

Exhibit S: Fixed-Amount Subaward Milestones

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

Field	Detail
BPD Subgrant Award Identifier	[BPD Assigned ID]
Project Name/Identifier	[Unique Name or Identifier from Exhibit A]
Subgrantee	[Full Legal Name of Subgrantee]
Total Fixed Subaward Amount (Federal BEAD Funds)	[\$[Total Amount from Exhibit B]
Required Non-Federal Match (Minimum 25%)	[\$[Minimum 25% of Total Estimated Project Cost]

1. Purpose and Financial Structure

This Exhibit defines the specific, objective, and measurable performance milestones for the Project funded under this **Fixed-Amount Subaward** Agreement. Payments are based on meeting specific requirements of the subaward. Payment of the fixed subaward amount is strictly contingent upon the Subgrantee's **successful achievement, documentation, and BPD's verification and acceptance** of the completion of each milestone.

Disbursement Condition: For each Milestone Payment requested, the Subgrantee must certify and provide documented evidence confirming that the **proportional portion of the Required Non-Federal Match** corresponding to the milestone value has been expended and reconciled.

2. Milestone Payment Schedule (As Defined in CNMI Final Proposal)

The following structure represents the fixed percentage split of the Total Federal Subaward Amount that will be disbursed upon successful verification of the achievement of the milestone requirements listed in Section 3:

Milestone (M) #	Description / Verification Target	Target Completion Date	Percentage of Federal Subaward	Fixed Payment Amount
M0	Readiness & NTPC Issued (Gating)	[MM/DD/YYYY]	0% (Prerequisite)	\$0.00
M1	Engineering & Subgrant Signing	[MM/DD/YYYY]	10%	[\$Amount]
M2	Deployment Progress (10% BSLs)	[MM/DD/YYYY]	10%	[\$Amount]
M3	Deployment Progress (35% BSLs)	[MM/DD/YYYY]	15%	[\$Amount]
M4	Deployment Progress (60% BSLs)	[MM/DD/YYYY]	15%	[\$Amount]
M5	Deployment Progress (85% BSLs)	[MM/DD/YYYY]	15%	[\$Amount]
M6	Final Acceptance & Closeout	[MM/DD/YYYY]	35%	[\$Amount]
	Total:		100%	[\$Total Amount]

3. Detailed Milestone Requirements and Deliverables

Milestone	Required Deliverables and Verification	Alignment Mandate
M0: Readiness & NTPC Issued	(A) Financial Assurance Secured: Irrevocable Letter of Credit (LoC) or Performance Bond (minimum 25% or 10% per waiver) is executed. (B) Federal Interest	Fulfillment of pre-award risk mitigation,

(Gating, 0% Payment)	Recordation: Proof of UCC-1 Filing for relevant equipment is submitted. (C) Pre-Construction Clearance: All permits, easements, and rights-of-way are obtained, and BPD issues the Notice to Proceed with Construction (NTPC) , signifying completion of all Environmental and Historic Preservation (EHP) requirements.	EHP compliance, and financial prerequisites.
M1: Engineering & Subgrant Signing (10% Payment)	(A) Budget Approved & Subgrant Signed: Formal documentation of BPD approval of the detailed project budget (Exhibit B) and the executed Subgrant Agreement. (B) Design Finalized/Accepted: BPD acceptance of the PE-Certified Final Network Design (Exhibit O), confirming the design incorporates climate-resilient practices consistent with PBP standards. (C) Initial Match Proportional Expenditure: Documentation certifying 10% of the Non-Federal Match has been expended and reconciled against the requested tranche.	Release of funds upon formal project inception and verification of resilient design principles.
M2: Deployment Progress (10% BSLs) (10% Payment)	(A) Physical Construction: BPD verification (via desk review and/or site visit) that the physical deployment is complete for 10% of the BSLs and CAls within the PFA. (B) Reporting: Submission of the required Semi-Annual Performance Report (SAR) . (C) Match Proportional Expenditure: Documentation certifying the cumulative match expenditure is proportional to the funds requested.	Measures interim buildout milestones enforced as conditions of the subgrant.
M3: Deployment Progress (35% BSLs) (15% Payment)	(A) Physical Construction: BPD verification that 35% of the BSLs and CAls within the PFA are complete. (B) Timeline Adherence: Progress review against the approved build-out timeline. (C) Match Proportional Expenditure: Documentation certifying cumulative match expenditure is proportional to the funds requested.	Ensures reasonable progress toward the four-year statutory deployment deadline .
M4: Deployment Progress (60% BSLs) (15% Payment)	(A) Physical Construction: BPD verification that 60% of the BSLs and CAls within the PFA are complete. (B) Compliance Certifications: Confirmation of continued adherence to SCRM and Cybersecurity plans (Exhibit K). (C) Match Proportional Expenditure: Documentation certifying cumulative match expenditure is proportional to the funds requested.	Confirms ongoing security and deployment integrity.

M5: Deployment Progress (85% BSLs) (15% Payment)	(A) Physical Construction: BPD verification that 85% of the BSLs and CAls within the PFA are complete (Substantial Completion). (B) Network Operational: The network is operational and ready for final performance testing. (C) Match Proportional Expenditure: Documentation certifying cumulative match expenditure is proportional to the funds requested.	Final phase before comprehensive testing and closeout review.
M6: Final Acceptance & Closeout (35% Payment)	(A) Final Project Acceptance: BPD acceptance of the Subaward Completion Certification (Exhibit J). (B) Performance Verified: Submission of final testing results confirming 100/20 Mbps speeds and $\leq 100 \text{ ms}$ latency to BSLs. (C) Final Compliance: Submission of the complete BABA Reporting Subrecipient Tracker , certification that the LCSO is actively offered for the 10-year Federal Interest Period, and final EHP closeout documentation. (D) Final Financial Reconciliation: Documentation certifying 100% of the Non-Federal Match has been expended and reconciliation of all project costs is complete.	Ensures the achievement of final performance metrics, statutory service obligations, and secures the 10-year Federal Interest Period .

4. General Conditions

- **Deployment Deadline:** Subgrantees must deploy the Funded Networks and begin providing broadband service to each customer that desires it not later than **four years** after receiving the subgrant.
- **Accountability:** Funding distribution is contingent on verifiable milestone completion. BPD enforces accountability through **clawback provisions** allowing for the recoupment of disbursed funds in the event of non-compliance, including failure to meet mandated deadlines.
- **Reporting:** The Subgrantee must submit periodic progress and financial reports, including at least **semiannual reporting**, for the duration of the subgrant, even if payments are milestone-based.
- **Cost Principle Adherence:** The Subgrantee acknowledges that profit, fees, or incremental charges above the actual cost incurred are **not allowable costs** under this Fixed Amount Subaward.
- **Record Retention:** The Subgrantee must retain all project records, including network designs, costs, and timelines, for at least **three (3) years** from the date of submission of the subgrant's final expenditure report.