

LEO CAPACITY SUBGRANT AGREEMENT RIDER

This rider (“RIDER”) is attached to and hereby made part of the [Low Earth Orbit Capacity Subgrant Agreement for the Broadband, Equity, Access, and Deployment Program] (“AGREEMENT”) dated [DATE] between [state/territory broadband office] (“STATE”) and Space Exploration Technologies Corp. (“GRANTEE”) (STATE and GRANTEE, collectively, the “Parties”). Should the terms in this RIDER, the AGREEMENT, or GRANTEE’s grant application differ, the terms and conditions of this shall RIDER govern. Capitalized terms not defined herein are ascribed the definitions in the AGREEMENT.

1. DEFINITIONS.

- a. **“Audit”** means any audit required by state or federal law in connection with the Broadband, Equity, Access, and Deployment (BEAD) Program, including audit requests directed to Grantee in connection with audits in which the state is the subject.
- b. **“Broadband Service”** Internet service providing transmission speeds of at least 100 Mbps download and 20 Mbps upload, or greater.
- c. **“Broadband Serviceable Location (‘BSL’)”** means a business, residential, or other location in the project area at which mass-market fixed broadband Internet access service is, or can be, installed. Residential BSLs include all residential structures, including structures that are (or contain) housing units or group quarters (as those terms are defined by the United States Census Bureau). Business BSLs include all non-residential (business, government, non-profit, etc.) structures that are on property without residential locations and that would be expected to demand mass-market, non-enterprise-grade Internet access service. Each BSL is assigned a unique Federal Communications Commission (FCC)-issued Location ID.
- d. **“Effective Date”** means [date].
- e. **“Eligible Subscriber”** means a household seeking to subscribe to broadband internet access service that is eligible for the FCC’s Lifeline Program under the criteria contained in 47 CFR §54.409 in effect on the execution date of this AGREEMENT.
- f. **“Grant Funds”** means federal BEAD funds provided by STATE to expand broadband access and adoption in designated areas.
- g. **“Low-Cost Service Option”** means a broadband service plan offered by Grantee to Eligible Subscribers within the Project Area through the Period of Performance.
- h. **“Low Earth Orbit (LEO)”** means Broadband Service provided by Low Earth Orbit satellite services.

- i. **“Period of Performance”** means the time period beginning on the Effective Date of this Agreement and terminating ten (10) years from the date the Grantee certifies that it can initiate Broadband Service to any covered BSL within the Project Area in accordance with Section 2.a of this Rider.
- j. **“Project”** means the reservation of capacity on the LEO network as described in Grantee’s application that was approved by the STATE.
- k. **“Project Area”** means the BSLs awarded to GRANTEE by STATE.
- l. **“Restructuring Policy Notice”** is the “BEAD Program: Restructuring Policy Notice,” issued by the National Telecommunications and Information Administration on June 6, 2025.
- m. **“Term”** means the ten (10) year period beginning from the certification in Section 2.a of service availability through the end of the Period of Performance.

2. GRANTEE Performance.

- a. **Certification.** Not later than four (4) years from the Effective Date, the GRANTEE shall certify that it can perform a Standard Installation of Broadband Service within ten (10) business days of a request to any BSL within the Project Area. For clarity, Grantee may, but shall not be required to initiate service under the Agreement for four (4) years following the Effective Date, but may elect to make this certification at any time prior to this deadline.
- b. **Standard Installation.** Upon the first request for service at a covered BSL within the Project Area, GRANTEE shall perform a standard installation, which shall constitute of the mailing to requesting subscriber of all necessary consumer premise equipment (“CPE”) essential for delivery of Broadband Service via LEO satellite. For the avoidance of doubt, the GRANTEE will not be responsible for completing a permanent installation of such CPE at the BSL. The GRANTEE may choose to offer the subscriber professional services for permanent installation of CPE at an additional fee, but such professional services shall not be considered part of the standard installation, as that term is described in Section 3.3 of the Restructuring Policy Notice. The ten (10) business day standard installation timeline contemplated by this AGREEMENT shall be calculated from the date a customer places an order for service to GRANTEE’s dispatch of all necessary CPE via commercial carrier to the BSL. No term in this AGREEMENT shall impose an obligation on GRANTEE to restore property at any covered BSL to which GRANTEE provides Broadband Service to the condition such BSL was in prior to commencement of service to the BSL.
- c. **Issues Outside of Grantee Control.** STATE acknowledges that property owners, including property owners of multi-tenant environments, may control areas required for permanent installation of CPE. To the extent that such property owners prevent the installation of CPE pursuant to applicable GRANTEE

installation guidance, or fail to adhere to GRANTEE'S installation guidance, GRANTEE shall not be held responsible for purposes of the AGREEMENT for the installation timeline or quality of service at such BSL. Additionally, GRANTEE shall not be responsible for installation delays associated with issues outside its control, including, but not limited to weather, strikes, war, or other significant disruptions. The Parties recognize that Tribal consent is outside the control of STATE or GRANTEE. GRANTEE shall not receive funding from BSLs located on Tribal land for which Tribal consent has not been obtained, however, failure to provide service to such locations shall not be considered a breach of GRANTEE'S obligations under the AGREEMENT.

- d. CPE. Grantee shall provide up to three (3) sets of CPE, which shall include all necessary equipment to receive the Broadband Service, at no cost to subscribers requesting service to each BSL in the Project Area. To limit fraud, GRANTEE may limit a BSL from receiving no-cost CPE more than once during a three-month period. If GRANTEE has provided three (3) sets of CPE to a BSL, GRANTEE may charge standard rates for subsequent request for CPE at such BSL. Eligible replacements during the GRANTEE's standard residential limited warranty period, or within the initial 30-day return period, shall not count against this per BSL limit. GRANTEE may elect to count any other CPE replacements towards this per-BSL limit.
- e. Reservation of Capacity. GRANTEE shall reserve an amount of network capacity that it determines sufficient for purposes of delivering Broadband Service to BSLs in the Project Area. The Parties recognize that this reservation will be made in GRANTEE's network planning process to ensure subscribers in the Project Area receive the quality of service specified by the BEAD program and that GRANTEE is not required to keep reserved capacity fallow where potential subscribers in the Project Area have not yet requested service. Successful performance testing in compliance with applicable NTIA guidance shall be sufficient confirmation and documentation that such reservation is in place.
- f. Performance Testing. Network performance testing for purposes of this AGREEMENT shall exclude subscribers who have installed CPE such that its view of the sky is obstructed and subscribers with damaged or malfunctioning CPE, as determined by GRANTEE.

3. STATE Payments.

- a. Initial Payment Upon Certification of Service Availability. STATE shall pay the GRANTEE 50% of the total Grant Funds upon the GRANTEE making the certification described in Section 2.a herein.
- b. Quarterly Installment Payments. Subject to the subscription milestone payments described in subsection, STATE shall pay the GRANTEE the remaining 50% of Grant Funds in equal installments issued quarterly throughout each year of the Period of Performance.

4. Covered BSL Determination

- a. Covered BSL Determination. For purposes of determining whether a BSL is included in the Project Area, the Parties recognize that the Broadband Serviceable Location Fabric data established under 47 U.S.C. 642(b)(1)(B) (presently maintained by CostQuest and referred herein as the “Fabric”) has variable accuracy with respect to actual premise location. GRANTEE shall be responsible for determining whether a BSL is included in the Project Area. STATE shall accept GRANTEE determinations if the latitude and longitude coordinate assigned to a BSL by the Fabric is within 0.001 degrees (approximately 111 meters) of the latitude and longitude coordinate of the subscriber’s service address or actual user terminal location.
- b. Calculating Subscribers. For purposes of calculating the number of subscribers in the Project Area for any purpose, STATE will divide the number of total BSLs at which a subscriber has ever received service since the Effective Date in the Project Area by the total number of covered BSLs in the Project Area. For clarity, (1) subscribers who initiated subscriptions prior to the Effective Date and continued to be subscribed after the Effective Date shall be counted for purposes of this Agreement for the duration of the Period of Performance, and (2) subscribers who subscribed after the Effective Date and subsequently cancelled shall be counted as subscribers for the duration of the Period of Performance. SpaceX will provide counts of active subscribers on an annual basis.

5. Low-Cost Service Option.

- a. Eligible Subscribers. A household meets the definition of Eligible Subscriber only if it is eligible for the FCC’s Lifeline Program under the criteria contained in 47 CFR §54.409 in effect as of the execution date of this AGREEMENT.
- b. Low-Cost Service Plan. GRANTEE shall offer at least one service plan that meets BEAD performance requirements to Eligible Subscribers in the Project Area at a monthly cost of \$80 or less before applicable taxes and fees. GRANTEE may establish any verification system for Eligible Subscribers that is compliant with applicable law, including not conducting verification, so long as individuals who qualify as Eligible Subscribers are not denied the benefit. GRANTEE shall not be subject to any other requirements regarding the price of the service, customer premises equipment, or one-time fees, except as explicitly stated in this RIDER. SpaceX will ensure such prices are comparably to subscribers outside the Project Area in the state.

6. Expenditure of Grant Funds.

- a. Fixed Amount Award. Pursuant to 2 C.F.R. § 200.1, this AGREEMENT is a Fixed Amount Subaward and provides a specific amount of funding without regard to actual costs incurred by the GRANTEE. The total amount of Grant Funds reflects an amount that STATE and GRANTEE believe to be equal to or

less than the reasonable and necessary estimated costs to GRANTEE to perform under this AGREEMENT.

- b. Allowable Costs. Unless otherwise prohibited by federal law or the BEAD NOFO, GRANTEE shall expend Grant Funds as it determines, in its sole discretion, necessary to perform under this AGREEMENT.
- c. Allocating Costs. STATE and GRANTEE hereby acknowledge that, pursuant to Appendix B to the Restructuring Policy Notice, GRANTEE shall allocate costs under this AGREEMENT for reserving network capacity for purposes of delivering Broadband Service to covered BSLS in the Project Area. For the avoidance of doubt, GRANTEE shall not be required to itemize, track, or report any expenditures under this AGREEMENT, whether as part of request for payment, in connection with matching funds, and Audit, or any other purpose. The cost of this capacity shall be determined by GRANTEE's reasonable allocation of the costs of infrastructure, which is global in nature and may include CPE-related costs, to BSLS in the Project Area. By issuing this grant to GRANTEE, STATE accepts the allocation described by GRANTEE in its grant application as a reasonable determination of costs and shall not seek to further evaluate actual costs, including, but not limited to, in connection with any Audit or report.
- d. Payment Requests and Budgets. If GRANTEE submits payment requests consistent with the amounts contained in its project application and this AGREEMENT, (1) STATE shall consider such costs and payment requests reasonable and necessary for GRANTEE'S performance of the AGREEMENT, and (2) GRANTEE will be considered to have adhered to approved budgets to the extent such concept is applicable to the AGREEMENT.

7. **Other Federal Funds.** The STATE acknowledges and approves of GRANTEE's receipt of federal funds from the BEAD program related to GRANTEE's BEAD awards in other states.

8. Termination and True-Up.

- a. Termination for Convenience. Pursuant to 2 C.F.R. §200.340, GRANTEE may terminate the AGREEMENT, in part or in full, for convenience, upon sending the STATE a written notification of the reasons for such termination, the Effective Date, and, in the case of partial termination, the portion of the Project to be terminated. GRANTEE shall provide such written notification to the STATE's signatory to this AGREEMENT unless the AGREEMENT specifies otherwise. In the event of a partial termination whereby GRANTEE terminates the Project with respect to certain covered BSLS, STATE agrees in advance that it will not seek to terminate the AGREEMENT in its entirety on the grounds that the remaining portion of the Project will not accomplish the purpose for which the AGREEMENT was made.

- b. **Termination True-Up Amount.** In the event the GRANTEE terminates the AGREEMENT in full or in part, GRANTEE will owe STATE a termination true-up amount (“Termination True-Up Amount”). For each covered BSL in which the GRANTEE terminates its obligation to provide Broadband Service prior to the conclusion of the Period of Performance, the Termination True-Up Amount shall be equal to the sum of the “Advance Repayment,” and the “Installment Repayment,” as each of those terms is defined below.

 - i. “Advance Repayment” means an amount calculated by dividing the total amount paid upon the GRANTEE’s certification in Section 2.a of service availability by the number of covered BSLS in the Project Area
 - ii. “Installment Repayment” means an amount calculated by dividing the total amount paid upon to the GRANTEE in recurring installments under Section 3.b by the number of covered BSLS in the Project Area

- c. **True-Up Period.** In the event of a full termination of the AGREEMENT by GRANTEE, GRANTEE will have one (1) calendar year from the date of termination to remit payment of the Termination True-Up Amount. In the event of a partial termination of the Project by the GRANTEE, STATE will withhold, beginning in the final year of the Term, payment of Grant Funds in an amount equal to the Termination True-Up Amount. In the event the remaining amount of Grant Funds is less than the Termination True-Up Amount, GRANTEE shall remit payment to STATE of the difference within one calendar year of the conclusion of the Period of Performance.

9. **Penalties.** Notwithstanding anything contrary in the AGREEMENT, STATE shall not impose any monetary penalty or fees or assert any claim for damages arising out of, in connection with, or as a result of, the full or partial termination or default of this AGREEMENT by GRANTEE. GRANTEE shall not be required to reimburse or otherwise pay STATE in connection with STATE obtaining alternative connectivity to Project Area BSLS under any circumstance. GRANTEE shall not be required to provide network capacity or any form of wholesale access to a third party under any circumstance, including default. Claw-back of previously disbursed funds in the event of default, in a manner consistent with this RIDER and federal requirements, shall not be considered a penalty under this section and shall be STATE’S sole remedy in the event of GRANTEE default.
10. **Right to Withhold Payment.** To the extent any term in this AGREEMENT provides STATE the right to withhold Payment in the event of non-performance, the amount of payment withheld by STATE shall be commensurate with the nature of the non-performance.

11. **Reporting and Records.**

 - a. **Reporting.** Unless otherwise required by federal law or the terms and conditions of the STATE’s award agreement with the Department of Commerce, GRANTEE

shall be under no obligation to provide information relating to its expenditures or the equipment, real property, tangible property or any other property acquired or improved under this AGREEMENT. The Parties recognize that no such property exists. GRANTEE shall provide quarterly status reports containing solely the following information unless otherwise required by federal law or regulation:

- i. A list of addresses or location IDs (including the Broadband Serviceable Location Fabric established under 47 U.S.C. 642(b)(1)(B)) that constitute the service locations that will be served by the broadband infrastructure to be constructed and the status of each project;
- ii. A list of new Project location IDs served within the relevant reporting period and, for each such service and whether service taken (if applicable);
- iii. Whether each location is residential, commercial, or a community anchor institution (per Fabric data);
- iv. A description of the peak and off-peak actual speeds of the broadband service being offered;
- v. A description of the maximum advertised speed of the broadband service being offered;
- vi. A description of the non-promotional prices, including any associated fees, charged for different tiers of broadband service being offered;
- vii. Any other data that would be required to comply with the data and mapping collection standards of the Federal Communications Commission under Section 1.7004 of title 47, Code of Federal Regulations, or any successor regulation; and
- viii. A SF-425, Federal Financial Report that meets the requirements described in the Department of Commerce Financial Assistance Standard Terms and Conditions (dated November 12, 2020), Section A.01 for Financial Reports.

- b. Record Retention. GRANTEE shall retain records sufficient to substantiate the information contained in the reports under subsection (a) herein for a period of one year following the filing of such report. Notwithstanding anything to the contrary in the AGREEMENT, GRANTEE is under no obligation to maintain any additional records not explicitly referenced in this subsection.

12. No Federal Interest in LEO Capacity Subgrant. In accordance with Appendix B to the Restructuring Policy Notice, STATE and GRANTEE acknowledge that neither the Department of Commerce nor STATE will take a Federal (or state) interest in equipment or property acquired or improved as part of performance under this AGREEMENT. Any requirements under the terms of this AGREEMENT that apply during the Federal Interest

Period are inapplicable to GRANTEE. GRANTEE shall not be required to make any UCC or similar filings related to Federal or STATE interest in any GRANTEE property.

13. Compliance with Contracting, Labor and Employment Laws. Pursuant to 47 U.S.C. § 1702(h)(1)(A)(iv)(IV) and the Restructuring Policy Notice, SUBGRANTEE certifies that it has a demonstrated record of and plans to remain in compliance with Federal labor and employment laws. GRANTEE makes no other representations regarding Federal or state labor and employment laws. STATE and GRANTEE further agree that GRANTEE will not engage in any labor, employment, contracting or procurement efforts associated with the reservation of satellite capacity contemplated under this AGREEMENT (or any other activity under the AGREEMENT) and that any requirements, whether based on federal or state law, related to such topics are inapplicable to GRANTEE and GRANTEE'S activities under this AGREEMENT.

14. Audits. Audits impacting Grantee shall be conducted in accordance with the terms of this RIDER, including, but not limited to with respect to GRANTEE expenditures. For clarity, GRANTEE will not be audited against requirements that are inconsistent with this RIDER. Audits shall be exclusively targeted to confirm compliance with GRANTEE'S operational obligations to provide broadband connectivity to certain BSLs on certain terms and shall include no financial reviews.

15. Insurance Coverage Not Required. Given that this AGREEMENT contemplates the reservation of satellite capacity, and does not include any ground disturbing activities, employment, or contracting activities, GRANTEE shall not be required to maintain any insurance specific to this AGREEMENT. For informational purposes only, GRANTEE confirms that it presently maintains commercial general liability insurance up to \$1,000,000 per occurrence / \$2,000,000 aggregate, automobile liability insurance up to \$1,000,000 per accident, and excess liability insurance up to \$5,000,000 per occurrence and aggregate. This section explicitly supersedes all requirements related to insurance in the AGREEMENT.