

December 23, 2021

Rappahannock County Broadband Authority  
3 Library Road  
P.O. Box 519  
Washington, Virginia 22747

Re: Grant Commitment

Dear Authority Members:

Fagus Foundation ("Foundation") is pleased to provide a grant commitment ("Grant") to the Rappahannock County Broadband Authority ("RCBA") on the terms and conditions set forth in this letter. The purpose of the Grant is to support the extension of broadband to Rappahannock County, that is, the "Broadband Project". The Foundation understands that Rappahannock County and the RCBA are relying on this Foundation Grant in pursuing the Virginia Telecommunications Initiative 2022 ("VATI") grant and other funding for and in order to timely proceed with the Broadband Project as referenced below.

The Grant is conditioned on the following terms and conditions:

1. Background and Condition. The Foundation understands that, if and when the Commonwealth of Virginia, through VATI, approves a grant pursuant to the joint application of the Shenandoah Valley Regional Commission and All Points Broadband (the "VATI Application"), RCBA will be in a position to initiate the Broadband Project to extend broadband to Rappahannock County in accordance with the VATI Application. Per the VATI Application, Rappahannock County's total project cost is estimated at \$19,400,000. From the \$19,400,000, the total amount that Rappahannock County and RCBA are required to commit is estimated to be \$5,900,000, but this amount may be adjusted as contracts are finalized. The total amount that Rappahannock County and RCBA are required to commit, as finally determined, is referred to herein as the "Local Funding Commitment".

2. Amount. Provided (a) the VATI Application is approved and the VATI grant funds requested therein are committed, and (b) the RCBA has secured funding for the Local Funding Commitment defined above in the amount of \$2,400,000 or more, the Foundation agrees to provide the Grant to RCBA in the amount necessary to complete the Local Funding Commitment, not to exceed \$3,500,000. As set forth in Paragraph 3 below, the Grant will be provided in increments based on amounts due during the Broadband project period.

The Grant shall not provide base funding for the Local Funding Commitment. Rather, the Grant exists to close the funding gap necessary for RCBA to enter into the agreement with Shenandoah Valley Regional Commission, and it in turn with All Points Broadband, and in order to complete the RCBA's payments as required during the Broadband Project period. RCBA agrees to continue to seek and collect funding from sources other than the Foundation.

If the VATI Application is not approved and the VATI grant requested therein is not committed, this Grant commitment shall have no effect and will be null and void.

3. Timing. The Foundation understands that RCBA's payment dates for the Broadband Project are not yet known but are expected to be incremental payments spread over at least the next three (3) years. Because the Grant exists only to close the funding gap for the Local Funding Commitment, the Grant will be released as and when the incremental payments are due and payable based on an amount requested in writing by RCBA when additional monies are required to "close the gap" in payment of the amount then due. Generally, payments will be made from the Grant only if other funding sources are unavailable at the time funds are needed for the incremental payments. The Foundation agrees to make funds available to the RCBA within 30-days of a written request by RCBA for disbursement that is consistent with the terms set forth herein.

4. Records. RCBA agrees to retain records of receipts and disbursements related to the Grant through December 31, 2025. The Foundation, at its expense and on reasonable notice, may inspect, audit, or copy the RCBA's records pertaining to the Grant.

5. Restrictions. RCBA agrees to expend the Grant only as set forth herein or as later modified by agreement of both the Foundation and RCBA in writing. RCBA agrees that no portion of the Grant will be used to carry on propaganda or otherwise attempt to influence legislation, to influence the outcome of a public election, or to carry on a voter registration drive, or to finance an activity for any purpose other than the charitable purposes stated in section 170(c)(2)(B) of the Internal Revenue Code of 1986, as amended.

6. Failure. If for any reason RCBA fails to comply with any of the terms and conditions described herein, or if circumstances are so changed that the Broadband Project cannot be completed as proposed in the VATI Application, RCBA agrees to refund to the Foundation any Grant funds not yet spent as set forth herein.

7. Publicity. The Foundation agrees that the RCBA may publicly disclose the Grant in its efforts to raise additional funds for the Local Funding Commitment. The Grant shall be referred to as having been made by Fagus Foundation, a foundation of the Akre family based in Rappahannock County.

8. Expiration. The Grant commitment as set forth herein shall expire on December 31, 2026.

Please sign below to signify RCBA's agreement to the terms and conditions set forth herein and return a countersigned copy to me. Please do not hesitate to contact me with any questions.

Warm regards,

FAGUS FOUNDATION

By: Charles T. Akre, Jr.  
Charles T. Akre, Jr., President

**Rappahannock County Broadband Authority hereby agrees to the terms and conditions set forth in this letter.**

By:

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Name:  
Title: