AGENDA

1. CALL TO ORDER

*RC 2. ROLL CALL

3. ACCEPTANCE OF AGENDA

4. PRESENTATION
   Proposal to Purchase Approximately 3.67 Acres of MCC Real Estate, Mr. John Maguire,
   BMB Communications Management, LLC

5. OPEN FOR BOARD MEMBERS’ QUESTIONS

6. OPEN FOR PUBLIC COMMENT
   Three (3) minutes per person or less.

7. ADJOURNMENT

George Lowe
Chair
PURCHASE CONTRACT – TOWER SITE

THIS PURCHASE CONTRACT (the "Agreement") is made and entered into on ____________, 2009, by and between McHenry County College District 528 ("Seller") and BMB Communications Management, LLC ("Buyer"). In connection with the execution of this Agreement, (a) Buyer has provided Seller with documentary evidence that it is duly licensed to conduct business in the State of Illinois, and (b) Seller has provided Buyer with documentary evidence that this is a fully-approved and binding agreement of the Seller and that all necessary approvals by its board of trustees have been obtained.

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt, adequacy, and sufficiency which are hereby expressly acknowledged by the parties hereto, the parties hereto do hereby covenant and agree as follows:

1. Purchase and Sale of Site. Subject to and in accordance with the terms and provisions of this Agreement, Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, the real property described on Exhibit A attached hereto and all appurtenances and related mineral and/or water rights, if any, owned by Seller (collectively, the "Property"); together with a perpetual nonexclusive 30-foot wide vehicular access easement to Route 14. Said access easement shall traverse Seller’s privately owned Ring Road in such configuration as said Ring Road may, from time to time, be configured for vehicular access to the site from the most southerly entrance to the campus from Route 14. Ring Road shall be maintained by Seller. From Ring Road to the tower site being purchased, a non-exclusive vehicular access easement shall continue as a 30 foot wide driveway easement which Buyer shall construct and maintain at its own expense in the approximate location as depicted on Exhibit A as well as a temporary construction easement in the approximate location indicated on Exhibit A, which temporary easement shall automatically terminate when the tower commences its transmittal operations. The specific dimensions of the Property are as follows: 400 feet by 400 feet (approximately 3.67 acres, more or less) to be determined by survey. The area must be no less than 400 feet by 400 feet, together with such additional footage required so as to deliver a square parcel measured 400 feet by 400 feet together with whatever additional footage is east of the square to reach the Seller’s east slanted boundary line.

2. Purchase Price. Subject to adjustment and credits specified in this Agreement, the purchase price (the "Purchase Price") to be paid by Buyer to Seller for the Property shall be the current fair market value of the Property, as determined by an appraiser to be selected by Seller. The Purchase Price shall be paid by Buyer to Seller at the Closing by wire transfer of immediately available federal funds, subject to prorations, adjustments and credits as otherwise specified in this Agreement, provided that Buyer agrees to put $15,000.00 on deposit as earnest money within ten (10) business days after the date of this Agreement (pursuant to escrow instructions customary in the jurisdiction where the Property is located), all of which will be applied as a credit against the Purchase Price at Closing. The Buyer is purchasing the Property in connection with its development plan for a communications tower (the "Tower") to be constructed on the site. Under the
referenced development plan, the specific permits that the Buyer will need to process and acquire are summarized in Exhibit B attached hereto and will be processed at Buyer's expense. Buyer agrees that it will diligently and expeditiously seek to obtain all such permits.

(a) Charitable Contribution at Closing. As a condition for closing the sale of the Property to Buyer, as a part of the Closing, the Buyer shall pay a total amount of Six Million Dollars ($6,000,000.00), less the Purchase Price, above, as a charitable contribution to McHenry County College District No. 528 or to the Friends of McHenry County College Foundation, as the Seller may direct in writing at the Closing. The payment shall be made by wire transfer or immediately available federal funds. Seller acknowledges that it has been advised that Buyer will not close unless and until it has construction permits for four station subscribers, per Exhibit B, No. 10.

(b) Post-Closing Charitable Contribution. At a future date after Closing, Buyer shall contribute an additional One Million Dollars ($1,000,000.00) to a charitable recipient to be named by Seller (as in the above paragraph) at such time as Buyer obtains a fifth subscription. At the time when Buyer obtains the fifth subscriber, Buyer shall notify Seller in writing and pay the $1 million concurrent with Buyer's receipt of the subscription payment from the fifth subscriber. If Buyer fails to obtain a fifth subscriber on or before the fifth anniversary of the closing date, this obligation of Buyer to Seller will automatically terminate.

(c) As used in this contract the subscribers to the Tower shall be each radio station (FM and AM) and TV station which will operate from the Tower. Each will be deemed to be a "subscriber" at such time as it enters a license agreement with Buyer and pays the applicable connection fee to Buyer. If a certain subscriber pays a connection fee for both a TV and radio station, each will be counted as a separate subscriber.

3. No Seller Warranties; "As-Is" Condition. Buyer acknowledges and agrees that Seller has not made, does not make and specifically negates and disclaims any representations, warranties, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Property or any matter related thereto, including, without limitation, the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property, and compliance with any environmental protection, pollution, or land use laws, rules, regulation, orders or requirements. Buyer acknowledges and agrees that Buyer has or will have, prior to the final closing, inspected and examined the Property to the extent deemed necessary by Buyer in order to enable Buyer to evaluate the purchase of the Property. Buyer acknowledges and agrees that Buyer is relying upon the inspection, examination, and evaluation of the Property by Buyer, and if Buyer acquires the Property from Seller, Buyer acknowledges that it will have no claim against Seller by reason of the condition thereof and will be deemed to have accepted all risks associated with the Property. Nothing contained in this section shall limit the Seller's obligations under the Seller's Deed and/or other closing documents.
4. **Buyer's Inspection and Review Rights.**

(a) Buyer and its agents, engineers, or representatives, with Seller's reasonable, good faith cooperation, and after giving Seller reasonable advance notice and obtaining Seller's consent, shall have a license to go upon the Property as needed to inspect, examine, test, and survey the Property at all reasonable times. Buyer hereby agrees to hold Seller harmless from any liens, claims, liabilities, and damages incurred as a result of the Buyer's exercise of such license and/or its permitting activities described in Section 2 above, and Buyer further agrees to repair any damage to the Property caused by the exercise of such license. The Buyer will defend and indemnify from claims for mechanics liens caused by its acts or omissions under any circumstances, and such obligation will survive any termination of this Agreement. Before it commences any onsite activities pursuant to the foregoing license, Buyer also agrees to deliver to Seller an appropriate certificate of insurance evidencing that adequate liability coverage is in place and that Seller is protected against general liability claims arising out of the activities of Buyer and/or its contractors.

(b) In connection with the execution of this Agreement, the parties obtained and reviewed an updated title insurance commitment issued by a mutually acceptable title insurance agent (the "Title Agent") and survey for the Property. Exhibit C hereto contains the title exceptions which the Buyer approves for purposes of any closing hereunder.

(c) In the event the transaction described in this Agreement fails to close due to a default by the Buyer, all earnest money will be paid to and retained by Seller as its sole (liquidated) damages. In the event the transaction fails to close for any other reason, the earnest money will be refunded to Buyer.

5. **Closing.** The consummation of the sale of the Property (herein referred to as the "Closing") shall be held at 10:00 a.m., local time, on the 10th business day after the date on which all conditions to closing have been satisfied; provided, however, that Seller will have the right to terminate this Agreement on the 180th day after the date of this Agreement (the "Outside Closing Date") if closing conditions remain unresolved as of such date and the Buyer is unwilling or unable to close. The referenced termination right must be exercised in writing on the Outside Closing Date or within two (2) business days thereafter. The Closing shall take place through the concurrent delivery of Seller’s deed and other documents of title, the delivery of the title policy (or marked title commitment), and the payment of the Purchase Price. The parties expressly agree that the sale and escrow payments to Seller must be closed and handled in the State of Illinois through the office of the Title Agent.

6. **Closing Documents.** For and in consideration of, and as a condition precedent to, Buyer's delivery to Seller of the Purchase Price described in Paragraph 2 hereof, Seller shall deliver to Buyer at Closing the following documents, all of which shall be duly executed and acknowledged where required:
(a) **Special Warranty Deed.** A Special Warranty Deed conveying to Buyer the Property;

(b) **Closing Memorandum.** A Closing Memorandum in a form reasonably acceptable to Seller, in order to ensure that any default by Buyer will enable Seller to terminate the access easement.

(c) **Seller's Lien Affidavit.** A customary owner's lien and/or possession affidavit in the form required by the Title Agent;

(d) **Nonforeign Status Affidavit.** A customary affidavit satisfying the applicable requirements of the Internal Revenue Code regarding Seller's nonforeign status;

(e) **Settlement Statement.** A settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Buyer and Seller pursuant to this Agreement; and

(f) **Other Documents.** Such other documents as shall be reasonably required to consummate the transaction described in this Agreement.

7. **Closing Costs.** Seller shall pay its attorneys' fees, all expenses incurred in obtaining the title and other due diligence materials described in Paragraph 4(b), any transfer taxes and all other costs and expenses incurred by Seller in closing and consummating the purchase and sale of the Property. Buyer shall pay its attorneys' fees, all recording fees, all title insurance premiums associated with its title insurance policy and all other costs and expenses incurred by Buyer in closing and consummating the purchase and sale of the Property. Notwithstanding the foregoing, each party shall pay one half the closing fee charged by the Title Agent and normal prorations for current year taxes and/or other income or expenses associated with the Property will be included on the final closing statement (and all prorations shall be effective as of the closing date and shall be final as to both parties).

8. **Brokerage.** Each of the parties represents and warrants to the other that it has dealt with no broker in connection with the sale of the Property. Seller and Buyer each agree to indemnify and hold the other party harmless from any claim, loss or damage arising out of any compensation due or alleged to be due to any broker, finder or other person claiming engagement by such party or any other person claiming association or co-brokerage with any such person. This Paragraph 8 shall survive the Closing or any termination of this Agreement.

9. **Closing Conditions.** The obligation of Buyer to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions (any or all of which may be waived by Buyer):

(a) Seller shall have delivered to Buyer all of the items required to be delivered to Buyer pursuant to the terms of this Agreement.
(b) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing.

(c) Seller shall have delivered copies of all consents and approvals necessary for its performance, including the approval of the State College Board in Springfield.

(d) The Title Agent shall be unconditionally obligated to issue a title insurance policy to Buyer in the form approved by Buyer and a mortgagee's policy in a form acceptable to Buyer's mortgage lender, if applicable.

(e) No material changes or events with respect to the Property occur between the date of the contract and the date of the closing, including casualty or condemnation events (and if any such event occurs and Buyer proceeds to closing, any casualty, condemnation or similar proceeds will be assigned to Buyer).

(f) The Property shall have been rezoned and/or all other necessary approvals obtained as is reasonably acceptable to Buyer, and as necessary to allow the Property to be developed as a site for the Tower, and all applicable license agreements for Tower installations have been finalized.

To the extent closing conditions remain unresolved as of the Outside Closing Date and Buyer is unwilling or unable to close, Buyer will have three (3) consecutive options to extend the Outside Closing Date, each of which will be for a 180 day extension of the Outside Closing Date (or the last day of the prior extension period, as applicable). For each such extension exercised by the Buyer, Buyer will increase the earnest money deposit by $15,000. All such deposits will be credited against the Purchase Price at Closing.

10. **Seller's Default.** In the event of a default by the Seller under the terms of this Agreement which is not cured within ten (10) days after Seller receives written notice thereof from Buyer, at Buyer's option: (a) Buyer shall have the right to terminate this Agreement by giving written notice of such termination to Seller, whereupon Buyer and Seller shall have no further rights, obligations, or liabilities hereunder, except as may be expressly provided to the contrary herein; or (b) Buyer may elect to seek specific performance of this Agreement. This default provision will not apply to post-closing defaults. The rights and obligations of the parties with respect to post-closing defaults will be governed by the Closing Memorandum to be entered into pursuant to Section 6(b) hereof.

11. **Buyer's Default.** In the event of a default by the Buyer under the terms of this Agreement which is not cured within ten (10) days after Buyer receives written notice thereof from Seller, Seller's sole and exclusive remedy shall be to receive the sum of one percent of the Purchase Price as liquidated damages and thereafter the parties hereto shall have no further rights or obligations hereunder, except as may be expressly provided to the contrary herein. It is hereby agreed that Seller's damages in connection with any such
default will be difficult to ascertain and that the referenced amount constitutes a reasonable liquidation thereof and is intended not as a penalty, but as fully liquidated damages. This default provision will not apply to post-closing defaults. The rights and obligations of the parties with respect to post-closing defaults will be governed by the Closing Memorandum to be entered into pursuant to Section 6(b) hereof.

12. Miscellaneous.

(a) Assignment. Buyer's rights and duties under this Agreement are assignable without the prior written consent of Seller; provided that no assignment will release the Buyer from its obligations hereunder.

(b) Notices. Wherever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall be delivered by overnight courier, by hand, by telecopy (if transmission is confirmed by the transmitting machine), to the addresses set out below or at such other addresses as are specified by written notice delivered in accordance herewith:

SELLER: Walter Packard, President
McHenry County College District 528
8900 US Hwy 14
Crystal Lake, IL 60012
Facsimile No. (815) 479-7821

with a copy to: Sandra Kerrick
Caldwell, Berner & Caldwell, LLP
P. O. Box 1289
100½ Cass Street
Woodstock, IL 60098
Facsimile No. (815) 338-0015

PURCHASER: BMB Communications Management, LLC
6407 N.W. Grand Blvd.
Suite 207
Oklahoma City, OK 73116
Facsimile No. (405) 463-0546

with a copy to: Thomas C. Zanck
Zanck, Coen & Wright, P.C.
40 Brink Street
Crystal Lake, IL 60014
Facsimile No. (815) 459-8429

(c) Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules, and regulations. If any provision of this Agreement, or the application thereof to
any person or circumstance, shall, for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law. Under no circumstances, however, shall Seller be required to close the sale of the Property and grant the perpetual access easement without the Buyer's payment of the total amount of Six Million Dollars ($6,000,000.00) as described in Section 2(a) hereof at the Closing.

(d) **Confidentiality.** [intentionally deleted]

(e) **No Joint Venture.** Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third person to create a partnership or joint venture relationship, or any association between Buyer and Seller other than the specific contractual relationship described herein.

(f) **Forum Selection; Jurisdiction; Venue; Choice of Law.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Illinois. For purposes of any action or proceeding arising out of this Agreement, the parties hereto expressly submit to the jurisdiction of the State Circuit Court in McHenry County, Illinois.

(g) **General Provisions.** No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligation specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any amendment to this Agreement shall not be binding upon the parties hereto unless such amendment is in writing and executed by all parties hereto. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors, and assigns. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement. The headings inserted at the beginning of each paragraph are for convenience only, and do not add to or subtract from the meaning of the contents of each paragraph. This Agreement shall be construed and interpreted under the laws of the jurisdiction where the Property is located.

(h) In the event Seller defaults under the terms of this Contract, all earnest money shall be returned to the Buyer. In the event, Buyer terminates this Contract under the provisions of Paragraph 9(f) of this Contract and Seller is not in default thereunder, Seller shall receive $7,500.00 of the earnest money on deposit. The earnest money shall be deposited with a title company of Seller’s choice.
(i) **Construction Liability.** Prior to the construction of the tower and the initiation of construction of Buyer’s driveway, Buyer shall provide Seller a certificate of insurance evidencing the fact that general liability coverage is in place naming the Seller as an additional insured protecting the Seller against general liability claims arising out of the activities of the Buyer and/or its contractors during the construction phase in the amount of no less than $1,000,000, with a $5 million umbrella.

13. **Utilities** If sewer and water are required by the City of Crystal Lake for the improvements to the site, the Seller will allow the Buyer to hook up to the Seller’s sewer and water improvements at Buyer’s expense to fulfill the City’s requirements.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the day, month and year first shown above.

"SELLER": TRUSTEES OF MCHENRY COUNTY COLLEGE DISTRICT NO. 528

By: ________________________________

Chair of the Board of Trustees

By: ________________________________

Secretary of the Board of Trustees

"BUYER": BMB COMMUNICATIONS MANAGEMENT, LLC

By: ________________________________

Name:
Title:
EXHIBIT A

400 ft X 400 ft area as shown by drawing to be more formally defined by a survey conducted immediately after the execution of this document. When such survey and site location are mutually acceptable to both Buyer and Seller then said survey will replace this existing drawing. Together with appropriate easements across the adjacent property owned by the Seller as necessary to allow Buyer to implement its communication tower development plan.
EXHIBIT B

1- FAA Determination of no Hazard

2- Crystal Lake City Zoning and Platting, as required

3- National Environmental Protection Agency (NEPA) approval

4- State Historical Officer (SHPO) approval

5- All Tribal approvals

6- Any County or State Zoning approvals

7- FCC Antenna Registration approval

8- Soils Testing

9- Location of tower approved by both Seller and Buyer after completion of survey

10- FCC Construction Permits for at least 4 Tenants to move to the site
EXHIBIT C

ACCEPTABLE TITLE EXCEPTIONS

1. General taxes for the years 2008 and 2009

2. Utility easements


4. Easement rights set forth in the Agreement recorded December 12, 1910 in Book 113 of Mortgages, Page 589

5. Rights of the Crystal Lake Drainage District, if any

6. Rights of adjoining owners to the uninterrupted flow of any stream which may cross the premises

7. Rights of way for drainage, tiles, ditches, feeders, laterals and underground pipes, if any
Approximate Location of Proposed Land Sale

Approximate location of proposed land sale
(±3.67 acres, to be determined by survey)
## LLC FILE DETAIL REPORT

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(One Certificate per Transaction)

BACK TO CYBERDRIVEILLINOIS.COM HOME PAGE

Memo

To: Board of Trustees
From: Walt Packard
CC: Executive Council
Date: 2/13/2009
Re: Background Information provided by John Maguire

Attached is a report to John Maguire from Alan Kirschner of Kirschner Broadcast Services, LLC, regarding radio frequency power density for the proposed tower.
January 20, 2009

Mr. John S. Maguire
BMB Communications Management, LLC
6403 NW Grand Blvd
Suite 207
Oklahoma City, OK 73116

VIA: Email

Dear Mr. Maguire:

In response to your request regarding the operation of the proposed 1,500 foot tower in Crystal Lake, Illinois, I have calculated the predicted radio frequency power density to determine the effect, if any, this facility would have both on workers and the general public within the vicinity of this tower and I am also providing information regarding potential interference to sensitive electronic equipment and computers located on the campus of MCC.

I calculated the predicted radio frequency power density at 2 meters above ground level using the Federal Communications Commission's FM Model\(^1\). I based my calculations on five (5) FM radio stations utilizing a master antenna with a center of radiation of 1,476 feet (450 meters) above ground level. The effective radiated power of each of the five FM stations that are proposed for this antenna will not be greater than 6 kW\(^2\), therefore the total effective radiated power of the combination of all five stations will not be greater than 30 kW in both the horizontal and vertical planes. Attached as figure 1 is the graph that was produced using FM Model. As can be seen on this graph, the maximum power density is predicted to be 0.2502 µW/cm\(^2\) at a distance of 1,746 meters (5,726.9 feet) or over 1 mile from the base of the tower. The FCC has set a limit of 200 µW/cm\(^2\) for exposure of the general public (defined as the "controlled" limit) and a limit of 1,000 µW/cm\(^2\) for exposure of workers within the vicinity of the tower and antenna (defined as the "uncontrolled" limit). Therefore, the general public will be exposed to a limit of only 0.125% of the maximum the FCC allows for controlled areas and workers will only be exposed to a limit of 0.025% of the maximum the FCC allows for uncontrolled areas. As can be seen, the power density at ground level within the vicinity of the proposed tower will not create a health issue for any persons. Regarding workers who must climb the tower and do maintenance work in the vicinity of the

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\(^1\) The Federal Communications Commission's FM Model program can be downloaded at http://www.fcc.gov/oet/info/software/fmmodel/ should MCC wish to confirm my findings.

\(^2\) 1 kW = 1,000 watts.
antenna, the FCC requires that all stations reduce power or cease operation as necessary in order to protect workers from fields that exceed the maximum levels indicated above.

As regards to the proposed facility causing harmful interference to sensitive electronic equipment and computers on the campus of MCC (and potentially to other electronic devices in the general vicinity of the tower) it is not likely that there will be any interference to other electronic equipment. The effective radiated power of 30 kW and the height of the antenna above ground combine to produce a relatively small electronic field in the general vicinity of the tower. It is proposed to use a four (4) bay FM antenna with elements spaced .5 wavelength apart. This antenna was specifically chosen to reduce downward radiation so that interference would not be an issue. Attached as figure 2 is the vertical radiation pattern of an antenna similar to the one that is being proposed. Once the actual antenna has been designed, a vertical radiation pattern will be provided for approval. As can be seen on this graph, there will be very little radiation in the direction of -90 degrees, which represents the area around the base of the tower. As a practical matter, I routinely use sensitive electronic equipment at transmitter sites having fields far in excess of those being proposed for this location. This test equipment includes spectrum analyzers, oscilloscopes, etc. Additionally, I regularly use my laptop computer at transmitter sites and the facilities themselves use computers to control transmitters, provide audio programming, etc. with no adverse effects. As an example, BMB currently operates a multi-user FM radio communications site in Nevada that has a total effective radiated power of 279 kW with the antenna at only 167 feet above ground. This site has multiple computers operating within the building at the base of this tower with no adverse effects.

In addition to the information applied above, the FCC requires that new stations mitigate any interference complaints to radio receivers, television receivers and certain other devices that are located with the 115 dBu contour of the station for a period of one (1) year after the start of operations at no cost to the owner of the equipment and then for an additional period of one (1) year the station will be required to provide technical assistance to anyone receiving interference. This requirement is contained in 73.318 of the FCC’s Rules and Regulation. A copy of this rule is attached as figure 3 for reference.

This report was prepared using standard engineering practices used by the FCC. My qualifications as a broadcast engineer are a matter of record with the Federal Communications Commission. Please let me know if you need any further information or clarification.

Yours truly,

[Signature]

Alan D. Kirschner
Authorized Member
Kirschner Broadcast Services, LLC
BMB Letter of January 20, 2009
Figure 1

Federal Communications Commission FM Model

Effective Radiated Power = 30 kW Horizontal and Vertical
Antenna Type = ERI Rototiller EPA Type
Number of Bays = 4
Spacing Between Bays = .5 wavelengths
Radiation Center above Ground = 450 meters
Figure 2

**ERI® Vertical Plane Plot**

- Number of levels: 4
- System Gain: 1.307
- First Null @ -30.132°

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**Elevation angle in degrees**

- Wave length spacing: 0.5
- System Beam Tilt: 0°
- % First Null Fill: 0%

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§73.318 FM blanketing interference. - Areas adjacent to the transmitting antenna that receive a signal with a strength of 115 dBu (562 mV/m) or greater will be assumed to be blanketed. In determining the blanketed area, the 115 dBu contour is determined by calculating the inverse distance field using the effective radiated power of the maximum radiated lobe of the antenna without considering its vertical radiation pattern or height. For directional antennas, the effective radiated power in the pertinent bearing shall be used.

(a) The distance to the 115 dBu contour is determined using the following equation:
\[
D \text{ (in kilometers)} = 0.394 \times \sqrt{P} \\
D \text{ (in miles)} = 0.245 \times \sqrt{P}
\]
Where \( P \) is the maximum effective radiated power (ERP), measured in kilowatts, of the maximum radiated lobe.

(b) After January 1, 1985, permittees or licensees who either (1) commence program tests, or (2) replace their antennas, or (3) request facilities modifications and are issued a new construction permit must satisfy all complaints of blanketing interference which are received by the station during a one year period. The period begins with the commencement of program tests, or commencement of programming utilizing the new antenna. Resolution of complaints shall be at no cost to the complainant. These requirements specifically do not include interference complaints resulting from malfunctioning or mistuned receivers, improperly installed antenna systems, or the use of high gain antennas or antenna booster amplifiers. Mobile receivers and non-RF devices such as tape recorders or hi-fi amplifiers (phonographs) are also excluded.

(c) A permittee collocating with one or more existing stations and beginning program tests on or after January 1, 1985, must assume full financial responsibility for remedying new complaints of blanketing interference for a period of one year. Two or more permittees that concurrently collocate on or after January 1, 1985, shall assume shared responsibility for remedying blanketing complaints within the blanketing area unless an offending station can be readily determined and then that station shall assume full financial responsibility.

(d) Following the one year period of full financial obligation to satisfy blanketing complaints, licensees shall provide technical information or assistance to complainants on remedies for blanketing interference.
At the Board’s request, we have asked for a review of potential liabilities to the College from having a ±1500’ radio and television broadcasting tower adjacent to the College. This information is being prepared by Mr. Daniel C. Free, the College’s insurance consultant, who is general counsel for the Insurance Audit & Inspection Company.

We anticipate receiving his response prior to our Special Meeting next week. When we receive it, we will forward that letter to you and post it with the rest of the packet online.
February 17, 2009

Walter J. Packard, PhD
President
McHenry County College
8900 US Highway 14
Crystal Lake, IL 60012

Re: McHenry County College Liability Issues From Broadcasting Tower

Dear Dr. Packard:

Our firm has been asked to provide an opinion to the trustees of McHenry County College (MCC) regarding its exposure to loss or liability arising from the construction and operation of a broadcast tower that may be located on land currently owned by MCC, but which will be sold prior to the commencement of the construction.

We have received and studied a letter from your legal counsel, Sandra S. Kerrick, Esq., dated Tuesday, February 3rd, 2009 and spoken with her by telephone.

In her letter, she relates the facts surrounding the proposed sale of the parcel of land where the tower will be located and the financial arrangements relating to the sale. We are asked to give a general opinion about the exposures to loss or liability faced by MCC as a result of this transaction. Ms. Kerrick has also asked us to provide our thoughts on four specific exposures to loss or liability.

We begin with a few caveats. As you know, we have had lawyers on our staff for many years, but we are not a law firm engaged in the practice of law and we are not licensed to practice law in the state of Illinois. We are authorities on insurance and risk management and can offer insight as to whether a given type of loss or liability exposure would normally be covered by insurance. We defer to your legal counsel, as you should, on matters requiring legal interpretation.

A few other things are important to remember. First, anyone can sue anyone else for anything, regardless of whether the lawsuit is groundless, false, or fraudulent. Even if the suit is without merit, it will still need to be defended until there is a successful disposition. Second, whether insurance applies to a given cause of loss or exposure to liability is fact sensitive. With liability claims, the allegations contained in the underlying complaint for damages will help determine whether there is insurance coverage available.

A General Discussion

It appears to us that MCC has developed a excellent plan to minimize its exposure to liability associated with the proposed construction and operation of a broadcasting tower. MCC will not own the real estate
or the tower structure itself, or hold any type of mortgage or security interest in the land or the structure. MCC will not own any part of the company which will own the tower, the real estate or the structure. The construction cannot begin until the real estate is conveyed to the buyer. Once the real estate has been conveyed, MCC will have no further legal interest in the land or what the buyer chooses to do with it. However, MCC will grant an easement to the new owner so that it may gain access to the property. This is necessary because there is no public roadway which will allow the purchaser ingress to, or egress from, the sale property. Given the foregoing, it seems to us that the exposure to liability to MCC is extremely remote.

We have reviewed MCC's property insurance, covering its real and personal property against risks of direct physical loss or damage. We have also reviewed MCC's commercial general liability and umbrella liability policies, along with its management liability (Educators Legal) policy. We do not find specific exclusions or limitations in those policies which affect that protection that would be afforded to MCC for activities engaged in by an adjacent land owner.

We will now address the four specific areas outlined in Ms. Kerrick's letter.

2). Tower Collapse If the tower collapses in such a manner that there is damage to MCC buildings and/or contents, MCC's property insurance would cover the loss. If it is determined that the collapse resulted from some fault on the part of the contractor, MCC's insurers may seek to recover the amounts paid to MCC from the party at fault. As to liability, it is difficult to imagine a scenario where the collapse of a tower situated on land adjoining MCC's campus would somehow render MCC liable. However, if such a collapse were to occur, and cause bodily injury to someone on MCC's property, and the injured party claims that somehow MCC's negligence caused the injury, MCC's CGL and Umbrella policies would provide defense and indemnity if MCC was found to be liable, subject, of course, to normal policy terms and limitations.

This would be true for falling ice, windblown debris, and other hazards created by the proximity of the tower to the MCC campus.

3). Health/Electrical Interference This is a radio tower, not part of a power grid for distribution of electrical power, so we would not expect electromagnetic fields to be a factor. Since MCC will not own the land, or the tower, or generate any radio waves, we find it difficult to foresee how MCC could be liable to someone who alleges they sustained injury or damage resulting from the existence of radio waves in the atmosphere. Again, if someone were to make such a claim, MCC has a CGL policy and an Umbrella liability policy to protect it. If the claim involved an MCC employee, it would be submitted to the workers' compensation insurer. A word of caution here is that both the CGL and Umbrella policies contain pollution exclusions, which might be raised by the insurer.

4). Traffic Liability The operation of vehicles on campus, on the permanent easement, or elsewhere, is no different than if the easement did not exist. If injury or damage is caused by operation of a vehicle, the party at fault is responsible. If someone alleges that somehow MCC is responsible, MCC's liability insurance will respond. MCC could ask to be named as an additional insured on the auto policy of the landowner with respect to the permanent easement, but this is not absolutely necessary and creates an annual administrative burden in the collection of certificates.

5). Construction Accident The temporary easement granted to the landowner does create an increase in exposure because there will be activity taking place on MCC's land that did not exist before. Of course, MCC has its own insurance (again, CGL and Umbrella Liability), but this is a case where we want the landowner or his contractor to produce insurance that will protect MCC if MCC gets sued because of
something that happens as a result of the landowner or contractor's use of the easement. MCC should ask for the following: a). Proof of workers compensation, automobile, general liability and umbrella liability insurance; b). To be named as an additional insured on the general liability, automobile and umbrella policies, for any liability arising from the use of the easement, or ingress/egress to the site during the course of the construction; c). The insurance should be in force before the contractor starts the work, and should remain in force until the owner has signed off on the completed work and all workers, tools and equipment are off of the site; d). The insurance should be placed with companies authorized to do business in the state of Illinois and having a current A.M. Best rating of not less than A-. MCC should ask for Certificates of Insurance confirming the foregoing.

We think you should ask for a $5,000,000 umbrella policy above primary insurance. As always, the questions of how much insurance to carry cannot be answered with any certainty and contractors frequently assert that they cannot afford anything more than primary limits, (i.e. $1,000,000). However, this sounds like a pretty substantial project, and usually the additional insurance can be built into the project cost. All of the foregoing matters should probably be addressed at the time the temporary easement is to be negotiated. This is because, except for the granting of the temporary easement, we are not certain how MCC could compel any adjoining landowner to buy certain types and amounts of insurance.

Please feel free to call if you have any questions, or need any further elaboration.

Cordially,

Daniel C. Free, CPCU, ARM
President and General Counsel