

## 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 Micronesian Telecommunications Corp. Dba IT&E

Field	Detail
<b>Project Name(s)/Identifier(s)</b>	All 20 Project Funding Areas (CNMI-S1 through CNMI-S17, CNMI-R1, CNMI-T1, and CNMI-T2 as individually detailed in the attached Exhibits A)
<b>Subgrantee</b>	Micronesian Telecommunications Corp. dba IT&E
<b>BPD Subgrant Award Identifier</b>	CNMI Broadband Equity, Access, and Deployment (BEAD) Program Subgrant Agreement (Covering all 20 PFA Awards)
<b>Agreement Effective Date</b>	May 13, 2026

#### 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

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	Percentage of Total	Equivalent % of Total Subaward
M1	Pre-Implementation Design, Engineering & Easements	20%	18%
M2	Material Procurement & Permitting	10%	9%
M3	Following receipt of NTPC	10%	9%
M4	Construction & Deployment (25% BSLs)	15%	13.5%
M5	Construction & Deployment (50% BSLs)	15%	13.5%
M6	Construction & Deployment (75% BSLs)	15%	13.5%
M7	Construction & Deployment (100% BSLs)	15%	13.5%
M8	Final Payment & Closeout (10% Holdback)	N/A	10%
<b>Total:</b>		<b>100%</b>	<b>100%</b>

### 3. Detailed Milestone Requirements and Deliverables

Milestone	Required Deliverables and Verification
<b>M1: Pre-Implementation Design, Engineering &amp; Easements</b> (18% of Total Subaward)	<p><b>(A) Pre-Implementation Readiness:</b> Follows receipt of the Notice to Proceed with Pre-Implementation Activities (NTPPIA) and submission of the executed irrevocable standby Letter of Credit (LoC) or Performance Bond acceptable to BPD. <b>(B) Design &amp; Execution:</b> Completion of detailed design prepared under the review and certification of a degreed engineer or a Professional Engineer (PE). Submission of the Agreement for each individual PFA signed by authorized representatives of IT&amp;E and the CNMI Office of the Governor’s Broadband Policy and Development Office (BPD). Submission of signed Exhibits required by the Agreement for detailed designs. <b>(C) Easements:</b> Completion of signed easement agreements with private property owners for private property access during the construction phase with a minimum of 20% of the BSLs in the PFA. <b>(D) Match Proportional Expenditure:</b> Documentation certifying the proportional non-federal match has been expended.</p>

<p><b>M2: Material Procurement &amp; Permitting</b> (9% of Total Subaward)</p>	<p><b>(A) Easements:</b> Completion of signed easement agreements with private property owners for access during construction with a minimum of 70% of the BSLs in the PFA. <b>(B) Procurement &amp; Clearances:</b> An initial economic order quantity order of materials and equipment to ensure up to nine months of planned construction activities have materials/equipment in the CNMI. RoW permits issued. <b>(C) Match Proportional Expenditure:</b> Documentation certifying the proportional non-federal match has been expended.</p>
<p><b>M3: Following receipt of NTPC</b> (9% of Total Subaward)</p>	<p><b>(A) EHP Clearances &amp; NTPC:</b> Upon receipt of the Notice to Proceed with Construction (NTPC). NTPC for ground disturbance in a PFA will require an approved NEPA report by NTIA and an approved NHPA Section 106 report by CNMI HPO and NTIA. <b>(B) Match Proportional Expenditure:</b> Documentation certifying the proportional non-federal match has been expended.</p>
<p><b>M4: Construction &amp; Deployment (25% BSLs)</b> (13.5% of Total Subaward)</p>	<p><b>(A) Physical Construction &amp; Activation:</b> Completion of 25% of the BSLs in the PFA. For BSLs that complete service orders, completed service orders shall be closed based on an exterior and interior customer termination connected with a fiber jumper with an indoor ONT, and the services shall have been activated. <b>(B) Match Proportional Expenditure:</b> Documentation certifying the proportional non-federal match has been expended</p>
<p><b>M5: Construction &amp; Deployment (50% BSLs)</b> (13.5% of Total Subaward)</p>	<p><b>(A) Physical Construction &amp; Activation:</b> Completion of 50% of the BSLs in the PFA. For BSLs that complete service orders, completed service orders shall be closed based on an exterior and interior customer termination connected with a fiber jumper with an indoor ONT, and the services shall have been activated. <b>(B) Match Proportional Expenditure:</b> Documentation certifying the proportional non-federal match has been expended</p>
<p><b>M6: Construction &amp; Deployment (75% BSLs)</b> (13.5% of Total Subaward)</p>	<p><b>(A) Physical Construction &amp; Activation:</b> Completion of 75% of the BSLs in the PFA. For BSLs that complete service orders, completed service orders shall be closed based on an exterior and interior customer termination connected with a fiber jumper with an indoor ONT, and the services shall have been activated. <b>(B) Match Proportional Expenditure:</b> Documentation certifying the proportional non-federal match has been expended.</p>

<p><b>M7: Construction &amp; Deployment (100% BSLs)</b> (13.5% of Total Subaward)</p>	<p><b>(A) Physical Construction &amp; Activation:</b> Completion of 100% of the BSLs in the PFA. For BSLs that complete service orders, completed service orders shall be closed based on an exterior and interior customer termination connected with a fiber jumper with an indoor ONT, and the services shall have been activated. <b>(B) Match Proportional Expenditure:</b> Documentation certifying the proportional non-federal match has been expended.</p>
<p><b>M8: Final Payment &amp; Closeout (Holdback)</b> (10% of Total Subaward)</p>	<p><b>(A) Final Project Acceptance:</b> Payment of the 10% hold-back of the grant award. Submission of the Project Completion Certification (Exhibit J). <b>(B) Performance Verification:</b> Verification of service approved by a degreed engineer or a PE. <b>(C) Match Obligation Fulfillment:</b> Final reconciliation confirms that the required Non-Federal Matching Funds proportional to the entire project cost have been fully expended and documented.</p>

**4. General Conditions**

**1. Payment Authorization and Oversight**

All fixed-amount payments under this Subaward are subject to review, verification, and written approval by the CNMI Broadband Policy and Development Office (BPD). BPD reserves the right to withhold, delay, or reduce payments, including retainage, if the Subgrantee fails to comply with applicable requirements, including performance milestones, deployment deadlines, service obligations, reporting requirements, or quality standards. As a condition of payment, BPD may require site inspections, desk reviews, technical testing, documentation review, or other verification activities necessary to determine compliance.

**2. Deployment Deadline and Service Availability**

The Subgrantee must complete deployment of the Funded Network(s) and commence provision of broadband service to each customer that requests service no later than four (4) years from the date of receipt of subgrant funds, unless an extension is approved in writing by BPD in accordance with applicable federal and territorial requirements.

**3. Performance Accountability and Remedies**

Disbursement of funds is contingent upon the Subgrantee’s demonstrated and verifiable completion of approved milestones. In the event of non-compliance, BPD may impose remedies consistent with 2 CFR Part 200, including but not limited to payment suspension, disallowance of costs, withholding of further awards, termination of the Subaward, or recovery (clawback) of previously

disbursed funds. Non-compliance includes failure to meet deployment timelines, reporting obligations, service commitments, or other material terms of the Subaward.

**4. Reporting and Monitoring**

The Subgrantee must submit periodic programmatic and financial reports for the duration of the Subaward, including at least semiannual reporting, or more frequently if required by BPD. Reporting obligations apply regardless of whether payments are made on a fixed-amount or milestone basis. The Subgrantee is subject to ongoing monitoring by BPD to assess compliance with Subaward terms and applicable federal requirements.

**5. Allowable Costs and Cost Principles**

This Subaward is subject to the cost principles set forth in 2 CFR Part 200, Subpart E. The Subgrantee acknowledges that reimbursement under this Fixed Amount Subaward is limited to actual, reasonable, and necessary costs incurred in performance of the approved project. Profit, fees, or incremental charges in excess of actual costs incurred are unallowable and shall not be charged to the Subaward. Advance payments for activities not yet undertaken are strictly prohibited. All milestone payments operate strictly on a reimbursement basis for actual, reasonable, and necessary eligible costs incurred to complete the verifiable deliverables and objectives defined herein.

**6. Record Retention and Access**

In accordance with 2 CFR §200.334, the Subgrantee must retain all financial, programmatic, and technical records related to the Subaward—including network designs, cost documentation, schedules, reports, and supporting materials—for a period of three (3) years from the date of submission of the final expenditure report. Such records must be made available to BPD, NTIA, the U.S. Department of Commerce, and authorized auditors or oversight entities upon request.