

****PUBLIC NOTICE****



CITY COUNCIL WORKSHOP AND REGULAR SESSION

Thursday, August 04, 2022 at 5:45 PM

City Hall | 3300 Corinth Parkway

Pursuant to section 551.127, Texas Government Code, one or more councilmembers or employees may attend this meeting remotely using videoconferencing technology.

View live stream: www.cityofcorinth.com/remotesession

A. NOTICE IS HEREBY GIVEN of a Workshop and Regular Session of the Corinth City Council.

B. CALL TO ORDER

C. WORKSHOP AGENDA

1. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2023 Annual Program of Services and Capital Improvement Program.
2. Hold a discussion and give staff direction on the strategic plan.
3. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

D. ADJOURN WORKSHOP

E. CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE

F. PROCLAMATIONS AND PRESENTATIONS

1. Proclamation recognizing National Payroll Week, September 5 – 9, 2022.

G. CITIZENS COMMENTS

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.

H. CONSENT AGENDA

All matters listed under the consent agenda are considered to be routine and will be enacted in one motion. Should the Mayor or a Councilmember desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

2. Consider and act on minutes from the July 21, 2022, City Council Meeting.
3. Consider and act on an Agreement with SPAN, Inc., for services supporting older residents, residents with disabilities, veterans, and the general public, for fiscal year 2022-2023 and authorizing the Interim City Manager to execute the necessary documents.
4. Consider and act on an ordinance repealing Exhibit 1 of Ordinance No. 13-12-19-25 and amending the Code of Ordinances by adding a new Chapter 171, entitled Fire Department Fees, to Title XVI, Fee Schedule.

5. Consider and act on the acceptance of BlueCross BlueShield of Texas' proposal for City's employee medical insurance benefits for FY 2022-2023, and authorization for the Interim City Manager to execute any necessary documents.

I. BUSINESS AGENDA

6. Consider and act on a Resolution approving the amended and restated bylaws of the Corinth Economic Development Corporation.
7. Consider and act on the Second Amended Unimproved Property Contract with M.R. Development Corporation and Carleton Development, Ltd., for the purchase of the 7.533 acres on or before December 31, 2022, and the option to purchase the remaining 6.04 acres on or before September 30, 2023, formerly known as the Honse Property for a multifamily development.
8. Consider and act on the Amended Unimproved Property Contract with Wolverine Interests for the purchase of the 4.692 acres within the agora District for a mixed-use development.
9. Consider and act on a Resolution of the City of Corinth, a home rule municipality and qualified taxing entity of Denton County, Texas, casting a vote of disapproval of the Denton County Appraisal District ("DCAD") 2023 budget as approved by the DCAD Board of Directors; providing for the incorporation of premises; and providing and effective date.
10. Consider and approve the Dark Fiber Lease and Network Agreement between the City of Corinth and Pavlov Media, Inc. authorizing a public-private partnership for the deployment of a fiber to premises network throughout the Lake Cities.

J. COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

K. CLOSED SESSION**

In accordance with Chapter 551, Texas Government Code, Section 551.001, et seq., (the "Texas Open Meetings Act"), the City Council will recess into Executive Session (closed meeting) to discuss the following items. Any necessary final action or vote will be taken in public by the City Council in accordance with this agenda.

Section 551.071 - Legal Advice. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflict with Chapter 551.

- a. Unauthorized third-party use of City-owned property and authorization of eviction proceedings.
- b. Broadband.
- c. Zoning, Development Processes and Projects.

Section 551.074 - Personnel Matters. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, or to hear a complaint or charge against an officer or employee.

a. City Manager.

Section 551.087 - Economic Development. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business project.

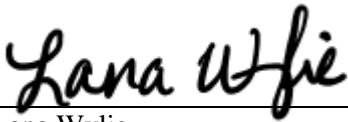
a. Project Agora.

L. RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS

M. ADJOURN

**The City Council reserves the right to recess into closed session at any time during the course of this meeting to discuss any of the matters posted on this agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Section 551.071, "Consultation with Attorney" for the purpose of receiving legal advice.

Posted on this 1st day of August 2022, at 9:00 A.M., on the bulletin board at Corinth City Hall.



Lana Wylie
City Secretary
City of Corinth, Texas



CITY OF CORINTH
Staff Report

Meeting Date:	8/4/2022	Title:	Budget Overview Workshop
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2023 Annual Program of Services and Capital Improvement Program.

Item Summary/Background/Prior Action

In compliance with the Charter requirement, the Fiscal Year 2023 budget was submitted to the Council by Friday, July 31, 2022 and can also be found on the City's website. This budget workshop is one of several for Council to deliberate on the Fiscal Year 2023 annual budget and to provide staff direction.

The City's budget development procedures are in conformance with State Law outlined in the Truth in Taxation process.

Applicable Owner/Stakeholder Policy

The City Charter, Section 9.02, requires that the City Manager be responsible for submitting an annual budget not later than sixty (60) days prior to the first day of the new fiscal year.

Staff Recommendation/Motion

N/A



CITY OF CORINTH
Staff Report

Meeting Date:	8/4/2022	Title: Strategic Plan
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input checked="" type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input checked="" type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder	
	<i>Decision:</i> <input checked="" type="checkbox"/> Governance Policy <input type="checkbox"/> Ministerial Function	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A	

Item/Caption

Hold a discussion and give staff direction on the strategic plan.

Item Summary/Background/Prior Action

In 2018, residents, business owners, city officials and staff crafted goals and objectives to achieve the vision for the community through the Embracing the Future – 2030 Strategic Plan. Embracing the Future-2030 was developed from an extensive community engagement process that laid out a 30-year vision for the community. The plan addressed future trends and existing constraints that the city would need to manage, as well as the assets and opportunities that can help achieve the vision for the community.

The Strategic Plan outlined goals and strategies to achieve the vision of the city council and the residents. The city focused on four key goals: Attracting Quality Development, Citizen Engagement, Proactive Government and Regional Cooperation. Through subsequent planning sessions the City Council expanded the strategies to include Health & Safety and Organizational Development.

The item is being placed on the agenda for discussion.

Staff Recommendation/Motion

N/A



CITY OF CORINTH
Staff Report

Meeting Date:	8/4/2022	Title:	Proclamation National Payroll Week, September 5 – 9, 2022
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission		

Item/Caption

Proclamation recognizing National Payroll Week, September 5 – 9, 2022.



PROCLAMATION

National Payroll Week, September 5- 9, 2022

- WHEREAS,** *the American Payroll Association and its more than 20,000 members have launched a nationwide public awareness campaign that pays tribute to the nearly 150 million people who work in the United States and the payroll professionals who support the American system by paying wages, reporting worker earnings and withholding federal employment taxes; and*
- WHEREAS,** *payroll professionals in Corinth, Texas play a key role in maintaining the economic health of Corinth, carrying out such diverse tasks as paying into the unemployment insurance system, providing information for child support enforcement, and carrying out tax withholding, reporting and depositing; and*
- WHEREAS,** *payroll departments collectively spend more than \$2.4 trillion annually complying with myriad federal and state wage and tax laws; and Whereas payroll professionals play an increasingly important role ensuring the economic security of American families by helping to identify noncustodial parents and making sure they comply with their child support mandates; and*
- WHEREAS,** *payroll professionals have become increasingly proactive in educating both the business community and the public at large about the payroll tax withholding systems; and*
- WHEREAS,** *payroll professionals meet regularly with federal and state tax officials to discuss both improving compliance with government procedures and how compliance can be achieved at less cost to both government and businesses; and*
- WHEREAS,** *the week in which Labor Day falls has been proclaimed National Payroll Week.*

THEREFORE, BE IT RESOLVED *that, I, Bill Heidemann, Mayor of the City of Corinth, support the efforts of the payroll professionals in the City of Corinth Texas and do hereby proclaim the week of September 5th – 9th, 2022 as Payroll Week.*

Signed this 4th day of August 2022.

*Bill Heidemann, Mayor
City of Corinth, Texas*



CITY OF CORINTH
Staff Report

Meeting Date:	8/4/2022	Title: Minutes Approval of Meeting Minutes
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder	
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A	

Item/Caption

Consider and act on minutes from the July 21, 2022, City Council Meeting.

Item Summary/Background/Prior Action

Attached are the minutes, in draft form, and are not considered official until formally approved by the City Council.

Staff Recommendation/Motion

Staff recommends approval of the minutes.



CITY COUNCIL WORKSHOP AND REGULAR SESSION - MINUTES

Thursday, July 21, 2022 at 5:45 PM

City Hall | 3300 Corinth Parkway

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this, the 21st day of July 2022, the City Council of the City of Corinth, Texas, met in Workshop & Regular Session at the Corinth City Hall at 5:45 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place, and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Council Members Present:

- Bill Heidemann, Mayor
- Scott Garber, Council Member
- Tina Henderson, Council Member
- Steve Holzwarth, Council Member
- Kelly Pickens, Council Member

Council Members Absent:

- Sam Burke, Mayor Pro Tem

Staff Members Present:

- Lee Ann Bunselmeyer, Interim City Manager
- Lana Wylie, City Secretary
- Patricia Adams, City Attorney
- John Webb, Planning and Development Director
- Glenn Barker, Public Works Director
- Elise Back, Director of Economic Development
- Melissa Dolan, Parks, Recreation & Strategic Asset Manager
- Brenton Copeland, Technology Services Manager
- Lance Stacy, City Marshal

CALL TO ORDER

Mayor Heidemann called the meeting to order at 5:45 P.M.

WORKSHOP AGENDA

1. Receive a report, hold a discussion, and provide staff direction on projects recommended by the Parks and Recreation Board.

The item was presented and discussed.

2. Receive a report, hold a discussion, and provide staff direction on the Utility System Operations.

The item was presented and discussed.

3. Receive a report and hold a discussion on the Public Works Department overview.

The item was tabled to a future meeting.

4. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed items as set forth in the Closed Session agenda items below.

Council Member Henderson inquired about Item 8 and Item 9 on the Consent Agenda.

Interim City Manager Bunselmeyer shared information about the budget amendment for Item 11.

CONSENT AGENDA

All matters listed under the consent agenda are considered to be routine and will be enacted in one motion. Should the Mayor or a Councilmember desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

5. Consider and act on minutes from the July 7, 2022, City Council Meeting.
6. Consider and act on a Resolution with Denton County for participation in the Community Development Block Grant (CDBG) Program for the program's three-year period, fiscal year 2023 through fiscal year 2025, approving a cooperative agreement with Denton County, and providing an effective date.
7. Consider and act on an Ordinance amending Ordinance No. 21-03-18-10 for the purpose of correcting a scrivener's error.
8. Consider and act on a piggyback with the City of Coppell to utilize pricing for the printing and mailing of utility bills and authorizing the Interim City Manager to execute the agreement.
9. Consider and act on a two-year piggyback with the City of Denton to utilize pricing for concrete street and sidewalk repairs with Floyd Smith Concrete, Inc not to exceed \$320,000 and authorizing the Interim City Manager to execute the necessary documents.
10. Consider and act on the purchase and installation of a new roof for the Public Works building in an amount not to exceed \$78,360 with LMC Corporation utilizing Buyboard Contract #581-19 and authorizing the Interim City Manager to execute the necessary documents.
11. Consider and act on an Ordinance of the City of Corinth approving an amendment to the fiscal year 2021-2022 budget and annual program of services to provide for the expenditure of funds to pay the Economic Development Incentive Agreement to 6Q Hospitality LLC and authorize the Interim City Manager to process the payment; and providing an effective date.

Motion made by Council Member Henderson to approve as presented. Seconded by Council Member Pickens.

Voting Yea: Council Member Garber, Council Member Holzwarth, Council Member Henderson, Council Member Pickens

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

Mayor Heidemann noted that it is Council Member Garber's wedding anniversary and that he is looking forward to the Agora Ground Breaking Event on Friday.

Interim City Manager Bunselmeyer reminded the City Council of the time for the Agora Ground Breaking Event and shared the schedule of events.

Mayor Heidemann adjourned the Workshop Session at 6:46 P.M. and immediately convened into Closed

CLOSED SESSION**

In accordance with Chapter 551, Texas Government Code, Section 551.001, et seq., (the “Texas Open Meetings Act”), the City Council will recess into Executive Session (closed meeting) to discuss the following items. Any necessary final action or vote will be taken in public by the City Council in accordance with this agenda.

Section 551.071 - Legal Advice. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflict with Chapter 551.

- a. Unauthorized third-party use of City-owned property and authorization of eviction proceedings.
- b. Broadband.

Section 551.074 - Personnel Matters. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, or to hear a complaint or charge against an officer or employee.

- a. City Manager.
- b. Economic Development Director.

Section 551.087 - Economic Development. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business project.

- a. Project Agora.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS

Mayor Heidemann recessed the Closed Session at 8:43 P.M. and reconvened into the Regular Session Meeting.

No action was taken.

ADJOURN

Mayor Heidemann adjourned the Regular Session Meeting at 8:47 P.M.

AYES: All

Meeting adjourned.

Approved by Council on the _____ day of _____ 2022.

Lana Wylie, City Secretary
City of Corinth, Texas



CITY OF CORINTH
Staff Report

Meeting Date:	8/4/2022	Title: Contract Span
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder	
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A	

Item/Caption

Consider and act on an Agreement with SPAN, Inc., for services supporting older residents, residents with disabilities, veterans, and the general public, for fiscal year 2022-2023 and authorizing the Interim City Manager to execute the necessary documents.

Item Summary/Background/Prior Action

SPAN is a local Denton nonprofit that provides transportation services to seniors, people with disabilities, and the public throughout the area. With over 35 buses and minivans (all wheel-chair accessible), SPAN exists to meet the needs of community members.

Through a partnership with Lake Cities, a federal grant was awarded to assist residents with receiving transportation services. Working with the City of Corinth, SPAN offers these transportation services to seniors needing transportation for medical treatments, doctor/dentist’s appointments and trips to get prescriptions filled. Residents are also able to go shopping for necessities within the Lake Cities, visit the Lake Dallas Public Library, and attend the Lake Cities Seniors Program. SPAN also provides daily shared-ride free trips for Denton County Veterans to the Veterans Affairs hospitals in Dallas and Fort Worth.

Financial Impact

There is no financial impact to the City of Corinth.

Staff Recommendation/Motion

Staff recommends approval of the agreement with SPAN as presented.

STATE OF TEXAS §
COUNTY OF DENTON §

INTERLOCAL AGREEMENT FOR SERVICES

THIS SERVICE AGREEMENT ("Agreement") is entered into by and between Corinth, Texas ("CITY"), acting by and through its duly authorized designee and Span, Inc., ("SPAN"), a Texas non-profit corporation operating in Denton County, Texas as an organization described in Section 501(c)(3) of the Internal Revenue Code, acting by and through its duly authorized Executive Director. The CITY or SPAN may hereinafter be referred to individually as a "Party" or collectively as "Parties."

RECITALS:

- WHEREAS,** SPAN enables people to live as fully and independently as possible by providing nutrition, transportation and social services to older persons, persons with disabilities, veterans, and the general public; and
- WHEREAS,** the success of or failure of the SPAN's purposes and goals has a relation to the health and welfare of the citizens of the CITY; and
- WHEREAS,** the CITY is charged with the responsibility of promoting and preserving the health, safety, peace, good government, and welfare of its citizens; and
- WHEREAS,** the CITY recognizes that it needs transportation alternatives for its elderly, and disabled citizens to seek routine medical care and to deal with daily routine matters, and the CITY desires to assist and provide public transportation to said citizens; and
- WHEREAS,** CITY desires to engage SPAN as an independent contractor, and not as a joint venture, partnership, or employee, to provide the transportation services described herein; and
- WHEREAS,** SPAN is authorized as a non-profit corporation, grandfathered under the Texas Transportation Code to provide this type of transportation to municipalities found in whole or in part within Denton County, Texas; and
- WHEREAS,** SPAN desires to provide transportability services for CITY on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in exchange for the mutual covenants set forth herein, and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

Article I Term

1.01. This Agreement shall commence on October 1, 2022 ("Effective Date") and continue until September 30, 2023.

1.02. Either Party may terminate this Agreement by giving thirty (30) days prior written notice to the other Party, subject to federal requirements related to public transportation.

Article II Service

2.01. In accordance with this Agreement, SPAN shall provide door-to-door demand response transit services to the CITY's residents who are sixty (60) years of age or older and persons with documented disabilities, or sixty-five (65) years or older and persons with documented disabilities when 5310 funds are used in support of this Agreement ("Riders").

2.02. Riders shall be picked up within service area and taken anywhere in the SPAN/CITY transit service destination area shown on **Exhibit "A"** hereto ("Service Area"), at a cost to the Riders of Three Dollars (\$3.00). The Riders shall remit the total fare recited in this section at or prior to the time the service is rendered. SPAN Transportation policy and procedures are attached hereto and incorporated herein as **Exhibit "B"** ("the Policy").

2.03. Situations may arise when Riders call and request service that is not identified as a part of the Service Area. SPAN may make a request to the CITY's appointed representative to accommodate the Rider by temporarily transporting outside of the Service Area. The Service Area may be more permanently amended at the request of either Party, if both Parties mutually agree to such amendment of Exhibit A in writing.

2.04. Riders may call at least one (1) day in advance, but no more than two (2) weeks in advance, to set up appointments for pick-up and drop off. Riders may schedule a ride by calling SPAN'S Transportation Office at 940-382-1900, weekdays between the hours of 8:00 a.m. and 2:00 p.m.

2.05. Demand response transit service is available between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday, excluding Saturday, Sunday, major holidays and subject to capacity constraints and availability.

Article III Schedule of Work

3.01. SPAN shall provide all equipment, facilities, qualified employees, training, and insurance necessary to establish a demand response transit service for the Riders. SPAN shall further establish, operate, and maintain an accounting system for this program that will allow for a tracking of services provided to Riders and a review of the financial status

of the program. SPAN shall also track and break down the information regarding the number of one-way trips it provides to Riders.

3.02. SPAN will be responsible for verifying and documenting the eligibility of Riders. SPAN reserves the right to determine on an individual basis whether SPAN has the capability to safely transport a Rider, based on the information provided. If SPAN determines that a Rider cannot safely be transported, SPAN shall decline transportation and shall provide documentation as to the reason why service was declined.

3.03. The CITY shall have the right to review the activities and financial records kept incident to the services provided to the Riders by SPAN under this Agreement. In addition, SPAN shall provide monthly ridership information to the CITY appointed designee specifically identifying the number of Rider trips including rider origination, destination, and purpose.

3.04. SPAN will inform Riders that their trips to the doctor or dentist's office, drug store or other location may qualify as a Medicaid eligible trip. SPAN will direct potential Medicaid eligible Riders to call Texas Health and Human Services to schedule free transportation through Medicaid by calling toll free 1-877-633-8747 (TTY: 1-800-735-2989) or 1-877-MED-TRIP, Monday through Friday between 8:00 a.m. and 5:00 p.m., at least two (2) days before their appointment or trip.

Article IV Compensation and Method of Payment

4.01. SPAN is receiving CARES Act, federal funding for transportation operations, which will allow for 100% reimbursed billing without the need for local funding match from the CITY. SPAN's demand response transportation will be provided to the CITY without fee for the entirety of the Agreement or until CARES Act funding is expended, whichever occurs first. SPAN invoices will not be sent, nor payments made by CITY while CARES Act funding is being utilized. Should CARES Act funding be fully expended prior to the end of the Term, the Parties shall mutually agree upon a CITY local funding match to provide for the services under this Agreement, subject to available funding provided in CITY's adopted budget. Such CITY local funding match shall be in effect from the time when the CARES Act funding is expended until the end of the Term.

4.02. Payment for other support services may be added to the Agreement as follows:
None.

Article V Devotion of Time, Personnel, and Equipment

5.01. SPAN shall devote such time as reasonably necessary for the satisfactory performance of the services under this Agreement. Should CITY require additional services not included under this Agreement, SPAN shall make reasonable effort to provide such additional services within the time schedule without decreasing the effectiveness of the

performance of services required under this Agreement and shall be compensated for such additional services on a time and materials basis, in accordance with SPAN' s standard hourly rate schedule, or as otherwise agreed between the Parties.

5.02. To the extent reasonably necessary for SPAN to perform the services under this Agreement, SPAN shall be authorized to engage the services of any agents, assistants, persons, or corporations that SPAN may deem proper to aid or assist in the performance of the services under this Agreement. The cost of such personnel and assistance shall be included as part of the total compensation to be paid SPAN hereunder and shall not otherwise be reimbursed by CITY unless otherwise agreed to in writing.

5.03. The CITY shall not be required to furnish any facilities, equipment, or personnel necessary to perform the services required under this Agreement unless otherwise provided herein. The Services provided under this Agreement are based on availability.

5.04 SPAN reserves the right to suspend or terminate Riders who violate SPAN's policies and procedures.

Article VI Miscellaneous

6.01. Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

6.02. Assignment. Neither Party may assign this Agreement without the prior written consent of the other Party.

6.03. Successor and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

6.04. Mediation. In the event of any dispute regarding this Agreement or the terms contained herein, the Parties hereto agree that they shall submit such dispute to non-binding mediation, prior to any litigation being filed.

6.05. Governing Law. The laws of the State of Texas shall govern this Agreement without regard to any conflict of law rules; and venue for any action concerning this Agreement shall be in Denton County, Texas or the Federal courts having jurisdiction over claims arising in Denton County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.06. Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

6.07. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the

Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

6.08. Independent Contractor. It is understood and agreed by and between the Parties that SPAN, in satisfying the conditions of this Agreement, is acting independently. All services to be performed by SPAN pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of CITY. SPAN shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. Nothing contained herein shall constitute or provide for as a waiver of the CITY's immunity under state or federal law.

6.09. Notice. Any notice required or permitted to be delivered hereunder may be sent by electronic mail, first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for CITY:

Lee Ann Bunselmeyer
Interim City Manager
Corinth, Texas
3300 Corinth Pkwy
Corinth, Texas 76208
940-498-3200 – Main

If intended for SPAN:

Michelle McMahon
Executive Director
Span, Inc.
1800 Malone Street
Denton, Texas 76201
940-382-2224 – Office

6.10. Insurance.

(a) SPAN shall during the term hereof maintain in full force and effect the following insurance:

(1) a comprehensive commercial general liability policy of insurance for bodily injury, death and property damage insuring against all claims, demands or actions relating to SPAN's performance of services pursuant to this Agreement with a minimum combined single limit of not less than \$1,000,000.00 per occurrence for injury to persons (including death), and for property damage with an aggregate of \$2,000,000.00.

(2) policy of automobile liability insurance covering any vehicles owned and/or operated by SPAN, its officers, agents, and employees, and used in the performance of this Agreement with policy limits of not less than \$5,000,000.00 combined single limit and aggregate for bodily injury and property

damage.

(3) statutory Worker's Compensation Insurance at the statutory limits and Employers Liability covering all of SPAN' s employees involved in the provision of services under this Agreement with policy limit of not less than \$500,000.00; and

(b) All policies of insurance shall be endorsed and contain the following provisions:

(1) provide CITY, its officers, and employees with Additional Insured endorsement and indemnification under all applicable coverage with the exception of Workers Compensation Insurance;

(2) provide for at least thirty (30) days prior written notice to CITY for cancellation of the insurance.

(3) provide for a waiver of subrogation against CITY for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance. SPAN shall provide written notice to CITY of any material change of or to the insurance required herein.

(c) All insurance companies providing the required insurance shall be authorized to transact business in Texas.

(d) A certificate of insurance and copies of the policy endorsements evidencing the required insurance shall be submitted prior to commencement of services and upon request by CITY.

6.11. In performing services under this Agreement, the relationship between the CITY and SPAN is that of an independent contractor. No term or provision of this Agreement or act of SPAN in the performance of this Agreement shall be construed as making SPAN the agent, servant, or employee of the CITY. It is expressly understood that the CITY assumes no operational supervision, control or oversight to the services provided under this Agreement. CITY does not have any ownership or beneficial interest in the business; and does not share any profits or losses generated from the business.

6.12. Indemnification. CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF SPAN PURSUANT TO THIS AGREEMENT. SPAN HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE NEGLIGENCE OR WILLFUL MISCONDUCT OF CITY OR BREACH OF CITY'S OBLIGATIONS HEREUNDER. SPAN AGREES TO RELEASE, INDEMNIFY, DEFEND AND SAVE HARMLESS CITY FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS,

COSTS (INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY, RELATED TO, OR ARISING OUT OF SPAN'S NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY NEGLIGENT ACT OR OMISSION ON THE PART OF SPAN, ITS OFFICERS, DIRECTORS, SERVANTS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO NEGLIGENCE OF CITY, IN WHOLE OR IN PART, IN WHICH CASE SPAN SHALL INDEMNIFY CITY ONLY TO THE EXTENT OR PROPORTION OF NEGLIGENCE ATTRIBUTED TO SPAN AS DETERMINED BY A COURT OR OTHER FORUM OF COMPETENT JURISDICTION). SPAN'S OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY SPAN UNDER THIS AGREEMENT. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

6.13. Confidentiality Clause. Subject to the requirements of the Texas Public Information Act or as required by Court order, both Parties agree to endeavor to take all reasonable measures to keep in confidence the confidential data and information of any Party that another Party may know or access during performance of this Agreement (“Confidential Information”), and shall not disclose, make available or assign such Confidential Information to any third Party without the prior written consent of the Party providing the information except as required by the Texas Public Information Act or Court order.

6.14. Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all the Parties hereto.

6.15. Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

6.16. Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

[Signature Page to Follow]

EXECUTED this _____ day of _____, 2022

CORINTH, TEXAS

By: _____
Lee Ann Bunselmeyer, Interim City Manager

ATTEST:

By: _____
Lana Wylie, City Secretary

EXECUTED this _____ day of _____, 2022

SPAN, INC

By: _____
Michelle McMahon, Executive Director

EXHIBIT A
SERVICE AREA

All of Denton County.

EXHIBIT B
TRANSPORTATION POLICIES AND PROCEDURES

Attached as separate document, which may be amended from time to time.



CITY OF CORINTH
Staff Report

Meeting Date:	8/4/2022	Title:	Ordinance Lake Cities Fire Department – Fee Schedule
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input checked="" type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Consider and act on an ordinance repealing Exhibit 1 of Ordinance No. 13-12-19-25 and amending the Code of Ordinances by adding a new Chapter 171, entitled Fire Department Fees, to Title XVI, Fee Schedule.

Item Summary/Background/Prior Action

On June 2, 2022, staff presented the proposed changes to the Lake Cities Fire Department fee schedule. The fire department collects fees for specialized fire protection and emergency medical services, including services for providing adequate emergency rescue operation and fire protection services resulting from extraordinary and dangerous occurrences and hazardous materials incidents and various permit fees.

The last revision to the fire department fee schedule was adopted by the City Council on December 19, 2013. Staff is proposing several changes to the fee schedule to align with actual costs for the services provided.

Staff Recommendation/Motion

To approve the ordinance as presented.

**CITY OF CORINTH, TEXAS
ORDINANCE NO. 22-08-04-XX**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, REPEALING EXHIBIT 1 OF ORDINANCE NO. 13-12-19-25 AND AMENDING THE CODE OF ORDINANCES OF THE CITY OF CORINTH BY ADDING A NEW CHAPTER 171, ENTITLED “FIRE DEPARTMENT FEES”, TO TITLE XVI, “FEE SCHEDULE” OF THE CODE OF ORDINANCES OF THE CITY; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AMENDMENTS TO REPEAL UNCODIFIED ORDINANCES AND TO AMEND THE CODE OF ORDINANCES TO ADOPT THE NEW CHAPTER 171; PROVIDING A CUMULATIVE REPEALER AND SAVINGS CLAUSE; PROVIDING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth adopted the City’s Master Fee Schedule via Ordinance No. 02-08-01-25 in 2002, later amended by Ordinance No. 13-12-19-25 in 2013; and

WHEREAS, the City Council finds that the cost of providing various Fire Department services has increased since 2013; and

WHEREAS, upon review of the current Fire Department services fees within the Master Fee Schedule, the City Council desires to adopt this Ordinance to repeal Exhibit 1 of Ordinance No. 13-12-19-25 and to adopt a new list of fees for Fire Department Services to reflect the current costs incurred for the provision of such services; and

WHEREAS, to update the Master Fee Schedule to accurately reflect Fire Department fees in proportion with the costs of providing such services, the City has determined it necessary to adopt a new Chapter 171, “Fire Department Fees” to be codified as part of Article XVI, “Fee Schedule” of the Code of Ordinances of the City of Corinth; and

WHEREAS, the City Council has reviewed the proposed Fire Department fees, has determined that the services provided by the Fire Department are critical to the health, safety and welfare of the public, and finds that the proposed fees represent reasonable and necessary cost recovery measures for the services rendered;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

SECTION 1. Incorporation of Premises. The above and foregoing premises are true and correct and are hereby incorporated as if set forth fully herein.

SECTION 2. Repeal Uncodified Ordinance. The City Council of the City of Corinth hereby repeals Exhibit 1 “Fire Department” of Ordinance No. 13-12-19-35.

SECTION 3. Amendment to Code of Ordinances. Title XVI “Fee Schedule” of the Code of Ordinances of the City of Corinth is hereby amended to add a new Chapter 171 to be entitled “Fire Department Fees” which shall be and read in its entirety as follows:

“CHAPTER 171: FIRE DEPARTMENT FEES

As used in the Chapter, the term “Fire Department” means the Lake Cities Fire Department.

A. General Fees

Fire Prevention Fees:

Service:	Fees:
Hydrant Flow Test	No Fee
Fire Service Underground	\$75.00
Standpipe Only Systems	\$75.00
Fire Suppression Plan Review	\$0.015 per sq. ft./\$100.00 min.
Fire Alarm System Plan Review	\$0.015 per sq. ft./\$100.00 min.
Remodel Suppression and Fire Alarm	\$100.00
Mechanical Hood Suppression/ Special System	\$75.00
Security Gates/Controlled Access Doors	\$50.00
LPG Tanks/Portable Tank Rack	\$100.00 per tank/rack
Storage Fuel Tanks Above and Underground	\$100.00 per tank
Abandonment/Removal Underground Fuel Tank	\$100.00 per tank
Generator Emergency/Standby Installation and Testing	\$50.00
Hot Works/Welding Operations	\$25.00
Inspection Commercial/Businesses/Acceptance Testing	Included with Permit Fee
Second re-inspection	No Fee
Third re-inspection	\$50.00
Fourth re-inspection and additional	\$100.00
Daycares	No Fee
Foster Home Inspections for License	No Fee
Nursing Home Annual Inspection	No Fee
Operational Permits (4 max per year per Occupancy)	No Fee
Tent/Canopies/Membrane Structures Temporary	\$35.00
Mobile Food Vehicles	\$50.00

Level 1 - \$506.00

Provide hazardous materials assessment and scene stabilization. This is typically the most common “billing level” because the foregoing operations occur almost every time the Fire Department responds to an accident/incident.

Level 2 - \$576.00

Includes Level 1 services as well as clean up and the cost of material used (sorbents) for hazardous fluid clean up and disposal. Services are billed at this level if the Fire Department cleans up any gasoline or other automotive fluids that are spilled as a result of the accident/incident.

Level 3 – CAR FIRE - \$704.00

Provide scene safety, fire suppression, breathing air, rescue tools, hand tools, hose, tip use, foam, structure protection, and clean up gasoline or other automotive fluids that are spilled as a result of the accident/incident.

ADD-ON SERVICES: The following fees may be charged in addition to the general fees provided above as Level 1, 2, or 3 services:

Extrication - \$1,520.00

Includes heavy rescue tools, ropes, airbags, cribbing etc. This charge will be added if the fire department frees/removes anyone from the vehicle(s) using any equipment. If the patient is simply unconscious and Fire Department is able to open the door to access the patient, this fee will not be billed. This fee is only applicable if equipment is deployed.

Creating a Landing Zone - \$465.00

Includes Air Care (multi-engine company response, mutual aid, helicopter). This fee is billed any time a helicopter landing zone is created and/or is utilized to transport the patient(s).

Itemized Response: Each incident may be billed as an independent event with custom mitigation rates, for each incident using, itemized rates deemed usual, customary and reasonable (UCR) in accordance with Subsection B above. These incidents will be billed, itemized per apparatus, per personnel, plus products and equipment used.

ADDITIONAL TIME ON-SCENE

- Engine billed at \$466.00 per hour.
- Truck billed at \$582.00 per hour.
- Miscellaneous equipment billed at \$341.00 per hour.

HAZMAT RESPONSE: The following categories of charges shall apply to all hazardous material incidents occurring within the corporate limits of the City for which Fire Department responds:

Level 1 - \$816.00

Basic Response: Includes engine response, first responder assignment, perimeter establishment, evacuations, set-up and command.

ADDITIONAL TIME ON-SCENE (for all levels of service)

- Engine billed at \$466.00 per hour.
- Truck billed at \$582.00 per hour.
- Miscellaneous equipment billed at \$341.00 per hour.

FIRE INVESTIGATION: The following categories of charges shall apply to all fire investigations occurring within the corporate limits of the City, the contracted service area, and the extraterritorial jurisdiction of the City to which the Fire Department responds:

Fire Investigation Team - \$321.00 per hour.

Includes:

- Scene Safety
- Investigation
- Source Identification
- K-9/Arson Dog Unit
- Identification Equipment
- Mobile Detection Unit
- Fire Report

FIRES: The following categories of charges shall apply to all incidents occurring within the corporate limits, contracted service area, and extraterritorial jurisdiction of the City to which Fire Department responds:

Fire Incident - \$466.00 per hour, per engine / \$582.00 per hour, per truck

Includes:

- Scene Safety
- Investigation
- Fire / Hazard Control

ILLEGAL FIRES: When a fire is started by any person or persons that requires a fire department response during a time or season when fires are regulated or controlled by local or state rules, provisions or ordinances because of pollution or fire danger concerns, such person or persons will be liable for the Fire Department response at a cost not to exceed the actual expenses incurred by the Fire Department to respond and contain the fire. Similarly, if a fire is started where permits are required for such a fire but a required permit was not obtained by the owner or person in control or in charge of the premises (the “Responsible Party”), and the Fire Department is required to respond to contain the fire, the Responsible Party will be liable for the response at a cost not to exceed the actual expenses incurred by the Fire Department for reporting to and providing firefighting services to the premises. The actual expenses will include direct labor, equipment costs and any other costs incurred by the Fire Department to provide the response.

Assignment - \$466.00 per hour, per engine / \$582.00 per hour, per truck

GAS LEAKS (Natural): The following categories of charges shall apply to all natural gas leak incidents occurring within the corporate limits of the City, the contracted service area, or extraterritorial jurisdiction of the City to which Fire Department responds:

LEVEL 1 (Natural Gas Leak Outside Without Fire)

Description: Minimal danger to life, property, and the environment, leak typically for mechanical damage to a meter or pipe.

Assignment - \$466.00 per hour, per engine / \$582.00 per hour, per truck

LEVEL 2 (Natural Gas Leak Outside with Fire)

Description: Moderate danger to life, property, and the environment, leak typically caused from mechanical damage with nearby operating equipment (car, backhoe, etc) causing a fire.

Assignment- \$748.00 per hour, per engine / \$58.00 per hour, per rescue person.

LEVEL 3 (Natural Gas Leak inside Structure)

Description: Significant danger to life, property, and the environment, leak is typically difficult to identify and locate.

Assignment- \$932.00 per hour, per engine / \$58.00 per hour, per rescue person.”

SECTION 4. Cumulative Repealer and Savings. Provided that all provisions of the City of Corinth's Code of Ordinances shall remain in full force and effect, save and except as amended by this or any other Ordinance. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed or amended ordinance, nor shall the repeal or amendment prevent a prosecution from being commenced for any violation if occurring prior to the repeal or amendment of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 5. Severability. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Corinth declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION 6. Effective Date. This Ordinance shall take effect upon its passage and publication as required by law. The City Secretary is directed to publish the caption of this Ordinance as required by the City Charter and state law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS ON THIS ___ DAY OF AUGUST, 2022.

Bill Heidemann, Mayor

Attest:

Lana Wylie, City Secretary

Approved as to legal form:

Patricia A. Adams, City Attorney

CITY OF CORINTH
Staff Report



Meeting Date:	8/4/2022	Title:	Employee Health Coverage
Strategic Goals:	<input type="checkbox"/> Citizen Engagement <input type="checkbox"/> Proactive Government <input checked="" type="checkbox"/> Organizational Development		
Governance Focus:	<i>Sub-Ends:</i>		
	<input type="checkbox"/> Growing Community <input type="checkbox"/> Conveniently located <input checked="" type="checkbox"/> Delivers Outstanding Service <input type="checkbox"/> High-Quality Retail <input type="checkbox"/> High-Quality Restaurants <input type="checkbox"/> High-Quality Entertainment		
	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission <u>N/A</u>		

Item/Caption

Consider and act on the acceptance of BlueCross BlueShield of Texas' proposal for City's employee medical insurance benefits for FY 2022-2023, and authorization for the City Manager to execute any necessary documents.

Item Summary/Background/Prior Action

The City of Corinth solicited proposals for the City's employee medical insurance benefits for the 2022-2023 fiscal year. Three qualified proposals for medical insurance benefits were received during the Request for Proposals (RFP) process which closed on June 9, 2022.

After review and evaluation of benefits and proposed costs, our benefits consultant (HUB | IPS Advisors) initiated negotiations. The renewal with the current carrier (BCBS) initially represented an 8.6% increase from the rates for the 2021-22 fiscal year. After negotiations, the proposal from BlueCross BlueShield of Texas represented a 4.3% increase of current rates. These rates are guaranteed until September 30, 2023.

EMPLOYEE BENEFIT

The City will continue to offer a dual option health plan; including a "Base" plan that offers a High Deductible plan with a Health Savings Account (HSA), and a "Buy Up" plan that offers a Traditional PPO plan with copays and deductibles. Those employees on the "Buy Up" plan will continue to have the opportunity to participate in a Flexible Spending Account (FSA). Both plans will continue to have the same network (Blue Choice Network). There will be no changes to the plans' coverage. The "Base" plan deductible will remain at \$2,800 for individual coverage (in accordance with the 2022 IRS HDHP definition) with a coinsurance benefit of 100%.

Full Time Employees Funding - The City will continue to fund 100% of the employee-only coverage premium cost. The City contribution for the dependent cost will continue at 69%. The aforementioned City contributions are based on the “Base” plan regardless of the plan option the employee chooses. The benchmark for the City’s dependent subsidy is currently at 64.7%. The HSA contribution from the City will remain at \$1,000 per employee per year.

Part Time (0.5 FTE) Employees Funding - City funding for the employee only coverage will continue to be 50% of the Base plan premium. The City funding for the dependent cost will continue to be 0%. The HSA contribution from the City will remain at \$500 per employee per year.

Financial Impact

When considering the expected census (in addition to the proposed new rates), the outcome is a total increase of \$96,426 for the 2022-2023 fiscal year over the 2021-2022 fiscal year budgeted rates.

Applicable Owner/Stakeholder Policy

N/A

Staff Recommendation/Motion

Consider and act on the acceptance of BlueCross BlueShield of Texas' proposal for City’s employee medical insurance benefits for FY 2022-2023, and authorization for the City Manager to execute any necessary documents.

**BlueEdge HSA/Qualified HIGH DEDUCTIBLE HEALTH PLAN (HDHP) NON-STANDARD MEDICAL
NON-STANDARD MEDICAL BENEFIT SUMMARY – INSURED**

Section H, Item 5.

ACCOUNT INFORMATION

Legal Group Name: **City of Corinth EBT**

Prepared By: Lynn Young

Renewal Changes Effective Date 10/01/2022

Grandfathered Status: Non-Grandfathered

Account # TX191140

Benefit Agreement# 0001

AD: **10/01**

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
	GENERAL PROVISIONS		
	Deductible		
	Deductible Cross-feeding:		
	Stand-alone (No cross-feeding. In-network updates IN only; OON updates OON only)		
	Employee Only (Individual)	\$2800	\$5400
	Family coverage embedded	\$5400	\$10800
	Coshare / Out-of-Pocket		
	Cross-feeding:		
	Stand-Alone (No cross-feeding. In-Network updates IN only; OON updates OON only)		
	Employee Only (Individual)	\$2,800	\$5,400
	Family coverage embedded	\$5,400	\$10,800
	Deductibles, Coshare Amounts, and Copayments apply to Out-of-Pocket Max		
	Lifetime Dollar Maximum Benefit		
	Benefit Period		
	Prior Carrier Credit		
		Yes (No option)	
		Unlimited (no option)	
		Calendar Year	
		Deductible	
		Coshare	
<i>Comments:</i>			
	FACILITY ONLY: INPATIENT HOSPITAL (Preauthorization required)		
	Semiprivate Room & Board / Ancillaries (Corporate Standard)	100% after ded.	60% after ded.
<i>Comments:</i>			
	FACILITY ONLY: OUTPATIENT HOSPITAL		
	Accident / Medical or Behavioral Health Emergency		
	Emergency Room (ER) / Treatment Room / Ancillary	100% after ded	
	Lab & X-ray – without ER or Treatment Room	100% after ded	
	Non-Emergency Care		
	Emergency Room / Treatment Room / Ancillary	100% after ded.	60% after ded.
	Lab & X-ray – without ER or Treatment Room	100% after ded.	60% after ded.
	Other Outpatient Services, includes Diagnostic Medical Procedures		
	Certain Diagnostic Procedures (Bone Scan, Cardiac Stress Test, CT Scan (with or without contrast), MRI, Myelogram, PET Scan)	100% after ded.	60% after ded.
<i>Comments:</i>			
	EXTENDED CARE INPATIENT/HOME (Preauthorization Required)		
	Skilled Nursing Facility (ECF – Extended Care Facility)	100% after ded.	60% after ded.

**BlueEdge HSA/Qualified HIGH DEDUCTIBLE HEALTH PLAN (HDHP) NON-STANDARD MEDICAL
NON-STANDARD MEDICAL BENEFIT SUMMARY – INSURED**

Section H, Item 5.

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
	Visit Maximum	25 day maximum per cal. yr.	
	Home Health (Mandated offer)	100% after ded.	60% after ded.
	Visit Maximum	60 visit maximum per cal. yr.	
	Hospice	100% after ded.	60% after ded.
	Visit Maximum	Unlimited	
<i>Comments:</i>			
INPATIENT PHYSICIAN'S CHARGES			
	Inpatient Visits		
	Hospital Visit	100% after ded.	60% after ded.
	Consultation	100% after ded.	60% after ded.
	Surgery		
	General	100% after ded.	60% after ded.
<i>Comments:</i>			
OUTPATIENT PHYSICIAN'S CHARGES			
	Lab & X-ray	100% after ded.	60% after ded.
	Surgery	100% after ded.	60% after ded.
	Certain Diagnostic Procedures (Bone Scan, Cardiac Stress Test, CT Scan (with or without contrast), MRI, Myelogram, PET Scan)	100% after ded.	60% after ded.
	Accident / Medical or Behavioral Health Emergency	Pays as any other outpatient service	OON pays at in-network level
	Non-Emergency Care	100% after ded.	60% after ded.
	In-Vitro Fertilization (paid AAOI – mandated offer) N	Not Covered	Not Covered
<i>Comments:</i>			
PHYSICIAN'S CHARGES IN THE OFFICE			
	Lab & X-ray	100% after ded.	60% after ded.
	Office Visit/ Consultation	100% after ded.	60% after ded.
	Office Visit / Consultation performed in a contracted Urgent Care Center	100% after ded.	60% after ded.
	Surgery	100% after ded.	60% after ded.
	In-Vitro Fertilization (paid AAOI – mandated offer) N	Not Covered	Not Covered
	Certain Diagnostic Procedures (Bone Scan, Cardiac Stress Test, CT Scan (with or without contrast), MRI, Myelogram, PET Scan)	100% after ded.	60% after ded.
<i>Comments:</i>			
PROVIDER CHARGES IN THE HOME			
	Home Infusion Therapy (HIT) (Preauthorization required)	100% after ded.	60% after ded.
<i>Comments:</i>			
OTHER SUPPLIERS			
	Ambulance		
	Ground/Air	100% after ded.	

**BlueEdge HSA/Qualified HIGH DEDUCTIBLE HEALTH PLAN (HDHP) NON-STANDARD MEDICAL
NON-STANDARD MEDICAL BENEFIT SUMMARY – INSURED**

Section H, Item 5.

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
	Hearing Aid up to 1 per ear per 36-month period	100% after ded.	60% after ded.
	Virtual Visit MDLIVE (standard offering) Note: Must mirror PCP office visit benefit Medical & Behavioral Health Medical Note: Behavioral Health benefit must mirror benefit under Mental Health and Substance Use Disorder Behavioral Health Note: Behavioral Health Virtual Visit applies to MHP	100% after ded. 100% after ded.	NA NA

Comments:

PREVENTIVE CARE – FACILITY / PHYSICIAN CHARGES IN OUTPATIENT FACILITY & OFFICE - Health Education/Counseling Services, Immunizations, Preventive Care Services, Routine Bone Density Test, Routine Breast Exam, Routine Colonoscopy, Routine Colorectal Cancer Screening-Lab, Routine Gynecological Exam, ACA Preventive Lab Procedures, Routine Mammograms, Routine Pap Smears, Routine Physical, Smoking Cessation Counseling Services, Well Baby Care, Women’s Preventive Care (including, but not limited to: well-woman visits, certain FDA-approved contraception methods for women, female sterilization, breast feeding support, supplies and counseling). NOTE: If religious employer exemption/eligible organization accommodation applies, ACA federal mandates pertaining to coverage of certain women’s contraception methods and counseling with no cost sharing, may not be required.			
	Outpatient Visit	100%	60% after ded.
	Office Visit	100%	60% after ded.
	ACA Preventive Lab – includes independent lab (Office & Outpatient)	100%	60% after ded.
	Routine X-rays, routine lab, routine EKG, routine diagnostic medical procedures, routine digital rectal exam, routine prostate test (Outpatient)	100%	60% after ded.
	Routine X-rays, routine lab, routine EKG, routine diagnostic medical procedures, routine digital rectal exam, routine prostate test (Office)	100%	60% after ded.
	Routine X-rays, routine lab, routine EKG, routine diagnostic medical procedures, routine digital rectal exam, routine prostate test (Outpatient) (Independent Lab & X-ray Providers)	100%	60% after ded.
	Routine X-rays, routine lab, routine EKG, routine diagnostic medical procedures, routine digital rectal exam, routine prostate test (Office) (Independent Lab & X-ray Providers)	100%	60% after ded.
	Immunizations – after the day of the 6 th birthdate	100%	60% after ded.
	Immunizations – birth to the day of the 6 th birthdate – No Option	100%	100%

Comments:

PHYSICIAN’S CHARGES FOR PHYSICAL MEDICINE / OUTPATIENT FACILITY & OFFICE			
Physical Medicine (Includes physical, occupational and manipulative therapies)			
	All other services in the office	100% after ded.	60% after ded.
	All other services in the outpatient setting	100% after ded.	60% after ded.
	Visit Maximum	35 visit maximum per cal. yr.	

Comments:

**BlueEdge HSA/Qualified HIGH DEDUCTIBLE HEALTH PLAN (HDHP) NON-STANDARD MEDICAL
NON-STANDARD MEDICAL BENEFIT SUMMARY – INSURED**

Section H, Item 5.

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
	MENTAL HEALTH (Serious Mental Illness (SMI) is inclusive under Mental Health (MH))		
	The following are included for MH: Crisis Stabilization Unit or Facility, Residential Treatment Center and Partial Hospitalization Program (Psychiatric Day Treatment Center).	(Paid As Any Other Illness) – NO OPTION	
		Benefits require Pre-authorization, and when included for the treatment of Mental Health conditions, will be covered at the inpatient hospital facility benefit payment level, including any applicable limits, per Medical Necessity Criteria which provides guidelines for level of service, appropriate setting, pre authorization and concurrent review process.	
<i>Comments:</i>			
	CHEMICAL DEPENDENCY (SUBSTANCE USE DISORDER)		
	The following are included for Chemical Dependency: Chemical Dependency Treatment Centers/Residential Treatment Centers and Partial Hospitalization Program (Day Treatment Center)	Paid As Any Other Illness - No Option	
		Benefits require Pre-authorization, and when included for the treatment of Chemical Dependency will be covered at the inpatient hospital facility benefit payment level, including any applicable limits, per Medical Necessity Criteria which provides guidelines for level of service, appropriate setting, pre authorization and concurrent review process.	
<i>Comments:</i>			
	PREAUTHORIZATION REQUIRED Note: For Wellbeing Management (WBM) and/or Health Advocacy Solutions (HAS) information, review the corresponding matrix. For inpatient Facility services, the Blue Cross Blue Shield of TX or Host Blue’s Participating Provider is required to obtain preauthorization. If preauthorization is not obtained, the Participating Provider will be sanctioned based on the Blue Cross Blue Shield of TX or Host Blue’s contractual agreement with the Provider; therefore, the member will be held harmless for the Provider sanction	Patient Held Harmless	Penalty Applies
	Inpatient Admission	Applies no penalty	Applies \$250 penalty
	Inpatient Admission / Partial Hospital Admission / RTC – Mental Health / Chemical Dependency	Applies no penalty	Applies \$250 penalty
	Inpatient Admission – Maternity	Applies no penalty	Applies \$250 penalty
	Outpatient Utilization Management (UM) – Certain services may require preauthorization; refer to the Member Benefit Booklet.	Applies no penalty	Applies \$250 penalty when applicable
	Home Health	Yes	Yes
	Hospice	Yes	Yes
	Skilled Nursing Facility	Yes	Yes
	Home Infusion Therapy	Yes	Yes
	The following outpatient Mental Health/Chemical Dependency (Substance Use Disorder) services may require preauthorization. - Applied Behavior Analysis (ABA)	Yes	Yes

**BlueEdge HSA/Qualified HIGH DEDUCTIBLE HEALTH PLAN (HDHP) NON-STANDARD MEDICAL
NON-STANDARD MEDICAL BENEFIT SUMMARY – INSURED**

Section H, Item 5.

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
	<ul style="list-style-type: none"> - Outpatient Electroconvulsive Therapy (ECT) - Psychological Testing * - Neuropsychological Testing * - Intensive Outpatient Programs (IOP) - Repetitive Transcranial Magnetic Stimulation (rTMS) <p>*BCBSTX will notify the provider if preauthorization is required for these testing services.</p>		
<i>Comments:</i>			

PPO NO OOA MEDICAL BENEFIT SUMMARY – INSURED

Section H, Item 5.

ACCOUNT INFORMATION

Legal Group Name: **City of Corinth EBT**

Account # TX191140

Benefit Agreement# 0003

AD: **10/01**

Prepared By: Lynn Young

Renewal Changes Effective Date 10/01/2022

Grandfathered Status: Non-Grandfathered

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
GENERAL PROVISIONS			
Deductible			
Cross-feeding:			
Stand-Alone (No cross-feeding. In-Network updates IN only; OON updates OON only)			
Type:			
Common (One deductible that applies to all eligible expenses)			
Individual		\$1000	\$3000
Family		\$2000	\$6000
Three Month Deductible Carryover Applies		Yes	Yes
Coshare / Out-of-Pocket			
Cross-feeding:			
Stand-Alone (No cross-feeding. In-Network updates IN only; OON updates OON only)			
Individual		\$3000	\$6000
Family		\$6000	\$12000
Deductibles apply to Coshare/OPX		Yes (no option)	Yes
Copayments apply to Coshare/OPX		Yes (no option)	Yes
Lifetime Dollar Maximum Benefit		Unlimited (no option)	
Benefit Period		Calendar Year	
Prior Carrier Credit applies		Deductible Coshare	
<i>Comments:</i>			
FACILITY ONLY: INPATIENT HOSPITAL (Preauthorization required)			
Semiprivate Room & Board / Ancillaries (Corporate Standard)		80% after deductible	60% after deductible
<i>Comments:</i>			
FACILITY ONLY: OUTPATIENT HOSPITAL			
Accident / Medical or Behavioral Health Emergency		Copay waived if admitted	
Emergency Room (ER) / Treatment Room / Ancillary		80% after \$200 Copay	
Lab & X-ray – without ER or Treatment Room		100%	
Non-Emergency Care		Copay waived if admitted	
Emergency Room / Treatment Room / Ancillary		80% after \$200 Copay	60% after \$200 copay and ded
Lab & X-ray – without ER or Treatment Room		100%	60% after deductible
Other Outpatient Services, includes Diagnostic Medical Procedures – No Copay			

PPO NO OOA MEDICAL BENEFIT SUMMARY – INSURED

Section H, Item 5.

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
	Certain Diagnostic Procedures (Bone Scan, Cardiac Stress Test, CT Scan (with or without contrast), MRI, Myelogram, PET Scan)	80% after deductible	60% after deductible

Comments:

EXTENDED CARE INPATIENT/HOME (Preauthorization required)			
	Skilled Nursing Facility (ECF – Extended Care Facility)	100%	60% after deductible
	Visit Maximum	25 day maximum per cal. yr.	
	Home Health (Mandated offer)	100%	60% after deductible
	Visit Maximum	60 visit maximum per cal. yr.	
	Hospice	100%	60% after deductible
	Visit Maximum	Unlimited	

Comments:

INPATIENT PHYSICIAN'S CHARGES			
	Inpatient Visits		
	Hospital Visit	80% after deductible	60% after deductible
	Consultation	80% after deductible	60% after deductible
	Surgery		
	General	80% after deductible	60% after deductible

Comments:

OUTPATIENT PHYSICIAN'S CHARGES			
	Lab & X-ray	100%	60% after deductible
	Surgery	80% after deductible	60% after deductible
	Certain Diagnostic Procedures (Bone Scan, Cardiac Stress Test, CT Scan (with or without contrast), MRI, Myelogram, PET Scan)	80% after deductible	60% after deductible
	Accident / Medical or Behavioral Health Emergency	Pays as any other outpatient service	OON pays at in-network level
	Non-Emergency Care	Pays as any other outpatient service	Pays as any other outpatient service
	In-Vitro Fertilization (paid AAOI – mandated offer) N (If "N" is elected, in-vitro is not covered)		

Comments:

PHYSICIAN'S CHARGES IN THE OFFICE			
	Lab & X-ray	100% after \$25 / \$50 Copay	60% after deductible
	Office Visit/ Consultation	100% after \$25 / \$50 Copay	60% after deductible
	Office Visit / Consultation performed in a contracted Urgent Care Center	100% after \$50 Copay	60% after deductible
	Surgery	80% after deductible	60% after deductible
	In-Vitro Fertilization (paid AAOI – mandated offer) N (If "N" is elected, in-vitro is not covered)		
	Certain Diagnostic Procedures (Bone Scan, Cardiac Stress Test, CT Scan (with or without contrast), MRI, Myelogram, PET Scan)	80% after deductible	60% after deductible

Comments:

PROVIDER CHARGES IN THE HOME			
-------------------------------------	--	--	--

PPO NO OOA MEDICAL BENEFIT SUMMARY – INSURED

Section H, Item 5.

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
	Home Infusion Therapy (HIT) (Preauthorization required)	80% after deductible	60% after deductible
<i>Comments:</i>			
OTHER SUPPLIERS			
	Ambulance		
	Ground/Air	80% after deductible	
	Hearing Aid up to 1 per ear per 36-month period	80% after deductible	60% after deductible
	Virtual Visit MDLIVE (standard offering) Note: Must mirror PCP office visit benefit Medical & Behavioral Health Medical Note: Behavioral Health benefit must mirror benefit under Mental Health and Substance Use Disorder Behavioral Health Note: Behavioral Health Virtual Visit applies to MHP	100% after \$25 Copay 100% after \$25 Copay	NA NA
<i>Comments:</i>			
	PREVENTIVE CARE – FACILITY / PHYSICIAN CHARGES IN OUTPATIENT FACILITY & OFFICE - Health Education/Counseling Services, Immunizations, Preventive Care Services, Routine Bone Density Test, Routine Breast Exam, Routine Colonoscopy, Routine Colorectal Cancer Screening-Lab, Routine Gynecological Exam, ACA Preventive Lab Procedures, screening and diagnostic Mammograms, Routine Pap Smears, Routine Physical, Smoking Cessation Counseling Services, Well Baby Care, Women’s Preventive Care (including, but not limited to: well-woman visits, certain FDA-approved contraception methods for women, female sterilization, breast feeding support, supplies and counseling). NOTE: If religious employer exemption/eligible organization accommodation applies, ACA federal mandates pertaining to coverage of certain women’s contraception methods and counseling with no cost sharing, may not be required.		
	Outpatient Visit	100%	60% after ded.
	Office Visit	100%	60% after ded.
	ACA Preventive Lab – includes independent lab (Office & Outpatient)	100%	60% after ded.
	Routine X-rays, routine lab, routine EKG, routine diagnostic medical procedures, routine digital rectal exam, routine prostate test (Outpatient)	100%	60% after ded.
	Routine X-rays, routine lab, routine EKG, routine diagnostic medical procedures, routine digital rectal exam, routine prostate test (Office)	Other: 100% after \$25 PCP / \$50 SPC copay	60% after ded.
	Routine X-rays, routine lab, routine EKG, routine diagnostic medical procedures, routine digital rectal exam, routine prostate test (Outpatient) (Independent Lab & X-ray Providers)	100%	60% after ded.
	Routine X-rays, routine lab, routine EKG, routine diagnostic medical procedures, routine digital rectal exam, routine prostate test (Office) (Independent Lab & X-ray Providers)	100%	60% after ded.
	Immunizations – after the day of the 6 th birthdate	100%	60% after ded.
	Immunizations – birth to the day of the 6 th birthdate – No Option	100%	100%
<i>Comments:</i>			
	PHYSICIAN’S CHARGES FOR PHYSICAL MEDICINE / OUTPATIENT FACILITY & OFFICE		
	Physical Therapy (Includes physical, occupational and manipulative therapies)		

PPO NO OOA MEDICAL BENEFIT SUMMARY – INSURED

Section H, Item 5.

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
	All Other Services (Including Occupational Therapy) in the office	80% after deductible	60% after deductible
	All Other Services (Including Occupational Therapy) in the outpatient setting	80% after deductible	60% after deductible
	Visit Maximum	35 visit maximum per cal. yr.	

Comments:

MENTAL HEALTH (Serious Mental Illness (SMI) is inclusive under Mental Health (MH))			
	The following are included for MH: Crisis Stabilization Unit or Facility, Residential Treatment Center and Partial Hospitalization Program (Psychiatric Day Treatment Center).	(Paid As Any Other Illness) – NO OPTION	
		Benefits require Pre-authorization, and when included for the treatment of Mental Health conditions, will be covered at the inpatient hospital facility benefit payment level, including any applicable limits, per Medical Necessity Criteria which provides guidelines for level of service, appropriate setting, pre authorization and concurrent review process.	

Comments:

CHEMICAL DEPENDENCY (SUBSTANCE USE DISORDER)			
	The following are included for Chemical Dependency: Chemical Dependency Treatment Centers/Residential Treatment Centers and Partial Hospitalization Program (Day Treatment Center)	Paid As Any Other Illness - No Option	
		Benefits require Pre-authorization, and when included for the treatment of Chemical Dependency will be covered at the inpatient hospital facility benefit payment level, including any applicable limits, per Medical Necessity Criteria which provides guidelines for level of service, appropriate setting, pre authorization and concurrent review process.	

Comments:

PREAUTHORIZATION REQUIRED		Patient Held Harmless	Penalty Applies
Note: For Wellbeing Management (WBM) and/or Health Advocacy Solutions (HAS) information, review the corresponding matrix.			
For inpatient Facility services, the Blue Cross Blue Shield of TX or Host Blue's Participating Provider is required to obtain preauthorization. If preauthorization is not obtained, the Participating Provider will be sanctioned based on the Blue Cross Blue Shield of TX or Host Blue's contractual agreement with the Provider; therefore, the member will be held harmless for the Provider sanction			
	Inpatient Admission	Applies no penalty	Applies \$250 penalty
	Inpatient Admission / Partial Hospital Admission / RTC – Mental Health / Chemical Dependency	Applies no penalty	Applies \$250 penalty
	Inpatient Admission – Maternity	Applies no penalty	Applies \$250 penalty
	Outpatient Utilization Management (UM) – Certain services may require preauthorization; refer to the Member Benefit Booklet.	Applies no penalty	Applies \$250 penalty when applicable
	Home Health	Yes	Yes
	Hospice	Yes	Yes
	Skilled Nursing Facility	Yes	Yes
	Home Infusion Therapy	Yes	Yes

PPO NO OOA MEDICAL BENEFIT SUMMARY – INSURED

Section H, Item 5.

Comment	TYPE OF SERVICE	IN-NETWORK	OUT-OF-NETWORK
	<p>The following outpatient Mental Health/Chemical Dependency (Substance Use Disorder) services may require preauthorization.</p> <ul style="list-style-type: none"> - Applied Behavior Analysis (ABA) - Outpatient Electroconvulsive Therapy (ECT) - Psychological Testing * - Neuropsychological Testing * - Intensive Outpatient Programs (IOP) - Repetitive Transcranial Magnetic Stimulation (rTMS) <p>*BCBSTX will notify the provider if preauthorization is required for these testing services.</p>	<p>Yes</p>	<p>Yes</p>
<p><i>Comments:</i></p>			

City Of Corinth
Prospective Premium Projection
for the period
October 1, 2022 - September 30, 2023
10.1.2022 FI Renewal

RATE DEVELOPMENT

	PPO 1000	HSA 2800
Premium at Current Rates	\$218,241	\$2,008,291
Rate Action	4.3%	4.3%
Requested Premium at Renewal Rates	\$227,624	\$2,094,649

	Lives	Current	Renewal	Lives	Current	Renewal
HCSC Primary						
Single	10	\$745.21	\$777.25	59	\$669.09	\$697.86
Single + Spouse	1	\$1,620.40	\$1,690.08	12	\$1,454.86	\$1,517.42
Single + Child(ren)	5	\$1,346.84	\$1,404.75	33	\$1,209.26	\$1,261.26
Family	1	\$2,380.03	\$2,482.37	33	\$2,136.89	\$2,228.78
Medicare Primary						
Single	0	\$745.21	\$777.25	0	\$669.09	\$697.86
Family	0	\$2,380.03	\$2,482.37	0	\$2,136.89	\$2,228.78
HCSC & Medicare Total	17			137		

Blue Cross and Blue Shield of TX, a Division of Health Care Service Corporation, a Mutual
 Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association

Proprietary and Confidential Information of BCBSTX

Not for use or disclosure outside BCBSTX, Employer, their respective affiliated companies and third-party representatives, except with written permission of BCBSTX.

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,
 an Independent Licensee of the Blue Cross and Blue Shield Association



CITY OF CORINTH
Staff Report

Meeting Date:	8/4/2022	Title:	Amendment CEDC Amended and Restated Bylaws
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input checked="" type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission The CEDC recommended Option 2 to hold bi-monthly board meetings.		

Item/Caption

Consider and act on a Resolution approving the amended and restated bylaws of the Corinth Economic Development Corporation.

Item Summary/Background/Prior Action

Attached please find the Amended and Restated Corinth Economic Development Corporation (“CEDC”) Bylaws for City Council’s review and consideration as required by the Development Corporation Act of 1979, as amended, and approved by Council on August 2, 2018. The CEDC Bylaws were initially approved in October of 2003.

The purpose of the amendment is to revise the following:

1. Article 4 – Board of Directors:
 Section 4.2: Regular Meetings

The monthly regular meetings have been changed from monthly quarterly meetings; however, the CEDC Board reviewed and discussed the following options and voted to accept Option X. These options were as follows:

Option 1: Hold the monthly meetings of the Board on the first Monday of the month. The Economic Development Director has the discretion to cancel the board meetings when there is lack of agenda items.

Option 2: Hold bi-monthly meetings of the Board on the first Monday of every other month. The Economic Development Director has the discretion to call Special Board Meetings to discuss time-sensitive items.

Option 3: Hold quarterly meetings of the Board on the first Monday of each quarter. The Economic Development Director has the discretion to call Special Board Meetings to discuss time-sensitive items.

2. Article 5 – Officers:

Section 5.1 (a): Titles and terms of Officers

The titles of the officers of the Board shall be changed from President, Vice President to Chair and Vice-Chair respectfully.

Section 5.5: Economic Development Director

The Executive Director’s position has been changed to the Economic Development Director who reports directly to the City Manager.

The CEDC Board at their July 11, 2022, Board meeting made a recommendation for Council to consider and authorize the adoption of the CEDC Amended Bylaws with Option 2.

Financial Impact

N/A

Applicable Owner/Stakeholder Policy

N/A

Staff Recommendation/Motion

Consider and recommend the adoption of the Amended and Restated Bylaws.

**CITY OF CORINTH, TEXAS
RESOLUTION NO. 22-08-04-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS APPROVING THE AMENDED AND RESTATED BYLAWS OF THE CORINTH ECONOMIC DEVELOPMENT CORPORATION AS SET FORTH IN EXHIBIT “A” HERETO; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AN AMENDMENT; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, On July 11, 2022, the Board of Directors of the Corinth Economic Development Corporation (“Board”) held the regular meeting of the Corinth Economic Development Corporation (“CEDC”); and

WHEREAS, the Board reviewed the provisions of its Bylaws relative to its regular meetings, titles and terms of Officers, and Economic Development Director and determined it appropriate and necessary to review and revise its Bylaws in the foregoing areas; and

WHEREAS, by action of the Board at its July 11, 2022 meeting, the Board voted to approve the revised Bylaws, now entitled, “Amended and Restated Bylaws and to request the City Council approve the Amended and Restated Bylaws, a copy of which is attached hereto and incorporated herein as Exhibit “A”; and

WHEREAS, having reviewed the proposed changes to the Bylaws of the CEDC as recommended by the CEDC Board, the City Council has determined it appropriate and necessary to approve the Amended and Restated Bylaws as set forth in Exhibit “A”.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

SECTION 1. INCORPORATION OF PREMISES. The above and foregoing premises are true and correct findings of the City Council and are incorporated herein and made a part hereof for all purposes.

SECTION 2. AMENDMENT – CORINTH ECONOMIC DEVELOPMENT COMMISSION BYLAWS. The City Council has reviewed the proposed amendments to the CEDC Bylaws, finds that the Amended and Restated Bylaws are appropriate as recommended by the CEDC Board, and hereby approves the “Amended and Restated Bylaws of Corinth Economic Development Corporation” as set forth in **Exhibit “A”**, attached hereto and incorporated herein.

SECTION 3. CUMULATIVE REPEALER. This Resolution shall be cumulative of all other Resolution and shall not repeal any of the provisions of such Resolution except for those instances where there are direct conflicts with the provisions of this Resolution. Resolutions or parts thereof in force and effect at the time this Resolution shall take effect and that are inconsistent with this Resolution are hereby repealed to the extent that they are inconsistent with this Resolution.

SECTION 4. SEVERABILITY. If any section, subsection, clause, phrase or provision of this Resolution, or any application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or any application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 5. EFFECTIVE DATE. This Resolution shall become effective immediately upon its passage in accordance with applicable law.

PASSED AND APPROVED this ____ day of August, 2022.

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia A. Adams, City Attorney

EXHIBIT "A"

**AMENDED AND RESTATED BYLAWS OF THE CORINTH ECONOMIC
DEVELOPMENT CORPORATION**



AMENDED AND RESTATED BYLAWS
CORINTH ECONOMIC DEVELOPMENT
CORPORATION

A TEXAS NON-PROFIT CORPORATION

ARTICLE I

PURPOSE AND POWERS

- 1.1 Purpose. These bylaws (“Bylaws”) govern the affairs of the Corinth Economic Development Corporation (hereafter “the Corporation”), a Type B Corporation created for the purposes set forth in Article IV of its Articles of Incorporation, the same to be accomplished on behalf of and for the benefit of the City of Corinth, Texas, a Texas municipal corporation (the “City”) as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, Chapters 501 and 505 et seq. of the Texas Local Government Code as amended (collectively, the “Act”), and other applicable laws.
- 1.2 Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by the Act and Bylaws and shall have all the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable laws.

ARTICLE II

OFFICES

- 2.1 Principal Office. The principal office of the Corporation shall be in the City of Corinth, Denton County, Texas being 3300 Corinth Parkway, Corinth, Texas 76208.
- 2.2 Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent, whose office shall be identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with, the principal office of the corporation in the State of Texas, and the Board may change the address of the registered office from time to time.

ARTICLE III

MEMBERS & STOCKHOLDERS

- 3.1 The Corporation shall have no members or stockholders.

ARTICLE IV

BOARD OF DIRECTORS

- 4.1 Powers. Number and Term of Office:
- (a) The property and affairs of the Corporation shall be managed and controlled by the Board of Directors (hereafter "the Board"), and subject to the restrictions imposed by all applicable laws, the Articles of Incorporation, and these Bylaws, and the Board shall exercise all of the powers of the Corporation.
- (b) The Board shall consist of seven (7) Directors each of whom shall be appointed by the City Council of the City of Corinth (hereafter "City Council"), as provided in Article VII of the Articles of Incorporation.
- (c) Each member of the Board of Directors shall serve a two (2) year term, or until his/her successor is appointed, unless disqualified or removed from office. Each Director shall be eligible for reappointment. No Director shall serve more than

two (2) consecutive terms excluding the initial term, if less than two (2) years.

Any vacancy occurring on the Board shall be filled by appointment of the City Council, to hold office until the expiration of the term of the vacating member.

Unless otherwise provided, terms shall begin on October 1st and expire on September 30th.

- (d) The Directors constituting the first Board shall be those Directors named in the Articles of Incorporation. The respective initial terms of the Board are set forth in the Articles of Incorporation. Thereafter, each successor member of the Board shall be appointed and serve for two (2) years, or until his or her successor is appointed as hereafter provided.
- (e) Any Director may be removed from the Board by the City Council at any time without cause.

4.2 Annual, Regular and Special Meetings. The Board shall hold its annual meeting at 6:00 PM on the first Monday of the month of January of each year and shall hold regular bi-monthly meetings at 6:00 PM on the first Monday of every other month. The Directors shall hold their regular and special meetings at such place, or places within the City limits, as the Board may determine from time to time; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation as specified in Article II of these Bylaws. Special meetings of the Board shall be held whenever called by the Chair, a majority of the Directors, the Mayor of the City, or a majority of the City Council. In addition to posting a meeting notice in accordance with these Bylaws, a copy of each such meeting notice shall be delivered to each Director not less than 72 hours before the time of the meeting. A meeting notice shall be deemed delivered to any Director when (i) deposited in the United States mail addressed to the Director at his or her address as it

appears on the records of the Corporation, or (ii) sent by email to the Director at his or her email address as it appears on the records of the Corporation. A Director may waive such notice in writing at any time either before or after the time of the meeting and such notice shall be deemed waived by attendance.

- 4.3 Notice and Open Meetings Act. The Corporation shall be considered a “governmental body” within the meaning of the Texas Government Code, Sec. 551.001, and notice of each meeting and deliberation shall be given to the public in accordance with the provisions of the Texas Government Code, Chapter 551 (as amended).
- 4.4 Quorum and Voting. Four (4) Directors shall constitute a quorum for conducting official business of the Corporation. The act of a quorum of Directors shall constitute the act of the Board, and of the Corporation, unless law requires the act of a greater number. No Director may vote or attend by proxy. Directors must be present to vote at any meeting.
- 4.5 Attendance. Regular attendance is required at all meetings. Two (2) absence from a regular scheduled meeting of the Board shall constitute cause for replacement of a Director. An unexcused absence is one not approved by the Chair.
- 4.6 Duties of Directors: Directors shall exercise ordinary business judgement in managing the affairs of the Corporation. In acting in their official capacity as directors of the Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation, or which would be unlawful.
- 4.7 Work of the Directors: Directors serve in the capacity as “advisors” to the City Council; support the Economic Development Director; be ambassadors; and ensure healthy governance.

- 4.8 Removal of Directors: The Board of Directors and each member thereof serves at the pleasure of the City Council of the City of Corinth, Texas, which may remove any director at any time with or without cause.
- 4.9 Conduct of Business:
- (a) At the meetings of the Board, the most recent edition of Roberts' Rules of Order shall be the guide by which business is conducted.
 - (b) At all meetings of the Board, the Chair shall preside, and in the absence of the Chair, the Vice-Chair shall exercise the powers of the Chair; provided, however, in the absence of the Chair and Vice-Chair, the Secretary shall be the presiding officer.
 - (c) The Secretary of the Corporation shall act as Secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.
- 4.10 Sub-Committees of the Board: The Board may designate no more than three (3) Directors to constitute an official sub-committee of the Board to exercise such authority of the Board as may be specified in any resolution; however, any subcommittee shall function as a recommending body only. Only the Board may exercise final official action of the Corporation. The sub- committees may include external representation if deemed necessary by the Board. If required by the Texas Open Meetings Act, each sub- committee shall keep regular minutes of the transactions of its meetings.
- 4.11 Compensation. Directors of the Board shall not receive any salary or compensation for their services, except that they may be reimbursed for their actual and reasonable expenses incurred in the performance of their duties hereafter by the Chair, or the Vice-

Chair in the case of reimbursement to the Chair. Other officers, who are not Directors of the Board, may be compensated as directed by the Board.

- 4.12 Personnel. The Corporation may establish full-time and/or part-time personnel positions to be filled by appointment by the City Manager. Personnel positions assigned to support the Board shall be reflected in the Annual Corporate Budget and approved as provided in these Bylaws.

ARTICLE V

OFFICERS

- 5.1 Titles and Terms of Office.

The officers of the Corporation shall be a Chair (“President”), a Vice-Chair, a Secretary, a Treasurer, and any other officers City Council considers necessary. One person may hold more than one office, except the Chair shall not hold the office of the Vice Chair or Secretary. Officers elected by the Board for one (1) year terms and such terms will expire upon the election of new officers at the annual meeting of the Board.

- 5.2 Chair. The Chair shall fulfill the roles and duties designated in the Act as belonging to the office of “President” but shall be called the “Chair.” The Chair shall be a Director of the Board and shall have the following authority:

- (a) Shall preside over all meetings of the Board;
- (b) Shall have the power to vote on all matters coming before the Board;
- (c) Shall have the authority, upon notice to the members of the Board, to call a Special Meeting of the Board when in his or her judgement such a meeting is required;
- (d) Shall have the authority to appoint, with Board approval, sub-committees to aid and assist the Board in its business undertakings or other matters incident to the operation and functions of the Board; and

- (e) Shall sign and execute all contracts and other legal documents in the name of the Corporation as approved by the Board.
- 5.3 Vice-Chair. The Vice-Chair shall be a Director of the Board and shall exercise the powers of the Chair during the Chair's absence, refusal or inability to act. Any action taken by the Vice-Chair in the performance of the duties of the Chair shall be conclusive evidence of the Chair's absence, refusal or inability to act at the time such action was taken.
- 5.4 Treasurer. The Treasurer need not be a Director of the Board. The Treasurer may be an employee of the City's Finance Department and shall have the responsibility to monitor the handling, custody, and security of all funds and securities of the Corporation in accordance with these Bylaws and the statutes governing the Corporation formed under the Act. The Treasurer shall oversee the books of the Corporation and the full and accurate accounting of all monies received by and paid on behalf of the Corporation. The Treasurer shall, at the expense of the Corporation, give such bond for faithful discharge of his/her duties in such form as the Board may require.
- 5.5 Economic Development Director. The Economic Development Director and all other positions assigned to support the Board are appointed by the City Manager as compensated employees of the City to be documented as required by state law. A current or former Board Director shall not be eligible to serve as Economic Development Director while serving on the Board and for a year after leaving the Board. The Economic Development Director and all positions assigned to support the Board shall report to the City Manager for all daily operations and implementation of Board policies and resolutions. The Economic Development Director or a representative of the City's management as designated by the City Manager shall attend all Board meetings.
- 5.6 Secretary. The Secretary shall be a Director of the Board and may sign with the Chair upon the approval of the Board in the name of the Corporation, and/or attest to the signature

thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments, except the papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours; and shall in general perform all duties incidental to the office of Secretary subject to the control of the Board. The Secretary shall maintain the minutes of all meetings of the Board in books provided for that purpose and shall give and serve all notices.

- 5.7 Election of Officers. The Chair, Vice-Chair, and Secretary shall be elected from among the Directors of the Board. The Treasurer may be an employee of the City, appointed by the Finance Director of the City of Corinth (“Finance Director”) to oversee the finances of the Corporation.

ARTICLE VI

FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

- 6.1 Annual Report. The Economic Development Director shall prepare an annual report on or before April 1st of each year for the City Council, outlining the accomplishments and activities of the Corporation for the previous fiscal year.
- 6.2 Annual Corporate Budget. On or before July 20th of each year, the Board shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall not be effective, nor shall expenditures occur until the same has been approved by the City Council.
- 6.3 Books, Records, and Audits.
 - (a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts and financial statements pertaining to its corporate funds, activities, and affairs. The Corporation may maintain any financial records safely at City Hall.

- (b) The books, records, accounts and financial statements of the Corporation shall be audited at least once each fiscal year by the Finance Director, or an outside, independent auditing and accounting firm approved by the Finance Director.

6.4 Deposit and Investment of Corporate Funds.

- (a) All proceeds from the issuance of bonds, notes, or other debt instruments (“Obligations”) issued by the Corporation shall be deposited and invested as provided in any resolution, order, indenture, or other documents authorizing or relating to any such issuance.
- (b) All other monies of the Corporation shall, with the Board and City Council approval, be deposited, secured and/or invested in the manner provided for the deposit, security and/or investment of the public funds of the City. The Board shall designate authorized signatures on all payment authorization and/or check requests. The reconciliation of accounts and investments of funds may be reviewed by the City, at the City’s expense.

6.5. Expenditures of Corporate Money. The monies of the Corporation, including but not limited to, sales and use taxes collected pursuant to the Act, monies derived from the repayment of loans, rents received from the lease or use of property, proceeds from the investment of funds of the Corporation, proceeds from the sale of property, and proceeds derived from the sale of Obligations, may be expended by the Corporation for any purposes authorized by the Act, subject to the following limitations:

- (a) Expenditures from the proceeds of bonds shall be identified and described in the orders, resolutions, indentures, or other agreements submitted to and approved by the City Council.
- (b) Expenditures that may be made from a fund created from the proceeds of bonds, and expenditures of monies derived from sources other than the proceeds of bonds

may be used for the purposes of financing or otherwise providing one or more projects, as defined in the Act. The specific expenditures shall be described in a resolution or order of the Board and shall be made only after the approval thereof by the City Council.

- (c) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by these Bylaws or in contracts meeting the requirements of the Article.

No bonds, including refunding bonds, shall be authorized or sold and delivered by the Corporation unless the City Council shall approve such bonds.

6.6 Issuance of Obligations. No Obligations, including refunding Obligations, shall be sold and delivered by the Corporation unless the City Council adopts a resolution, not earlier than the 60th day before the date the Obligations are delivered, specifically approving the Corporation's resolution providing for the issuance of such Obligations.

6.7 Conflict of Interest. The procedures of the Texas Local Government Code, Chapter 171, shall apply to conflicts of interest by Board Directors who shall be considered local public officials for purposes of these Bylaws. If a Director has a substantial interest in any business entity or real property, which is subject of deliberation by the Board, the Director shall file an affidavit with the Secretary of the Corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter of the Board, and the interested Director shall abstain from any vote, decision or discussion upon the matter.

6.8 Gifts. The Board may accept on behalf of the Corporation, any contribution, gift, bequest, or devise for the general purposes or for any special purposes of the Corporation.

6.9 Contracts for Service. All contracts of the Corporation must be approved by the City Council before the contract is executed by the officers of the Corporation. After a contract

is approved by the City Council, expenditures made in accordance with the terms of that contract do not require additional City Council approval. Other expenditures of the Corporation require City Council approval before the expenditure is made.

ARTICLE VII

MISCELLANEOUS PROVISIONS

- 7.1 Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the City.
- 7.2 Seal. The Board shall have the option of electing to use a corporate seal which shall be in a form and may contain inscription as the Board may determine. The absence of a corporate seal shall not vitiate any record, document, or act of the Board.
- 7.3 Resignations. Any Director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the Chair or Secretary.
- 7.4 Approval or Advice and Consent by City Council. To the extent that these Bylaws refer to any approval by the City Council or refer to advice and consent by the City Council, such advice and consent shall be evidenced by a certified copy of a resolution, order or motion duly adopted by City Council.
- 7.5 Services of City Staff and Officers. The Corporation may utilize the services of the City personnel for usual and routine matters, provided that the performance of such service does not materially interfere with the other duties of such personnel of the City. Subject to approval of the City Manager or the City Council, the Corporation may utilize the services of City personnel for unusual and non-routing matters. The Corporation shall pay reasonable compensation to the City for such services or use of any City personnel.
- 7.6 Indemnification of Directors, Officers, or Employees.

- (a) As provided in the Act and in the Articles of Incorporation, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101), Texas Civil Practices and Remedies Code, a governmental unit, and its actions are governmental functions.
- (b) The Corporation shall indemnify each Director of the Board, its officers, its employees, its attorneys, each member of City Council, and each member of the City, to the fullest extent permitted by the Act against all liability or expense, including but not limited to attorneys' fees incurred by any of such persons by reason of any actions or omissions that may arise out of the functions and activities of the Corporation.
- (c) The Corporation may purchase and maintain insurance on behalf of any Board Director, officer, employee or agent of the Corporation, or on behalf of any person serving at the request of the Corporation as a Board Director, officer, employee or agent of another partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regards to the Corporation, whether or not the Corporation has the power to indemnify that person against liability for any of those acts.
- (d) Any indemnification or liability insurance provided under this Section may be obtained through the City's general insurance coverage.

7.7 Legal Construction. These Bylaws shall be constructed in accordance with the laws of the State of Texas. All references in these Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. The provisions of the Act applicable to corporations governed under the Act are incorporated within these Bylaws as amended. In the event of any conflict

between the applicable provisions of the Act and these Bylaws, then the provisions of the Act shall control.

- 7.8 Severability. If any provision or section of these Bylaws is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision, and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.
- 7.9 Parties Bound. The Bylaws shall be binding upon and inure to the benefit of the Directors, officers and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise provided herein.
- 7.10 Applicability of City Charter, Policies and Procedures. The City Charter and all duly approved City policies and procedures shall apply directly to the Corporation and the Board unless such charters, policies or procedures are superseded by state law or are not related to the functions of the Board. The Board has the discretion, subject to the approval of the City Council, to adopt other policies and procedures in addition to or in place of these policies and procedures of the City.

ARTICLE VIII

EFFECTIVE DATE, AMENDMENTS

- 8.1 Effective Date. These Bylaws shall become effective upon the occurrence of all of the following events:
- (a) The adoption of these Bylaws by the Board; and
 - (b) The approval and adoption of these Bylaws by the City Council
- 8.2 Amendments to Articles of Incorporation and Bylaws. These Bylaws may be amended or repealed, and amended or new Bylaws may be adopted by either:
- (a) An affirmative vote of at least four (4) Directors present at any regular meeting or any special meeting, if at least three (3) days written notice is given of an intention

to amend or repeal the Bylaws or to adopt new Bylaws at such meeting. Any such amendment of the Bylaws will be effective upon approval by the City Council; or

- (b) The City Council, in its sole discretion.

Amended this ____ day of _____ 2022.

Adam Guck
Chair of the Board of Directors

Attest:

Elise Back
Director of Economic Development



CITY OF CORINTH
Staff Report

Meeting Date:	8/4/2022	Title:	Contract Second Amended Unimproved Property Contract – M.R. Development & Carleton Development, Ltd.								
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input checked="" type="checkbox"/> Attracting Quality Development										
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder										
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function										
Owner Support:	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><input type="checkbox"/> Planning & Zoning Commission</td> <td style="width: 50%; border: none;"><input type="checkbox"/> Economic Development Corporation</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Parks & Recreation Board</td> <td style="border: none;"><input type="checkbox"/> TIRZ Board #2</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Finance Audit Committee</td> <td style="border: none;"><input type="checkbox"/> TIRZ Board #3</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Keep Corinth Beautiful</td> <td style="border: none;"><input type="checkbox"/> Ethics Commission</td> </tr> </table>			<input type="checkbox"/> Planning & Zoning Commission	<input type="checkbox"/> Economic Development Corporation	<input type="checkbox"/> Parks & Recreation Board	<input type="checkbox"/> TIRZ Board #2	<input type="checkbox"/> Finance Audit Committee	<input type="checkbox"/> TIRZ Board #3	<input type="checkbox"/> Keep Corinth Beautiful	<input type="checkbox"/> Ethics Commission
<input type="checkbox"/> Planning & Zoning Commission	<input type="checkbox"/> Economic Development Corporation										
<input type="checkbox"/> Parks & Recreation Board	<input type="checkbox"/> TIRZ Board #2										
<input type="checkbox"/> Finance Audit Committee	<input type="checkbox"/> TIRZ Board #3										
<input type="checkbox"/> Keep Corinth Beautiful	<input type="checkbox"/> Ethics Commission										

Item/Caption

Consider and act on the Second Amended Unimproved Property Contract with M.R. Development Corporation and Carleton Development, Ltd., for the purchase of the 7.533 acres on or before December 31, 2022, and the option to purchase the remaining 6.04 acres on or before September 30, 2023, formerly known as the Honse Property for a multifamily development.

Item Summary/Background/Prior Action

Council approved the Unimproved Property Contract with MR Development and Carleton Development Ltd. in December of 2021, and the Amended Unimproved Property Contract was amended on February 1, 2022, to amend the size of the property from 5.918 acres to 6.249 acres.

Financial Impact

The proceeds from the sale of the property will go back into the general fund.

Applicable Owner/Stakeholder Policy

N/A

Staff Recommendation/Motion

Staff recommend approval of the contract as presented.



CITY OF CORINTH
Staff Report

Meeting Date:	8/4/2022	Title:	Contract Amended Unimproved Property Contract – Wolverine Interests								
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input checked="" type="checkbox"/> Attracting Quality Development										
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder										
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function										
Owner Support:	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><input type="checkbox"/> Planning & Zoning Commission</td> <td style="width: 50%; border: none;"><input type="checkbox"/> Economic Development Corporation</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Parks & Recreation Board</td> <td style="border: none;"><input type="checkbox"/> TIRZ Board #2</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Finance Audit Committee</td> <td style="border: none;"><input type="checkbox"/> TIRZ Board #3</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Keep Corinth Beautiful</td> <td style="border: none;"><input type="checkbox"/> Ethics Commission</td> </tr> </table>			<input type="checkbox"/> Planning & Zoning Commission	<input type="checkbox"/> Economic Development Corporation	<input type="checkbox"/> Parks & Recreation Board	<input type="checkbox"/> TIRZ Board #2	<input type="checkbox"/> Finance Audit Committee	<input type="checkbox"/> TIRZ Board #3	<input type="checkbox"/> Keep Corinth Beautiful	<input type="checkbox"/> Ethics Commission
<input type="checkbox"/> Planning & Zoning Commission	<input type="checkbox"/> Economic Development Corporation										
<input type="checkbox"/> Parks & Recreation Board	<input type="checkbox"/> TIRZ Board #2										
<input type="checkbox"/> Finance Audit Committee	<input type="checkbox"/> TIRZ Board #3										
<input type="checkbox"/> Keep Corinth Beautiful	<input type="checkbox"/> Ethics Commission										

Item/Caption

Consider and act on the Amended Unimproved Property Contract with Wolverine Interests for the purchase of the 4.692 acres within the agora District for a mixed-use development.

Item Summary/Background/Prior Action

Council approved the Unimproved Property Contract with Wolverine Interests in December of 2021. This amended to the contract is for the extension of the closing date in Section 9 from July 30, 2022, to December 31, 2022.

Financial Impact

The proceeds from the sale of the property will go back into the general fund.

Applicable Owner/Stakeholder Policy

N/A.

Staff Recommendation/Motion

Staff recommend approval of the contract as presented.



CITY OF CORINTH
Staff Report

Meeting Date:	7/7/2022	Title:	DCAD Budget
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input checked="" type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Consider and act on a Resolution of the City of Corinth, a home rule municipality and qualified taxing entity of Denton County, Texas, casting a vote of disapproval of the Denton County Appraisal District (“DCAD”) 2023 budget as approved by the DCAD Board of Directors; providing for the incorporation of premises; and providing and effective date.

Item Summary/Background/Prior Action

The 2023 Denton Central Appraisal District (DCAD) overall proposed budget increase over 2022 is a total of 17.45%. The total budget is \$17,997,944.33. The largest increase to the proposed 2023 budget is the addition of 18 new full-time employees and the soft costs that accompany those employees. The proposed total number of employees for 2023 is 105 and the total number of ARB members is 42. As the county continues to grow, the District has stated that it will need to increase the number of appraisers, customer service representatives, and Appraisal Review Board members to maintain the integrity of the appraisal roll and to offer an increased level of service to the entities and the ever-growing number of property owners.

Some other categories that were increased in the 2023 budget were Technology and Seasonal Labor, which enhances accuracy and mitigates the need for even more full-time employees with benefits. The other two categories of increase are Legal Notices & Publications and Subscriptions & Contracts. Both of these are due to the rising economy and record-high inflation

In order to change the proposed budget, Property Tax Code Section 6.06 states that a majority of the taxing entities must adopt resolutions disapproving a budget and file them with the secretary of the board within 30 days after its adoption. If this occurs, the budget does not take effect and the board must adopt a new budget within 30 days of the disapproval. The Appraisal District services 43 municipalities, 17 school districts, and 41 special taxing entities.

Financial Impact

The proposed 2023 budget allocation for the City of Corinth is \$98,404. This represents an increase of \$12,851 from the prior year budget of \$85,553. The tax unit allocations are based on a percentage of each taxing unit’s current tax levy. The City’s 2023 budget allocation to the Appraisal District is an estimated amount using the 2022 levies. The

allocation will change depending on legislative changes and increases/decreases to the City's levy. The City's allocation for the Appraisal District's Budget is included in the General Fund Budget.

Applicable Owner/Stakeholder Policy

The Texas Property Tax Code allows taxing jurisdictions to approve or disapprove their Appraisal District budget within 30 days after its adoption by the Appraisal District's Board of Directors. The Proposed Budget (attached) is to be adopted by the Appraisal District's Board of Directors on July 28, 2022.

Staff Recommendation/Motion

Move to approve Resolution no.22-08-04-18 casting a vote of disapproval of the proposed 2023 DCAD Budget in order to allow the Board leadership to evaluate the operations of the District, to develop a strategic plan to address issues identified in the Consultant's evaluation of District operations, and to make changes necessary to meet the needs of the taxing entities.

**CITY OF CORINTH, TEXAS
RESOLUTION NO. 22-08-04-18**

RESOLUTION OF THE CITY OF CORINTH, A HOME RULE MUNICIPALITY AND QUALIFIED TAXING ENTITY OF DENTON COUNTY, TEXAS, CASTING A VOTE OF DISAPPROVAL OF THE DENTON COUNTY APPRAISAL DISTRICT (“DCAD”) 2023 BUDGET AS APPROVED BY THE DCAD BOARD OF DIRECTORS; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in January 2022, the Denton County Commissioners Court called on the Denton County Appraisal District Board of Directors (“DCAD Board”) to review the operations of the Denton County Appraisal District (“DCAD”), and in response, an outside consultant, Western Valuation and Consulting (“Consultant”) was retained to review DCAD operations and provide a report; and

WHEREAS, at the June 23, 2022, meeting of the DCAD Board, Consultant provided a presentation to allow the DCAD Board to review the challenges and opportunities that DCAD has faced and will face in the upcoming years, including operations, facilities, and personnel needs, and the proposed 2023 budget to fund DCAD; and

WHEREAS, the DCAD Board took action on July 28, 2022, to adopt its 2023 budget; and

WHEREAS, as a representative of the public and as a Denton County taxing entity, it is an obligation of the Corinth City Council to ensure that DCAD, as an entity entrusted with tax dollars, operates at optimum levels with efficiency, that the DCAD budget reflects funding necessary to fairly meet its operational needs, and that the DCAD budget allows DCAD to provide the level of service necessary to provide good service for Denton County taxpayers; and

WHEREAS, after adoption of the 2023 budget by the DCAD Board, each Denton County taxing unit has one (1) vote that it may cast via resolution to disapprove the DCAD budget and such action must be taken within thirty (30) days of the date of adoption of the DCAD budget or the DCAD budget will be automatically approved; and

WHEREAS, based upon the information provided by the Consultant and the budget proposed by DCAD, the City Council has determined that the proposed DCAD budget does not serve the interests of the City’s constituents and has determined it appropriate to adopt this Resolution disapproving the 2023 DCAD budget; and

WHEREAS, the City Council has determined it appropriate to disapprove the 2023 DCAD Budget until a Strategic Plan that addresses the issues identified by the Consultant and provides a plan for DCAD to meet the needs of the Denton County taxing entities that it serves.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

Section 1. The foregoing recitals are the findings of the Corinth City Council and are incorporated into the body of this Resolution as if fully set forth herein.

Section 2. The City Council hereby adopts this Resolution casting its vote of disapproval of the 2023 DCAD budget as adopted by the DCAD Board on July 28, 2022.

Section 3. This Resolution shall become effective immediately upon its passage and approval.

PASSED, APPROVED AND ADOPTED on this ____ day of August 2022

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia A. Adams, City Attorney

Meeting Date:	8/4/2022	Title:	Dark Fiber Lease
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input checked="" type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Consider and approve the Dark Fiber Lease and Network Agreement between the City of Corinth and Pavlov Media, Inc. authorizing a public-private partnership for the deployment of a fiber to premises network throughout the Lake Cities.

Item Summary/Background/Prior Action

The jurisdictions of Corinth, Lake Dallas, Hickory Creek, and Shady Shores have always been underserved by private internet service providers (ISPs). In 2021, the four cities approved a strategic plan to determine the best course of action to help obtain better services. Using American Rescue Plan (ARP) funding, the committee developed a plan to use the federal funds earmarked for network infrastructure development to achieve its goals. At a Joint Council meeting held on January 26, 2022, recommendations based on the reports from consulting teams to bring dedicated broadband service to the lake cities were discussed. All four councils authorized their City Managers to negotiate the agreement with the recommended ISP, including a franchise agreement for the broadband services. The service provider, Pavlov Media, based in Champaign, Illinois, is tasked to construct a dark fiber ring that would connect the Lake Cities Government facilities. As the fiber ring is constructed Pavlov Media will build and offer residential service with speeds of 1 gig to every home in the Lake Cities. The project is anticipated to be completed within three years.

Financial Impact

The contract amount is \$3,250,000 to be paid by the four lake cities based on the number of fiber strands allocated to each of the cities. The City of Corinth will receive 25 of the 48 strands or 52.08%. Therefore, the City cost of the contract is \$1,692,708. 50% of each of the City’s fee is due not later than five (5) business days after the effective date. This amounts to \$846,354.17 for the City of Corinth. The City of Corinth is utilizing American Rescue Plan (ARP) grant monies for this project.

Staff Recommendation/Motion

Move to approve the Dark Fiber Lease and Network Agreement between the City of Corinth and Pavlov Media, Inc. authorizing a public-private partnership for the deployment of a fiber to premises network throughout the Lake Cities subject to the following conditions: (1) the City’s approval is contingent upon the Agreement being approved and executed by each of the other Lake Cities members identified in the Agreement; and (2) the effective date of the Agreement will be the later of August 15, 2022 or the date upon which the last Lake Cities member executes the Agreement; and to authorize the Mayor and Interim City Manager to execute necessary documents.

DARK FIBER LEASE AND NETWORK OPERATION AGREEMENT

This **DARK FIBER LEASE AND NETWORK OPERATION AGREEMENT** (together with all exhibits, schedules and other attachments hereto, the “**Agreement**”) is entered into on the Effective Date by and among **Pavlov Media, Inc.** (“**Pavlov**”), a Delaware corporation with its principal place of business at 601 N. Country Fair Drive, Champaign, Illinois 61821, and each of the following municipalities: the **City of Corinth** (“**Corinth**”), a Texas home rule municipality, the **City of Lake Dallas**, (“**Lake Dallas**”), a Texas home rule municipality, the **Town of Shady Shores**, (“**Shady Shores**”), a Texas Type A General Law City, and the **Town of Hickory Creek** (“**Hickory Creek**”), a Texas Type A General Law City. Corinth, Lake Dallas, Shady Shores, and Hickory Creek are sometimes referred to herein collectively as “**the Lake Cities**” and separately as “**a Lake City**” or “**Lake City**” or by its name and Pavlov and the Lake Cities are sometimes referred to herein collectively, as the “**Parties.**”

RECITALS

WHEREAS, the Lake Cities desire to provide better municipal services to residents and businesses, and to facilitate economic growth within their respective corporate limits; and

WHEREAS, the Lake Cities desire to deploy a new fiber to the premises (FTTP) network throughout the Lake Cities area structured in a manner that effectively enables the provision of high-capacity broadband and other services and capabilities in a competitive, open environment to their residents and businesses (the “**Network**”); and

WHEREAS, the Lake Cities have conducted a public procurement process to identify and enter into an agreement with a qualified private-sector entity to design, construct, activate, operate, and maintain the Network on a nondiscriminatory basis and to offer high speed broadband Internet access service and other services to residents and businesses within the Lake Cities’ corporate limits; and

WHEREAS, the Lake Cities have identified and selected Pavlov as the best candidate to provide such services, and, to that end, have negotiated this Agreement with Pavlov; and

WHEREAS, Pavlov desires to design, construct, activate, operate and maintain the Network on a non-discriminatory basis, and to provide advanced communication services and capabilities to residents and businesses within any of the Lake Cities, as set forth in and subject to the provisions of this Agreement.

WHEREAS, the Lake Cities desire to obtain from Pavlov indefeasible rights to use (“**IRU**”) optical fiber strands as described in **Exhibit B** (“**Project Summary**”) and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth below, and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Pavlov and the Lake Cities agree as follows:

AGREEMENT

1. Table of Exhibits Made Part of This Agreement

The following Exhibits are attached hereto and incorporated herein for all purposes:

Exhibit A:	Map of Pavlov System
Exhibit B:	Project Summary
Exhibit C:	Initial List of Government Locations
Exhibit D:	Customer Service Standards (SLA)
Exhibit E:	Scheduled and Un-Scheduled Maintenance Specifications
Exhibit F:	Services and Initial Rates
Exhibit G:	Construction Schedule
Exhibit H:	Dark Fiber Specifications

2. Definitions

As used in this Agreement, the following words and phrases shall have the following meanings unless the context clearly indicates a different meaning. Where not defined in this Section 2, initially capitalized words and phrases shall have the meanings ascribed to them in the body of this Agreement.

"Associated Property" means, the tangible and intangible property necessary for Lake Cities to use the Dark Fiber for the purposes described in this Agreement, including, but not limited to, the associated Conduit, Vaults, Huts, Splice Cans, and Splitters. "Associated Property" does not include electronic, optronic, optical, or other necessary equipment to connect the Drops to the Dark Fiber at no cost to the Lake Cities for the first 10 years after installation is complete, and Lit.

"Business Day" means any day that is not a Saturday or Sunday, a federally recognized holiday, the Friday after Thanksgiving, Good Friday, or Christmas Eve.

"Conduit" means any and all conduit within which the Dark Fiber has been placed.

"Consumer Price Index" or "CPI" means the Consumer Price Index (All-Items – Dallas/Fort Worth/Arlington) or a successor index published by the United States Department of Labor, Bureau of Labor Statistics.

"Dark Fiber" means fiber optic cable strands without electronic and/or optronic equipment and which is not "lit" or activated insofar as, with respect to such cable, Pavlov has conveyed IRU rights to the Lake Cities. The Dark Fiber must meet or exceed the specifications listed in **Exhibit H**.

"Drop" means the fiber connection extending from the Dark Fiber to each of the Government Locations identified on **Exhibit C**.

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

"Fiber Optic Ring" means the portion of the Pavlov System that connects the Government Locations designated by the Lake Cities. This is the portion of the Pavlov System for which Pavlov grants the lease of Dark Fibers to the Lake Cities and on which Pavlov provides Drops to the Government Locations

"Gross Revenues" means the total revenue received by Pavlov or its subsidiaries for data, voice, and any other services delivered and paid for by non-governmental customers of the Pavlov System and Pavlov Extended Network within the city limits of each of the Lake Cities. IPTV services are not included in the definition of Gross Revenues for the purpose of Franchise Fee payments to the Lake Cities.

"Lit Fiber/Lit Fiber Service/Managed Service" a collection of terms that mean Pavlov will provide the equipment, set-up (provisioning) and technical support necessary to provide an end to end fiber terrestrial 5G broadband service to each of the Government Private WAN endpoints depicted on the map in **Exhibit A** and listed in **Exhibit C**.

"NEC" means the latest edition of the National Electrical Code published by the National Fire Protection Agency.

"NESC" means the latest edition of the National Electrical Safety Code published by the Institute of Electrical and Electronics Engineers ("**IEEE**").

"Pavlov System" means Pavlov's approximately 22-mile high-speed broadband network connecting the Government Locations consisting of the Fiber Optic Ring, the Dark Fiber, the Drops, and Associated Property designed, constructed, installed, operated, maintained and upgraded by Pavlov laid out generally as depicted in the Pavlov System Map attached to this Agreement as **Exhibit A**.

"Pavlov Extended Network" means all Conduit, Dark Fiber, Lit Fiber, Drops, and Electronics within the Lake Cities that are not part of the "Pavlov System" as defined above.

"Person" means any individual, corporation, association, partnership, limited liability company, trust or other entity.

"Required Right" means and refers to any agreement, conveyance, easement, license, franchise or permit obtained by Pavlov from a government entity or other third party governing the terms under which Pavlov may access and utilize a public right-of-way, private property, structures and other property in order for Pavlov to use, install, construct, operate, repair, maintain, replace, and remove the Pavlov System.

"Segment" means a defined length of Dark Fiber between end points defined by address or longitude/latitude insofar as the Dark Fiber comprising a Segment is subject to the IRU conveyed by Pavlov to the Lake Cities.

3. Term, Termination, and Franchise Fee

3.1 Term. The term of this Agreement, and the lease granted hereunder, shall begin on the Effective Date and remain in full force and effect for a period of thirty (30) years (the “**Initial Term**”) following the Final Segment Acceptance Date (as defined in Section 7.1) unless terminated prior to expiration of the Initial Term as set forth in Section 3.2. Upon expiration of the Initial Term, the Lake Cities may elect, in their sole and absolute discretion, to extend the Term for an additional period of ten (10) years (the “**First Extension Term**”) by delivering to Pavlov prior to expiration of the Initial Term a written notice of first extension and paying to Pavlov a sum of \$56,250.00 (the “**First Extension Fee**”); and, to extend the Term for a second ten (10) year period (the “**Second Extension Term**”) by delivering to Pavlov, prior to expiration of the First Extension Term, a written notice of extension and payment to Pavlov of a sum of \$56,250.00 (the “**Second Extension Fee**”). The First Extension Term and Second Extension Term are collectively referred to as “**Extension Term**”. Each Lake City shall be responsible only for payment of a portion of the First Extension Fee and Second Extension Fee, as applicable, equal to the same percentages established for the allocation of the IRU Fee attributed to each Lake City as set forth in Section 6.1. If a Lake City elects to not extend the Term with respect to the portion of the Pavlov System serving said Lake City, the First Extension Fee and/or the Second Extension Fee, as applicable, shall be reduced by the same percentage of the allocation of the IRU Fee attributed to said Lake City as set forth in Section 6.1. The Initial Term and any Extension Term(s) are referred to collectively as the “Term.”

3.2 Event of Default. An Event of Default exists under this Agreement upon the occurrence of any one or more of the following events (hereinafter “**Event of Default**” or “**Default**”):

- a. If one or more of the Lake Cities or Pavlov does not perform any material term, provision, covenant, agreement, or obligation under this Agreement, and then does not cure such default on or before the thirtieth (30th) day after receiving written notice of the default from one or more of the Lake Cities and/or Pavlov, as applicable. If any non-monetary default cannot reasonably be cured prior to the end of said 30-day period, an Event of Default does not occur if the defaulting Party commences to cure the default before the end of said 30-day period and diligently completes the cure as soon as reasonably practicable, but in any event not later than sixty (60) days after receiving such default notice. A default by a Lake City shall not constitute a default by the other Lake Cities and shall not affect a termination of this Agreement for the Lake Cities not in default;
- b. If Pavlov becomes a debtor, and any one or more of the Lake Cities becomes a creditor in a bankruptcy proceeding or similar action that is not permanently dismissed or discharged within 60 days (for voluntary proceedings) or 120 days (for involuntary proceedings);
- c. If any of the Parties becomes insolvent; and/or

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

- d. If, except as a result of a Force Majeure Event (defined in Section 14.8) or damage to the Pavlov System caused by one or more of the Lake Cities, or their respective agents, employees, or contractors, Pavlov fails to meet Customer Service Standards (“**SLA**”) set forth in **Exhibit D** relating to up-time, latency, packet loss or jitter during two (2) or more months in any calendar year, then the provisions of Section 14.4 (b) (prohibiting the Lake Cities from assigning, leasing or otherwise transferring the IRU in the Dark Fiber, or any portion thereof to a third party) will become null and void.

3.3 Remedies. If an Event of Default occurs, the non-defaulting Party may:

- a. Send to the Defaulting Party, which can be Pavlov, or one or more of the Lake Cities, with specific and detailed notice of what the alleged default is; and what the proposed remedy would be. The provisions of Section 6.4 Dispute Resolution, shall apply to all disputes, including defaults which might lead to termination. No unilateral termination of this Agreement as to one or more of the Parties can occur without agreement of all Parties to this Agreement, pursuant to the process in Section 6.4, or court order following the process set forth in Section 6.4; or
- b. After the notice and opportunity to cure; and Dispute Resolution requirements of Section 3.3.a. above have occurred; bring an action against the defaulting Party for damages; or
- c. If this Agreement is terminated by Lake Cities pursuant to Section 3.3a, prior to its expiration based on an uncured Event of Default by Pavlov, not later than seven (7) days after the termination date, Pavlov shall reimburse Lake Cities a pro-rated amount of the IRU Fee paid by Lake Cities based on the number of days remaining in the Initial Term following the date of termination.

The remedies available to the non-defaulting Party are cumulative, and any remedies stated in this Agreement are in addition to any other rights or remedies provided by law or equity and not in substitution for them. In the event of an Event of Default by Pavlov which affects fewer than all of the Lake Cities, the affected Lake City or Cities may seek such remedies to which the affected Lake City or Cities may be entitled pursuant to this Agreement or by law. If fewer than all of the Lake Cities declares Pavlov to be in Default, the remaining Lake Cities are not required to join in such declaration or subsequent enforcement of this Agreement, and with respect to such remaining Lake Cities, this Agreement will remain in full force and effect.

3.4 No Consequential Damages. In no event shall Pavlov or any of the Lake Cities or any of their respective parents, subsidiaries, affiliates, or related entities be liable to any of the other Parties for any disruption of communication services or any other indirect, special incidental or consequential damages, including, without limitation, lost revenue, lost profits, lost opportunity or, with respect to Pavlov, Pavlov’s failure to secure Customers (as defined in Section 4.9) regardless of whether informed of the same.

3.5 Effect of Termination.

- a. Upon the expiration of the Term or of any Extension Term, or earlier termination of this Agreement that is not based on an Event of Default by Pavlov, all IRU rights granted to the Lake Cities shall revert to Pavlov without reimbursement of any of the IRU Fee or other amounts previously paid by the Lake Cities. Notwithstanding the foregoing, default by a Lake City shall not constitute a default by the other non-defaulting Lake Cities subject to termination by Pavlov under this Section, nor shall the decision of a Lake City to not participate in an Extension Term impact or impair the right of any of the other Lake Cities to participate in an Extension Term or result in a termination for such other Lake Cities under this Section.
- b. The notice and opportunity to cure provisions of Sections 3.3 a., b., and c. and Section 6.4 apply to all actions to terminate this Agreement. If the Agreement is terminated based on an Event of Default by fewer than all of the Lake Cities, the IRU rights granted to the defaulting Lake City or Cities shall revert to Pavlov without reimbursement of any of the IRU Fee or other amounts previously paid by the defaulting Lake City or Cities. Services and IRU rights of the non-defaulting cities continue without change.

3.6 Franchise Fee. Pavlov agrees that during the Term and any Extension Term, Pavlov will pay to each Lake City a contractual franchise fee (the "**Franchise Fee**"). With respect to each Lake City, the Franchise Fee will be an amount equal to five percent (5.0%) of the Gross Revenues collected by Pavlov during the preceding 12-month period from all Customers (not including governmental customers) within the corporate boundaries of each such Lake City. The Franchise Fee will be due and payable on the first day of each Agreement Year. The term "Agreement Year" means each 12-month period beginning on the Effective Date.

3.7 Withdrawal from Project. Notwithstanding anything to the contrary herein, a Lake City may, without cause, terminate its participation as a Party to this Agreement (said Lake City called hereafter the "**Terminating City**") prior to the end of the Term or any Extension Term, subject to the following:

- a. Written notice must be provided by the Terminating City to all of the other Parties not later than thirty (30) days prior to the date of withdrawal;
- b. If the withdrawal date occurs prior to the commencement of construction of the Fiber Optic Ring, then:
 - (1) The Terminating City shall not be entitled to any refund of the Initial Payment of the IRU Fee, but shall not be obligated to make any payments for its portion of the remainder of the additional installments of the IRU Fee and shall have no further rights or obligations pursuant to this Agreement; and
 - (2) Pavlov shall not install any portion of the Fiber Optic Ring within the corporate limits of the Terminating City without the consent of the Terminating City except as otherwise authorized by state and/or federal law; and

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

- c. If the withdrawal date occurs after commencement of construction of the Fiber Optic Ring, the Terminating City shall be obligated to pay in full its portion of the IRU Fee, and shall have no further rights or obligations pursuant to this Agreement.

The provisions of this Section 3.7 apply only if the Terminating City withdraws in the absence of an Event of Default by Pavlov for which notice and time to cure have been provided in accordance with Section 3.3.

4. The Pavlov System

4.1 Plans. Pavlov will obtain each of the Lake City's approval of the plans for the installation, modification, or upgrade of the Pavlov System prior to doing any work on same (the "**Plans**"). Pavlov must obtain approval from each Lake City for the Plans relating to the portion of the Pavlov System that is located within said Lake City's corporate limits. Each Lake City shall approve or reject the Plans as they relate to such Lake City not later than thirty (30) business days following receipt of the Plans, provided that each Lake City shall have the right to extend said deadline by an additional five (5) business days. If the affected Lake City approves, Pavlov may proceed with the work as set forth in the approved Plans for the portion of the Pavlov System within said Lake City. If a Lake City fails to approve its portions of the Plans within the time set forth in this Section 4.1, the Plans with respect to said Lake City shall be deemed to be rejected. If rejected, Pavlov and the affected Lake City shall enter discussions to resolve the basis for the rejection of the Plans. The Plans will accurately depict in electronic format the proposed route and location of all components of the Pavlov System, including the Dark Fiber and the Segments. The Lake Cities' approval of any Plans does not constitute a waiver of any representation, warranty, liability, or other obligation of Pavlov under this Agreement.

4.2 Routing of Pavlov System. Pavlov will design, construct, install, operate, maintain, repair and upgrade as needed the Pavlov System in accordance with the Plans as approved by each of the Lake Cities. The specific route and location of components of the Pavlov System will be substantially as depicted on the Pavlov System Map insofar as the Plans have been approved by the Lake Cities. Each Lake City will provide guidance to Pavlov with regard to any anticipated public works and transportation projects within said Lake City that are likely to affect the route and location of the Pavlov System and its components.

4.3 As-Built Map. Not later than ninety (90) days after the final Segment Acceptance Date (as defined in Section 7.1), Pavlov shall provide to each Lake City in electronic format (such as Map Info, Google Earth, kmz files or ESRI shape files) an as-built map (the "**As-Built Map**") for the portion of Pavlov System that is located within the corporate limits of each Lake City. At a minimum, the As-Built Map will accurately depict the location and route of all portions of the Pavlov System, including, without limitation, the Dark Fiber, the Connection Points, the Drops, manholes, hand-holes and other access points, splice locations, and indication of whether fiber is aerial or buried. Not later than thirty (30) days following any completion of any substantive alteration, extension, or relocation of any portion of the Pavlov System, Pavlov shall provide an updated As-Built Map to the Lake City in which such work occurred.

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

4.4 Third-Party Property. In some instances, the real property on, over, though, or under which the Pavlov System is installed is owned by a party other than one or more of the Lake Cities ("**Third-Party Property**") and which is not an existing public right-of-way or easement owned by a Lake City. Pavlov has secured, or shall be responsible for securing, including the payment of all costs of acquisition, all of the Required Rights that are necessary for Pavlov to install, operate, maintain, repair, replace, and remove the Pavlov System on the Third-Party Property, including rights secured by Pavlov as a Competitive Local Exchange Carrier. Throughout the Term of this Agreement, Pavlov will use its best efforts to maintain the Required Rights, provided, however:

- a. If Pavlov is unable to maintain some or all of the Required Rights necessary to install and operate the Pavlov System as required by this Agreement, Pavlov will, at its sole expense, reconfigure and/or relocate the Pavlov System so as to secure and maintain such Required Rights and/or obtain such additional Required Rights, as necessary to allow for such reconfiguration or relocation.
- b. Any such reconfiguration or relocation of the Pavlov System must be approved in writing by the Lake City within which the portion of the Pavlov System is to be reconfigured or relocated prior to any work performed by Pavlov in connection therewith;
- c. Any such reconfiguration or relocation of the Pavlov System will be designed and installed at no additional cost to the affected Lake City(ies); and
- d. If Pavlov is unable to reconfigure or relocate the Pavlov System so as to secure any Required Rights, the affected Lake City(ies) may, in its(their) sole discretion, elect to terminate this Agreement: (i) in whole, in which case Pavlov will refund to the Lake Cities all funds paid to Pavlov, in which case the Lake Cities will have no liability other than pro rata IRU Fees or Maintenance Fees that have accrued prior to the termination date; or (ii) partially, as it relates to the reconfigured or relocated portion of the Pavlov System, in which case Pavlov will refund all funds paid to Pavlov for that portion of the Pavlov system terminated, and the affected Lake City(ies) will have no liability other than pro rata IRU Fees or Maintenance Fees for construction or maintenance that have accrued prior to the termination date. Relocation of any portion of the Pavlov System will be performed subject to the provisions of Sections 8.5 and 8.6.

4.5 Required Rights. Pavlov has obtained (or will obtain) the Required Rights needed for installation and operation of the Pavlov System. Pavlov will make available for the Lake Cities' inspection, at the Lake Cities' offices during regular business hours, copies of all Required Rights to the extent that their terms or other restrictions permit disclosure. Pavlov will use best efforts to comply with the terms and conditions of the Required Rights and to keep the Required Rights in full force and effect. Pavlov will take no action, or fail to take a required action, that would constitute a breach of the Required Rights. Upon expiration or other termination of a Required Right, Pavlov will use best efforts to obtain an extension or replacement of the Required Right or an alternative right of way, subject to the terms and conditions described in Section 4.4.

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

4.6 Drops for Government Locations. Pavlov will provide the Services at no cost to each of the Government Locations identified on **Exhibit C**. With respect to each such Government Location, Pavlov will install one Drop connecting the Dark Fiber to the building(s) comprising such Government Location and terminate the Dark Fiber at a fiber patch panel located within a room designated by the Lake City that owns or leases the Government Location. The costs for installation of the Drops identified in **Exhibit C** and the costs for the purchase and installation of the equipment needed for the Lake Cities to use the Dark Fiber and the Services are included in the IRU.

4.7 Additional Drops. Upon written request from a Lake City, Pavlov will provide additional Drops for which the requesting Lake City will be charged and will pay Pavlov the sum of \$22.00 per linear foot ("**Additional Drop Rate**") based on the distance between the connection at the Dark Fiber to the location of the nearest fiber patch panel anywhere on the Pavlov System or the Pavlov Extended Network to which the additional Drop will connect. Pavlov and the requesting Lake City will reasonably cooperate to identify the shortest feasible route for the fiber run necessary for the additional Drop. The Additional Drop Rate shall remain the same for the first ten (10) years of the Initial Term of this Agreement. Commencing on the tenth (10th) anniversary of the final Segment Acceptance Date and each anniversary thereafter, Pavlov may adjust the Additional Drop Rate by an amount equal to the lesser of (i) the increase in the CPI Index (as defined herein) published for the most recent month for which the CPI Index was published that is more than sixty (60) days prior to the relevant anniversary of the final Segment Acceptance Date and the CPI Index published for the same month one (1) year later or (ii) the sum of four percent (4%) of the then-current Additional Drop Fee. Pavlov shall notify the Lake Cities of any such increase not later than sixty (60) days prior to the effective date of such increase.

4.8 Use of City-Owned Property. Notwithstanding anything to the contrary herein, Pavlov shall not enter onto any real property owned by a Lake City for purpose of installing and/or constructing any improvements or equipment relating to the Pavlov System or the Pavlov Extended Network, including, but not limited to, a hut, unless and until an agreement in the form of an easement or license agreement reasonably acceptable to Pavlov and the Lake City that owns such property setting forth the terms and conditions relating to Pavlov's right to occupy and use such real property is executed by Pavlov and the affected Lake City. Pavlov shall be responsible for the cost of any real property survey to be prepared describing the boundaries of the real property to be occupied by the hut and/or other equipment used as part of the Pavlov System or Pavlov Extended Network if the boundaries of such area have not been previously established.

4.9 Pavlov Extended Network

- a. Pavlov intends to use the Pavlov System as a backbone to construct the Pavlov Extended Network. The Pavlov Extended Network may provide high-speed Internet access services, IPTV based content services, and telecommunications services (collectively, the "Services," as more fully described on **Exhibit F**) to every commercially viable residential and business address ("Customers") located within the boundaries of the incorporated limits of each Lake Cities Member. As new addresses are added, Pavlov will offer and, if accepted, provide the Services to such new Customers on the same terms and conditions applicable to existing Customers,

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

provided that the residential and commercial addresses of such new Customers are at commercially viable locations from which to extend the Pavlov System existing network.

- b. Pavlov will have the sole responsibility to pay for the Pavlov Extended Network and will have full ownership of those assets.
- c. Pavlov will complete construction of the Pavlov Extended Network within three (3) years of the Effective Date of this Agreement at its sole cost and expense.

5. Rights in the Pavlov System

5.1 IRU Rights. Pavlov hereby grants to the Lake Cities:

- a. an exclusive indefeasible right of use of forty-eight (48) strands of Dark Fiber, and as described in the Project Summary, said strands to be allocated to the Lake Cities in accordance with Section 5.4, below; and
- b. the associated and non-exclusive indefeasible right to use the Associated Property, all such rights being subject to Applicable Laws, the Required Rights, and to the terms and conditions set forth in this Agreement.

The collection of rights granted by each Lake City to Pavlov are referred to as the “IRU”. Each Lake City may elect to purchase up to twenty-four (24) additional strands (or more, subject to strands being available) at the cost of \$25,000.00 for each strand, including all applicable taxes and fees.

5.2 Ownership of Pavlov System. Legal title to the Pavlov System and all of its components including, without limitation, the Dark Fiber is, and shall continue to be held by Pavlov. Nothing in this Agreement shall convey legal title to any real or personal property owned by Pavlov to Lake Cities, nor shall it create any security interest for the benefit of Lake Cities or any other Person in the Pavlov System. Pavlov represents, warrants, and agrees that, for all purposes, and subject to Section 541(d) of the Bankruptcy Code, that Pavlov has transferred and conveyed, and hereby transfers and conveys, an equitable interest in the Dark Fiber to Lake Cities throughout the Term and applicable Extension Term.

5.3 Sale or Abandonment of Facilities. Subject to the terms and conditions of Section 14.4, if Pavlov sells, assigns, or otherwise transfers title in, or abandons all of or any portion of a Segment prior to the expiration of the Term, the IRU and the IRU Fee with respect to such Segment shall automatically terminate, pending full disclosure by Pavlov of the facts and the effect on the Lake City(ies) of such transfer or abandonment. If there is an abandonment, Pavlov shall reimburse the affected Lake City for the IRU Fee paid in connection with such Segment(s), and for any and all damages resulting from such abandonment or transfer. In the event that Pavlov sells, conveys or otherwise transfers the IRU relating to any Segment, such sale, conveyance or other transfer will explicitly be made subject to and conditioned upon the transferee’s written assumption of this Agreement, and will not interfere with or impair any of the IRU rights granted by Pavlov to other

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

Lake Cities, including without limitation the IRU Fee associated with the transferred Segment. Pavlov will provide the affected Lake City with a written assumption agreement executed by Pavlov and the transferee within thirty (30) days after the transfer is consummated, and a failure to provide the affected Lake City with such written assumption agreement will nullify the proposed transfer, and Pavlov will remain liable to the full extent of its obligations under this Agreement. If Pavlov abandons the use of any buildings, equipment or other components of the Pavlov System located on, under, or over property owned by a Lake City, not later than sixty (60) days after receipt of written request from said Lake City, Pavlov, at Pavlov’s sole cost and expense, shall remove such building, equipment, or component and restore such property substantially to the condition of said property prior to the installation of such building, equipment, or component. Any facilities abandoned and not removed shall become the property of the Lake City where the facilities are located.

5.4 Allocation of Lake Cities’ Dark Fiber Strands. The Parties agree that the forty-eight (48) strands of Dark Fiber of the Fiber Ring allocated to the Lake Cities as set forth in Section 5.1 are further allocated to the Lake Cities as follows:

<u>Name of Lake City</u>	<u>No. of Dark Fiber Strands Allocated to Each Lake City</u>
Corinth	25
Hickory Creek	9
Lake Dallas	8
Shady Shores	6
Total	48

6. IRU Fee

6.1 IRU Fee Payment Schedule. In consideration of Pavlov’s granting of the IRU to the Lake Cities as set forth in Section 5.1 and including (a) thirty (30) years of Dark Fiber Maintenance and (b) ten (10) years of Lit Fiber/Lit Fiber Service/Managed Service to the Government Locations listed in **Exhibit C** to be provided by Pavlov, (including equipment needed to make the Drops fully functional), the Lake Cities agree to pay to Pavlov the sum of **THREE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$3,250,000.00)** (the “**IRU Fee**”) in installments as follows:

- a. 50% of each Lake City’s share of the IRU Fee is due not later than five (5) business day after the Effective Date (the “**Initial Payment**”), and
- b. 20% of each Lake City’s share of the IRU Fee is due upon completion of 50% of the Fiber Ring footage.
- c. 10% of each Lake City’s share of the IRU Fee is due thirty (30) days after the Lake Cities receives written notice from Pavlov that the Pavlov System has been completely installed and successfully tested such that the provision of Services to Customers can commence, and

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

- d. 20% of each Lake City’s share of the IRU Fee (each a “**Completion Payment**”) is due thirty (30) days after such Lake City receives written notice from Pavlov that the installation of all of the Drops has been completed, the Associated Equipment installed, and the Lake Cities Drops are fully operational with all Services at their respective Government Locations. Each of the Lake Cities may confirm or identify any lack of function or use within the thirty (30) day notice period. If a deficiency is found, the affected Lake City’s payment obligation under this paragraph will be suspended until the problem is corrected, and the Pavlov System and its function is restored.

Each Lake City shall only be liable for the payment of its respective share of the IRU Fee as set forth in this Section 6.1 and shall not be jointly and severally liable for the payment of the full amount of IRU Fee. In the event of non-payment of amounts due in this Section 6.1 by a Lake City, Pavlov shall only look to the non-paying Lake City with respect to the payment of that Lake City’s proportionate share of the IRU Fee in accordance with the following allocation:

	Population		Land Area		Total % Allocation	Total Share
	Per City	% of total	Sq. miles	% of total		
Corinth	22,634	60%	7.9	44%	52%	\$1,690,000
Lake Dallas	7,708	20%	2.7	15%	17.5%	\$568,750
Hickory Creek	4,718	13%	4.5	25%	19%	\$617,500
Shady Shores	2,764	7%	2.9	16%	11.5%	\$373,750
Total	37,824	100%	18.00	100	100%	\$3,250,000

Ten (10) years of costs for the Lit Fiber/Lit Fiber Service/Managed Service to the Lake Cities is included in the initial IRU Fee. If the Lake Cities desire to continue the Lit Fiber/Lit Fiber Service/Managed Service to their respective Government Locations after the initial ten (10) years of service, the Lake Cities shall pay the **For Government** rate designated in **Exhibit F**.

6.2 Additional Work. In addition to the amounts payable under Section 6.1, each Lake City shall pay Pavlov directly for, or reimburse Pavlov for, all reasonable costs, fees and expenses incurred by Pavlov to complete any additional work (“**Additional Work**”) that is requested in writing by such Lake City relating to this Agreement, including, but not limited to, handhole placement, Conduit work, and splicing. Prior to initiating any such requested Additional Work, Pavlov will deliver to the Lake City that requested the Additional Work a written description of the proposed scope of work and the estimated cost of such Additional Work (the “**Additional Work Estimate**”). The Lake City that requested the Additional Work shall approve or reject the Additional Work Estimate, in writing, not later than ten (10) days after receipt of the Additional Work Estimate. If the Additional Work Estimate is rejected, the Parties will work together and cooperate with the goal of determining a mutually acceptable Additional Work Estimate. Additional Work does not include requests may by a Lake City to Pavlov to avoid underground utilities, comply with plans for road, drainage or bridge projects, or otherwise comply with normal utility construction standards.

6.3 Disputed Invoices. If a Lake City disputes the amount stated on any Pavlov invoice, such Lake City shall provide Pavlov a written notice of such dispute (“**Dispute Notice**”) no later than one (1) year after the date of the invoice. The Parties will endeavor to Resolve any disputed amounts not later than fifteen (15) days after Pavlov’s receipt of the applicable Dispute Notice (the “**Resolution Period**”). “**Resolve**” means a written affirmation, signed by both Parties, indicating that the Parties have reached final agreement on the disputed amount. The Lake Cities shall pay any Resolved amounts for which they are responsible within ten (10) days after the date such disputed amount is Resolved. If the dispute is Resolved in a Lake City’s favor and the Lake City has previously paid the disputed amount or any portion thereof to Pavlov, then Pavlov shall either credit to such Lake City’s account the total amount of such previous payment(s) within thirty (30) days of the date such disputed amount is Resolved, or if there is no balance due and owing by the Lake City against which to apply such credit, then Pavlov shall reimburse such overpayment to the Lake City within said thirty (30) day period. If the Parties to the dispute are unable to Resolve the payment dispute within the Resolution Period, the Parties shall initiate the dispute resolution procedures for such dispute as contained in this Agreement.

6.4 Dispute Resolution. In the event of any claim, dispute, or controversy under this Agreement as to which claim, dispute or controversy any or all of the Lake Cities or Pavlov would seek to commence litigation in court, before commencing litigation, the Parties involved in the claim, dispute, or controversy shall immediately attempt in good faith to arrive at an amicable solution to the claim, dispute, or controversy. If the claim, dispute, or controversy has not been resolved by such good faith attempts, the Parties involved in the claim, dispute, or controversy shall endeavor to settle the claim, dispute, or controversy by non-binding mediation with a neutral third-party; provided that:

- a. In no event shall the demand for mediation be made after the date when the initiation of legal or equitable proceedings based on such claim, dispute, or controversy would be barred by the applicable statute of limitations that may apply; and
- b. The applicable statute of limitations is tolled until the conclusion of the mediation process; and
- c. Any of the Parties may simultaneously seek equitable or injunctive relief from a court of competent jurisdiction if such Party reasonably believes that any delay in seeking such relief is likely to cause irreparable harm; and
- d. The mediation shall be held in the State of Texas and shall be administered pursuant to the Government Dispute Resolution Act (Chapter 2009, Texas Government Code, as amended). No recording or transcript shall be made of the mediation proceedings. Each Party shall bear its own costs in the mediation. Pavlov shall pay 50% of the fees and expenses of the mediator and the Lake Cities involved in the claim, dispute, or controversy shall pay the other 50% of such fees and expenses. If the Parties to the claim, dispute, or controversy are unable to resolve their claim, dispute, or controversy themselves or by mediation within sixty (60) days after one of the Lake Cities or Pavlov, as applicable, has advised the others involved in the claim, dispute or

controversy of the need for mediation, then anyone involved in said claim, dispute, or controversy may pursue litigation.

7. Interconnection with Pavlov System.

7.1 Inspection and Acceptance of Dark Fiber. Pavlov will install the Dark Fiber on a Segment-by-Segment basis, and each of the Lake Cities will inspect and accept or reject each of the Segments located within its corporate boundaries as set forth below. When Pavlov determines that the Segment is ready for use by one or more of the Lake Cities, Pavlov shall cause the Conduits housing such Segment to be measured for length and tested to verify that they (i) conform to the approved Plans; and (ii) are continuous between structures and access points and clear of blockages. For each Segment, Pavlov shall deliver notice of the successful testing, including length measurements, to the appropriate Lake City (the “**Segment Design Delivery Notice**”). Commencing as of the date that the Lake City receives from Pavlov the Segment Design Delivery Notice and continuing for a period of forty-five (45) days thereafter (the “**Segment Inspection Period**”), Pavlov agrees that the appropriate Lake City and/or its agents shall have the right to inspect the applicable Segment, including, without limitation, the Conduits, the manholes, hand-holes and other access points, to verify that the same (i) do not materially deviate from the approved Plans, and (ii) do not contain any obstructions within any Conduit such that the Dark Fiber is blocked from running continuously within said Conduits, which shall be continuous between manholes. If any Segment deviates from the approved Plans, the Lake Cities shall provide written notice to Pavlov, prior to the expiration of the Segment Inspection Period, detailing the specific deficiency(ies), whereupon Pavlov shall have a reasonable period of time to correct such deficiency(ies) such that the Segment does not deviate from the approved Plans. Upon the Lake City’s receipt of written notice from Pavlov that such deficiency(ies) have been corrected, and the appropriate Lake City determines that the test results conform to the approved Plans, the appropriate Lake City shall deliver written notice of acceptance (“**Segment Acceptance**”) to Pavlov and the date of such notice shall be the “**Segment Acceptance Date**” for the applicable Segment. The last Segment Acceptance Date is referred to as the “**Final Segment Acceptance Date**.” If the Lake City continues to find deviations from the approved Plans, or obstructions within any Conduit, then the testing and approval process shall be repeated. Delivery of the Segment Acceptance to Pavlov will constitute the appropriate Lake City’s acceptance of the Segment.

7.2 Interconnection. Pavlov will interconnect the Dark Fiber with the Lake Cities’ Government Locations, including the Drops, at the connecting points (“**Connecting Points**”) identified in the Plans. In addition, Pavlov will install Drops as needed in order to deliver the Services to the Government Locations. The connections between the Lake Cities Government Locations and the Dark Fiber and all other work with respect to the Pavlov System shall be performed by Pavlov. Interconnections at points other than the Connecting Points are prohibited without Pavlov’s written approval. Pavlov may grant or withhold such approval in its sole and absolute discretion. Pavlov will install one Drop for each of the Government Locations listed in **Exhibit C** and terminate the fiber connection for each Government Location at a fiber patch panel within a telecommunications room designated by the designated manager for said Government Location. Pavlov will provide all equipment and Associated Property needed for the Services to be accessed and used by each Lake City.

8. Maintenance and Repair

8.1 Scheduled Maintenance. Pavlov will perform routine maintenance and repair of the Pavlov System (“**Scheduled Maintenance**”), including, without limitation the Dark Fiber and each of the Segments, in accordance with the Pavlov’s Scheduled and Un-Scheduled Maintenance Specifications and procedures set forth in the attached **Exhibit E**. Commencing with the first year of the First Extension Term, the Lake Cities will pay to Pavlov a Maintenance Fee equal to \$300.00 per linear mile of Dark Fiber per year installed within the Pavlov System. The measurement is not per fiber strand, but per miles of Conduit containing the 48 strands of Dark Fiber allocated to each of the Lake Cities. The Maintenance Fee will be paid proportionately by each Lake City in accordance with the allocation set forth in Section 6.1 of this Agreement and shall be due and payable no later than the end of each Lake City’s fiscal year (September 30) of each Extension Term Agreement Year. “**Extension Term Agreement Year**” means every twelve-month period following expiration of the Initial Term. Beginning on the date ten(10) years after the commencement of the First Extension Term, Pavlov may increase the Maintenance Fee by an amount equal to any increase in the Consumer Price Index (for the prior five-year period); subject to a limit of no more than four percent (4.0%) per year. Pavlov shall notify the Lake Cities of any such increase not later than sixty (60) days prior to the effective date of such increase.

8.2 Un-Scheduled Maintenance. Pavlov will perform non-routine maintenance and repair (“**Un-Scheduled Maintenance**”) of the Pavlov System, including, without limitation, the Dark Fiber and each of the Segments, in accordance with Pavlov’s Un-Scheduled Maintenance Specifications and procedures set forth in the attached **Exhibit E**. The maintenance services to be provided by Pavlov include non-routine maintenance and repair of the Dark Fiber in response to an actual or potential failure, interruption, or impairment in the operation of the Pavlov System insofar as such failure, interruption, or impairment affects Lake Cities’ use of the Dark Fiber. Lake Cities will reimburse Pavlov for Lake Cities’ Proportionate Share of the actual reasonable costs incurred by Pavlov in performing any Un-scheduled Maintenance from the Cut, Repair, and Relocation Fund in accordance with Section 8.7, below. Pavlov will make reasonable efforts to determine the root cause of the need for the Un-Scheduled Maintenance. If the Un-Scheduled Maintenance is the result of the acts of a third-party, Pavlov will seek reimbursement from the responsible third-party before seeking payment by the Lake Cities from the Cut, Repair, and Relocation Fund. For purposes of this Section 8.2, Lake Cities’ “Proportionate Share” of Pavlov’s costs of Un-Scheduled Maintenance is calculated by dividing (i) the number of Dark Fiber strands (48) that are being used by the Lake Cities by (ii) the total number of strands within such Segment (288). For example, with respect to any Segment, if:

- Pavlov’s actual cost of Un-scheduled Maintenance is \$1,000, and
- The Lake Cities cost is 48/288 (strand count) of \$1,000 or \$166.67.

8.3 Additional Equipment. Pavlov shall maintain the optronic, electrical, optical, or other equipment necessary to connect to the Dark Fiber at the Drops during the entire Term of this Agreement at no cost to the Lake Cities.

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

8.4 Maintenance of Other Party's Equipment. Neither Party shall alter, remove, relocate, align, or attempt to repair the other Party's equipment except as expressly authorized in advance in writing by the other Party. Each Party will be liable for any loss or damage to the other Party's equipment arising from that Party's negligence, intentional act, and/or unauthorized maintenance.

8.5 Relocation. With respect to any Segment, if, after the applicable Segment Acceptance Date:

- a. Pavlov is required by a third party with legal authority to so require (including, without limitation, the grantor of a Required Right) to relocate the Segment;
- b. Pavlov is required to relocate the Segment as a result of a Force Majeure event;
- c. Pavlov is required to relocate the Segment in order to accommodate changes in street width, street grade, street standards, construction of installation of improvements within public rights-of-way, construction of drainage, or to accommodate utility construction or changes in maintenance procedures established by any Lake City; or
- d. a Lake City requests relocation of the Segment for reasons other than previously described in (c), above,

then Pavlov shall provide to the Lake Cities (if the relocation is for the reasons described in a, b. or c. of the prior sentence) or to the Lake City making the relocation request (as described in (d) of the prior sentence), as applicable, a written notice ("**Relocation Notice**") describing such relocation. Not later than ten (10) days after receipt of the Relocation Notice by the Lake Cities (or, in the case of a specific request for relocation by a Lake City, receipt of the Relocation Notice by the requesting Lake City) will accept or reject in writing the proposed relocation. If the proposed relocation is accepted, Pavlov will perform the relocation, provided that: (i) Pavlov may reasonably determine the extent of, the timing of, and methods to be used for such relocation; provided, however, if such relocation is at the request of a Lake City, Pavlov shall in any case complete such relocation not later than ninety (90) days after the request is made by the Lake City or Cities, and (ii) any such relocation shall incorporate fibers meeting or exceeding agreed-upon specifications of the Dark Fiber. If the Lake Cities do not consent to such relocation, the Lake Cities will notify Pavlov of its objection in writing, and the Parties will work together to resolve all disputes concerning the proposed relocation, provided that if no resolution is reached, the Lake Cities may terminate this Agreement with respect to the Segment or portion of such Segment that requires relocation. In the event of any such relocation, Pavlov shall use best efforts to minimize any service interruptions.

8.6 Costs of Relocation. If Pavlov causes the relocation of the Fiber Optic Ring or portion thereof without the request of a Lake City, then Pavlov is responsible for all costs of relocation. The Lake Cities' pro rata portion of a relocation cost shall come from the Cut, Repair and Relocation Fund defined in Section 8.7, below. As part of its due diligence in fiber route design or planning, Pavlov will research the following types of documents of each of the Lake Cities: the long-range transportation plan (including roads, mass transit, bike trails, etc.) of each of the Lake Cities; the long-range public works plan, the long-range capital improvements and

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

construction plans, the long range residential and commercial development plans, and other relevant planning documents to avoid potential relocation requirements.

Unless otherwise agreed by the requesting Lake City(ies), the relocation of the Segment or portion of a Segment shall be completed by Pavlov not later than ninety (90) days after acceptance of the Relocation Notice by the requesting Lake City(ies) as provided in Section 8.5.

8.7 Cut, Repair and Relocation Fund. Notwithstanding anything to the contrary set forth in Sections 8.2, 8.5, and 8.6, not later than fifteen (15) business days after the final Segment Acceptance Date, the Lake Cities will pay to Pavlov a one-time payment in the amount of **ONE HUNDRED AND FIFTY THOUSAND AND NO/100 DOLLARS (\$150,000.00)** with each of the Lake Cities paying a portion of that payment based upon their pro rata share identified below for cuts, repairs and relocations, said funds being called the **“Cut, Repair, and Relocation Fund.”** The Cut, Repair, and Relocation Fund is funded as follows:

- a. The pro rata division among the Lake Cities and Pavlov is the Lake Cities’ fiber strands as a percentage of the fiber strands: 48/288, or Lake Cities 16.67 % (**“Lake Cities’ Cost Share”**); Pavlov 83.33%. Unless specifically agreed otherwise, cut, repair or relocation expenses will be divided on such basis between the Lake Cities and Pavlov.
- b. The pro rata allocation among the Lake Cities to fund the Cut, Repair, and Relocation Fund (i.e., 16.67%) is determined by dividing the number of fiber strands allocated to each Lake City by the total number of Lake Cities strands, as follows:

Schedule 1

<u>Name of Lake City</u>	<u>No. of Dark Fiber Strands Allocated to Each Lake City</u>
Corinth	25
Hickory Creek	9
Lake Dallas	8
Shady Shores	6
Total Strands	48

- c. Where allocation among the Lake Cities is required by this Agreement, the allocation above is to be used. In the event one or more of the Lake Cities acquire additional strands from Pavlov, their allocation of cost increases by the amount Pavlov’s decreases. The allocation used above may not be revised to reduce any Lake City allocation of strands without written amendment to this Agreement.
- d. Upon completion of installation of the Fiber Ring, each Lake City shall make a one-time payment of the following amounts to fund the Cut, Repair, and Relocation Fund to pay costs of both “Repairs” (defined below) and of Un-Scheduled Maintenance:

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

Corinth	25/48	52.08%	\$78,120.00
Hickory Creek	9/48	18.75%	\$28,125.00
Lake Dallas	8/48	16.67%	\$25,005.00
Shady Shores	6/48	12.50%	\$18,750.00
Totals	48/48	100%	\$150,000.00

- e. The Cut, Repair, and Relocation Fund shall be used solely by Pavlov to reimburse Pavlov for the Lake Cities’ Cost Share of: (1) the cost of cuts, repairs and/or relocations (collectively “**Repairs**”) on the Fiber Optic Ring only; and (2) the Lake Cities’ share of Un-Scheduled Maintenance as provided in Section 8.2, above. Pavlov shall deduct the Lake Cities’ Cost Share of such Repairs and/or Un-Scheduled Maintenance proportionately from the Cut, Repair, and Relocation Fund based upon the costs incurred by Pavlov for the Repairs or Un-Scheduled Maintenance of a Segment. Neither a Lake City or the Lake Cities will have any liability for Repairs on the Fiber Optic Ring or Un-Scheduled Maintenance beyond the amount of the Cut, Repair, and Relocation Fund.

- f. Pavlov will deposit the funds provided for the Cut, Repair, and Relocation Fund in a simple interest-bearing account to be held until spent in accordance with the terms of this Agreement. The Lake Cities shall only be liable for the initial one-time funding of the Cut, Repair and Relocation Fund in accordance with Section 8.7(d).

- g. In the event of a cut, repair or relocation of the Dark Fiber or Un-Scheduled Maintenance, Pavlov will notify the Lake Cities in writing describing the event, the total estimated cost associated with the event, the proportionate Lake Cities Cost Share and will request release of all or a portion of the Cut, Repair, and Relocation Fund based upon the Lake Cities Cost Share. The Lake Cities may accept or reject the request for release of funds, provided that, if the request is rejected, the Parties will work together in good faith to resolve any dispute.

- h. If any funds remain in the Cut, Repair, and Relocation Fund upon expiration of the Initial Term, such remaining funds, including interest accrued thereon, will be applied to the Lake Cities’ account for payment of the First Extension Fee as described in Section 3.1. Likewise, any funds that remain in the Cut, Repair and Relocation Fund upon expiration of the First Term Extension, including accrued interest thereon, will be applied to the Lake Cities’ account for payment of the Second Extension Fee as described in Section 3.1. If the Lake Cities fail to exercise the option of an Extension Term or if this Agreement is terminated as otherwise provided herein, the balance remaining in the Cut, Repair, and Relocation Fund, including interest accrued thereon, shall be repaid to the Lake Cities not later than ten (10) business days after the expiration or termination of this Agreement as applicable in the same proportion as the proportion of original funding of the Cut, Repair and Relocation Fund paid by the Lake Cities. The provisions of this Section 8.7(f) shall survive the expiration or other termination of this Agreement.

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

- i. Pavlov shall be solely liable for the payment of all costs of Repairs, Scheduled Maintenance, or Un-Scheduled Maintenance anywhere on the Pavlov System outside the Fiber Optic Ring, including the Pavlov Extended Network, and the Lake Cities shall have no responsibility for payment of such costs.

8.8 Damages Caused by Pavlov. Pavlov, at its sole cost and expense, shall repair, replace and restore immediately any damage caused by Pavlov or its employees, agents, Contractors, subcontractors or representatives to any property owned or administered by any of the Lake Cities, and/or any other property that is not owned by Pavlov, to a condition substantially equivalent to that which existed prior to such damage. Any repairs, replacement, or restoration required to be performed pursuant to this Section 8.8 by Pavlov to property not owned, leased, or otherwise controlled by Pavlov shall be commenced and completed not later than fifteen (15) calendar days after receipt of written notice from one or more of the Lake Cities or upon actual notice of any damage; provided, however, if the deficiencies are not remedied in a commercially reasonable fashion within such fifteen (15) day period, or in the event of an emergency, the affected Lake Cities shall have the right, but not the obligation, to undertake, without notice to Pavlov, all reasonably necessary repair, replacement or restoration and to recover from Pavlov the fees, costs and expenses actually incurred in connection therewith. All work performed by Pavlov hereunder shall be pursued promptly and in full compliance with the terms and conditions of this Agreement, Applicable Laws, and in full compliance with all applicable health and safety rules and standards, and in a safe, efficient and commercially reasonable manner such that any repair, replacement or restoration work does not unreasonably interfere with the Lake Cities’ use of the Dark Fiber nor does it interfere with the use of any property not owned by Pavlov. The Parties shall use their best efforts to exercise special precautions accepted as industry-wide standards to avoid damage to the Pavlov System, including, without limitation, the Conduits, and any property owned or administered by one or more of the Lake Cities’, and shall immediately (no later than twenty-four (24) hours after an occurrence) report any damage to the Lake City within whose jurisdiction the damage occurred. Notwithstanding anything contained herein to the contrary, if any utility or communications facilities not owned by Pavlov are damaged by Pavlov, its Contractors, or agents, Pavlov understands, acknowledges, and agrees the affected Lake City or owner of such damaged facilities shall have the exclusive right to repair its own facilities and bill Pavlov for all reasonable costs incurred as a result of such repair.

8.9 Grounding and Electrical Standards. Grounding and bonding of all of elements of the Pavlov System shall be in accordance with NESC, NEC, and all other Applicable Laws. The Pavlov System shall not use or carry voltages or currents in excess of the limits prescribed for Communication Services conductors by the NESC. All parts of any Pavlov System carrying voltages in excess of 50 volts AC (rms) to ground or 135 volts DC to ground, except for momentary signaling or control voltages, shall be enclosed in an effectively grounded sheath or shield. The power supply shall be so designed and maintained that the total current carried over the outer sheath shall not exceed 200 micro amperes under normal conditions. Conditions which would increase the current over this level shall be cleared promptly. All energized parts of the Pavlov System shall be suitably covered to prevent accidental contact.

8.10 Liens. Pavlov will not permit any lien to be placed upon or attached to the Dark Fiber, the Conduits or any other portion of the Pavlov System that is used or relied upon by the Lake Cities

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

for the provision of Services. If any such liens are placed against the Dark Fiber, the Conduits or any other portion of the Pavlov System that is used or relied upon by the Lake Cities in connection with the construction, installation, operation, maintenance, repair, restoration or removal of the Pavlov System, then Pavlov shall cause, at its sole expense, such liens to be discharged, released, removed or bonded around no more than thirty (30) days of such lien being placed.

9. Operation and Use of the Pavlov System and Pavlov Extended Network

9.1 Services. Pavlov will use the Pavlov System to provide high-speed Internet access services, IPTV content services, and telecommunications services (collectively, the “**Services**,” as more fully described on **Exhibit F**) to the Lake Cities.

9.2 Rates. The initial Service Rates charged to residential, government, and business Customers by Pavlov are set forth on **Exhibit F**. Pavlov may not increase the initial rates except as described on **Exhibit F**. Pavlov will provide special pricing for low-income residential Customers as set forth on **Exhibit F**. A “**low-income Customer**” is any household that is eligible for the latest version of the Federal Affordable Connectivity Program, as described by the FCC, <https://www.fcc.gov/acp>, and amended from time to time.

9.3 Customer Service Standards (SLA). Pavlov’s Services must at all times comply with the customer service requirements (“**SLA**”) set forth on **Exhibit D**, which includes standards for, among other items, overall up-time, latency, packet loss and jitter, and problem resolution deadlines. As part of the SLA, once every six months, Pavlov will provide Lake Cities with reports (“**SLA Reports**”) accurately recording customer service calls and resolutions during the preceding six month period and describing Pavlov’s compliance or non-compliance with the SLA standards.

9.4 Construction Schedule. Pavlov will use its best efforts to conform its installation schedule for applicable portions of the Pavlov System to the construction schedule (“**Construction Schedule**”) set forth on **Exhibit G**. Pavlov will provide the Lake Cities with a monthly report describing construction progress, any delay or failure to comply with the terms of the Construction Schedule, and a description of any Force Majeure events that resulted in delays in the Construction Schedule including the dates of the Force Majeure events, the duration of the Force Majeure events, and the number of additional days added to the Construction Schedule to accommodate for delays relating to Force Majeure events. All communications between Pavlov and a Lake City will be between Pavlov’s Construction Manager and the city manager/administrator for the applicable Lake City. Pavlov will provide the Lake Cities with contact information for its Construction Manager not later than ten (10) days after the Effective Date. During the construction phase, Pavlov shall deliver to the Lake Cities updated quarterly As-Built Maps for completed Segments to track its construction progress.

9.5 Damage Notices. Each Party shall each promptly (no later than twenty-four (24) hours after an event described herein) notify the other Party of any matters pertaining to, or the occurrence (or impending occurrence) of, any event which has damaged or would be reasonably likely to damage any portion of the Pavlov System, or its functionality, insofar as such matter is known to such Party.

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

10. Insurance

10.1 Pavlov Insurance. During the Term, Pavlov shall maintain in full force and effect the following insurance coverage:

- a. A policy of comprehensive general liability insurance, including public liability, bodily injury, and property damage covering the construction, installation, operation, and use of the Pavlov System with combined single limits of no less than One Million Dollars (\$1,000,000.00) per occurrence, and Five Million Dollars (\$5,000,000.00) aggregate, with Ten Million Dollars (\$10,000,000.00) umbrella coverage;
- b. Motor vehicle insurance meeting the requirements of Texas law and covering every vehicle and driver involved in providing the services, in the following amounts:
 - (1) bodily injury liability with limits of \$500,000.00 each person and \$1,000,000.00 each accident;
 - (2) property damage liability with a limit of \$100,000 each accident; and
- c. Workers' Compensation insurance to meet the requirements of the Workers' Compensation laws of Texas where applicable.

The above required insurance policies shall (i) be written by companies licensed to do business in the State of Texas and having an AM Best Rating of A-NII, or equivalent from a recognized rating agency, (ii) except for the Worker's Compensation policy, be endorsed to name each Lake City, including their respective officers, employees, and agents, as Additional Insureds under such policies, (iii) be endorsed to waive subrogation against each Lake City, including their respective officers, employees, and agents; and (iv) be endorsed to require insurance policy required to be carried by or on behalf of Pavlov pursuant to this Agreement shall provide (and any certificate evidencing the existence of each such insurance policy shall certify) that such insurance policy shall not be canceled, non-renewed or coverage thereunder materially reduced unless the Lake Cities shall have received notice of cancellation, non-renewal or material reduction in coverage, in each such case (except for notice of cancellation due to non-payment of premiums) such notice to be sent to the Lake Cities not less than thirty (30) calendar days (or the maximum period of calendar days permitted under applicable law, if less than thirty (30) calendar days) prior to the effective date of such cancellation, non-renewal or material reduction in coverage, as applicable. If any insurance policy required to be carried by or on behalf of Pavlov pursuant to this Agreement is to be canceled due to non-payment of premiums, the requirements of the preceding sentence shall apply except that the notice shall be sent to the Lake Cities on the earliest possible date but, in no event, less than ten (10) calendar days prior to the effective date of such cancellation. Pavlov shall cause Certificates of Insurance evidencing such insurance coverage to be provided to the Lake Cities prior to commencement of installation of the Pavlov System and upon the renewal dates of such policies. Notwithstanding the provisions of this Section 10.1, the coverage limits for the comprehensive general liability insurance and the motor vehicle insurance shall never be less than twice the limits of liability per event applicable to each Lake City pursuant to the Texas Tort Claims Act (Chapter 101, Texas Civil Practices and Remedies Code, as amended).

10.2 Lake Cities Insurance. Following the Final Segment Acceptance Date, and throughout the Term, the Lake Cities shall procure and maintain in force, at its own expense, insurance coverage as required by Applicable Laws.

10.3 Contractor's Insurance. Pavlov shall require its contractors that are engaged in the work relating to construction and installation of the Pavlov System to purchase and maintain in full force and effect while engaged in work relating to installing the Pavlov System the types and limits of insurance described in Section 10.1, inclusive of the same endorsements required by Section 10.1. Such contractors shall be required to provide a certificate of insurance evidencing such required coverage and associated policy(ies) upon written request of one or more of the Lake Cities. Notwithstanding anything hereto to the contrary, nothing herein shall relieve Pavlov or any of Pavlov's contractors from procuring any insurance required by state law or an ordinance enacted by a Lake City while performing work within a public street or right of way or on property owned, leased, or otherwise controlled by a Lake City that is generally applicable to all contractors performing work at said locations.

11. Indemnification

Except as otherwise expressly provided in this Agreement, Pavlov and its employees, agents, Contractors, subcontractors or representatives shall exercise the rights and privileges hereunder at their sole risk and in consideration of this Agreement shall release, indemnify, protect, defend and save harmless the Lake Cities collectively and each Lake City individually, including their respective elected and appointed officials, officers, employees, representatives, and agents from and against any and all claims and demands whatsoever, including court costs and reasonable attorney's fees, by reason of damage to property and injury or death to persons, including payments made under any Workers' Compensation Law or under any plan for employees' disability and death benefits, which may relate to, arise out of or be caused, in whole or in part, by the acts, omissions or negligence of Pavlov or its employees, Contractors, or agents in connection with (i) the exercise of its rights and privileges hereunder, or (ii) the construction, installation, operation, maintenance, repair, restoration and removal of the Pavlov System. The provisions of this Section 11 shall survive the expiration or other termination of this Agreement.

12. Notice

Unless otherwise stated herein, all notices and other communications required or permitted under this Agreement shall be in writing and shall be given by United States first class mail, postage prepaid, registered or certified, return receipt requested, or by hand delivery (including by means of a professional messenger service or overnight mail) addressed as follows:

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

If to Corinth:

City of Corinth
Attn: City Manager
3300 Corinth Parkway
Corinth, Texas 76208

If to Hickory Creek:

Town of Hickory Creek
Attn: Town Administrator
1075 Ronald Reagan Ave.
Hickory Creek, Texas 75065

If to Lake Dallas:

City of Lake Dallas
Attn: City Manager
212 Main Street
Lake Dallas, TX 75065

If to Shady Shores:

Town of Shady Shores
Attn: Town Administrator
101 S. Shady Shores Road
Shady Shores, TX 76208

If to Pavlov for Administrative/Payment Notices:

Pavlov Media
PO Box 25
Champaign, Illinois 61824

If to Pavlov for Legal Notices

Pavlov Media, Inc.
601 N Country Fair Dr
Champaign, IL. 61821
Attn: Legal

Any such notice or other communication shall be deemed to be effective when actually received or refused. Any Party may, upon written notice to the other Parties, change the address to which future notices or other communications shall be sent.

13. Confidentiality

13.1 Generally. Each Party, including its agents and subcontractors, may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this Agreement. Unless clearly marked as confidential or exempt from disclosure under the Texas Public Information Act, Pavlov shall presume to be non-confidential all information received from the Lake Cities or to which it gains access pursuant to this Agreement. Unless clearly marked as confidential, the Lake Cities shall presume to be non-confidential all information received from Pavlov or to which it gains access pursuant to this Agreement. Notwithstanding anything to the contrary herein, no confidential data collected, maintained, or used in the course of performance of the Agreement shall be disseminated except as authorized by law or court order, either during the Term and for a period of five (5) years after expiration or earlier termination of this Agreement. Each Party will return or destroy (providing written certification of destruction) any and all data collected, maintained, created or used in the course of the performance or the Agreement, in whatever form it is maintained, promptly upon expiration or earlier termination of this Agreement or upon request of the disclosing Party. The foregoing confidentiality obligations, including without limitation, the obligation to return or destroy and provide written certificate of destruction of data, shall not apply to confidential data or information that is: (a) lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; (b) received in good faith from a third-party not subject to any confidentiality obligation to the disclosing Party; (c) publicly known through no breach of confidentiality

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

obligation by the receiving Party; (d) required to be retained by any Lake City pursuant to court order or state law, including without limitation, the Texas Public Information Act or records retention requirements applicable to Lake Cities; or (e) independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information. The provisions of this Section 13 shall survive expiration or other termination of this Agreement.

13.2 Application of Public Information Act.

- a. The Parties understand and acknowledge that information exchanged between or among one of more of the Parties may constitute “public information” as that phrase is defined in the Texas Public Information Act (Texas Government Code §§552.001 et. seq., or “**the Act**”) which may be subject to disclosure subject to a written request delivered to a Party pursuant to the Act.
- b. If a Lake City receives a request for public information pursuant to the Act (the “**PIA Request**”) which includes within its scope information which Pavlov has identified to be confidential in accordance with Section 13.1, the Lake City receiving the PIA Request shall notify Pavlov of such request in accordance with applicable provisions of the Act. Pavlov shall, at Pavlov’s cost, be solely responsible for asserting arguments to the Office of the Attorney General of the State of Texas pursuant to §552.305(b) of the Act regarding the reason(s) Pavlov’s information is exempt from disclosure to the public under the provisions of the Act and for filing any and all subsequent appeals relating to an opinion of the Texas Attorney General that requires disclosure of Pavlov’s information. Other than notifying Pavlov of the request for Pavlov’s confidential information as provided in §552.305(d) of the Act, the Lake City receiving the PIA Request may, but shall be under no obligation to, submit arguments to the Texas Attorney General relating to reasons Pavlov’s confidential information is exempt from required release to the public.
- c. If a Lake City receives a PIA Request which includes within its scope information which one or more of the Lake Cities has identified to be confidential in accordance with Section 13.1, the Lake City receiving the PIA Request shall notify Pavlov and the other Lake Cities of such request in accordance with applicable provisions of the Act. The Lake City that is the owner of such information shall, at said Lake City’s cost, be solely responsible for asserting arguments to the Office of the Attorney General of the State of Texas pursuant to §552.305(b) of the Act regarding the reason(s) the requested information is exempt from disclosure to the public under the provisions of the Act and for filing any and all subsequent appeals relating to an opinion of the Texas Attorney General that requires disclosure of such information. Other than notifying the Lake City that owns the information as provided in §552.305(d) of the Act, the Lake City receiving the PIA Request may, but shall be under no obligation to, submit arguments to the Texas Attorney General relating to reasons the requested information is exempt from required release to the public.
- d. In accordance with applicable provisions of the Act (including, but not limited to Section 551.371, et. seq. of the Act) and 2 CFR Part 200, Pavlov agrees that the Lake

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

Cities or other authorized representatives of the Lake Cities shall have access to, and the right to audit, examine, or reproduce, any and all records of Pavlov related to the performance under this Agreement. Pavlov shall retain all such records for a period of three (3) years after final payment on this Agreement or until all audit and litigation matters of which any one or more of the Lake Cities have brought to the attention of Pavlov are resolved, whichever is longer.

14. Miscellaneous

14.1 Non-waiver. Failure by any Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

14.2 Representations and Warranties. Each of the Parties represents and warrants that it has full authority to negotiate, execute, deliver and perform this Agreement, that this Agreement does not conflict with any other document or agreement to which it is a party or is bound, that the signatory below has been authorized to execute this Agreement, and that this Agreement is fully enforceable in accordance with its terms. Pavlov represents and warrants that it will pay: (a) all taxes and fees arising from its ownership and operation of the Pavlov System and (b) all fees, charges and costs relating to accessing public rights-of-way, railroad facilities, DART facilities, DCTA facilities and related facilities. The Lake Cities have no obligation to pay any of the taxes, fees, charges or costs described in this Section 14.2. A failure of Pavlov to pay applicable taxes and fees constitutes a material breach of this Agreement.

14.3 Contractors. Pavlov may use independent contractors, subcontractors, or other non-employees (each, a "**Contractor**") to perform any of Pavlov's obligations under this Agreement. Pavlov is fully responsible for all acts and omissions of its Contractors when such Contractors are acting on behalf of Pavlov and Pavlov's use of Contractors does not release Pavlov from any of its obligations or liabilities under this Agreement. Pavlov will promptly pay all costs billed by its Contractors. Pavlov assumes full responsibility and liability for all work performed by and any acts or omissions of any of its Contractors in the performance of this Agreement.

14.4 Assignment.

- a. **By Lake Cities.** Subject to Section 14.4.b., none of the Lake Cities may transfer or assign all or any part of its interest under this Agreement, or delegate any duties, burdens, or obligations arising hereunder, without Pavlov's consent which shall not be unreasonably withheld, delayed, or denied. -
- b. **Upon Termination or Event of Default.** Notwithstanding anything to the contrary in this Agreement but subject to the terms and conditions set forth in Section 3.2.d., if this Agreement is terminated based on an Event of Default by Pavlov, then, without Pavlov's consent: (i) title to all of the Segments located within the corporate boundaries of each Lake City will immediately and automatically transfer to the applicable Lake City, free and clear of all liens and other encumbrances, and (ii) the applicable Lake City may sell or lease the fiber constituting such Segments to a service provider other

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

than Pavlov; and (iii) during any period of time required to consummate the transactions described in subsections (i) and (ii), Pavlov will continue to operate the Pavlov System and deliver the Services to Customers contemplated in this Agreement.

- c. **By Pavlov.** Pavlov shall not have the right to assign or apportion its rights and obligations hereunder to a third-party without the prior written consent of the Lake Cities, which shall not be unreasonably withheld, delayed, or denied. If the Lake Cities consent to an assignment of this Agreement by Pavlov, Pavlov shall cause the assignee, licensee or third-party to agree in writing to comply with the terms of this Agreement applicable to Pavlov, and Pavlov will deliver to the Lake Cities a copy of such written agreement not later than seven (7) days after execution; provided, however, that Pavlov shall not be relieved of any liabilities or obligations hereunder and Pavlov will ensure, and will demonstrate to the Lake Cities' satisfaction, that the assignee, licensee or third-party has sufficient and adequate resources to undertake the obligations, responsibilities and liabilities of Pavlov under this Agreement.

14.5 Successors and Assigns. This Agreement shall extend to and bind the successors and assigns of the Parties hereto and shall run with title to the Pavlov System and each of the Segments.

14.6 Severability. Should any part of any paragraph or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any applicable law, the validity of the remaining paragraph or provisions shall not be impaired.

14.7 Applicable Law; Venue. The validity, interpretation and enforcement of this Agreement shall be governed by the laws of Texas without regard to conflict of law applications. Venue for any suit between or among the Parties arising from or related to this Agreement shall be in state court of competent jurisdiction in Denton County, Texas; provided, however, if the nature of the issues in the suit involve a question over which jurisdiction lies solely in federal court, venue for such suit shall be in the United States District Court for the Eastern District of Texas, Sherman Division.

14.8 Force Majeure. Despite anything to the contrary in this Agreement, no Party will be liable or in default under this Agreement for any delay or failure of performance resulting directly from anything not caused by and beyond the reasonable control of the non-performing Party (a "**Force Majeure Event**") including, but not limited to, acts of God; acts of civil or military authority; acts of a public enemy; war; severe weather, earthquakes, or floods; fires or explosions; governmental action or regulation (except obligations to obtain and to maintain appropriate approvals as required in this Agreement); epidemics or pandemics; or strikes, lockouts, or other work interruptions or labor shortages; supplier shortages. The time for performance of a Party hereunder shall be extended commensurate with the duration of the Force Majeure Event.

14.9 Neutral Interpretation. Each Party acknowledges and agrees that it has had a full and fair opportunity to read and review all the terms herein; that it has had a full and fair opportunity to have this Agreement reviewed by independent legal counsel, and that no provision of this Agreement is to be construed strictly, narrowly or against any Party on grounds of authorship or draftsmanship.

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

14.10 Headings. All headings used herein are strictly for the reference and convenience of the Parties and shall be treated or construed as having any effect on the terms or provisions of this Agreement or the interpretation thereof.

14.11 Recitals and Exhibits. All recitals and exhibits are incorporated hereto and made a part hereof.

14.12 Counterparts. This Agreement may be executed by the Parties in one or more identical counterparts, each of which shall be treated for all purposes as an original, and all of which together shall constitute one and the same agreement.

14.13 Entire Agreement. This Agreement constitutes the entire agreement between and among the Parties regarding the subject matter herein and supersedes all prior understandings, negotiations or other agreements, whether verbal or written.

14.14 No Modification or Amendment. This Agreement may not be modified or amended except by separate writing executed by all Parties, said separate writing then becoming part of this Agreement for all purposes.

14.15 Independent Contractor. The relationship between the Parties shall be that of independent contractors, and not as agent or principal, and no act or omission to act shall be construed to alter this relationship. Additionally, notwithstanding any term to the contrary within this Agreement, no act or omission to act on the part of a Lake City or of Pavlov shall be imputed to any other Lake City or to Pavlov. Each Lake City and Pavlov shall be liable for their own actions and omissions when performing obligations under the terms of this Agreement.

14.16 Additional Actions and Documents. Each of the Parties hereby agrees to take or cause to be taken such further actions, to execute, acknowledge, deliver and file or cause to be executed, acknowledged, delivered and filed, such further documents and instruments, and to use its best efforts to obtain such consents, as may be necessary or as may be reasonably requested to fully effectuate the purposes, terms and conditions of this Agreement, whether at or after the execution of this Agreement.

14.17 Time. If the last day permitted for the giving of any notice, or any time period hereunder, or the performance of any act required or permitted hereunder falls on a day that is not a business day, then the time for the giving of such notice, the expiration of the time period, or the performance of such act will be extended to the next succeeding business day.

14.18 Attorneys' Fees. In the event of any dispute hereunder or of any action to interpret or enforce this Agreement, any provision hereof or any matter arising hereunder, the Parties to such dispute shall be responsible for their respective costs and attorneys' fees.

14.19 Applicable Laws. This Agreement shall be subject to, and, in the performance of their respective obligations hereunder, each Party shall comply with, all applicable federal, state and local laws, rules, regulations, permits, licenses, approvals, consents, agreements, orders or other

requirements mandated by or entered into with any governmental authority (including, without limitation, any applicable rules and regulations of quasi-governmental and regulatory authorities with appropriate jurisdiction, the most current edition of the NESC, the most current edition of the NEC, and all additional requirements of the Texas Public Utilities Commission and of any applicable federal, state, county or municipal code in conjunction with the use and maintenance of manholes) (collectively, the “**Applicable Laws**”).

14.20 Prohibition on Boycotting Israel and Energy Companies; Prohibition of Discrimination against Firearm Entities and Firearm Trade Associations. Pavlov verifies that:

- a. Pavlov does not Boycott Israel and agrees that during the term of the Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended;
- b. Pavlov does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended; and
- c. Pavlov does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

14.21 Effective Date. This Agreement will be effective on the date (the “**Effective Date**”) (i) it bears the signatures of authorized representatives of Pavlov and every Lake City, whether on the same document or identical counterparts as authorized by Section 14.12 and (ii) Pavlov has prepared and signed a Form 1295 with the Texas Ethics Commission with respect to each Lake City, and such Form 1295 has been received and acknowledged by each Lake City, respectively.

14.22 Non-Appropriations. The Parties recognize that this Agreement shall commence upon the Effective Date and continue in full force and effect until termination in accordance with its provisions. The Parties further understand, acknowledge, and agree that the continuation of the Agreement with respect to each Lake City is dependent on the annual appropriation of funds by its governing body. If the governing body of a Lake City does not approve the appropriation of funds to pay any obligations pursuant to this Agreement for a future fiscal year, the Agreement as to that Lake City shall terminate at the end of the fiscal year for which funds were appropriated. That Lake City shall still be liable for all financial obligations the Lake City was responsible for under the terms of this Agreement through the end of the Term, and to perform such obligations that are otherwise required pursuant to termination of this Agreement.

14.23 Use of Current Funds. The Lake Cities Acknowledge the funds each will use for its financial obligations in this Agreement will primarily be sourced from federal funds authorized for broadband projects in the American Rescue Plan Act. Accounting and authorization for use of such funds will be done per applicable law and regulations. To the extent federal funds are not used or available; and this Agreement can be construed as an Interlocal Agreement by and among the Lake Cities, each Lake City paying for the performance of governmental functions or services pursuant

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

to this Agreement shall make those payments from current revenues available to the paying Lake City. The Lake Cities represent and agree that the payments required by this Agreement by the paying Lake City will fairly compensate the performing Party for the services or functions performed under this Agreement.

In confirmation of their consent and agreement to the terms and conditions contained in this Agreement and intending to be legally bound hereby, the Parties have executed this Agreement as of the dates set forth on the following pages.

(Signatures on following page)

City of Corinth Signature Page

CITY OF CORINTH, TEXAS

By: _____
Bill Heidemann, Mayor Date _____

By: _____
Lee Ann Bunselmeyer, Interim City Manager Date _____

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia A. Adams, City Attorney

Town of Shady Shores Signature Page

TOWN OF SHADY SHORES

By: _____
Cindy Aughinbaugh, Mayor

Date

By: _____
Wendy Withers, Town Administrator

Date

ATTEST:

City Secretary

APPROVED AS TO FORM:

James E. Shepherd, City Attorney

Town of Hickory Creek Signature Page

TOWN OF HICKORY CREEK, TEXAS:

By: _____
Lynn Clark, Mayor

Date

By: _____
John Smith, Town Manager

Date

ATTEST:

Kristi Rogers, City Secretary

APPROVED AS TO FORM:

Trey Sargent, City Attorney

City of Lake Dallas Signature Page

CITY OF LAKE DALLAS, TEXAS:

By: _____
Kandace Lesley, City Manager

_____ Date

ATTEST:

Codi Delcambre, City Secretary

APPROVED AS TO FORM:

Kevin B. Laughlin, City Attorney

Pavlov Signature Page

Pavlov Media, Inc.

By: 
Glenn Meyer
Title: President & Board Member

7-25-22
Date

EXHIBIT A

Map of Pavlov System

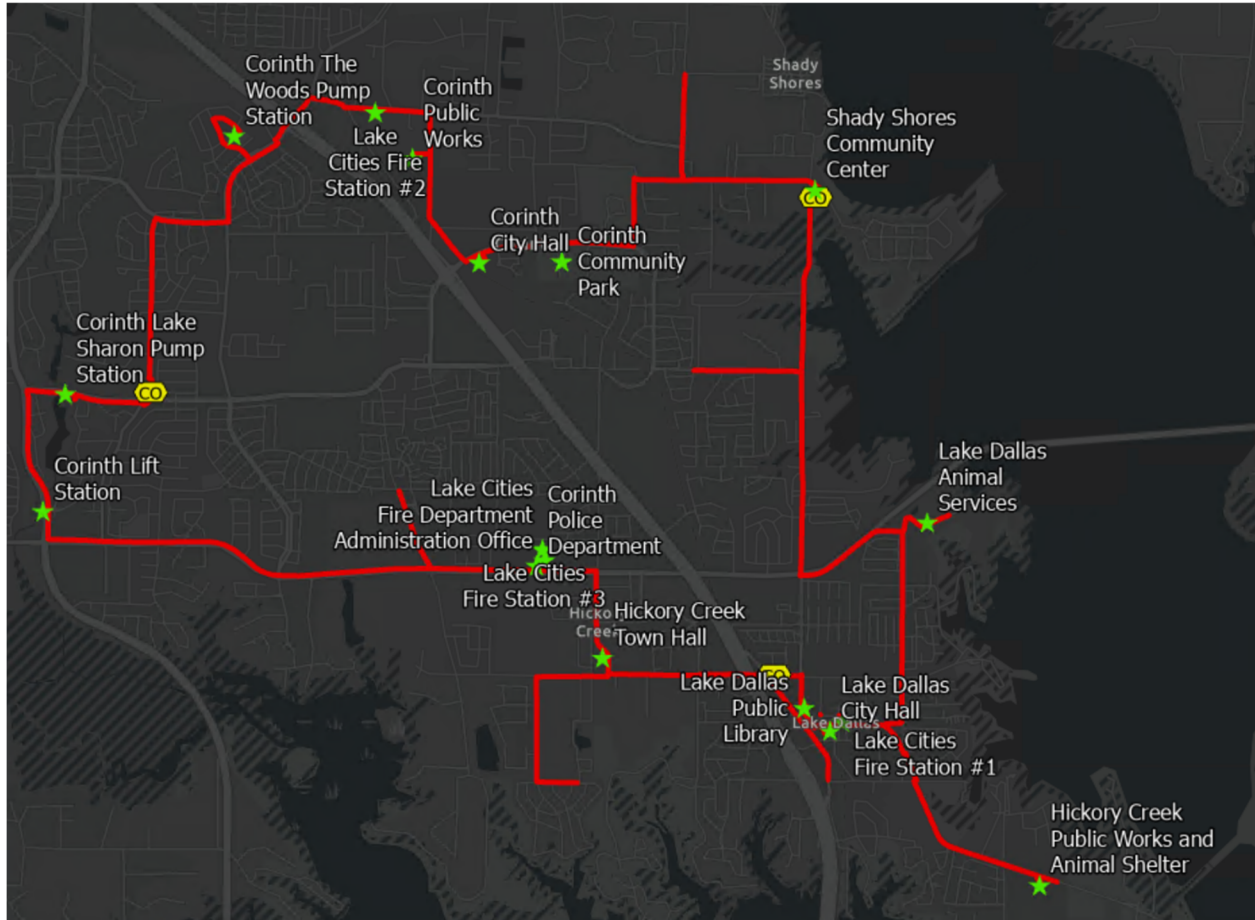


EXHIBIT B
Project Summary

1. Pavlov will construct a fiber ring of approximately 22 miles through and around the Lake Cities.
2. Pavlov will install three huts housing network electronics. The huts shall be approximately 150 square feet and be located on land of approximately 16 feet x 20 feet. The huts will be located at the Corinth Public Works building, the Shady Shores Municipal Center, and the Lake Dallas property at 207 W Hundley Road.
3. The routes between the three huts are Segments.
4. The northern Segment from the Corinth Public Works building to the Shady Shores Municipal Center is approximately 6.9 miles.
5. The eastern Segment from the Shady Shores Municipal Center to the Lake Dallas City Park is approximately 6.6 miles.
6. The southern and western Segment from the Lake Dallas City Park to the Corinth Public Works building is approximately 7.8 miles.
7. Conduit will extend throughout the entire length of the ring, connecting all huts and vaults.
8. A fiber optic cable with 288 strands will extend throughout the length of the ring.
9. 48 strands of the fiber optic cable will be reserved for the Lake Cities for use as detailed in this Agreement. The strands will be in four buffer tubes of 12 strands each.
10. All Lake Cities Government Locations in Exhibit C will have redundant and diverse sources of bandwidth so that any interruption of service in one part of the ring will result in rerouting traffic so as to not cause interruption of service to the Lake Cities Government Locations.
11. All strands leased under this Agreement will terminate in each of the huts and be readily available for service.
12. No fewer than 200 vaults will be located along the ring to provide additional access to the fiber strands leased to the Lake Cities for additional purposes as provided for under this Agreement.
13. The ring will be constructed so as to facilitate the building of a fiber to the home network throughout the Lake Cities.
14. The ring will be constructed to have the capacity for expansion as the Lake Cities grows.

EXHIBIT C
Initial List of Government Locations

Location	Address	Municipality
Corinth City Hall	3300 Corinth Parkway	Corinth
Corinth Community Park	3700 Corinth Parkway	Corinth
Corinth Lake Sharon Pump Station	1100 Lake Sharon Drive	Corinth
Corinth Lift Station	Barrell Strap Road	Corinth
Corinth Police Department	3501 FM 2181	Corinth
Corinth The Woods Pump Station	1200 Postwood Drive	Corinth
Lake Cities Fire Administration	3501 FM 2181	Corinth
Corinth Public Works	1200 N Corinth Parkway	Corinth
Lake Cities Fire Station #2	2700 Shady Shores Road	Corinth
Lake Cities Fire Station #3	3750 Cliff Oaks Drive	Corinth
Hickory Creek Public Works and Animal Shelter	970 Main Street	Hickory Creek
Hickory Creek Town Hall	1075 Ronald Reagan	Hickory Creek
Lake Cities Fire Station #1	275 Main Street	Lake Dallas
Lake Dallas Animal Services	687 N. Lakeview Drive	Lake Dallas
Lake Dallas City Hall	212 Main Street	Lake Dallas
Lake Dallas Library	302 S. Shady Shores Drive	Lake Dallas
Shady Shores Community Center	101 S. Shady Shores Drive	Shady Shores

Pavlov will install one Drop for each of the locations listed above, and Pavlov will terminate the fiber connection for each location at a fiber patch panel within a telecommunications room designated by a designated manager for each Government Location.

For each Government Location, each Lake City shall enter into a standard commercial Lit Services agreement with Pavlov detailing the services provided.

EXHIBIT D

Customer Service Standards (SLA)

- 99.9% uptime. Uptime shall not include periods of Scheduled Maintenance as identified in **Exhibit E** hereto.
- Latency: Connections to Pavlov’s colocation facility in Dallas will be in the 4-8 millisecond range.
- Individual service disruptions will be responded to within four hours and fixed within 48 hours.
- System wide disruptions will be fixed within 4 hours.
- Within the Fiber Optic Ring, latency will be under 1 millisecond. Pavlov’s oversubscription for the network will be no more than 32:1.

EXHIBIT E

Scheduled and Un-Scheduled Maintenance Specifications

A. Scheduled Maintenance shall include the following activities:

- (1) Patrol of Pavlov System route on a reasonable routine basis;
- (2) Maintenance of a "Call-Before-You-Dig" program and all required and related cable locates;
- (3) Maintenance and repair of signposts, interconnect cabinets and huts, regeneration facilities, and handholes (including handhole covers) along public rights-of-way;
- (4) Assignment of fiber maintenance employees or subcontractors to locations occupied by the Dark Fiber at intervals dependent upon terrain, accessibility, locate ticket volume, etc.
- (5) In the event that any Person is engaged in construction activities or otherwise conducting excavation within five (5) feet of any element of Pavlov System, Pavlov shall have qualified technicians on-site to monitor such activities; if any technician has reason to believe that such construction or excavation activity has damaged or will likely damage the Pavlov System, the technician will immediately report to the relevant Lake City describing the damage or risk of damage.

B. Unscheduled Maintenance shall include the following activities:

- (1) "Emergency Unscheduled Maintenance" in response to: alarm identification received from Pavlov's Communications Management Center ("**CMC**"); notification received from Lake Cities, any individual Lake City, or notification from any Person concerning an actual or potential failure, interruption or impairment of the operation of the Pavlov System, or actual or constructive knowledge of any event that is imminently likely to cause the failure, interruption or impairment in the operation of the Pavlov System;
- (2) "Non-Emergency Unscheduled Maintenance" in response to any event, condition or situation that is affecting or likely to affect operation of the Pavlov System. Promptly upon becoming aware of any such event, condition or situation, Lake Cities shall immediately report the same to Pavlov, whereupon Pavlov will log the time of the report, verify the problem and dispatch personnel immediately to take corrective action;
- (3) Operations Center. Pavlov shall operate and maintain a Communications Management Center ("**CMC**") capable of receiving Pavlov System alarms twenty-four (24) hours a day, seven (7) days a week. Pavlov's maintenance employees or subcontractors will be qualified technicians and will be available for dispatch twenty-four (24) hours a day, seven (7) days a week. With respect to any event or condition requiring Emergency

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

Unscheduled Maintenance, a Pavlov technician will be on-site within four (4) hours after the time Pavlov becomes aware of the event or condition, unless delayed by circumstances beyond Pavlov’s reasonable control. Pavlov shall maintain a toll-free telephone number to contact personnel at the CMC. Pavlov personnel shall dispatch maintenance and repair personnel to handle and repair problems detected in the Pavlov System;

(4) Cooperation and coordination.

The Lake Cities shall utilize an Escalation List, as updated from time to time, to report and seek immediate action on exceptions noted in the performance of Pavlov in meeting maintenance service objectives.

The Lake Cities will, as necessary, arrange for Pavlov technicians to have escorted access to the Government Locations listed in **Exhibit C**, subject to applicable contractual, underlying real property and other third-party limitations and restrictions.

(5) In performing the Maintenance Services as described herein, Pavlov will use workmanlike care to prevent any impairment of the Pavlov System and its operations. Pavlov shall reasonably cooperate with the Lake Cities in sharing information and analyzing any disturbances, events and conditions that affect the Pavlov System, including the Dark Fiber. If any Scheduled or Un-Scheduled Maintenance hereunder requires a traffic reconfiguration involving the Dark Fiber, electronic equipment, or regeneration or other facilities belonging to or administered by any one or more of the Lake Cities, then the affected Lake City(ies) shall, at Pavlov's reasonable request, make such personnel of the affected Lake City(ies) available as may be necessary in order to accomplish such maintenance, which personnel shall coordinate and cooperate with Pavlov in performing such maintenance as required;

(6) Pavlov shall notify Lake Cities not less than seven (7) days prior to the date of any Maintenance Window of any Scheduled Maintenance and as soon as possible after becoming aware of the need for Un-Scheduled Maintenance. Lake Cities shall have the right to have a representative present during the performance of any Scheduled Maintenance or Un-Scheduled Maintenance so long as this requirement does not interfere with Pavlov's ability to perform its obligations under this Agreement.

C. Facilities

(1) Pavlov shall maintain and repair the Pavlov System and all of its components including, without limitation, the Dark Fiber and the Drops in a good and workman like manner according to prevailing industry standards, in order that the Pavlov System may function smoothly and efficiently. in accordance with the Customer Service Standards (SLA) set forth in **Exhibit D**, and in accordance with the requirements of this **Exhibit E**, in the provision of Services as described in this Agreement.

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

- (2) Except as otherwise expressly provided in the Agreement, the Lake Cities will be solely responsible for providing and paying for any and all maintenance of all electronic, optronic and other equipment, materials and facilities used by the Lake Cities in connection with the operation of their Dark Fibers, none of which is included in the maintenance services to be provided hereunder.

D. Dark Fiber

- (1) Pavlov shall monitor, maintain utilize appropriate testing of the Dark Fiber in accordance with Pavlov's then-current preventative maintenance procedures as set forth in this Exhibit E, and at no time may Pavlov's maintenance or testing procedures fall below prevailing industry best practices;
- (2) Pavlov shall maintain sufficient capability to teleconference with the Lake Cities during any Un-Scheduled Maintenance activities for the purpose of keeping the Lake Cities well informed as to the progress of such activities. With respect to any Un-Scheduled Maintenance activity, Pavlov technicians will be on-site within four (4) hours after Pavlov is made aware of the need for Un-Scheduled Maintenance, and Pavlov will repair any damaged fiber within six (6) hours after the technicians' arrival at the site, provided that the Lake Cities understand and agree that any repairs so effected may be temporary in nature. If any repair solution is temporary in nature, Pavlov will immediately commence planning for permanent repair and will promptly notify the affected Lake Cities concerning Pavlov's plan for permanent repair.
- (3) If an event, condition or situation that requires Un-Scheduled Maintenance, Pavlov will, promptly upon arriving on the site, formulate a plan to restore the Pavlov System and shall begin restoration efforts. Pavlov shall splice fibers tube by tube or ribbon by ribbon in a logical order with consideration to all lit fibers within the system.
- (4) In performing permanent repairs, including the repair of micro-bends and splice work, Pavlov shall comply with the splicing specifications as set forth in Exhibit H and shall take all reasonable steps to ensure that attenuation across the zone of repair satisfies the specifications in Exhibit H. Pavlov shall provide to the Lake Cities any modifications to these specifications as may be necessary or appropriate in any particular instance for the Lake Cities' approval, which approval shall not be unreasonably withheld.
- (5) Pavlov's representatives that are responsible for initial restoration of a cut fiber optic Cable shall carry on their vehicles the typical appropriate equipment that would enable a temporary splice, with the objective of restoring operating capability in as little time as possible. Pavlov shall maintain and supply an inventory of spare fiber optic cable in storage facilities supplied and maintained by Pavlov at strategic locations to facilitate timely restoration.

EXHIBIT F

Services and Initial Rates

For Government Locations on the Government WAN: Lit Fiber/Lit Fiber Service/Managed Service monthly recurring rates for the Government WAN locations listed in **Exhibit C** are as follows:

A:	1Gbps	\$ 75.00
B:	5Gbps	\$250.00
C:	10Gbps	\$500.00

The services for the Lake Cities Government Locations for the first ten (10) years of the Term are included in the price of the IRU. The service for the first ten (10) years will be delivered at 5Gbps to each Government Location listed in **Exhibit C**. If the Lake Cities desire 10G service to any location in the first ten (10) years of the Initial Term, the cost of that service will be \$250/Month.

After the first ten (10) years of the Initial Term, if the Lake Cities desires to continue the Lit Fiber/Lit Fiber Service/Managed Service for any or all the faculties listed in **Exhibit C**, the Lake Cities shall be charged according to the same pricing schedule listed in this **For Government** section. After year ten (10), Pavlov may adjust rates according to the CPI.

For Non-Government:

For Residential (Download/Upload): Monthly Rates not to exceed:

100Mbps/25Mbps	\$ 35 (This rate is only available for those eligible for the Federal Affordable Connectivity Program)
1Gbps	\$ 70 to 90
2Gbps	\$125
5Gbps	\$200
10Gbps	\$250

For Commercial (Download/Upload):

150Mpgs/50Mbps	\$159
250Mpgs/100Mbps	\$225
1000Mpgs/500Mbps	\$375
2Gbps/2Gbps	\$895
4Gbps/4Gbps	\$1250

These rates for non-Government Locations are not to be exceeded for five (5) years after which Pavlov shall have the right to increase rates, but in no case more than once in any twelve (12) month period, and in no case may a rate increase exceed the increase in the then-current Consumer Price Index or four percent (4%), whichever is less.

EXHIBIT G

Construction Schedule

August 2022

Obtain Building permits for three huts
Final ring plan approved

September 2022

Lay pads for huts
Begin construction of ring

October 2022

Install huts

December 2022

Northern Ring Segment completed.
6 drops along northern segment completed
First 6 sites get service

March 2023

Eastern Ring Segment Completed
5 drops eastern segment completed
Next 5 sites get service

June 2023

Southern and Western Segment Completed
6 drops for southern and western segment completed
Final 6 sites get service

EXHIBIT H
Dark Fiber Specifications and Testing

Dark Fiber Specifications

All Dark Fiber must meet the following specifications:

- a. The maximum bi-directional average splice loss shall not exceed 0.15 dB.
- b. All splices shall be sealed in water-proof splice enclosures.
- c. Attenuation at 1310 nm= 0.37 dB/km max
- d. Attenuation at 1550 nm= 0.3 dB/km max
- e. Connector loss shall not exceed 0.5dB per connector
- f. Fiber will meet or exceed Coming Single Mode Fiber SMF-28 Specifications
- g. Event Reflectivity (Minimum ORL) should not exceed 27 dB

Dark Fiber Testing

Pavlov will test the Dark Fiber to ensure that it meets each of the specifications enumerated above. Testing will be conducted according to the following parameters:

- ✓ Non-destructive Attenuation Tests (end-to-end)
- ✓ Optical Time Domain Reflectometer Tests (OTDR)
- ✓ All fibers shall be tested bi-directionally at 1310 nm or 1550 nm, as applicable, with an OTDR
- ✓ Subsequent traces shall be inspected for end-to-end continuity and for uniform attenuation. These traces will be attached to an email or contained on a removable storage drive
- ✓ Optical Length: the OTDR will be used to determine the end-to-end optical length of the fiber
- ✓ Splice Loss: splice loss will be measured bi-directionally with an OTDR using the Splice Loss average method
- ✓ End-to-End Loss: Using a light source and a power meter, the bi-directional, connector-to-connector attenuation will be measured for each fiber at 1310 nm and 1550 nm, as

PAVLOV AGREEMENT- ACCEPTED UPDATED VERSION 07212022

applicable. The acceptance average attenuation per kilometer on a per span basis shall be the attenuation set forth in this Agreement

- ✓ The end-to-end value as measured by an industry-accepted laser source and power meter should have an attenuation rating of less than or equal to the following;
 - ✓ (1) At 1310 nm: $(0.37 \text{ dB/km} \times \text{km of Cable}) + (\text{number of connectors} \times 0.50) + (\text{number of splices} \times 0.10)$
 - ✓ (2) At 1550 nm: $(0.3 \text{ dB/km} \times \text{km of Cable}) + (\text{number of connectors} \times 0.50) + (\text{number of splices} \times 0.10)$
- ✓ Pavlov' loss/attenuation objective for each fiber optic splice is 0.10 dB (with a 0:15 upper limit) when measured in one direction with an OTDR test set (excluding connector loss, which is typically 0.50 dB per connector)
- ✓ (3) Out-of-Spec Testing. Test results outside the specifications listed above shall be noted but shall not preclude acceptance of a fiber if the out-of-spec condition does not affect transmission capability (based on use of then-prevailing telecommunications industry standards applicable to equipment generally used with the relevant type of fiber) or create a significant possibility of an outage.