

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MONTGOMERY COUNTY HOSPITAL DISTRICT**

The regular meeting of the Board of Directors of Montgomery County Hospital District was duly convened at 4:00 p.m., April 25, 2017 in the Administrative offices of the Montgomery County Hospital District, 1400 South Loop 336 West, Conroe, Montgomery County, Texas.

**1. Call to Order**

Meeting called to order at 4:00 p.m.

**2. Invocation**

Led by Mr. Grice

**3. Pledge of Allegiance**

Led by Mr. Cole

**4. Roll Call**

**Present:**

Bob Bagley  
Chris Grice  
Mark Cole  
Kenn Fawn  
Sandy Wagner  
Brad Spratt  
Georgette Whatley

**5. Public Comment**

John Nicks made a public comment to the board which involved agenda item no. 30 concerning the CEO's compensation, noting he felt the CEO is already well paid and that no additional compensation should be made for his current evaluation. John also requested the board members approve agenda items 17 and 18 on the ATT towers as he has a Cricket phone which is thru ATT and that he only has 2 bars presently so this was help with his reception. A future request was also made that HCAP pay for compounding medication in the future.

**6. Special Recognition:**

Field – Erin Bell

**7. Consider and act on ratification of contracts with additional network providers for indigent care. (Mrs. Wagner, Chair - Indigent Care Committee)**

Mrs. Wagner made a motion to consider and act on ratification of contracts with additional network providers for indigent care. Mr. Spratt offered a second and motion passed unanimously.

8. **Present, Consider and act on Weaver and Tidwell, L.L.P. Audit of Fiscal Year ended September, 2016. (Mr. Grice, Chair - Finance, Budget and Audit Committee Board) (attached)**

Ms. Laura Lambert with Weaver and Tidwell, L.L.P. gave the audit presentation to the board.

Mr. Grice made a motion to accept the audit from Weaver and Tidwell, L.L.P. Audit of MCHD Fiscal Year ended September, 2016. Ms. Cole offered a second. After discussion motion passed unanimously.

9. **CEO Report to include update on District operations, strategic plan, capital purchases, employee issues and benefits, transition plans and other healthcare matters, grants and any other related district matters.**

Mrs. Melissa Miller, COO presented the CEO report to the board.

10. **Quality Report - EMS Department of Clinical Services Core Measure Presentation. (attached)**

Mr. Kevin Crocker, Quality Supervisor made a presentation to the board.

11. **Presentation of HR Turnover Report. (attached)**

Mrs. Jodi Andersen, HR Manager made a presentation to the board.

*"Mr. Fawn requested consent to move agenda items 32 and 33 prior to agenda item 12."*

12. **EMS Director Report to include updates on EMS staffing, performance measures, staff "activities, patient concerns, transport destinations and fleet.**

Mr. Jared Cospers, EMS Director presented a report to the board.

13. **Consider and act on resolution in support of National EMS week May 21-27, 2017. (Mr. Bagley, Chair - EMS Committee) (attached)**

Mr. Bagley made a motion to consider and act on resolution in support of National EMS week May 21-27, 2017. Mr. Grice offered a second. After discussion motion passed unanimously.

14. **Consider and act on Henry Schein as the sole source provider for the Porter Nitronox Field Units. (Mr. Bagley, Chair – EMS Committee) (attached)**

Mr. Bagley made a motion to consider and act on Henry Schein as the sole source provider for Porter Nitronox Field Units. Ms. Whatley offered a second and motion passed unanimously.

15. **Consider and act on the purchase of 10 each Porter Nitronox Field Units. (Mr. Bagley, Chair – EMS Committee) (attached)**

Mr. Bagley made a motion to consider and act on the purchase of 10 each Porter Nitronox Field Units. Mr. Spratt offered a second. After board discussion motion passed unanimously.

16. **COO Report to include updates on infrastructure, facilities, radio system, warehousing, staff activities, community paramedicine, emergency management, and purchasing.**

Mrs. Melissa Miller, COO presented a report to the board.

- 17. Consider and act on ATT lease of tower space at the Conroe Service Center. (Mr. Cole, Chair – PADCOM Committee) (attached)**

Mr. Cole made a motion to consider and act on ATT lease of tower space at the Conroe Service Center. Mr. Grice offered a second. After board discussion motion passed unanimously.

- 18. Consider and act on ATT lease of tower space at the Magnolia tower. (Mr. Cole, Chair – PADCOM Committee) (attached)**

Mr. Cole made a motion to consider and act on ATT lease of tower space at the Magnolia tower. Ms. Whatley offered a second and motion passed unanimously.

- 19. Health Care Services Report to include regulatory update, outreach, eligibility, service, utilization, community education, clinical services, epidemiology, and emergency preparedness.**

Mrs. Ade Moronkeji, HCAP Manager presented a report to the board.

- 20. Consider and act on Healthcare Assistance Program claims from Non-Medicaid 1115 Waiver providers processed by Boon-Chapman. (Mrs. Wagner, Chair - Indigent Care Committee)**

Mrs. Wagner made a motion to consider and act on Healthcare Assistance Program claims from Non-Medicaid 1115 Waiver providers processed by Boon-Chapman. Ms. Whatley offered a second and motion passed unanimously.

- 21. Consider and act on ratification of voluntary contributions to the Medicaid 1115 Waiver program of Healthcare Assistance Program claims processed by Boon Chapman. (Mrs. Wagner, Chair – Indigent Care Committee)**

Mrs. Wagner made a motion to consider and act on ratification of voluntary contributions to the Medicaid 1115 Waiver program of Healthcare Assistance Program claims processed by Boon Chapman. Ms. Whatley offered a second and motion passed unanimously.

- 22. Presentation of preliminary Financial Report for six months ended March 31, 2017 – Brett Allen, CFO, report to include Financial Summary, Financial Statements, Supplemental EMS Billing Information, and Supplemental Schedules.**

Mr. Brett Allen, CFO presented financial report to the board.

- 23. Presentation of Investment report for quarter ending March 31, 2017.**

Mr. Brett Allen, CFO presented Investment Report to the board.

- 24. Consider and act upon recommendation for amendment(s) to the budget for fiscal year ending September 30, 2017. (Mr. Grice, Treasurer - MCHD Board)**

Mr. Grice made a motion to consider and act upon recommendation(s) to the budget for fiscal year ending September 30, 2017. Mr. Bagley offered a second. After board discussion motion passed unanimously.

**25. Consider and act on RFP for Insurance Broker. (Mr. Grice, Treasurer – MCHD Board) (attached)**

Mr. Brett Allen, CFO made a presentation on Insurance Broker.

Mr. Grice made a motion to consider and act and accept staff recommendations for Insurance Broker, Wortham. Ms. Whatley offered a second. After board discussion motion passed unanimously.

**26. Consider and act on Bank Signature Cards. (Mr. Grice, Treasurer - MCHD Board)**

Mr. Grice made a motion to consider and act on bank signature cards. Mr. Bagley offered a second and motion passed unanimously.

**27. Consider and act on ratification of payment of District invoices. (Mr. Grice, Treasurer - MCHD Board)**

Mr. Grice made a motion to consider and act on ratification of payment of District invoices. Mr. Spratt offered a second. After board discussion motion passed unanimously.

**28. Consider and act on salvage and surplus. (Mr. Grice, Treasurer – MCHD Board) (attached)**

Mr. Grice made a motion to consider and act on salvage. Mr. Spratt offered a second. After board discussion motion passed unanimously.

Mr. Grice made a motion to consider and act on surplus. Mr. Spratt offered a second. After board discussion motion passed unanimously.

**29. Secretary's Report - Consider and act on minutes for the March 28, 2017 Regular Meeting. (Mrs. Wagner, Secretary - MCHD Board)**

Mrs. Wagner made a motion to consider and act on minutes for the March 28, 2017 Regular BOD Meeting. Ms. Whatley offered a second and minutes were approved. Mr. Cole abstained from the vote.

**30. Convene into executive session pursuant to section 551.074 of the Texas Government Code to deliberate personnel matters related evaluation of Chief Executive Officer, Randy E. Johnson. (Ms. Whatley, Chair – Personnel Committee)**

Mr. Fawn convened into executive session at 5:31p.m. pursuant to section 551.074 of the Texas Government Code to deliberate personnel matters related evaluation of Chief Executive Officer, Randy E. Johnson.

**31. Reconvene from executive session and make recommendations if needed on matters relating to the evaluation of Chief Executive Officer, Randy E. Johnson. (Ms. Whatley, Chair – Personnel Committee)**

The board reconvened from executive session at 5:51 p.m..

Mr. Fawn advised that the board had evaluated Mr. Randy Johnson and that he is above average as an executive employee. The board will make a decision on any salary benefits that Mr. Johnson will receive once the board has a comparison from other similar organizations provided by Ms. Andersen, HR Manager. Another executive session for the CEO compensation will take



place at a future board meeting.

- 32. Convene into executive session pursuant to section 551.071 of the Tex. Gov't Code to confer with legal counsel on pending litigation, to wit: Raimer v. Montgomery County Hospital District, Cause no. 17-03-03250, In the 284<sup>th</sup> District Court of Montgomery County, Texas. (Mr. Fawn, Chairman – MCHD Board)**

Mr. Fawn convened into executive session at 4:28 p.m. pursuant to section 551.071 of the Tex. Gov't Code to confer with legal counsel on pending litigation, to wit: Raimer v. Montgomery County Hospital District, Cause no. 17-03-03250, In the 284<sup>th</sup> District Court of Montgomery County, Texas.

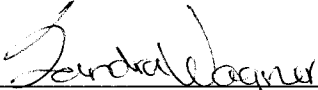
- 33. Reconvene from executive session and take action as necessary with respect to pending litigation, to wit: Raimer v. Montgomery County Hospital District, Cause no. 17-03-03250, In the 284<sup>th</sup> District Court of Montgomery County, Texas. . (Mr. Fawn, Chairman – MCHD Board)**

The board reconvened from executive session at 4:54 p.m..

Mr. Fawn did want to state for the record that no action is to be taken, but wanted to amend his comment that the action between Ms. Raimer and MCHD is now in Federal Court, the United States District Court for the Southern District Texas of Houston. This change was made on April 24, 2017.

- 34. Adjourn**

Meeting adjourned at 5:52 p.m.

  
\_\_\_\_\_  
Sandy Wagner, Secretary



Montgomery County Hospital District  
Board of Directors - Public Meeting  
Request for Appearance

Speaker's Name

John Nicks

Address

19080 Box 824, Napoca Tx 77355

Representing



Self



Group or Organization  
(of 25 or more)

Name of Group

FOR MCHD USE ONLY

Date of Meeting

Subject

Program

Presiding Officer



# **Montgomery County Hospital District**

Annual Financial Report

Year Ended September 30, 2016

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## Financial Section

To The Board of Directors of  
Montgomery County Hospital District

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of the District, as of September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2017 on our consideration of Montgomery County Hospital District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Montgomery County Hospital District's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
April 25, 2017

The Statement of Activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Because the Statement of Activities separates program revenue (revenue generated by specific programs through tenant rent, fees and program charges for services) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each function has to rely on general revenues for funding. The governmental activities of the District include administration, healthcare assistance, emergency medical services, radio, facilities and information technology, public health and emergency preparedness and interest and fiscal charges.

The government-wide financial operations (*governmental activities*) of the District are principally supported by taxes and emergency medical services.

The government-wide financial statements can be found in the basic financial statements section.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental fund and fiduciary fund.

**Governmental Fund.** A *governmental fund* is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government-wide financial statements are reported using full accrual accounting while governmental fund financial statements report only inflows and outflows of expendable resources, as well as balances of available resources at the end of the fiscal year. Governmental fund financial statements report revenue when earned, provided it is collectible within the reporting period or soon enough afterward to pay liabilities of the current period. Likewise, liabilities are recognized as expenditures only when payment is due since they must be liquidated with available cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. To assist the reader, a comparison between the two bases of accounting is provided. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The District maintained one governmental fund, the General Fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund which is considered to be the major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund. The budgetary comparison can be used to demonstrate compliance with the budget in its original and final forms.

**Fiduciary Fund.** A fiduciary fund is used to account for resources held for the benefit of parties outside the District. The fiduciary fund is not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District's governmental activities increased net position by \$16,493,209. Key components of this increase are as follows:

**Montgomery County Hospital District's Changes in Net Position**

	Governmental Activities					
	2016		2015		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues						
Program revenues:						
Charges for services:						
Administration	\$ 221,836	-	\$ 223,472	-	\$ (1,636)	-1
Healthcare assistance	9,511	-	8,969	-	542	6
Emergency medical services	15,128,309	24	15,503,658	29	(375,349)	(2)
Radio, facilities, and information technology	1,164,072	2	468,265	1	695,807	149
Operating grants and contributions:						
Emergency medical services	7,528,254	12	3,832,941	7	3,695,313	96
Public health emergency preparedness	2,336	-	10,818	-	(8,482)	(78)
General revenues:						
Property taxes	35,822,069	58	32,350,422	62	3,471,647	11
Grants and contributions not restricted to a specific program	529,588	1	598,224	1	(68,636)	(11)
Investment earnings	247,924	-	179,736	-	68,188	38
Miscellaneous	1,619,139	3	156,381	-	1,462,758	935
Total revenues	<u>62,273,038</u>	<u>100</u>	<u>53,332,886</u>	<u>100</u>	<u>8,940,152</u>	
Expenses						
Administration	3,400,558	7	3,734,880	9	(334,322)	(9)
Healthcare assistance	7,030,572	15	7,412,383	18	(381,811)	(5)
Emergency medical services	28,396,929	63	25,310,093	61	3,086,836	12
Radio, facilities, and information technology	6,195,546	14	4,902,470	12	1,293,076	26
Public health and emergency preparedness	682,059	1	120,973	-	561,086	464
Interest and fiscal charges	74,165	-	63,347	-	10,818	17
Total expenses	<u>45,779,829</u>	<u>100</u>	<u>41,544,146</u>	<u>100</u>	<u>4,235,683</u>	
Change in net position	16,493,209		11,788,740		4,704,469	
Net position - beginning	<u>59,195,977</u>		<u>47,407,237</u>		<u>11,788,740</u>	
Net position - ending	<u>\$ 75,689,186</u>		<u>\$ 59,195,977</u>		<u>\$ 16,493,209</u>	

The District's total revenues of \$62,273,038 were all from governmental activities. Property tax revenue accounts for \$35,822,069, or 58%, and emergency medical services revenue accounts for \$15,128,309, or 24% of total government-wide revenues. Total revenues increased \$8,940,152 over the last year. The increase in revenues resulted from an increase in property taxes caused by an increase in taxable value, as well as an increase in program fees related to emergency medical services.



## Capital Assets and Debt Administration

### Capital Assets

The District's investment in capital assets for its governmental activities as of September 30, 2016 amounts to \$37,728,264 (net of accumulated depreciation). This investment in capital assets includes land and improvements, construction in progress, buildings and improvements, equipment, vehicles, and communication system.

Major capital asset activity during the year included the following:

- Ambulances and support vehicles purchased in the amount of \$1,568,563
- Equipment purchased in the amount of \$3,040,316
- Real property purchased in the amount of \$650,727

#### Montgomery County Hospital District's Capital Assets (net of depreciation)

	Governmental Activities					
	2016		2015		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 3,499,173	9	\$ 3,109,609	9	\$ 389,564	13
Construction in progress	-	-	1,002,186	3	(1,002,186)	(100)
Buildings and improvements	21,307,658	56	20,368,051	60	939,607	5
Equipment	5,155,024	14	2,832,383	8	2,322,641	82
Vehicles	3,350,285	9	2,531,428	7	818,857	32
Communication system	4,416,124	12	4,654,045	13	(237,921)	(5)
Totals	<u>\$ 37,728,264</u>	<u>100</u>	<u>\$ 34,497,702</u>	<u>100</u>	<u>\$ 3,230,562</u>	

Additional information on the District's capital assets can be found in Note 7 of this report.

### Long-term Liabilities

At September 30, 2016, the District had total outstanding long-term liabilities in the amount of \$6,059,124, which was related to capital leases, compensated absences and net pension liability. The following table summarizes the District's long-term liabilities.

#### Montgomery County Hospital District's Outstanding Long-term Liabilities

	Governmental Activities					
	2016		2015		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Capital leases	\$ 3,217,802	53	\$ 3,971,520	60	\$ (753,718)	(19)
Compensated absences	910,000	15	854,791	13	55,209	6
Net pension liability	1,931,322	32	1,741,792	27	189,530	11
Total	<u>\$ 6,059,124</u>	<u>100</u>	<u>\$ 6,568,103</u>	<u>100</u>	<u>\$ (508,979)</u>	

The District's total long-term liabilities decreased by \$508,979 during the 2016 fiscal year, mostly due to a decrease in the District's capital lease obligations. Additional information on the District's long-term liabilities can be found in Note 8 of this report.

## **Basic Financial Statements**

# MONTGOMERY COUNTY HOSPITAL DISTRICT

## Statement of Net Position

September 30, 2016

Exhibit A-1

	Primary Government Governmental Activities	Component Unit MCPHD
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,946,485	\$ 938,744
Temporary investments	24,932,460	-
Receivables, net	9,891,498	7,500
Intergovernmental receivables	-	93,696
Due from component unit	189,071	-
Inventories	607,430	-
Prepaid expenses	155,417	-
Capital assets, net of accumulated depreciation		
Land and improvements	3,499,173	-
Buildings and improvements	21,307,658	-
Equipment	5,155,024	-
Vehicles	3,350,285	-
Communication system	4,416,124	-
Total capital assets	37,728,264	-
Total assets	82,450,625	1,039,940
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources for pensions	3,410,218	-
Total deferred outflows of resources	3,410,218	-
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,123,466	1,718
Unearned revenues	77,511	6,734
Accrued interest	24,761	-
Due to primary government	-	189,071
Noncurrent liabilities		
Due within one year		
Capital lease payable	1,029,123	-
Compensated absences	910,000	-
Due in more than one year		
Capital lease payable	2,188,679	-
Net pension liability	1,931,322	-
Total liabilities	9,284,862	197,523
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources for pensions	886,795	-
Total deferred inflows of resources	886,795	-
<b>NET POSITION</b>		
Net investment in capital assets	34,510,462	-
Restricted - grants	1,205	-
Unrestricted	41,177,519	842,417
<b>TOTAL NET POSITION</b>	\$ 75,689,186	\$ 842,417

The Notes to Financial Statements are an integral part of these statements.

Primary Government Net (Expense) Revenue and Changes in Net Position		Component Unit
Governmental Activities	Total	MCPHD
\$ (3,178,722)	\$ (3,178,722)	
(7,021,061)	(7,021,061)	
(5,740,366)	(5,740,366)	
(5,031,474)	(5,031,474)	
(679,723)	(679,723)	
(74,165)	(74,165)	
<u>(21,725,511)</u>	<u>(21,725,511)</u>	
(21,725,511)	(21,725,511)	
		\$ (345,059)
35,822,069	35,822,069	-
529,588	529,588	-
247,924	247,924	-
1,619,139	1,619,139	90,144
<u>38,218,720</u>	<u>38,218,720</u>	<u>90,144</u>
16,493,209	16,493,209	(254,915)
59,195,977	59,195,977	1,097,332
<u>\$ 75,689,186</u>	<u>\$ 75,689,186</u>	<u>\$ 842,417</u>

**MONTGOMERY COUNTY HOSPITAL DISTRICT**

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
September 30, 2016

**Exhibit C-2****TOTAL FUND BALANCE - GOVERNMENTAL FUNDS BALANCE SHEET**

\$ 40,186,276

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The governmental capital assets at year-end consist of:

Governmental capital assets costs	\$ 59,786,317	
Accumulated depreciation of governmental capital assets	<u>(22,058,053)</u>	37,728,264

Property taxes receivable and long-term receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds.

1,335,108

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items, consist of:

Capital leases	\$ (3,217,802)	
Accrued interest on capital leases	(24,761)	
Compensated absences	(910,000)	
Net pension liability	(1,931,322)	
Deferred resource inflow related to net pension liability	<u>(886,795)</u>	(6,970,680)

Deferred outflows for pension are included in the statement of net position and are not reported in the funds due to they are not a current financial resource available to pay for current expenditures.

3,410,218**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES**\$ 75,689,186

The Notes to Financial Statements are an integral part of this statement.

**MONTGOMERY COUNTY HOSPITAL DISTRICT**

Reconciliation of Statement of Revenues, Expenditures and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
Year Ended September 30, 2016

**Exhibit C-4****TOTAL NET CHANGES IN FUND BALANCE - GOVERNMENTAL FUND**

\$ 11,531,953

Amounts reported for governmental activities in the statement of activities are different because:

Some property taxes and long-term receivables will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues and charges for services increased (decreased) by this amount this year.

670,130

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlay

\$ 5,995,804

Depreciation expense

(3,697,207)

2,298,597

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is a increase (decrease) to net position.

931,965

Issuance of a capital lease provides current financial resources to governmental funds, but issuing a capital lease increases long-term liabilities in the statement of net position.

(96,794)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

850,512

The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.

(55,209)

The net change in net pension liability and related deferred inflows and outflows is reported in the statement of activities but does not require the use of, or provide, current financial resources and, therefore, is reported in the governmental funds. The net change consists of the following:

Deferred inflows (increased) decreased

(886,795)

Deferred outflows increased (decreased)

1,438,380

Net pension liability (increased) decreased

(189,530)362,055**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES**\$ 16,493,209

The Notes to Financial Statements are an integral part of this statement.

**MONTGOMERY COUNTY HOSPITAL DISTRICT**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
Year Ended September 30, 2016

**Exhibit D-2**

	<u>Deferred Compensation Plan</u>
<b>ADDITIONS</b>	
Investment earnings	
Interest	\$ 8,192
Net increase (decrease) in the fair value of investments	<u>370</u>
Total investment earnings	<u>8,562</u>
 Total additions	 <u>8,562</u>
<b>DEDUCTIONS</b>	
Benefits	<u>-</u>
Total deductions	<u>-</u>
 Change in net position	 8,562
Net position - beginning	<u>145,420</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 153,982</u></u>

The Notes to Financial Statements are an integral part of this statement.

## MONTGOMERY COUNTY HOSPITAL DISTRICT

### Notes to the Financial Statements

- Ensure a competent workforce for the provision of essential public health services;
- Research new insights and innovative solutions to community health problems;
- Evaluate the effectiveness, accessibility, and quality of personal and population-based services in a community.

The MCPHD has assigned or contracted with the District to administer all programs, services, and administrative needs of the MCPHD.

#### **C. Basis of Presentation – Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The government-wide financial statements report information on all the activities of the District. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund and fiduciary fund, even though the latter is excluded from the government-wide financial statements.

As discussed earlier, the government has a discretely presented component unit which is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### **D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental fund:

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted in another fund.

Additionally, the government reports the following fund type:

The *fiduciary fund* is used to account for assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs.

#### **E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.



## MONTGOMERY COUNTY HOSPITAL DISTRICT

### Notes to the Financial Statements

- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes, and establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The applicable disclosures required by GASB Statement No. 79 are included in the District's notes to financial statements.

#### **G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

##### **1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

##### **2. Investments**

Investments for the District are reported at fair value (generally based on quoted market prices) except for the position in the qualified investment pools (Pools). The carrying value of investment pools is determined by the valuation policy of the investment pool, either at amortized cost or net asset value of the underlying pool shares. The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code.

##### **3. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable medical supplies, radio repair parts, and vehicle repair parts. The cost of such inventory is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

##### **4. Capital Assets**

Capital assets, which include land and improvements, construction in progress, buildings and improvements, equipment, vehicles, and communication system assets (e.g. radio towers, structures, equipment, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years.

As the District constructs or acquires additional capital assets each period, including communication system assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

## **MONTGOMERY COUNTY HOSPITAL DISTRICT**

### **Notes to the Financial Statements**

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### **8. Fund Balance Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **9. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The governing board (board) has by policy authorized the Chief Executive Officer (CEO) or his designee to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

### **H. Revenues and Expenditures/Expenses**

#### **1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

# MONTGOMERY COUNTY HOSPITAL DISTRICT

## Notes to the Financial Statements

### Note 3. Deposits and Investments

#### Primary Government

At September 30, 2016, the carrying amount of the District's deposits (cash, interest-bearing savings accounts, and money market accounts) was \$9,098,567 and the bank's balances totaled \$9,676,945. At September 30, 2016, all bank balances were covered by federal deposit insurance, or pledged collateral held by the financial institution in the District's name. The District's investments consisted of local investment pools and certificates of deposit at fiscal year-end.

The District is required by the Government Code Chapter 2256, the Public Funds Investment Act, to adopt, implement and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investment, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

The District's investments are stated at fair value, with certain exceptions described below. The District categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, which provides a framework for measuring fair value and establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices within Level 1, that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Certain investment types are not required to be measured at fair value; these include money market funds and certain investment pools which are measured at amortized cost, and other investment pools which are measured at the net asset value (NAV) determined by the pool, which approximates fair value. These instruments are exempt from categorization within the fair value hierarchy.

## MONTGOMERY COUNTY HOSPITAL DISTRICT

### Notes to the Financial Statements

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District is not exposed to custodial risk due to the investments are insured or registered, or securities are held by the District or its agent in the District's name.

#### Discretely Presented Component Unit

As of September 30, 2016, the MCPHD bank balance was \$938,544 and was insured and collateralized by the bank's agent in the MCPHD's name.

#### Note 4. Receivables

Amounts recorded as receivable in the General Fund, as of September 30, 2016, are as follows:

	Receivables	Less Allowance for Uncollectibles	Net Receivables
Receivables:			
Taxes	\$ 1,088,917	\$ (356,277)	\$ 732,640
Emergency medical service fees	9,505,934	(3,990,666)	5,515,268
Other	3,643,590	-	3,643,590
Totals	<u>\$ 14,238,441</u>	<u>\$ (4,346,943)</u>	<u>\$ 9,891,498</u>

#### Note 5. Property Taxes

The District is authorized to levy a tax on taxable property located within the District in an amount not to exceed the rollback rate for the purpose of paying operating expenses and for debt service. The current tax rate is approximately \$0.0710 per \$100 valuation. Taxes for fiscal year 2016 were levied on property within the District having an assessed valuation of approximately \$50 billion.

#### Note 6. Primary Government and Component Unit Activity

The District has several interlocal agreements with MCPHD. The management agreement stipulates that the District will manage employees that serve MCPHD for which the District is reimbursed for the costs associated with the personnel. The District also pays vendor-related expenses on behalf of the MCPHD and is reimbursed for these costs as incurred. The District performs certain administrative, human resources, accounting, information technology and records management functions for MCPHD and charges a monthly management fee of approximately \$8,000 per month.

The District and MCPHD have an interlocal agreement to provide community paramedicine services. The District will provide the services and MCPHD will reimburse the District \$300 for each patient encounter up to 5,225 patient encounters per year. For the year ended September 30, 2016, the District recognized as revenue and MCPHD recognized as expense at total \$1,144,200 for services rendered.

The District and MCPHD have also entered into a lease agreement whereby MCPHD leases office space from the District for approximately \$90,000 per year.

# MONTGOMERY COUNTY HOSPITAL DISTRICT

## Notes to the Financial Statements

### Note 8. Long-term Liabilities

#### A. Changes in Long-term Liabilities

Changes in long-term liabilities for the period ended September 30, 2016 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	\$ 3,971,520	\$ 96,794	\$ (850,512)	\$ 3,217,802	\$ 1,029,123
Compensated absences	854,791	1,482,510	(1,427,301)	910,000	910,000
Net pension liability	1,741,792	2,676,953	(2,487,423)	1,931,322	-
Governmental activities					
Long-term liabilities	<u>\$ 6,568,103</u>	<u>\$ 4,256,257</u>	<u>\$ (4,765,236)</u>	<u>\$ 6,059,124</u>	<u>\$ 1,939,123</u>

For governmental activities, capital leases payable, compensated absences and net pension liability are liquidated by the General Fund.

#### B. Capital Leases

The District entered into lease agreements for financing the acquisition of equipment and the construction of buildings. The following is a summary of changes in the capital leases of the governmental activities for the fiscal year:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Zoll Monitors	\$ 647,032	\$ -	\$ (206,258)	\$ 440,774
P-25 Equipment	1,197,105	-	(358,897)	838,208
EMS Station 40	1,125,196	96,794	(237,957)	984,033
EMS Station 43	1,002,187	-	(47,400)	954,787
Totals	<u>\$ 3,971,520</u>	<u>\$ 96,794</u>	<u>\$ (850,512)</u>	<u>\$ 3,217,802</u>

The future debt service requirements for capital leases as of September 30, 2016 are noted below:

Year Ended September 30	Governmental Activities		
	Principal	Interest	Total
2017	\$ 1,029,123	\$ 74,470	\$ 1,103,593
2018	1,058,145	46,239	1,104,384
2019	563,005	19,093	582,098
2020	409,815	8,107	417,922
2021	157,714	1,499	159,213
Totals	<u>\$ 3,217,802</u>	<u>\$ 149,408</u>	<u>\$ 3,367,210</u>

Amortization of leased equipment is included with depreciation expense.

## MONTGOMERY COUNTY HOSPITAL DISTRICT

### Notes to the Financial Statements

#### C. Employees Covered by Benefit Terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	183
Active employees	291
<i>Total</i>	<u>479</u>

#### D. Contributions

The District has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of the employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The District contributed using the actuarially determined rate of 7.38 percent and \$1,406,230 for the calendar year 2015.

The deposit rate payable by the employee member for calendar year 2015 was 7.0 percent as adopted by the Board of Directors. The employee deposit rate and the employer contribution rate may be changed by the Board of Directors within the options available in the TCDRS Act.

#### E. Actuarial Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Payroll growth	2.00%
Real rate of return	5.00%
Long-term investment return	8.00%

The actuarial assumptions that determined the total pension liability as of December 31, 2015, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012. In addition, mortality rates were based on the following mortality tables:

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	P-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

# MONTGOMERY COUNTY HOSPITAL DISTRICT

## Notes to the Financial Statements

### F. Plan Fiduciary Net Position

Detailed Information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2014	\$ 16,712,585	\$ 14,970,793	\$ 1,741,792
Changes for the year			
Service cost	2,241,909	-	2,241,909
Interest	1,439,974	-	1,439,974
Effect of plan changes	(124,742)	-	(124,742)
Effect of economic demographic gains or losses	(1,013,480)	-	(1,013,480)
Effect of assumptions changes or inputs	176,666	-	176,666
Refunds of contributions	(103,230)	(103,230)	-
Benefit payments	(18,562)	(18,562)	-
Administrative expense	-	(11,770)	11,770
Member contributions	-	1,333,823	(1,333,823)
Net investment income	-	(197,756)	197,756
Employer contributions	-	1,406,230	(1,406,230)
Other changes	-	270	(270)
Net changes	2,598,535	2,409,005	189,530
Balance at December 31, 2015	\$ 19,311,120	\$ 17,379,798	\$ 1,931,322

### Sensitivity Analysis

The following presents the net pension liability of the District, calculated using the discount rate of 8.10%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.10%) or 1-percentage-point higher (9.10%) than the current rate.

	1% Decrease (7.10%)	Current Discount Rate (8.10%)	1% Increase (9.10%)
District's net pension liability / (asset)	\$ 6,196,154	\$ 1,931,322	\$ (1,407,339)

## MONTGOMERY COUNTY HOSPITAL DISTRICT

### Notes to Financial Statements

#### Note 12. Healthcare Assistance Program

The healthcare assistance program was established by the District to provide health care services to the indigent residents of Montgomery County. The District entered into contracts with various healthcare providers to provide healthcare services to Montgomery County indigents. Qualifications for the program are based on income level, citizenship, county residency, medical need and financial resources. In conjunction with the sale of the Medical Center Hospital in Conroe (now Conroe Regional Medical Center) to Health Trust on May 26, 1993, the District entered into an Indigent Care Agreement with Health Trust and its successors. The terms of the Indigent Care Agreement ended on May 31, 2008. The Indigent Care Agreement was not renewed. As of June 1, 2008, the District is funding a voluntary estimate of medical care expenses to qualified indigents to those providers that previously were participants in the Indigent Care Agreement.

#### Note 13. Operating Lease

On October 1, 2009, the District, as the lessor, entered into a long-term lease agreement of radio communication equipment for 16 years. The District's cost for this equipment and related depreciation are shown below:

Radio tower communications equipment	\$ 5,370,623
Accumulated depreciation	<u>1,122,396</u>
Total	<u>\$ 4,248,227</u>

The District reports this lease as an operating lease based on the terms of the agreement. Accordingly, the assets noted above are recorded in the District's capital assets. Revenue of \$144,000 is recognized each year related to the lease of the radio communication equipment plus \$60,000 for management fees and costs.



## **Required Supplementary Information**

# MONTGOMERY COUNTY HOSPITAL DISTRICT

## Schedule of Changes in Net Pension Liability and Related Ratios Year Ended September 30, 2016

### Exhibit F-1

	2016*	2015*
Total pension liability		
Service cost	\$ 2,241,909	\$ 1,935,546
Interest (on the total pension liability)	1,439,974	1,105,667
Effect of plan changes	(124,742)	473,611
Effect of economic/demographic (gains) or losses	(1,013,480)	827,063
Effect of assumptions changes or inputs	176,666	-
Refund of contributions	(103,230)	-
Benefit payments, including refunds of employee contributions	(18,562)	(193,020)
Net change in total pension liability	<u>2,598,535</u>	<u>4,148,867</u>
Total pension liability - beginning	<u>16,712,585</u>	<u>12,563,718</u>
Total pension liability - ending (a)	<u>\$ 19,311,120</u>	<u>\$ 16,712,585</u>
Plan fiduciary net position		
Contributions - district	\$ 1,406,230	\$ 1,093,580
Contributions - employee	1,333,823	1,190,523
Net investment income	(197,756)	822,292
Benefit payments, including refunds of employee contributions	(121,792)	(193,020)
Administrative expense	(11,770)	(10,485)
Other	270	1,284
Net change in plan fiduciary net position	<u>2,409,005</u>	<u>2,904,174</u>
Plan fiduciary net position - beginning	<u>14,970,793</u>	<u>12,066,619</u>
Plan fiduciary net position - ending (b)	<u>\$ 17,379,798</u>	<u>\$ 14,970,793</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,931,322</u>	<u>\$ 1,741,792</u>
Plan fiduciary net position as a percentage of total pension liability	90.00%	89.58%
Covered employee payroll	19,054,613	17,006,833
Net pension liability as a percentage of covered employee payroll	10.14%	10.24%

\*GASB Statement No. 68 requires 10 years of data; however, we have shown only the years for which the GASB statements have been implemented. Additionally, GASB Statement No. 68 requires that the information on this schedule correspond with the plan's measurement date, December 31.

The Notes to Required Supplementary Information are an integral part of this statement.

**Note 1. Budget**

**A. Budgetary Information**

The District adopts a budget each fiscal year in accordance with Generally Accepted Accounting Principles (GAAP). Expenditures for all departments fell within their respective budget appropriations.

Encumbrance accounting is utilized in all governmental fund types. Any encumbered appropriation lapse at year-end must be reappropriated in the following year. Encumbrances for materials, other goods and purchased services are documented by purchase orders or contacts. Encumbrances outstanding at year-end do not constitute expenditures or liabilities under GAAP. The District honors these commitments and records GAAP expenditures in the subsequent year as the transactions are completed. At year end, the District committed a portion of fund balance for outstanding encumbrances of \$536,808 and assigned a portion of fund balance for outstanding encumbrances of \$354,041 in the general fund.

The general fund had the following significant variances between final budget and actual:

- The administration actual expenses were below budget due to an open position and operating expenses running less than expected.
- Healthcare assistance actual expenditures were less than budget due to fewer patients utilizing HCAP services than expected.
- EMS expenditures were under budget mainly because operating expenses ran less than expected and some capital expenditures being postponed.

## **Overall Compliance and Internal Control Section**

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yours truly,

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
April 25, 2017

# MONTGOMERY COUNTY HOSPITAL DISTRICT

## Schedule of Findings and Responses

Year Ended September 30, 2016

SECTION I – SUMMARY OF AUDITORS' RESULTS	
FINANCIAL STATEMENTS	
1. Type of auditors' report issued	Unmodified
2. Internal Control over Financial Reporting:	
a. Significant Deficiency(ies) identified that are not considered to be material weaknesses	None reported
b. Material Weakness(es) identified	2016-001
3. Noncompliance material to the Financial Statements noted	None
SECTION II – FINANCIAL STATEMENT FINDINGS	
FINDINGS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING	
<b>2016-001 CAPITAL ASSETS</b>	
<p><u>Condition:</u> A capital asset schedule that details cost and accumulated depreciation in such a manner that it can be traced to the financial records is not adequately maintained.</p> <p><u>Criteria:</u> Defined business practices and generally accepted accounting principles dictate that capital assets (property, plant and equipment, and the associated accumulated depreciation) should be supported by an accurate detail listing that agrees to the total on the financial records.</p> <p><u>Cause:</u> A cumbersome Excel spreadsheet is used by the accounting department, but it is ineffective and not properly maintained with additions and deletions.</p> <p><u>Effect of Condition:</u> Failure to maintain a detailed asset listing prohibits an accurate portrayal of the total amount the District has invested in capital assets. A complete and accurate capital asset detail is a necessary tool to enable management to properly safeguard its capital assets and plan for future needs.</p> <p><u>Repeat Finding:</u> Note this finding was identified in the prior year as 2015-001.</p> <p><u>Recommendation:</u> We recommend the District implement a capital asset/depreciation software. Management should also perform a physical inventory count of the property and equipment the District has recorded to ensure that it is still in existence. We also recommend the capital assets listing be reconciled to the financial records monthly, or at least quarterly.</p> <p><u>Views of Responsible Officials:</u> See Corrective Action Plan.</p>	
FINDINGS RELATED TO COMPLIANCE WITH LAWS AND REGULATIONS	
None reported	

## MONTGOMERY COUNTY HOSPITAL DISTRICT

### Corrective Action Plan

Year Ended September 30, 2016

#### CORRECTIVE ACTION PLAN

##### **Audit Finding Reference: 2016-001 CAPITAL ASSETS**

##### **Contact Person:**

Brett Allen  
Chief Financial Officer

##### **Planned Corrective Action:**

Montgomery County Hospital District (MCHD) has historically maintained its fixed assets and associated depreciation in an Excel spreadsheet rather than in dedicated fixed asset software. The deficiencies in this tool were recognized prior to this audit, but other tasks and projects were deemed to require more immediate attention. As the result of these other tasks and projects, the District's accounting processes have been advanced such that best practices have been put in place.

Due to the size and scope of this project, it would be difficult for MCHD staff to complete this project without utilizing outside help. MCHD will enlist the aid of outside contract accounting to help analyze the District's assets and reconcile to the property and equipment listed on the fixed asset Excel spreadsheet. Once complete, the reconciled asset listing will be loaded into the fixed asset module, which is a component of the accounting software utilized by MCHD.

##### **Estimated Date of Completion:**

MCHD has completed a project plan to transfer fixed assets into the current accounting software system by September 30, 2017. MCHD is working with the accounting software company and has budgeted amounts to support the implementation cost.



## 10. EMS Core Measures 2015-2016

- Core Measures are the Clinical KPI's for EMS
- Used to measure performance and guide education
- There is no true national data set that all EMS agencies use today
- MCHD Core Measures are based off the NHTSA recommended performance measure
- All represent foundation of care in each service line
  - Cardiac Arrest
  - STEMI
  - Stroke
  - Trauma





## EMS Core Measures 2015-2016

- MCHD began Core Measure in 2015
- Core Measures are monitored monthly by the Clinical Department and presented the Executive Staff Quarterly
- MCHD tracks 13 Core Measures



# EMS Core Measures 2015-2016

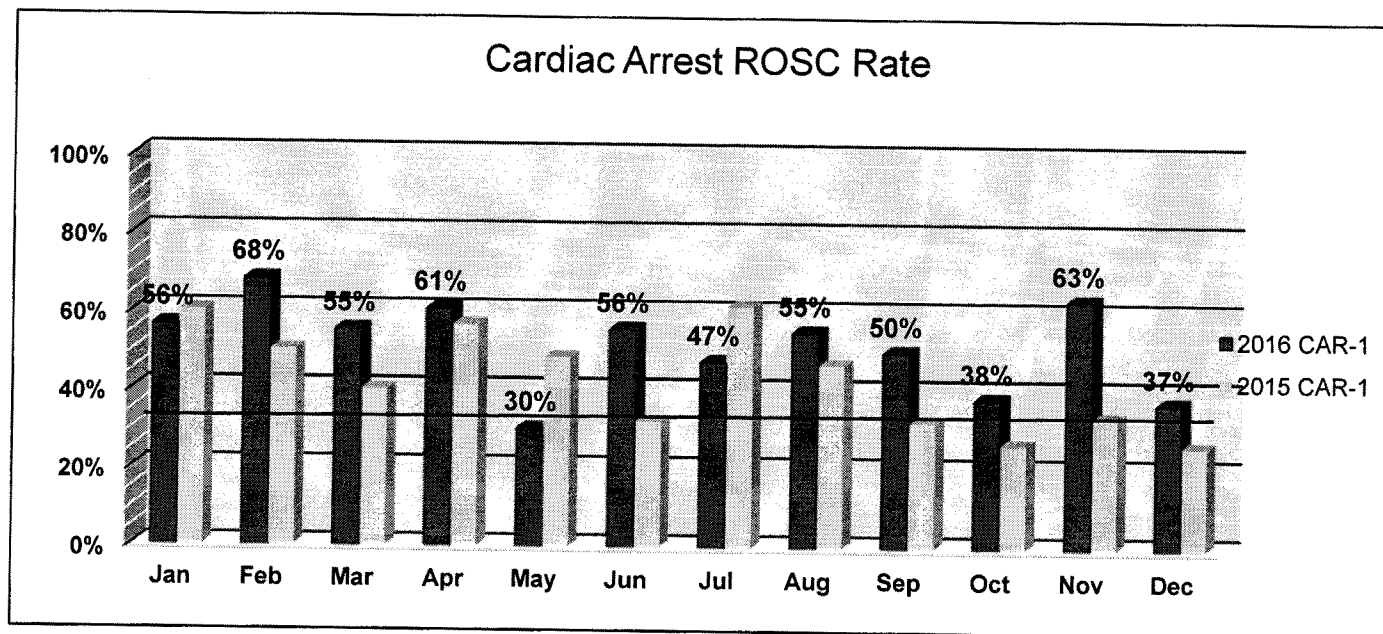
## 2 Categories to be discussed today

### Cardiac Arrest

- Most common Measure used by high performing EMS agencies
- Based of Utstein Criteria

### Stroke

- Main area of focus for improvement in 2016
- 1 Measure shows significant improvement
- 1 Measure still needs improvement



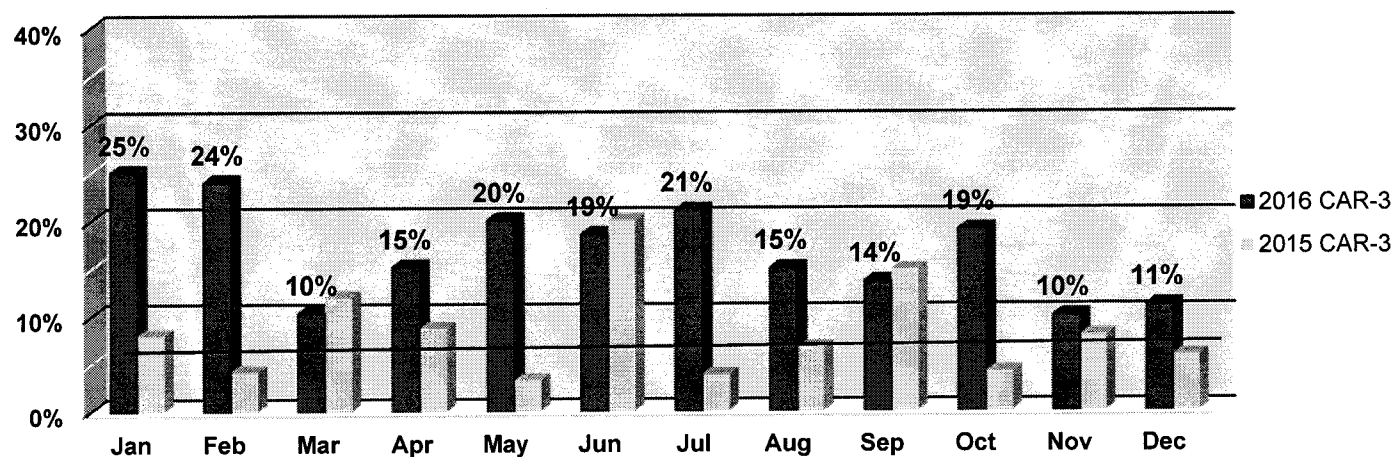
MCHD Goal was 30%

MCHD Provided additional CPR training in 2016  
2016 showed overall Improvement from 2015

National Utstein Average is 30%



Cardiac Arrest Discharge Survival Rate



MCHD Goal was 5%

2016 showed significant Improvement from 2015

MCHD Provided additional CPR training in 2016

National Utstein Average is 9%



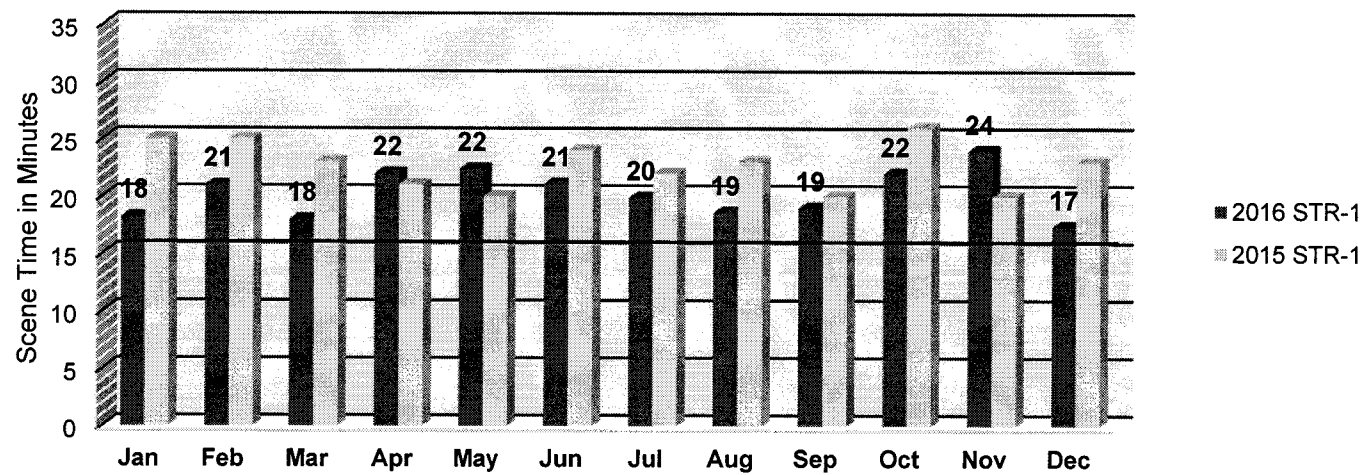
# EMS Core Measures 2015-2016

## Cardiac Arrest Analysis

- Cardiac Arrest Core Measure Goals consistently being met or exceeded
- 2017 Increase Goals to 35% for ROSC and 10% for hospital discharge to be above the National Utstein Average
- Continue to track and trend



Stroke 90th Percentile Scene Time Intervals



MCHD Goal is Scene Times less than 15 minute 90% of the time

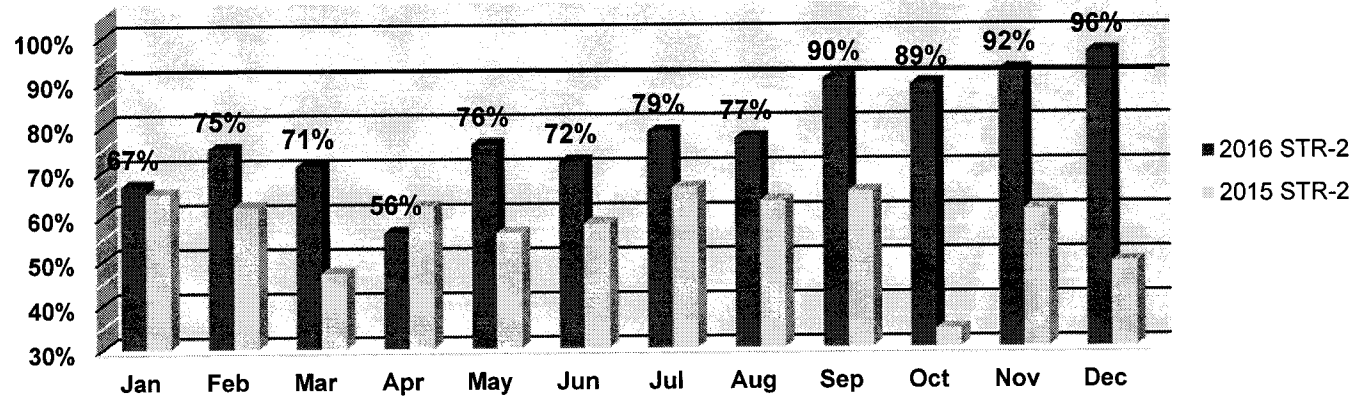
2016 Overall showed improvement over 2015

Goal is still not being consistently met

2017- "Bundles of Care" program initiated in March- Monitoring for Improvement



### Stroke Advanced Hospital Notification



MCHD Goal is provide a "Stroke Alert" 90% of time

This was one of our lowest scoring measure in 2015  
Education Provided at 3 CE in 2016

2016 Significant improvement over 2015  
Goal is now being met



# EMS Core Measures 2015-2016

## Stroke Analysis

- Improvement in both Measures from 2015
- Stroke Education allowed us to meet our goal for Advanced Notification to the ER
- Still not meeting our goal for Stroke Scene Time
  - Initiated “Bundles of Care” in March
  - Track for Improvement
  - If little to no improvement in scene time, we will begin detailed analysis to see how we can further improve





# EMS Core Measures 2015-2016

## Trauma

- Not meeting our goal for Scene Time or Advanced Notification
- Challenges
  - Low number of patients, usually 10-12 per month
  - Scene time is sometimes out of our control, such as long extrication times
- Trauma Bundle of Care started in March 2017, monitoring for improvement

## STEMI

- Meeting all goals consistently with the exception of Scene Time
- Cardiac Bundle of Care started in March 2017, monitoring for improvement



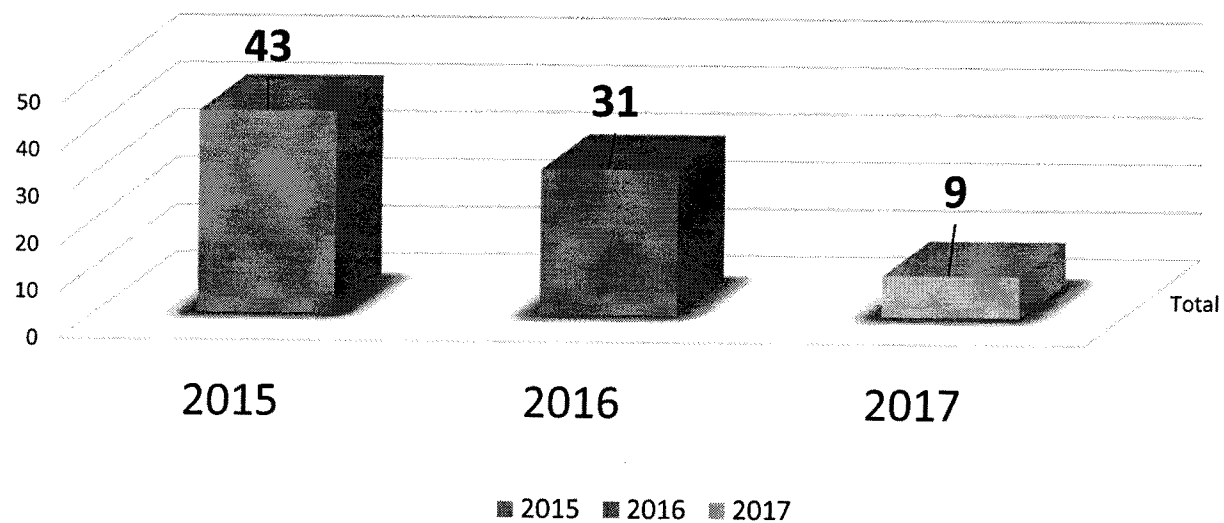
# **TURNOVER REPORT**

## **CALENDAR YEAR 2017 – Q1**

Human Resources  
*April 2017*

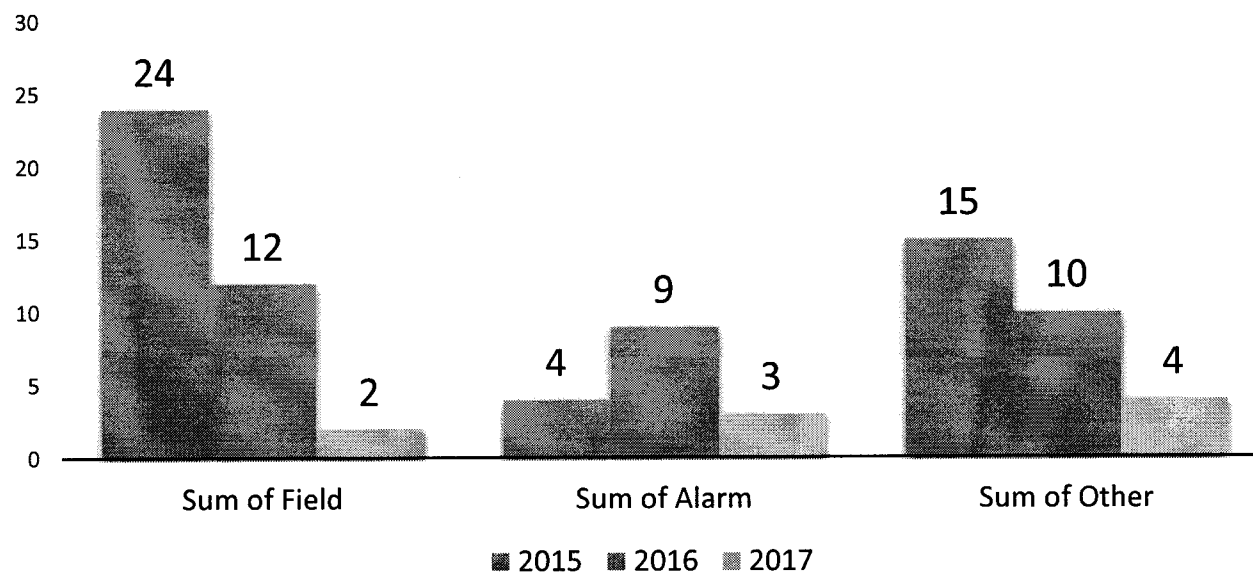


## CALENDAR YEAR TURNOVER



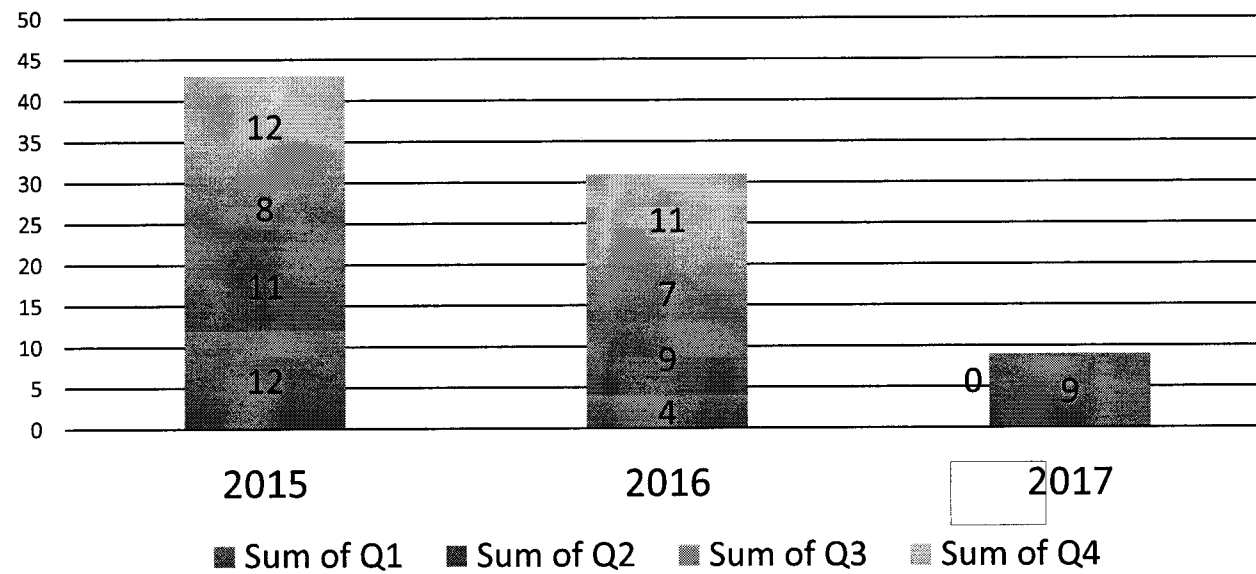


## TURNOVER BY DEPARTMENT



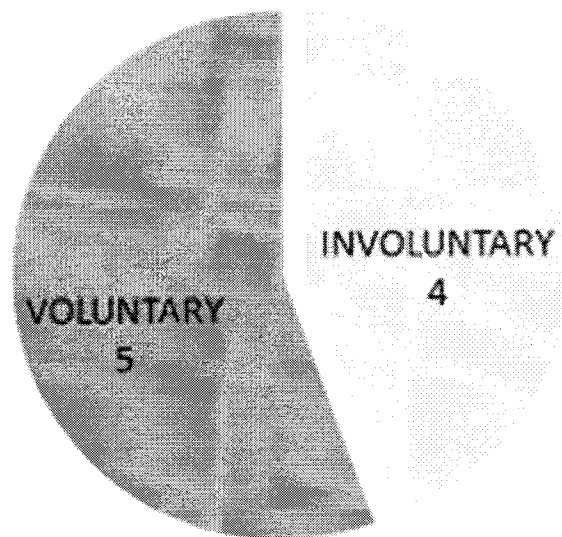


## TURNOVER BY QUARTER





INVOLUNTARY VS VOLUNTARY  
TURNOVER 2017 YTD





Parker Hannifin Corporation  
Porter Instrument  
245 Township Line Road  
Hatfield, PA 19440

December 28, 2016

RE: Porter Nitronox Field Unit

To Whom It May Concern,

Henry Schein EMS is the exclusive distributor of the Porter Nitronox Field Unit and related accessories. All inquiries, quotes, and purchases should be facilitated through Henry Schein EMS.

For more information please contact your local Henry Schein EMS representative or Scott Bruner – Manger EMS Customer Service phone: 800-645-3550 x336 or email: [scott.bruner@henryschein.com](mailto:scott.bruner@henryschein.com)

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Civitello".

Mike Civitello  
Porter Instrument  
Sales Manager  
[Michael.civitello@parker.com](mailto:Michael.civitello@parker.com)  
215-723-4000



EMS

Remittance Address:  
Henry Schein Inc.  
Dept. CH 10241  
Palatine, IL 60065-0241

TO: MCHD

Requested By: Diane

Date: 4-6-17

PRODUCT	QUANTITY	PRICE	TOTAL
Nitronox Kit Part Number 4999608	10	\$3,750.00	\$37,500.00



Site #HXL01090

Licensee Site: Conroe Relo FA#14008828

## **TOWER LICENSE AGREEMENT**

This Tower License Agreement ("**Agreement**") is made by and between The Montgomery County Hospital District, a political subdivision of the State of Texas; The City of Conroe, Texas, a political subdivision of the State of Texas, both of which are jointly referred to as "**Licensor**," and New Cingular Wireless PCS, LLC, a Delaware limited liability company, having a mailing address of 575 Morosgo Drive NE, Atlanta, GA 30324 ("**Licensee**").

### **I. TOWER INFORMATION:**

Site Name: Communications Tower at the Public Works Service Center

Address and/or location of Tower Facility: 401 Sgt. Ed Holcomb Blvd. S., Conroe, TX 77304

Tower Facility Coordinates: Lat. 30-18-07.3N NAD83 Long. 095-28-45.8 NAD83

### **II. NOTICE & EMERGENCY CONTACTS:**

- Licensor's local emergency contact: Radio Administrator on-call, MCHD, 936-441-6243  
Tammie Rushing, City of Conroe Facilities Manager, 936-520-8979
- Licensee's local emergency contact: 800-264-6620.
- Notices to Licensor shall be sent to the address below:

City of Conroe  
Attn: Tammie Rushing, Facilities Manager  
300 West Davis, Suite 230  
Conroe, TX 77301

With a copy to:  
Montgomery County Hospital District  
Attention: Accounting  
1400 S. Loop 336 W.  
Conroe, TX 77304

And to:  
J. Greg Hudson  
Hudson & O'Leary LLP.  
1010 MoPac Circle, Suite 201  
Austin, TX 78746

- Notices to Licensee shall be sent to the address below to the attention of:  
New Cingular Wireless PCS, LLC  
Attn: AT&T Network Real Estate Administration  
Re: Cell Site #: HXL01090; Cell Site Name: Conroe Relocation  
Fixed Asset No.: 14008828  
575 Morosgo Drive  
Atlanta, GA 30324
- With a copy to:  
New Cingular Wireless PCS, LLC  
Attn: AT&T Legal Department-Network  
Attn: Network Counsel  
Re: Site No. HXL01090, Name: Conroe Relo, FA#: 14008828  
208 S. Akard Street  
Dallas, TX 75202-4206

### **III. PERMITTED USE OF TOWER FACILITY BY LICENSEE:**

- Permitted Frequencies: the spectrum licensed to Licensee by the FCC:
- Antenna mount height on tower: See Exhibit A for specific location

Site #HXL01090

Licensee Site: Conroe Relo FA#14008828

- All other permitted uses of the Tower Facility including Licensee's Approved Equipment, and the Licensed Space are further described in section 4 of this Agreement and Exhibit A attached hereto.

#### **IV. FEES & TERM**

Monthly License Fee: Three Thousand and No/100ths Dollars (\$3,000.00) per month, adjusted on the anniversary of the Commencement Date of this Agreement and on each anniversary thereafter during the Initial Term and during any Renewal Terms by the "Annual Escalator". The Annual Escalator shall be three percent (3%) per year. Any monthly license fee not paid within fifteen (15) days of when due shall be subject to a five percent (5%) late fee.

Site Inspection Fee : \$0 .

Electricity will be provided by \_\_\_\_\_ Licensor or   X   Licensee. If electricity for operation of Approved Equipment is to be provided by Licensor, with the cost of such electricity to be paid by Licensee at cost subject to adjustment pursuant to Section 5(b). If electricity for operation of Approved Equipment is to be provided by Licensee, all cost of such electricity and installation costs are the sole responsibility of Licensee.

Initial Term: A period of twenty (20) years beginning on the Commencement Date. The "Commencement Date" shall be based upon the date Licensee commences installation of the equipment on the Tower Facility. In the event the date Licensee commences installation of the equipment on the Tower Facility falls between the 1st and 15th of the month, the Agreement shall commence on the 1st of that month and if the date installation commences falls between the 16th and 31st of the month, then the Agreement shall commence on the 1st day of the following month (either the "Commencement Date").

Renewal Terms: N/A .

#### **V. TERMS & CONDITIONS**

The attached terms and conditions are incorporated herein by this reference.

#### **VI. OTHER PROVISIONS:**

Notwithstanding anything to the contrary in this Agreement, the offer expressed to Licensee in this Agreement shall automatically become null and void with no further obligation by either party hereto if a structural analysis of the Tower Facility completed after the execution of this Agreement by Licensor but before the commencement of the installation of Licensee's Approved Equipment indicates that the Tower is not suitable for Licensee's Approved Equipment unless Licensor and Licensee mutually agree that structural modifications or repairs shall be made to the Tower on mutually agreeable terms. If a structural analysis of the Tower Facility is performed or obtained by Licensee then Licensee shall share such structural analysis with Licensor. All persons and/or entities performing any structural analysis services as contemplated herein shall be approved by Licensor.

- A) In no event shall Licensee's use of the Tower Facility, or operation of any of its equipment thereon, be conducted in a manner that interferes with Licensor's lighting system existing as of the Effective Date of this Agreement located on any of the towers, building systems, or related facilities. In the event that such interference does occur, Licensee shall be solely responsible to resolve such interference (which may, in Licensee's discretion, involve the reimbursement to Licensor for any and all costs required to modify and/or upgrade Licensor's lighting system)

Communication Tower at the Public Works Service Center  
401 Sgt. Ed Holcomb Blvd. S.,  
Conroe, Texas 77304

Site #HXLO1090

Licensee Site: Conroe Relo FA#14008828

and to comply with all necessary FAA/FCC regulations as a result of said interference. In the event that Licensee's equipment causes interference as described in this paragraph, Licensee shall have the option of terminating this License Agreement immediately without penalty and shall not be required to pay any costs to modify or upgrade Licensor's lighting system(s).

Signatures appear on the next page.

Licensee Site: Conroe Relo FA#14008828

Site #HXL01090

LICENSOR:  
Montgomery County Hospital District

By: [Signature]  
Print Name: KE JOHNSON  
Title: CEO  
Date: 4/25/17

City of Conroe, Texas

By: [Signature]  
Print Name: DUKE COON  
Title: MAYOR PRO TEM  
Date: 5-1-17

LICENSEE:  
New Cingular Wireless PCS, LLC  
a Delaware limited liability company  
By: AT&T Mobility Corporation, its Manager

By: [Signature]  
Print Name: Steve McNamara  
Title: AVP, C&E - Southwest Mobility  
Date: 4/21/17

## TERMS AND CONDITIONS

1. **DEFINITIONS.** Capitalized terms defined in the body of this Agreement are indexed by location on Appendix I attached hereto. Capitalized terms used in Agreement but not defined herein are defined in Appendix I.
2. **GRANT OF LICENSE.** Subject to the other terms of this Agreement, Licensor hereby grants Licensee a license to install, maintain and operate the Approved Equipment at the Licensed Space. All Approved Equipment shall be and remain Licensee's personal property throughout the Term of this Agreement. Licensor shall maintain the Tower and communication facility located on the Tower Facility in good order and repair, reasonable wear and tear excepted. Licensor grants Licensee a right of access to the Tower Facility 24 hours per day, 7 days per week during the Term and a designated location for the installation of Licensee's utilities over, under or across the Tower Facility (collectively, "Easement"). Licensee shall be responsible for any and all damage or loss that results from the installation of any cables or utility wires by Licensee or any company or person retained by Licensee (including a public utility company), including, without limitation, any damage or loss that results from the accidental cutting of utility wires or cables of any other party operating at the Tower Facility. Licensor shall provide Licensee with one set of keys and/or codes to access the Tower Facility. Licensee shall be responsible for ensuring that Licensor has, at all times, a complete and accurate written list of all employees and agents of Licensee who have been provided the keys or access codes to the Tower Facility. Subject to Licensee's rights set forth in this Agreement, Licensor shall have the right to continue to occupy the Tower Facility and to grant rights to others for the Tower Facility in its sole discretion. Licensee shall have no property rights or interest in the Tower Facility or the Easement by virtue of this Agreement.
3. **EXHIBITS.** In the event of inconsistency or discrepancy between (a) Exhibit A and Exhibit B hereto, Exhibit A shall govern.
4. **USE.** Licensee shall be permitted the right to install, maintain, operate, service, modify and/or replace its Approved Equipment at the Licensed Space, which Approved Equipment shall be utilized for the transmission and reception of wireless voice and data communications signals (such transmission and reception to be solely within the Permitted Frequencies and, if applicable within the spectrum licensed to Licensee by the FCC) and uses incidental thereto. Licensee's permitted use with respect to the Licensed Space shall be limited solely to that enumerated in this section, and, except pursuant to separate agreement with Licensor or as otherwise expressly specified in this Agreement, no person or entity other than Licensee shall have the right to install, maintain or operate its equipment or transmit or receive communications at, or otherwise use, the Licensed Space. Licensor and Licensee expressly agree that the primary use of the Tower Facility is for governmental purposes, including public safety communications. In the event, during the Lease Term it is necessary for Licensor to terminate this Agreement due to the necessity of Licensor or another governmental entity to use the Licensed Space for governmental functions, including public safety communications, then Licensor shall have the option to terminate this Agreement pursuant to paragraph 34 herein.
5. **LICENSE FEES; TAXES; ASSESSMENTS.**
  - (a) **Monthly License Fee.** The Monthly License Fee, shall be payable in advance on the first day of each calendar month during the Term beginning upon the Commencement Date. Licensor and Licensee agree that they shall acknowledge in writing the Commencement Date. Licensor

Site #HXL01090

Licensee Site: Conroe Relo FA#14008828

and Licensee acknowledge and agree that initial rental payment(s) shall not actually be sent by Licensee until thirty (30) days after a written acknowledgement confirming the Commencement Date. As a condition precedent to payment, Licensor agrees to provide Licensee with a completed IRS Form W-9, or its equivalent, upon execution of this Agreement and at such other times as may be reasonably requested by Licensee, including, any change in Licensor's name or address.

- (b) **Utilities.** All utility services installed on the Tower Facility for the use or benefit of Licensee shall be made at the sole cost and expense of Licensee and shall be separately metered from Licensor's utilities. Licensee shall be solely responsible for extending utilities to the Tower Facility as necessary for the operation of the Approved Equipment and for the payment of utility charges including connection charges and security deposits incurred by Licensee. Licensee shall obtain and pay the cost of telephone connections, the installation of which shall be in compliance with the procedures for installation and maintenance of Approved Equipment set forth herein. Licensor shall, at all times during the Term, provide access to electrical service and telephone service (including fiber) within the Tower Facility.
- (c) **Taxes.** Licensee shall be responsible for the payment of any applicable taxes, fees or governmental assessments against any equipment, personal property and/or improvements owned, leased or operated by Licensee. Except as provided immediately hereinafter, if applicable, Licensor shall pay all real property taxes Licensor is obligated to pay. Licensee shall reimburse Licensor for any increases in real property taxes which are assessed as a direct result of Licensee's improvements to or Approved Equipment located on the Tower Facility within 60 days of Licensor's request for such reimbursement. Such reimbursement request must include copies of the documentation from the taxing authority, reasonably acceptable to Licensee, indicating the increase is due to Licensee's improvements or Approved Equipment. Licensee shall ensure no lien is filed by taxing jurisdictions on the Tower Facility as a result of Licensee's failure to pay applicable taxes for Licensee's leasehold improvements. Nothing herein shall require Licensee to pay any franchise, income, payroll, excise, privilege, rent, capital stock, stamp, documentary, or profit tax, or any tax of similar nature, that is or may be imposed upon Licensor. In the event Licensor receives a notice of assessment with respect to which taxes or assessments are imposed on Licensee's leasehold improvements on the Licensed Space, Licensor shall provide Licensee with copies of each such notice immediately upon receipt. For any tax amount for which Licensee is responsible under this Agreement, Licensee shall have the right to contest, in good faith, the validity or the amount thereof using such administrative, appellate or other proceedings as may be appropriate in the jurisdiction, and may defer payment of such obligations, pay same under protest, or take such other steps as Licensee may deem appropriate. This right shall include the ability to institute any legal, regulatory or informal action in the name of Licensee, with respect to the valuation of the Licensed Space. Licensee shall have the right but not the obligation to pay any taxes due by Licensor hereunder if Licensor fails to timely do so, in addition to any other rights or remedies of Licensee. In the event that Licensee exercises the foregoing right due to such Licensor default, Licensee shall have the right to deduct such tax amounts paid from any monies due to Licensor from Licensee. Any tax-related notices shall be sent to Licensee in the manner set forth in Section 17 and, in addition, a copy of any such notices shall be sent to the following address. Promptly after the effective date of this Agreement, Licensor shall provide the following address to the taxing authority for the authority's use in the event the authority needs to communicate with Licensee:

New Cingular Wireless PCS, LLC

Site #HXL01090

Licensee Site: Conroe Relo FA#14008828

Attn: Network Real Estate Administration – Taxes  
Re: Cell Site # HXL01090; Cell Site Name : Conroe Relo (TX)  
Fixed Asset Number: 14008828  
575 Morosgo Drive NE  
Atlanta, GA 30324

- (d) **Payment Address.** All payments due under this Agreement shall be made to the City of Conroe, Texas at 300 W. Davis, Conroe, Texas 77301 or such other address as Licensor may notify Licensee of in writing at least 30 days prior to a payment date.
- (e) **Rental Documentation.** Licensor hereby agrees to provide to Licensee certain documentation (the "Rental Documentation") evidencing Licensor's interest in, and right to receive payments under, this Agreement, including without limitation: (i) documentation, acceptable to Licensee in Licensee's reasonable discretion, evidencing Licensor's good and sufficient title to and/or interest in the Tower Facility and right to receive rental payments and other benefits hereunder; (ii) a complete and fully executed Internal Revenue Service Form W-9, or equivalent, in a form acceptable to Licensee, for any party to whom rental payments are to be made pursuant to this Agreement; and (iii) other documentation requested by Licensee in Licensee's reasonable discretion. From time to time during the Term of this Agreement and within thirty (30) days of a written request from Licensee, Licensor agrees to provide updated Rental Documentation in a form reasonably acceptable to Licensee. The Rental Documentation shall be provided to Licensee in accordance with the provisions of and at the address given on Page 1 of this Agreement. Delivery of Rental Documentation to Licensee shall be a prerequisite for the payment of any rent by Licensee and notwithstanding anything to the contrary herein, Licensee shall have no obligation to make any rental payments until Rental Documentation has been supplied to Licensee as provided herein.

Within fifteen (15) days of obtaining an interest in the Tower Facility or this Agreement, any assignee(s), transferee(s) or other successor(s) in interest of Licensor shall provide to Licensee Rental Documentation in the manner set forth in the preceding paragraph. From time to time during the Term of this Agreement and within thirty (30) days of a written request from Licensee, any assignee(s) or transferee(s) of Licensor agrees to provide updated Rental Documentation in a form reasonably acceptable to Licensee. Delivery of Rental Documentation to Licensee by any assignee(s), transferee(s) or other successor(s) in interest of Licensor shall be a prerequisite for the payment of any rent by Licensee to such party and notwithstanding anything to the contrary herein, Licensee shall have no obligation to make any rental payments to any assignee(s), transferee(s) or other successor(s) in interest of Licensor until Rental Documentation has been supplied to Licensee as provided herein.

## 6. TERM.

- (a) **Initial Term.** The Initial Term of this Agreement shall be as specified in section IV.
- (b) **Renewal Term.** N/A
- (c) **Holdover Term.** If Licensee fails to remove the Approved Equipment within 90 days following the expiration or earlier termination of the Agreement without a written agreement, such failure shall be deemed to extend the terms of this Agreement on a month-to-month basis under the same terms and conditions herein except that (1) a Monthly License Fee shall be due on or before the first day of every calendar month during such month-to-month term in an amount equal to 150% of the Monthly License Fee in effect for the last month of the Term ("Holdover

Site #HXL01090

Licensee Site: Conroe Relo FA#14008828

Fee"), and (2) the month-to-month extension shall be terminable upon 30 days' prior written notice from either Party to the other; provided, however, nothing contained herein shall grant Licensee the unilateral right to extend the Term of this Agreement after the expiration of the Term.

**7. Intentionally Deleted.**

**8. Intentionally Deleted.**

- 9. LABELING.** Licensee shall identify the Approved Equipment (unless such cabinet is located in a building owned by Licensee) with labels permanently affixed thereto, indicating Licensee's name, contact phone number, and installation date. Licensee's coaxial cables shall be labeled at both the top and bottom of the Tower.

**10. IMPROVEMENTS BY LICENSEE.**

- (a) **Installation and Modification.** Licensee's initial improvements are identified in Exhibits A and B attached hereto and incorporated herein, and the execution of this Agreement by Licensor serves as Licensor's approval of such improvements. Licensee shall have the right to replace, repair, add or otherwise modify its equipment or any portion thereof upon written notice to Licensor, provided (i) Licensee does not install any equipment outside the boundaries of the Licensee's licensed ground or tower space and (ii) such replacement, repair, addition or modification does not increase Licensee's total equipment loading on the Tower. In the event such a replacement, addition or modification would exceed Licensee's licensed space or increase Licensee's total equipment loading on the Tower, Licensee shall obtain the approval of Licensor prior to proceeding with such equipment modifications, such approval not to be unreasonably withheld, conditioned or delayed.

(b) **Intentionally Deleted.**

- (c) **Equipment; Modification, Removal.** Licensor hereby grants Licensee 24 hour per day, 7 day per week access to the Tower Facility and the Licensed Space for the purpose of installing and maintaining the Licensee's Approved Equipment and its appurtenances. Except as otherwise provided, Licensee shall be responsible for all work related to the installation, operation and removal of Licensee's equipment in the Licensed Space pursuant to this Agreement. Licensee shall provide all materials and shall pay for all labor for the construction, installation, operation, maintenance and repair of the Approved Equipment. Licensee shall not construct, install or operate any equipment or improvements on the Tower Facility other than those which are described on Exhibit A or as permitted by Paragraph 10(a) of this Agreement. In the event Licensee's modification of equipment would exceed the boundaries of the Licensee's licensed ground or tower space or increase Licensee's total equipment loading on the Tower, the Parties agree that an amendment to this Agreement shall be prepared to reflect such addition or modification to Licensee's equipment. Licensee shall have the right to remove all Equipment at Licensee's sole expense on or before the expiration or earlier termination of the License (as well as within the removal period identified in this Agreement) provided Licensee repairs any damage to the Tower Facility or the Tower caused by such removal, reasonable wear and tear excepted. Within 90 days of the expiration or termination of this Agreement for any reason, Licensee shall, acting with reasonable expeditiousness: (1) remove the Approved Equipment and any other property at the Tower Facility of Licensee from



Licensee Site: Conroe Relo FA#14008828

the Licensed Space without undue delay at Licensee's sole risk, cost, and expense; (2) deliver the Licensed Space in substantially the same and in as good a condition as received (ordinary wear and tear excepted); and (3) repair any damage caused by the removal of the Approved Equipment within 30 days of the occurrence of such damage. If Licensee fails to remove its Approved Equipment within 90 days after the expiration or termination of this Agreement, Licenser shall notify Licensee that the Approved Equipment shall be deemed conclusively and absolutely abandoned by Licensee and anyone claiming by, through, or under Licensee if such equipment is not removed within 30 days of such notice. If not removed by Licensee within 30 days of receipt of such notice, Licenser shall have the right to remove the Approved Equipment at Licensee's expense and dispose of such Approved Equipment in any manner Licenser so elects, and Licensee shall reimburse Licenser for its expenses upon demand without off-set.

#### 11. RF INTERFERENCE/ USER PRIORITY.

- (a) **Definitions.** For purposes of this section 11, the following capitalized terms shall have the meanings set forth herein:
- (i) **Interference** includes any performance degradation, misinterpretation, or loss of information to a radio communications system caused by unwanted energy emissions, radiations, or inductions, but shall not include permissible interference as defined by the FCC, and in addition, with regard to Unlicensed Frequencies, congestion.
  - (ii) **Licensed Frequencies** are those certain channels or frequencies of the radio frequency spectrum that are licensed by the FCC in the geographic area where the Tower Facility is located.
  - (iii) A **Licensed User** is any user of the Tower Facility, including Licensee, which transmits and/or receives Licensed Frequencies at the Tower Facility, but only with respect to such Licensed Frequencies.
  - (iv) A **Priority User** is any Licensed User of the Tower Facility that holds a priority position in relationship to Licensee for protection from Interference, as determined in this section 11, which status is subject to change as set forth herein.
  - (v) A **Subsequent User** is any user of the Tower Facility that holds a subordinate position in relationship to Licensee for protection from Interference, as determined in this section 11, which status is subject to change as set forth herein.
  - (vi) **Unlicensed Frequencies** are those certain channels or frequencies of the radio frequency spectrum that are not licensed by the FCC and are available for use by the general public in the geographic area where the Tower Facility is located.
  - (vii) An **Unlicensed User** is any user of the Tower Facility, including Licensee, which transmits and/or receives Unlicensed Frequencies at the Tower Facility, but only with respect to such Unlicensed Frequencies.
- (b) **Information.** Licensee shall cooperate with Licenser and with other lessees, licensees or occupants of the Tower Facility for purposes of avoiding Interference and/or investigating claims of Interference. Upon request, Licensee, within 10 days of Licenser's request, shall

Site #HXL01090

Licensee Site: Conroe Relo FA#14008828

provide Licensor with a list of Licensee's transmit and receive frequencies and Approved Equipment specifications necessary to resolve or investigate claims of Interference.

- (c) **Priority.** Licensee agrees to install equipment of the type and frequency which will not cause harmful Interference which is measurable in accordance with then existing industry standards to any equipment of Licensor or other wireless communications licensees of the Tower Facility which existed on the Tower Facility prior to the date this Agreement is executed by the Parties. In the event any after-installed Licensee's equipment causes such Interference, and after Licensor has notified Licensee in writing of such interference, Licensee will address such Interference pursuant to Paragraph 11(d) below. Licensor agrees that Licensor and/or any other licensees of the Tower Facility who currently have or in the future take possession of the Tower Facility will be permitted to install only such equipment that is of the type and frequency which will not cause harmful Interference which is measurable in accordance with then existing industry standards to the then existing equipment of Licensee. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Section 11 and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance. Licensor and Licensee acknowledge the priority of other governmental users of the Tower Facility as described in paragraph 4 above.

(d) **Correction.**

(i) Licensee. In the event Licensee commits prohibited Interference in violation of subparagraph 11(c) above, Licensee shall, within 24 hours of notification from Licensor, commence such actions as are necessary to mitigate or eliminate the Interference, with the exception of ceasing Licensee's operations. If Licensee cannot mitigate or eliminate such Interference within the 24 hour period, Licensee shall voluntarily power down the equipment causing the prohibited Interference except for intermittent testing until such time as such Interference is remedied. If Licensee is unable to resolve or eliminate, to the reasonable satisfaction of Licensor, such Interference within 30 days from Licensee's initial notification thereof, Licensee will immediately remove or cease operations of the interfering equipment, or, at Licensee's option, Licensee shall have the right terminate this Agreement immediately without penalty or damages. In no event will Licensor be entitled to terminate this Agreement or relocate the equipment as long as Licensee is making a good faith effort to remedy the Interference issue.

(ii) Licensor. In the event Licensor or another licensee of the Tower Facility commits prohibited Interference in violation of subparagraph 11(c) above, upon Licensee's request, Licensor shall, within 24 hours of request, commence such actions as are necessary to eliminate the Interference, with the exception of ceasing Licensee's or such other licensee's operations. In the event that such interference as described in this paragraph cannot be corrected to the satisfaction of Licensee, Licensee shall have the right terminate this License Agreement immediately without penalty or damages and/or seek injunctive relief and other remedies available at law or in equity.

(iii) Government Users. Notwithstanding the foregoing, if another user of the Tower or Tower Facility is a governmental entity, Licensor shall give such governmental entity written notice of the Interference within 5 Business Days of Licensor's determination that such action is reasonably necessary. Licensor shall have the right to give the governmental entity 5 Business Days, or more as specified in the governmental site or occupancy agreement or as

Licensee Site: Conroe Relo FA#14008828

required by Applicable Law, from the receipt of such notice prior to Licensor being required to take any actions required by this subsection 11 (d) to cure such Interference.

- (e) **FCC Requirements Regarding Interference.** Nothing herein shall prejudice, limit or impair Licensee's rights under Applicable Law, including, but not limited to, FCC Rules and Regulations to redress any Interference independently of the terms of this section 11. Notwithstanding anything herein to the contrary, the provisions set forth in this section 11 shall be interpreted in a manner so as not to be inconsistent with Applicable Law, including, but not limited to, FCC Rules and Regulations and nothing herein relieves the Parties from complying with all Applicable Laws governing the propagation of radio frequencies and/or radio frequency interference. The Parties acknowledge that currently FCC Rules and Regulations govern the obligations of wireless telecommunication service providers with respect to the operation of equipment and use of frequencies. Consequently, the provisions set forth in this section 11 are expressly subject to CFR, Title 47, including but not limited to Part 15, et seq, governing Radio Frequency Devices; Part 20, et seq, governing commercial mobile radio services; Part 24, et seq, governing personal communications services; and Part 90, et seq, governing private land mobile radio services. In addition, in accordance with good engineering practice and standard industry protocols, licensees employ a wide range of techniques and practices, including those involving the use of proper types of equipment as well those related to the adjustment of operating parameters, in a mutually cooperative effort to identify and mitigate sources of Interference. The obligation of licensees, including, but not limited to, private paging, specialized mobile radio services, cellular radiotelephone service and personal communications services, to avoid Interference is set forth in 47 CFR Part 90, Subpart N – Operating Requirements, §90.403(e). Claims of Interference are ultimately cognizable before the FCC's Enforcement Bureau, Spectrum Enforcement Division. Licensee shall observe good engineering practice and standard industry protocols, applying such commercially reasonable techniques as constitute best practices among licensees, in the deployment of their frequencies and the operation of the Approved Equipment. If Licensee deploys its frequencies or operates the Approved Equipment in a manner which prevents any other user of the Tower or Tower Facility from decoding signal imbedded in their licensed frequencies such that the Spectrum Enforcement Division makes a determination that the Licensee is the cause of the Interference in violation of Applicable Laws and this Agreement and Licensee fails or refuses to mitigate or eliminate the Interference within the time and manner proscribed by the Spectrum Enforcement Division, Licensee shall be in default of this Agreement and the remedies set forth in section 22 shall apply.
- (f) **Public Safety Interference.** As of the Commencement Date, Licensor and Licensee are aware of the publication of FCC Final Rule, Private Land Mobile Services; 800 MHz Public Safety Interference Proceeding, FC 04-168, *Federal Register*. November 22, 2004 (Volume 69, Number 224), Rules and Regulations, Page 67823-67853 ("Final Rule"). Claims of Interference made by or against users which are public safety entities shall be in compliance with the Final Rule as and when effective, or otherwise in accordance with FCC Rules and Regulations.
- (h) **AM Detuning.** The parties acknowledge that the FCC Rules and Regulations govern the obligations of Licensee with respect to the operation of the Approved Equipment. Consequently, the provisions set forth in this Agreement are expressly subject to the FCC Rules and Regulations, including, but not limited to 47 C.F.R. §§ 27.63, 22.371 and 73.1692. Licensee agrees, at Licensee's sole cost, to comply with the foregoing as well as any and all other FCC rules, regulations and public guidance relating to AM detuning as such provisions

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currently exist or are hereafter modified, to the extent such rules and regulations are applicable to Licensee's equipment.

- (i) Licenser agrees not to sell, lease or use any areas of the Tower Facility for the installation, operation or maintenance of other wireless communications facilities if such installation, operation or maintenance would interfere with Licensee's permitted use or communications.. If radio frequency propagation tests demonstrate unacceptable levels of interference unacceptable to Licensee and such interference has not been corrected to the satisfaction of Licensee within seventy-two hours of such testing, Licensee shall be entitled to terminate this Agreement.

**12. SITE RULES AND REGULATIONS.** Licensee agrees to comply with the reasonable rules and regulations established from time to time at the Tower Facility by Licenser, which may be modified by Licenser (subject to the terms of this paragraph) from time to time upon receipt by Licensee of such revised rules and regulations. The currently existing site rules and regulations are attached hereto as Exhibit C. Such rules and regulations will not unreasonably interfere with Licensee's use of the Licensed Space under this Agreement. Licenser shall enforce such rules and regulations in a non-discriminatory manner among all the licensees of the Tower Facility. Any modification of such rules and regulations by Licenser will not (i) adversely affect Licensee's permitted use under this Agreement; (ii) interfere with Licensee's continuous operations within the Licensee's licensed space; (iii) interfere with Licensee's 24 hours a day, 7 days a week access to the licensed space and Tower Facility; (iv) conflict with any terms of this Agreement; or (v) increase Licensee's financial obligations under this Agreement.

**13. CASUALTY; CONDEMNATION.**

- (a) **Casualty.** In the event the Tower or other portions of the Tower Facility are destroyed or so damaged so as to substantially interfere with Licensee's use and occupancy thereof, Licensee shall be entitled to elect to cancel and terminate this Agreement as of the date of destruction of that portion of the Tower Facility and any unearned Monthly License Fee paid in advance of such date shall be refunded by Licenser to Licensee within thirty (30) days of the termination date of this Agreement. If Licenser determines not to rebuild or restore the Tower Facility, Licenser will notify Licensee of such determination within thirty (30) days after the casualty or other harm. Licenser agrees to permit Licensee to place temporary transmission and reception facilities on the real estate on which the Tower is located, but only until such time as Licensee is able to activate a replacement transmission facility at another location; notwithstanding the termination of this Agreement, such temporary facilities will be governed by all of the terms and conditions of this Agreement, including Monthly License Fee. Notwithstanding the foregoing, Licenser may elect to restore the Tower Facility, in which case Licensee and Licenser shall remain bound hereby but Licensee shall be entitled to an abatement of the Monthly License Fee during the loss of use, unless Licensee installs a temporary facility as provided below. The restoration of the Tower Facility must be sufficiently completed to allow Licensee to utilize the Tower Facility for its designated purposes within 90 days. If the Tower Facility is not so restored within such 90 day time period, then Licensee shall have the right to terminate this Agreement upon written notice to Licenser. If Licenser or Licensee undertakes to rebuild or restore the Licensed Space and/or the Approved Equipment, as applicable, Licenser agrees to permit Licensee to place temporary transmission and reception facilities on the real estate on which the Tower is located at a mutually acceptable location so as not to interfere with any rebuild or restoration efforts of Licenser at no additional Monthly License Fee until the reconstruction of the Licensed Space and/or the Approved Equipment is completed.

- (b) **Condemnation.** If the whole or a substantial part of the Tower Facility shall be taken by any public authority under the power of eminent domain or in deed or conveyance in lieu of condemnation so as to materially interfere with Licensee's use thereof and benefits therefrom, then Licensee shall have the right to terminate this Agreement. Any unearned Monthly License Fee paid in advance of such termination shall be refunded by Licensor to Licensee within 30 days following the termination of this Agreement. The parties will each be entitled to pursue their own separate awards in the condemnation proceeds, which for Licensee will include, where applicable, the value of its Approved Equipment, moving expenses, and business dislocation expenses from the condemning authority, provided however that Licensee agrees not to make a claim to the condemning authority for any condemnation award to the extent such claim shall diminish or affect the award made to Licensor with regard to such condemnation. To the extent the Agreement is not terminated following a condemnation, the monthly Rent payable by Licensee hereunder will be reduced in proportion to the reduction in size of Licensee's licensed space.

**14. COMPLIANCE WITH LAWS.** Licensor shall at all times comply with all Applicable Laws and ordinances and all rules and regulations of municipal, state and federal governmental authorities relating to Licensor's ownership and use of the Tower Facility and any improvements on the Tower Facility, including, without limitation, any marking and lighting requirements of the FAA and the FCC applicable to the Tower Facility. Notwithstanding anything to the contrary in this Agreement, Licensee shall at all times comply with all Applicable Laws and ordinances and all applicable rules and regulations of municipal, state and federal governmental authorities relating to the installation, maintenance, location, use, operation, and removal of the Approved Equipment and other alterations or improvements authorized pursuant to the provisions of this Agreement. Notwithstanding anything to the contrary in this Agreement Licensee agrees that nothing herein shall preclude or be interpreted to preclude Licensor from carrying out its governmental functions, including those functions related to public safety, and any rights conveyed hereunder to Licensee are expressly made subordinate to such governmental rights and obligations of Licensor and other governmental entities using the Tower Facility for governmental functions, including public safety communications.

**15. INDEMNIFICATION; INSURANCE.**

- (a) **Mutual Indemnity.** To the extent permitted by law and subject to the mutual waiver of subrogation set forth in section 27, Licensee and Licensor each indemnifies the other against and holds the other harmless from any and all costs, demands, Damages, suits, expenses, or causes of action (including reasonable attorneys fees and court costs) which arise out of the use and/or occupancy of the Tower Facility by the indemnifying party. Notwithstanding the foregoing, this indemnity does not apply to the extent any Claims, costs, demands, Damages, suits, expenses, or causes of action (including reasonable attorneys' fees and court costs) arise from the negligence, gross negligence, or intentional misconduct of the Indemnified Party. The indemnities contained herein expressly extend back to the date Licensee first used or occupied this Tower Facility which date may precede the Effective Date hereof.
- (b) **Limits on Indemnification.** Neither party shall be responsible or liable to any of the foregoing Indemnified Parties for any Damages arising from any claim to the extent attributable to any acts or omissions of other licensees or users occupying the Tower Facility or for any structural or power failures or destruction or damage to the Tower Facility except to the extent caused by the sole, joint, or concurrent negligence, gross negligence, or willful misconduct of such party.

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The limitations on indemnification contained herein expressly extend back to the date Licensee first used or occupied this Tower Facility which date may precede the Effective Date hereof.

- (c) **Survival.** The provisions of this section 15 shall survive the expiration or earlier termination of this Agreement with respect to any events occurring on or before expiration or termination of same whether or not Claims relating thereto are asserted before or after such expiration or termination.
- (d) **Insurance.** Licensors and Licensee shall keep in full force and effect, during the Term of this Agreement, insurance coverage in accordance with Appendix II attached hereto.
- 16. LIMITATION OF PARTIES' LIABILITY.** NEITHER LICENSOR NOR LICENSEE SHALL BE RESPONSIBLE FOR, AND HEREBY WAIVES ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES INCURRED RESULTING FROM (1) LICENSEE'S USE OR LICENSEE'S INABILITY TO USE THE TOWER FACILITY, OR (2) DAMAGE TO THE OTHER'S EQUIPMENT.
- 17. MAINTENANCE.** Licensors will maintain and repair the Tower Facility and access thereto, the Tower, and all areas of the Licensed Space where Licensee does not have exclusive control, in good and tenable condition, subject to reasonable wear and tear and damage from the elements. Licensors will not be responsible for maintenance of landscaping on the Tower Facility.
- 18. NOTICES.** All notices, demands, approvals, requests and other communications shall be in writing to such party at the address listed on the first page of this Agreement (and in each case, in the event of notice to Licensors, with a copy of such notice to City of Conroe, attention: Finance and Administration, 300 W. Davis, Conroe, Texas 77301, or at such other address as such party shall designate by notice to the other party hereto in accordance with this section 18 (the "**Notice Address**") and may be personally delivered; mailed, via United States certified mail, return receipt requested; or transmitted by overnight courier for next Business Day delivery, and, if not delivered personally, shall be deemed to be duly given or made upon either receipt or rejection as shown on the receipt obtained pursuant to the foregoing.
- 19. ASSIGNMENT; SUBLEASING.** Licensee may not assign this Agreement to unaffiliated third parties; however, Licensee may assign this Agreement to (1) Licensee's principal, affiliates, or subsidiaries of its principal, (2) any person or entity which is directly or indirectly (through one or more subsidiaries) controlled by, controlling or under common control with Licensee, (3) any person or entity which is the successor or surviving entity by a merger or consolidation of such entity, or (4) any person or entity which purchases substantially all the assets of Licensee in the market defined by the Federal Communications Commission in which the Tower Facility is located by reason of a merger, acquisition or other business reorganization, or 5) to those entities prescribed by federal agencies as a result of Licensee's acquisition or disposition of assets or other companies (collectively, "**Permitted Assignee**"). Licensors may not unreasonably withhold, condition or delay its consent to a proposed assignment. In no event may Licensee sublet, sublease, or permit any other similar use of the Tower Facility or Licensed Space by any other party. Any Permitted Assignee shall expressly assume, and become bound by, all of Licensee's obligations under this Agreement. . Licensee shall pay Licensors a reasonable hourly fee, which may include attorney time if necessary, in each instance in which Licensee requests Licensors to consent to an assignment of this Agreement or in which Licensee seeks an estoppel certificate, nondisturbance agreement, subordination agreement or any other similar agreements incident to an assignment of the Agreement by Licensee, to defray the administrative cost incurred by Licensors to process such requests, prepare and process any necessary documentation, and modify its database and other information systems to reflect any such agreement. Such fee is due

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upon receiving such bill by licensee and failure to pay such fee is considered a default of this Agreement (subject to Licensee's right to cure under this Agreement). Any purported assignment by Licensee in violation of the terms of this Agreement shall be void. This Agreement shall be binding upon the successors and permitted assigns of both Parties.

- 20. LIENS.** Licensee shall not permit any mechanic or materialmen's lien to attach to the Tower Facility or any of Licensee's property thereon. If any mechanic's lien or other lien, charge or order for payment of money is filed as a result of the act or omission of Licensee in connection with this Agreement, Licensee will cause such lien, charge or order to be discharged or appropriately bonded or otherwise reasonably secured ("Secured") within sixty (60) days after notice from Licensor thereof. If Licensee fails to cause the lien or encumbrance to be Secured within the sixty (60) day period, then Licensor will be entitled to do so at Licensee's expense.

**21. DEFAULT.**

(a) The occurrence of any of the following instances shall be considered to be a default or a breach of this Agreement: (1) any failure of Licensee to pay the Monthly License Fee, or any other charge for which Licensee has the responsibility of payment under this Agreement, within 20 days of the date following written notice to Licensee from Licensor, or its designee, of such delinquency; (2) any failure of either Party to perform or observe any term, covenant, provision or condition of this Agreement which failure is not corrected or cured by the defaulting Party within 30 days of receipt by the defaulting Party of written notice from non-defaulting Party, or its designee, of the existence of such a default; except such 30 day cure period shall be extended as reasonably necessary to permit the non-defaulting Party to complete a cure so long as Licensee commences the cure within such 30 day cure period and thereafter continuously and diligently pursues and completes such cure; (3) failure of a Party to abide by the interference provisions as set forth in section 11; or (4) Licensor's failure to provide access to the Licensed Space as required by Section 2 of this Agreement within twenty-four (24) hours after written notice of such failure is received by Licensor.

- 22. REMEDIES.** In the event of a default or a breach of this Agreement by Licensee and after the Licensee's failure to cure the same within the time allowed Licensee to cure such default, if applicable, then Licensor may, in addition to all other rights or remedies Licensor may have hereunder at law or in equity, terminate this Agreement by giving written notice to the Licensee, stating the date upon which such termination shall be effective, provided Licensee shall remain liable for all damages due to such default including without limitation the continuing obligation to pay Monthly License Fees as when they come due, subject to an obligation of Licensor to mitigate damages. In the event of a default or a breach of this Agreement by the Licensor and after the Licensor's failure to cure the same within the time allowed to cure such default, if applicable, then Licensee may, in addition to all other rights or remedies the non-defaulting Party may have hereunder at law or in equity, terminate this Agreement by giving written notice to the Licensor. No endorsement or statement on any check or letter accompanying a check for payment of any monies due and payable under the terms of this Agreement shall be deemed an accord and satisfaction, and Licensor may accept such check or payment without prejudice to its right to recover the balance of such monies or to pursue any other remedy provided by law or in this Agreement. Licensor shall accept any such partial payment for the account of Licensee.

- 23. GOVERNMENTAL APPROVALS; PERMITS.** Licensor shall cooperate with Licensee in Licensee's efforts to obtain any permits or other approvals that may be necessary for Licensee's installation and operation of the Approved Equipment, provided that Licensor shall not be required to expend any funds or undertake any liability or obligation in connection with such cooperation.

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Licensor may, upon approval of Licensee, elect to obtain such required approvals or permits on Licensee's behalf, at Licensee's sole cost and expense. In no event may Licensee encourage, suggest, participate in or permit the imposition of any restrictions or additional obligations whatsoever on the Tower Facility or Licensor's current or future use or ability to license space at the Tower Facility as part of or in exchange for obtaining any such approval or permit. In the event that Licensee's shelter or cabinets are installed above a third-party or Licensor-owned shelter or building, Licensee shall be solely responsible for obtaining any required approvals, or permits in connection with such shelter or cabinet installation, excepting the consent of other users at the Tower Facility. It is understood and agreed that Licensee's ability to use the Tower Facility is contingent upon its obtaining after the execution date of this Agreement all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or Local authorities as well as satisfactory soil boring tests and structural analysis which will permit Licensee use of the Tower Facility as set forth above. In the event that (i) any of such applications for such Governmental Approvals should be finally rejected; (ii) any Governmental Approval issued to Licensee is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; (iii) Licensee determines that such Governmental Approvals may not be obtained in a timely manner; (iv) Licensee determines that any soil boring tests or structural analysis is unsatisfactory; or (v) Licensee determines that the Tower Facility is no longer technically or structurally compatible for its use, Licensee shall have the right to terminate this Agreement upon notice to Licensor. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other hereunder. Otherwise, the Licensee shall have no further obligations for the payment of rent to Licensor.

#### **24. REPLACEMENT OF TOWER/RELOCATION OF APPROVED EQUIPMENT.**

- (a) **Replacement of Tower.** Licensor may, at its election, replace or rebuild the Tower or a portion thereof. Such replacement will (1) be at Licensor's sole cost and (2) not result in an interruption of Licensee's communications services beyond that which is necessary to replace the new Tower. Licensee may establish a temporary facility on the Tower Facility to provide such services as Licensee deems necessary during any such construction by Licensor so long as adequate space is then available. The location of such temporary facilities shall be subject to Licensor's approval, which shall not be unreasonably withheld, conditioned or delayed. At the request of either Party, Licensor and Licensee shall enter into an amendment to this Agreement to memorialize the location of Licensee's licensed space within the new Tower Facility, provided, however, that no rent increase or other fee shall be charged to Licensee for such an amendment.

#### **25. Intentionally Deleted.**

**26. ENVIRONMENTAL.** Licensor represents and warrants that, (i) the Tower Facility, as of the date of this Agreement, is free of hazardous substances, including asbestos-containing materials and lead paint, and (ii) the Tower Facility has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. Each Party covenants to the other Party that it will not use, store, dispose, or release any Hazardous Substances on the Property in violation of Applicable Law. Licensee agrees to indemnify and save harmless Licensor, to the extent permitted by law, against any and all Claims, liabilities, causes of action, Damages, orders, judgments, and clean-up costs arising from Licensee's breach of any the covenants contained in this section 26. Licensor agrees to indemnify and save harmless Licensee to the extent permitted by law,



against any and all Claims, liabilities, causes of action, Damages, orders, judgments, and clean-up costs arising from Licensors breach of any the covenants contained in this section 26. The obligations of each Party to indemnify the other Party pursuant to this section 26 shall survive the termination or expiration of this Agreement. The indemnities contained herein expressly extend back to the date Licensee first used or occupied this Tower Facility which date may precede the Effective Date hereof. In the event Licensee becomes aware of any Hazardous Substances on the Tower Facility, or any environmental, health or safety condition or matter relating to the Tower Facility, that, in Licensee's sole determination, renders the condition of the Licensed Space or Tower Facility unsuitable for Licensee's use, or if Licensee shows reasonable proof that the leasing or continued leasing of the Licensed Space would expose Licensee to undue risks of liability to a government agency or third party, Licensee will have the right, in addition to any other rights it may have at law or in equity, to terminate this Agreement upon written notice to Licensor.

## **27. SUBROGATION.**

- (a) **Waiver.** Licensor and Licensee waive all rights against each other and any of their respective consultants and contractors, agents and employees, for Damages caused by perils to the extent covered by the proceeds of the insurance provided herein, except such rights as they may have to the insurance proceeds. All insurance policies required under this Agreement shall contain a waiver of subrogation provision under the terms of which the insurance carrier of a Party waives all of such carrier's rights to proceed against the other Party. Licensee's insurance policies shall provide such waivers of subrogation by endorsement. The Licensee shall require by appropriate agreements, written where legally required for validity, similar waivers from its contractors and subcontractors. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.
- (b) **Mutual Release.** Notwithstanding anything in this Agreement to the contrary, Licensor and Licensee each release the other and its respective affiliates, employees and representatives from any Claims by them or any one claiming through or under them by way of subrogation or otherwise for damage to any person or to the Tower Facility and to the fixtures, personal property, improvements and alterations in or on the Tower Facility that are caused by or result from risks insured against under any insurance policy carried by each and required by this Agreement, provided that such releases shall be effective only if and to the extent that the same do not diminish or adversely affect the coverage under such insurance policies and only to the extent of the proceeds received from such policy.

**28. GOVERNING LAW, VENUE, SEVERABILITY.** This Agreement shall be governed by the laws of the State of Texas. Any litigation in any way relating to this Agreement shall be brought in State Court or in a Federal District Court for Montgomery County, Texas. If any provision of this Agreement is found invalid or unenforceable under judicial decree or decision, the remaining provisions of this Agreement shall remain in full force and effect.

**29. FINANCING AGREEMENT.** Licensee may, upon written notice to Licensor, mortgage or grant a security interest in the Approved Equipment to any such mortgagees or holders of security interests including their successors and assigns. No such security interest shall extend to, affect or encumber in any way the interests or property of Licensor.

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- 30. MISCELLANEOUS.** Upon Licensors reasonable written request, Licensee shall furnish Licensors with complete and accurate information in response to any reasonable request by Licensors for information about any of the Approved Equipment or utilities utilized by Licensee at the Tower Facility or any of the channels and frequencies utilized by Licensee thereon. Either Licensors or Licensee may be referred to herein as a "Party" and both Licensors and Licensee together may be referred to herein as the "Parties". Licensors agrees to execute a memorandum of this Agreement, which Licensee may record with the appropriate recording officer. Upon the termination or expiration of this Agreement, Licensee shall, within 45 days of the request of Licensors deliver a release of any instruments of record evidencing such Agreement. Notwithstanding the expiration or earlier termination of the Agreement, sections 15(a), 15(b), 16, 17, and 26 shall survive the expiration or earlier termination of the Agreement. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision herein (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly agreed to in writing by the affected Party. This Agreement constitutes the entire agreement of the Parties hereto concerning the subject matter herein and shall supersede all prior offers, negotiations and agreements, whether written or oral. No revision of the Agreement shall be valid unless made in writing and signed by authorized representatives of both Parties. This Agreement may be executed in any number of originals, each of which shall be an original, but all of which together shall constitute but one instrument. Licensors hereby certifies that Licensors is not in default or breach of any of its obligations under any existing license, lease or other written or oral agreements entered into for this Tower Facility. Notwithstanding that this Agreement is identified herein as a license, the Agreement can only be terminated in accordance with the express terms of this Agreement, and Licensee shall have the exclusive use of all licensed space identified in this Agreement for the installation of Licensee equipment. Licensors covenants that Licensee, on paying the rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the licensed space. Licensors represents and warrants to Licensee as of the execution date of this Agreement, and covenants during the Term that Licensors is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. All obligations of the Licensors are joint and several. If the Tower Facility is or becomes encumbered by a deed to secure a debt, mortgage or other security interest, Licensors will provide promptly to Licensee a mutually agreeable subordination, non-disturbance and attornment agreement executed by Licensors and the holder of such security interest. Any time Licensors consent may be required by this Agreement, the consent of one of such Licensors entities shall satisfy such requirement and be sufficient as Licensors consent.
- 31. CONFIDENTIALITY.** Neither Party shall use the other's name, service mark or trademark in any public announcement or advertisement without the prior written consent of the other Party, which may be withheld in such Party's sole and absolute discretion.
- 32. WAIVER OF LANDLORD'S LIENS.** Licensors waives any and all lien rights it may have, statutory or otherwise, concerning the Approved Equipment or any portion thereof. The Approved Equipment shall be deemed personal property for purposes of this Agreement, regardless of whether any portion is deemed real or personal property under applicable law; Licensors consents to Licensee's right to remove all or any portion of the Approved Equipment from time to time in Licensee's sole discretion and without Licensors's consent.
- 34. TERMINATION.** This Agreement may be terminated, without penalty or further liability by Licensee upon written notice to Licensors along with proof of prohibited interference of Licensors's frequencies by Licensors or another licensee of the Tower Facility, which has not been cured or

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remedied within seventy-two hours of the testing results evidencing such interference. In such event, Licensee shall have forty-five (45) days to remove its equipment following termination from the Tower Facility.

In addition, Licensor retains the right to terminate this Agreement upon nine (9) months written notice to Licensee in the event Licensor or another governmental entity needs to occupy the Tower Space for purposes of carrying out its governmental functions, including public safety communications.

In the event of termination pursuant to this paragraph 34, neither party shall have further recourse against the other party.

**ATTACHED EXHIBITS:**

Exhibit A: List of Approved Equipment and location of the Licensed Space

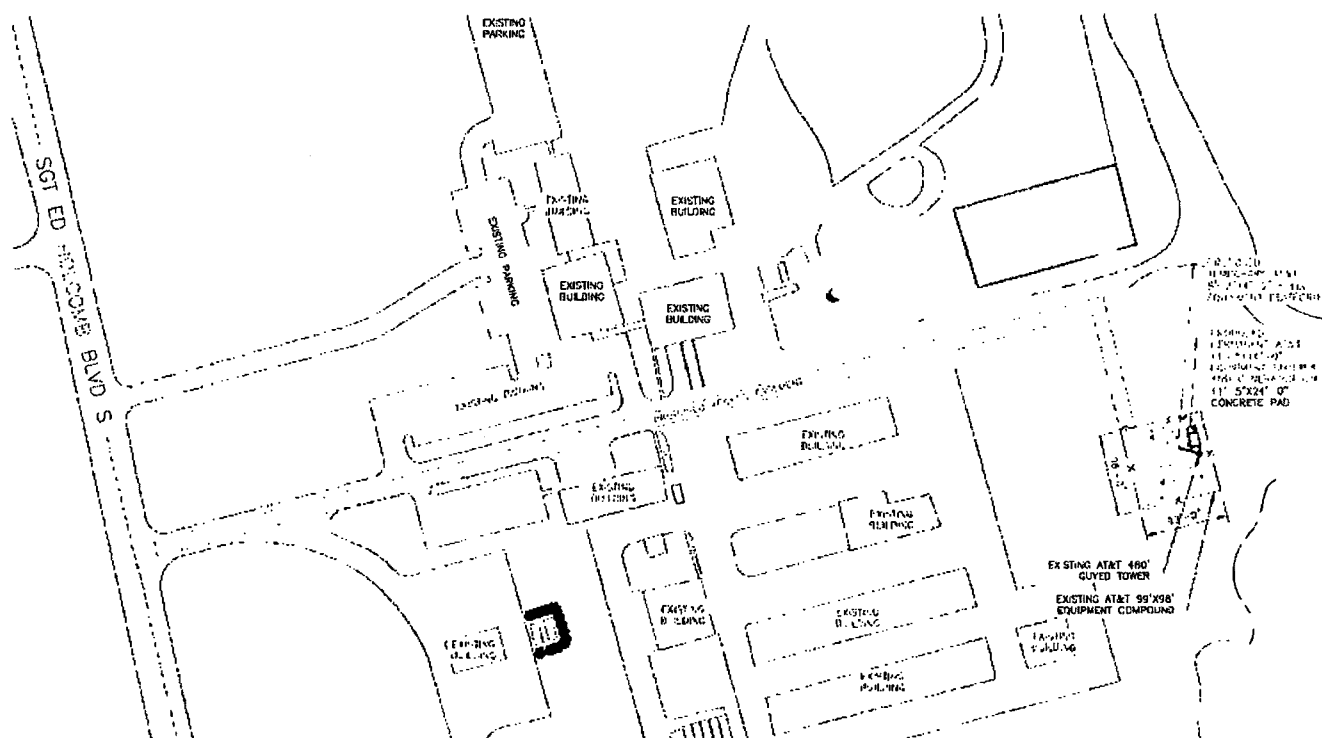
Exhibit B: Site Drawing indicating the location of Ground Space for Licensee's equipment shelter/skid/pad or space in Licensor's building (as applicable)

Appendix I: Definitions

Appendix II: Insurance

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**Exhibit A**  
**List of Approved Equipment and location of Licensed Space**



Initials:            /

Communication Tower at the Public Works Service Center  
401 Sgt. Ed Holcomb Blvd. S.,  
Conroe, Texas 77304

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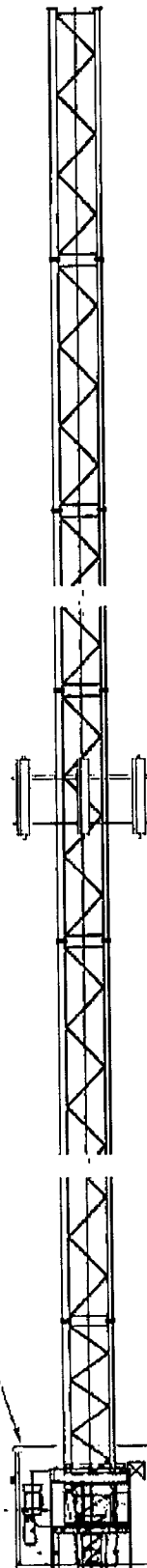
TOP OF EXISTING GUYED TOWER  
ELEV. 480'-0" AGL

RAD CENTER OF  
PROPOSED AT&T ANTENNAS  
ELEV. 799' AGL

PROPOSED AT&T 11'-5"x16'-0"  
EQUIPMENT SHELTER ON  
PROPOSED CONCRETE PAD

PROPOSED GENERATOR  
MODEL: GENERAC SD-50

FINISH GRADE  
ELEV. 0'-0" REF.



PROPOSED AT&T ICE BRIDGE

TEMPORARY 8'-2"x4'-5"  
STEEL EQUIPMENT PLATFORM

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**Antennas:**

- (6) 8' - 12-Port Antennas – Kathrein 800-10799 (2 Per Sector)

**OVP Box:**

- (1) Raycap DC6-48-60-18-8F (DC/Fiber)
- (1) Raycap DC6-48-60-0-8F (DC Only)

**RRH:**

- (3) RRUS-11 (1 Per Sector)
- (9) RRUS-32 (3 Per Sector)

**Line:**

- (1) Fiber cable ½"
- (4) DC Power Cables 7/8"

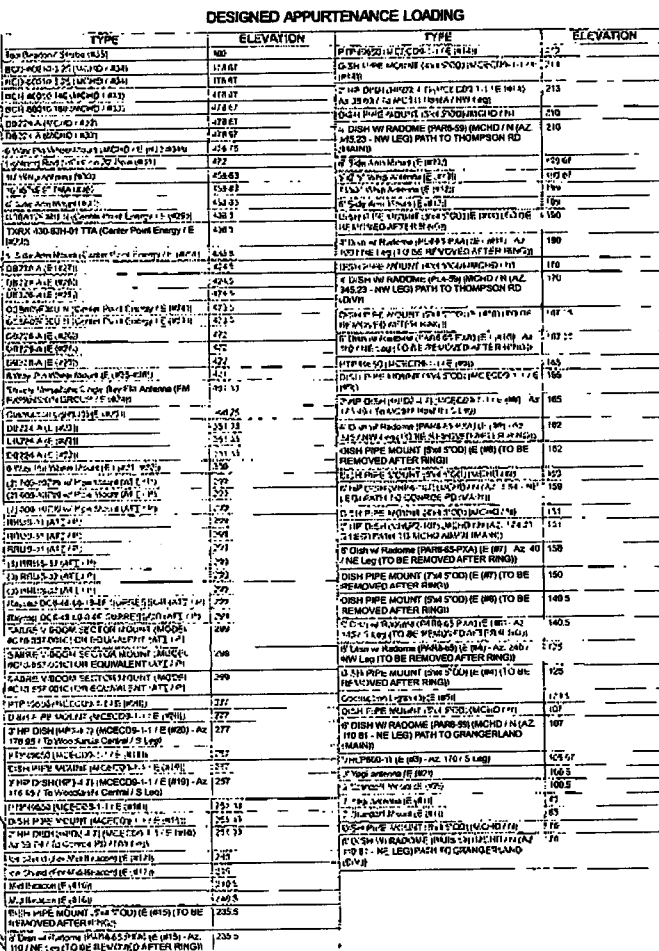
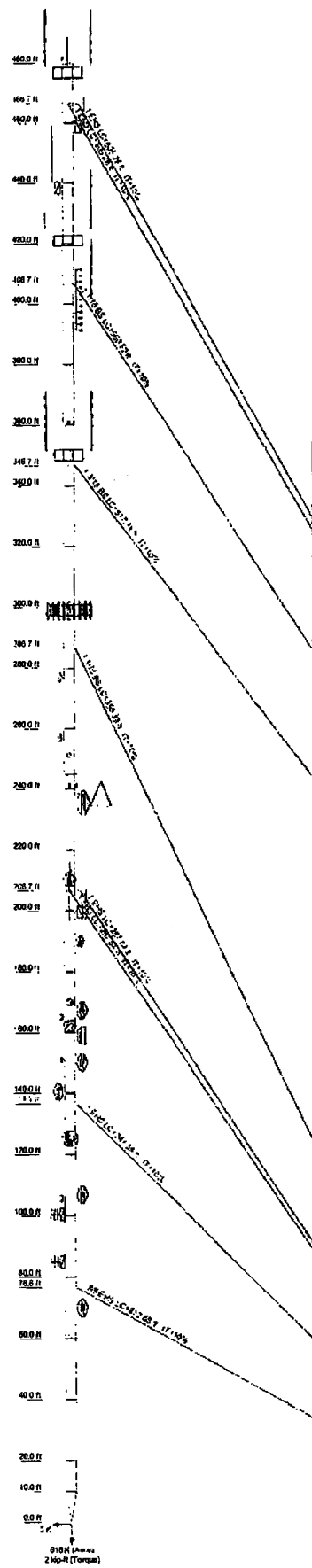
**Mount:**

- (3) Heavy Duty Sector Frame Mounts – Sabre C10-857-001C (1 Per Sector)

Full loading, (6) antennas, (2) OVP, (12) RRH, (

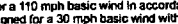
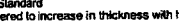
Frequencies: Licensee is permitted to use all frequencies that Licensee is permitted to use by the FCC

Initials: \_\_\_\_/\_\_\_\_



### TOWER DESIGN NOTES

1. Tower is located in Montgomery County, Texas.
2. Tower designed for Exposure C to the TIA-222-G Standard
3. Tower designed for a 110 mph basic wind in accordance with the TIA-222-G Standard
4. Tower is also designed for a 30 mph basic wind with 0.50 in ice. Ice is considered to increase in thickness with height
5. Deflectors not based upon a 60 mph wind
6. Tower Structure Class III.
7. Topographic Category II with Crest Height of 0.00 ft
8. TOWER RATING: 74.9%

ALL REACTIONS ARE FACTORED

**Maluf Engineering Int'l, Inc.**  
17950 Preston Road, Suite #720  
Dallas, TX 75252  
Phone: (972) 783-2578  
FAX: (972) 783-2580

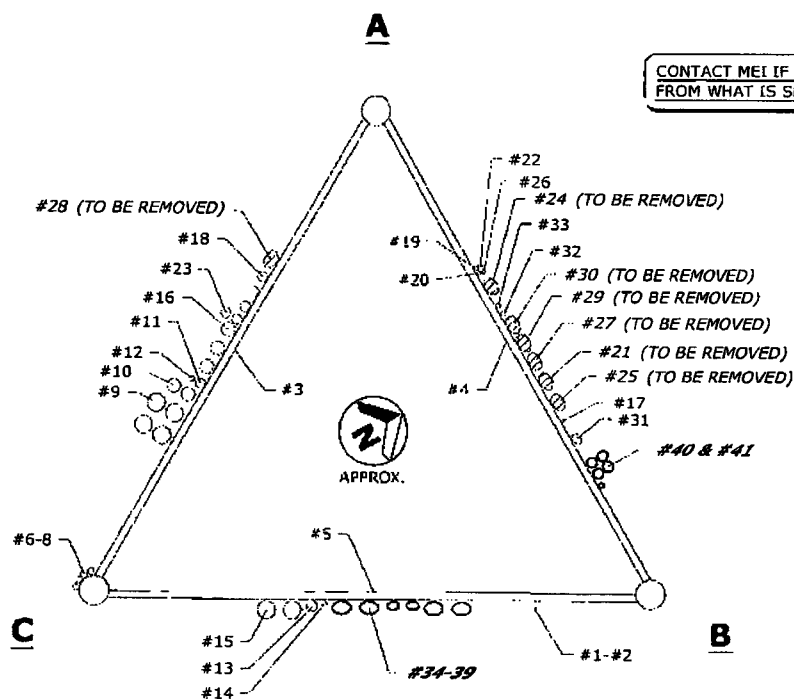
ALL RIGHTS RESERVED THIS DRAWING SHALL REMAIN THE PROPERTY OF MALOUF ENGINEERING INTERNATIONAL, INC. NO PART THEREOF SHALL BE REPRODUCED, COPIED, ADAPTED, DISCLOSED, OR DISTRIBUTED TO OTHERS WITHOUT WRITTEN PERMISSION OF MEI, INC.

No.	QTY.	DESCRIPTION	ELEV.	TENANT
1	1	Safety Line 3/8"	480'	E
2	1	Step Rungs	480'	E
3	1	Waveguide Brackets (Af)	480'	E
4	1	Waveguide Brackets (Af)	480'	E
5	1	Waveguide Brackets (Af)	480'	E
6	1	S.O. Cord	360'	E
7	2	S.O. Cord	240'	E
8	1	S.O. Cord	480'	E
9	4	1 5/8"	478'	E
10	2	1 1/4"	478'	E
11	1	7/8"	458'	E
12	1	1/2"	458'	E
13	1	7/8"	438'	Center Point Energy / E
14	1	1/2"	438'	Center Point Energy / E
15	2	1 5/8"	423'	Center Point Energy / E
16	3	1 1/4"	424'	E
17	1	LMR-400 (13/32 FOAM)	401'	FM EXPANSION GROUP / E
18	3	7/8"	351'	E
19	1	CATSe	277'	MCECD9-1-1 / E
20	1	CATSe	251'	MCECD9-1-1 / E

No.	QTY.	DESCRIPTION	ELEV.	TENANT
21	1	EW63 (TO BE REMOVED)	235'	MCHD / R
22	1	CATSe	213'	MCECD9-1-1 / E
23	2	7/8"	199'	E
24	1	EW63 (TO BE REMOVED)	190'	MCHD / R
25	1	EW63 (TO BE REMOVED)	167'	MCHD / R
26	1	CATSe	165'	MCECD9-1-1 / E
27	1	EW63 (TO BE REMOVED)	162'	MCHD / R
28	1	EW63 (TO BE REMOVED)	150'	MCHD / R
29	1	EW63 (TO BE REMOVED)	140'	MCHD / R
30	1	EW63 (TO BE REMOVED)	125'	MCHD / R
31	1	EW90	105'	E
32	1	1/2"	100'	E
33	1	1/2"	85'	E
34	1	EWP63-59	210'	MCHD / N
35	1	EWP63-59	170'	MCHD / N
36	1	EW90	159'	MCHD / N
37	1	EW90	151'	MCHD / N
38	1	EWP63-59	107'	MCHD / N
39	1	EWP63-59	70'	MCHD / N
40	4	WR-VG86ST-BRD	299'	AT&T / P
41	1	RFFT-36SM-001-xxm	299'	AT&T / P

### LEGEND:

E = EXISTING	○ --- #X
P = PROPOSED	○ --- #X
N = NEW	○ --- #X
F = FUTURE	○ --- #X
R = REMOVE	○ --- #X
TO RELOCATE	○ --- #X



CONTACT MEI IF LINE LAYOUT IS DIFFERENT FROM WHAT IS SHOWN BELOW.

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## PLAN: SCHEMATIC Tx-LINE LAYOUT

SCALE: NOT TO SCALE

### NOTES:

1. Tx LINE LAYOUT IS SCHEMATIC ONLY, BASED UPON LIMITED DATA AND PHOTOS PROVIDED.
2. NEW BRACKET SUPPORT SPECIFICATION BY OTHERS.

DEC 19, 2016

MALOUF ENGINEERING INTERNATIONAL, INC.



STRUCTURAL CONSULTANTS

17950 PRESTON ROAD SUITE 720  
DALLAS, TEXAS 75252-5635  
972-783-2578 (fax: 2583)  
www.maloufengineering.com

TX REG. ENG. FIRM #F-1401



AT&T

480 FT GT, CONROE RELO SITE #HXL01090

TOWER TxLINE LAYOUT

MEI PROJECT ID: TX03191G-16V3 SHEET NUMBER: L01 REV: 0



# AT&T Tower Appurtenance Configuration

Appurtenance	Mfr/ Description	Model	Total Quantity	Sector (A/B/C)	Rad Center	Cables	Cable Model	Cable Quantities
Antenna	Kathrein	800-10799	6	2/2/2	299'			
Sector Frame Antenna Mount	Sabre	C10-857-001C	3	1/1/1	299'			
Surge Protector	Raycap	DC6-48-60-18-8F	1	1/0/0	299'	1/2" Fiber	RFFT-36SM-001-XXM	1
						7/8" DC	WRVG86STBRD	2
Surge Protector	Raycap	DC6-48-60-0-8F	1	0/1/0	299'	7/8" DC	WRVG86STBRD	2
Radio	Ericsson	RRUS-11	3	1/1/1	299'			
Radio	Ericsson	RRUS-32	9	3/3/3	299'			

Communication Tower at the Public Works Service Center  
401 Sgt. Ed Holcomb Blvd. S.,  
Conroe, Texas 77304

Site #HXL01090

Licensee Site: Conroe Relo FA#14008828

**EXHIBIT B**

**Site Drawing indicating the location of Ground Space for Licensee's equipment shelter or  
space in Licensor's building (as applicable)**

Licensee Site: Conroe Relo FA#14008828

## **Appendix I Defined Terms**

**Agreement:** defined in the introductory paragraph.

**Annual Escalator:** defined in section IV on page 1.

**Applicable Law:** All applicable statutes, ordinances, laws, regulations and directives of any federal, state or local governmental unit, authority or agency having jurisdiction over a Licensed Space or affecting the rights and obligations of Licensor or Licensee under this Agreement, including without limitation, the Communications Act of 1934, as amended from time to time, FCC Rules and Regulations, and the rules, regulations and written policies and decisions of the FAA.

**Approved Equipment:** the communications system, including antennas, radio equipment, cabling and conduits, shelter and/or cabinets and other personal property owned or operated by Licensee at the Licensed Space, as defined in the Exhibit A or B to this Agreement.

**Business Day:** a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the United States or the State of Texas.

**Claims:** demands, claims, suits, actions, proceedings or investigations brought against a Person by an unrelated or unaffiliated Person.

**Commencement Date:** defined in section IV on page 1.

**Damages:** debts, liabilities, obligations, losses, damages, excluding consequential, incidental, special or punitive damages, costs and expenses, interest (including, without limitation, prejudgment interest), penalties, reasonable legal fees, court costs, disbursements and costs of investigations, deficiencies, levies, duties and imposts.

**Easement:** defined in section 2.

**Effective Date:** Date of last signature to this Agreement by the Parties

**FAA:** the United States Federal Aviation Administration or any successor federal agency established for the same or similar purpose.

**FCC:** the United States Federal Communications Commission or any successor federal agency established for the same or similar purpose.

**FCC Rules and Regulations:** All of the rules, regulations, public guidance, written policies and decisions governing telecommunications generally and wireless telecommunications specifically as promulgated and administered by the FCC, which on the Effective Date includes, but is not limited to, those administered by the Wireless Telecommunications Bureau of the FCC and more specifically referenced as the Code of Federal Regulations, title 47, parts 0 through 101, as amended.

**Final Rule:** defined in subsection 11(g).

**Ground Space:** The portion of the Tower Facility licensed for use by Licensee to locate a portion of the Approved Equipment thereon, in the square footage amount depicted on Exhibit B of the Agreement.

**Hazardous Substances:** Any hazardous material or substance which is or becomes defined as a hazardous substance, pollutant or contaminant subject to reporting, investigation or remediation pursuant to Applicable Law; any substance which is or becomes regulated by any federal, state or local governmental authority; and any oil, petroleum products and their by-products.

Licensee Site: Conroe Relo FA#14008828

**Holdover Fee:** defined in subsection 6(c).

**Indemnified Party:** any Person entitled to Indemnification under section 15 hereof.

**Initial Term:** defined in subsection 6(a).

**Interference:** defined in subsection 11(a)(i).

**Licensed Frequencies:** defined in subsection 11(a)(ii).

**Licensed Space:** Location of the Approved Equipment on the Tower and at the Ground Space as more specifically described in Exhibits A and B attached hereto.

**Licensed User:** defined in subsection 11(a)(iii).

**Licensee:** defined in the introductory paragraph.

**Licensors:** defined in the introductory paragraph.

**Monthly License Fee:** defined in subsection 5(a).

**Notice Address:** defined in section 18.

**Party(ies):** defined in section 30.

**Permitted Assignee:** defined in section 19.

**Permitted Frequencies:** defined in section III on page 1.

**Priority User:** defined in subsection 11(a)(iv).

**Remittance Address:** defined in section II of page 1.

**Renewal Term(s):** defined in subsection 6(b).

**Subsequent User:** defined in subsection 11 (a)(v).

**Term:** Initial Term and each Renewal Term which is effected pursuant to section 6 of this Agreement.

**Tower:** The communications or broadcast tower owned and operated by Licensors and located at the Tower Facility.

**Tower Facility:** Certain real property owned, leased, subleased, licensed or managed by Licensors shown on page 1 of this Agreement, on which the Tower owned, leased, licensed or managed by Licensors is located, which is reflected in Exhibit A.

**Unlicensed Frequencies:** defined in subsection 11(a)(vi).

**Unlicensed User:** defined in subsection 11(a)(vii).

Licensee Site: Conroe Relo FA#14008828

## **Appendix II Insurance**

- A. LICENSOR shall maintain in full force during the term of this Agreement the following insurance:
1. Worker's Compensation Insurance with statutory limits in accordance with all applicable state and federal laws, and Employers' Liability Insurance with limits of \$500,000.00 per accident/occurrence, or in accordance with all applicable state and federal.
  2. Commercial General Liability Insurance (Bodily Injury and Property Damage), the limits of liability of which shall be \$1,000,000.00 per occurrence and in the aggregate.
- B. LICENSEE shall maintain in full force during the term of this Agreement and shall endeavor to cause all contractors or subcontractors performing work on any Licensed Site prior to the commencement of any such work on behalf of Licensee to maintain the following insurance:
1. Worker's Compensation Insurance with statutory limits in compliance with the statutory requirements of the state of operation, and Employers' Liability Insurance with limits of \$500,000.00 per accident/occurrence, or in accordance with all applicable state and federal laws.
  2. Commercial General Liability Insurance (Bodily Injury and Property Damage), the limits of liability of which shall be \$1,000,000.00 per occurrence and in the aggregate.

The insurance specified in this Item B shall contain a waiver of subrogation against LICENSOR and shall include LICENSOR as additional insured as their interest may appear under this Agreement excluding for workers compensation and employer's liability. The insurance required under this Agreement shall be primary over any insurance coverage in favor of LICENSOR but only with respect to and to the extent of the insured liabilities assumed by LICENSEE under this Agreement and shall contain a standard cross-liability endorsement. Licensor's additional insured status shall (i) be limited to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by Licensee, its employees, agents or independent contractors; (ii) not extend to claims for punitive or exemplary damages arising out of the acts or omissions of Licensor, its employees, agents or independent contractors or where such coverage is prohibited by law or to claims arising out of the gross negligence of Licensor, its employees, agents or independent contractors; and, (iii) not exceed Licensee's indemnification obligation under this Agreement, if any.

- C. Notwithstanding the foregoing insurance requirements, (a) the insolvency, bankruptcy, or failure of any insurance company carrying insurance for either Party, or failure of any such insurance company to pay Claims accruing, shall not be held to waive any of the provisions of this Agreement or relieve either Party from any obligations under this Agreement, and (b) the Licensor reserves the right, once per Term, to increase the required liability limits described above in Items A and/or B in accordance with then-current customary insurance requirements in the tower industry nationally.

Licensee Site: Conroe Relo FA#14008828

- D. Notwithstanding the forgoing, Licensee may, in its sole discretion, self-insure any of the required insurance under the same terms as required by this Agreement. In the event Licensee elects to self-insure its obligation under this Agreement to include Licensor as an additional insured, the following conditions apply: (i) Licensor shall promptly and no later than thirty (30) days after notice thereof provide Licensee with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide Licensee with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) Licensor shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of Licensee; and (iii) Licensor shall fully cooperate with Licensee in the defense of the claim, demand, lawsuit, or the like.

## **TOWER LICENSE AGREEMENT**

This Tower License Agreement ("**Agreement**") is made by and between The Montgomery County Hospital District, a political subdivision of the State of Texas; The City of Conroe, Texas, a political subdivision of the State of Texas, both of which are jointly referred to as "**Licensor**," and New Cingular Wireless PCS, LLC, a Delaware limited liability company, having a mailing address of 575 Morosgo Drive NE, Atlanta, GA 30324 ("**Licensee**").

### **I. TOWER INFORMATION:**

Site Name: Magnolia Communications

Address and/or location of Tower Facility: 14583 FM 1488, Magnolia, TX 77354

Tower Facility Coordinates: Lat. 338 N NAD83 Long. 095-41-36 W NAD83

### **II. NOTICE & EMERGENCY CONTACTS:**

- Licensor's local emergency contact: Radio Administrator on-call, MCHD, 936-441-6243  
Tammie Rushing, City of Conroe Facilities Manager, 936-520-8979
- Licensee's local emergency contact: 800-264-6620.
- Notices to Licensor shall be sent to the address below:

City of Conroe  
Attn: Tammie Rushing, Facilities Manager  
300 West Davis, Suite 230  
Conroe, TX 77301

With a copy to:  
Montgomery County Hospital District  
Attention: Accounting  
1400 S. Loop 336 W.  
Conroe, TX 77304

And to:  
J. Greg Hudson  
Hudson & O'Leary LLP.  
1010 MoPac Circle, Suite 201  
Austin, TX 78746

- Notices to Licensee shall be sent to the address below to the attention of:  
New Cingular Wireless PCS, LLC  
Attn: AT&T Network Real Estate Administration  
Re: Cell Site #: 1282225; Cell Site Name: Magnolia  
Fixed Asset No.: 14008828  
575 Morosgo Drive  
Atlanta, GA 30324
- With a copy to:  
New Cingular Wireless PCS, LLC  
Attn: AT&T Legal Department-Network  
Attn: Network Counsel  
Re: Site No. 1282225, Name: Magnolia  
208 S. Akard Street  
Dallas, TX 75202-4206

### **III. PERMITTED USE OF TOWER FACILITY BY LICENSEE:**

- Permitted Frequencies: the spectrum licensed to Licensee by the FCC:
- Antenna mount height on tower: See Exhibit A for specific location

Magnolia FA#13877530

- All other permitted uses of the Tower Facility including Licensee's Approved Equipment, and the Licensed Space are further described in section 4 of this Agreement and Exhibit A attached hereto.

#### **IV. FEES & TERM**

Monthly License Fee: Three Thousand and No/100ths Dollars (\$3,000.00) per month, adjusted on the anniversary of the Commencement Date of this Agreement and on each anniversary thereafter during the Initial Term and during any Renewal Terms by the "Annual Escalator". The Annual Escalator shall be three percent (3%) per year. Any monthly license fee not paid within fifteen (15) days of when due shall be subject to a five percent (5%) late fee.

Site Inspection Fee : \$0 .

Electricity will be provided by \_\_\_\_\_ Licensor or   X   Licensee. If electricity for operation of Approved Equipment is to be provided by Licensor, with the cost of such electricity to be paid by Licensee at cost subject to adjustment pursuant to Section 5(b). If electricity for operation of Approved Equipment is to be provided by Licensee, all cost of such electricity and installation costs are the sole responsibility of Licensee.

Initial Term: A period of twenty (20) years beginning on the Commencement Date. The "**Commencement Date**" shall be based upon the date Licensee commences installation of the equipment on the Tower Facility. In the event the date Licensee commences installation of the equipment on the Tower Facility falls between the 1st and 15th of the month, the Agreement shall commence on the 1st of that month and if the date installation commences falls between the 16th and 31st of the month, then the Agreement shall commence on the 1st day of the following month (either the "Commencement Date").

Renewal Terms: N/A .

#### **V. TERMS & CONDITIONS**

The attached terms and conditions are incorporated herein by this reference.

#### **VI. OTHER PROVISIONS:**

Notwithstanding anything to the contrary in this Agreement, the offer expressed to Licensee in this Agreement shall automatically become null and void with no further obligation by either party hereto if a structural analysis of the Tower Facility completed after the execution of this Agreement by Licensor but before the commencement of the installation of Licensee's Approved Equipment indicates that the Tower is not suitable for Licensee's Approved Equipment unless Licensor and Licensee mutually agree that structural modifications or repairs shall be made to the Tower on mutually agreeable terms. If a structural analysis of the Tower Facility is performed or obtained by Licensee then Licensee shall share such structural analysis with Licensor. All persons and/or entities performing any structural analysis services as contemplated herein shall be approved by Licensor.

- A) In no event shall Licensee's use of the Tower Facility, or operation of any of its equipment thereon, be conducted in a manner that interferes with Licensor's lighting system existing as of the Effective Date of this Agreement located on any of the towers, building systems, or related facilities. In the event that such interference does occur, Licensee shall be solely responsible to resolve such interference (which may, in Licensee's discretion, involve the reimbursement to Licensor for any and all costs required to modify and/or upgrade Licensor's lighting system) and to comply with all necessary FAA/FCC regulations as a result of said interference. In the



Site #HX0929

Magnolia FA#13877530

event that Licensee's equipment causes interference as described in this paragraph, Licensee shall have the option of terminating this License Agreement immediately without penalty and shall not be required to pay any costs to modify or upgrade Licensor's lighting system(s).

Signatures appear on the next page.

Site #HX0929

Magnolia FA#13877530

LICENSOR:  
Montgomery County Hospital District

By: [Signature]  
Print Name: BRADLEY E. JOHNSON  
Title: CEO  
Date: 7/25/17

City of Gonroe, Texas

By: [Signature]  
Print Name: DUKE COON  
Title: MAYOR PRO TEM  
Date: 5-1-17

LICENSEE:  
New Cingular Wireless PCS, LLC  
a Delaware limited liability company  
By: AT&T Mobility Corporation, its Manager

By: [Signature]  
Print Name: Steve McNamara  
Title: AVP, C&E - Southwest Mobility  
Date: 4/24/17

## TERMS AND CONDITIONS

1. **DEFINITIONS.** Capitalized terms defined in the body of this Agreement are indexed by location on Appendix I attached hereto. Capitalized terms used in Agreement but not defined herein are defined in Appendix I.
2. **GRANT OF LICENSE.** Subject to the other terms of this Agreement, Licensors hereby grants Licensee a license to install, maintain and operate the Approved Equipment at the Licensed Space. All Approved Equipment shall be and remain Licensee's personal property throughout the Term of this Agreement. Licensors shall maintain the Tower and communication facility located on the Tower Facility in good order and repair, reasonable wear and tear excepted. Licensors grants Licensee a right of access to the Tower Facility 24 hours per day, 7 days per week during the Term and a designated location for the installation of Licensee's utilities over, under or across the Tower Facility (collectively, "**Easement**"). Licensee shall be responsible for any and all damage or loss that results from the installation of any cables or utility wires by Licensee or any company or person retained by Licensee (including a public utility company), including, without limitation, any damage or loss that results from the accidental cutting of utility wires or cables of any other party operating at the Tower Facility. Licensors shall provide Licensee with one set of keys and/or codes to access the Tower Facility. Licensee shall be responsible for ensuring that Licensors has, at all times, a complete and accurate written list of all employees and agents of Licensee who have been provided the keys or access codes to the Tower Facility. Subject to Licensee's rights set forth in this Agreement, Licensors shall have the right to continue to occupy the Tower Facility and to grant rights to others for the Tower Facility in its sole discretion. Licensee shall have no property rights or interest in the Tower Facility or the Easement by virtue of this Agreement.
3. **EXHIBITS.** In the event of inconsistency or discrepancy between (a) Exhibit A and Exhibit B hereto, Exhibit A shall govern.
4. **USE.** Licensee shall be permitted the right to install, maintain, operate, service, modify and/or replace its Approved Equipment at the Licensed Space, which Approved Equipment shall be utilized for the transmission and reception of wireless voice and data communications signals (such transmission and reception to be solely within the Permitted Frequencies and, if applicable within the spectrum licensed to Licensee by the FCC) and uses incidental thereto. Licensee's permitted use with respect to the Licensed Space shall be limited solely to that enumerated in this section, and, except pursuant to separate agreement with Licensors or as otherwise expressly specified in this Agreement, no person or entity other than Licensee shall have the right to install, maintain or operate its equipment or transmit or receive communications at, or otherwise use, the Licensed Space. Licensors and Licensee expressly agree that the primary use of the Tower Facility is for governmental purposes, including public safety communications. In the event, during the Lease Term it is necessary for Licensors to terminate this Agreement due to the necessity of Licensors or another governmental entity to use the Licensed Space for governmental functions, including public safety communications, then Licensors shall have the option to terminate this Agreement pursuant to paragraph 34 herein.
5. **LICENSE FEES; TAXES; ASSESSMENTS.**
  - (a) **Monthly License Fee.** The Monthly License Fee, shall be payable in advance on the first day of each calendar month during the Term beginning upon the Commencement Date. Licensors and Licensee agree that they shall acknowledge in writing the Commencement Date. Licensors and Licensee acknowledge and agree that initial rental payment(s) shall not actually be sent

Magnolia FA#13877530

by Licensee until thirty (30) days after a written acknowledgement confirming the Commencement Date. As a condition precedent to payment, Licensors agree to provide Licensee with a completed IRS Form W-9, or its equivalent, upon execution of this Agreement and at such other times as may be reasonably requested by Licensee, including, any change in Licensors name or address.

- (b) **Utilities.** All utility services installed on the Tower Facility for the use or benefit of Licensee shall be made at the sole cost and expense of Licensee and shall be separately metered from Licensors utilities. Licensee shall be solely responsible for extending utilities to the Tower Facility as necessary for the operation of the Approved Equipment and for the payment of utility charges including connection charges and security deposits incurred by Licensee. Licensee shall obtain and pay the cost of telephone connections, the installation of which shall be in compliance with the procedures for installation and maintenance of Approved Equipment set forth herein. Licensors shall, at all times during the Term, provide access to electrical service and telephone service (including fiber) within the Tower Facility.
- (c) **Taxes.** Licensee shall be responsible for the payment of any applicable taxes, fees or governmental assessments against any equipment, personal property and/or improvements owned, leased or operated by Licensee. Except as provided immediately hereinafter, if applicable, Licensors shall pay all real property taxes Licensors is obligated to pay. Licensee shall reimburse Licensors for any increases in real property taxes which are assessed as a direct result of Licensees improvements to or Approved Equipment located on the Tower Facility within 60 days of Licensors request for such reimbursement. Such reimbursement request must include copies of the documentation from the taxing authority, reasonably acceptable to Licensee, indicating the increase is due to Licensees improvements or Approved Equipment. Licensee shall ensure no lien is filed by taxing jurisdictions on the Tower Facility as a result of Licensees failure to pay applicable taxes for Licensees leasehold improvements. Nothing herein shall require Licensee to pay any franchise, income, payroll, excise, privilege, rent, capital stock, stamp, documentary, or profit tax, or any tax of similar nature, that is or may be imposed upon Licensors. In the event Licensors receives a notice of assessment with respect to which taxes or assessments are imposed on Licensees leasehold improvements on the Licensed Space, Licensors shall provide Licensee with copies of each such notice immediately upon receipt. For any tax amount for which Licensee is responsible under this Agreement, Licensee shall have the right to contest, in good faith, the validity or the amount thereof using such administrative, appellate or other proceedings as may be appropriate in the jurisdiction, and may defer payment of such obligations, pay same under protest, or take such other steps as Licensee may deem appropriate. This right shall include the ability to institute any legal, regulatory or informal action in the name of Licensee, with respect to the valuation of the Licensed Space. Licensee shall have the right but not the obligation to pay any taxes due by Licensors hereunder if Licensors fails to timely do so, in addition to any other rights or remedies of Licensee. In the event that Licensee exercises the foregoing right due to such Licensors default, Licensee shall have the right to deduct such tax amounts paid from any monies due to Licensors from Licensee. Any tax-related notices shall be sent to Licensee in the manner set forth in Section 17 and, in addition, a copy of any such notices shall be sent to the following address. Promptly after the effective date of this Agreement, Licensors shall provide the following address to the taxing authority for the authoritys use in the event the authority needs to communicate with Licensee:

New Cingular Wireless PCS, LLC  
Attn: Network Real Estate Administration – Taxes  
Re: Cell Site # HX0929; Cell Site Name : Magnolia Relo (TX)

Magnolia FA#13877530

Fixed Asset Number: 13877530  
575 Morosgo Drive NE  
Atlanta, GA 30324

- (d) **Payment Address.** All payments due under this Agreement shall be made to the City of Conroe, Texas at 300 W. Davis, Conroe, Texas 77301 or such other address as Licensor may notify Licensee of in writing at least 30 days prior to a payment date.
- (e) **Rental Documentation.** Licensor hereby agrees to provide to Licensee certain documentation (the "Rental Documentation") evidencing Licensor's interest in, and right to receive payments under, this Agreement, including without limitation: (i) documentation, acceptable to Licensee in Licensee's reasonable discretion, evidencing Licensor's good and sufficient title to and/or interest in the Tower Facility and right to receive rental payments and other benefits hereunder; (ii) a complete and fully executed Internal Revenue Service Form W-9, or equivalent, in a form acceptable to Licensee, for any party to whom rental payments are to be made pursuant to this Agreement; and (iii) other documentation requested by Licensee in Licensee's reasonable discretion. From time to time during the Term of this Agreement and within thirty (30) days of a written request from Licensee, Licensor agrees to provide updated Rental Documentation in a form reasonably acceptable to Licensee. The Rental Documentation shall be provided to Licensee in accordance with the provisions of and at the address given on Page 1 of this Agreement. Delivery of Rental Documentation to Licensee shall be a prerequisite for the payment of any rent by Licensee and notwithstanding anything to the contrary herein, Licensee shall have no obligation to make any rental payments until Rental Documentation has been supplied to Licensee as provided herein.

Within fifteen (15) days of obtaining an interest in the Tower Facility or this Agreement, any assignee(s), transferee(s) or other successor(s) in interest of Licensor shall provide to Licensee Rental Documentation in the manner set forth in the preceding paragraph. From time to time during the Term of this Agreement and within thirty (30) days of a written request from Licensee, any assignee(s) or transferee(s) of Licensor agrees to provide updated Rental Documentation in a form reasonably acceptable to Licensee. Delivery of Rental Documentation to Licensee by any assignee(s), transferee(s) or other successor(s) in interest of Licensor shall be a prerequisite for the payment of any rent by Licensee to such party and notwithstanding anything to the contrary herein, Licensee shall have no obligation to make any rental payments to any assignee(s), transferee(s) or other successor(s) in interest of Licensor until Rental Documentation has been supplied to Licensee as provided herein.

## 6. TERM.

- (a) **Initial Term.** The Initial Term of this Agreement shall be as specified in section IV.
- (b) **Renewal Term.** N/A
- (c) **Holdover Term.** If Licensee fails to remove the Approved Equipment within 90 days following the expiration or earlier termination of the Agreement without a written agreement, such failure shall be deemed to extend the terms of this Agreement on a month-to-month basis under the same terms and conditions herein except that (1) a Monthly License Fee shall be due on or before the first day of every calendar month during such month-to-month term in an amount equal to 150% of the Monthly License Fee in effect for the last month of the Term ("**Holdover Fee**"), and (2) the month-to-month extension shall be terminable upon 30 days' prior written notice from either Party to the other; provided, however, nothing contained herein shall grant

Magnolia FA#13877530

Licensee the unilateral right to extend the Term of this Agreement after the expiration of the Term.

**7. Intentionally Deleted.**

**8. Intentionally Deleted.**

- 9. LABELING.** Licensee shall identify the Approved Equipment (unless such cabinet is located in a building owned by Licensee) with labels permanently affixed thereto, indicating Licensee's name, contact phone number, and installation date. Licensee's coaxial cables shall be labeled at both the top and bottom of the Tower.

**10. IMPROVEMENTS BY LICENSEE.**

- (a) **Installation and Modification.** Licensee's initial improvements are identified in Exhibits A and B attached hereto and incorporated herein, and the execution of this Agreement by Licensor serves as Licensor's approval of such improvements. Licensee shall have the right to replace, repair, add or otherwise modify its equipment or any portion thereof upon written notice to Licensor, provided (i) Licensee does not install any equipment outside the boundaries of the Licensee's licensed ground or tower space and (ii) such replacement, repair, addition or modification does not increase Licensee's total equipment loading on the Tower. In the event such a replacement, addition or modification would exceed Licensee's licensed space or increase Licensee's total equipment loading on the Tower, Licensee shall obtain the approval of Licensor prior to proceeding with such equipment modifications, such approval not to be unreasonably withheld, conditioned or delayed.
- (b) **Intentionally Deleted.**
- (c) **Equipment; Modification, Removal.** Licensor hereby grants Licensee 24 hour per day, 7 day per week access to the Tower Facility and the Licensed Space for the purpose of installing and maintaining the Licensee's Approved Equipment and its appurtenances. Except as otherwise provided, Licensee shall be responsible for all work related to the installation, operation and removal of Licensee's equipment in the Licensed Space pursuant to this Agreement. Licensee shall provide all materials and shall pay for all labor for the construction, installation, operation, maintenance and repair of the Approved Equipment. Licensee shall not construct, install or operate any equipment or improvements on the Tower Facility other than those which are described on Exhibit A or as permitted by Paragraph 10(a) of this Agreement. In the event Licensee's modification of equipment would exceed the boundaries of the Licensee's licensed ground or tower space or increase Licensee's total equipment loading on the Tower, the Parties agree that an amendment to this Agreement shall be prepared to reflect such addition or modification to Licensee's equipment. Licensee shall have the right to remove all Equipment at Licensee's sole expense on or before the expiration or earlier termination of the License (as well as within the removal period identified in this Agreement) provided Licensee repairs any damage to the Tower Facility or the Tower caused by such removal, reasonable wear and tear excepted. Within 90 days of the expiration or termination of this Agreement for any reason, Licensee shall, acting with reasonable expeditiousness: (1) remove the Approved Equipment and any other property at the Tower Facility of Licensee from the Licensed Space without undue delay at Licensee's sole risk, cost, and expense; (2) deliver the Licensed Space in substantially the same and in as good a condition as received (ordinary wear and tear excepted); and (3) repair any damage caused by the removal of the Approved

Equipment within 30 days of the occurrence of such damage. If Licensee fails to remove its Approved Equipment within 90 days after the expiration or termination of this Agreement, Licensors shall notify Licensee that the Approved Equipment shall be deemed conclusively and absolutely abandoned by Licensee and anyone claiming by, through, or under Licensee if such equipment is not removed within 30 days of such notice. If not removed by Licensee within 30 days of receipt of such notice, Licensors shall have the right to remove the Approved Equipment at Licensee's expense and dispose of such Approved Equipment in any manner Licensors so elects, and Licensee shall reimburse Licensors for its expenses upon demand without off-set.

#### 11. RF INTERFERENCE/ USER PRIORITY.

- (a) **Definitions.** For purposes of this section 11, the following capitalized terms shall have the meanings set forth herein:
- (i) **Interference** includes any performance degradation, misinterpretation, or loss of information to a radio communications system caused by unwanted energy emissions, radiations, or inductions, but shall not include permissible interference as defined by the FCC, and in addition, with regard to Unlicensed Frequencies, congestion.
  - (ii) **Licensed Frequencies** are those certain channels or frequencies of the radio frequency spectrum that are licensed by the FCC in the geographic area where the Tower Facility is located.
  - (iii) **A Licensed User** is any user of the Tower Facility, including Licensee, which transmits and/or receives Licensed Frequencies at the Tower Facility, but only with respect to such Licensed Frequencies.
  - (iv) **A Priority User** is any Licensed User of the Tower Facility that holds a priority position in relationship to Licensee for protection from Interference, as determined in this section 11, which status is subject to change as set forth herein.
  - (v) **A Subsequent User** is any user of the Tower Facility that holds a subordinate position in relationship to Licensee for protection from Interference, as determined in this section 11, which status is subject to change as set forth herein.
  - (vi) **Unlicensed Frequencies** are those certain channels or frequencies of the radio frequency spectrum that are not licensed by the FCC and are available for use by the general public in the geographic area where the Tower Facility is located.
  - (vii) **An Unlicensed User** is any user of the Tower Facility, including Licensee, which transmits and/or receives Unlicensed Frequencies at the Tower Facility, but only with respect to such Unlicensed Frequencies.
- (b) **Information.** Licensee shall cooperate with Licensors and with other lessees, licensees or occupants of the Tower Facility for purposes of avoiding Interference and/or investigating claims of Interference. Upon request, Licensee, within 10 days of Licensors' request, shall provide Licensors with a list of Licensee's transmit and receive frequencies and Approved Equipment specifications necessary to resolve or investigate claims of Interference.
- (c) **Priority.** Licensee agrees to install equipment of the type and frequency which will not cause harmful Interference which is measurable in accordance with then existing industry standards

to any equipment of Licensors or other wireless communications licensees of the Tower Facility which existed on the Tower Facility prior to the date this Agreement is executed by the Parties. In the event any after-installed Licensee's equipment causes such Interference, and after Licensors has notified Licensee in writing of such interference, Licensee will address such Interference pursuant to Paragraph 11(d) below. Licensors agrees that Licensors and/or any other licensees of the Tower Facility who currently have or in the future take possession of the Tower Facility will be permitted to install only such equipment that is of the type and frequency which will not cause harmful Interference which is measurable in accordance with then existing industry standards to the then existing equipment of Licensee. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Section 11 and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance. Licensors and Licensee acknowledge the priority of other governmental users of the Tower Facility as described in paragraph 4 above.

**(d) Correction.**

(i) Licensee. In the event Licensee commits prohibited Interference in violation of subparagraph 11(c) above, Licensee shall, within 24 hours of notification from Licensors, commence such actions as are necessary to mitigate or eliminate the Interference, with the exception of ceasing Licensee's operations. If Licensee cannot mitigate or eliminate such Interference within the 24 hour period, Licensee shall voluntarily power down the equipment causing the prohibited Interference except for intermittent testing until such time as such Interference is remedied. If Licensee is unable to resolve or eliminate, to the reasonable satisfaction of Licensors, such Interference within 30 days from Licensee's initial notification thereof, Licensee will immediately remove or cease operations of the interfering equipment, or, at Licensee's option, Licensee shall have the right terminate this Agreement immediately without penalty or damages. In no event will Licensors be entitled to terminate this Agreement or relocate the equipment as long as Licensee is making a good faith effort to remedy the Interference issue.

(ii) Licensors. In the event Licensors or another licensee of the Tower Facility commits prohibited Interference in violation of subparagraph 11(c) above, upon Licensee's request, Licensors shall, within 24 hours of request, commence such actions as are necessary to eliminate the Interference, with the exception of ceasing Licensee's or such other licensee's operations. In the event that such interference as described in this paragraph cannot be corrected to the satisfaction of Licensee, Licensee shall have the right terminate this License Agreement immediately without penalty or damages and/or seek injunctive relief and other remedies available at law or in equity.

(iii) Government Users. Notwithstanding the foregoing, if another user of the Tower or Tower Facility is a governmental entity, Licensors shall give such governmental entity written notice of the Interference within 5 Business Days of Licensors's determination that such action is reasonably necessary. Licensors shall have the right to give the governmental entity 5 Business Days, or more as specified in the governmental site or occupancy agreement or as required by Applicable Law, from the receipt of such notice prior to Licensors being required to take any actions required by this subsection 11 (d) to cure such Interference.

**(e) FCC Requirements Regarding Interference.** Nothing herein shall prejudice, limit or impair Licensee's rights under Applicable Law, including, but not limited to, FCC Rules and Regulations to redress any Interference independently of the terms of this section 11.



Notwithstanding anything herein to the contrary, the provisions set forth in this section 11 shall be interpreted in a manner so as not to be inconsistent with Applicable Law, including, but not limited to, FCC Rules and Regulations and nothing herein relieves the Parties from complying with all Applicable Laws governing the propagation of radio frequencies and/or radio frequency interference. The Parties acknowledge that currently FCC Rules and Regulations govern the obligations of wireless telecommunication service providers with respect to the operation of equipment and use of frequencies. Consequently, the provisions set forth in this section 11 are expressly subject to CFR, Title 47, including but not limited to Part 15, et seq, governing Radio Frequency Devices; Part 20, et seq, governing commercial mobile radio services; Part 24, et seq, governing personal communications services; and Part 90, et seq, governing private land mobile radio services. In addition, in accordance with good engineering practice and standard industry protocols, licensees employ a wide range of techniques and practices, including those involving the use of proper types of equipment as well those related to the adjustment of operating parameters, in a mutually cooperative effort to identify and mitigate sources of Interference. The obligation of licensees, including, but not limited to, private paging, specialized mobile radio services, cellular radiotelephone service and personal communications services, to avoid Interference is set forth in 47 CFR Part 90, Subpart N – Operating Requirements, §90.403(e). Claims of Interference are ultimately cognizable before the FCC's Enforcement Bureau, Spectrum Enforcement Division. Licensee shall observe good engineering practice and standard industry protocols, applying such commercially reasonable techniques as constitute best practices among licensees, in the deployment of their frequencies and the operation of the Approved Equipment. If Licensee deploys its frequencies or operates the Approved Equipment in a manner which prevents any other user of the Tower or Tower Facility from decoding signal imbedded in their licensed frequencies such that the Spectrum Enforcement Division makes a determination that the Licensee is the cause of the Interference in violation of Applicable Laws and this Agreement and Licensee fails or refuses to mitigate or eliminate the Interference within the time and manner proscribed by the Spectrum Enforcement Division, Licensee shall be in default of this Agreement and the remedies set forth in section 22 shall apply.

- (f) **Public Safety Interference.** As of the Commencement Date, Licensors and Licensee are aware of the publication of FCC Final Rule, Private Land Mobile Services; 800 MHz Public Safety Interference Proceeding, FC 04-168, *Federal Register*: November 22, 2004 (Volume 69, Number 224), Rules and Regulations, Page 67823-67853 ("**Final Rule**"). Claims of Interference made by or against users which are public safety entities shall be in compliance with the Final Rule as and when effective, or otherwise in accordance with FCC Rules and Regulations.
- (h) **AM Detuning.** The parties acknowledge that the FCC Rules and Regulations govern the obligations of Licensee with respect to the operation of the Approved Equipment. Consequently, the provisions set forth in this Agreement are expressly subject to the FCC Rules and Regulations, including, but not limited to 47 C.F.R. §§ 27.63, 22.371 and 73.1692. Licensee agrees, at Licensee's sole cost, to comply with the foregoing as well as any and all other FCC rules, regulations and public guidance relating to AM detuning as such provisions currently exist or are hereafter modified, to the extent such rules and regulations are applicable to Licensee's equipment.
- (i) Licensors agree not to sell, lease or use any areas of the Tower Facility for the installation, operation or maintenance of other wireless communications facilities if such installation, operation or maintenance would interfere with Licensee's permitted use or communications.. If radio frequency propagation tests demonstrate unacceptable levels of interference

unacceptable to Licensee and such interference has not been corrected to the satisfaction of Licensee within seventy-two hours of such testing, Licensee shall be entitled to terminate this Agreement.

**12. SITE RULES AND REGULATIONS.** Licensee agrees to comply with the reasonable rules and regulations established from time to time at the Tower Facility by Licensor, which may be modified by Licensor (subject to the terms of this paragraph) from time to time upon receipt by Licensee of such revised rules and regulations. The currently existing site rules and regulations are attached hereto as Exhibit C. Such rules and regulations will not unreasonably interfere with Licensee's use of the Licensed Space under this Agreement. Licensor shall enforce such rules and regulations in a non-discriminatory manner among all the licensees of the Tower Facility. Any modification of such rules and regulations by Licensor will not (i) adversely affect Licensee's permitted use under this Agreement; (ii) interfere with Licensee's continuous operations within the Licensee's licensed space; (iii) interfere with Licensee's 24 hours a day, 7 days a week access to the licensed space and Tower Facility; (iv) conflict with any terms of this Agreement; or (v) increase Licensee's financial obligations under this Agreement.

**13. CASUALTY; CONDEMNATION.**

- (a) **Casualty.** In the event the Tower or other portions of the Tower Facility are destroyed or so damaged so as to substantially interfere with Licensee's use and occupancy thereof, Licensee shall be entitled to elect to cancel and terminate this Agreement as of the date of destruction of that portion of the Tower Facility and any unearned Monthly License Fee paid in advance of such date shall be refunded by Licensor to Licensee within thirty (30) days of the termination date of this Agreement. If Licensor determines not to rebuild or restore the Tower Facility, Licensor will notify Licensee of such determination within thirty (30) days after the casualty or other harm. Licensor agrees to permit Licensee to place temporary transmission and reception facilities on the real estate on which the Tower is located, but only until such time as Licensee is able to activate a replacement transmission facility at another location; notwithstanding the termination of this Agreement, such temporary facilities will be governed by all of the terms and conditions of this Agreement, including Monthly License Fee. Notwithstanding the foregoing, Licensor may elect to restore the Tower Facility, in which case Licensee and Licensor shall remain bound hereby but Licensee shall be entitled to an abatement of the Monthly License Fee during the loss of use, unless Licensee installs a temporary facility as provided below. The restoration of the Tower Facility must be sufficiently completed to allow Licensee to utilize the Tower Facility for its designated purposes within 90 days. If the Tower Facility is not so restored within such 90 day time period, then Licensee shall have the right to terminate this Agreement upon written notice to Licensor. If Licensor or Licensee undertakes to rebuild or restore the Licensed Space and/or the Approved Equipment, as applicable, Licensor agrees to permit Licensee to place temporary transmission and reception facilities on the real estate on which the Tower is located at a mutually acceptable location so as not to interfere with any rebuild or restoration efforts of Licensor at no additional Monthly License Fee until the reconstruction of the Licensed Space and/or the Approved Equipment is completed.
- (b) **Condemnation.** If the whole or a substantial part of the Tower Facility shall be taken by any public authority under the power of eminent domain or in deed or conveyance in lieu of condemnation so as to materially interfere with Licensee's use thereof and benefits therefrom, then Licensee shall have the right to terminate this Agreement. Any unearned Monthly License Fee paid in advance of such termination shall be refunded by Licensor to Licensee within 30 days following the termination of this Agreement. The parties will each be entitled to pursue their own separate awards in the condemnation proceeds, which for Licensee will include,

where applicable, the value of its Approved Equipment, moving expenses, and business dislocation expenses from the condemning authority, provided however that Licensee agrees not to make a claim to the condemning authority for any condemnation award to the extent such claim shall diminish or affect the award made to Licensor with regard to such condemnation. To the extent the Agreement is not terminated following a condemnation, the monthly Rent payable by Licensee hereunder will be reduced in proportion to the reduction in size of Licensee's licensed space.

**14. COMPLIANCE WITH LAWS.** Licensor shall at all times comply with all Applicable Laws and ordinances and all rules and regulations of municipal, state and federal governmental authorities relating to Licensor's ownership and use of the Tower Facility and any improvements on the Tower Facility, including, without limitation, any marking and lighting requirements of the FAA and the FCC applicable to the Tower Facility. Notwithstanding anything to the contrary in this Agreement, Licensee shall at all times comply with all Applicable Laws and ordinances and all applicable rules and regulations of municipal, state and federal governmental authorities relating to the installation, maintenance, location, use, operation, and removal of the Approved Equipment and other alterations or improvements authorized pursuant to the provisions of this Agreement. Notwithstanding anything to the contrary in this Agreement Licensee agrees that nothing herein shall preclude or be interpreted to preclude Licensor from carrying out its governmental functions, including those functions related to public safety, and any rights conveyed hereunder to Licensee are expressly made subordinate to such governmental rights and obligations of Licensor and other governmental entities using the Tower Facility for governmental functions, including public safety communications.

**15. INDEMNIFICATION; INSURANCE.**

- (a) **Mutual Indemnity.** To the extent permitted by law and subject to the mutual waiver of subrogation set forth in section 27, Licensee and Licensor each indemnifies the other against and holds the other harmless from any and all costs, demands, Damages, suits, expenses, or causes of action (including reasonable attorneys fees and court costs) which arise out of the use and/or occupancy of the Tower Facility by the indemnifying party. Notwithstanding the foregoing, this indemnity does not apply to the extent any Claims, costs, demands, Damages, suits, expenses, or causes of action (including reasonable attorneys' fees and court costs) arise from the negligence, gross negligence, or intentional misconduct of the Indemnified Party. The indemnities contained herein expressly extend back to the date Licensee first used or occupied this Tower Facility which date may precede the Effective Date hereof.
- (b) **Limits on Indemnification.** Neither party shall be responsible or liable to any of the foregoing Indemnified Parties for any Damages arising from any claim to the extent attributable to any acts or omissions of other licensees or users occupying the Tower Facility or for any structural or power failures or destruction or damage to the Tower Facility except to the extent caused by the sole, joint, or concurrent negligence, gross negligence, or willful misconduct of such party. The limitations on indemnification contained herein expressly extend back to the date Licensee first used or occupied this Tower Facility which date may precede the Effective Date hereof.
- (c) **Survival.** The provisions of this section 15 shall survive the expiration or earlier termination of this Agreement with respect to any events occurring on or before expiration or termination of same whether or not Claims relating thereto are asserted before or after such expiration or termination.

- (d) **Insurance.** Licensors and Licensee shall keep in full force and effect, during the Term of this Agreement, insurance coverage in accordance with Appendix II attached hereto.
- 16. LIMITATION OF PARTIES' LIABILITY.** NEITHER LICENSOR NOR LICENSEE SHALL BE RESPONSIBLE FOR, AND HEREBY WAIVES ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES INCURRED RESULTING FROM (1) LICENSEE'S USE OR LICENSEE'S INABILITY TO USE THE TOWER FACILITY, OR (2) DAMAGE TO THE OTHER'S EQUIPMENT.
- 17. MAINTENANCE.** Licensors will maintain and repair the Tower Facility and access thereto, the Tower, and all areas of the Licensed Space where Licensee does not have exclusive control, in good and tenable condition, subject to reasonable wear and tear and damage from the elements. Licensors will not be responsible for maintenance of landscaping on the Tower Facility.
- 18. NOTICES.** All notices, demands, approvals, requests and other communications shall be in writing to such party at the address listed on the first page of this Agreement (and in each case, in the event of notice to Licensors, with a copy of such notice to City of Conroe, attention: Finance and Administration, 300 W. Davis, Conroe, Texas 77301, or at such other address as such party shall designate by notice to the other party hereto in accordance with this section 18 (the "**Notice Address**") and may be personally delivered; mailed, via United States certified mail, return receipt requested; or transmitted by overnight courier for next Business Day delivery, and, if not delivered personally, shall be deemed to be duly given or made upon either receipt or rejection as shown on the receipt obtained pursuant to the foregoing.
- 19. ASSIGNMENT; SUBLEASING.** Licensee may not assign this Agreement to unaffiliated third parties; however, Licensee may assign this Agreement to (1) Licensee's principal, affiliates, or subsidiaries of its principal, (2) any person or entity which is directly or indirectly (through one or more subsidiaries) controlled by, controlling or under common control with Licensee, (3) any person or entity which is the successor or surviving entity by a merger or consolidation of such entity, or (4) any person or entity which purchases substantially all the assets of Licensee in the market defined by the Federal Communications Commission in which the Tower Facility is located by reason of a merger, acquisition or other business reorganization, or 5) to those entities prescribed by federal agencies as a result of Licensee's acquisition or disposition of assets or other companies (collectively, "**Permitted Assignee**"). Licensors may not unreasonably withhold, condition or delay its consent to a proposed assignment. In no event may Licensee sublet, sublease, or permit any other similar use of the Tower Facility or Licensed Space by any other party. Any Permitted Assignee shall expressly assume, and become bound by, all of Licensee's obligations under this Agreement. . Licensee shall pay Licensors a reasonable hourly fee, which may include attorney time if necessary, in each instance in which Licensee requests Licensors to consent to an assignment of this Agreement or in which Licensee seeks an estoppel certificate, nondisturbance agreement, subordination agreement or any other similar agreements incident to an assignment of the Agreement by Licensee, to defray the administrative cost incurred by Licensors to process such requests, prepare and process any necessary documentation, and modify its database and other information systems to reflect any such agreement. Such fee is due upon receiving such bill by licensee and failure to pay such fee is considered a default of this Agreement (subject to Licensee's right to cure under this Agreement). Any purported assignment by Licensee in violation of the terms of this Agreement shall be void. This Agreement shall be binding upon the successors and permitted assigns of both Parties.
- 20. LIENS.** Licensee shall not permit any mechanic or materialmen's lien to attach to the Tower Facility or any of Licensee's property thereon. If any mechanic's lien or other lien, charge or order for payment of money is filed as a result of the act or omission of Licensee in connection with this Agreement, Licensee will cause such lien, charge or order to be discharged or appropriately

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bonded or otherwise reasonably secured ("Secured") within sixty (60) days after notice from Licensors thereof. If Licensee fails to cause the lien or encumbrance to be Secured within the sixty (60) day period, then Licensors will be entitled to do so at Licensee's expense.

**21. DEFAULT.**

(a) The occurrence of any of the following instances shall be considered to be a default or a breach of this Agreement: (1) any failure of Licensee to pay the Monthly License Fee, or any other charge for which Licensee has the responsibility of payment under this Agreement, within 20 days of the date following written notice to Licensee from Licensors, or its designee, of such delinquency; (2) any failure of either Party to perform or observe any term, covenant, provision or condition of this Agreement which failure is not corrected or cured by the defaulting Party within 30 days of receipt by the defaulting Party of written notice from non-defaulting Party, or its designee, of the existence of such a default; except such 30 day cure period shall be extended as reasonably necessary to permit the non-defaulting Party to complete a cure so long as Licensee commences the cure within such 30 day cure period and thereafter continuously and diligently pursues and completes such cure; (3) failure of a Party to abide by the interference provisions as set forth in section 11; or (4) Licensors's failure to provide access to the Licensed Space as required by Section 2 of this Agreement within twenty-four (24) hours after written notice of such failure is received by Licensors.

**22. REMEDIES.** In the event of a default or a breach of this Agreement by Licensee and after the Licensee's failure to cure the same within the time allowed Licensee to cure such default, if applicable, then Licensors may, in addition to all other rights or remedies Licensors may have hereunder at law or in equity, terminate this Agreement by giving written notice to the Licensee, stating the date upon which such termination shall be effective, provided Licensee shall remain liable for all damages due to such default including without limitation the continuing obligation to pay Monthly License Fees as when they come due, subject to an obligation of Licensors to mitigate damages. In the event of a default or a breach of this Agreement by the Licensors and after the Licensors's failure to cure the same within the time allowed to cure such default, if applicable, then Licensee may, in addition to all other rights or remedies the non-defaulting Party may have hereunder at law or in equity, terminate this Agreement by giving written notice to the Licensors. No endorsement or statement on any check or letter accompanying a check for payment of any monies due and payable under the terms of this Agreement shall be deemed an accord and satisfaction, and Licensors may accept such check or payment without prejudice to its right to recover the balance of such monies or to pursue any other remedy provided by law or in this Agreement. Licensors shall accept any such partial payment for the account of Licensee.

**23. GOVERNMENTAL APPROVALS; PERMITS.** Licensors shall cooperate with Licensee in Licensee's efforts to obtain any permits or other approvals that may be necessary for Licensee's installation and operation of the Approved Equipment, provided that Licensors shall not be required to expend any funds or undertake any liability or obligation in connection with such cooperation. Licensors may, upon approval of Licensee, elect to obtain such required approvals or permits on Licensee's behalf, at Licensee's sole cost and expense. In no event may Licensee encourage, suggest, participate in or permit the imposition of any restrictions or additional obligations whatsoever on the Tower Facility or Licensors's current or future use or ability to license space at the Tower Facility as part of or in exchange for obtaining any such approval or permit. In the event that Licensee's shelter or cabinets are installed above a third-party or Licensors-owned shelter or building, Licensee shall be solely responsible for obtaining any required approvals, or permits in connection with such shelter or cabinet installation, excepting the consent of other users at the Tower Facility. It is understood and agreed that Licensee's ability to use the Tower Facility is contingent upon its obtaining after the execution date of this Agreement all of the certificates,

permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or Local authorities as well as satisfactory soil boring tests and structural analysis which will permit Licensee use of the Tower Facility as set forth above. In the event that (i) any of such applications for such Governmental Approvals should be finally rejected; (ii) any Governmental Approval issued to Licensee is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; (iii) Licensee determines that such Governmental Approvals may not be obtained in a timely manner; (iv) Licensee determines that any soil boring tests or structural analysis is unsatisfactory; or (v) Licensee determines that the Tower Facility is no longer technically or structurally compatible for its use, Licensee shall have the right to terminate this Agreement upon notice to Licensors. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other hereunder. Otherwise, the Licensee shall have no further obligations for the payment of rent to Licensors.

#### **24. REPLACEMENT OF TOWER/RELOCATION OF APPROVED EQUIPMENT.**

- (a) **Replacement of Tower.** Licensors may, at its election, replace or rebuild the Tower or a portion thereof. Such replacement will (1) be at Licensors' sole cost and (2) not result in an interruption of Licensee's communications services beyond that which is necessary to replace the new Tower. Licensee may establish a temporary facility on the Tower Facility to provide such services as Licensee deems necessary during any such construction by Licensors so long as adequate space is then available. The location of such temporary facilities shall be subject to Licensors' approval, which shall not be unreasonably withheld, conditioned or delayed. At the request of either Party, Licensors and Licensee shall enter into an amendment to this Agreement to memorialize the location of Licensee's licensed space within the new Tower Facility, provided, however, that no rent increase or other fee shall be charged to Licensee for such an amendment.

#### **25. Intentionally Deleted.**

**26. ENVIRONMENTAL.** Licensors represents and warrants that, (i) the Tower Facility, as of the date of this Agreement, is free of hazardous substances, including asbestos-containing materials and lead paint, and (ii) the Tower Facility has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. Each Party covenants to the other Party that it will not use, store, dispose, or release any Hazardous Substances on the Property in violation of Applicable Law. Licensee agrees to indemnify and save harmless Licensors, to the extent permitted by law, against any and all Claims, liabilities, causes of action, Damages, orders, judgments, and clean-up costs arising from Licensee's breach of any the covenants contained in this section 26. Licensors agrees to indemnify and save harmless Licensee to the extent permitted by law, against any and all Claims, liabilities, causes of action, Damages, orders, judgments, and clean-up costs arising from Licensors' breach of any the covenants contained in this section 26. The obligations of each Party to indemnify the other Party pursuant to this section 26 shall survive the termination or expiration of this Agreement. The indemnities contained herein expressly extend back to the date Licensee first used or occupied this Tower Facility which date may precede the Effective Date hereof. In the event Licensee becomes aware of any Hazardous Substances on the Tower Facility, or any environmental, health or safety condition or matter relating to the Tower Facility, that, in Licensee's sole determination, renders the condition of the Licensed Space or Tower Facility unsuitable for Licensee's use, or if Licensee shows reasonable proof that the leasing or continued leasing of the Licensed Space would expose Licensee to undue risks of liability to a government agency or third

party, Licensee will have the right, in addition to any other rights it may have at law or in equity, to terminate this Agreement upon written notice to Licensors.

**27. SUBROGATION.**

- (a) **Waiver.** Licensors and Licensee waive all rights against each other and any of their respective consultants and contractors, agents and employees, for Damages caused by perils to the extent covered by the proceeds of the insurance provided herein, except such rights as they may have to the insurance proceeds. All insurance policies required under this Agreement shall contain a waiver of subrogation provision under the terms of which the insurance carrier of a Party waives all of such carrier's rights to proceed against the other Party. Licensee's insurance policies shall provide such waivers of subrogation by endorsement. The Licensee shall require by appropriate agreements, written where legally required for validity, similar waivers from its contractors and subcontractors. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.
- (b) **Mutual Release.** Notwithstanding anything in this Agreement to the contrary, Licensors and Licensee each release the other and its respective affiliates, employees and representatives from any Claims by them or any one claiming through or under them by way of subrogation or otherwise for damage to any person or to the Tower Facility and to the fixtures, personal property, improvements and alterations in or on the Tower Facility that are caused by or result from risks insured against under any insurance policy carried by each and required by this Agreement, provided that such releases shall be effective only if and to the extent that the same do not diminish or adversely affect the coverage under such insurance policies and only to the extent of the proceeds received from such policy.

**28. GOVERNING LAW, VENUE, SEVERABILITY.** This Agreement shall be governed by the laws of the State of Texas. Any litigation in any way relating to this Agreement shall be brought in State Court or in a Federal District Court for Montgomery County, Texas. If any provision of this Agreement is found invalid or unenforceable under judicial decree or decision, the remaining provisions of this Agreement shall remain in full force and effect.

**29. FINANCING AGREEMENT.** Licensee may, upon written notice to Licensors, mortgage or grant a security interest in the Approved Equipment to any such mortgagees or holders of security interests including their successors and assigns. No such security interest shall extend to, affect or encumber in any way the interests or property of Licensors.

**30. MISCELLANEOUS.** Upon Licensors's reasonable written request, Licensee shall furnish Licensors with complete and accurate information in response to any reasonable request by Licensors for information about any of the Approved Equipment or utilities utilized by Licensee at the Tower Facility or any of the channels and frequencies utilized by Licensee thereon. Either Licensors or Licensee may be referred to herein as a "**Party**" and both Licensors and Licensee together may be referred to herein as the "**Parties**". Licensors agrees to execute a memorandum of this Agreement, which Licensee may record with the appropriate recording officer. Upon the termination or expiration of this Agreement, Licensee shall, within 45 days of the request of Licensors deliver a release of any instruments of record evidencing such Agreement. Notwithstanding the expiration or earlier termination of the Agreement, sections 15(a), 15(b), 16, 17, and 26 shall survive the expiration or earlier termination of the Agreement. No waiver of any of the provisions of this

Agreement shall constitute a waiver of any other provision herein (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly agreed to in writing by the affected Party. This Agreement constitutes the entire agreement of the Parties hereto concerning the subject matter herein and shall supersede all prior offers, negotiations and agreements, whether written or oral. No revision of the Agreement shall be valid unless made in writing and signed by authorized representatives of both Parties. This Agreement may be executed in any number of originals, each of which shall be an original, but all of which together shall constitute but one instrument. Licensors hereby certify that Licensors are not in default or breach of any of its obligations under any existing license, lease or other written or oral agreements entered into for this Tower Facility. Notwithstanding that this Agreement is identified herein as a license, the Agreement can only be terminated in accordance with the express terms of this Agreement, and Licensee shall have the exclusive use of all licensed space identified in this Agreement for the installation of Licensee equipment. Licensors covenants that Licensee, on paying the rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the licensed space. Licensors represents and warrants to Licensee as of the execution date of this Agreement, and covenants during the Term that Licensors is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. All obligations of the Licensors are joint and several. If the Tower Facility is or becomes encumbered by a deed to secure a debt, mortgage or other security interest, Licensors will provide promptly to Licensee a mutually agreeable subordination, non-disturbance and attornment agreement executed by Licensors and the holder of such security interest. Any time Licensors consent may be required by this Agreement, the consent of one of such Licensors entities shall satisfy such requirement and be sufficient as Licensors consent.

31. **CONFIDENTIALITY.** Neither Party shall use the other's name, service mark or trademark in any public announcement or advertisement without the prior written consent of the other Party, which may be withheld in such Party's sole and absolute discretion.
32. **WAIVER OF LANDLORD'S LIENS.** Licensors waives any and all lien rights it may have, statutory or otherwise, concerning the Approved Equipment or any portion thereof. The Approved Equipment shall be deemed personal property for purposes of this Agreement, regardless of whether any portion is deemed real or personal property under applicable law; Licensors consents to Licensee's right to remove all or any portion of the Approved Equipment from time to time in Licensee's sole discretion and without Licensors's consent.
34. **TERMINATION.** This Agreement may be terminated, without penalty or further liability by Licensee upon written notice to Licensors along with proof of prohibited interference of Licensors's frequencies by Licensors or another licensee of the Tower Facility, which has not been cured or remedied within seventy-two hours of the testing results evidencing such interference. In such event, Licensee shall have forty-five (45) days to remove its equipment following termination from the Tower Facility.

In addition, Licensors retains the right to terminate this Agreement upon nine (9) months written notice to Licensee in the event Licensors or another governmental entity needs to occupy the Tower Space for purposes of carrying out its governmental functions, including public safety communications.

In the event of termination pursuant to this paragraph 34, neither party shall have further recourse against the other party.



Magnolia FA#13877530

**ATTACHED EXHIBITS:**

Exhibit A: List of Approved Equipment and location of the Licensed Space

Exhibit B: Site Drawing indicating the location of Ground Space for Licensee's equipment shelter/skid/pad or space in Licensor's building (as applicable)

Appendix I: Definitions

Appendix II: Insurance

Magnolia Communications Tower  
14583 FM 1488  
Magnolia TX 7734

Site #HX0929

Magnolia FA#13877530

**Exhibit A**  
**List of Approved Equipment and location of Licensed Space**

Initials: \_\_\_\_/\_\_\_\_



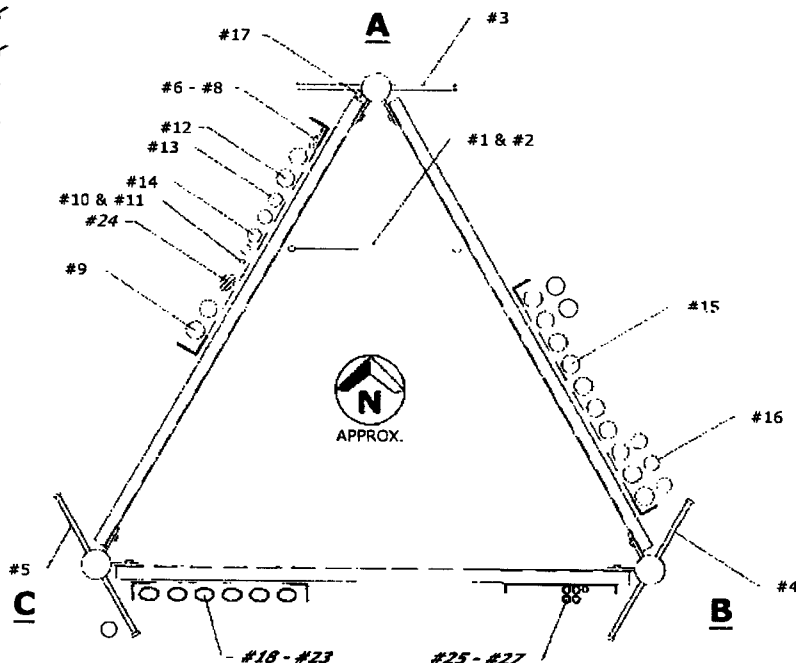


No.	QTY.	DESCRIPTION	ELEV.	TENANT	No.	QTY.	DESCRIPTION	ELEV.	TENANT
1	1	Safety Line 3/8	480'	E	18	1	EWP63-59	213'	MCHD / N
2	1	Climbing Ladder	480'	E	19	1	EWP63-59	190'	MCHD / N
3	1	STEP BOLTS	340'	E	20	1	EWP63-59	164'	MCHD / N
4	1	STEP BOLTS	340'	E	21	1	EWP63-59	158'	MCHD / N
5	1	STEP BOLTS	340'	E	22	1	EWP63-59	151'	MCHD / N
6	1	S.O. CORD (0.65)	480'	MCHD / E (#22)	23	1	EWP63-59	127'	MCHD / N
7	1	S.O. CORD (0.55)	358'	MCHD / E (#2 & #13)	24	1	EW63 (To Be Removed After Ring)	150'	MCHD / R
8	2	S.O. CORD (0.65)	244'	MCHD / E (#11)	25	4	20mm DC Cable (WR-VG86ST-BRD)	270'	AT&T / P
9	2	1 5/8	478'	MCHD / E (#21)	26	1	RFFT-36SM-001-XXM	270'	AT&T / P
10	1	1/2	478'	MCHD / E (#20)	27	1	Feedline Ladder (Af)	270'	AT&T / P
11	1	7/8	478'	MCHD / E (#20)					
12	2	1 5/8	478'	MCHD / E (#19)					
13	1	1 1/4	478'	MCHD / E (#18)					
14	2	1 1/4	450'	MCHD / E (#16)					
15	12	1 5/8	180'	VZW / E (#5-#10)					
16	3	1 1/4" Hybrid Cable	180'	VZW / E (#5-#10)					
17	1	0.85" Grey Flex Conduit	17'	MCHD / E (#1)					

### LEGEND:

E = EXISTING	○ - #X
P = PROPOSED	○ #X
N = NEW	○ #X
F = FUTURE	○ #X
R = REMOVE	○ #X
TO RELOCATE	○

CONTACT MEI IF LINE LAYOUT IS DIFFERENT FROM WHAT IS SHOWN BELOW.



101

### PLAN: SCHEMATIC Tx-LINE LAYOUT

SCALE: NOT TO SCALE

#### NOTES:

1. Tx LINE LAYOUT IS SCHEMATIC ONLY, BASED UPON MEI MAINTENANCE REPORT (SUB: HTS) DATED 10/06/16 AND PHOTOS PROVIDED.
2. NEW BRACKET SUPPORT SPECIFICATION BY OTHERS.

JAN 05, 2017

MALOUF ENGINEERING INTERNATIONAL, INC.



STRUCTURAL CONSULTANTS

17950 PRESTON ROAD SUITE 720  
DALLAS, TEXAS 75252-5635  
972 783 2578 (fax 2583)  
www.malouf-engineering.com

TX REG. ENG. FIRM #F-1401



480 FT SST, MAGNOLIA WEST FM 1488 RELO SITE

TOWER TxLINE LAYOUT

MEI PROJECT ID TX02787S-17V0 SHEET NUMBER L01 REV 0

# AT&T Tower Appurtenance Configuration

Appurtenance	Mfr/ Description	Model	Total Quantity	Sector (A/B/C)	Rad Center	Cables	Cable Model	Cable Quantities
Antenna	Kathrein	800-10799	6	2/2/2	270'			
Sector Frame Antenna Mount	Sabre	C10-857-001C	3	1/1/1	270'			
Surge Protector	Raycap	DC6-48-60-18-8F	1	1/0/0	270'	1/2" Fiber	RFFT-36SM-001-XXM	1
						7/8" DC	WRVG86STBRD	2
Surge Protector	Raycap	DC6-48-60-0-8F	1	0/1/0	270'	7/8" DC	WRVG86STBRD	2
Radio	Ericsson	RRUS-11	3	1/1/1	270'			
Radio	Ericsson	RRUS-32	9	3/3/3	270'			

Magnolia FA#13877530

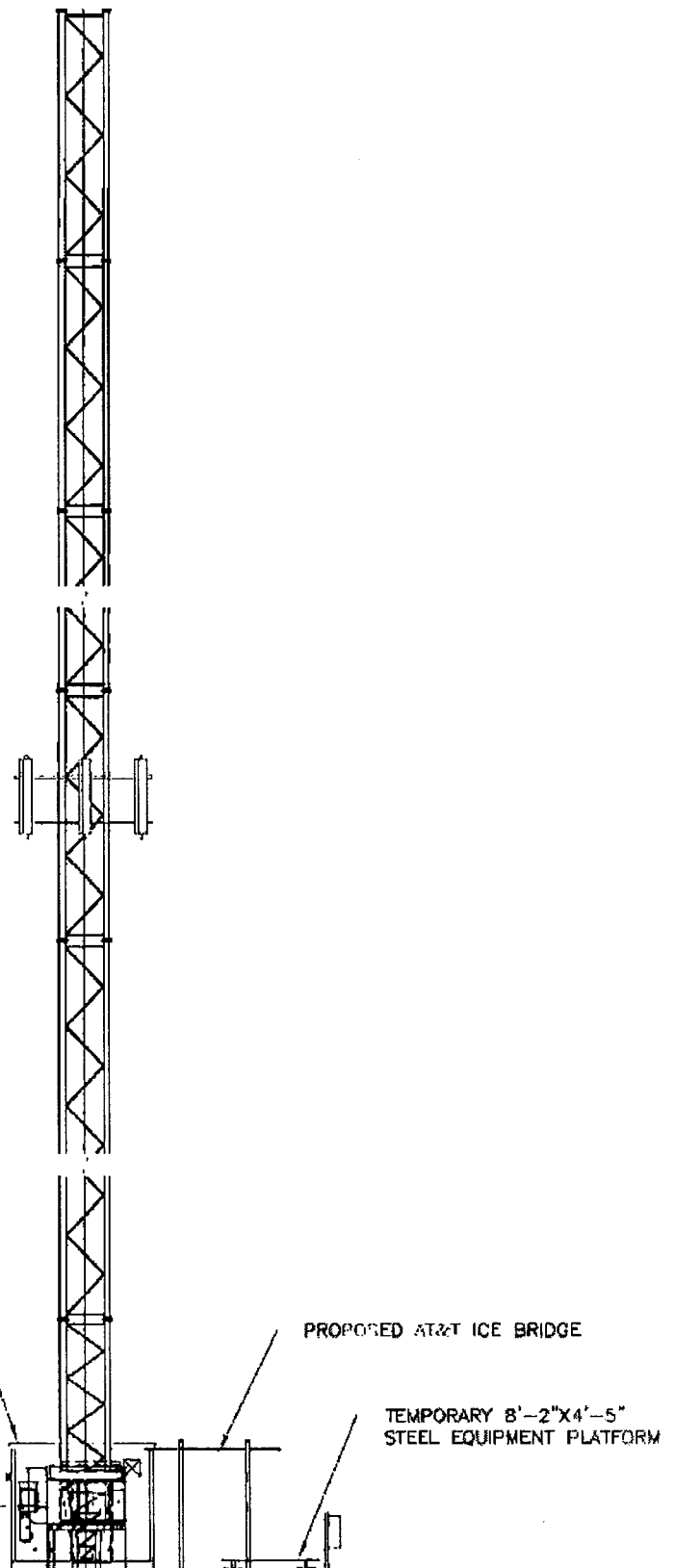
TOP OF EXISTING GUYED TOWER  
ELEV. 480'-0" AGL

RAD CENTER OF  
PROPOSED AT&T ANTENNAS  
ELEV. 299' AGL

PROPOSED AT&T 11'-5"x16'-0"  
EQUIPMENT SHELTER ON  
PROPOSED CONCRETE PAD

PROPOSED GENERATOR  
MODEL: GENERAC SD-50

FINISH GRADE  
ELEV. 0'-0" REF.



Magnolia FA#13877530

**Antennas:**

- (6) 8' - 12-Port Antennas – Kathrein 800-10799 (2 Per Sector)

**OVP Box:**

- (1) Raycap DC6-48-60-18-8F (DC/Fiber)
- (1) Raycap DC6-48-60-0-8F (DC Only)

**RRH:**

- (3) RRUS-11 (1 Per Sector)
- (9) RRUS-32 (3 Per Sector)

**Line:**

- (1) Fiber cable ½"
- (4) DC Power Cables 7/8"

**Mount:**

- (3) Heavy Duty Sector Frame Mounts – Sabre C10-857-001C (1 Per Sector)

Full loading, (6) antennas, (2) OVP, (12) RRH, (

Frequencies: Licensee is permitted to use all frequencies that Licensee is permitted to use by the FCC

Initials: \_\_\_\_/\_\_\_\_.

Magnolia Communications Tower  
14583 FM 1488  
MagnoliaTX7734

Site #HX0929

Magnolia FA#13877530

**EXHIBIT B**

**Site Drawing indicating the location of Ground Space for Licensee's equipment shelter or space in Licensor's building (as applicable)**





# at&t

**SITE NAME:**  
**SITE NUMBER:**  
**STRUCTURE TYPE:**  
**FA CODE:**

**MAGNOLIA WEST FM 1488 RELO**  
**HX0929**  
**SELF SUPPORT TOWER**  
**13877530**

PREPARED FOR  
  
**at&t**  
AT&T MOBILITY  
1801 VALLEY VIEW LANE  
FARMERS BRANCH, TX 75234

**JACOBS**

8600 W. BRYN MAWR  
CHICAGO, IL 60631  
Tel: (773) 386-3900 Fax: (773) 693-0850

**SITE NAME:**  
**MAGNOLIA WEST FM**  
**1488 RELO**  
**SITE NUMBER**  
**HX0929**  
**SITE ADDRESS:**  
14583 FM 1488  
MAGNOLIA, TX 77354  
MONTGOMERY COUNTY

3/23/2017



**LEVEL 5**  
19315 FM 2250, STE. 301  
GARDEN RIDGE, TX 75046  
PH: (214) 540-5911  
FAX: (214) 540-5911

APPROVED BY: TH  
DATE DRAWN: 02/24/17

SHEET TITLE:  
**COVER SHEET**

SHEET NUMBER:  
**T1.0**

**2017 NSB PTN: 3063A080M7**

THESE DRAWINGS ARE BASED ON RFDS VERSION V1.0, DATED 02/03/16  
GENERAL CONTRACTOR TO VERIFY AND INCORPORATE MOST RECENT VERSION  
OF THE RFDS WITH JACOBS PRIOR TO CONSTRUCTION

PROJECT INFORMATION	DRIVING DIRECTIONS	VICINITY MAP	SHEET INDEX
<b>SITE NAME:</b> MAGNOLIA WEST FM 1488 RELO <b>SITE NUMBER:</b> HX0929 <b>911 ADDRESS:</b> 14583 FM 1488 MAGNOLIA, TX 77354 <b>LATITUDE:</b> 30°13'38.30"N (32.227306°) <b>LONGITUDE:</b> 95°41'35.20"W (-95.693111°) <b>GROUND ELEVATION:</b> 251'± AMSL <b>JURISDICTION:</b> CITY OF MAGNOLIA <b>STRUCTURE TYPE:</b> SELF SUPPORT TOWER	<b>GEORGE BUSH INTERCONTINENTAL AIRPORT (IAH):</b> FOLLOW JOHN F KENNEDY BLVD TO HWY TOLL RD. HEAD NORTH ON JOHN F KENNEDY BLVD. KEEP LEFT TO STAY ON JOHN F KENNEDY BLVD. USE THE LEFT LANE TO MERGE ONTO N. TERMINAL RD. TURN LEFT ONTO JOHN F KENNEDY BLVD. CONTINUE STRAIGHT TO STAY ON JOHN F KENNEDY BLVD. CONTINUE ON HARDY TOLL RD. TAKE TX-99 TO TEXAS 99 FRONTAGE RD. TAKE TX-249 N. FM 1774 AND FARM TO MARKET RD. 1488 E. TO BLANDIGE RD. IN MONTGOMERY COUNTY. USE THE LEFT LANE TO KEEP LEFT AT THE FORK AND CONTINUE ON TEXAS 99 FRONTAGE RD. TURN LEFT ONTO BLOUREAUX RD. TURN RIGHT AT THE 2ND CROSS STREET ONTO TX-249 N. TAKE THE TX 249 N/TOWNSHIP TOLLWAY N RAMP ON THE LEFT. TURN RIGHT ONTO BLOODY RUBY BLVD. TURN RIGHT ONTO FARM TO MARKET RD. 1488 E. TURN RIGHT ONTO BLANDIGE RD. DESTINATION WILL BE ON THE RIGHT.		<b>SITE GENERAL ARRANGEMENT PLANS</b> T1.0 COVER SHEET A1.0 GENERAL NOTES V GENERAL NOTES A1.2 GENERAL NOTES ARCHITECTURAL / CIVIL PLANS SITE SURVEY (BY OTHERS) OVERALL AREA PLAN A1 COMPOUND PLAN A1.2 ENLARGED EQUIPMENT PLAN A2.0 TOWER ELEVATION A2.1 ANTENNA PLAN AND DETAILS A2.2 ANTENNA CONFIGURATION A3.0 PLUMBING DIAGRAM A4.0 EQUIPMENT DETAILS A5.0 SITE SIGNAGE DETAILS A6.1 SITE SIGNAGE NOTES ELECTRICAL PLANS E1.0 ELECTRICAL AND TELCO PLAN E2.0 ANTENNA GROUNDING PLAN AND ONE-LINE DIAGRAM E2.1 SCHEMATIC DIAGRAM E3.0 ELECTRICAL DETAILS E4.0 GROUNDING DETAILS E4.1 GROUNDING DETAILS E4.2 ELECTRICAL NOTE SHELTER PLANS S1.0 FOUNDATION PLAN AND DETAILS KOHLER (30REDZK)GM95289-SAT/NEQ.19672) GENERATOR DETAILS (3 SHEETS) NOTE: DRAWING SCALES ARE FOR 22"x34" SHEETS UNLESS OTHERWISE NOTED
<b>SCOPE OF WORK</b> THE WIRELESS COMMUNICATIONS FACILITY IS NOT INTENDED FOR HUMAN OCCUPANCY 1. INSTALLATION OF (6) PANEL ANTENNAS (2 PER SECTOR) 2. INSTALLATION OF (3) RRUS-11 (1 PER SECTOR) 3. INSTALLATION OF (6) RRUS-32 (2 PER SECTOR) 4. INSTALLATION OF (3) HEAVY DUTY ANTENNA SECTOR FRAME (SABRE C10-857-301C) 5. INSTALLATION OF (1) DC6-48-60-18-8F RAYCAP UNIT (FIBER AND DC) 6. INSTALLATION OF (1) DC6-48-60-0-8F RAYCAP UNIT (DC ONLY) 7. INSTALLATION OF (4) DC POWER CABLES (7/8") 8. INSTALLATION OF (1) FIBER TRUNK (1/2") 9. INSTALLATION OF (1) 11-5"x12-0" EQUIPMENT SHELTER ON A 11-5"x20-0" CONCRETE PAD 10. INSTALLATION OF (1) KOHLER 30REDZK GENERATOR	<b>CONTACTS</b> <b>APPLICANT:</b> AT&T MOBILITY 1801 VALLEY VIEW LANE FARMERS BRANCH, TX 75234 <b>TOWER OWNER:</b> MONTGOMERY COUNTY HOSPITAL DISTRICT 1400 S LOOP 336 WEST CONROE, TEXAS 77334 PHONE: (936) 523-5000 <b>CONSULTANT:</b> JACOBS 8600 W. BRYN MAWR CHICAGO, IL 60631 CONTACT: MS LAJRA WALTON PHONE: 832-258-5452 EMAIL: laura.walton@jacobs.com <b>ARCHITECT/ENGINEER:</b> LEVEL 5 CONSULTING ENGINEERS 19315 FM 2250, SUITE 301 GARDEN RIDGE, TX 75046 CONTACT: DAVID HILDEBRANDT PHONE: 214-542-5911 <b>TELEPHONE COMPANY:</b> AT&T PHONE: 1-866-722-9246 <b>POWER COMPANY:</b> CENTERPOINT ENERGY PHONE: 1-800-332-7143	<b>APPROVALS</b> AT&T REAL ESTATE _____ DATE _____ AT&T RF ENGINEERING _____ DATE _____ AT&T CONSTRUCTION MANAGER _____ DATE _____ AT&T OPERATIONS _____ DATE _____ CONSTRUCTION MANAGER _____ PROPERTY OWNER _____ CONTRACTOR _____ THE ABOVE PARTIES HEREBY APPROVE AND ACCEPT THESE DOCUMENTS AND AUTHORIZE CONTRACTOR TO PROCEED WITH THE CONSTRUCTION DESCRIBED HEREIN. ALL DOCUMENTS ARE SUBJECT TO REVIEW BY THE LOCAL BUILDING DEPARTMENT AND MAY IMPOSE CHANGES OR MODIFICATIONS. <b>SITE ACCESS PROCEDURES</b>	<b>APPLICABLE CODES &amp; STANDARDS</b> - INTERNATIONAL BUILDING CODE, 2015 EDITION AS ADOPTED BY LOCAL JURISDICTION - NATIONAL ELECTRICAL CODE, 2014 EDITION AS ADOPTED BY LOCAL JURISDICTION - INTERNATIONAL MECHANICAL CODE, 2015 EDITION AS ADOPTED BY LOCAL JURISDICTION - INTERNATIONAL ENERGY CONSERVATION CODE, 2015 EDITION AS ADOPTED BY LOCAL JURISDICTION 

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- A. PURPOSE AND INTENT  
THE DRAWINGS AND SPECIFICATIONS ARE INTENDED TO BE FULLY EXPLANATORY AND SUPPLEMENTARY. HOWEVER, SHOULD ANYTHING BE SHOWN, INDICATED OR SPECIFIED ON ONE AND NOT ON THE OTHER, THE LATTER SHALL BE THE BASIS OF AS IS SHOWN, INDICATED OR SPECIFIED IN BOTH. SHOULD THERE BE ANY DISCREPANCIES BETWEEN REQUIREMENTS SHOWN IN BOTH, THE MORE STRINGENT REQUIREMENTS SHALL APPLY.
- B. THE INTENTION OF THE OCCUPANTS IS TO INCLUDE ALL LABOR AND MATERIALS REASONABLY NECESSARY FOR THE PROPER EXECUTION AND COMPLETION OF THE WORK AS STIPULATED IN THE CONTRACT.
- C. THE PURPOSE OF THE AT&T WIRELESS CONSTRUCTION SPECIFICATIONS IS TO INTERPRET THE INTENT OF THE DRAWINGS AND TO DESIGNATE THE METHOD OF THE PROCEDURE, TYPE AND QUALITY OF MATERIALS REQUIRED TO COMPLETE THE WORK.

- 1.2. CONFLICTS  
A. VERIFY ALL MEASUREMENTS AT THE SITE BEFORE ORDERING MATERIAL OR DOING ANY WORK. NO EXTRA CHARGE OR COMPENSATION WILL BE ALLOWED DUE TO DIFFERENCES BETWEEN ACTUAL DIMENSIONS OR DIMENSIONS SHOWN ON PLANS. SUBMIT NOTICE OF ANY DISCREPANCY IN DIMENSIONS OR OTHERWISE TO AT&T WIRELESS FOR RESOLUTION BEFORE PROCEEDING WITH THE WORK.
- B. NO PLEA OF IGNORANCE OF CONDITIONS THAT EXIST OR OF DIFFICULTIES OF CONDITIONS THAT MAY BE ENCOUNTERED OR OF ANY OTHER RELEVANT MATTER CONCERNING THE EXECUTION OF THE WORK WILL BE ACCEPTED AS AN EXCUSE FOR ANY FAILURE OR OMISSION ON THE PART OF THE CONTRACTOR TO FULFILL EXACTLY ALL OF ALL THE REQUIREMENTS OF THE CONSTRUCTION OCCUPANTS GOVERNING THE WORK.

- 1.3. CLOSING  
KEEP THE SITE FREE FROM ACCUMULATION OF WASTE AND RUBBISH CAUSED BY EMPLOYEES AT THE COMPLETION OF THE WORK. REMOVE ALL WASTE AND NON-CONSTRUCTION MATERIAL INCLUDING ALL CONTRACTOR TOOLS, SCAFFOLDING AND SURPLUS MATERIAL AND LEAVE SITE CLEAN AND READY FOR USE.

- 1.4. CODES  
CONTRACTOR SHALL BE RESPONSIBLE FOR FOLLOWING ALL LAWS, REGULATIONS AND RULES PROMULGATED BY FEDERAL STATE AND LOCAL AUTHORITIES WITH JURISDICTION OVER THE SITE. THE RESPONSIBILITY IS IN EFFECT REGARDLESS OF WHETHER THE LAW, ORDINANCE, REGULATION OR RULE IS MENTIONED IN THESE SPECIFICATIONS.

16 OSHA FOLLOW ALL APPLICABLE RULES AND REGULATIONS OF THE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, AND STATE LAWS BASED IN THE FEDERAL OCCUPATIONAL SAFETY AND HEALTH ACT THESE REGULATIONS INCLUDE BUT ARE NOT LIMITED TO REGULATIONS DEALING WITH TOWER CONSTRUCTION AND SAFETY, EXCAVATIONS AND TRENCHING, AND WORK IN CONFINED SPACES. ENSURE THAT EMPLOYEES AND SUBCONTRACTORS WEAR HARD HATS AT ALL TIMES DURING CONSTRUCTION.

1 8 BUILDING PERMITS  
AT&T WILLLESS WILL SUBMIT CONSTRUCTION DOCUMENTS TO THE JURISDICTIONAL AUTHORITY  
FOR PLAN CHECK AND REVIEW. CONTRACTOR WILL SUBMIT LICENSING AND WORKMAN'S  
COMPENSATION INFORMATION TO THE JURISDICTIONAL AS REQUIRED TO OBTAIN  
BUILDING PERMIT. CONTRACTOR SHALL COORDINATE AND OBTAIN (IF REQUIRED) INSPECTIONS  
AND POST REQUIRED PERMITS AT THE JOB SITE. COMPLY WITH SPECIFIC PROJECT-RELATED  
REQUESTS AND SUGGESTIONS MADE BY BUILDING INSPECTOR AND INFORM CONSTRUCTION  
MANAGER OF ANY SUCH NOTICE. WHAT MAY VARY THE SCOPE OF THE CONTRACT OR  
DEVIATE FROM THE CONSTRUCTION DOCUMENTS. AT&T WILLLESS WILL NEGOTIATE THE  
CONTRACTOR FOR FEES FOR PLAN REVIEW, BUILDING PERMIT, CONNECTIONS AND INSPECTION

1.10. FM PERMIT AND TOWER LIGHTING  
REFER TO CONSTRUCTION DOCUMENTS AND CONSTRUCTION MANAGER FOR FAA AND STATE  
LIGHTING REQUIREMENTS. CONTRACTOR SHALL PROVIDE TEMPORARY FM APPROVED LIGHTING  
UNTIL PERMANENT LIGHTING IS OPERATIONAL.

1.12 SITE CONTROL

A THE CONTRACTOR IS COMPLETELY RESPONSIBLE FOR CONTAINMENT OF SEDIMENT AND CONTROL OF EROSION AT THE SITE. ANY DAMAGE TO ADJACENT OR DOWNSTREAM PROPERTIES WILL BE CORRECTED BY THE CONTRACTOR AT NO EXPENSE AND AT/ WITHOUT DELAY.

B THE CONTRACTOR IS TO MAINTAIN ADEQUATE DRAINAGE AT ALL TIMES. DO NOT ALLOW WATER TO STAND OR RUN IN ANY MANNER TO STRUCTURES OR WORK OR SITE CAUSED BY ANY OBSTRUCTION OR MAINTENANCE OF DRAINAGE PROVISIONS WILL BE THE RESPONSIBILITY OF THE CONTRACTOR AND ANY COST ASSOCIATED WITH REPAIRS FOR SUCH DAMAGE WILL BE AT THE CONTRACTOR'S EXPENSE.

## 20 SITE PREPARATION

2. SCOPE OF WORK INCLUDES:

- A PROTECTION OF EXISTING TREES, VEGETATION AND LANDSCAPING MATERIALS WHICH MIGHT BE DAMAGED BY CONSTRUCTION ACTIVITIES
- B TEMPORARY PROTECTION OF EXISTING TREES AND VEGETATION AS REQUIRED FOR PROTECTION DURING CONSTRUCTION
- C CLEARING AND GRUBBING OF SUMPS VEGETATION DEBRIS RUBBER, DESIGNATED TREES, AND SITE IMPROVEMENTS
- D TOPSOIL STRIPPING AND STOCKPILING
- E TEMPORARY EROSION CONTROL, SILTATION CONTROL AND DUST CONTROL CONFORMING TO LOCAL REQUIREMENTS AS APPLICABLE
- F TEMPORARY PROTECTION OF ADJACENT PROPERTY, STRUCTURES, BENCHMARKS AND MONUMENTS
- G REMOVAL AND TEMPORARY RELOCATION, STORAGE AND RE-INSTALLATION OF DUSTING FENCING AND OTHER SITE IMPROVEMENTS SCHEDULED FOR REUSE
- H REMOVAL AND LEGAL DISPOSAL OF CLEARED MATERIALS

2 2 PRODUCTS AND MATERIALS (AS APPROVED BY CONSTRUCTION MANAGER OR AS NOTED  
IN CONSTRUCTION DOCUMENTS)  
A MATERIALS USED FOR TREE PROTECTION, EROSION CONTROL, SILTATION CONTROL, AND

## 30 EASTERN WORK

2.1 SCOPE OF WORK INCLUDES:

- A EXCAVATION, TRENCHING, FILLING, COMPACTION, AND GRADING FOR STRUCTURES SITE IMPROVEMENTS AND UTILITIES
- B MATERIALS FOR SUB-BASE DRAINAGE FILL, FILL BACKFILL, AND GRAVEL FOR SEAS PAVEMENTS AND IMPROVEMENTS
- C ROCK EXCAVATION WITHOUT BLASTING
- D SUPPLY OF ADDITIONAL MATERIALS FROM OFF-SITE AS REQUIRED
- E REMOVAL AND LEGAL DISPOSAL OF EXCAVATED MATERIALS AS REQUIRED

2 QUALITY ASSURANCE

COMPACTON:

1 UNDER STRUCTURE BUILDING SLABS: PAVEMENTS AND WALKWAYS WILL OBTAIN A 95 PERCENT COMPACTION AND DENSITY AS DETERMINED BY ASTM

2 1507 OR WITHIN PLUS OR MINUS 3 PERCENT OF OPTIMUM MOISTURE

B GRADING TOLERANCES OUTSIDE BUILDING CODES:

1 LAWNS, UNPAVED AREAS AND WALKS PLUS OR MINUS 1 INCH

2 WALK PAVEMENTS PLUS OR MINUS 1/2 INCH

C GRADING TOLERANCE FOR THE UNDER ALL CONCRETE APPLICATIONS: PLUS OR MINUS 1/2 INCH, MEASURED WITH 10 FOOT STRAINING EDGE

3.3 PRODUCTS AND MATERIALS (AS APPROVED BY CONSTRUCTION MANAGER OR AS NOTED IN CONSTRUCTION DOCUMENTS)

3 WAS-1/2 GRAVEL, EVENLY GRADED MIXTURE OF CRUSHED STONE OR GRAVEL, WITH 95  
4 PERCENT PASSING A 1/2 INCH SIEVE.  
5 B. BACKFILL SHALL BE EITHER: (1) SATISFACTORY NATIVE OR IMPORTED SOIL  
6 MATERIALS FREE OF CLAY, ROCK OR GRAVEL NOT LARGER THAN 2 INCHES IN  
7 ANY DIMENSION, DEBRIS, WASTE, FROZEN MATERIALS AND OTHER UNSUITABLE MATERIALS  
8 WILL NOT BE ALLOWED FOR USE. IMPORTED MATERIALS SHALL HAVE A CLAY CONTENT  
9 OF NO MORE THAN 15 PERCENT.  
10 C. BACKFILL MATERIALS WILL CONSIST OF: SATISFACTORY NON-COHESIVE NATIVE OR  
11 IMPORTED SOIL MATERIALS FREE OF CLAY, ROCK OR GRAVEL, NOT LARGER THAN 4  
12 INCHES IN ANY DIMENSION, DEBRIS, WASTE, FROZEN MATERIALS AND OTHER  
13 UNSUITABLE MATERIALS. IMPORTED MATERIAL SHALL HAVE A CLAY CONTENT OF NO  
14 MORE THAN 5 PERCENT.  
15 D. GRAVEL MATERIAL, EVENLY GRADED MIXTURE OF CRUSHED STONE OR GRAVEL WITH 95  
16 PERCENT PASSING 1/2 INCH SIEVE.  
17 E. GEOTEXTILE FABRIC, AS PER CONSTRUCTION DOCUMENTS.

34 CLEARING AND GRUBBING REMOVE ALL VEGETATION AND MATERIALS AS REQUIRED. REMOVE STUMPS COMPLETELY UNDER FOUNDATIONS AND ROADWAY. DISPOSE OF CLEARING AND GRUBBING OFF-SITE, OR IN AN ON-SITE LOCATION APPROVED BY CONSTRUCTION MANAGER

35 STRIPPING  
STRIP NOT LESS THAN 3 INCHES OF SOIL AND TOPSOIL FROM AREAS THAT WILL  
UNDERLAY GRAVEL PAVEMENT NEW STRUCTURES OR NEW EMBANKMENTS STOCKPILE  
STRIPPING ON-SITE FOR RE-USE IN FINAL LANDSCAPING

3.5 COMMON EXCAVATION  
A EXCAVATE TO DEPTH LINES AND GRADES SHOWN ON THE PLANS OR AS OTHERWISE SPECIFIED

C LEGALLY DISPOSE OF EXCESS COMMON EXCAVATION OFF-SITE



# JACOBS

8600 W BRYN MAWR  
CHICAGO IL 60631  
Tel (773) 380-3800 Fax (773) 693-0950

SITE NAME:  
**MAGNOLIA WEST FM**  
**1488 RELO**  
SITE NUMBER:  
**HX0929**  
SITE ADDRESS:  
**14883 FM 1488**  
**MAGNOLIA TX 77354**  
**MONTEREY COUNTY**

3/23/2017



## LEVELS

19315 FM 2252 STE 301      PH: (210) 542-5311  
WABSTN RDGE TX 76206      F-1304

DRAWN BY: LC  
APPROVED BY: TH  
DATE DRAWN: 02/24/12

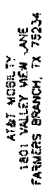
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Sheet Title

## GENERAL NOTES

SHEET NUMBER:

N1.0



AT&T MOBILE TV  
1801 VALLEY VIEW AVE  
FARMERS BRANCH, TX 75234

# JACOBS

3600 W BERRY BLVD  
CHICAGO, IL 60631  
Tel: (773) 382-3500 Fax: (773)

**MAGNOLIA WEST FM  
1488 RELO**

SITE ADDRESS:  
14583 FM 1453  
MAGNOLIA "X 7715"  
MONTGOMERY COUNTY

3/23/2017



## LEVEL 5

5 PM 2257 5:2 481  
Date: 12/01/54 2-39117

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107-8176      S.M.P.? - 2A

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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## GENERAL NOTES

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- D ALL REINFORCEMENT BARS TO BE FREE FROM LOOSE RUST AND SCALE  
 E UNLESS OTHERWISE NOTED, ALL REINFORCEMENT SHALL HAVE A MINIMUM CONCRETE COVERAGE OF 3 INCHES. THIS MAY REQUIRE SPACERS AND CHAIRS AS REQUIRED BY TESTING AGENCY OR CONSTRUCTION MANAGER  
 F SPICES IN REINFORCEMENT STEEL ARE PROHIBITED, UNLESS APPROVED BY CONSTRUCTION MANAGER. ALL SPICES MUST THEN MEET ALL APPLICABLE ASTM STANDARDS FOR SPlicing

#### 11.0 GROUNDING

MEET ALL APPLICABLE CODES, REQUIREMENTS OF THE CONSTRUCTION DOCUMENTS AND AT&T WIRELESS CONSTRUCTION SPECIFICATIONS

#### 12.0 ELECTRICAL

##### 1. SWITCHES AND STANDARD FEATURES

- A CYCLO CRANKING
- B ALARM HORN WITH SILENCING SWITCH
- C VOLTAGE ADJUSTING RHEOSTAT
- D OVERVOLTAGE PROTECTION
- E REMOTE TWO-WIRE AUTO START SYSTEM
- F LAMP TEST SWITCH
- G RUN-OFF-RESET/AUTO SWITCH (ENGINE START)
- H ENGINE COOL DOWN TIMER (5 MINUTES)

- 2 ERROR PROOF WIRING HARNESS FOR ELECTRICAL CONNECTIONS
- 3 PANEL LAMPS
- 4 DC CIRCUIT PROTECTION

##### UNIT ACCESSORIES

- 1 WEATHER HOUSING-STANDARD WITH ROOF MOUNTED
- 2 SILENCER
- 3 MOUNTED CRITICAL GRADE EXHAUST SILENCER
- 4 TAIL PIPE AND RAIN CAP

##### UNIT MOUNTING ACCESSORIES

- 1 UNIT MOUNTED RADIATOR
- 2 ENGINE BLOCK HEATER

##### FUEL SYSTEM ACCESSORIES

- 1 FLEXIBLE FUEL LINES
- 2 ENGINE BLOCK HEATER
- SUBBASE FUEL TANK-172 GALLONS
- DOUBLE WALL CONSTRUCTION WITH LEAK DETECTION MONITOR
- U.L. 142 LISTED
- FUEL LEVEL GAUGE
- LOW FUEL LEVEL ALARM
- FILL PIPE EXTENDED 10" INTO TANK
- HORN-FUEL LEVEL ALARM-SET AT 95%
- 7.5 GALLON LOCKABLE FILL WITH SPILL CONTAINMENT

##### ANTENNA & CABLE NOTES

- 1 VERIFY EACH CABLE LENGTH, DIAMETER ROUTING COLOR CODING AND ALL APPURTENANCES
- 2 THE MAXIMUM COAXIAL CABLE LENGTH AND CORRESPONDING COAXIAL DIAMETER IS SHOWN ON A2.0 THIS CABLE LENGTH IS TO BE USED FOR FABRICATION OR CONSTRUCTION. ACTUAL CABLE LENGTH(S) MUST BE VERIFIED. COAXIAL CABLE SHALL BE PROVIDED BY AT&T
- 3 ALL COAX CABLES SHALL UTILIZED GROUND KITS, GROUNDED AS FOLLOWS  
 NEAR ANTENNA RAD CENTER ELEVATION  
 MIDDLE OF TOWER (MID-HEIGHT OF ANTENNA), IF CABLE RUN IS OVER 200'-0"  
 BOTTOM OF TOWER  
 AT MASTER GROUND BAR 3'-0" FROM MMSB-BBU CABINET
- 4 ALL TOP JUMPERS SHALL BE LENGTHS AS SHOWN AND INSTALLED BY CONTRACTOR
- 5 ALL CABLES SHALL BE COLOR CODED AS SHOWN ON SHEET RF1.0 AND IN ACCORDANCE WITH AT&T SPECIFICATIONS
- 6 BANDING SHALL BE IN ACCORDANCE WITH SHEET A2.0 RF1.0 AND AS FOLLOWS:  
 A MAIN LINE COLOR BANDS SHALL BE 2" WIDE MAINTAIN 1" SPACING BETWEEN COLORS.  
 B FREQUENCY COLOR BANDS SHALL BE 2" WIDE WITH NO SPACE BETWEEN COLORS.  
 C JUMPER COLOR BANDS SHALL BE 1" WIDE WITH 1" SPACE  
 D START COLOR BANDS 2" BEYOND WEATHERPROOFING  
 E START SELECTOR COLOR NEXT TO END CONNECTORS
- 7 FINAL COAXIAL ANTENNA CABLE SIZES SHALL BE DETERMINED BY AT&T RF ENGINEER. SEE ANTENNA SCHEDULE SHEET A2.0 BASE ON FINAL CABLE RUN LENGTHS DETERMINED BY AT&T
- 8 SEE CONSTRUCTION MANAGER FOR ANTENNA SUPPORT ASSEMBLY TYPE
- 9 ALL COAXIAL CABLE WILL BE SECURED TO THE DESIGNED SUPPORT STRUCTURE AT DISTANCES NOT TO EXCEED 2' OR THE CABLE MANUFACTURERS SPECIFICATIONS WHICHEVER IS LESS. WITH HANDWARE SPECIFIED IN THE COAXIAL CABLE ROUTING DETAILS OF THE SUPPLIED STRUCTURAL REPORT BY OTHERS
- 10 PROVIDE AT LEAST 6" OF SLACK IN THE MAIN COAXIAL CABLES AT THE ANTENNA MOUNTING ELEVATION TO PROVIDE FOR FUTURE CONNECTOR REPLACEMENT.

PREPARED FOR:



AT&T MOBILITY  
 1801 VALLEY VIEW LANE  
 FARMERS BRANCH, TX 75234

**JACOBS**

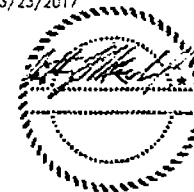
8800 W. BEHN MAWR  
 CHICAGO, IL 60631  
 Tel: (773) 380-3800 Fax: (773) 693-0850

SITE NAME:

**MAGNOLIA WEST FM**  
**1488 RELO**  
 SITE NUMBER  
**HX0929**

SITE ADDRESS:  
 14883 FM 1488  
 MAGNOLIA, TX 77354  
 MONTGOMERY COUNTY

3/23/2017



**LEVEL 5**  
 CONSULTING ENGINEERS, P.C.

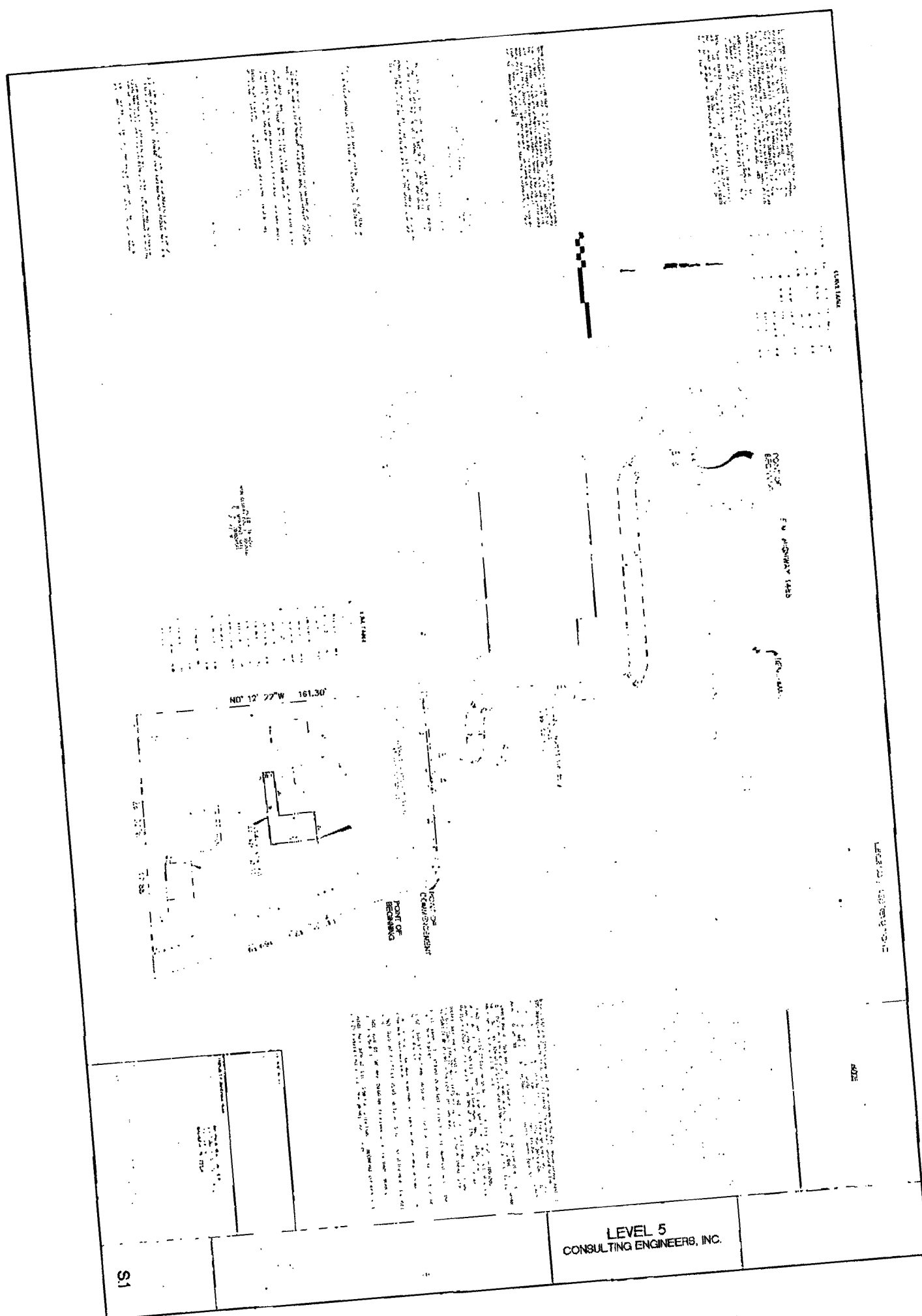
19315 FM 2252, STE. 107 P.O. BOX 542-9911  
 GARDEN GROVE, TX 75246 PH: (214) 542-9911  
 FAX: (214) 542-9911

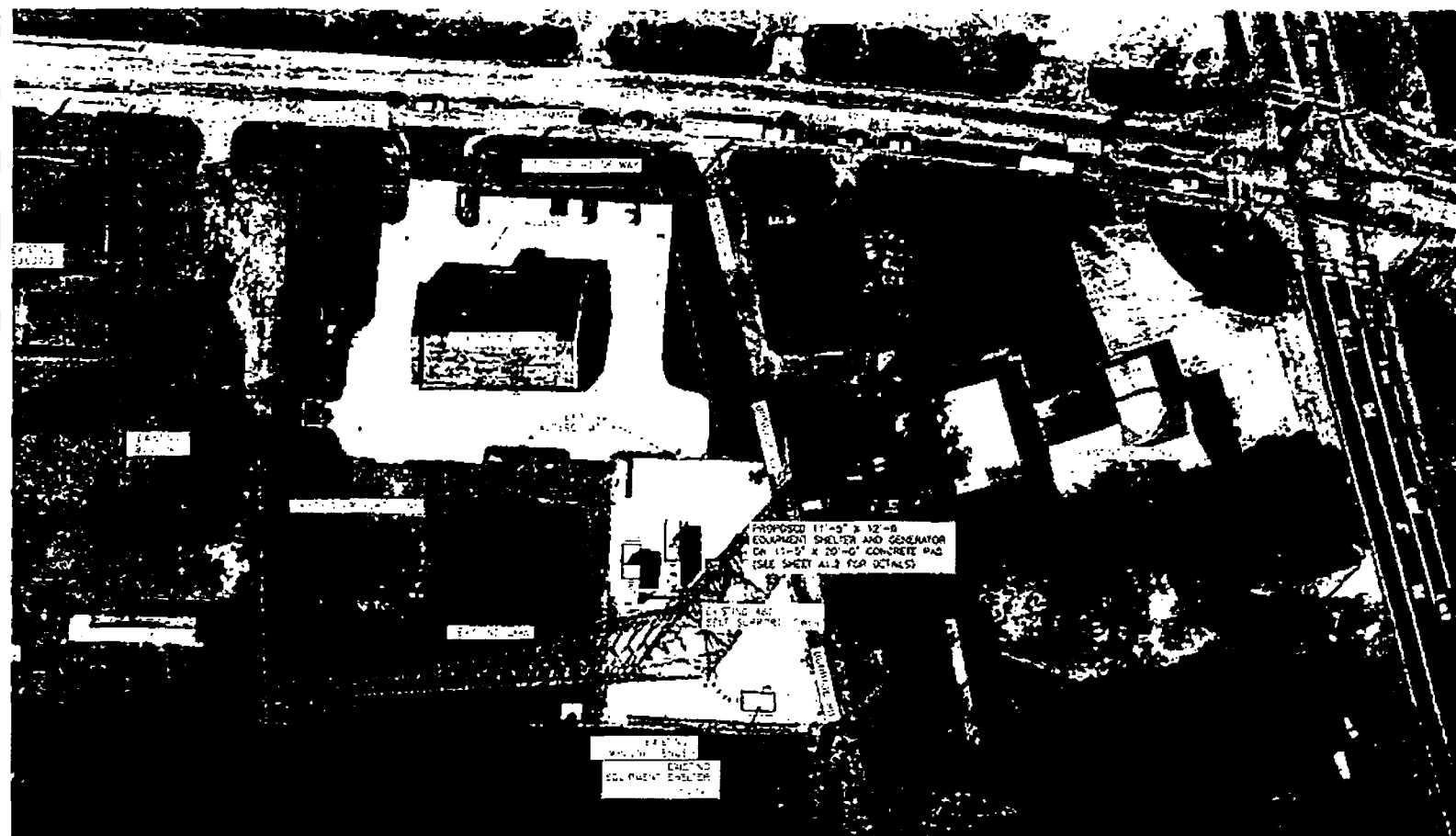
DATE DRAWN: 02/24/17


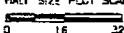
**GENERAL NOTES**

SHEET NUMBER:

**N1.2**





 **1 OVERALL AREA PLAN**  
 FULL SIZE PLOT SCALE: 1/16" = 1'-0"  
 HALF SIZE PLOT SCALE: 1/32" = 1'-0"  


PREPARED FOR:



AT&T MOBILITY  
 1801 VALLEY MEW LANE  
 FARMERS BRANCH, TX 75234

**JACOBS**

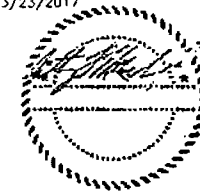
8600 W BRYN MAIR  
 CHICAGO, IL 60631  
 Tel: (773) 380-3800 Fax: (773) 853-0853

SITE NAME:

**MAGNOLIA WEST FM**  
**1488 RELO**  
 SITE NUMBER  
**HX0929**

SITE ADDRESS:  
 14583 FM 1488  
 MAGNOLIA, TX 77354  
 MONTGOMERY COUNTY

3/23/2017



**LEVEL 5**

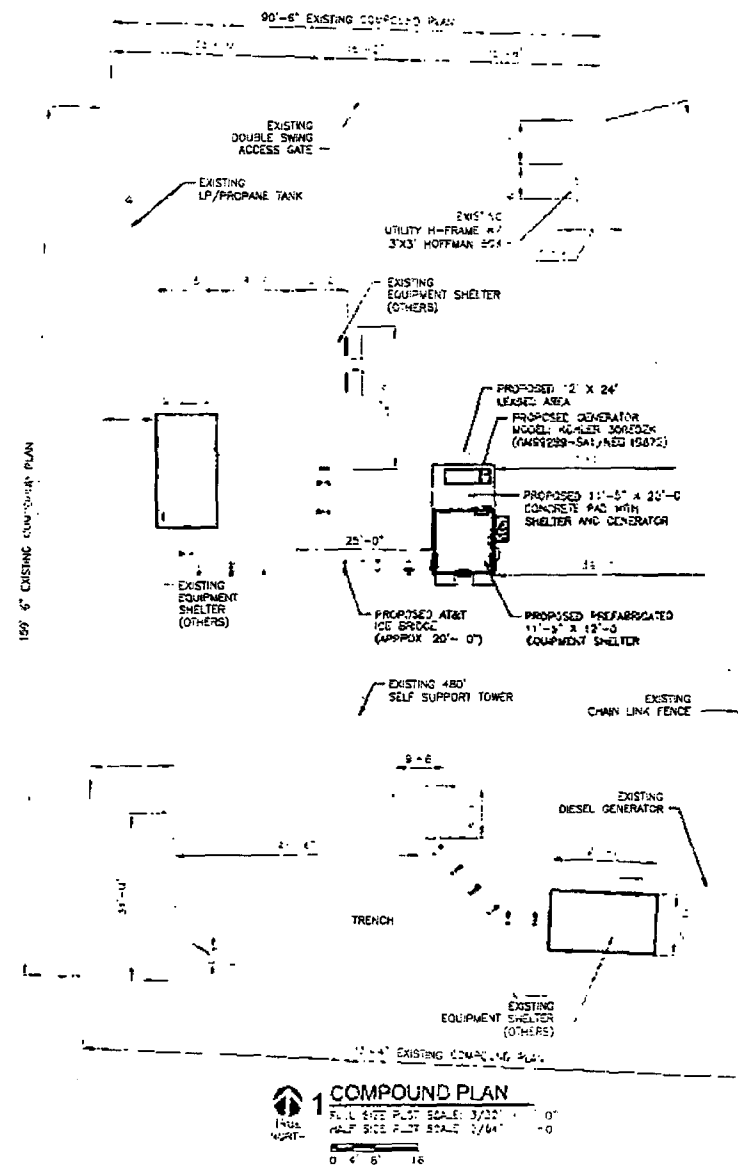
19315 FM 2252, STE. 301  
 P.O. BOX 542-571

DATE DRAWN: 02/24/17

SHEET TITLE

**OVERALL AREA**  
**PLAN**

**A0.1**



AT&T MOBILITY  
1801 VALLEY VIEW LANE  
FARMERS BRANCH, TX 75234

# JACOBS

8600 W SPYWAY  
DALLAS, TX 75241  
Tel: (773) 360-3800 Fax: (773) 363-0850

SITE NAME:

**MAGNOLIA WEST FM**

**1488 RELO**

SITE NUMBER  
**HX0929**

SITE ADDRESS:  
14883 FM 1488  
MAGNOLIA, TX 77354  
MONTGOMERY COUNTY

3/23/2017

**LEVEL 5**

14883 FM 1488 SITE 301 PH: (214) 542-5911  
CADD: CADD 7/17/14 CIVIL

DATE: 3/23/17

APPROVED BY: TH

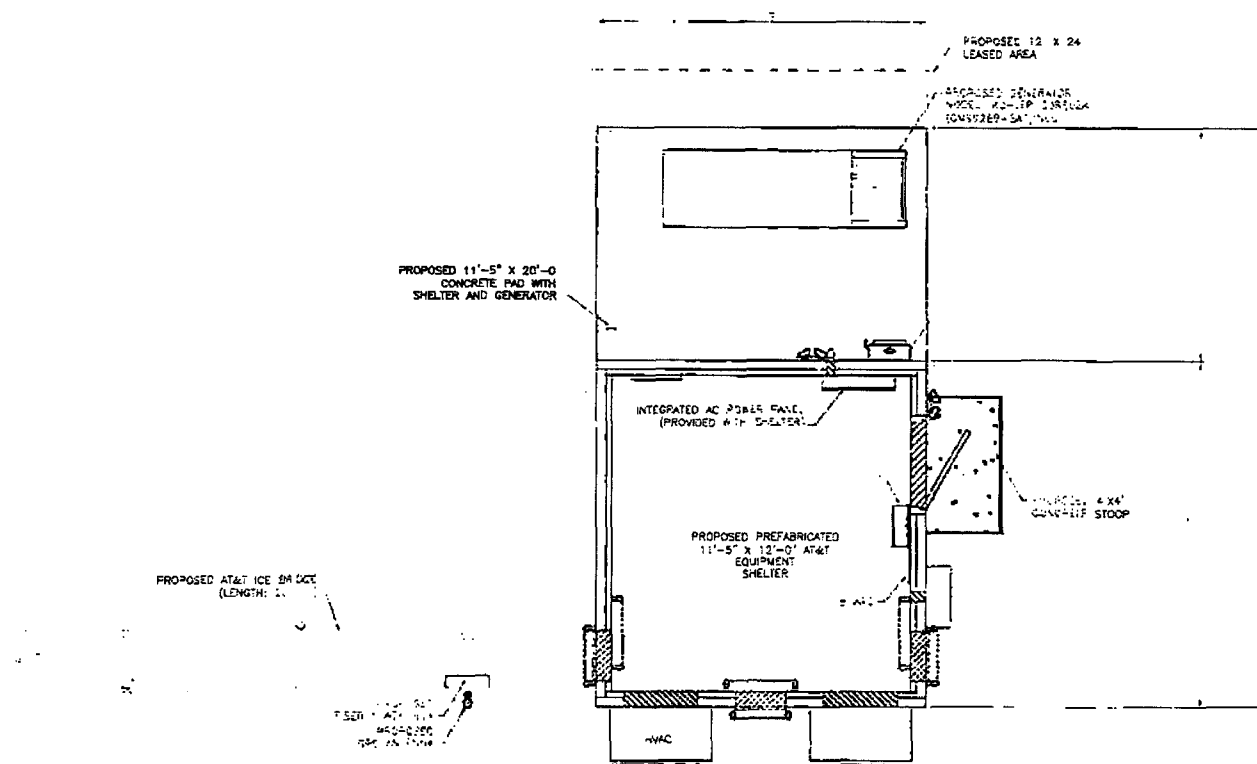
DATE DRAWN: 02/14/17


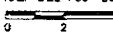
SHEET TITLE


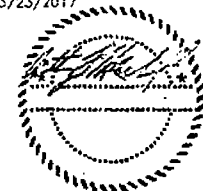

**COMPOUND PLAN**

SHEET NUMBER

**A1.1**




**1 ENLARGED EQUIPMENT PLAN**  
 FULL SIZE PLOT SCALE: 1/2" = 1'-0"  
 HALF SIZE PLOT SCALE: 1/4" = 1'-0"  


PREPARED FOR:  AT&T MOBILITY 1801 VALLEY VIEW LANE FARMERS BRANCH, TX 75234
<b>JACOBS</b> 8600 W BRYN MAWR CHICAGO, IL 60631 Tel: (773) 380-3800 Fax: (773) 693-0850
SITE NAME: <b>MAGNOLIA WEST FM</b> SITE NUMBER: <b>1488 RELO</b> <b>HX0929</b> SITE ADDRESS: 1488.3 FM 1488 MAGNOLIA, TX 77354 MONTGOMERY COUNTY
3/23/2017 
 19315 FM 2252, STE. 301 CARMON VALLEY, TX 77224 PH: (281) 540-5911 F: (281) 540-5911
SHEET TITLE: <b>ENLARGED EQUIPMENT PLAN</b>
SHEET NUMBER: <b>A1.2</b>





## **Appendix I Defined Terms**

**Agreement:** defined in the introductory paragraph.

**Annual Escalator:** defined in section IV on page 1.

**Applicable Law:** All applicable statutes, ordinances, laws, regulations and directives of any federal, state or local governmental unit, authority or agency having jurisdiction over a Licensed Space or affecting the rights and obligations of Licensors or Licensees under this Agreement, including without limitation, the Communications Act of 1934, as amended from time to time, FCC Rules and Regulations, and the rules, regulations and written policies and decisions of the FAA.

**Approved Equipment:** the communications system, including antennas, radio equipment, cabling and conduits, shelter and/or cabinets and other personal property owned or operated by Licensee at the Licensed Space, as defined in the Exhibit A or B to this Agreement.

**Business Day:** a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the United States or the State of Texas.

**Claims:** demands, claims, suits, actions, proceedings or investigations brought against a Person by an unrelated or unaffiliated Person.

**Commencement Date:** defined in section IV on page 1.

**Damages:** debts, liabilities, obligations, losses, damages, excluding consequential, incidental, special or punitive damages, costs and expenses, interest (including, without limitation, prejudgment interest), penalties, reasonable legal fees, court costs, disbursements and costs of investigations, deficiencies, levies, duties and imposts.

**Easement:** defined in section 2.

**Effective Date:** Date of last signature to this Agreement by the Parties

**FAA:** the United States Federal Aviation Administration or any successor federal agency established for the same or similar purpose.

**FCC:** the United States Federal Communications Commission or any successor federal agency established for the same or similar purpose.

**FCC Rules and Regulations:** All of the rules, regulations, public guidance, written policies and decisions governing telecommunications generally and wireless telecommunications specifically as promulgated and administered by the FCC, which on the Effective Date includes, but is not limited to, those administered by the Wireless Telecommunications Bureau of the FCC and more specifically referenced as the Code of Federal Regulations, title 47, parts 0 through 101, as amended.

**Final Rule:** defined in subsection 11(g).

**Ground Space:** The portion of the Tower Facility licensed for use by Licensee to locate a portion of the Approved Equipment thereon, in the square footage amount depicted on Exhibit B of the Agreement.

**Hazardous Substances:** Any hazardous material or substance which is or becomes defined as a hazardous substance, pollutant or contaminant subject to reporting, investigation or remediation pursuant to Applicable Law; any substance which is or becomes regulated by any federal, state or local governmental authority; and any oil, petroleum products and their by-products.

**Holdover Fee:** defined in subsection 6(c).

Magnolia FA#13877530

**Indemnified Party:** any Person entitled to Indemnification under section 15 hereof.

**Initial Term:** defined in subsection 6(a).

**Interference:** defined in subsection 11(a)(i).

**Licensed Frequencies:** defined in subsection 11(a)(ii).

**Licensed Space:** Location of the Approved Equipment on the Tower and at the Ground Space as more specifically described in Exhibits A and B attached hereto.

**Licensed User:** defined in subsection 11(a)(iii).

**Licensee:** defined in the introductory paragraph.

**Licensors:** defined in the introductory paragraph.

**Monthly License Fee:** defined in subsection 5(a).

**Notice Address:** defined in section 18.

**Party(ies):** defined in section 30.

**Permitted Assignee:** defined in section 19.

**Permitted Frequencies:** defined in section III on page 1.

**Priority User:** defined in subsection 11(a)(iv).

**Remittance Address:** defined in section II of page 1.

**Renewal Term(s):** defined in subsection 6(b).

**Subsequent User:** defined in subsection 11 (a)(v).

**Term:** Initial Term and each Renewal Term which is effected pursuant to section 6 of this Agreement.

**Tower:** The communications or broadcast tower owned and operated by Licensors and located at the Tower Facility.

**Tower Facility:** Certain real property owned, leased, subleased, licensed or managed by Licensors shown on page 1 of this Agreement, on which the Tower owned, leased, licensed or managed by Licensors is located, which is reflected in Exhibit A. .

**Unlicensed Frequencies:** defined in subsection 11(a)(vi).

**Unlicensed User:** defined in subsection 11(a)(vii).

## **Appendix II Insurance**

- A. LICENSOR shall maintain in full force during the term of this Agreement the following insurance:
1. Worker's Compensation Insurance with statutory limits in accordance with all applicable state and federal laws, and Employers' Liability Insurance with limits of \$500,000.00 per accident/occurrence, or in accordance with all applicable state and federal.
  2. Commercial General Liability Insurance (Bodily Injury and Property Damage), the limits of liability of which shall be \$1,000,000.00 per occurrence and in the aggregate.
- B. LICENSEE shall maintain in full force during the term of this Agreement and shall endeavor to cause all contractors or subcontractors performing work on any Licensed Site prior to the commencement of any such work on behalf of Licensee to maintain the following insurance:
1. Worker's Compensation Insurance with statutory limits in compliance with the statutory requirements of the state of operation, and Employers' Liability Insurance with limits of \$500,000.00 per accident/occurrence, or in accordance with all applicable state and federal laws.
  2. Commercial General Liability Insurance (Bodily Injury and Property Damage), the limits of liability of which shall be \$1,000,000.00 per occurrence and in the aggregate.
- The insurance specified in this Item B shall contain a waiver of subrogation against LICENSOR and shall include LICENSOR as additional insured as their interest may appear under this Agreement excluding for workers compensation and employer's liability. The insurance required under this Agreement shall be primary over any insurance coverage in favor of LICENSOR but only with respect to and to the extent of the insured liabilities assumed by LICENSEE under this Agreement and shall contain a standard cross-liability endorsement. Licensor's additional insured status shall (i) be limited to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by Licensee, its employees, agents or independent contractors; (ii) not extend to claims for punitive or exemplary damages arising out of the acts or omissions of Licensor, its employees, agents or independent contractors or where such coverage is prohibited by law or to claims arising out of the gross negligence of Licensor, its employees, agents or independent contractors; and, (iii) not exceed Licensee's indemnification obligation under this Agreement, if any.
- C. Notwithstanding the foregoing insurance requirements, (a) the insolvency, bankruptcy, or failure of any insurance company carrying insurance for either Party, or failure of any such insurance company to pay Claims accruing, shall not be held to waive any of the provisions of this Agreement or relieve either Party from any obligations under this Agreement, and (b) the Licensor reserves the right, once per Term, to increase the required liability limits described above in Items A and/or B in accordance with then-current customary insurance requirements in the tower industry nationally.

Magnolia FA#13877530

- D. Notwithstanding the forgoing, Licensee may, in its sole discretion, self-insure any of the required insurance under the same terms as required by this Agreement. In the event Licensee elects to self-insure its obligation under this Agreement to include Licensor as an additional insured, the following conditions apply: (i) Licensor shall promptly and no later than thirty (30) days after notice thereof provide Licensee with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide Licensee with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) Licensor shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of Licensee; and (iii) Licensor shall fully cooperate with Licensee in the defense of the claim, demand, lawsuit, or the like.



# Insurance Broker Services

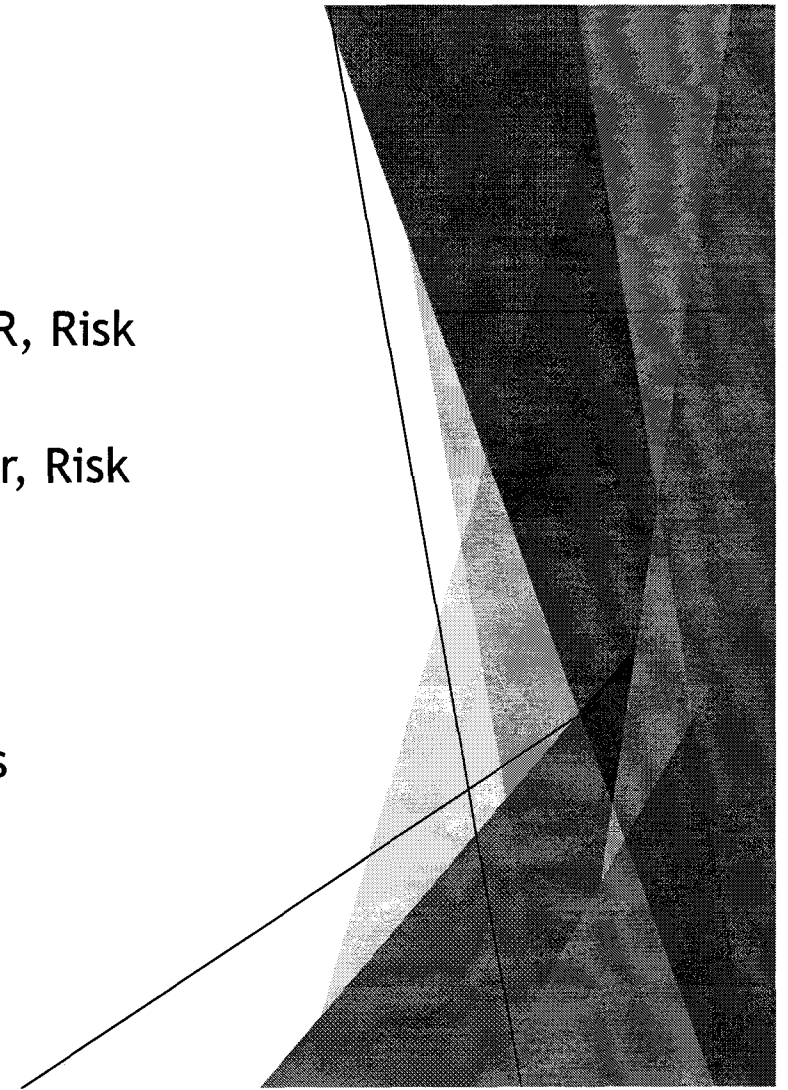
April 25, 2017

## Why change?

- ▶ Potential for more appropriate coverage for D&O, Employment Practices, Professional Liability, Crime, and Cyber policies
- ▶ A broker represents MCHD's best interests - avoids potential conflict of interest with carrier-agent
- ▶ More assistance with risk management activities
  - ▶ Risk/exposure identification and analysis
  - ▶ Retention and limits analysis
  - ▶ Contract review
- ▶ Additional assistance with claims management
- ▶ Budget-neutral or potential savings (already paying broker fees to Winstar/VFIS of Texas)

# Proposals

- ▶ Received four proposals
- ▶ All four were scored by group (Executives, HR, Risk Management)
- ▶ Three invited for interview (CFO, HR Manager, Risk Manager)
- ▶ Ranked firms after interview
- ▶ Checked references of top scorer
- ▶ Made final selection and contacted proposers





## Recommendation - Wortham

- ▶ Experienced firm and account team
- ▶ Local team - based in Houston
- ▶ Many healthcare clients, very positive references
- ▶ Online portal for policy documents and claims management
- ▶ Hands-on approach, “extension of our risk management team”
- ▶ Tentative recommendations on current policies
- ▶ Experience reviewing/lowering Workers Comp experience modifier
- ▶ Lowest cost proposal of the four proposals submitted

### Proposal Evaluation Form

Company Name	Brown & Brown	Winstar/VFIS	Gallagher	Wortham	
Scale 1-4					
Non-Financial					Weight
Meet Minimum Requirements	2.9	2.5	2.5	3.2	20%
Provide Complete Requested Capabilities	3	3	3	3	20%
Demonstrated Experience in Supplying Requested Capabilities	3	2	4	4	15%
Additional Capabilities Beyond Requested	4	3	2	4	15%
References and Recommendations From Third Parties	2	4	2	3	15%
Non-Financial Sub-Total Score (85%)	63.5	61.4	57.6	72.1	85%

Scale 1-4					
Financial					
Total Evaluated Cost	3.3	3.4	3.5	3.1	15%
Financial Sub-Total Score (15%)	12.2	12.7	13.1	11.7	

Overall Score (100%)	75	74	71	84	100%
Overall Ranking (1st through 4th place)	2	3	4	1	

## **SECTION I - INSTRUCTIONS TO PROPOSERS**

**1. PROPOSAL SUBMISSION ADDRESS and DEADLINE:**

Completed proposals will be received at the MCHD offices, 1400 S. Loop 336 W., Conroe, TX 77304, until the bid submission deadline (03/15/2017, 4:00 pm). Proposers are cautioned to mail proposals early, to allow for proposals to be received before the proposal submission deadline. PROPOSAL RESPONSES RECEIVED AFTER THE CLOSING TIME AND DATE WILL NOT BE CONSIDERED AND WILL BE RETURNED TO THE SENDER UNOPENED.

**2. TAXES:**

MCHD is exempt from Federal Excise and State Sales Tax; therefore, tax must not be included in the proposal price.

**3. DEMONSTRATIONS:**

Demonstrations or verifications of the Proposer's ability to provide the requested services, when required, must be furnished free of cost to MCHD.

**4. ALTERING PROPOSALS:**

Proposals cannot be altered, amended or withdrawn by the Proposer (Vendor) after the proposal submission deadline. Any interlineations, alteration, or erasure made before this deadline, must be initialed by the signer of the proposal, guaranteeing authenticity.

**5. PROPOSAL WITHDRAWAL OR REJECTION:**

MCHD reserves the right to withdraw this request for proposal for any reason or to reject any or all proposals or parts of all or any specific proposal or proposals. MCHD further reserves the right to accept part or all of any specific proposals or proposal, and to accept any proposal or proposals.

**6. PUBLIC INSPECTION:**

Proposals are not available for public inspection until after the contract award. If the proposal contains trade secrets and confidential information, then those portions of a proposal will not be open to public review even after the proposal award, provided that the PROPOSER HAS CLEARLY IDENTIFIED IN ITS PROPOSAL THOSE SECTIONS THAT CONTAIN TRADE SECRETS AND CONFIDENTIAL INFORMATION.

**7. PROPOSALS RECEIVED LATE:**

MCHD is not responsible for lateness or non-delivery of mail, carrier, etc, and the time and date recorded by the MCHD receptionist shall be the official time of receipt.

**16. GUARANTEES AND WARRANTIES:**

Each Proposer shall submit a complete breakdown of any warranties or guarantees provided by the vendor/subcontractor or Proposer with the quote submitted.

**17. EMPLOYEE TRAINING:**

The successful Proposer shall provide on-site (or classroom, if applicable) instruction to designated MCHD employees as required. MCHD will determine the appropriate amount, type and timing of training needed.

**18. INQUIRIES FROM PROPOSERS:**

Questions related to this RFP must be made in writing and directed to:

Shawn Henners  
Emergency Preparedness & Risk Manager  
Montgomery County Hospital District  
[shenners@mchd-tx.org](mailto:shenners@mchd-tx.org)  
1400 S. Loop 336 West  
Conroe, Texas 77304

**19. CONTRACT**

Proposer shall provide a sample of their contract as part of the proposal documentation. MCHD and the successful Proposer shall negotiate the contract to be executed. This contract may be, but not limited to, the Proposer's sample contract, MCHD's contract, or a combination of both contracts.

**20. PURCHASE ORDER:**

A purchase order may be generated by MCHD to the successful Proposer to initiate the services of the Insurance Broker. If so, the purchase order number must appear on all billing documents.

**21. COMPETITIVE SELECTION/EVALUATION FACTORS:**

The successful Proposer will be selected on a rational basis. Evaluation factors outlined below shall be applied to all eligible, responsive Proposers in comparing proposals and selecting the successful Proposer. Award of a contract may be made without discussion with Proposers after responses are received. Proposals should, therefore, be submitted on the most favorable terms. MCHD reserves the right to terminate the contract if the successful Proposer has not performed within the date specified by the Proposer's response.

## SECTION II - PROPOSAL FORMAT

### REQUIRED SECTIONS

#### 1. COVER LETTER:

***This section should contain:*** The name and address of the proposing firm and the names and telephone numbers of the individuals authorized to answer technical, price, and/or contract questions. The cover letter must also be signed by an officer authorized to bind the company.

***Describe, in this letter, the technical experience level and certifications earned by the staff that will be providing MCHD's Insurance Broker service.***

#### 2. SUMMARY:

Include a summary which gives a brief, concise overview of your proposal.

#### 3. FIRM BACKGROUND, PRINCIPAL OFFICERS, and PRIOR EXPERIENCE:

***This section should:***

- State the full name and address of the Proposers' organization.
- Identify the parent company if the Proposer is a subsidiary. Specify the branch office or other subordinate element which will perform, or assist in performing this work.
- Indicate whether the Proposer operates as a corporation, partnership, or individual. Include the State in which the Proposer is incorporated and/or licensed to operate, the date of incorporation or licensing.
- Provide a listing of the principal officers of the company to include name, title, and length of experience with the Proposer organization.
- Provide prior year financial statements, if available. Provide the same information for an entity which will participate in this project through a joint venture or subcontract arrangement.
- Describe the proposed project organization and the position that the project personnel will occupy within the organization. It should identify project personnel by name and provide a detailed resume outlining his/her appropriate experience on other similar projects. The Proposer must supply resumes for all staff to be assigned to the project. MCHD reserves the right to terminate the contract with the successful Proposer due to the removal of any key project staff which MCHD believes would negatively impact the successful completion of the project.

#### 4. SPECIFICATIONS.

**This section shall be used by the Proposer to demonstrate their ability to meet each of the specifications listed in Section III below.** Any deviation from the specifications listed should be clearly noted. In addition, this section may be used to demonstrate additional services, programs, capabilities or benefits that the Proposer offers.

### **SECTION III – SPECIFICATIONS**

The successful proposal will include the services described in each section below:

#### **RISK MANAGEMENT**

1. Management and coordination of the Risk Control services for MCHD. This includes, but is not limited to, participation in all claims meetings with both Insurers and MCHD.
2. Review of MCHD contract wording as it relates to specific project insurance requirements – as needed and upon request.
3. Review of and advice on MCHD certificates of insurance requirements – as needed and upon request.
4. Attendance at meetings with MCHD executives, managers, and other staff, as needed and upon request, to discuss various ongoing risk management issues.
5. Coordination of insurer site visits when required and/or requested by either MCHD or insurers.
6. Provide resource information on various insurance-related legal issues in coordination with MCHD General Counsel and/or Human Resources counsel.
7. Analyze the risk involved in an activity or transaction being contemplated by MCHD and give MCHD a recommendation on the type and amount of insurance that is needed (or not needed). This service may be provided by telephone or email by discussing the facts of the situation and MCHD insurance coverage (and exclusions) with the caller(s). MCHD Risk Management personnel and Executives will review Broker's recommendation and will make all final decisions on levels of risk and coverage that MCHD is willing to accept.
8. Review insurance provisions in contracts. Broker will provide within three (3) business days of the receipt of an insurance provision in a contract, a written or oral (as requested) risk analysis of the contracting situation, an analysis of MCHD's insurance coverage (and exclusions) and a recommendation on the question presented to the Broker.

- d. Professional Liability
- e. Management Liability
- f. Workers Compensation
- g. Crime
- h. Auto Liability & Auto Physical Damage
- i. Portable Equipment
- j. Other (please note)

2. Proposals should include explanations of procurement methodologies for insurance products and any opportunities to reduce quoted amounts, including discounts that MCHD might be eligible for in relation to the types of insurance policies set forth above.
3. Proposals should identify as best as possible the anticipated carrier(s), Financial Strength Rating, Issuer Credit Rating, Financial Size Category Ratings, and compensation arrangements for all proposed insurers providing the coverages described above.
4. Proposals should note any special circumstances or contingencies for proposed policies of insurance for the coverages described above.

MCHD Surplus/Salvage  
April 2017

[illegible]



## AGENDA ITEM # 28

Board Mtg.: 04/25/17

### Montgomery County Hospital District

#### Proceeds from Sale of Assets

10/01/2016 - 03/31/2017

Account Name	Description	Sale of Surplus
Vehicles	2010 Dodge Ram 3500 - 237,850 miles	<u>6,170.00</u>
	Vehicles Total	6,170.00
	Total Proceeds	<u><u>6,170.00</u></u>