



EXHIBIT G

AR CONNECT

BEAD SUBGRANTEE AGREEMENT

FINAL DRAFT

THE ARKANSAS STATE BROADBAND OFFICE

SUBGRANT AGREEMENT

THIS SUBGRANT AGREEMENT (the “Agreement”) is made and entered into as of the ____ day of ____ (the “Grant Date”) among the **Arkansas State Broadband Office** (the “ASBO”), an office in the Arkansas Economic Development Commission, and subgrant recipient, _____ (the “Subgrantee”), (collectively, the “Parties”).

WITNESSETH

WHEREAS, the ASBO is authorized to make Grant Funds (as defined below) available to qualified recipients under the BEAD Grant Program (as defined below) to deploy broadband to all unserved and underserved locations within the State;

WHEREAS, the ASBO has determined, based on Subgrantee’s Application (as defined below), that Subgrantee has the financial, technical, operational and managerial capabilities to successfully deploy broadband infrastructure, as per BEAD Grant Program requirements;

WHEREAS, the Arkansas State Broadband Director has approved the granting of a fixed amount of funds through this Agreement from the ASBO to Subgrantee; and

WHEREAS, Subgrantee has agreed to cause the installation of certain broadband facilities and to provide broadband services, as described more specifically in Exhibit A, and to comply with all terms and conditions of the BEAD Grant Program; and

WHEREAS, the ASBO has determined and Subgrantee agrees that this award is a “fixed amount subaward,” as defined in 2 CFR § 200.201, for which the major purpose of the subaward is a broadband infrastructure project.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

1. **Definitions.** All capitalized terms used herein and not otherwise defined in this Agreement shall have the same meaning ascribed thereto in the BEAD NOFO.
 - A. “Applicable Regulations” means all State and federal laws, rules, regulations, and guidance applicable to the BEAD Grant Program, and all amendments and supplements thereto, including but not limited to 47 U.S.C. § 1702, the BEAD NOFO, the Department of Commerce Standard Terms and Conditions, the General Terms and Conditions for the BEAD Program, the Specific Award Conditions applicable to the State of Arkansas’ BEAD award, the Proposal, and any program rules promulgated by the Arkansas Economic Development Commission.
 - B. “Application” means Subgrantee’s BEAD Application attached as Exhibit A and incorporated herein by reference, and includes all documents and information provided to the ASBO through the ARConnect Grantor Portal or other written communication by or

on behalf of Subgrantee in connection with Subgrantee's request for Grant Funds from the BEAD Grant Program, including the pre-registration application and bid application, and includes any official communication from the ASBO related to Subgrantee's award of Grant Funds, which may include terms and conditions that are different from, or in addition to, those proposed in the Application. In the event the ASBO awards more than one of Subgrantee's Applications, the term "Application" shall refer to each individual application as if the Parties entered into a separate subgrant agreement for each Application. The "Application" does not include any of Subgrantee's proposals that are no longer applicable under subsequent Applicable Regulations. The "Summary of Application" in Exhibit A shall be considered part of the "Application" and shall control over any inconsistencies between the Summary of Application and the Application.

- C. "BEAD Grant Program" means the grant program funded by the Broadband Equity, Access and Deployment ("BEAD") program established in the Infrastructure Investment and Jobs Act, Pub. L. 117-58, 135 Stat. 429, 70901-70927, and includes the State of Arkansas' rules and grant program to award the State's BEAD funding to subgrantees, as the Act or rules may be amended from time to time.
- D. "BEAD NOFO" means the National Telecommunications and Information Administration's ("NTIA") BEAD Notice of Funding Opportunity and includes any Policy Notice or Waiver issued by NTIA relating to the BEAD Grant Program, to include the BEAD Restructuring Policy Notice released June 6, 2025.
- E. "Broadband Project" or "Project" means the planned and actual installation of broadband facilities and provision of services in the area and to the BSLs as set forth in the Application.
- F. "Broadband Serviceable Location" or "BSL" is a geolocation in the Broadband Serviceable Location fabric established under 47 U.S.C.A. § 642 (b)(1)(B) within the scope of the Application where fixed broadband internet access service is, or can be, installed.
- G. "Eligible Costs" means allowable costs under the BEAD Grant Program and Applicable Regulations that are reasonable, necessary, allocable, and allowable for the Broadband Project or other eligible activity, conform to generally accepted accounting principles, and are not unallowable or ineligible costs under Applicable Regulations.
- H. "Federal Grants Officer" means the National Institute of Standards and Technology (NIST) Grants Officer or other entity designated to serve as the Grants Officer for the BEAD program.
- I. "Federal Interest Period" means the period during which Subgrantee will hold in trust for the beneficiaries of the BEAD Grant Program all real property and equipment acquired or improved in connection with this Agreement, which period begins upon the acquisition or improvement of the real property and/or equipment and continues for ten (10) years after the year of the Project Closeout Date. For example, if the Project

Closeout Date is in 2027, regardless of the month, the Federal Interest Period will last until December 31, 2037.

- J. “Grant Funds” means the maximum amount of funding in the award for the Broadband Project as specified in the Summary of Application attached as Exhibit A.
 - K. “Matching Funds” means cash or in-kind contributions provided by Subgrantee or a third party or parties to meet the BEAD Grant Program’s non-federal match requirement.
 - L. “Project Closeout Date” shall be the date described in Section 8.A(ii).
 - M. “Project Area” means the set of one or more Project Area Footprint(s) that will be serviced as part of a bid, as described in the Application.
 - N. “Project Costs” means the approved costs of the Broadband Project as established in the Application, subject to allowable uses of Grant Funds as set forth in the Applicable Regulations and this Agreement.
 - O. “Proposal” means ASBO’s BEAD Initial and Final Proposals as approved by NTIA.
2. **Grant.** Upon the acceptance of this Agreement by all Parties, the ASBO agrees to pay Subgrantee up to the total amount of the Grant Funds, subject to all terms and conditions of this Agreement. The Parties acknowledge and agree that in the event the ASBO awards more than one of Subgrantee’s Applications, this Agreement shall apply to each Application as if a separate subgrant agreement has been executed for each awarded Application, and the ASBO may enforce the provisions of this Agreement separately and independently for each Application and associated Broadband Project. The total amount of all awarded Grant Funds from each awarded Application will be set forth in Appendix 1, Federal Award Identification.
3. **Purpose and Compliance.**
- A. **Purpose.** The sole purpose of the Grant Funds is to provide funds for Subgrantee to expend on the Broadband Project for the deployment of broadband facilities and services within the Project Area as set forth in the Application. Subgrantee shall not use the Grant Funds for any other purpose, nor shall Subgrantee use the Grant Funds in any manner that is inconsistent with Applicable Regulations.
 - B. **Compliance with Applicable Regulations.** Subgrantee shall perform all obligations under this Agreement in compliance with all Applicable Regulations. In any case where language among two or more Applicable Regulations appears inconsistent, the Parties agree that the Applicable Regulations shall be read and interpreted in a manner which emphasizes consistency and harmonization across all Applicable Regulations. Where harmonization is impossible, that Parties agree to prioritize following the language contained in the Applicable Regulations in the following order (from highest to lowest priority): 47 U.S.C. § 1702; the award’s Specific Award Conditions; the General Terms and Conditions for the BEAD Program; the BEAD NOFO; the Department of Commerce Standard Terms and Conditions. In the event of a conflict between the terms of this Agreement and any Applicable Regulations, the terms of the Applicable Regulations shall

prevail.

- C. **Contractors and Subcontractors.** Subgrantee shall cause, and shall be responsible for ensuring that, its contractors and subcontractors that perform any work or services related to the Project comply with all Applicable Regulations. Subgrantee shall monitor contractors' and subcontractors' compliance with Applicable Regulations. Subgrantee shall at all times be responsible for full compliance with the terms and conditions of this Agreement and is fully responsible for the acts and omissions of all contractors and subcontractors.

4. Use of Grant Funds.

- A. **Project Costs.** Subgrantee shall use the Grant Funds solely for Eligible Costs directly incurred for the Broadband Project, and in strict compliance with the provisions of this Agreement and Applicable Regulations. Subgrantee may use the Grant Funds to deploy broadband infrastructure in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of the Broadband Project.
- B. **Restrictions.** Subgrantee acknowledges and agrees to the following restrictions on the use of Grant Funds by Subgrantee and any of its contractors or subcontractors:
- (i) **Political Activity.** No portion of the Grant Funds will be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.
 - (ii) **Prohibition Against Payment of Bonus or Commissions.** No portion of the Grant Funds will be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this Agreement.
 - (iii) **Profit and Fees.** A profit, fee, or other incremental charge above actual cost incurred by Subgrantee is not an allowable cost. Subgrantee may retain Project income without restriction, including retaining Project income for profit.
 - (iv) **Collective Bargaining.** No portion of the Grant Funds will be used directly or indirectly to support or oppose collective bargaining.
 - (v) **Prohibited Equipment and Services.** No portion of the Grant Funds will be used to purchase or support any communications equipment or service covered by either the Secure and Trusted Communications Networks Act of 2019 (47 USC § 1608) or 2 CFR § 200.216, or to purchase or support fiber optic cable and optical transmission equipment manufactured in the People's Republic of China.
- C. **Period of Performance.**
- (i) Time is of the essence for this project. Subgrantee shall deploy the broadband network as described in the Broadband Project and begin providing broadband service to each customer that desires broadband service within the timeline set forth in the Application, and in no event later than four (4) years from the Grant Date, unless the ASBO extends the date as provided in subsection (ii) of this Section 4.C.
 - (ii) The ASBO may, in its sole discretion, extend the deadline under this subparagraph for up to one (1) year if: (1) Subgrantee has a specific plan for use of the Grant Funds, with project completion expected by a specific date not more than one (1) year after the four-year deadline; (2) the construction project is underway; or (3) extenuating circumstances require an extension of time to allow the project to be completed. An authorized representative of Subgrantee must submit a written

request for an extension, in the form and format requested by the ASBO, and any documentation requested by the ASBO. Subgrantee's request must be approved in writing by an authorized representative of the ASBO and is subject to consultation with NTIA and the approval of the Assistant Secretary of Commerce for Communications and Information.

5. Subgrantee's Responsibilities To Deploy Broadband Facilities and Provide Broadband Service.

- A. Subgrantee shall at all times comply with all Applicable Regulations and applicable federal, State and local laws, rules, and regulations. Subgrantee acknowledges and agrees that obligations in Applicable Regulations requiring the ASBO, as an Eligible Entity, to impose requirements or obligations on subgrantees, or to ensure compliance by subgrantees, shall apply to Subgrantee as if such obligations are fully set forth herein.
- B. All work on the Broadband Project shall conform to the plans described in the Application, including but not limited to the financial, managerial, operational, and technical capabilities described in the Application, unless the ASBO, in its sole discretion, provides written approval to deviate from the Application.
- C. Grantee shall deploy the Broadband Project in accordance with the deployment commitments set forth in the Application, including all plans, timelines and other specifications. Subgrantee shall immediately notify the ASBO of any material deviation or delay in the deployment commitments. Subgrantee shall cooperate with any periodic progress inspections by the ASBO or its designee.
- D. Upon completion of deployment and after Subgrantee's architect/engineer has conducted its own final inspection and any deficiencies have been corrected, Subgrantee shall certify in writing to the ASBO that the deployment is complete and placed into service in accordance with the terms of the Application. After receipt of Subgrantee's certification, the ASBO will schedule a final inspection of the Broadband Project. Representatives of the ASBO, Subgrantee's architect /engineer, and Subgrantee and/or contractor(s) shall attend the ASBO's final inspection. Subgrantee acknowledges and agrees that the ASBO will provide NTIA reasonable advance notice of the final inspection so that a representative of NTIA may participate. The ASBO or its designee may perform any inspections and testing, and collect any data, that the ASBO or its designee deems sufficient to confirm the completion of deployment in compliance with this Agreement and Applicable Regulations. Subgrantee shall promptly remedy any defect identified in the final inspection. After the ASBO or its designee determines, in their sole discretion, that the deployment of the Broadband Project is complete, the ASBO shall provide Subgrantee with written confirmation of completion ("Completion Certification").
- E. Throughout the term of this Agreement and through the end of the Federal Interest Period, Subgrantee shall provide broadband services throughout the Project Area in accordance with the service commitments set forth in the Application and as required in Applicable Regulations, including but not limited to:
 - (i) Complying with all applicable network capabilities and service obligations set forth in Sections IV.C.2.a and c of the BEAD NOFO, including all obligations the ASBO, as an Eligible Entity, is required to impose on, or with which it must ensure compliance by, subgrantees, as such capabilities and obligations may be modified or clarified in Applicable Regulations;

- (ii) Offering service at the baseline price for the highest tier of service as set forth in the Application; and
- (iii) Offering a low-cost service option that meets, at a minimum, the price and basic service characteristics stated in the Application. Subgrantee is responsible for verifying eligibility of “Eligible Subscribers” as defined in the NOFO.

Nothing in this Section 5.E prevents Subgrantee from offering or providing broadband services prior to the Project Closeout Date to locations where construction of the Broadband Project is complete, provided that the broadband services at all times comply with the terms and conditions of this Agreement.

- F. Subgrantee shall be responsible for any Project Costs that exceed the amount of the Grant Funds.
- G. Throughout the term of this Agreement and through the end of the Federal Interest Period, Subgrantee shall comply with all restrictions and obligations in Applicable Regulations related to encumbrances and the federal interest in real property and equipment acquired or improved under this Agreement, including but not limited to the Property Standards set forth in 2 C.F.R. §§ 200.310 through 200.316, as applicable, and documenting the federal interest and/or security interest in BEAD-funded real property and equipment. Subgrantee shall file all required covenants and security interests, and, within fifteen (15) calendar days following any required UCC filing(s), Subgrantee shall provide the ASBO and the Federal Grants Officer with complete and certified copies of the filed UCC forms and attachments for the equipment acquired with Grant Funds, along with a certification from legal counsel, licensed by the State of Arkansas, that the UCC filing was properly executed and filed in accordance with applicable State law.
- H. In addition to the reporting requirements set forth in this Agreement, Subgrantee is required to be familiar with and comply with all State and federal reporting requirements, including all audits, associated with the BEAD Grant Program and its funding sources, including without limitation, Applicable Regulations and the Code of Federal Regulations. Subgrantee acknowledges and agrees that title to real property or equipment acquired or improved with Grant Funds pursuant to this Agreement is subject to the Federal Interest Period and other limitations set forth in Applicable Regulations.
- I. Subgrantee shall maintain clearly documented construction standards and records demonstrating the work is being carried out in a workman-like manner according to industry standards and as required in Applicable Regulations.
- J. Subgrantee shall promptly pay its employees, subcontractors, and vendors for work that is performed under this Agreement. Failure to promptly pay for work performed may result in the ASBO withholding payment under this Agreement until payment is provided.
- K. Subgrantee shall obtain and keep in effect through the Project Closeout Date, the letter of credit or performance bond set forth in the Application, unless otherwise waived in writing by the ASBO. Subgrantee may reduce the amount of the letter of credit or performance bond as provided in the Proposal.
- L. Subgrantee, by signing this document, guarantees it has no pending lawsuits that will affect, in any way, the completion of the Broadband Project that is the subject and purpose of this Agreement. Subgrantee agrees to return all issued Grant Funds, upon request by the ASBO, if this Section is violated.

6. Disbursement of Grant Funds.

- A. **Application for Grant Funds.** Subgrantee shall request Grant Funds solely for Project Costs incurred by Subgrantee for the Broadband Project. Subgrantee shall be eligible for disbursement of the applicable percentage of Grant Funds upon completion of milestones as set forth in Exhibit B. An authorized representative of Subgrantee shall notify the ASBO of completion of each milestone and provide the ASBO the information and documentation set forth in Exhibit C, and other documentation and information requested by the ASBO to verify the completion of the milestones as provided in Section 6.B. Subgrantee shall provide the notice in the manner specified by the ASBO within ninety (90) days of completion of each milestone. The ASBO reserves the right to delay or reject payment in the event Subgrantee fails to timely provide the notice, information and documentation required in this Section 6.A.
- B. **Payment.** Grant Funds shall be disbursed to Subgrantee in the manner specified by the ASBO, and Subgrantee shall complete all forms and processes required for the ASBO to remit payment. The ASBO shall remit payment to Subgrantee upon verification and validation of Subgrantee's completion of required tasks and milestones, including, at the ASBO's discretion, on-site verification and a documentation audit. Payment is subject to the ASBO's determination, in its sole discretion, that (i) the request for payment is solely for Project Costs incurred by Subgrantee to complete the milestone for which payment is requested; (ii) the milestone is complete in accordance with the terms of this Agreement; (iii) if applicable, Subgrantee has reported Matching Funds in an amount proportional to the applicable milestone; and (iv) Subgrantee is making reasonable progress toward meeting the four year deployment deadline, consistent with the capital investment schedule provided in the Application. Subgrantee acknowledges and agrees that the ASBO's determination that a milestone is complete may require on-site inspection and testing of facilities and services, and payment may be delayed if Subgrantee does not provide the ASBO or its designee timely access to facilities or services as needed to complete any inspection or testing. The ASBO reserves the right to remit partial payment where the ASBO determines that Subgrantee's request for payment includes costs that are not Project Costs or are otherwise not eligible uses of Grant Funds. Payment by the ASBO does not constitute acceptance of any work performed or deliverables provided under this Agreement, all of which is subject to final inspection as provided in Section 5.D. Payments are subject to the availability of funds, including the ASBO's receipt of funds from NIST via the Automated Standard Application for Payment system. Subgrantee shall work with the ASBO to provide any information necessary to facilitate the release of such funds.
- C. **Final Payment.** Notwithstanding the provisions of subsection A of this Section, Subgrantee shall request final payment after the ASBO issues the Completion Certification and Subgrantee has submitted all records and reports required by the ASBO, NTIA and Applicable Regulations to be submitted following completion of the deployment portion of the Broadband Project, which Subgrantee shall do within ninety (90) days of the ASBO issuing the Completion Certification.
- D. **Claw-Back.** Notwithstanding any other provision of this Agreement, the ASBO reserves the right to demand return up to the entire amount of the Grant Funds in the event of any of the following, and Subgrantee shall return such Grant Funds promptly upon written request from the ASBO documenting the basis for the demand:
- (i) Subgrantee is delayed without cause or ceases to provide broadband services

- beyond its committed deployment timeline pursuant to this Agreement.
- (ii) The ASBO identifies any incorrect documentation, such as overbilling of labor or material costs.
 - (iii) The ASBO identifies any material breaches of this Agreement.
 - (iv) The ASBO, NTIA or Federal Grants Officer determines that funds paid to Subgrantee were in excess of the amount to which Subgrantee is finally determined to be entitled under the terms of the BEAD Grant Program.
 - (v) The ASBO identifies serious violations of other provisions, such as environmental protections, safe workplace practices, or federal labor and employment laws.

The provisions of this Section 6.D shall apply throughout the term of this Agreement and the Federal Interest Period.

7. Agreements, Obligations, Representations, and Warranties.

A. Representations and Warranties. Subgrantee represents and warrants:

- (i) it is authorized to do business in the State of Arkansas;
- (ii) the making and performance of this Agreement and each and every other document required to be delivered hereunder are within Subgrantee's powers, have been duly authorized by all necessary corporate action, have received all necessary approvals, and do not contravene any law, regulation, or decree or any contractual restriction;
- (iii) it has the requisite experience, technical abilities, workforce (including third-party contractors), supply chain, and working capital (taking into account the Grant Funds to be issued hereunder) to perform the work contemplated by this Agreement within the timeframes established for the Broadband Project;
- (iv) all of the information submitted by Subgrantee to the ASBO in connection with this Agreement, including, without limitation, Subgrantee's Application and its financial statements, are complete and correct in all material respects;
- (v) this Agreement and each and every other document required to be delivered hereunder, when duly executed and delivered, will be the legal and binding obligations of Subgrantee and enforceable in accordance with their respective terms; and
- (vi) to the best of Subgrantee's knowledge, there are no pending or threatened actions or proceedings before any court or administrative agency which may materially adversely affect the financial condition or operation of Subgrantee.

B. Matching Funds. Subgrantee shall comply with all Matching Funds commitments made in the Application.

C. Non-discrimination. Subgrantee shall use the Grant Funds in an equitable and nondiscriminatory manner as required in the Infrastructure Investment and Jobs Act.

D. Duty to Notify. Subgrantee shall promptly notify the ASBO of any material change(s) in any certifications required by Applicable Regulations and/or any material representation(s) made or information provided in this Agreement or its Application. In the event the ASBO, in its sole discretion, finds that the change(s) impacts Subgrantee's eligibility for the Grant Funds, the ASBO may exercise any or all rights and remedies provided in this Agreement and Applicable Regulations, including termination of this Agreement and claw-back of Grant Funds.

E. Record Keeping. Subgrantee shall maintain its books and records in accordance with

generally accepted accounting principles, consistently applied, and have adequate systems and processes in place to track its expenditure of Grant Funds and to accurately and timely report the same to the ASBO. Subgrantee agrees that upon three (3) days written notice from the ASBO or its designee, the ASBO or its designee will have full access and the right to examine, copy or request copies of any pertinent documents, papers, records, and books of Subgrantee related to (a) this Agreement and (b) Project Costs. Subgrantee, at the discretion of the ASBO, may be required to submit proof that Broadband Serviceable Locations not served by Subgrantee have either declined broadband service or are being served by another internet service provider. All invoices are subject to audit for three (3) years from the completion date.

F. **Reports.** Subgrantee shall submit to the ASBO all reports required in Exhibit D and any Applicable Regulations, as well as the following reports:

- (i) Progress reports providing measurable construction updates, including, to the extent applicable, fiber route miles and number of Broadband Serviceable Locations passed, classification of BSLs and any new BSLs; service speeds; changes to subcontractor statuses; certification of adherence to required operational practices; reporting of known or anticipated barriers to deployment, and any other information requested by the ASBO or its designee. Progress reports shall be submitted quarterly through the Project Closeout Date.
- (ii) Financial and managerial reports, including financial statements and narrative description of deployment and workforce development activities, certification of adherence to required operational practices, and any other information requested by the ASBO or its designee. Financial reports shall be submitted annually through the Federal Interest Period.
- (iii) Service reports summarizing the Broadband Serviceable Locations subscribed to broadband service in the Project Area and the speeds applicable to such service. Service reports shall be provided quarterly, within sixty (60) days following the close of each calendar quarter, beginning the earlier of (i) the first quarter in which Subgrantee provides any broadband services as part of the Broadband Project or (ii) the Project Closeout Date, continuing through the Federal Interest Period.
- (iv) Executive compensation information as required by 2 C.F.R. Part 170 and pursuant to the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. No. 109-282), to the extent applicable.
- (v) Updated letter of credit or performance bond, if applicable. Subgrantee shall provide any updated letter of credit or performance bond that has been reduced based upon achievement of specific deployment milestones as part of its regular reporting of demonstrated milestones.

Subgrantee acknowledges that the reporting requirements set forth in this Agreement (including Exhibit D) may be updated from time to time, and Subgrantee shall comply with any other reasonable reporting requirements determined by the ASBO to meet the reporting requirements established by NTIA and/or in the Applicable Regulations. Subgrantee shall certify that the information in all reports is accurate and maintain sufficient records to substantiate all information submitted in reports pursuant to this Agreement.

G. **Audits.** Subgrantee shall comply with all applicable audit requirements in the Applicable Regulations and Title 2 of the Code of Federal Regulations. If Subgrantee is not subject

to Subpart F of 2 CFR Part 200 and expends \$750,000 or more in grant funds during their fiscal year, Subgrantee must submit to the Grants Officer either: (i) a financial related audit of each DOC grant or subgrant in accordance with Generally Accepted Government Auditing Standards; or (ii) a program-specific audit for each grant or subgrant in accordance with the requirements contained in 2 CFR § 200.507. Subgrantee acknowledges that the ASBO, NTIA, the Department of Commerce Office of Inspector General, and any other authorized federal agency may conduct an audit of the use of the Grant Funds at any time, and Subgrantee shall fully cooperate with any such audit(s).

- H. **Protected and Proprietary Information.** Subgrantee shall support BEAD Grant Program reviews and evaluations by submitting required financial and performance information and data in an accurate and timely manner, and by cooperation with the Department of Commerce and external program evaluators. If a submission contains information or data Subgrantee deems to be confidential commercial information, law enforcement sensitive or otherwise important to national security interests, or that otherwise should not be publicly disclosed, Subgrantee shall identify, bracket and mark such information or data appropriately. In accordance with 2 CFR 200.303(e), Subgrantee shall take reasonable measures to safeguard protected personally identifiable information and other confidential or sensitive personal or business information created or obtained in connection with a Department of Commerce financial assistance award.

8. **Close-out, Good Cause, Termination, and Remedies.**

A. **Close-Out.**

- (i) Closeout will be conducted on the timelines and in the manner set forth in 2 CFR § 200.344. Closeout procedures shall begin immediately upon ASBO issuing the Completion Certification as provided in Section 5.D.
- (ii) The date that ASBO notifies Grantee that it has determined the Grantee has satisfied all state and federal reporting requirements related to the Project and completed close out of this award pursuant to 2 CFR § 200.344, shall be the "Project Closeout Date."
- (iii) Subgrantee's obligations under the Agreement shall continue beyond the Project Closeout Date through the Federal Interest Period as specified herein and in Applicable Regulations, provided that in no event shall Subgrantee be able to request or receive Grant Funds after the Project Complete Date other than the final payment pursuant to Section 6.C of this Agreement.
- (iv) It is understood and agreed by the Parties that, because the BEAD Grant Program is dependent upon State and federal regulations, certain requirements, such as reporting obligations, may change over time. Subgrantee shall remain obligated to comply with the current and future obligations of the BEAD Grant Program up to and beyond the Project Closeout Date.

B. **Non-Performance and Penalties.**

- (i) **Notice of Violations.** In the event the ASBO finds that Subgrantee has failed to perform or comply with any material provision of this Agreement, the ASBO shall notify Subgrantee in writing of the alleged violation. Subgrantee shall have up to thirty (30) calendar days to cure the violation, as provided in the notice, using Subgrantee's own funds unless the ASBO agrees in writing to use of Grant Funds. The ASBO may extend the cure period if Subgrantee demonstrates to the ASBO's

reasonable satisfaction that extenuating circumstances beyond the control of Subgrantee prevented its ability to cure the violation within thirty (30) days or such other time provided in the notice.

- (ii) **Penalties.** The ASBO and/or NTIA may impose penalties for nonperformance with this Agreement, failure to comply with any Applicable Regulation, failure to meet statutory obligations, or wasteful, fraudulent, or abusive expenditure of Grant Funds. Penalties may include, but are not limited to, imposition of additional award conditions, payment suspension, award suspension, grant termination, de-obligation/clawback of funds, and debarment of organizations and/or personnel. In the event NTIA pursues clawback of funds directly from the ASBO related to Subgrantee's nonperformance or violation related to the BEAD Grant Program, Subgrantee shall reimburse the ASBO in an amount equal to the clawback. Penalties for nonperformance may extend through the Federal Interest Period.

C. Termination of Agreement.

- (i) **Termination by Mutual Agreement.** This Agreement, or any of the Broadband Projects awarded pursuant to any Application, may be terminated by the mutual written agreement of the ASBO and Subgrantee. Unless otherwise agreed to by the Parties, the termination of one or more Broadband Projects does not terminate this Agreement with respect to other ongoing Broadband Projects.
- (ii) **Termination for Good Cause.** This Agreement, or any of the Broadband Projects awarded pursuant to any Application, may be terminated by the ASBO upon the occurrence of any of the following events constituting good cause for termination:
 - (a) A material representation of Subgrantee was materially incorrect when made;
 - (b) Subgrantee materially breaches its obligations under the Agreement and fails to cure such breach within thirty (30) days following receipt of written notice;
 - (c) Subgrantee shall be or become insolvent or bankrupt or have ceased or cease paying its debts as they mature;
 - (d) Subgrantee makes an assignment of or for the benefit of creditors, or a trustee or receiver or liquidator shall be appointed for Subgrantee, for all or substantially all of its assets, or
 - (e) A bankruptcy, reorganization, arrangement, insolvency, or similar proceedings shall be instituted by or against Subgrantee under the law of any jurisdiction (provided, however, that in the event an involuntary bankruptcy action is commenced against Subgrantee, then Subgrantee shall have ninety (90) days to secure the dismissal of such action).

D. Continuity of Service. If Subgrantee, at any time during the term of this Agreement or during the Federal Interest Period, is no longer able to provide broadband service to the end user locations covered by this Agreement at any time, Subgrantee shall sell the network capacity at a reasonable, wholesale rate on a nondiscriminatory basis to other broadband service providers or public sector entities.

E. Insurance

- (i) Throughout the Federal Interest Period, Subgrantee must comply with the insurance requirements of 2 CFR § 200.310.
- (ii) During the term of the Agreement, Subgrantee shall maintain the insurance coverages specified in Exhibit E. As a condition precedent to the ASBO entering into this Agreement, Subgrantee shall provide the ASBO a certificate of insurance

evidencing that it has in place the required insurance coverages and shall identify the “ASBO” as certificate holder or additional insured.

- F. Indemnification.** Subgrantee assumes all liability for any and all injuries, damages, liabilities or claims in any way associated with this Agreement and/or the Broadband Project. Subgrantee shall indemnify, defend and hold harmless the ASBO and all of its officers, agents, and employees from all suits, actions, claims, costs, losses or liabilities of any kind arising out of or relating to, or alleged to arise out of or relate to, Subgrantee’s breach of this Agreement or Subgrantee’s undertaking of the Broadband Project, including, without limitation, any demand by the federal government for reimbursement of Grant Funds that were spent for improper purposes under Applicable Regulations or applicable federal laws and regulations, including the Code of Federal Regulations.

9. Other Provisions.

- A. Amendments and Modifications.** This Agreement may only be amended or modified through a written instrument signed by the ASBO and Subgrantee.
- B. Conflict of Interest.** No officer or employee of the ASBO will have any personal pecuniary gain or interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Broadband Project assisted under this Agreement. Subgrantee acknowledges and agrees that the Contract and Grant Disclosure and Certification Form submitted in its Application, which is incorporated herein by reference, is accurate and Subgrantee shall comply with all requirements of the Form, including but not limited to requiring any subcontractors used in the Broadband Project to complete the Form. Subgrantee will promptly notify the ASBO should it become aware of any violation or attempt at circumventing the requirements of this Section by any party. The failure of any person or entity to disclose, as required, under any term of Executive Order 98-04, or the violation of any rule, regulation or policy promulgated by the Department of Finance and Administration pursuant to Executive Order 98-04, shall be considered a material breach of the terms of this Agreement and shall subject Subgrantee to all legal remedies available to the ASBO under the provisions of the Agreement and existing law.
- C. Governing Law.** This Agreement shall be governed under the laws of the State of Arkansas. Any dispute arising between the Parties shall only be brought within the Circuit Courts of the State of Arkansas or the United States District Courts for the Western and Eastern Districts of Arkansas. The ASBO, an agency of the State of Arkansas, is protected from suit by sovereign immunity. Nothing in this Agreement is intended to nor shall waive the sovereign immunity of the ASBO. Additionally, the Agreement is subject to the ASBO’s promulgated BEAD program rules.
- D. Notice.** All communications and notices provided for hereunder shall be in writing and mailed, emailed, or delivered to the Parties hereto at their business addresses set forth below or, as to each Party, at such other address as shall be designated by such Party. Subgrantee shall make any changes to this information in the ARConnect Grantor Portal.

- (i) If to the ASBO, then to:

Attention:

Arkansas State Broadband Director
1 Commerce Way, Suite 601
Little Rock, AR 72202
E-mail: broadband@arkansas.gov

(ii) If to Subgrantee, then to:

- E. **Severability.** If any provision under this Agreement or its application to any person or circumstance is held invalid by any court of competent jurisdiction, the invalidity shall not affect any other provision of this Agreement which can be given effect without the invalid provision.
- F. **Transfer and Assignment.** Subgrantee's rights and obligations under this Agreement may not be transferred or assigned without the prior, written consent of the ASBO. Any attempt at assignment or transfer without such consent shall be void.
- G. **Waivers.** No conditions or provisions of this Agreement may be waived unless approved by the ASBO and Subgrantee, in writing.
- H. **Terms and Conditions.** In the event of any conflict or inconsistency between the terms and conditions hereof and any terms or conditions set forth in any document relating to the transactions contemplated by this Agreement, the terms and conditions of this Agreement shall prevail.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

ASBO

By: _____

[SUBGRANTEE]

By: _____

Exhibit A –Summary of Application(s) and Application(s)

Summary of Application(s)

Application Name:

Project Area Footprint ID:

Location IDs of Excluded BSLs:

Grant Fund Amount:

Match Amount:

Letter of Credit: \$ _____; _____ % of Grant Fund Amount

Deployment Completion Date:

Technology Type(s):

Download/Upload Speeds (Mbps) and Latency (milliseconds):

Low-Cost Service Option for Eligible Subscribers:

* There will be a separate Summary of Application for each Application awarded to Subgrantee.

Grant Control No.:

Application(s)

Exhibit B – Project Deployment Milestones

Milestone	Disbursement (percent of award)	Maximum Cumulative Disbursement (percent of award)
ASBO approval of detailed project budget and schedule	10%	10%
Proof of binding agreement to acquire Build America, Buy America Act (BABA)-compliant equipment and proof that permits have been requested	10%	20%
Provider certification and ASBO completion of technical and compliance audit that the provider has reached:		
10% of project BSLs	15%	35%
40% of project BSLs	25%	60%
70% of project BSLs	25%	85%
100% of project BSLs and ARConnect approval of completion and closeout	15%	100%

A subgrantee may certify that it has “reached” a location when it is capable of performing a standard installation of qualifying broadband service. A “standard installation” is the initiation by subgrantee of fixed broadband internet access service within 10 business days of a request with no charges or delays attributable to the extension of subgrantee’s network. Subgrantee may charge standard installation fees to subscribers on the BEAD Grant Program-funded network but may not require subscribers to make modifications to their own or surrounding property or charge fees for the same in connection with installation of broadband services funded by the BEAD Grant Program.

Notwithstanding these Milestones, where Subgrantee commits to maintaining a letter of credit or performance bond in the amount of ten percent (10%) of the Grant Funds until it has completed the buildout of one hundred percent (100%) of locations to be served by the Project or until the period of performance of the subaward has ended, whichever occurs first, as provided in section 2.4 “Subgrantee Option for Alternative Initial LOC or Performance Bond Percentage” in NTIA's BEAD Letter of Credit Waiver, reimbursement shall be for periods of no more than six months. Incremental reimbursement payments will be made on a per-location basis. Subgrantee’s payment for achieving the next Milestone will be adjusted to ensure that the maximum cumulative disbursement does not exceed the percentage identified upon Subgrantee’s achievement of a Milestone.

Exhibit C – Disbursement Documentation Requirements

Subgrantees will be required to submit in conjunction with any request for disbursement:

1. Certification that qualifying broadband is available at the relevant percentage of locations; and
2. One of the following:
 - A. A report showing project expenses using Generally Accepted Accounting Principles or other standard accounting practices; or
 - B. A report showing the relative proportion of costs across the following key spending areas:
 - professional services;
 - construction services;
 - outside plant, towers, and poles;
 - network and access equipment;
 - customer premise equipment;
 - contingency funds; and
 - all other expenses; or
 - C. A report demonstrating that the project's projected cost per location reached is consistent with the project budget; and
3. Documentation of Matching Funds in an amount proportional to the applicable milestone.

Subgrantee shall comply with any other disbursement documentation requirements implemented by the ASBO during the term of this Agreement. Subgrantee must maintain sufficient records to substantiate all information submitted in all requests for disbursement.

Exhibit D – Required Reports

Subgrantee shall submit a “Semiannual Progress Report” for the Project on a semi-annual basis for the periods beginning on January 1 and ending June 30 and beginning on July 1 and ending on December 31 (or any portion thereof) no later than fifteen (15) calendar days following the end of each reporting period. The Semiannual Progress Report shall contain the following information, and shall be provided through the Project Closeout Date:

1. Include a list of addresses or location identifications (including the Broadband Serviceable Location Fabric established under 47 U.S.C. 642(b)(1)(B)) that constitute the service locations that will be served by the broadband infrastructure to be constructed and the status of each project;
2. Identify new locations served within each project area at the relevant reporting intervals, and service taken (if applicable);
3. Identify whether each address or location is residential, commercial, or a community anchor institution;
4. Describe the types of facilities that have been constructed and installed;
5. Describe the peak and off-peak actual speeds of the broadband service being offered;
6. Describe the maximum advertised speed of the broadband service being offered;
7. Describe the non-promotional prices, including any associated fees, charged for different tiers of broadband service being offered;
8. List all interconnection agreements that were requested, and their current status;
9. Report the number and amount of contracts and subcontracts awarded by Subgrantee disaggregated by recipients of each such contract or subcontracts that are MBEs or WBEs;
10. Include any other data that would be required to comply with the data and mapping collection standards of the Federal Communications Commission under Section 1.7004 of title 47, Code of Federal Regulations, or any successor regulation, for broadband infrastructure projects;
11. Include an SF-425, Federal Financial Report and meet the requirements described in the Department of Commerce Financial Assistance Standard Terms and Conditions (dated November 12, 2020), Section A.01 for Financial Reports;
12. For projects over \$5,000,000 (based on expected total cost):
 - a. Subgrantee may provide a certification that, for the relevant Project, all laborers and mechanics employed by contractors and subcontractors in the performance of such Project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed, or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law (commonly known as “baby Davis-Bacon Acts”). If such certification is not provided, Subgrantee must provide a project employment and local impact report detailing:
 - i. The number of contractors and sub-contractors working on the Project;
 - ii. The number of workers on the Project hired directly and hired through a

- third party;
 - iii. The wages and benefits of workers on the Project by classification; and
 - iv. Whether those wages are at rates less than those prevailing.
- b. If Subgrantee has not provided a certification that a Project either will use a unionized project workforce or includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)), then Subgrantee must provide a project workforce continuity plan, detailing:
- i. Steps taken and to be taken to ensure the Project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure construction is completed in a competent manner throughout the life of the Project (as required in Section IV.C.1.e of the BEAD NOFO), including a description of any required professional certifications and/or in-house training, Registered Apprenticeships or labor-management partnership training programs, and partnerships with entities like unions, community colleges, or community-based groups;
 - ii. Steps taken and to be taken to minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the Project;
 - iii. Steps taken and to be taken to ensure a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30, confined space, traffic control, or other training required of workers employed by contractors), including issues raised by workplace safety committees and their resolution;
 - iv. The name of any subcontracted entity performing work on the Project, and the total number of workers employed by each such entity, disaggregated by job title; and
 - v. Steps taken and to be taken to ensure that workers on the Project receive wages and benefits sufficient to secure an appropriately skilled workforce in the context of the local or regional labor market.
13. Certification that the plans offered over the broadband network deployed and/or upgraded with BEAD Funds do not contain data usage caps for subscribers.
14. Comply with any other reasonable reporting requirements determined by the ASBO to meet the reporting requirements established by the Assistant Secretary of Commerce for Communications and Information or the individual who holds any successor position; and certify that the information in the report is accurate.

Subgrantee must maintain sufficient records to substantiate all information above upon request.

Exhibit E - BEAD Program Insurance Requirements

General Liability

- Minimum CGL limit of \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
- Additional Insured Endorsement shall be included and read "primary non-contributory."
- Per Project Aggregate shall be included.
- Waiver of Subrogation shall be

included. Umbrella Liability

- Under \$2M Contract Amount - \$1 M Umbrella
- \$2M - \$ 5M Contract Amount - \$2M Umbrella
- \$5M - \$20M Contract Amount - \$5M Umbrella
- \$20M + Contract Amount - \$10M Umbrella
- Umbrella limit must extend over the underlying minimum primary CGL limit of \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
- Waiver of Subrogation shall be

included. Commercial Auto

- Commercial Auto Liability Limit - \$1,000,000 CSL.
- Umbrella limit shall be excess over the underlying auto

liability. Workers' Compensation

- Workers' Compensation Limit - Statutory.
- Waiver of Subrogation shall be included.
- Umbrella limit shall be excess over the underlying work comp limit.

Appendix 1
Federal Award Identification

Item	Requirement	Data
1	Subrecipient name ¹	
2	Subrecipient's unique entity identifier	
3	Federal Award Identification Number (FAIN);	
4	Federal Award Date ²	
5	Subaward Period of Performance Start and End Date	
6	Subaward Budget Period Start and End Date	
7	Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient	
8	Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation	
9	Total Amount of the Federal Award committed to the subrecipient by the pass-through entity	
10	Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)	
11	Name of Federal awarding agency	
	Name of pass-through entity	
	Contact information for awarding official of the Pass-through entity	
12	Assistance Listings number and Title ³	
13	Identification of whether the award is R&D	
14	Indirect cost rate for the Federal award (including if the de minimis rate is charged) per 2 CFR § 200.414 .	

¹ Must match the name associated with its unique entity identifier.

² The date when the Federal award to Arkansas was signed by the authorized official of the Federal awarding agency (*see* 2 CFR 200.201).

³ If other federal awards are implicated, the ASBO must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement.