



RESOLUTION No. 20-420

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING THE GRANT AWARD RECIPIENT AGREEMENT BY AND BETWEEN THE COUNTY OF NEVADA AND RACE TELECOMMUNICATIONS INC. DBA RACE COMMUNICATIONS FOR THE 2020 CARES ACT PROJECT AS PART OF THE "COMMUNITY BROADBAND ACCESSIBILITY" PROGRAM IN THE MAXIMUM AMOUNT OF \$1,000,000, AND AUTHORIZING THE CHAIR OF THE BOARD OF SUPERVISORS TO EXECUTE THE AGREEMENT

WHEREAS, on March 10, 2020, the Nevada County Board of Supervisors passed and adopted Resolutions 20-062, ratifying the declaration of a local health emergency in Nevada County, and 20-063, proclaiming a local emergency in Nevada County, due to rapid spread of COVID-19 in a growing number of countries, including the United States, and the potential introduction of COVID-19 in the County of Nevada; and

WHEREAS, on March 19, 2020, the Governor of California issued a statewide Executive Order, N-33-20, which required Californians to remain at their home or place of residence, except as necessary to carry out essential activities; and

WHEREAS, on March 27, 2020, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which included allocations of Coronavirus Relief Fund (CRF) monies totaling \$150 billion to States, Tribal governments, and certain eligible local governments with more than 500,000 residents for necessary expenditures with respect to the COVID-19 outbreak; and

WHEREAS, on June 29, 2020, the Governor of the State of California signed into law the Budget Act of 2020, which included additional and subsequent allocations of State-received CRF monies in the amount of \$1.3 billion, including \$10,004,000 to the County of Nevada (CRF Allocation); and

WHEREAS, on June 30, 2020, the County Executive Officer or her designee, completed the Certification for Receipt of Funds pursuant to paragraph (2) or (3) of subdivision (d) of Control Section 11.90 of the Budget Act of 2020 including that CRF funds would be expended following certain State and Federal requirements; and

WHEREAS, the certification requirements include those stated in subdivision (d) of Control Section 11.90 of the Budget act of 2020 that CRF monies be used to cover only those costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, for the State or local government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and

WHEREAS, the certification requirements also include as a condition of receipt of funds: adherence to federal and state health guidance and orders; use of funds as stated in section 11.90 of the Budget Act of 2020; submission to the State of various reports on expenditures and return of unspent funds; and retention of records to support eligible expenses; and

WHEREAS, on July 14, 2020, the Nevada County Board of Supervisors passed and adopted Resolution 20-319, approving the County of Nevada CRF Expenditure Plan, including \$3 million dollars of expenditures for economic and community resilience investments to assist businesses, non-profits and anchor organizations to support critical economic infrastructure and assist the most vulnerable residents and businesses of the County; and

WHEREAS, of the \$3 million of community resilience investments approved in the County of Nevada CRF Expenditure Plan, an allocation of \$750,000 to \$1 million was designated for Community Wireless, Emergency Communication & Broadband Accessibility, contingent upon identification of a viable project that meets state and federal guidance with respect to the CARES Act; and

WHEREAS, Sierra Business Council (SBC) manages the Gold Country Broadband Consortium (GCBC) with the mission to increase digital access and use of broadband in the counties of Nevada, Placer, El Dorado, Sierra and eastern Alpine County; and

WHEREAS, SBC, being uniquely positioned as the County's subject matter expert on broadband, organized a panel (Panel) of SBC staff, County staff, and an outside consultant to solicit interest from internet service providers active in Nevada County, and to evaluate project proposals received therefrom; and

WHEREAS, the Panel determined that the only viable project proposal was received by Race Telecommunications Inc. dba Race Communications ("Race Communications") to expedite the build schedule for 500 homes included in their California Advanced Services Fund broadband expansion project, to provide Gigabit Internet connection on or before December 30, 2020, consistent with CARES Act funding requirements; and

WHEREAS, the 500 eligible homes are located in the Peardale neighborhood of the unincorporated area of Nevada County outside the city limits of Grass Valley, which maintains a median household income of \$35,157, a median age of 43.7 and a poverty level of 26.3%; and

WHEREAS, the California Public Utility Commission, (CPUC) has identified this project area as an underserved broadband location within the state; and

WHEREAS, this project area has been identified by the school districts as an area where students are unable to obtain broadband internet for online education; and

WHEREAS, this project would utilize CARES Act funding to cover the costs to accelerate the connection of the 500 homes in the proposed project area, that would have otherwise not been connected prior to December 30, 2020, thereby significantly increasing capacity for distance learning, telework, and telemedicine in response to the COVID-19 public health emergency.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Nevada, State of California, hereby directs the following:

1. The Grant award by the County of Nevada to Race Communications pertaining to the 2020 CARES Act Project, for a total award of \$1,000,000 in CRF monies to provide Broadband accessibility to 500 homes within the identified project area is hereby approved.
2. The Grant Agreement by and between the County of Nevada and Race Communications pertaining to the 2020 CARES Act award of \$1,000,000 in CRF monies to provide Broadband accessibility to 500 homes within the identified project area for the term of September 22, 2020 to January 31, 2021 is hereby approved in substantially the same form as attached hereto, and the Chair of the Board of Supervisors is the authorized to sign the Grant Agreement on behalf of the County of Nevada, as well as executing all other documents related to the Grant Agreement and expenditure of CRF funds as defined herein.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 22nd day of September, 2020, by the following vote of said Board:

Ayes: Supervisors Heidi Hall, Edward Scofield, Dan Miller, Susan K. Hoek and Richard Anderson.

Noes: None.

Absent: None.

Abstain: None.

ATTEST:

JULIE PATTERSON HUNTER
Clerk of the Board of Supervisors

By: _____



Heidi Hall, Chair

9/22/2020 cc: CEO* (hold)
AC*
RT

10/16/2020 cc: CEO*
AC* (Release)

Administering Agency: Nevada County – County Executive Office

Grant Award Allocation No. 20-420

Description: Coronavirus Relief Fund (CRF) “Community Broadband Accessibility” Program

GRANT AWARD RECIPIENT AGREEMENT

THIS AGREEMENT is made at Nevada City, California, as of September 22, 2020 by and between the County of Nevada, ("County"), and Race Telecommunications Inc. dba Race Communications ("Grant Recipient"), who agree as follows:

1. **Use of Funds:** Grant Recipient agrees to use the Coronavirus Relief Fund (CRF) “Community Broadband Accessibility” Program funds (“CRF Funds”) provided to cover only those costs identified in the submitted 2020 CARES Act Project (“Project) proposal – Attachment A. Eligible uses of award funds include the cost of projects expected to increase capacity for distance learning, telemedicine, communication/enforcement of public health orders, and telework capabilities in eligible rural areas without sufficient access to broadband as necessary due to the COVID-19 public health emergency during the period that begins on March 1, 2020 and ends on December 30, 2020, in accordance with federal guidance, as specified here:
<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>.

Grant Recipient shall ensure that all expenditures of grant funding pursuant to this agreement comply with CARES Act requirements, and Grant Recipient shall reimburse County for any expenditures by Grant Recipient under this Agreement that are deemed by federal or state officials to be unauthorized.

Grant Recipient agrees to comply with the all CRF Fund expenditure requirements.

2. **Grant Fund Allocation** County shall allocate CRF Funds designated specific to the Community Broadband Accessibility Program (“CBA Program”) in support of the Project in the time and in the amount set forth herein. The allocation specified in herein shall be the total payment made to Grant Recipient for the CBA Program pursuant to this Agreement. **The amount of the CRF Funding shall not exceed One Million Dollars (\$1,000,000).**
3. **Term** This Agreement shall commence on September 22, 2020. All CRF Funds provided by this Agreement shall be expended before December 30, 2020 and reported on per the requirements stated in Section 11. **Agreement Termination Date** of: January 31, 2021.
4. **Exhibits** All exhibits referred to herein and attached hereto are incorporated herein by this reference.
5. **Electronic Signatures** The parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, “electronic signature” shall include faxed or emailed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.

6. **Time for Performance** Time is of the essence. Failure of Grant Recipient to expend any allocated funding prior to December 30, 2020 shall constitute a return of unspent funds to the County as of the termination date. Grant Recipient shall devote such time to the CBA Program pursuant to this Agreement. Grant Recipient's unauthorized expenditure of CRF Funds shall constitute a material breach of this Agreement, and in addition to any other remedy available at law, shall serve as a basis upon which the County may elect to immediately suspend CRF Fund payments, or terminate this Agreement, or both without notice.
7. **Hold Harmless and Indemnification Agreement** To the fullest extent permitted by law, each Party (the "Indemnifying Party") hereby agrees to protect, defend, indemnify, and hold the other Party (the "Indemnified Party"), its officers, agents, employees, and volunteers, free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character resulting from the Indemnifying Party's negligent act, willful misconduct, error or omission, or material breach of this Agreement, including, but not limited to, the amounts of judgments, penalties, reimbursements, interest, court costs, legal fees, and all other expenses incurred by the Indemnified Party arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the Indemnified Party) and without limitation, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the Agreement and the expenditures of the CRF funding. The Indemnifying Party agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the Indemnifying Party, using legal counsel approved in writing by Indemnified Party. Indemnifying Party also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against either Party or to enlarge in any way either Party's liability but is intended solely to provide for indemnification of the Indemnified Party from liability for damages, or injuries to third persons or property, arising from or in connection with Indemnifying Party's performance pursuant to this Agreement. This obligation is independent of, and shall not in any way be limited by, the minimum insurance obligations contained in this agreement. These Hold Harmless and Indemnification provisions shall survive the termination of this Agreement.
8. **Insurance** Director and Officers (D&O) Liability Insurance covering breach of fiduciary duty, misrepresentation of company assets, misuse of company funds, fraud, failure to comply with workplace laws, theft of intellectual property, and lack of corporate governance with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate. Grant Recipient shall furnish the County with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) to County before funds are allocated.
9. **Drug-Free Workplace** Senate Bill 1120, (Chapter 1170, Statutes of 1990), requires recipients of state grants to maintain a "drug-free workplace". Every person or organization awarded a contract for the procurement of any property or services shall certify as required under Government Code Section 8355-8357 that it will provide a drug-free workplace.
10. **Political Activities** Grant Recipient shall in no instance expend funds or use resources derived from this Agreement on any political activities.
11. **REPORTING REQUIREMENTS:** Grant Recipient shall report CBA Program "costs incurred" during the "covered period" (the period beginning on March 1, 2020 and ending on December 30, 2020). Grant Recipient shall report data according to these requirements.

11.1 County-required Reporting

A "mid-term" report will be due October 31, 2020, and a final report will be due by January 31, 2021.

Data required to be reported includes, but is not limited to, the following:

1. the total amount of CRF Fund payments received from County;
2. the amount of CRF Funds received that were expended or obligated for each project or activity;
3. a detailed list of all projects or activities for which funds were expended or obligated, including:
 - a. the name of the project or activity;
 - b. a description of the project or activity;
 - c. detailed information on any loans issued; contracts and grants awarded; transfers made to other entities; and direct payments made by the recipient that are greater than \$50,000.

11.2 Records of Support

Records to support compliance may include, but are not limited to, copies of the following:

1. general ledger and subsidiary ledgers used to account for (a) the receipt of CRF Fund payments and (b) the disbursements from such payments to meet eligible expenses related to the public health emergency due to COVID-19;
2. budget records for 2020 and 2021;
3. payroll, time records, human resource records to support costs incurred for payroll expenses related to addressing the public health emergency due to COVID-19;
4. receipts of purchases made related to addressing the public health emergency due to COVID-19;
5. contracts and subcontracts entered into using CRF Fund payments and all documents related to such contracts;
6. grant agreements and grant subaward agreements entered into using CRF Fund payments and all documents related to such awards;
7. all documentation of reports, audits, and other monitoring of contractors, including subcontractors, and grant recipient and subrecipients;
8. all documentation supporting the performance outcomes of contracts, subcontracts, grant awards, and grant recipient subawards;
9. all internal and external email/electronic communications related to use of CRF Fund payments; and
10. all investigative files and inquiry reports involving Coronavirus Relief Fund payments.

Records shall be maintained for a period of five (5) years after grant award is made using CRF Fund monies. These record retention requirements are applicable to all prime recipients and their grantees and subgrant recipients, contractors, and other levels of government that received transfers of CRF Fund payments from prime recipients.

12. **Conflict of Interest** Grant Recipient certifies that no official or employee of the County, nor any business entity in which an official of the County has an interest, has been employed or retained to solicit or aid in the procuring of this agreement. In addition, Grant Recipient agrees that no such person will be employed in the performance of this agreement unless first agreed to in writing by County. This includes prior Nevada County employment in accordance with County Personnel Code.

13. **Entirety of Agreement** This Agreement contains the entire agreement of County and Grant Recipient with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.
14. **Alteration** No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties, except as expressly provided in Section 19, Termination.
15. **Governing Law and Venue** This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. The venue for any legal proceedings regarding this Agreement shall be the County of Nevada, State of California. Each party waives any Federal court removal and/or original jurisdiction rights it may have.
16. **Compliance with Applicable Laws** Grant Recipient shall comply with any and all federal, state and local laws, codes, ordinances, executive orders, state and local health orders, rules and regulations, including the provisions of the CARES Act and the Coronavirus Relief Fund (CRF) "Community Broadband Accessibility" Program, which relate to, concern, or affect the Services to be provided by this Contract. Failure to comply with this provision shall constitute a material breach of this Agreement.
17. **Notification** Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

COUNTY OF NEVADA:

Nevada County
 County Executive Office
 Attn: Caleb Dardick
 Address
 950 Maidu Ave
 Nevada City, CA 95959
 Phone: (530) 470-2649
 Email: Caleb.dardick@co.nevada.ca.us

GRANT RECIPIENT:

Name of firm
 Race Communications
 Attn: Raul Alcaraz
 Address
 1325 Howard Ave. Ste #604
 Burlington, CA 94010
 Phone: (415) 991-9400
 Email: raul@race.com

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

Executed as of the day first above stated:


Authority: All individuals executing this Contract on behalf of Grant Recipient represent and warrant that they are authorized to execute and deliver this Contract on behalf of Grant Recipient.

IN WITNESS WHEREOF, the parties have executed this Contract effective on the Beginning Date, above.

COUNTY OF NEVADA:

By:  Date: Sep 29, 2020
Heidi Hall (Sep 29, 2020 10:59 PDT)

Printed Name/Title: Honorable Heidi Hall, Chair, of the Board of Supervisors

By: 

Attest: Julie Patterson Hunter, Clerk of the Board of Supervisors

Approved as to From:

By: 
K.L. Elliott (Sep 29, 2020 11:26 PDT)

GRANT RECIPIENT: Race Communications

By:  Date: Sep 28, 2020

Name: raul alcaraz

* Title: Ceo

By:  Date: Sep 29, 2020
Domenic Pacini (Sep 29, 2020 06:09 PDT)

Name: Domenic Pacini

* Title: Secretary

****If Grant Recipient is a corporation, this agreement must be signed by two corporate officers; one of which must be the secretary of the corporation, and the other may be either the President or Vice President, unless an authenticated corporate resolution is attached delegating authority to a single officer to bind the corporation (California Corporations Code Sec. 313).***

Attachment A

*Attach copy of RACE Proposal
dated 9/8/2020*



September 8, 2020

BY ELECTRONIC MAIL

Caleb Dardick, Projects Administrator
County of Nevada, CEO Office
Caleb.dardick@co.nevada.ca.us
(530) 557-5044

Dear Mr. Dardick,

We are writing to provide a letter of interest from Race Telecommunications Inc. dba Race Communications in respect to your August 7, 2020 request for Nevada County “shovel ready projects” for Broadband expansion.

Race’s Proposal is as follows:

PROJECT NAME: 2020 CARES Act Project

Race is currently building a CASF project (resolution T-17633) with a total project cost of \$26,811,315 passing 1,941 homes at a cost of \$13,813 per home. The CASF grant will fund 60% (\$16,086,789) of the project with the remaining 40% (\$10,724,526) being funded by Race.

Race’s proposal is for the \$1,000,000 CARES Act funding to expedite the build schedule for 500 homes providing them Gigabit Internet on or before the December 30, 2020 CARES Act deadline. This is accomplished by utilizing the funds for additional contractors in Race’s CASF build area to accelerate the previously scheduled construction completion date of December 2021 for these homes. The CARES Act funding will provide these 500 homes the necessary broadband required today allowing the residents to meet their telecommute, online education, and telemedicine needs brought on by the COVID-19 pandemic.



GEOGRAPHIC LOCATION/SUBDIVISION:

The project area for these 500 homes is defined in the red highlighted area on the map below known as the Peardale neighborhood.



This area has been identified by the school districts as an area where students are unable to obtain broadband internet for online education. In addition, the California Public Utility Commission, (CPUC) has identified this area as an underserved broadband location within the state. This means residents that do have internet access have inadequate service with speeds less than the state minimum requirements.



TOTAL BUDGET:

Total Budget to Nevada County for the 2020 CARES Act Project is \$1,000,000. The following tables detail the overview of the entire Race CASF project and the 2020 CARES Act Project for the 500 homes in the Peardale neighborhood.

The table below shows Race’s CASF project summary with cost per home.

**Race CASF (resolution T-17633)
Project Cost Summary**

			Cost Per Home	
Homes Passed		1,941		
T-17633 Funds (60% Project cost)	\$	16,086,789	\$	8,288
Race Investment (40% Project cost)	\$	10,724,526	\$	5,525
Total Project Cost	\$	26,813,256	\$	13,813

The table below shows the cost per home for 500 homes with the County’s CARE Act funds. The CARES Act funds will fund \$2,000 per home with Race investing the balance of \$3,525.

2020 CARES Act Project Summary

Homes Passed		500
CARES ACT Funds	\$	1,000,000
Cost per Home (non-CASF portion)	\$	5,525
CARES ACT Funds per home	\$	(2,000)
Balance- Race cost per home	\$	3,525

NUMBER OF PROPOSED PARCEL CONNECTIONS/COST PER CONNECTION

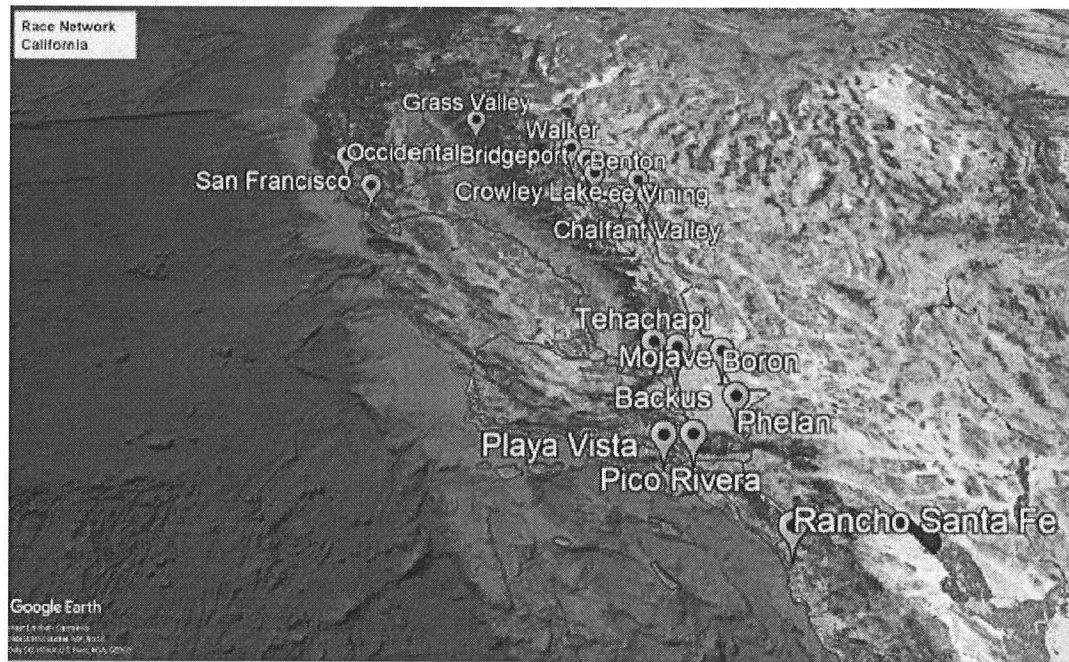
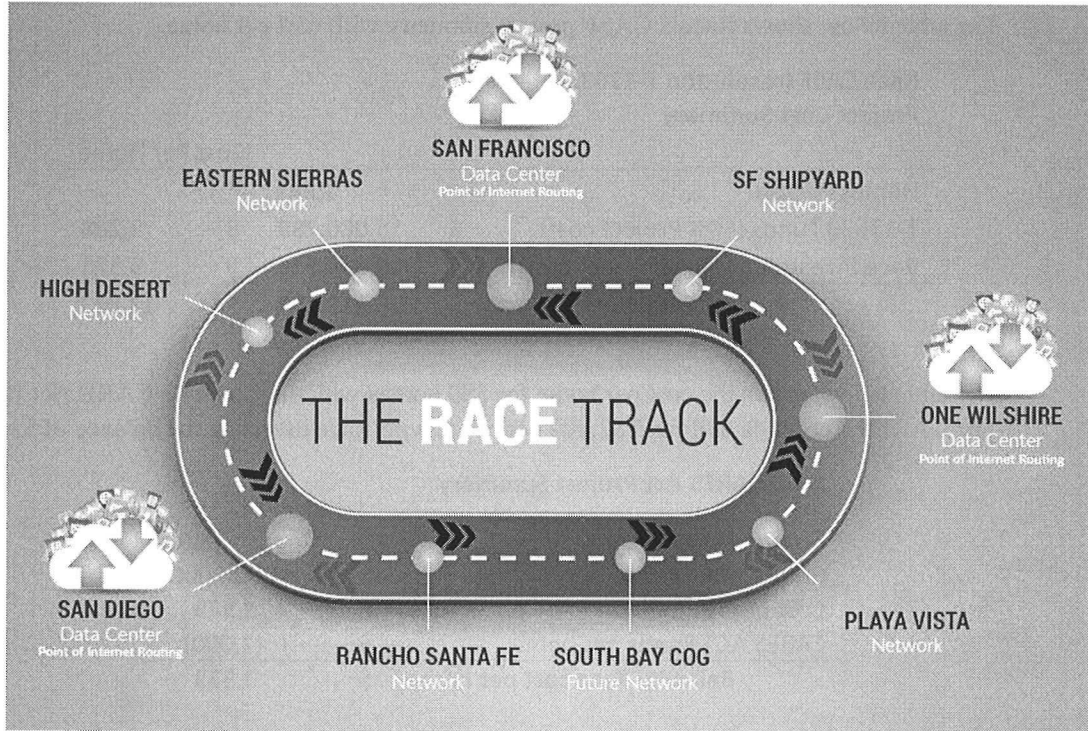
Race’s 2020 CARES Act Project will provide Fiber to the home internet to 500 homes that are currently not served with broadband internet meeting the state minimum requirements. Nevada County’s cost per home utilizing the CARES Act funds will be \$2,000 for service to 500 homes.

PROPOSED TECHNOLOGY AND DOWNLOAD/UPLOAD SPEEDS/TECHNOLOGY SUSTAINABILITY AND LONGEVITY OF SOLUTION.

Race will be deploying a fiber to the home (FTTH) network offering 1Gb symmetrical speeds with no data caps. This technology is considered a 50-100 year product in the industry. With fiber, speeds can simply be increased by changing the optics on each end when demand for higher speeds is needed. Race’s current residential equipment can provide up to 2Gb. Race has 10Gb residential equipment in beta phase of testing and would be ready to deploy that in 2021 if the demand for such a product existed. Race being a fully licensed CLEC through the CA Public Utility Commission builds all of our networks to meet the states telecommunication requirements. Important to the Nevada County area is the new PSPS requirements. Race’s networks are built to maintain network integrity during multiple day power outages. Unlike an ISP who just offers internet, Race also offers fiber-based phone services with E911 location services. This is a critical service during power outages as ISPs and cellular providers in the County were unable to maintain their networks during the 2019 power shutdowns.



Race's backbone infrastructure is a robust redundant path fiber network connecting to the top tier data centers throughout California providing users with the best quality experience with low latency and lightning fast connections to their favorite sites. The infographic and map below show the diversified redundant fiber paths Race utilizes for connections to California's data centers.





The Race Network Engineering group standard of design is for all network elements to be entirely standard-based and conform to Open Systems Interconnection (OSI) standards.

Race currently deploys ITU-T G.984 Gigabit-capable Passive Optical Networks (GPON) using both Calix E7-2 OLTs and ONTs for its access platform. Race has been deploying Calix platforms and ONTs for well over a decade, with thousands of ports deployed, Race has a full understanding of the Calix platform. Race stays highly active in reporting and working with Calix to resolve any software bugs. Race is currently in the process of evaluating the Calix next generation platforms running ITU-T G.9807.1 10-Gigabit-capable symmetric passive optical network (XGS-PON) and ITU-T G.989 40-Gigabit-capable passive optical networks (NG-PON2).

Race has standardized operations using three different models of Calix ONTs, for the ease of troubleshooting and warehouse management.

1. Calix 844GE ONT is the most deployed Router Based ONT, which provides your typical nat / dhcp / wireless functions.
2. Calix 803G ONT is the typical type of ONT used when a homeowner or business would like to use their own router.
3. Calix 717GE ONT is used on rare occasions where an ONT needs to be placed outside.

Race uses the 844GE router-based ONT, not only is the product top of the line, but it also gives the ability for our support team to be able to remote in and help troubleshoot issues with their Wi-Fi, which provides a better user experience and faster response time to customers.

“SHOVEL READINESS” EITHER PERMITTED OR CEQA EXEMPT

Race’s 2020 CARES Act project to provide service to 500 homes in the Peardale neighborhood is already permitted through the County, State, and local utility companies. The system is to be built within the current designated public utility easements and the project has been granted CEQA exempt status from the State.

BENEFICIAL IMPACT AND SOCIAL NEED

The Peardale neighborhood is in the unincorporated area of Nevada County outside the city limits of Grass Valley. It shares some of the same demographics of the City of Grass Valley with a median household income of \$35, 157, a median age of 43.7 and a poverty level of 26.3%. 82% of the population has a computer, however, 26% of the population in Grass Valley does not have access to broadband internet. Although the local school districts do not have statistical data they can release to the public, they did confirm through parent requests that Peardale is the largest area of concern during this COVID-19 pandemic as students do not have adequate internet to connect for online education. Without the access to quality broadband during this current pandemic, it puts the students as well as their parents at a disadvantage over other residents of Nevada County. The 2020 CARES Act Project will erase the disadvantage for these residents, providing them with quality fiber-based internet for telecommuting, online education, and telemedicine that is required during this pandemic.

In addition to the internet that the 2020 CARES Act project will bring to the residents, Race is contracting with a local Grass Valley company to perform the in-home installation of services. This local company has stated that this will allow them to keep their staff of 19 employed during the downturn in business caused by the COVID-19 pandemic.



FUNDING AMOUNT REQUESTED

Race is requesting \$1,000,000 from Nevada County for the 2020 CARES Act Project. Use of funds will be to expedite the build on 500 homes in the Peardale neighborhood to the estimated schedule below:

New Homes	
Oct-20	200
Nov-20	200
Dec-20	100
Total	500

The CARES Act funds will assist existing Race investment funds to provide materials and labor for these 500 homes to be completed in 2020. Without the CARES Act funds completion would be in late 2021.

Race proposes a schedule of 50% funding upon project approval, then 25% funding at the competition of the first 250 homes and final 25% funding at completion of the final 250 homes. Race will provide address data as proof of completion and have a Race Project manager available for a one-day field audit if the county has personnel that would like to verify field completion.

PLANNED SUBSCRIPTION LEVEL

Race has over 10 years of experience deploying fiber to the home networks in areas that are underserved or lacking broadband internet. Based on these many years of experience, we expect the 2020 CARES Act Project to have a take rate of 45% by end of year 1 maturing to a 70% take rate by year 5. Race offers a waiver of standard installation fees and no contract for homes until 2022 to assist the residents during this current pandemic.

WILL DISCOUNTED PLANS BE AVAILABLE FOR LOW-INCOME QUALIFIED SUBSCRIBERS?

For low-income qualified subscribers Race will follow our guidelines laid out in our CASF grant T-17633. Race’s monthly rate for qualified low-income households is \$25 per month for basic service. Households are required to provide documentation of County low-income enrollment plans or school district low-income enrolled plans to be eligible for this Race service plan.

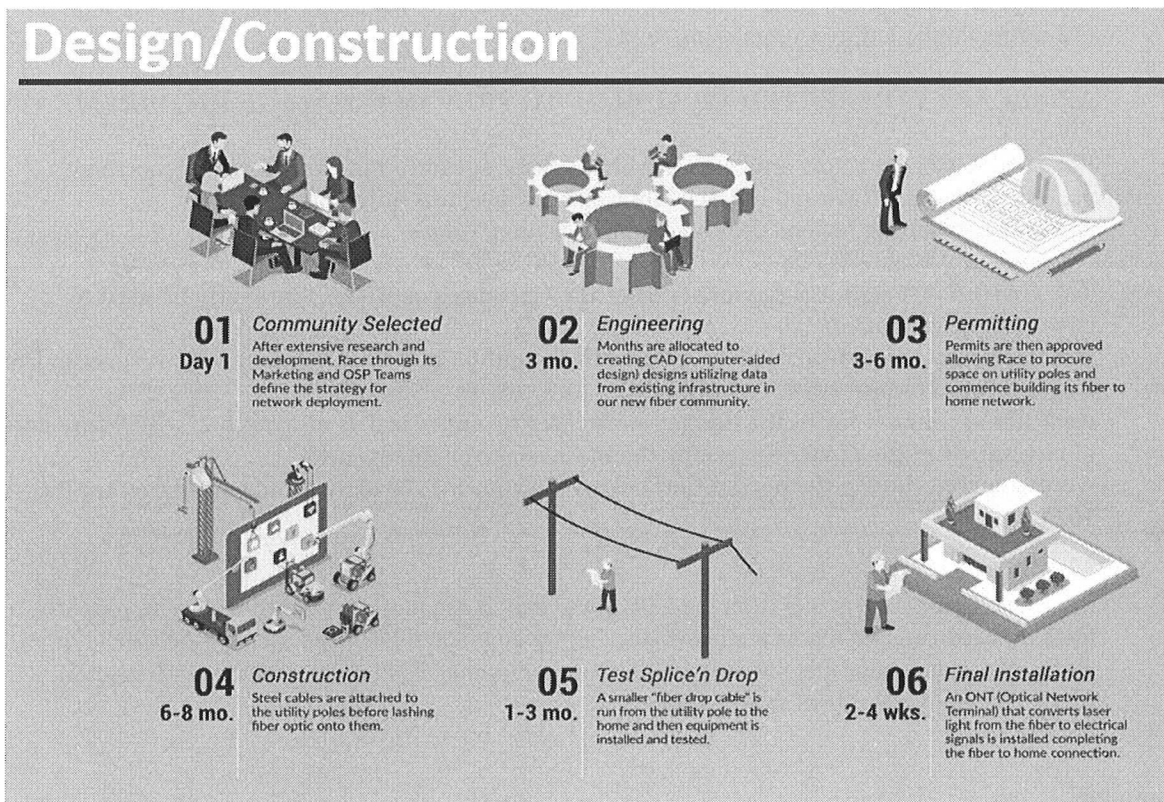
DEFINE ANY UPFRONT NEEDS WHICH MAY ADVANCE THE SUBMITTAL REVIEW PROCESS AND EXPEDITE BROADBAND DEPLOYMENT.

Race’s CASF project has been in construction since mid-2019 and Race has been engaged with the County’s public works department. This relationship and Race’s standards used in construction will allow this 2020 CARES Act Project to be completed by December 30, 2020.



EXPANSION MUST CONNECT THOSE WHO WOULD NOT OTHERWISE BE CONNECTED BEFORE 12/30/2020

By utilizing the CARES Act funds Race will be able to complete 500 homes in the Peardale neighborhood that without the funds would not be complete to 2021. The infographic below lays out the standard construction process used by Race in its fiber construction.



The Peardale neighborhood is currently in step 4 of construction (steps 1-6 defined in above infographic). With the added funds of the CARES Act, Race will be able to expedite construction on 500 homes by utilizing additional Race staff resources, adding additional constructions crews in steps 4-6, and expediting material orders.

MUST PROVIDE SIGNIFICANT EXPANSION CAPACITY

The CARES Act Funds in addition to expediting the construction to 500 homes in the Peardale neighborhood for competition in 2020 will also allow Race to expand to the west by increasing the fiber count on the network backbone. This would allow for future expansion to the Rattlesnake Ridge and La Bar Meadows areas.

PROJECT MAY NOT BE UNDER CONSIDERATION IN ANOTHER CASF GRANT APPLICATION

Race was awarded T-17633 60% funding grant for this area in Jan 2019. By the passing of this Resolution by the CPUC, no other funds would be available from the CASF for this area.



APPLICANT MUST HOLD CALIFORNIA'S CONTRACTOR'S LICENSE AND MAINTAIN CURRENT INSURANCE AND BOND REQUIREMENTS PER CALIFORNIA STATE GUIDELINES

Race through its wholly owned construction management company Race Technologies holds the appropriate California Contractors license and maintains current insurance and bonds to conduct such work. In addition, Race Telecommunications is a fully licensed CLEC Utility through the California Public Utility Commission (CPUC).

APPLICANT IS EXPECTED TO ADHERE TO PREVAILING WAGE REQUIREMENTS

Race and Race contractors are familiar with the State of California requirements concerning prevailing wages. Race and its contractors conduct business utilizing the proper accounting/reporting methods required with prevailing wages.

The CARES Act requires payments from the Coronavirus Relief Fund only be used to cover expenses that:

Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020

Race has received 11 grants from the CPUC and has an accounting system in place to properly track all expenses and report on them. Race's proven method has been used by the CPUC to assist other companies that have applied for similar grants. This proven method will meet or exceed the requirements of the CARES Act.

Summary

Race is requesting \$1,000,000 from Nevada County through the CARES Act to provide Broadband Internet to the community assisting residents with access for telecommuting, online education, and telemedicine during the current COVID-19 pandemic.

The CARE Act funds will advance Race's investment schedule allowing for 500 homes to be completed on or before the December 30, 2020 deadline. Without the CARE Act funds, Race's investment schedule would have these homes completed at the end of 2021 which would not help the residents of these homes during the current COVID-19 pandemic.

Benefits to the community will be 500 homes will have access to fiber Internet offering 1 Gigabit symmetrical speeds during the current pandemic. This speed exceeds Governor Newsom's new Executive Order N-73-20 stating homes should have a minimum of 100Mbps up/down. This broadband access will erase the disadvantage these current 500 homes currently have versus other homes in Nevada County.

Benefits to the local economy will be Race is contracting with a local Grass Valley company to perform the in-home installation of services. This local company has stated that this will allow them to keep their staff of 19 employed during the downturn in business caused by COVID-19 pandemic.



Race is available through the following contacts to answer any questions concerning this supplement to our LOI:

Raul Alcaraz, CEO
415 991-9400
raul@race.com

Jim Miller, VP Sales and Marketing
661 742-7869
jmiller@race.com

Sincerely,

A handwritten signature in cursive script, appearing to read 'Jim Miller'.

Jim Miller
Race Communications / VP Sales & Marketing
1325 Howard Ave. #604, Burlingame, CA. 94010
Phone: +1 661 742 7869/ jmiller@race.com / <http://www.race.com>

Attachment A



	Activities	Description	Timeline
Sept. 2020	<ul style="list-style-type: none"> Mobilization of crews 	Race OSP staff to engineer 500 homes passed in Zone 2 project area. Identify additional material required to complete construction	Week 4
	<ul style="list-style-type: none"> Supplemental training as necessary 	Race utilized 2 of its crews to train local Grass Valley contractors on Race's installation standards	Week 4
	<ul style="list-style-type: none"> Address any temporary pole placements 	Race OSP to place PO's for temp poles	Week 4
Oct.2020	<ul style="list-style-type: none"> Begin installations in block areas 	Race OSP staff and Race Contractors begin construction	Week 1
	<ul style="list-style-type: none"> Contact home owners in connection areas. 	Inform residents of internet service opportunities. How to get connected. Track outreach and response.	Week 1
	<ul style="list-style-type: none"> Placement of fiber for intial 200 Homes 	Race contractors place final fiber to serve homes schedule for Oct.	Weeks 1-4
	<ul style="list-style-type: none"> Placement of Enclosure for 200 Homes 	Race contractors place fiber enclosures to serve customer homes.	Weeks 1-4
	<ul style="list-style-type: none"> Splicing and testing of fiber to intial 200 Homes 	Race contractors to complete final splicing and testing for Oct. homes	Week 4
	<ul style="list-style-type: none"> In-home installations scheduled 	Customers who placed pre-orders are contacted for in-home installation of services	Week 4
	<ul style="list-style-type: none"> Home fiber drops begin 	Both Race crews and Race contractors begin fiber installation from the street to customer's home.	Week 4
	<ul style="list-style-type: none"> End of month recap provided to County 	Recap of Monthly construction and production provided to County POC	Week 4
Nov.2020	<ul style="list-style-type: none"> Contact home owners in connection areas. 	Inform residents of internet service opportunities. How to get connected. Track outreach and response.	Week 1
	<ul style="list-style-type: none"> Placement of fiber for next 200 Homes 	Race contractors place final fiber to serve homes schedule for Nov.	Weeks 1-4
	<ul style="list-style-type: none"> Placement of Enclosure for 200 Homes 	Race contractors place fiber enclosures to serve customer homes.	Weeks 1-4
	<ul style="list-style-type: none"> Splicing and testing of fiber to next 200 Homes 	Race contractors to complete final splicing and testing for Nov. homes	Week 4
	<ul style="list-style-type: none"> In-home installations scheduled 	Customers who placed pre-orders are contacted for in-home installation of services	Week 4
	<ul style="list-style-type: none"> Home fiber drops begin 	Both Race crews and Race contractors begin fiber installation from the street to customer's home.	Week 4

Attachment A

	<ul style="list-style-type: none"> End of month recap provided to County 	Recap of Monthly construction and production provided to County POC	Week 4
Dec.2020			
	<ul style="list-style-type: none"> Contact home owners in connection areas. 	Inform residents of internet service opportunities. How to get connected. Track outreach and response.	Week 1
	<ul style="list-style-type: none"> Placement of fiber for next 100 Homes 	Race contractors place final fiber to serve homes schedule for Dec.	Weeks 1-3
	<ul style="list-style-type: none"> Placement of Enclosure for 100 Homes 	Race contractors place fiber enclosures to serve customer homes.	Weeks 1-3
	<ul style="list-style-type: none"> Splicing and testing of fiber to next 100 Homes 	Race contractors to complete final splicing and testing for Dec. homes	Week 3
	<ul style="list-style-type: none"> In-home installations scheduled 	Customers who placed pre-orders are contacted for in-home installation of services	Week 3
	<ul style="list-style-type: none"> Home fiber drops begin 	Both Race crews and Race contractors begin fiber installation from the street to customer's home.	Week 3
	<ul style="list-style-type: none"> End of month recap provided to County 	Recap of Monthly construction and production provided to County POC	Week 4
	<ul style="list-style-type: none"> Project Completion Report 	Race to provide a final Report listing addresses for 500 homes and final take rate for services.	Week 4