

## Exhibit M: Documentation of Federal Interest in Property

### CNMI Broadband Policy and Development (BPD) Office Broadband Equity, Access, and Deployment (BEAD) Program Subgrant Agreement between CNMI BPD and [Subgrantee Name]

Field	Detail
Project Name/Identifier	[Unique Name or Identifier from Exhibit A]
Subgrantee	[Full Legal Name of Subgrantee]
BPD Subgrant Award Identifier	[BPD Assigned ID]

#### 1. Purpose and Requirement

Pursuant to **2 C.F.R. § 200.316** and the Department of Commerce (DOC) Financial Assistance Standard Terms and Conditions (GTC), property acquired or improved under this federal award must be held in trust by the Subgrantee for the beneficiaries of the BEAD Program project.

To provide public notice of this federal interest and the associated use and disposition conditions, the Subgrantee is required to record appropriate notices of record for the Project Property during the entire Federal Interest Period (FIP).

#### 2. Applicability and Definitions

This requirement applies to **"Project Property,"** which is defined as:

- **Real Property** (e.g., land, improvements, fiber conduit infrastructure permanently affixed to land) acquired or improved using Award Funds.
- **Equipment** (tangible personal property) acquired or improved using Award Funds.

**Award Funds** include Federal BEAD Grant Funds and the required Non-Federal Matching Funds.

### 3. Documentation of Federal Interest

The Subgrantee is responsible for recording the appropriate instruments as required by the CNMI BPD in consultation with NTIA and the NIST Grants Officer (GO).

Property Type	Required Instrument	Compliance Source
<b>Real Property</b> (or fixtures)	<b>Covenant of Purpose, Use and Ownership</b> (Covenant)	Must be properly recorded in the real property records of the jurisdiction to document the Federal Interest and restrictions on use and disposition.
<b>Equipment</b> (Personal Property)	<b>UCC-1 Financing Statement</b>	Must be filed with the appropriate CNMI office to provide public notice of the Federal interest in the equipment.
<b>Legal Verification</b>	<b>Attorney's Certification</b>	Required after UCC-1 filing to certify proper execution and recordation.

### 4. Federal Interest Period (FIP)

The Federal Interest in all Project Property acquired or improved as part of this subgrant (where the major purpose is a broadband infrastructure project) will continue for **ten (10) years after the year in which that subgrant has been closed out** in accordance with **2 C.F.R. § 200.344**.

### 5. Filing Requirements and Content

A. **Filing Location:** UCC-1 Filings and Real Property Notices are generally handled by the **Commonwealth Recorder's Office** (or other designated CNMI filing office). The Subgrantee must verify the correct filing office prior to submission.

B. **UCC-1 Filing Timeline:** Proof of UCC-1 filing is a mandatory prerequisite for the closeout milestone and is required by CNMI BPD **prior to the issuance of the Notice to Proceed with Construction (NTPC)** for activities involving the relevant equipment. Filing must occur not later than closeout.

#### C. Content and Inventory:

- The UCC-1 Filing must include the following mandatory language (or substantively similar language acceptable to BPD and the Grants Officer): "The

Equipment set forth at Attachment A hereto was acquired with funding under a financial assistance award **[[Insert BPD Subgrant Award Identifier]]**, issued by the National Institute of Standards and Technology, U.S. Department of Commerce. As such, the U.S. Department of Commerce retains an undivided equitable reversionary interest (Federal interest) in the Equipment for ten (10) years after the end of the year in which the award is closed out in accordance with 2 CFR 200.344.”

- A clear and accurate inventory of the subject equipment (including serial numbers, make, model, and location) must be attached to and filed with the UCC-1 (referred to as Attachment A in the language above).

**D. Attorney’s Certification:** The Subgrantee must provide the Grants Officer and CNMI BPD with complete and certified copies of the filed UCC forms and attachments, along with a certification from legal counsel licensed in the CNMI, attesting that the filing was properly executed and recorded.

## **6. Encumbrance Security and Continuation**

**A. Encumbrance Restrictions:** The Subgrantee must not encumber any Project Property during the FIP without prior notice to BPD and the Grants Officer. If encumbrance is approved, it is subject to the Department of Commerce (DOC) receiving either a **first priority security interest (preferred)** or a **shared first priority security interest** in the property. This security interest must ensure that DOC receives a portion of the current fair market value equal to the DOC’s percentage of contribution to project costs upon foreclosure and liquidation.

**B. Continuation Statements:** The Subgrantee is responsible for timely filing any necessary **UCC-3 continuation statements** (or other necessary filings) throughout the FIP to maintain the perfection of the Federal Interest until the FIP is fully satisfied. Proof of continuation must be submitted to BPD.