filing and prosecuting any such legal action. GRANTEE shall have ultimate responsibility for the repayment of any sums hereunder but will be given time to pursue repayment from the COMPANY before repaying DHCD. DHCD will allow continued pursuit of repayment by the GRANTEE with monthly reports demonstrating full pursuit of repayment. If repayment is not received by the GRANTEE after one (1) year, the funds must be returned promptly to DHCD from the GRANTEE.

- c. ***Failure to Repay:*** If any repayment due pursuant to this Section 9 is not made by the COMPANY when due, DHCD may determine that further collection action is required, and DHCD may refer the matter to the Office of the Attorney General (the "OAG") for collection pursuant to Section 2.2-518 of the Virginia Code. In such event, by its signature below, the GRANTEE will be deemed to have assigned to the Commonwealth of Virginia all of its rights, title and interest in and to this Section 9 and all claims the GRANTEE has or may have against the COMPANY for recoupment of funds as contemplated in this Section 9. The GRANTEE shall include in its contract with the COMPANY a

provision that expressly consents to this assignment, that requires the COMPANY to pay back all funds subject to recoupment pursuant to this Section 9, and that provides that, in any matter referred to the OAG for collection, the COMPANY shall be liable to pay interest, administrative charges, collection costs, attorneys' fees, expert fees, consultant fees, and other applicable fees to the Commonwealth of Virginia and that interest on any outstanding repayment referred to the OAG shall accrue at the rate set forth in Section 6.2-301 A. of the Virginia Code (currently 6.0% per year) for the period from the date on which the repayment is due until paid.

10. **Service Territory Data Submission Requirement.** The GRANTEE shall provide DHCD with broadband service and coverage data and information ("Service Territory Data") in the time and formats established by DHCD in its Internet Service Provider Service Territory Data Submission Guidelines ("Data Submission Guidelines") pursuant to Section P of Item 114 of Chapter 552, 2021 Acts of Assembly, 2021 Special Session I ("Budget Amendment"). Service Territory Data shall be submitted through the Broadband Provider Data Submission Portal for the Commonwealth of Virginia established by DHCD to securely accept such data.
11. **Publicity.** GRANTEE agrees to recognize DHCD's support in their efforts to expand broadband in all project related communication with the media and its marketing publications. The following statement is suggested: ***"This project was funded/supported in collaboration with the Commonwealth of Virginia's Telecommunication Initiative."***
12. **Audit.** The GRANTEE shall submit one of the following financial documents for the GRANTEE's fiscal year identified below: Financial Statement**, Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an Independent CPA or an audit required by the Code of Federal Regulations (CFR), (2 CFR 200 Subpart F), audited by an Independent CPA. Please see the table below to determine which document your organization is required to submit. The threshold requirements outlined below are the *minimal* standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

Threshold Requirement	Document
Total annual expenditures ≤\$100,000 (Regardless of source)	Financial Statement prepared by organizations**
Total annual expenditure between \$100,001 and \$300,000 (Regardless of source)	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)

Total annual expenditures > \$300,000 (Regardless of source)	Audited Financial Statement prepared by an Independent CPA
Federal expenditures ≥\$750,000	2 CFR 200 Subpart F--Audited by an Independent CPA

**Does not require preparation by a CPA

Entities shall file the required financial document in the Centralized Application and Management System (CAMS) within nine (9) months after the end of their fiscal year or 30 (thirty) days after it has been accepted, (Reviewed Financial Statement, Audited Financial Statement, and Single Audit Act only) whichever comes first.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:

<https://www.dhcd.virginia.gov/sites/default/files/Docx/audit-policy/dhcd-financial-statement-audit-policy-2019.pdf>

GRANTEE shall maintain all data and records related to the project made the subject of this AGREEMENT ("Project") for a period of five (5) years following the conclusion of the Project for the purposes of compliance with potential audits. Entities will produce all data and records related to the Project upon written request by DHCD or its successors or designees within thirty (30) days following said request.

13. Certifications and Representations and Warranties.

a. All information and documentation submitted to DHCD in connection with or which accompanied the application out of which this Agreement arises and/or in connection with any contract or agreement that may result from an award arising out of said application are true and accurate in all material respects.

b. No principal, partner, shareholder, director, officer, member, manager or other employee of the COMPANY with managerial control or responsibility over said entity or any significant aspect of its operations in the Commonwealth of Virginia were employed (i) by the awarding agency and involved in the evaluation and scoring of applications received for consideration of award during a period of one (1) year prior to the date of the announcement of project awards, or (ii) by the Governor's administration during a period of two (2) years prior to the date of the execution of this Agreement.

c. The GRANTEE hereby represents and warrants that the certifications are true and correct in all respects and that DHCD may reasonably rely upon such certifications as statements of preexisting facts.

d. The GRANTEE shall include provisions requiring the COMPANY to make the following certifications in the GRANTEE'S contract with the COMPANY as a condition to entry into the GRANTEE'S contract with the COMPANY: All information and documentation submitted to the GRANTEE and DHCD in connection with or which

accompanied the application out of which this Agreement arises and/or in connection with any contract or agreement that may result from an award arising out of said application are true and accurate in all material respects. No principal, partner, shareholder, director, officer, member, manager or other employee of the COMPANY with managerial control or responsibility over said entity or any significant aspect of its operations in the Commonwealth of Virginia were employed (i) by the awarding agency and involved in the evaluation and scoring of applications received for consideration of award during a period of one (1) year prior to the date of the announcement of project awards, or (ii) by the Governor's administration during a period of two (2) years prior to the date of the execution of this Agreement. The COMPANY hereby represents and warrants that the certifications are true and correct in all respects and that the GRANTEE and DHCD may reasonably rely upon such certifications as statements of preexisting facts.

14. Miscellaneous.

- a. *Entire Agreement; Amendments:* This AGREEMENT constitutes the entire agreement among the parties hereto as to the Project and any associated VATI Grant and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The GRANTEE may not assign its rights and obligations under this Agreement without the prior written consent of DHCD.
- b. *Governing Law; Venue:* This AGREEMENT is made, and is intended to be performed, in the Commonwealth of Virginia and shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the City of Richmond, Virginia and such litigation shall be brought only in such court.
- c. *Counterparts:* This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.
- d. *Severability:* If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.
- e. *Attorneys' Fees:* Except as provided in Section 9, attorneys' fees shall be paid by the party incurring such fees.

**SPECIAL CONDITIONS FOR PROJECTS FUNDED BY THE
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUND**

1. **Compliance with Federal, State, and Local Laws.** In addition to the provisions provided, the GRANTEE and the COMPANY must comply with all applicable federal laws and regulations, and with all requirements for state, local, and Tribal laws and ordinances to the extent that such requirements do not conflict with federal laws.
2. **Low-Income Service Option; Participation in the Affordable Connectivity Program.** The GRANTEE must require the COMPANY to either participate in the Federal Communications Commission's (FCC) Affordable Connectivity Program (ACP), or otherwise provide access to a broad-based affordability program to low income consumers in the proposed service area of the broadband infrastructure that provides benefits to households commensurate with those provided under the ACP.
3. **Non-Discrimination.** The GRANTEE of federal financial assistance from U.S. Department of the Treasury ("Treasury") are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of federal funds. Those requirements include ensuring that entities receiving federal financial assistance from Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI), 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 C.F.R. part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 C.F.R. part 28; Age Discrimination Act of 1975, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 C.F.R. part 23.
4. **OMB Uniform Guidance for Federal Awards.** The GRANTEE must comply with 2 CFR Part 200, the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which includes but is not limited to, Subpart B (2 CFR 200.100), General Provisions; Subpart C (2 CFR 200.200), Pre-Federal Awards Requirements and Contents of Federal Awards; Subpart D (2 CFR 200.300), Post Federal Award Regulations; Subpart E (2 CFR 200.400), Cost Principles; Subpart F (2 CFR 200.500), Audit Requirements; and all accompanying Appendices. The GRANTEE is encouraged to review this list of requirements, beginning on Page 6 of the Coronavirus [State and Local Fiscal Recovery Fund Compliance and Reporting Guidance](#). For any and all contracts made by a non-Federal entity under a Federal award, 2 CFR 200.326 requires the following contract provisions (as found in Appendix II to Part 200) be included and

adhered to as applicable and unless specifically excluded by other Federal regulations.

- a. **Single Audit Requirements.** If the GRANTEE expends more than \$750,000 in Federal awards during their fiscal year, the GRANTEE will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements. The GRANTEE may also refer to the Office of Management and Budget (OMB) Compliance Supplements for audits of federal funds and related guidance and the Federal Audit Clearinghouse to see examples and single audit submissions.



In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this AGREEMENT in duplicate, each copy of which will be deemed an original.

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY: _____ DATE: _____
Tamarah Holmes, Ph.D, Director, Office of Broadband

City of Richmond,
Commonwealth of Virginia

I do certify that Tamarah Holmes, Ph.D., personally appeared before me and made oath that she is the Director, Office of Broadband at the Department of Housing and Community Development and that she is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of Date.

Notary Public

Registration Number

Grantee Name

BY: _____ DATE: _____
Chief Executive Officer, Title

Locality
Commonwealth of Virginia

I do certify that Chief Executive Officer personally appeared before me and made oath that he/she is the Title, Virginia and that he is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of Date.

Notary Public

Registration Number

SCOPE OF WORK

GRANTEE Name: Insert Grantee Name

Contract Period: Insert Contract Period

Contract Number: Insert Contract Number

A. Grant Requirements. The GRANTEE will commence, carry out and complete the following activities:

PROJECT TITLE: Insert Project Title

GRANT ACTIVITIES: Insert Grant Activities

OUTCOMES: Insert Project Outcomes

B. Reporting Requirements. GRANTEE agrees to provide the following reports to DHCD:

- a. Monthly progress reports by the 15th of each month using the template in CAMS.
- b. Final project progress report within **30 days** of project completion date using the template in CAMS.
- c. Post-closeout report on subscribers using the template in CAMS at six (6) months and 12 months from project closeout date.

C. Compliance Monitoring. DHCD will conduct an Interim and Final Compliance Review. The GRANTEE will make all records available upon request by DHCD.

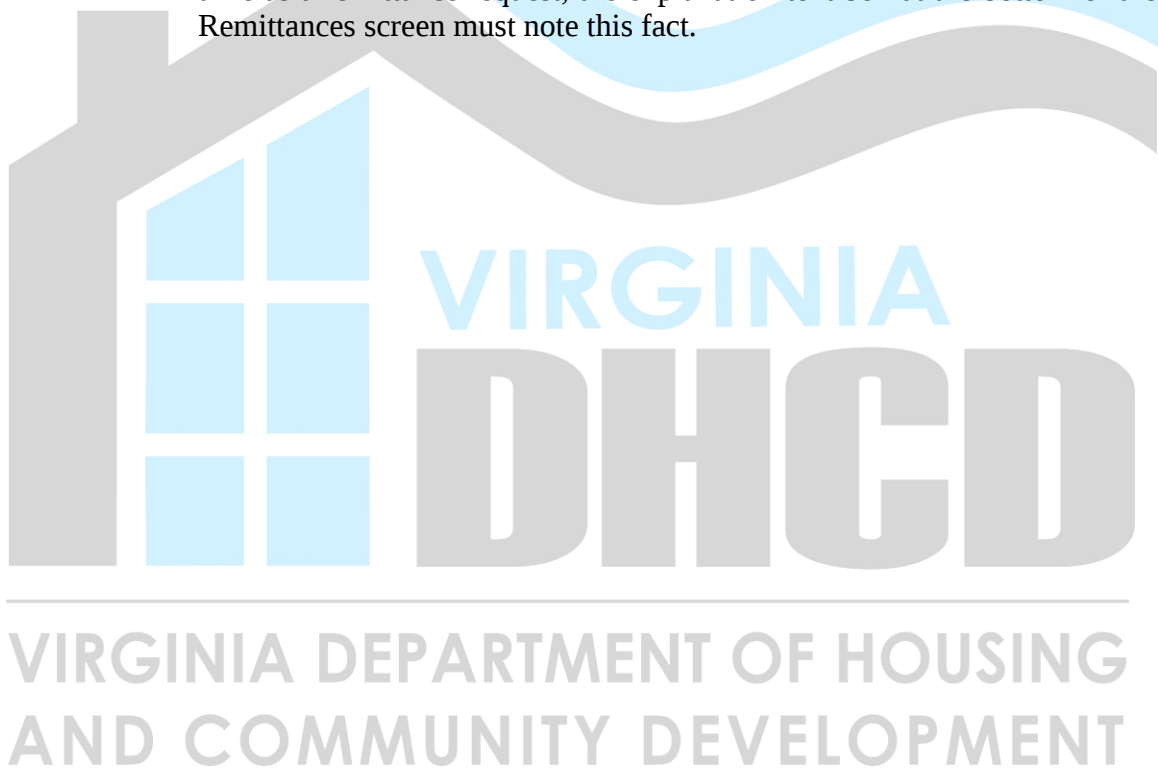
D. Quality of Work. The Project may be monitored through on-site visits by DHCD. Upon completion of the Project and to assist the DHCD in its determination that the quality of work is satisfactory, THE COMPANY will provide speed validation data to the GRANTEE and/or a DHCD representative to ensure broadband speeds meet VATI criteria.

E. Record Keeping Requirements

The GRANTEE shall retain financial records, supporting documents, reports, and all other records pertinent to the VATI award for a period of no less than **five years** from the date of submission of the final expenditure report. When applicable, all contractors or GRANTEE shall comply with the Virginia Public Procurement Act § 2.2-4300 et seq. of the Code of Virginia, which requires that all original bids together with all documents pertaining to the award of a contract shall be retained in accordance with a retention period of at least five years.

F. Administrative Requirements. The Grantee must use the Centralized Application and Management System (CAMS) to provide all documentation including, but not limited to:

- a. After the AGREEMENT has been executed, the GRANTEE must submit the project budget into CAMS.
- b. All correspondence, including contract amendment and budget revision request documents, must be uploaded into “Reports and Communication” in CAMS as *correspondence* documents.
- c. All DOCUMENTS required by this contract must be uploaded into “Reports and Communication” in CAMS as *contract* documents.
- d. All remittance requests must be submitted through “Remittance” in CAMS. If documents are submitted in “Reports and Communication” at the same time as a remittance request, the explanation text box at the bottom of the Remittances screen must note this fact.



METHOD OF PAYMENT

GRANTEE Name: Insert Grantee Name
Contract Period: Insert Contract Period
Contract Number: Insert Contract Number

DHCD will provide Insert Grant Amount (Number) in funds awarded through the VATI grant-making process for the reimbursement of eligible expenses required to complete project activities described in **Exhibit A.**

The GRANTEE must review all remittances/invoices from THE COMPANY and verify that the completion of key project deliverables are in accord with the approved milestone timeline in **Exhibit C.** made part of this agreement by this reference.

Matching Funds. A total of **Insert Match Funds (Number)** in matching funds is committed to this project by the GRANTEE and the Company. These funds shall be expended prior to, or in proportion to funds awarded through the VATI grant-making process as outlined in the approved budget. Documentation on the expenditure of these funds shall be maintained by the GRANTEE and reported to DHCD with each monthly report and within the final progress report.

Payment of Grant Funds. DHCD agrees to make payment to the GRANTEE upon receipt in CAMS of a properly completed remittance and supporting documentation. The GRANTEE must complete and submit the VATI Cost Performance Index (CPI) form with every remittance. DHCD reserves the right to deny any remittance requests or request further explanation from projects with a CPI value of less than .9. Submissions of remittance may be made allowing approximately thirty (30) days for the receipt of funds. Funds are to be immediately disbursed by the GRANTEE and shall not be deposited in an interest-bearing account.

Payments for grants administration expenses will be accepted and processed only on a pay-for-performance basis in accordance with the approved performance based administrative budget in **Exhibit D.**

Notwithstanding the effective date of this contract INSERT DATE, budgeted administrative expenses, including soft costs and materials incurred prior to this date have been approved for reimbursement. The effective date of this authorization is INSERT DATE

Payment of Closeout Retainage Expressly conditioned upon the timely and proper final completion of construction, DHCD's receipt of the final closeout report and all Service Territory Data for the Project in a form and manner acceptable to DHCD, and submission of all requiring supporting documentation described in Exhibit A in a form and manner acceptable to DHCD, DHCD agrees to release the remaining retainage, less the post-closeout retainages described in the table below.

Payment of Post-Closeout Retainage. DHCD agrees to release the 6 month post-closeout retainage described in the table below conditioned upon its timely and proper receipt of the 6 month post-closeout report in a form and manner acceptable to DHCD. DHCD agrees to release the 12 month post-closeout retainage described in the table below conditioned upon its timely and proper receipt of the 12 month post-closeout report in a form and manner acceptable to DHCD.

Total VATI Award	Retainage Release upon submission of below post-closeout report	
	6 month post-closeout	12 month post-closeout
<\$1 million	\$3,000	\$2,000
≥\$1 million, <\$5 million	\$6,000	\$4,000
≥\$5 million, <\$10 million	\$30,000	\$20,000
≥\$10 million, <\$35 million	\$60,000	\$40,000
≥ \$35 million	\$120,000	\$80,000

Budget Revisions/Amendments. The GRANTEE shall not obligate, encumber, spend or otherwise utilize grant funds awarded through the VATI grant-making process for any activity or purpose not included or not in conformance with the budget as apportioned and as submitted to DHCD unless the GRANTEE has received explicit approval by WRITTEN NOTICE from DHCD to undertake such actions.

Data Condition: Further, and notwithstanding anything to the contrary contained herein, payment to the GRANTEE shall be expressly conditioned and contingent upon the proper and timely receipt by DHCD of the Service Territory Data as required in this Agreement.

MILESTONE TIMELINE

GRANTEE Name: Insert Grantee Name

Contract Period: Insert Contract Period

Contract Number: Insert Contract Number



PERFORMANCE BASED ADMINISTRATIVE BUDGET

GRANTEE Name: Insert Grantee Name

Contract Period: Insert Contract Period

Contract Number: Insert Contract Number

